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Q1-Q3 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2009 – 30 SEPTEMBER 2009

RESULTS (excluding Forstædernes Bank)

- The Group, excluding Forstædernes Bank, recorded a profit before tax of DKK 4,212m against a loss of DKK 281m in Q1-Q3/2008
- Robust growth in customer-oriented business
 - Core income from customer-oriented business increased by DKK 943m or 19% relative to Q1-Q3/2008
 - In Q1-Q3/2009, mortgage lending in nominal terms and bank lending grew by a total of DKK 52bn to DKK 1,020bn
- Costs as a percentage of core income from business operations declined from 70.7% in Q1-Q3/2008 to 63.7% in Q1-Q3/2009
 - Operating costs, depreciation and amortisation excluding special value adjustments went up by DKK 248m or 7.0%
- Impairment losses on loans and advances came to DKK 2,069m against DKK 123m in Q1-Q3/2008
 - Impairment losses on mortgage lending were DKK 1,077m, equal to 0.1% of lending
 - Nykredit Bank's impairment losses on loans and advances amounted to DKK 826m, excluding the government guarantee scheme, equal to 1.0% of lending
- Core income from securities amounted to DKK 686m compared with DKK 1,595m in Q1-Q3/2008
- The investment portfolio generated an income of DKK 3,985m against a loss of DKK 3,028m in Q1-Q3/2008.

FORSTÆDERNES BANK

- Impairment losses on loans and advances were DKK 3,851m in Q1-Q3/2009
- A critical revaluation of the provisioning need in Forstædernes Bank was made in Q3/2009, prompted by further deterioration of the business climate. Looking forward, the bank's loss level is expected to normalise.

RESULTS AND CAPITAL RESOURCES (including Forstædernes Bank)

- The Group, including Forstædernes Bank, recorded a profit before tax of DKK 474m and a profit after tax of DKK 286m
- The core capital ratio was 15.5% at the end of Q1-Q3/2009
- In early November, Nykredit issued new hybrid core capital in the amount of EUR 900m, which increased the core capital ratio to 17.7% at 30 September 2009. Against this backdrop, the application for a government contribution of hybrid core capital will be withdrawn.
- The Group's equity amounted to DKK 51.5bn.

2009 – OUTLOOK

Nykredit's core earnings before impairment losses are still expected to be in the region of DKK 2,400m-3,000m for the full year. Profit before tax, including Forstædernes Bank, for the full year is expected to be at the same level as at end-Q3/2009. However, the uncertainty associated with investment portfolio income and impairment losses on loans and advances alone is expected to amount to around DKK 1bn.

Peter Engberg Jensen, Group Chief Executive, says:

Nykredit posted a profit before tax of DKK 4.2bn excluding Forstædernes Bank and DKK 0.5bn including Forstædernes Bank.

- Nykredit's business growth is continuing within both banking and mortgage lending. Customer-oriented business was up 19% and lending for the period DKK 52bn.
- Impairment losses on loans and advances for Q3/2009 reflected a critical revaluation of loans in Forstædernes Bank prompted by the general deterioration of the business climate. The acquisition of Forstædernes Bank remains a strategically right move, but due to the deterioration of the business climate, the acquisition has been far more expensive than expected.
- Lower interest rates and tighter yield spreads have led to an all-time high investment portfolio income of DKK 4.1bn.

INFORMATION ABOUT THE NYKREDIT GROUP

Further information about the Nykredit Group is available at nykredit.com.

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Financial highlights

Forstædernes Bank has been included as from 17 October 2008

DKK million	The Nykredit Realkredit Group		
	Q1-Q3/2009	Q1-Q3/2008	FY 2008
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
Business operations	6,614	5,022	7,411
Kalvebod bonds ¹	53	(128)	(402)
Securities	681	1,595	2,239
Total	7,348	6,489	9,248
Operating costs, depreciation and amortisation, excluding special value adjustments	4,293	3,551	5,071
Operating costs, depreciation and amortisation – special value adjustments ²	722	68	338
Core earnings before impairment losses	2,333	2,870	3,839
Impairment losses on loans and advances – mortgage lending	1,077	18	416
Impairment losses on loans and advances – the Nykredit Bank Group	826	105	718
Impairment losses on loans and advances – Forstædernes Bank	3,781	-	246
Impairment losses on loans and advances – the government guarantee scheme	236	-	63
Core earnings after impairment losses	(3,587)	2,747	2,396
Investment portfolio income	4,061	(3,028)	(3,276)
Profit (loss) before tax	474	(281)	(880)
Tax	188	(108)	(185)
Profit (loss) for the period	286	(173)	(695)
Profit (loss) for the period excludes value adjustment of strategic equities against equity, totalling	838	(1,404)	(2,847)
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.09.2009	30.09.2008	31.12.2008
Assets			
Receivables from credit institutions and central banks	38,055	66,192	73,400
Mortgage loans at fair value	972,080	860,399	895,463
Bank loans – excluding reverse transactions	62,333	50,450	72,734
Bonds and equities	88,736	79,136	103,433
Other assets	81,032	47,424	73,097
Total assets	1,242,236	1,103,601	1,218,127
Liabilities and equity			
Payables to credit institutions and central banks	115,755	112,341	162,549
Deposits and other payables	63,486	34,026	61,177
Issued bonds at fair value	888,380	813,185	836,081
Subordinate loan capital – hybrid core capital	4,224	3,642	4,119
Subordinate loan capital – supplementary capital	4,777	3,725	4,860
Other liabilities	114,111	84,308	98,964
Equity	51,503	52,374	50,377
Total liabilities and equity	1,242,236	1,103,601	1,218,127
FINANCIAL HIGHLIGHTS			
Profit (loss) for the period as % of average equity pa	0.6	(0.3)	(1.3)
Core earnings before impairment losses as % of average equity pa	6.1	7.2	7.3
Core earnings after impairment losses as % of average equity pa	(9.4)	6.9	4.6
Costs as % of core income from business operations	64.9	70.7	68.4
Provisions for loan impairment and guarantees – excluding Forstædernes Bank	3,046	467	1,235
Provisions for loan impairment and guarantees – Forstædernes Bank	5,496	-	1,712
Impairment losses for the period, % – mortgage lending	0.1	0.0	0.0
Impairment losses for the period, % – Nykredit Bank ³	1.0	0.1	0.8
Impairment losses for the period, % – Forstædernes Bank ³	16.3	-	5.5
Capital adequacy ratio, %	16.8	17.0	14.7
Core capital ratio, %	15.5	16.1	13.5
Average number of full-time staff	4,543	3,888	4,507
¹ Includes value adjustment of the portfolio of subordinate loan capital in Danish banks.			
² Special value adjustments include value adjustment of staff benefits and owner-occupied properties, commission payable under the government guarantee scheme as well as costs of winding up Dansk Pantebevsningsbørs in bankruptcy.			
³ Excluding the government guarantee scheme.			

Q1–Q3 Interim Report 2009

THE NYKREDIT REALKREDIT GROUP RESULTS

Group profit before and after tax remain unchanged relative to the Preliminary Q1–Q3 Interim Report published on 20 October 2009.

The Group, excluding Forstædernes Bank, recorded a profit before tax of DKK 4,212m against a loss before tax of DKK 281m in Q1–Q3/2008. Including Forstædernes Bank, profit before tax came to DKK 474m.

Profit before tax reflects continued growth in customer-oriented business, rising impairment losses on loans and advances and very high investment portfolio income.

Growth in core income from customer-oriented business, excluding Forstædernes Bank, rose by DKK 943m or almost 19% relative to Q1–Q3/2008. The improvement in customer-oriented business was broad-based within banking and mortgage lending.

The Group reduced its cost:income ratio, excluding Forstædernes Bank, from 70.7% in

Q1–Q3/2008 to 63.7% in Q1–Q3/2009.

Group mortgage lending measured at nominal value and bank lending, excluding Forstædernes Bank, increased by DKK 52bn or 5.4% to DKK 1,020bn compared with the beginning of the year. Growth was significant within both retail lending (DKK 31bn) and commercial lending (DKK 21bn).

Group impairment losses on loans and advances, excluding Forstædernes Bank, came to DKK 1,903m in Q1–Q3/2009. To this came provisions of DKK 166m relating to the government guarantee scheme. Impairment losses on retail and commercial lending amounted to DKK 641m and DKK 1,262m, respectively. Impairment losses on loans and advances in Forstædernes Bank amounted to DKK 3,781m in the Consolidated Financial Statements. Further, provisions of DKK 70m relating to the government guarantee scheme were made.

Group impairment losses on loans and advances reflected the continued deterioration of the business climate and a consequent criti-

cal revaluation of the loan portfolio of Forstædernes Bank. Impairment losses on loans and advances in Forstædernes Bank chiefly derived from large property exposures in respect of which the Bank's security is weak based on second or third mortgages only.

Core income from securities, excluding Forstædernes Bank, was significantly lower due to the fall in Danmarks Nationalbank's repo rate. Investment portfolio income made a positive contribution to group results of DKK 3,985m.

Profit after tax, excluding Forstædernes Bank, was DKK 3,098m against a loss after tax of DKK 173m in the same period the year before. Including Forstædernes Bank, profit after tax came to DKK 286m.

Value adjustment of strategic equities, mainly in banks, against equity came to DKK 838m compared with a loss of DKK 1,404m at end-Q3/2008.

The earnings review below does not include Forstædernes Bank, which was acquired at 17 October 2008.

The Nykredit Realkredit Group

Core earnings and investment portfolio income

DKK million	Q1–Q3/2009 Incl Forstæderne s Bank	Q1–Q3/2009 Excl Forstæ- dernes Bank	Q1–Q3/2008 ³
Core income from			
- Business operations	6,614	5,965	5,022
- Kalvebod bonds ¹	53	53	(128)
- Securities	681	686	1,595
Total core income	7,348	6,704	6,489
Operating costs, depreciation and amortisation			
– excluding special value adjustments	4,293	3,799	3,551
Operating costs, depreciation and amortisation			
– special value adjustments ²	722	609	68
Core earnings before impairment losses	2,333	2,296	2,870
Impairment losses on loans and advances – mortgage lending	1,077	1,077	18
Impairment losses on loans and advances			
– the Nykredit Bank Group	826	826	105
Impairment losses on loans and advances – Forstædernes bank	3,781	-	-
Impairment losses on loans and advances			
– the government guarantee scheme	236	166	-
Core earnings after impairment losses	(3,587)	227	2,747
Investment portfolio income	4,061	3,985	(3,028)
Profit (loss) before tax	474	4,212	(281)
Tax	188	1,114	(108)
Profit (loss) for the period	286	3,098	(173)

¹ Includes value adjustment of the portfolio of subordinate loan capital in Danish banks.

² Special value adjustments include value adjustment of staff benefits and owner-occupied properties, commission payable under the government guarantee scheme as well as costs of winding up Dansk Pantebrevsbørs in bankruptcy.

Core earnings

Core income from business operations

The Group's core income from customer-oriented business was DKK 5,965m against DKK 5,022m in the same period the year before – up DKK 943m or 18.8%.

Core income from mortgage operations gained DKK 421m to DKK 3,641m. Gross new lending amounted to DKK 168bn in Q1–Q3/2009 against DKK 131bn in the same period the year before. Measured at nominal value, group mortgage lending was DKK 974bn at end-Q3/2009 against DKK 916bn at the beginning of the year, up DKK 58bn.

Nykredit Bank's customer-oriented business went up by DKK 463m in Q1–Q3/2009 to DKK 1,836m, equal to 34%. Growth was broad-based across all business areas. Nykredit Bank's lending fell in the period by DKK 5.6bn to DKK 45.3bn on account of lower demand for commercial loans and to some extent the refinancing of commercial loans, including bridge finance, into mortgage loans. Retail loans and advances increased by DKK 1.7bn to DKK 12.1bn. Deposits remained unchanged at DKK 46.5bn compared with the beginning of the year.

The Bank's portfolio of Kalvebod bonds generated income of DKK 53m in Q1-Q3/2009 against a loss of DKK 128m in the same period the year before.

Core income from insurance operations increased by DKK 78m to DKK 310m, mainly as a result of lower claims expenses. The combined ratio was 87.9%.

Reorganisation of Proprietary Trading

As part of the reorganisation prompted by the Group's "Strategy 2013", Proprietary Trading was integrated with the investment operations of the Parent Company at 31 August 2009. Proprietary Trading income for Q1-Q3/2009 has been reclassified as investment portfolio income in the Consolidated Financial Statements. Comparative figures have been restated.

Core income from securities

Core income from securities amounted to DKK 686m compared with DKK 1,595m in Q1-Q3/2008. The decline was mainly due to lower average money market rates at 1.45% against 4.59% in the same period the year before.

Core income from securities equals the return the Group would have obtained by placing its investment portfolios at a risk-free interest rate – Denmark's Nationalbank's repo rate. In addition, core income from securities includes net interest expenses relating to subordinate loan capital and the acquisition of Totalkredit – determined in relation to risk-free interest.

Operating costs, depreciation and amortisation, excl special value adjustments

The Group's costs excluding value adjustments and commission under the government guarantee scheme came to DKK 3,799m. Costs as a percentage of core income from business operations therefore declined from 70.7% in Q1-Q3/2008 to 63.7% in Q1-Q3/2009.

Group operating costs, depreciation and amortisation, excluding special value adjustments, rose by DKK 248m or 7.0% compared with Q1-Q3/2008. Group core income from customer-oriented business increased by DKK 943m or 18.8% in the same period.

Rising business activity, particularly in the banking area, over the past year was underpinned by staff growth in Commercial Customers, Markets & Asset Management and the IT area. The number of permanent staff increased by 265 in H2/2008, while Q1-Q3/2009 saw a minor drop in the number of staff.

Operating costs, depreciation and amortisation – special value adjustments

Under the IFRS rules, net value adjustment of assets and liabilities relating to Nykredit's pension settlement funds and certain staff schemes, etc must be carried under costs. To this should be added value adjustment of owner-occupied properties and in Q3/2009 expenses and provisions relating to Dansk Pantebrevsbørs in bankruptcy. The operating expense totalled DKK 346m against DKK 68m in the same period the year before.

Nykredit Bank paid commission of DKK 263m under the government guarantee scheme in Q1-Q3/2009.

Impairment losses on loans and advances

The Group's impairment losses on loans and advances came to DKK 2,069m against DKK 123m in Q1-Q3/2008. Of this amount, DKK 641m stemmed from the retail segment, with DKK 418m representing a rise in individual impairment provisions. Impairment losses on loans and advances to commercial customers came to DKK 1,192m. In addition, impairment losses in the form of provisions for guarantees under the government guarantee scheme and on exposures to the EBH Group totalled DKK 236m.

In Q1-Q3/2009, the Group's recognised losses on mortgage and bank lending rose to DKK 95m and DKK 114m, respectively, compared with a total loss of DKK 43m in the same period in 2008.

Nykredit Realkredit recorded impairment losses on loans and advances of DKK 638m against DKK 6m in Q1-Q3/2008, equivalent to 0.1% of lending. DKK 163m (0.1%) was attributable to retail customers against an income of DKK 25m in the same period in 2008. Impairment losses on loans and advances to commercial customers amounted to DKK 475m. The recognised loan losses for the period relating to retail and commercial customers totalled DKK 92m.

Impairment losses on loans and advances in Totalkredit amounted to DKK 425m, equal to 0.1% of lending, against DKK 10m in Q1-Q3/2008, which mainly reflected weaker economic trends in the form of rising arrears and lower market values.

Under the Totalkredit concept, recognised loan losses may subsequently be offset against future commission payments to the banks. In Q1-Q3/2009, DKK 9m was offset. If impairments are recognised as losses, about 50-75%

is expected to be offset against commission payable to the banks within the next 1-2 years.

Impairment losses on bank lending amounted to DKK 826m, corresponding to 1.0% of lending, against DKK 105m in Q1-Q3/2008. The increase was mainly attributable to higher impairment losses on commercial lending of DKK 688m. To this come additional provisions of DKK 166m under the government guarantee scheme.

Impairment losses in Nykredit Mægler (estate agency business) came to DKK 14m in Q1-Q3/2009.

Investment portfolio income

Group investment portfolio income amounted to DKK 3,985m compared with a loss of DKK 3,028m in Q1-Q3/2008.

The sizeable investment portfolio income in Q1-Q3/2009 was primarily an effect of declining interest rates and yield spread tightening between mortgage bonds and government bonds during the period.

Investment portfolio income is the excess income obtained from investing in equities, bonds and derivative financial instruments in addition to the risk-free interest. Price spreads and interest margins relating to the mortgage lending of Nykredit Realkredit and Totalkredit as well as the trading activities of Markets & Asset Management have not been included in the investment portfolio income, but as core income from business operations.

Nykredit's securities portfolio consists mainly of Danish and European mortgage bonds. Nykredit has also invested DKK 4.7bn in high-rated bank bonds. Most of the interest rate risk pertaining to the portfolio has been hedged through an offsetting sale of government bonds or by entering into interest rate swaps. Nykredit is thus exposed to the development in yield spreads between government bonds and primarily mortgage bonds as well as to general interest rate trends.

Owing to market trends, the investment portfolio income from bonds, liquidity and interest rate instruments was DKK 4,089m.

Nykredit has invested DKK 4.9bn in equities, of which strategic investments value adjusted against equity account for DKK 3.0bn. In Q1-Q3/2009, equities and equity instruments were value adjusted against profit or loss by a negative figure of DKK 104m, while value ad-

justment of equities against equity totalled DKK 838m.

Tax

Tax on profit for the period was calculated at DKK 1,114m excluding Forstædernes Bank and DKK 188m including Forstædernes Bank.

Financial risk

At 30 September 2009, group Value-at-Risk stood at DKK 177m with a 99% confidence interval over one day.

The Group's interest rate exposure in the event of a general interest rate change of 1 percentage point was DKK 777m. The equity price exposure in case of a general price decline of 10% was DKK 448m.

Subsidiaries

Totalkredit

Totalkredit recorded a profit before tax of DKK 803m against DKK 711m in the same period the year before. The improvement was generated by larger business volumes and high investment portfolio income. Results were adversely affected by increased impairment losses on loans and advances.

Nykredit Bank

The Nykredit Bank Group recorded a loss before tax of DKK 273m compared with a profit of DKK 250m in the same period the year before. Results were adversely affected by rising impairment losses on loans and advances of DKK 992m, commission under the government guarantee scheme of DKK 263m and expenses of DKK 183m relating to the winding up of Dansk Pantebrevsbørs A/S, leading to a total additional expense of about DKK 1.3bn compared with the same period in 2008.

Forstædernes Bank

Forstædernes Bank recorded a loss before tax of DKK 3,737m in Q1-Q3/2009.

Results were adversely affected by impairment losses of DKK 3,851m in the period after adjustment for provisions for loan impairment of DKK 406m made in the opening balance sheet on Nykredit's acquisition of the bank. A critical revaluation of the provisioning need relating to loans in Forstædernes Bank was made in Q3/2009, prompted by the deterioration of the business climate. The impairment losses chiefly derived from large property exposures in respect of which the Bank's security is weak based on second or third mortgages only.

Nykredit Forsikring (Insurer)

Nykredit Forsikring generated a profit before tax of DKK 218m against DKK 77m in the same period the year before. Results were affected by lower gross claims, which totalled DKK 654m against DKK 765m in Q1-Q3/2008.

The combined ratio, which is the sum of the gross claims ratio, the gross cost ratio and the net reinsurance ratio, amounted to 87.9% against 93.4% in 2008.

OUTLOOK FOR 2009

Nykredit still expects core earnings before impairment losses in the range of DKK 2,400m-3,000m.

Profit before tax, including Forstædernes Bank, for the full year is expected to be at the same level as at end-Q3/2009. However, the uncertainty associated with investment portfolio income and impairment losses on loans and advances alone is expected to amount to around DKK 1bn.

BUSINESS AREAS

Nykredit is organised into the business areas Retail Customers, Business Partners, Commercial Customers, Markets & Asset Management and, since 17 October 2008, Forstædernes Bank.

Group core earnings before impairment losses totalled DKK 2,333m against DKK 2,870m in Q1-Q3/2008.

In Q1-Q3/2009, mortgage lending rose from DKK 916bn to DKK 974bn in nominal terms. The Nykredit Group realised gross new lending of DKK 168bn against DKK 131bn in Q1-Q3/2008.

The Group's market share of gross new mortgage lending was 46.6% in Q1-Q3/2009 against 41.5% in the same period the year before.

Gross new private residential lending came to DKK 122bn against DKK 82bn in Q1-Q3/2008, equal to a market share of 49.7% compared with 47.6% in the same period the year before. Gross new commercial lending was DKK 46bn against DKK 49bn in Q1-Q3/2008.

Nykredit Bank's lending decreased by DKK 5.6bn to DKK 45.3bn in Q1-Q3/2009. Commercial lending accounted for a decline of DKK 7.3bn, which was attributable to lower demand for loans and to some extent the refinancing of bank loans, including bridge finance, into mortgage loans. Retail lending increased by almost DKK 1.4bn to DKK 11.7bn. Deposits remained unchanged at DKK 46bn compared with the beginning of the year.

Forstædernes Bank's lending totalled DKK 17.1bn against DKK 22.3bn at the beginning of the year. Deposits were DKK 17.4bn against DKK 14.7bn at the beginning of the year.

Nykredit Forsikring's insurance portfolio of DKK 1,412m showed a slight upward trend compared with the beginning of the year.

Nykredit Mægler saw a 22% downturn in turnover from 11,620 properties sold in Q1-Q3/2008 to 9,027 properties in Q1-Q3/2009.

Results by business area ¹⁾

DKK million	Retail Customers	Business Partners	Commercial Customers	Markets & Asset Management	Forstædernes Bank	Group items and eliminations	Total
Q1-Q3/2009							
Core income from business operations							
- Mortgage lending activities	1,094	1,062	1,442	-	-		3,598
- Banking and insurance activities	587	-	610	1,090	649	133 ²⁾	3,069
Total	1,681	1,062	2,052	1,090	649	133	6,667
Core income from securities	-	-	-			681	681
Operating costs	1,163	316	875	569	461	651	4,035
Commission under the government guarantee scheme	32	-	142	89	113	-	376
Depreciation of property, plant and equipment and amortisation of intangible assets	11	336	1	1	46	209	604
Core earnings before impairment losses	475	410	1,034	431	29	(46)	2,333
Impairment losses on loans and advances	210	431	1,259	3	3,781	236 ⁵⁾	5,920
Core earnings after impairment losses	265	(21)	(225)	428	(3,752)	(282)	(3,587)
Investment portfolio income ³⁾	-	-	-	-	-	4,061	4,061
Profit (loss) before tax for the period	265	(21)	(225)	428	(3,752)	3,779	474
Return							
Average business capital, DKKm ⁴⁾	4,076	7,528	12,124	2,852	2,368	3,308	32,256
Core earnings after impairment losses as % of average business capital	8.8	(0.4)	(2.5)	20.3	(214.2)	-	2.0
Q1-Q3/2008							
Core earnings after impairment losses	309	243	971	120	-	1,104	2,747
Return							
Average business capital, DKKm ⁴⁾	3,659	6,489	13,320	2,124	-	2,819	28,411
Core earnings after impairment losses as % of average business capital	11.4	5.1	9.9	7.6	-	-	13.1

¹⁾ Reference is made to note 2 in the Q1-Q3 financial statements for complete business area statements with comparative figures.

²⁾ Of which DKK 133m concerns the proportionate consolidation of JN Data (DKK 135m in 2008).

³⁾ Investment portfolio income includes a loss from investments in associates of DKK 4m in 2009 against a profit of DKK 125m in 2008.

⁴⁾ Statutory capital requirement (Pillar I and Pillar II) according to Basel II.

⁵⁾ Provisions for guarantees relating to the government guarantee scheme.

Results – Retail Customers

DKK million	Q1-Q3/2009	Q1-Q3/2008
Core income from business operations		
- Mortgage lending activities	1,094	942
- Banking and insurance activities	587	529
Total	1,681	1,471
Operating costs	1,163	1,164
Commission under the government guarantee scheme	32	-
Depreciation of property, plant and equipment and amortisation of intangible assets	11	12
Core earnings before impairment losses	475	295
Impairment losses on loans and advances	210	(14)
Core earnings after impairment losses	265	309

Business activities

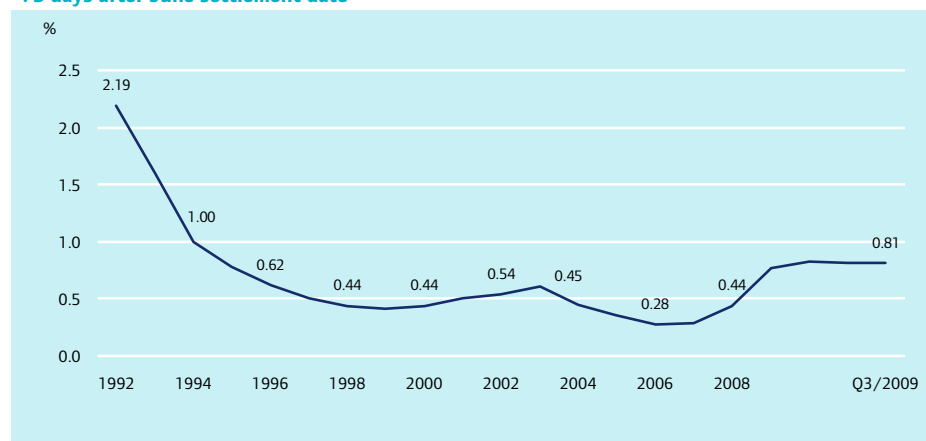
DKK million	2009	2008
Mortgage lending		
Gross new lending, Q1-Q3/2009*	29,367	17,561
Net new lending, Q1-Q3/2009*	7,437	3,225
Portfolio at nominal value, end of period	182,070	178,239
Impairment losses for the period as % of lending	0.09	(0.00)
Impairment provisions, end of period		
- Individual impairment provisions	103	13
- Collective impairment provisions	35	36
Accumulated impairment provisions, %, end of period	0.08	0.02
Portfolio of properties repossessed, end of period (properties)	68	47
Banking		
Loans and advances, end of period	11,723	10,360
Deposits, end of period	12,266	10,512
Impairment losses for the period as % of lending	0.33	0.02
Impairment provisions, end of period		
- Individual impairment provisions	57	27
- Collective impairment provisions	4	3
Accumulated impairment provisions, %, end of period	0.52	0.29
Guarantees, end of period ¹	5,488	4,285
Provisions for guarantees, end of period ¹	-	-
Insurance		
New policies written, Q1-Q3/2009*	170	179
Insurance portfolio, end of period	951	922

¹ Guarantees excluding the government guarantee scheme.

* For Q1-Q3/2009 and Q1-Q3/2008.

Other data determined at end-Q3/2009 and end-2008.

Arrears ratio, mortgage lending – 75 days after June settlement date



Retail Customers

The business area Retail Customers covers activities aimed at retail customers through Nykredit's own distribution channels and also serves the Group's part-time farming customers.

Activities

Measured at nominal value, mortgage lending rose by DKK 3.8bn to DKK 182bn at end-Q3/2009. Gross new lending was DKK 29.4bn against DKK 17.6bn in Q1-Q3/2008.

Bank lending went up by DKK 1.4bn to DKK 11.7bn at end-Q3/2009. Deposits rose by DKK 1.7bn from end-2008 to DKK 12.3bn at end-Q3/2009.

In Q1-Q3/2009, Nykredit gained nearly 14,000 new customers.

The insurance portfolio grew by DKK 29m in Q1-Q3/2009 to DKK 951m.

Results

Core earnings before impairment losses were DKK 475m against DKK 295m in Q1-Q3/2008.

Core income from business operations amounted to DKK 1,681m against DKK 1,471m in Q1-Q3/2008.

Operating costs were DKK 1,163m against DKK 1,164m in Q1-Q3/2008. In addition, commission under the government guarantee scheme came to DKK 32m in 2009.

Impairment losses on loans and advances rose, but remained relatively low at DKK 210m against a net income of DKK 14m in Q1-Q3/2008. Impairment losses for the period stood at 0.09% of mortgage lending and 0.33% of bank lending. Recognised losses on mortgage lending for the period were DKK 60m.

At end-Q3/2009, impairment provisions totalled DKK 199m against DKK 79m at the beginning of the year. Impairment provisions were DKK 138m for mortgage loans and DKK 61m for bank loans.

At the June settlement date, 75-day mortgage arrears as a percentage of mortgage payments due came to 0.81% against 0.82% at the March settlement date and 0.77% at the December 2008 settlement date.

Properties repossessed went up but remained low. Since early 2009, the Group has repossessed 106 properties and sold 85. At end-Q3/2009, the property portfolio stood at 68.

Business Partners

The business area Business Partners is responsible for further developing the Group's partnerships.

Business Partners coordinates the distribution of mortgage loans to retail customers under the Totalkredit brand through just below 100 Danish local and regional banks having more than 1,000 branches. To this should be added mortgage loans to retail customers abroad.

Activities

Measured at nominal value, mortgage lending rose by DKK 25.0bn to DKK 429bn. Gross new lending was DKK 92.5bn against DKK 64.5bn in Q1-Q3/2008.

Results

Core earnings before impairment losses came to DKK 410m against DKK 253m in Q1-Q3/2008.

Core income from business operations was DKK 1,062m against DKK 892m in Q1-Q3/2008.

Operating costs were DKK 316m against DKK 334m in Q1-Q3/2008.

Depreciation of property, plant and equipment and amortisation of intangible assets amounted to DKK 336m, of which DKK 335m related to distribution rights obtained in connection with Nykredit's acquisition of Totalkredit.

Impairment losses on loans and advances came to DKK 431m in Q1-Q3/2009 against DKK 10m in the same period last year. The increase was mainly attributable to a rise in individual impairment provisions of DKK 298m. Q1-Q3/2009 impairments accounted for 0.1% of lending. Recognised losses for the period amounted to DKK 13m, of which DKK 9m was offset against commission payable to partner banks.

Impairment losses in Totalkredit are subject to an agreement with the partner banks implying that recognised losses will be offset against future commission payments from Totalkredit. In Q1-Q3/2009, DKK 9m was offset. If impairments are recognised as losses, about 50-75% is expected to be offset against commission payable to the banks within the next 1-2 years.

Impairment provisions totalled DKK 472m at end-Q3/2009, of which individual impairment provisions accounted for DKK 320m.

At the June settlement date, 75-day mortgage arrears as a percentage of total mortgage payments due was 0.45% against 0.40% at the March settlement date and 0.30% at the December 2008 settlement date. The increase in arrears in Totalkredit not only reflects the deterioration of the business climate with rising unemployment, but also the fact that partner banks and Totalkredit have taken a new approach to handling arrears and potential arrears.

The number of repossessed properties was 13 at end-Q3/2009 against 4 at the beginning of the year. Since the beginning of the year, 24 properties have been repossessed and 15 sold.

Results – Business Partners

DKK million	Q1-Q3/2009	Q1-Q3/2008
Core income from business operations		
- Mortgage lending activities	1,062	892
Operating costs	316	334
Depreciation of property, plant and equipment and amortisation of intangible assets	336	305
Core earnings before impairment losses	410	253
Impairment losses on loans and advances	431	10
Core earnings after impairment losses	(21)	243

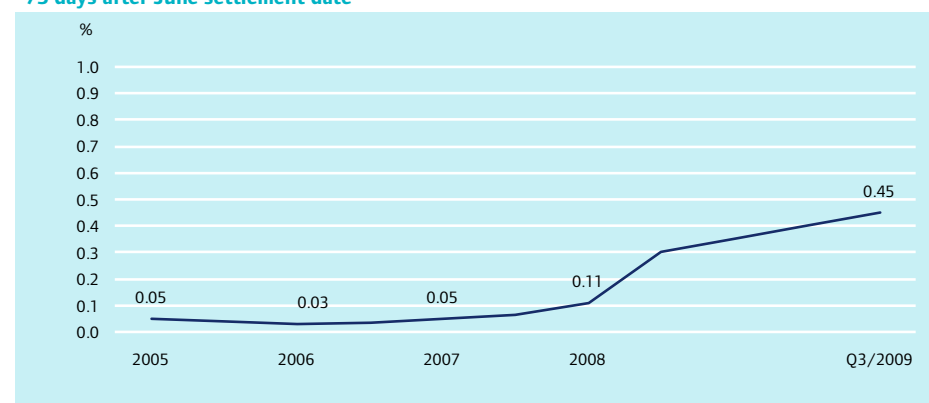
Business activities

DKK million	2009	2008
Mortgage lending		
- Gross new lending, Q1-Q3/2009*	92,534	64,508
- Net new lending, Q1-Q3/2009*	29,699	34,215
Portfolio at nominal value, end of period	429,135	404,090
Impairment losses as % of lending	0.10	0.00
Impairment provisions, end of period		
- Individual impairment provisions	320	22
- Collective impairment provisions	152	32
Accumulated impairment provisions, %, end of period	0.11	0.01
Portfolio of properties repossessed, end of period (properties)	13	4

* For Q1-Q3/2009 and Q1-Q3/2008.

Other data determined at end-Q3/2009 and end-2008.

Arrears ratio, mortgage lending – 75 days after June settlement date



Results – Commercial Customers

DKK million	Q1-Q3/2009	Q1-Q3/2008
Core income from business operations		
- Mortgage lending activities	1,442	1,273
- Banking and insurance activities	610	460
Total	2,052	1,733
Operating costs	875	633
Commission under the government guarantee scheme	142	-
Depreciation of property, plant and equipment and amortisation of intangible assets	1	2
Core earnings before impairment losses	1,034	1,098
Impairment losses on loans and advances	1,259	127
Of which impairment losses relating to the EBH Group	70	-
Core earnings after impairment losses	(225)	971

Business activities

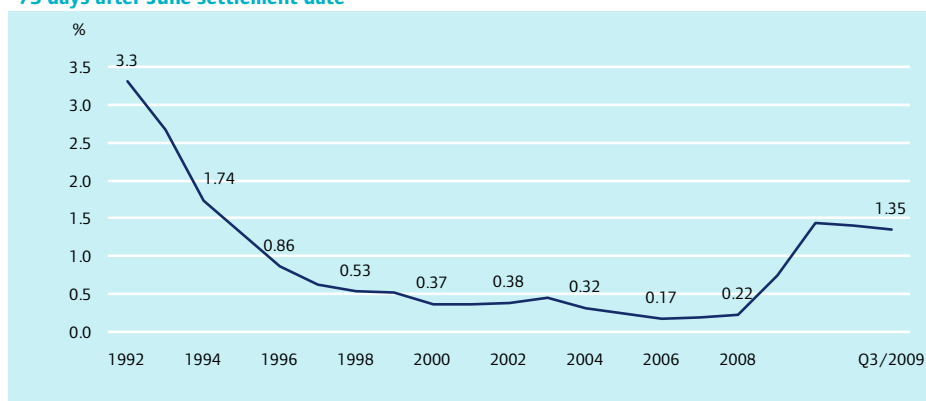
DKK million	2009	2008
Mortgage lending		
- Gross new lending, Q1-Q3/2009*	46,010	48,707
- Net new lending, Q1-Q3/2009*	33,764	31,382
Portfolio at nominal value, end of period	363,343	334,254
Impairment losses for the period as % of lending	0.13	0.00
Impairment provisions, end of period		
- Individual impairment provisions	496	168
- Collective impairment provisions	291	194
Accumulated impairment provisions, %, end of period	0.22	0.11
Portfolio of properties repossessed, end of period (properties)	31	6
Banking		
Loans and advances, end of period	33,151	40,536
Deposits, end of period	25,798	24,569
Impairment losses for the period as % of lending	2.37	0.14
Impairment provisions, end of period		
- Individual impairment provisions	1,241	554
- Collective impairment provisions	124	120
Accumulated impairment provisions, %, end of period	3.95	1.64
Guarantees, end of period ¹	5,176	9,362
Provisions for guarantees, end of period ¹	-	-
Insurance		
New policies written, Q3/2009*	53	57
Insurance portfolio, end of period	461	459

¹ Guarantees excluding the government guarantee scheme.

* For Q1-Q3/2009 and Q1-Q3/2008.

Other data determined at end-Q3/2009 and end-2008.

Arrears ratio, mortgage lending – 75 days after June settlement date



Commercial Customers

Commercial Customers comprises activities aimed at all types of businesses including the agricultural and rental housing segments. Rental housing includes non-profit housing, housing society dwellings and private rental housing.

Activities

The mortgage loan portfolio grew by DKK 29.1bn during the year to DKK 363bn at end-Q3/2009. Gross new lending was DKK 46.0bn against DKK 48.7bn in Q1-Q3/2008.

Bank lending declined from DKK 40.5bn to DKK 33.1bn at end-Q3/2009, due to lower demand for loans and to some extent the refinancing of bank loans, including bridge finance, into mortgage loans. Bank deposits rose by DKK 1.2bn to DKK 25.8bn at end-Q3/2009.

The insurance portfolio was unchanged at DKK 461m at end-Q3/2009.

Results

Core earnings before impairment losses were DKK 1,034m against DKK 1,098m in Q1-Q3/2008.

Core income from business operations came to DKK 2,052m against DKK 1,733m in Q1-Q3/2008.

Operating costs were DKK 875m against DKK 633m in Q1-Q3/2008. In Q3/2009, operating costs were affected by expenses and provisions of DKK 183m relating to Dansk Pantebrevsbørs in bankruptcy. Add to this the effect of recruitment in 2008 for the purpose of realising Nykredit's growth potential within Commercial Customers. Commission under the government guarantee scheme was DKK 142m in 2009.

Impairment losses on loans and advances were DKK 1,259m against DKK 127m in Q1-Q3/2008. Impairment losses for the period stood at 0.13% of mortgage lending and 2.37% of bank lending. Recognised losses on mortgage lending were DKK 31m in Q1-Q3/2009.

At end-Q3/2009, impairment provisions totalled DKK 2,152m against DKK 1,036m in early 2009. Impairment provisions were DKK 787m for mortgage loans and DKK 1,365m for bank loans.

At the June settlement date, 75-day mortgage arrears as a percentage of total mortgage payments due was 1.35% against 1.44% at the March settlement date and 0.75% at the December 2008 settlement date.

At end-Q3/2009, the property portfolio stood at 31 against 6 at the beginning of the year.

Results – Markets & Asset Management

DKK million	Q1-Q3/ 2009	Q1-Q3/2008
Core income from		
- Business operations	1,037	729
- Own trading activities	53	(128)
Total	1,090	601
Operating costs	570	481
Commission under the government guarantee scheme	89	-
Core earnings before impairment losses	431	120
Impairment losses on loans and advances	3	-
Core earnings after impairment losses	428	120

Markets & Asset Management

Markets & Asset Management handles the activities of the Group within trading in securities and other financial instruments, debt capital, asset management and pension products.

As part of the reorganisation prompted by the Group's "Strategy 2013", Proprietary Trading was integrated with the investment operations of the Parent Company at 31 August 2009. Proprietary Trading income for Q1-Q3/2009 has been reclassified from own trading activities to investment portfolio income. Comparative figures have been restated.

Markets & Asset Management posted core earnings after impairment losses of DKK 428m for Q1-Q3/2009 against DKK 120m for the same period in 2008.

Core income from business operations rose by DKK 308m to DKK 1,037m.

The rise of DKK 308m was attributable to increased income and business volumes in the majority of the business area's customer-oriented activities, with Nykredit Markets in particular showing steady progress, especially in Q1/2009 and Q2/2009. In addition, income from Nykredit Asset Management and Nykredit Portefølje Administration was above Q1-Q3/2008 levels.

Core income from the portfolio of subordinate loan capital in Danish banks – Kalvebod issues – rose markedly from a loss of DKK 128m in Q1-Q3/2008 to a profit of DKK 53m in 2009.

Operating costs increased by DKK 89m to DKK 570m, of which wages and salaries accounted for a rise of DKK 38m. In addition, commission under the government guarantee scheme came to DKK 89m.

Results – Forstædernes Bank

DKK million	Q1-Q3/2009	Q1-Q3/2008
Core income from business operations	649	666
Operating costs	461	478
Commission under the government guarantee scheme	113	-
Depreciation of property, plant and equipment and amortisation of intangible assets	52	33
- recognised in opening balance sheet	(6)	-
Core earnings before impairment losses	29	155
Impairment losses on loans and advances	4,187 ¹	175
Recognised in opening balance sheet	(406)	-
Core earnings after impairment losses	(3,752)	(20)

¹ Excluding provisions of DKK 70m relating to the government guarantee scheme.

Business activities

DKK million	2009	2008
Loans and advances, end of period	17,077	22,260
Deposits, end of period	17,403	14,704
Impairment losses for the period as % of lending ¹	22.14	5.52
Impairment provisions, end of period		
- Individual impairment provisions	4,430	1,598
- Collective impairment provisions	873	64
Accumulated impairment provisions, %	23.70	6.95
Guarantees, end of period ¹	3,299	5,116
Provisions for guarantees, end of period ¹	104	32

¹ Excluding the government guarantee scheme.

At end-Q3/2009 and end-2008.

Forstædernes Bank

The bank mainly focuses on commercial customers, investment, pension and asset management services.

Core income from business operations came to DKK 649m in Q1-Q3/2009 against DKK 666m in Q1-Q3/2008. The development reflects a positive trend in net interest income from business operations and a negative trend in trading income.

Operating costs were DKK 461m against DKK 478m in Q1-Q3/2008. Commission payable under the government guarantee scheme was DKK 113m.

Impairment losses on loans and advances for the period were DKK 3,781m after adjustment for provisions made in the opening balance sheet of DKK 406m on Nykredit's acquisition of the bank.

A critical revaluation of the provisioning need relating to loans was made in Q3/2009. The impairment losses chiefly derived from large property exposures in respect of which the Bank's security is weak based on second or third mortgages only.

To this should be added provisions relating to the government guarantee scheme of DKK 70m, recognised under "Group items".

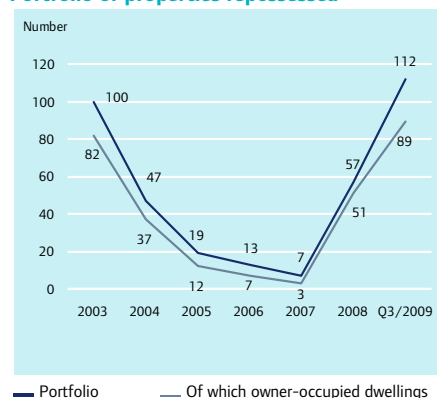
Q1-Q3/2009 impairments accounted for 22.14% of lending. Recognised losses for the period amounted to DKK 477m.

Lending

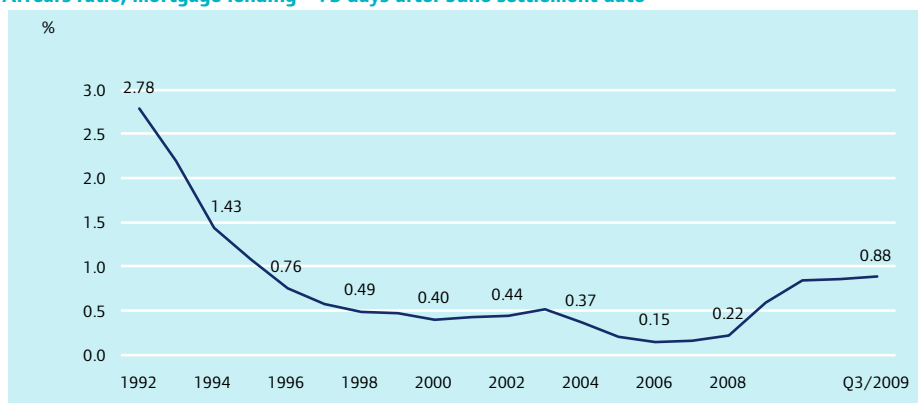
The Nykredit Realkredit Group Recognised mortgage loan losses



The Nykredit Realkredit Group Portfolio of properties repossessed



The Nykredit Realkredit Group Arrears ratio, mortgage lending – 75 days after June settlement date



The Nykredit Realkredit Group Provisions for mortgage loan impairment

DKK million			30.09.2009	31.12.2008
	Individual provisions	Collective provisions	Total provisions	Total provisions
Retail	423	187	610	102
Commercial	496	291	788	363
Total	919	478	1,397	465

The Nykredit Realkredit Group Mortgage debt outstanding relative to estimated property values

DKK million	LTV (loan-to-value)				Total	LTV, median
	0-40	40-60	60-80	Over 80		
Owner-occupied dwellings	376,671	130,838	71,863	19,658	599,031	31
Private rental housing	58,680	17,977	9,224	615	86,496	27
Industry and trades	20,186	4,812	1,303	227	26,528	23
Office and retail	63,510	16,447	3,478	222	83,658	24
Agriculture	79,802	13,706	2,750	695	96,952	20
Other	10,536	1,867	444	36	12,882	20

Note: The debts outstanding have been determined at fair value at 30 September 2009, and the projection of property values is based on data at 30 September 2009 supplied by the Association of Danish Mortgage Banks. The table allows for any financed costs. For example, a fully financed owner-occupied dwelling with financed costs of 2% will be placed in the "Over 80" category.

MORTGAGE LENDING

Group mortgage lending at fair value totalled DKK 972bn against DKK 895bn at the beginning of the year. Measured at nominal value, mortgage lending rose by DKK 58bn to DKK 974bn.

The security behind the mortgage loan portfolio remains substantial. Also, mortgage loans granted via Totalkredit are covered by set-off agreements, which means that Totalkredit may offset a significant part of the realised mortgage loan losses against future commission payments to the partner banks.

The LTV ratios of mortgage loans are shown in the table below with individual loans relative to estimated values of the individual properties at end-Q3/2009.

At end-Q3/2009, mortgage impairment provisions totalled DKK 1,397m against DKK 465m at the beginning of the year. Individual mortgage impairment provisions totalled DKK 919m against DKK 203m at the beginning of the year.

Impairment losses on mortgage loans (through profit or loss) for the period were DKK 1,063m, equal to 0.11% of total lending. Recognised net losses for the period amounted to DKK 95m against DKK 24m for the full year 2008.

At the June settlement date, group mortgage arrears as a percentage of total mortgage payments due came to 0.88%. By comparison, the arrears ratio was 0.22% at the same time the year before and 0.59% at the December 2008 settlement date.

During Q3/2009, the Group's portfolio of repossessed properties increased slightly. The Group repossessed 169 and sold 114 properties. The property portfolio counted 112 properties at end-Q3/2009 against 57 at the beginning of the year. Of the 112 properties, 89 were owner-occupied dwellings at end-Q3/2009.

BANK LENDING**Nykredit Bank A/S***Loan portfolio*

The Group's total bank exposures in the form of loans, advances and guarantees decreased by DKK 2.9bn in Q1-Q3/2009 to DKK 82.8bn.

Provisions for loan impairment totalled DKK 1,439m at end-Q3/2009, equal to a rise of DKK 725m relative to the beginning of the year. Including provisions for guarantees of DKK 210m, total provisions amounted to DKK 1,649m.

Individual impairment provisions rose from DKK 591m at end-2008 to DKK 1,308m. Of the rise, Corporate Banking accounted for DKK 687m and Retail Banking DKK 30m. The impairment provisions generally concerned a limited part of the Bank's loans and advances.

Compared with the beginning of the year, collective impairment provisions increased by DKK 8m to DKK 131m at 30 September 2009, of which DKK 124m was attributable to Corporate Banking.

Provisions for guarantees of DKK 210m at end-Q3/2009 related only to the government guarantee scheme.

Relative to total loans, advances and guarantees, provisions totalled 1.95% against 0.9% at end-2008. EBH-fonden and Dansk Pantebrevsbørs A/S accounted for DKK 382m of total provisions. Excluding these exposures, the provisioning rate was 1.5%.

Forstædernes Bank A/S*Loan portfolio*

The bank's total bank exposures in the form of loans, advances and guarantees decreased by DKK 7.1bn in Q1-Q3/2009 to DKK 21.3bn.

Provisions for loan impairment totalled DKK 5,303m at end-Q3/2009, equal to a rise of DKK 3,641m relative to the beginning of the year. Including provisions for guarantees of DKK 193m, total provisions amounted to DKK 5,496m.

During 2009, individual impairment provisions have risen by DKK 2,832m to DKK 4,430m at end-Q3/2009. The rise chiefly stemmed from commercial customers and was concentrated on a few relatively large exposures.

Collective impairment provisions came to DKK 873m at end-Q3/2009. The majority of the collective impairment provisions were attributable to commercial customers.

Of total provisions for guarantees of DKK 193m at end-Q3/2009, DKK 88m was attributable to the government guarantee scheme.

The Nykredit Bank Group**Loans, advances and guarantees by sector**

DKK million	30.09.2009	31.12.2008
Retail	16,804	15,408
Manufacturing	8,885	8,486
Property management and trade	13,483	18,382
Credit and finance	26,329	28,484
Other corporate	17,284	14,981
Total	82,785	85,741

The Nykredit Bank Group**Provisions for bank loan impairment and guarantees**

DKK million	30.09.2009			31.12.2008	
	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total impairment provisions
Retail	20	57	4	81	35
Other	190	1,251	127	1,568	735
Total	210	1,308	131	1,649	770

Forstædernes Bank A/S**Loans, advances and guarantees by sector**

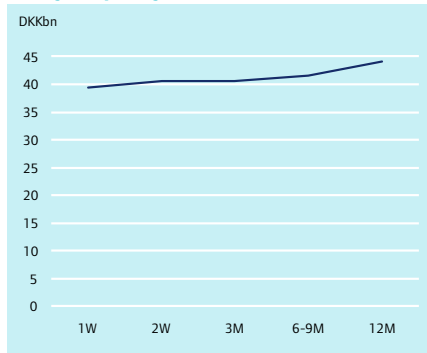
DKK million	30.09.2009	31.12.2008
Retail	5,085	5,798
Manufacturing	592	696
Property management and trade	6,912	10,040
Credit and finance	1,932	2,567
Other corporate	6,751	9,234
Total	21,272	28,335

Forstædernes Bank A/S**Provisions for bank loan impairment and guarantees**

DKK million	30.09.2009			31.12.2008	
	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total impairment provisions
Retail	-	176	5	181	156
Other	193	4,254	868	5,315	1,556
Total	193	4,430	873	5,496	1,712

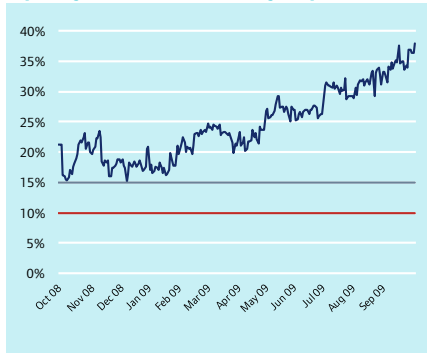
Liquidity

Nykredit Realkredit A/S and Totalkredit A/S Moody's liquidity curve



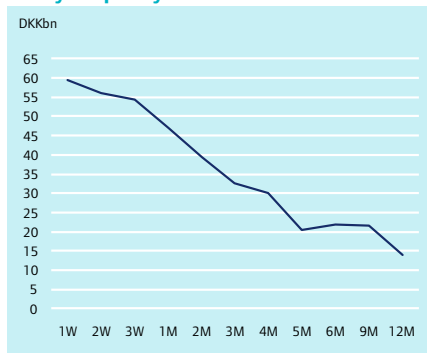
Note: Excluding investments in subsidiaries, subordinate loan capital with subsidiaries and funding by the issuance of junior covered bonds.

Nykredit Bank A/S Liquidity relative to statutory requirement



— Liquidity
— Nykredit Bank's internal requirement
— Statutory requirement

Nykredit Bank A/S Moody's liquidity curve



LIQUIDITY RISK

Mortgage activities, etc

Most of the Group's lending consists of mortgage loans funded by "realkreditobligationer" (ROs) and "særligt dækkede obligationer" (SDOs) (collectively referred to as covered bonds) in accordance with the match-funding principle. Mortgage lending and its funding are therefore liquidity neutral.

Nykredit's capital resources are mainly placed in a portfolio of listed bonds in addition to portfolio equities, strategic equities and subsidiary equities. By virtue of their large bond portfolios, mortgage banks are extremely liquid.

In its "Bank Financial Strength Ratings: Global Methodology" from February 2007, Moody's Investors Service has laid down a number of principles for requirements relating to the liquidity management of banks. In order to achieve the rating "Very Good Liquidity Management", the liquidity curve must be positive for a projected time span of 12 months. The liquidity of Nykredit Realkredit and Totalkredit is always positive due to eg match funding and the investment rules governing the statutory capital requirements.

The liquidity curves of Nykredit Realkredit and Totalkredit, Nykredit Bank and Forstædernes Bank illustrate that the Nykredit Group is extremely liquid.

Nykredit Bank

Nykredit Bank monitors its balance sheet and liquidity on a day-to-day basis. The Bank manages its balance sheet based on the liquidity of assets and liabilities. Securities not serving as collateral in the trading book constitute a short-term liquidity buffer that may be applied in the case of unforeseen claims on the Bank's liquidity.

The liquidity buffer averaged DKK 39.2bn in Q1-Q3/2009 against an average of DKK 13.0bn for the full year 2008 and DKK 7.4bn at 30 September 2008. At end-2008 the liquidity buffer stood at DKK 31.2bn.

To strengthen its liquidity, the Bank had issued notes of about DKK 40.8bn under its EMTN programme at end-September 2009 against about DKK 17.3bn at end-2008. Issues of DKK 18.2bn and DKK 22.6bn in 2009 have been made through the Bank's ECP and EMTN

programmes, respectively, at satisfactory spreads against swaps.

According to the Danish Financial Business Act, a bank's liquidity must be at least 10% of total reduced debt and guarantee obligations. Nykredit Bank uses an internal liquidity requirement of 15%. At 30 September 2009, the financial ratio "Excess cover:statutory liquidity requirements" was 279.9% against 146.1% at end-2008 and 79.6% at 30 September 2008.

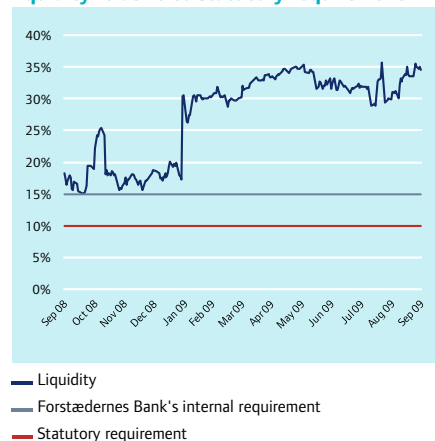
The management of the Bank's structural liquidity risk is based on an internal model.

The model assumptions are stress tested daily. This includes the effect of a liquidity crisis in the market which would increase the Bank's funding costs and reduce the liquidity of its assets.

Stress tests according to the principles of Moody's Investors Service's "Bank Financial Strength Ratings: Global Methodology" show that the Bank can withstand a 12-month lack of access to the funding market.

Forstædernes Bank A/S

Liquidity relative to statutory requirement



Forstædernes Bank

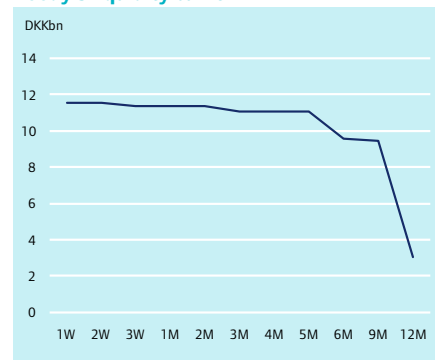
Forstædernes Bank coordinates its daily liquidity management and funding with Nykredit Bank, which is the bank's primary external funding source. The bank's external funding came to DKK 10.6bn at end-Q3/2009.

The excess liquidity cover averaged DKK 7.3bn in Q3/2009 and DKK 7.9bn at 30 September 2009.

Forstædernes Bank uses an internal liquidity requirement of 15% in line with Nykredit Bank. At end-Q3/2009 the financial ratio "Excess cover:statutory liquidity requirements" was 233% against 78% at end-2008 and 73% at end-Q3/2008.

Forstædernes Bank A/S

Moody's liquidity curve



The bank's liquidity is managed on a daily basis according to assessments of future liquidity levels, including assessments of different scenarios and stress tests, etc.

Forstædernes Bank's liquidity, determined according to the principles laid down in "Bank Financial Strength Ratings: Global Methodology" issued by the rating agency Moody's, is positive over a 12-month period. Forstædernes Bank can therefore withstand a 12-month lack of access to the funding market.

EQUITY AND CAPITAL ADEQUACY OF THE NYKREDIT REALKREDIT GROUP

Equity

Group equity, including recognition of profit for the period, stood at DKK 51.5bn at end-Q3/2009 compared with DKK 50.4bn at the beginning of the year.

In accordance with IAS 39, Nykredit has classified the Group's strategic equity investments as "available for sale" in its Consolidated Financial Statements.

The strategic equity investments include equities in a number of Danish local and regional banks. These equities are value adjusted against equity on a continuous basis. At end-Q3/2009, the value adjustment against equity in the Consolidated Financial Statements came to DKK 838m. The value of equities classified as available for sale totalled DKK 3,001m.

CAPITAL ADEQUACY

The Nykredit Realkredit Group

The Group's core capital ratio was 15.5%, while the capital adequacy ratio came to 16.8%.

The capital charge for credit risk is calculated on the basis of the most advanced IRB approaches for the bulk of the loan portfolio.

In 2009 a transitional rule applies to the effect that weighted items and the capital requirement may not decrease by more than 20% compared with the former rules.

According to the transitional rules, the capital requirement amounted to DKK 42.6bn, equal to a capital adequacy ratio of at least 13.4%.

Nykredit Realkredit A/S

Nykredit Realkredit A/S's core capital ratio was 15.6%, while the capital adequacy ratio came to 16.4%.

The capital charge for credit risk is calculated on the basis of the most advanced IRB approaches for the bulk of the loan portfolio.

In 2009 a transitional rule applies to the effect that weighted items and the capital requirement may not decrease by more than 20% compared with the former rules.

According to the transitional rules, the capital requirement amounted to DKK 29.7bn, equal to a capital adequacy ratio of at least 9.4%.

Changes in equity

DKK million	The Nykredit Realkredit Group		
	30.09.2009	30.09.2008	FY 2008
Equity, beginning of period	50,377	54,447	54,447
Profit (loss) for the period	286	(173)	(695)
Fair value adjustment of equities – available for sale	838	(1,404)	(2,847)
Dividend		(500)	(500)
Other adjustments	2	4	(28)
Equity, end of period	51,503	52,374	50,377

Capital base and capital adequacy

DKK million	The Nykredit Realkredit Group			Nykredit Realkredit A/S		
	Basel II 30.09.2009	Basel II 30.09.2008	Basel II 2008	Basel II 30.09.2009	Basel II 30.09.2008	Basel II 2008
Credit risk	22,502	21,068	22,475	23,281	21,492	22,184
Market risk	1,999	2,451	4,592	1,289	1,631	2,922
Operational risk	978	1,284	1,284	787	850	850
Total capital requirement before transitional rules	25,479	24,802	28,351	25,357	23,973	25,955
Total capital requirement after transitional rules ¹	42,634	42,680	47,700	29,672	29,750	32,736
Capital base	53,483	52,931	51,963	51,976	53,549	50,896
Core capital ratio, % ³	15.5	16.1	13.5	15.6	16.8	14.8
Capital adequacy ratio, %	16.8	17.0	14.7	16.4	17.8	15.7
Minimum capital adequacy ratio before transitional rules, %	8.0	8.0	8.0	8.0	8.0	8.0
Minimum capital adequacy ratio after transitional rules, % ²	13.4	13.7	13.5	9.4	9.9	10.1
Individual capital need (Pillar I and Pillar II), %	10.3	10.6	9.8	-	-	-
Total weighted items	318,488	310,031	354,385	316,959	299,657	324,443

¹ The capital requirement after transitional rules has been determined pursuant to the transitional rules of the Danish Executive Order on Capital Adequacy. As a minimum, the capital requirement for 2009 must amount to 80% of the capital requirement determined under Basel I compared with 90% for 2008.

² The minimum capital adequacy ratio after transitional rules has been determined as the capital requirement after transitional rules as % of risk-weighted items under Basel II. Accordingly, the minimum capital adequacy ratio reflects the capital adequacy requirement as a result of the transitional rules.

³ The core capital ratio has been determined on the basis of risk-weighted items of DKK 318,488m for the Nykredit Realkredit Group and DKK 316,959m for Nykredit Realkredit A/S, ie not using the transitional rules.

REQUIRED CAPITAL BASE AND CAPITAL NEED

Pursuant to the Danish Financial Business Act, it is the responsibility of the Board of Directors and Executive Board to ensure that Nykredit has the required capital base (capital adequacy). The required capital base is the minimum capital required in Management's opinion to cover all significant risk.

The required capital base may not be lower than the capital requirement as determined in accordance with the transitional rules for 2009 of the Danish Executive Order on Capital Adequacy – which is a minimum of 80% of the capital requirement under Basel I.

The capital need is calculated as the required capital base as a percentage of risk-weighted items.

The required capital base mirrors Nykredit's capital need in case of a deterioration of the economic climate in 2009–2010, equal to a slightly weaker scenario. A characteristic feature of mortgage banking is that it takes some time before a deterioration in the macroeconomic environment is reflected in higher loan

losses and arrears. The determination of the required capital base allows for this time lag.

Nykredit's calculation of the required capital base is based on the model calculations used in the determination of the capital requirement. However, a statistical confidence level of 99.97% is applied, equal to a Aa2–Aa3 rating. When calculating capital requirement and capital adequacy ratio, only a 99.9% confidence level is used. The confidence level reflects Nykredit's commitment to maintaining a high rating of the bonds issued.

No deductions are made for any diversification effect between the individual types of risk in the determination of the required capital base.

At Nykredit, the required capital base consists of two components, Pillar I and Pillar II.

PILLAR I

Pillar I capital covers credit, market, operational and insurance risk as well as risk relating to own properties.

PILLAR II

Pillar II capital covers other risks, a charge reflecting an elevated capital requirement during a slightly weaker economic climate and a charge reflecting model uncertainty.

The determination of other risks includes risk relating to investment properties and reputation risk, which are determined using own estimates as well as assessments of control risks, strategic risks, external risks, etc.

Charge for a slightly weaker economic climate

When the economic climate deteriorates, the capital requirement and Pillar I capital will increase as losses and arrears rise and property prices decline. The required capital base factors this in, just as it allows for any operating losses following a rise in loan impairments, etc by means of stress tests and scenario analyses.

As part of its capital policy, Nykredit updates its scenarios on an ongoing basis to ensure that they are up to date in relation to the current economic climate.

The most important macroeconomic assumptions applied to determine the charge for a slightly weaker economic climate are listed in the table below. This is not a forecast, but a projection reflecting a weaker economic climate.

Property prices and unemployment are the factors having the greatest impact on the projection of credit risk. In the scenario, property prices will continue to fall, and unemployment will rise. This will increase Nykredit's credit risk.

Charge for model uncertainty

Nykredit applies various models for calculating the capital requirement under both Pillar I and Pillar II. The capital requirement depends on the models and choice of confidence level. Pillar II therefore includes a charge reflecting a potential need for subsequent model adjustments. The charge represents 10% of the model-based capital requirement.

The Nykredit Realkredit Group

Required capital base and capital need

DKK million	30.09.2009	31.12.2008
Credit risk	19,675	19,985
Market risk	4,258	4,831
Operational risk	989	1,290
Insurance risk	595	631
Risk relating to own properties	144	137
Total Pillar I	25,661	26,874
Other risk	848	708
Charge for a slightly weaker economic climate	3,283	4,080
Charge for model uncertainty	2,979	3,166
Total Pillar II	7,110	7,954
Total required capital base	32,770	34,828
Total risk-weighted items	318,488	354,385
Individual capital need	10.3	9.8

Macroeconomic factors of a slightly weaker economic climate (Pillar II)¹

	2009	2010	2011
	Projected	Projected	Projected
GDP, growth, %	(4.1)	1.0	1.5
Interest rates, % ²	3.4	3.5	4.5
Property prices, growth, %	(12.7)	(3.7)	(1.7)
Unemployment, %	4.1	5.7	5.2

¹ At 30 September 2009.

² Average of 3-month money market rate and 10-year government bond yield.

In line with the capital charge required during a recession under Pillar II, stress tests and scenario analyses are used to determine the cyclical buffer. The macroeconomic scenario applied to a severe recession is considerably more negative than the scenario applied to a recession under Pillar II.

The calculations are based on the assumption that the current lending volume remains unchanged, irrespective of the weaker economic climate.

The cyclical buffer amounted to DKK 12.9bn at end-Q3/2009.

CAPITAL POLICY

Nykredit's objective is to be able to maintain its lending activities at an unchanged level regardless of economic trends.

Against this backdrop, Nykredit divides its equity of DKK 51.5bn into four elements:

- *Business capital* of DKK 32.8bn equal to the required Pillar I and Pillar II capital base. DKK 7.1bn has been reserved under Pillar II, equal to a slightly weaker economic climate.
- *Cyclical buffer* of DKK 12.9bn covering the expected rise in the capital adequacy requirement should the economic climate change to a severe recession. The calculation of the cyclical buffer is based on the same thorough stress test as under Pillar II.
- *Statutory capital deductions* relating to intangible assets etc of DKK 5.1bn.
- *Strategic capital* of DKK 0.7bn, the long-term capital maintained for strategic initiatives.

OTHER

Moody's downgrades ratings

Nykredit Realkredit

In September the rating agency Moody's Investors Service downgraded the following ratings of Nykredit Realkredit A/S by one notch: The long-term issuer rating to A1, the subordinate rating to A2 and the junior subordinate rating to A3, all with stable outlook.

Junior covered bonds

In September Moody's also announced that the rating (Aa2) of junior covered bonds issued out of Capital Centre E had been placed on review for possible downgrade. At the same time Moody's affirmed the ratings of Nykredit Realkredit's SDOs and ROs.

Moody's actions were expected, as Nykredit commercially aims for Aaa ratings of all significant SDO and RO issues, while the rating of junior covered bonds varies with the general issuer rating.

Management changes

Niels Tørslev, Group Managing Director, will retire at 30 November 2009, as he wishes to take up a new position outside the Nykredit Group on 1 December and because the implementation of Nykredit's new strategy and organisation – including the reassignment of Niels Tørslev's areas of responsibility – has now been completed. Niels Tørslev has been a group managing director of Nykredit since it acquired Totalkredit in 2003.

On 1 August 2009, Susanne Møller Nielsen joined the Board of Directors of Nykredit Realkredit A/S as a staff-elected member and the Boards of Directors of Foreningen Nykredit and Nykredit Holding A/S, also as a staff-elected member.

Lifelong Pension

In spring, the Danish government adopted a tax reform that contributions to annuity pension plans to DKK 100,000 annually. To meet customer needs, Nykredit has developed a new pension product, Nykredit Lifelong Pension (Livslang Pension), allowing unlimited contributions and continued tax deductibility.

Nykredit Lifelong Pension was established by Nykredit Livsforsikring, a subsidiary of the Topdanmark Group, which is a partner of Nykredit in the personal insurance area.

Tax case

Nykredit Realkredit is party to a pending tax case which the Danish tax authorities have ap-

pealed to the Danish High Court. If the High Court finds for Nykredit, deferred tax of DKK 147m will be recognised as income.

Uncertainty as to recognition and measurement

The measurement of certain assets and liabilities is based on accounting estimates made by Group Management. The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment, unlisted financial instruments and other provisions, see the mention in the Annual Report for 2008.

In Management's opinion, the uncertainty relating to the above-mentioned matters is insignificant to the Q1-Q3 Interim Report 2009.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

Nykredit issues Tier 1 hybrid core capital

In early November, Nykredit Realkredit A/S issued new hybrid core capital in the amount of EUR 900m.

With the addition of the subordinate loan, the Group's capital resources strengthened further, which resulted in a rise in the Group's core capital ratio to 17.7% and the capital adequacy ratio to 18.9% at 30 September 2009.

Against this backdrop, Nykredit will withdraw its application for a government contribution of hybrid core capital under the Danish bank rescue package II.

In the period up to the presentation of the Q1-Q3 Interim Report 2009, no other significant events have occurred.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD ON THE INTERIM REPORT

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January – 30 September 2009 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

The Consolidated Financial Statements have been presented in accordance with "IAS 34 Interim Financial Reporting" as adopted by the EU. The Interim Report of the Parent Company has been prepared in accordance with the Danish Financial Business Act.

Further, the Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the Q1-Q3 Interim Report gives a fair review of the development in the activities and financial circumstances of the Group and the Parent Company as well as a satisfactory description of the material risk and uncertainty factors affecting the Group and the Parent Company.

We are furthermore of the opinion that the Interim Report gives a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 September 2009 and of the results of the Group's and the Parent Company's activities as well as the Group's cash flows for the financial period 1 January – 30 September 2009.

Copenhagen, 5 November 2009

Executive Board

Peter Engberg Jensen,
Group Chief Executive

Kim Duus,
Group Managing Director

Søren Holm,
Group Managing Director

Karsten Knudsen,
Group Managing Director

Per Ladegaard,
Group Managing Director

Bente Overgaard,
Group Managing Director

Niels Tørslev,
Group Managing Director

Board of Directors

Steen E. Christensen,
Chairman

Hans Bang-Hansen,
Deputy Chairman

Steffen Kragh
Deputy Chairman

Kristian Benggaard

Michael Demsitz

Lisbeth Grimm

Allan Kristiansen

Susanne Møller Nielsen

Anders C. Obel

Erling Bech Poulsen

Nina Smith

Jens Thomsen

Jens Erik Udsen

Leif Vinther

Income statements for 1 January – 30 September

DKK million

Nykredit Realkredit A/S			Note	The Nykredit Realkredit Group	
Q3/2008	Q3/2009			Q3/2009	Q3/2008
30,639	31,250	Interest income	3	40,621	40,071
27,885	27,282	Interest expenses	4	32,386	34,491
2,754	3,969	NET INTEREST INCOME		8,235	5,580
94	43	Dividend on equities		60	101
557	654	Fee and commission income		1,482	969
154	188	Fee and commission expenses		1,123	951
3,251	4,477	NET INTEREST AND FEE INCOME		8,654	5,699
-	-	Net premiums earned		978	958
(3,963)	2,840	Value adjustments	5	2,194	(2,852)
48	59	Other operating income		247	254
-	-	Claims incurred, net of reinsurance		660	722
1,824	1,922	Staff and administrative expenses	6	3,847	3,164
387	438	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	7	605	452
4	0	Other operating expenses		425	6
6	638	Impairment losses on loans, advances and receivables	8	5,920	123
930	(2,381)	Profit (loss) from investments in associates and group enterprises	9	(142)	125
(1,954)	1,995	PROFIT (LOSS) BEFORE TAX		474	(281)
(377)	872	Tax	10	188	(108)
(1,577)	1,124	PROFIT (LOSS) FOR THE PERIOD		286	(173)

Statement of comprehensive income for 1 January – 30 September

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
Q3/2008	Q3/2009		Note	Q3/2009	Q3/2008
(1,577)	1,124	PROFIT (LOSS) FOR THE PERIOD		286	(173)
8	(15)	Foreign currency translation adjustment of foreign entities		(15)	8
		Accumulated foreign currency translation adjustment transferred to income statements			
-	18	on sale		18	-
-	-	Fair value adjustment of equities available for sale		838	(1,404)
-	(1)	Share of comprehensive income in associates and group enterprises		(1)	-
8	3	OTHER COMPREHENSIVE INCOME		840	(1,396)
(1,569)	1,126	COMPREHENSIVE INCOME FOR THE PERIOD		1,126	(1,569)

Balance sheets at 30 September

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2008	30.09.2009		Note	30.09.2009	31.12.2008
		ASSETS			
78	5	Cash balance and demand deposits with central banks		4,011	323
58,010	16,167	Receivables from credit institutions and central banks	11	34,045	73,077
820,662	898,406	Loans, advances and other receivables at fair value	12	999,404	920,430
722	698	Loans, advances and other receivables at amortised cost	13	63,331	73,755
65,564	52,242	Bonds at fair value	14	83,867	99,731
		Equities			
2,999	4,258	Equities measured at fair value through profit or loss		1,868	1,585
-	-	Equities available for sale		3,001	2,118
2,999	4,258	Total		4,869	3,702
168	150	Investments in associates		62	81
23,603	26,217	Investments in group enterprises		-	-
5,252	4,960	Intangible assets		5,028	5,332
		Land and buildings			
-	-	Investment properties		70	70
25	25	Owner-occupied properties		1,729	1,646
25	25	Total		1,799	1,716
188	196	Other property, plant and equipment		356	402
116	-	Current tax assets		1,575	415
818	837	Deferred tax assets		1,019	1,213
52	125	Assets in temporary possession		140	70
15,607	19,883	Other assets	15	42,461	37,673
144	168	Prepayments		268	207
994,008	1,024,339	TOTAL ASSETS		1,242,236	1,218,127

Balance sheets at 30 september

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2008	30.09.2009		Note	30.09.2009	31.12.2008
		LIABILITIES AND EQUITY			
100,911	84,041	Payables to credit institutions and central banks	16	115,755	162,549
-	-	Deposits and other payables	17	63,486	61,177
790,326	846,564	Issued bonds at fair value	18	888,380	836,081
138	146	Issued bonds at amortised cost	19	43,454	20,665
19,823	5,274	Other non-derivative financial liabilities at fair value		7,769	21,941
-	618	Current tax liabilities		926	72
23,667	27,249	Other liabilities	20	58,461	53,282
-	-	Deferred income		14	20
934,865	963,893	Total payables		1,178,246	1,155,787
		Provisions			
209	290	Provisions for pensions and similar obligations		308	232
851	843	Provisions for deferred tax		914	922
-	-	Insurance liabilities		1,582	1,594
102	108	Repayable reserves funded by pre-1972 series		108	102
-	-	Provisions for losses under guarantees		403	106
19	19	Other provisions		170	26
1,182	1,259	Total provisions		3,485	2,984
7,584	7,683	Subordinate loan capital	21	9,001	8,979
		Equity			
1,182	1,182	Share capital		1,182	1,182
		Accumulated changes in value			
5	5	- Revaluation reserves		141	141
-3	-	- Accumulated foreign currency translation adjustment of foreign entities		-	(3)
-	-	- Value adjustment of equities available for sale		1,662	(674)
		Other reserves			
2,844	162	- Statutory reserves		-	-
25,778	25,778	- Series reserves		25,778	25,778
20,572	24,376	Retained earnings		22,741	23,954
50,377	51,503	Total equity		51,503	50,377
994,008	1,024,339	TOTAL LIABILITIES AND EQUITY		1,242,236	1,218,127
		OFF-BALANCE SHEET ITEMS	22		
-	-	Contingent liabilities		8,298	8,905
1,577	1,560	Other commitments		10,447	10,601
1,577	1,560	TOTAL		18,745	19,506
		Related party transactions and balances	23		
		Five-year financial highlights	24		
		Seven-quarter financial highlights	25		
		Group structure	26		

Statement of changes in equity

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Statutory reserves *	Series reserves	Retained earnings	Proposed dividend	Total
2009								
Equity, 1 January	1,182	5	(3)	2,844	25,778	20,572	-	50,377
Dividend from associates	-	-	-	(13)	-	13	-	-
Adjustment relating to subsidiaries	-	-	-	(25)	-	25	-	-
Comprehensive income	-	-	3	(2,643)	-	3,766	-	1,126
Equity, 30 September	1,182	5	-	162	25,778	24,376	-	51,503
2008								
Equity, 1 January	1,182	89	15	3,435	24,258	24,969	500	54,447
Paid dividend	-	-	-	-	-	-	(500)	(500)
Adjustment pursuant to capital adequacy rules	-	-	-	-	1,520	(1,520)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	-	16	-	16
Adjustment relating to associates	-	-	-	6	-	(6)	-	-
Adjustment relating to subsidiaries	-	-	-	(3)	-	(2)	-	(5)
Reclassification	-	(85)	-	-	-	85	-	-
Comprehensive income	-	1	(18)	(594)	-	(2,970)	-	(3,581)
Equity, 31 December	1,182	5	(3)	2,844	25,778	20,572	-	50,377

* The item relates to transfer to reserves for net revaluation according to the equity method. The reserves are non-distributable.

The share capital is divided into shares of DKK 100.00 and multiples thereof. Nykredit Realkredit A/S has only one class of shares, and all the shares confer the same rights on shareholders.

Statement of changes in equity

DKK million

The Nykredit Realkredit Group

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Accumulated value adjustment of equities available for sale	Series reserves	Retained earnings	Proposed dividend	Total
2009								
Equity, 1 January	1,182	141	(3)	(674)	25,778	23,954	-	50,377
Reclassification of adjustment of equities available for sale ¹	-	-	-	1,498	-	(1,498)	-	-
Comprehensive income	-	-	3	838	-	285	-	1,126
Equity, 30 September	1,182	141	-	1,662	25,778	22,741	-	51,503
2008								
Equity, 1 January	1,182	247	15	2,173	24,258	26,072	500	54,447
Paid dividend	-	-	-	-	-	-	(500)	(500)
Adjustment pursuant to capital adequacy rules	-	-	-	-	1,520	(1,520)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	-	16	-	16
Other adjustments	-	-	-	-	-	(5)	-	(5)
Reclassification	-	(85)	-	-	-	85	-	-
Comprehensive income	-	(21)	(18)	(2,847)	-	(695)	-	(3,581)
Equity, 31 December	1,182	141	(3)	(674)	25,778	23,954	-	50,377

¹ Reclassification includes accumulated value adjustments of strategic equities prior to 1 January 2005.

Core earnings and investment portfolio income 1 January – 30 September

DKK million

The Nykredit Realkredit Group

	Q3/2009			Q3/2008		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	6,449	1,786	8,235	6,316	(735)	5,580
Dividend on equities	3	57	60	4	97	101
Net fee and commission income	399	(39)	359	64	(46)	18
Net interest and fee income	6,851	1,803	8,654	6,384	(685)	5,699
Net premiums earned	978	-	978	958	-	958
Value adjustments	(68)	2,262	2,194	(386)	(2,465)	(2,851)
Other operating income	247	-	247	254	-	254
Claims incurred, net of reinsurance	660	-	660	722	-	722
Staff and administrative expenses	3,847	-	3,847	3,164	-	3,164
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	605	-	605	452	-	452
Other operating expenses	425	-	425	3	3	6
Impairment losses on loans, advances and other receivables	5,920	-	5,920	123	-	123
Profit (loss) from investments in associates	(138)	(4)	(142)	-	125	125
Profit (loss) before tax	(3,587)	4,061	474	2,747	(3,028)	(281)

Cash flow statement 1 January – 30 September

DKK million

	The Nykredit Realkredit Group	
	Q3/2009	Q3/2008
Profit (loss) after tax for the period	286	(173)
Amortisation and impairment losses for intangible assets	417	358
Depreciation and impairment losses for property, plant and equipment	188	94
Profit (loss) from investments in associates	142	(125)
Impairment losses on loans, advances and receivables	5,920	123
Prepayments/deferred income, net	(67)	(60)
Tax calculated on profit for the period	188	(108)
Other adjustments	840	(1,900)
Total	7,629	(1,618)
Profit (loss) for the period adjusted for non-cash operating items	7,915	(1,791)
Change in working capital		
Loans and advances	(74,470)	(56,227)
Deposits and payables to credit institutions	(44,485)	(1,089)
Issued bonds	75,088	25,592
Other working capital	(13,353)	(1,256)
Total	(57,220)	(32,980)
Corporation tax paid, net	(297)	(213)
Cash flows from operating activities	(49,602)	(34,985)
Cash flows from investing activities		
Investments	14,574	19,616
Intangible assets	(113)	(823)
Property, plant and equipment	(225)	(284)
Total	14,236	18,508
Cash flows from financing activities		
Subordinate loan capital	22	23
Total	22	23
Total cash flows	(35,344)	(16,453)
Cash and cash equivalents, beginning of period		
Cash balance and demand deposits with central banks	323	135
Receivables from credit institutions and central banks	73,077	82,510
Total	73,400	82,645
Cash and cash equivalents, end of period		
Cash balance and demand deposits with central banks	4,011	1,354
Receivables from credit institutions and central banks	34,045	64,838
Total	38,055	66,192

Notes

1. ACCOUNTING POLICIES

General

The Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS and a less detailed presentation relative to the presentation of annual reports.

With respect to recognition and measurement, the financial statements of the Parent Company have been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. issued by the Danish Financial Supervisory Authority.

The accounting policies of both the Nykredit Realkredit Group and Nykredit Realkredit A/S are unchanged compared with the Annual Report for 2008, except for Management's decision to apply Danmarks Nationalbank's lending rate (repo rate) as the risk-free interest rate for the calculation of core earnings and investment portfolio income as from 1 January 2009. Previously, the tomorrow/next rate was used as the risk-free interest rate. As part of the reorganisation prompted by the Group's "Strategy 2013", Proprietary Trading was integrated with the investment operations of the Parent Company at 31 August 2009. Proprietary Trading income for Q1-Q3/2009 has been reclassified as investment portfolio income in the Consolidated Financial Statements. Comparative figures have been restated accordingly. The change affects the allocation between core income from securities and investment portfolio income. The change does not affect the income statements or the balance sheets.

A description of the Group's and the Parent Company's accounting policies in the Annual Report for 2008 is available at nykredit.com.

Compared with the Annual Report for 2008 (note 1), no new reporting standards or interpretations have been announced or approved which would influence Nykredit Realkredit A/S's and the Nykredit Realkredit Group's Q1-Q3 Interim Report. "IFRS 8 Operating Segments" and "IAS 1 Presentation of Financial Statements" came into force on 1 January 2009. Consequently, further expenses have been allocated to the business segments, and the presentation has been expanded with information

concerning segment assets. Comparative figures have been restated accordingly.

Comprehensive income is specified in a separate statement, cf IAS 1.

All figures in the Q1-Q3 Interim Report are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

The Q1-Q3 Interim Report 2009 has not been audited or reviewed.

Notes

DKK million

2. Q1-Q3 RESULTS BY BUSINESS AREA

	Retail Customers	Business Partners	Commercial Customers	Markets & Asset Management	Forstæder- nes Bank	Group items and eliminations	Total
2009							
Core income from business operations							
- Mortgage lending activities	1,094	1,062	1,442	-	-	-	3,598
- Bank and insurance activities	587	-	610	1,090	649	133	3,069
Total	1,681	1,062	2,052	1,090	649	133¹	6,667
Core income from securities	-	-	-	-	-	681	681
Operating costs	1,163	316	875	569	461	651	4,035
Commission under the government guarantee scheme	32	-	142	89	113		376
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	11	336	1	1	46	209	604
Core earnings before impairment losses	475	410	1,034	431	29	(46)	2,333
Impairment losses on loans and advances	210	431	1,259	3	3,781	236	5,920
Core earnings after impairment losses	265	(21)	(225)	428	(3,752)	(282)	(3,587)
Investment portfolio income ²	-	-	-	-	-	4,061	4,061
Profit (loss) before tax	265	(21)	(225)	428	(3,752)	3,779	474
Total assets at 30 September 2009	193,908	433,146	397,710	123,683	33,405	60,385	1,242,236
	Retail Customers	Business Partners	Commercial Customers	Markets & Asset Management	Forstæder- nes Bank	Group items and eliminations	Total
2008							
Core income from business operations							
- Mortgage lending activities	942	892	1,273	-	-	-	3,107
- Bank and insurance activities	529	-	460	601	-	197	1,787
Total	1,471	892	1,733	601	-	197¹	4,894
Core income from securities	-	-	-	-	-	1,595	1,595
Operating costs	1,164	334	633	480	-	556	3,167
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	12	305	2	1	-	132	452
Core earnings before impairment losses	295	253	1,098	120	-	1,104	2,870
Impairment losses on loans and advances	(14)	10	127	-	-	-	123
Core earnings after impairment losses	309	243	971	120	-	1,104	2,747
Investment portfolio income ²	-	-	-	(218)	-	(2,810)	(3,028)
Profit (loss) before tax	309	243	971	(98)	-	(1,706)	(281)
Total assets at 31 December 2008	188,783	408,348	376,637	130,144	32,299	81,916	1,218,127

¹ Of which DKK 133m (2008: DKK 135m) concerns the proportionate consolidation of JN Data.

² Investment portfolio income includes a loss of DKK 4m from investments in associates (2008: a profit of DKK 125m).

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q3/2008	Q3/2009	Q3/2009	Q3/2008
		3. INTEREST INCOME	
10,664	10,773	372	1,512
17,469	16,942	34,147	33,479
1,683	1,930	3,406	3,033
		Bonds	
416	1,455	2,152	551
621	433	1,260	1,769
1,198	1,179	2,119	1,949
(631)	(80)	56	(603)
220	220	320	532
		Derivative financial instruments	
(111)	249	132	(15)
128	23	98	202
-	-	(1)	-
67	73	49	44
31,724	33,198	44,110	42,453
(416)	(1,455)	(2,152)	(551)
(621)	(433)	(1,260)	(1,769)
(47)	(59)	(78)	(62)
30,639	31,250	40,621	40,071
		Of which interest income from genuine purchase and resale transactions entered as:	
842	108	161	1,157
-	30	446	297
		4. INTEREST EXPENSES	
1,636	1,018	1,462	3,928
-	-	1,644	1,100
26,964	27,936	32,431	31,460
283	199	252	283
87	76	87	102
28,970	29,229	35,876	36,872
(416)	(1,455)	(2,152)	(551)
(621)	(433)	(1,260)	(1,769)
(47)	(59)	(78)	(62)
27,885	27,282	32,386	34,491
		Of which interest income from genuine sale and repurchase transactions entered as:	
861	263	340	1,239
-	-	24	31

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q3/2008	Q3/2009	Q3/2009	Q3/2008
5. VALUE ADJUSTMENTS			
Financial assets measured at fair value through profit or loss			
(8,288)	7,621	16,912	(18,835)
(6,782)	6,903	-	-
(8)	0	5	(8)
(1,765)	2,169	2,565	(2,554)
(2,051)	856	65	(634)
-	-	(1)	(1)
(130)	40	259	(87)
(48)	101	(350)	387
-	-	(15)	7
Financial liabilities measured at fair value through profit or loss			
8,326	(7,951)	(17,240)	18,873
6,782	(6,900)	-	-
-	-	(6)	-
(3,963)	2,840	2,194	(2,852)
6. STAFF AND ADMINISTRATIVE EXPENSES			
26	30	30	26
1,088	1,259	2,390	1,852
710	633	1,508	1,361
1,824	1,922	3,928	3,240
-	-	(81)	(76)
1,824	1,922	3,847	3,164
Remuneration of Board of Directors and Executive Board			
Board of Directors			
1	2	2	1
Executive Board			
23	26	26	23
2	2	2	2
26	30	30	26

The terms and conditions governing the pensions and retirement of the Executive Board are unchanged relative to the mention in the Annual Report for 2008.

Notes

DKK million

Nykredit Realkredit A/S				The Nykredit Realkredit Group	
Q3/2008	Q3/2009			Q3/2009	Q3/2008
6. STAFF AND ADMINISTRATIVE EXPENSES (continued)					
Staff expenses					
902	1,057	Wages and salaries		2,011	1,485
98	111	Pensions		201	162
87	91	Other social security expenses and charges		178	205
1,088	1,259	Total		2,390	1,852
Number of staff					
2,493	2,605	Average number of staff for the financial period, full-time equivalents		4,543	3,888
7. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS					
Intangible assets					
347	397	- Amortisation		404	357
-	-	- Impairment losses		13	0
Property, plant and equipment					
40	41	- Depreciation		120	93
-	-	- Impairment losses		68	0
387	438	Total		605	452
8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES					
8.a. Effect on income statements					
(6)	426	Change in individual provisions for loan impairment and guarantees		4,157	44
19	96	Change in collective provisions for loan impairment and guarantees		1,032	74
28	92	Losses recognised for the year, net		709	43
(33)	(20)	Received on claims previously written off as impairment losses		(24)	(36)
7	594	Total provisions for loan impairment and guarantees		5,874	125
0	31	Value adjustment of assets in temporary possession		42	0
(2)	13	Value adjustment of claims previously written off as impairment losses		13	(2)
-	-	Losses offset, cf cooperation agreement		(9)	-
6	638	Total		5,920	123
8.b. Specification of provisions for loan impairment and guarantee debtors					
85	607	Individual impairment provisions		7,061	220
181	326	Collective impairment provisions		1,482	247
265	933	Total provisions		8,542	467
Total provisions are offset against the following items/notes					
63	401	Mortgage loans – note 12		553	69
203	531	Arrears and outlays – note 12		844	207
-	-	Bank loans and advances – note 13		6,742	152
-	-	Provisions for guarantees		403	40
265	933	Total provisions		8,542	467

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
Q3/2008	Q3/2009		Q3/2009	Q3/2008
8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)				
8.c. Individual provisions for loan impairment and guarantee debtors				
91	180	Impairment provisions, beginning of period	2,904	176
24	487	Provisions for the year	5,032	104
(17)	(31)	Provisions reversed	(364)	(41)
(13)	(30)	Provisions recognised as lost	(511)	(19)
85	607	Impairment provisions, end of period	7,061	220
-	-	Of which provisions for guarantee debtors	403	40
8.d. Collective impairment provisions				
162	230	Impairment provisions, beginning of period	449	173
19	181	Provisions for the year	1,145	74
-	(85)	Provisions reversed	(113)	-
181	326	Impairment provisions, end of period	1,482	247
8.e. Specification of loans and advances subject to objective evidence of impairment				
172	1,828	Loans and advances subject to individual impairment	10,128	484
85	607	Impairments	6,658	180
87	1,222	Loans and advances after impairment	3,470	304
24,727	460,475	Loans and advances subject to collective impairment	943,534	25,124
181	326	Impairments	1,482	247
24,546	460,149	Loans and advances after impairment	942,052	24,877
9. PROFIT (LOSS) FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES				
126	(4)	Profit (loss) from investments in associates	(142)	125
804	(2,377)	Profit (loss) from investments in group enterprises	-	-
930	(2,381)	Total	(142)	125
10. TAX				
19.3	43.7	Effective tax rate, %	39.7	38.3

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.09.2009	30.09.2009	31.12.2008
11. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS			
6,896	-	241	17,212
51,115	16,167	33,804	55,865
58,010	16,167	34,045	73,077
13,769	650	650	14,069
Of which prepaid funds, including prepayments at par and proceeds from the issue of fixed-price agreements			
12. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE			
505,115	548,103	972,080	895,463
318	34	(92)	422
-	2,512	27,416	24,545
315,229	347,758	-	-
820,662	898,406	999,404	920,430
Mortgage loans			
486,036	515,906	916,582	849,211
94,188	75,652	167,030	183,030
942	913	913	942
(2,255)	838	838	(2,255)
(13,579)	(7,951)	(11,794)	(18,615)
(49,425)	(34,970)	(99,020)	(95,731)
515,906	550,388	974,548	916,582
(31)	(93)	(93)	(31)
274	274	274	274
516,149	550,569	974,730	916,826
(10,725)	(2,065)	(2,097)	(21,021)
Adjustment for interest rate risk			
Adjustment for credit risk			
(80)	(75)	(75)	(80)
(230)	(326)	(478)	(262)
505,115	548,103	972,080	895,463
22,712	23,293	28,674	27,840
2,859	2,858	14,144	19,947
Arrears and outlays			
405	558	748	531
14	7	4	13
(101)	(531)	(844)	(123)
318	34	(92)	422

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.09.2009	30.09.2009	31.12.2008
12. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE (continued)			
Totalkredit mortgage loan funding			
250,569	321,411		
132,289	111,279	-	-
(1,749)	(1,697)	-	-
(59,699)	(84,742)	-	-
321,411	346,250	-	-
(6,182)	1,508	-	-
315,229	347,758	-	-
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST			
-	-	69,075	75,517
104	80	-	-
-	-	79	103
684	673	973	984
788	753	70,127	76,604
Adjustment for credit risk			
-	-	(5,738)	(2,596)
-	-	(1,004)	(187)
788	753	63,385	73,821
(66)	(55)	(55)	(66)
722	698	63,331	73,755

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2008	30.09.2009		30.09.2009	31.12.2008
		14. BONDS AT FAIR VALUE		
77,962	51,746	Own SDOs	95,868	129,125
45,118	33,167	Own ROs	56,742	69,847
54,065	37,481	Other ROs	58,075	78,243
6,547	10,229	Government bonds	15,055	8,176
8,670	4,578	Other bonds	11,838	17,877
192,362	137,199	Total	237,579	303,268
(45,118)	(33,167)	Set-off of own ROs against "Issued bonds at fair value" – note 18	(56,742)	(69,847)
(77,911)	(51,723)	Set-off of own SDOs against "Issued bonds at fair value" – note 18	(95,846)	(129,075)
(3,718)	(45)	Set-off of own junior covered bonds against "Issued bonds at fair value" – note 18	(796)	(3,908)
(51)	(22)	Set-off of own SDOs against "Issued bonds at amortised cost" – note 19	(22)	(51)
-	-	Set-off of own other bonds against "Issued bonds at amortised cost" – note 19	(306)	(657)
65,564	52,242	Total	83,867	99,731
210	126	Of which drawn bonds	1,392	940
48,507	10,615	Bond holdings stemming from prepaid funds, including immediate prepayments at par, and proceeds from the issue of fixed-price agreements.	10,615	48,507
76,750	26,479	As collateral security for the Danish central bank (Danmarks Nationalbank), the Danish FUTOP clearing centre and foreign clearing centres, bonds have been deposited of a total market value of	47,947	128,297
		Collateral security was provided on an arm's length basis.		
		15. OTHER ASSETS		
9,701	14,882	Interest and commission receivable	18,734	11,393
872	1,024	Receivables from group enterprises	-	-
4,638	3,508	Positive market value of derivative financial instruments	22,826	25,380
123	108	Defined benefit plans	108	123
-	-	Receivables relating to reinsurance	25	72
273	361	Other assets	767	705
15,607	19,883	Total	42,461	37,673

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.09.2009		
		30.09.2009	31.12.2008
16. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS			
27,411	56,320	86,041	48,967
73,500	27,721	29,714	113,582
100,911	84,041	115,755	162,549
17. DEPOSITS AND OTHER PAYABLES			
-	-	31,217	26,216
-	-	4,932	4,091
-	-	24,416	28,145
-	-	2,920	2,724
-	-	63,486	61,177
18. ISSUED BONDS AT FAIR VALUE			
556,134	492,338	602,603	677,972
348,006	423,717	423,717	348,006
12,932	15,443	15,443	12,932
917,073	931,499	1,041,763	1,038,910
(126,747)	(84,935)	(153,384)	(202,829)
790,326	846,564	888,380	836,081
18.a. ROs			
570,887	496,428	608,232	696,839
(14,753)	(4,090)	(5,629)	(18,867)
556,134	492,338	602,603	677,972
(45,118)	(33,167)	(56,742)	(69,847)
511,016	459,172	545,861	608,124
229	3	3	229
33,453	7,453	8,403	35,690

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.09.2009	30.09.2009	31.12.2008
18. ISSUED BONDS AT FAIR VALUE (continued)			
18.b. SDOs			
350,197	420,053	420,053	350,197
(2,190)	3,665	3,665	(2,190)
348,006	423,717	423,717	348,006
(77,911)	(51,723)	(95,846)	(129,075)
270,096	371,994	327,872	218,932
1,307	272	272	1,307
95,096	36,935	36,935	95,096
18.c. Junior covered bonds			
13,000	15,384	15,384	13,000
(68)	59	59	(68)
12,932	15,443	15,443	12,932
(3,718)	(45)	(796)	(3,908)
9,214	15,398	14,647	9,024
5,000	-	-	5,000
19. ISSUED BONDS AT AMORTISED COST			
-	-	43,585	21,162
103	83	83	103
86	86	115	108
66	55	55	66
255	223	43,837	21,439
-	-	(306)	(657)
(51)	(22)	(22)	(51)
(66)	(55)	(55)	(66)
138	146	43,454	20,665
20. OTHER LIABILITIES			
17,281	15,856	24,769	26,296
2,213	2,581	21,236	21,877
3,473	3,587	3,512	3,411
699	5,224	8,944	1,697
23,667	27,249	58,461	53,282

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.09.2009	30.09.2009	31.12.2008
21. SUBORDINATE LOAN CAPITAL			
Subordinate loan capital consists of financial liabilities in the form of subordinate loan capital and hybrid core capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.			
Subordinate loan capital is included in the capital base in accordance with sections 124, 132 and 136 of the Danish Financial Business Act.			
Subordinate loan capital			
-	-	-	-
-	-	74	75
-	-	75	75
-	-	-	100
-	-	100	100
-	-	109	94
-	-	150	150
-	-	151	148
-	-	200	200
-	-	200	200
3,720	3,717	3,717	3,720
3,720	3,717	4,777	4,860
Hybrid core capital			
-	-	-	-
-	-	100	100
-	-	158	154
3,864	3,966	3,966	3,864
3,864	3,966	4,224	4,119
7,584	7,683	9,001	8,979
7,584	7,621	8,938	8,977
-	-	100	-

Notes

Nykredit Realkredit A/S		DKK million	
31.12.2008	30.09.2009	The Nykredit Realkredit Group	
		30.09.2009	31.12.2008
22. OFF-BALANCE SHEET ITEMS			
<p>Due to its size and business volume, the Nykredit Realkredit Group is continuously involved in legal proceedings. For a description of significant cases, please refer to the Management's Review. Other pending cases are not expected to have a significant effect on the Nykredit Realkredit Group's financial position.</p> <p>Nykredit Realkredit A/S is jointly taxed with all the Danish group enterprises of the Foreningen Nykredit Group. Nykredit Realkredit A/S is solely liable for the part of tax which is attributable to Nykredit Realkredit A/S and which is not settled with Foreningen Nykredit via the scheme for payment of tax on account.</p> <p>The companies Nykredit Realkredit A/S, Totalkredit A/S, Nykredit Bank A/S, Forstædernes Bank A/S, Nykredit Leasing A/S, Nykredit Leasing Finans A/S, Nykredit Forsikring A/S and Nykredit Portefølje Adm. A/S are registered jointly for payroll tax and VAT purposes and are jointly and severally liable for the settlement thereof.</p> <p>Nykredit Forsikring A/S and the other owners of FDC K/S are liable for obligations entered into by FDC K/S. The obligation has a maximum limit of DKK 70m.</p> <p>Nykredit Realkredit A/S is liable for the obligations of the pension funds Jyllands Kreditforenings Afviklingspensionskasse (CVR no 24256219) and Den Under Afvikling Værende Pensionskasse i Forenede Kreditforeninger (CVR no 71977714).</p> <p>Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheet are presented below.</p>			
-	-		
1,577	1,560	8,298	8,905
1,577	1,560	18,745	19,506
Contingent liabilities			
-	-	4,774	5,235
-	-	4	8
-	-	3,521	3,663
-	-	8,298	8,905
<p>"Government guarantee scheme"</p> <p>Nykredit Bank and Forstædernes Bank participate in the government guarantee scheme implying that the Danish government has issued a two-year guarantee that covers the Danish banks enrolled in the scheme.</p> <p>The companies' share of the total guarantee commission is an estimated DKK 495m pa until 30 September 2010. For Q1-Q3/2009, almost DKK 376m was charged to the income statement (under "Other operating expenses").</p> <p>The companies have also provided a joint sector guarantee totalling DKK 20bn of which the companies' share is estimated at DKK 1.3bn, which has been recognised under "Contingent liabilities" (off-balance sheet items). Provisions for guarantees totalled DKK 0.3bn.</p>			
Other commitments			
69	49	8,113	8,091
1,507	1,511	2,334	2,510
1,577	1,560	10,447	10,601

Notes

23. RELATED PARTY TRANSACTIONS AND BALANCES

Foreningen Nykredit, the Parent Company Nykredit Holding A/S, group enterprises and associates of Nykredit Realkredit A/S, as stated under "Group structure", as well as Nykredit Realkredit A/S's Board of Directors, Executive Board and related parties thereof are regarded as related parties.

No unusual related party transactions have occurred in 2009.

The companies have entered into agreements as a natural part of the Group's day-to-day operations. The agreements typically involve finance, guarantees, insurance, sales commission, tasks relating to IT support and IT development projects, payroll and staff administration as well as other administrative tasks.

Intercompany trading in goods and services took place on an arm's length basis.

Significant related party transactions prevailing/entered into in 2009 include:

Agreements between Nykredit Realkredit A/S and Totalkredit A/S

Master agreement on the terms applicable to transactions in the securities area.

Agreement on joint funding of mortgage loans.

Nykredit Realkredit A/S has granted subordinate loan capital to Totalkredit A/S.

Agreements between Nykredit Realkredit A/S and Nykredit Bank A/S

Master agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas.

Nykredit Realkredit A/S has converted subordinate loan capital in Nykredit Bank A/S into share capital.

Agreements between Nykredit Realkredit A/S and Forstædernes Bank A/S

Nykredit Realkredit A/S has converted subordinate loan capital in Forstædernes Bank A/S into share capital.

Agreement on bond trade in connection with settlement of mortgage loans granted by Forstædernes Bank A/S.

Agreement on portfolio management.

Agreements between Nykredit Realkredit A/S and Nykredit Mægler A/S

Agreements on commission payable in connection with referral of lending business.

Agreements between Nykredit Realkredit A/S and Nykredit Forsikring A/S

Agreement on the employment of insurance agents at Nykredit Realkredit A/S centres, sales commission to Nykredit centres and agreement on the management of certain investments.

Agreements between Nykredit Realkredit A/S and JN Data A/S

Agreements on joint IT support, etc.

Agreements between Nykredit Realkredit A/S and Nykredit Ejendomme A/S

Nykredit Realkredit A/S has granted a credit line to Nykredit Ejendomme A/S.

Agreements between Totalkredit A/S and Forstædernes Bank A/S

Agreements on commission payable in connection with referral of lending business.

Agreements between Totalkredit A/S and Nykredit Mægler A/S

Agreements on commission payable in connection with referral of lending business.

Agreements between Nykredit Bank A/S and Forstædernes Bank A/S

Master agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas.

Agreements between Nykredit Holding A/S and Nykredit Bank A/S

On specific occasions, Nykredit Holding A/S has issued guarantees or letters of comfort to third parties.

Notes

DKK million

The Nykredit Realkredit Group	Q1-Q3/ 2009	Q1-Q3/ 2008	Q1-Q3/ 2007	Q1-Q3/ 2006	Q1-Q3/ 2005
24. FIVE-YEAR FINANCIAL HIGHLIGHTS					
Net interest income	8,235	5,580	4,811	4,214	4,342
Net fee income	420	119	250	438	834
Net interest and fee income	8,654	5,699	5,061	4,652	5,176
Net premiums earned	978	958	926	888	849
Value adjustments	2,194	(2,852)	897	503	645
Other operating income	247	254	293	132	114
Claims incurred, net of reinsurance	660	722	721	701	736
Staff and administrative expenses	3,847	3,164	2,686	2,554	2,277
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	605	452	380	381	377
Other operating expenses	425	6	1	1	2
Impairment losses on loans, advances and receivables	5,920	123	(118)	(276)	(203)
Profit (loss) from investments in associates and group enterprises	(142)	125	25	0	8
Profit (loss) before tax	474	(281)	3,531	2,814	3,603
Tax	188	(108)	760	734	984
Profit (loss) for the period	286	(173)	2,771	2,080	2,619
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.09.2009	30.09.2008	30.09.2007	30.09.2006	30.09.2005
Assets					
Cash balance and receivables from credit institutions and central banks	38,055	66,192	61,754	37,545	61,997
Mortgage loans	972,080	860,399	800,558	741,198	690,601
Bank loans - excl reverse transactions	62,333	50,450	35,618	25,852	18,028
Bonds and equities	88,736	79,136	70,262	64,331	55,060
Other assets	81,032	47,425	37,823	26,393	29,567
Total assets	1,242,236	1,103,601	1,006,015	895,319	855,253
Liabilities and equity					
Payables to credit institutions and central banks	115,755	112,341	106,922	81,018	46,796
Deposits and other payables	63,486	34,026	29,001	20,593	24,984
Issued bonds at fair value	888,380	813,185	746,097	689,861	686,275
Subordinate loan capital					
- Hybrid core capital	4,224	3,642	3,626	3,794	4,007
- Supplementary capital	4,777	3,725	4,987	4,986	6,065
Other liabilities	114,110	84,309	60,980	45,151	39,150
Equity	51,503	52,374	54,400	49,916	47,976
Total liabilities and equity	1,242,236	1,103,601	1,006,015	895,319	855,253
FINANCIAL RATIOS ¹					
Capital adequacy ratio, %*	16.8	17.0	11.0	11.1	11.7
Core capital ratio, %*	15.5	16.1	10.1	10.2	10.4
Return on equity before tax	2.6	(3.7)	5.8	7.2	10.3
Return on equity after tax	2.2	(3.0)	4.5	5.6	8.1
Income:cost ratio, DKK	1.11	0.56	1.85	2.05	2.48
Foreign exchange position, %	0.7	0.8	0.9	1.5	0.9
Loans and advances:equity (loan gearing)	20.6	17.7	15.6	15.0	14.6
Growth in loans and advances for the period, %	4.9	8.5	9.0	7.8	9.2
Accumulated impairment provisions, %	0.8	0.1	0.0	0.0	0.0
Impairment losses for the period, %	0.5	0.0	(0.0)	(0.0)	(0.0)

¹ Financial ratios are based on the definitions and guidelines of the Danish Financial Supervisory Authority, and financial ratios have therefore been calculated based on profit for the period including value adjustment of strategic equities.

* As from 1 January 2008, the capital adequacy and core capital ratios are determined in accordance with Basel II.

Notes

The Nykredit Realkredit Group	Q3/ 2009	Q2/ 2009	Q1/ 2009	Q4/ 2008	Q3/ 2008	Q2/ 2008	Q1/ 2008
25. SEVEN-QUARTER FINANCIAL HIGHLIGHTS							
Core income from							
Business operations	2,207	2,320	2,140	2,115	1,609	1,725	1,559
Securities	151	196	334	644	555	515	526
Total	2,358	2,516	2,475	2,759	2,164	2,240	2,085
Operating costs, depreciation and amortisation	1,682	1,685	1,648	1,791	1,197	1,281	1,141
Core earnings before impairment losses	676	831	827	968	967	959	945
Impairment losses on loans and advances	4,089	1,163	668	1,320	40	97	(15)
Core earnings after impairment losses	(3,413)	(332)	159	(352)	926	862	959
Investment portfolio income	1,687	1,751	623	(248)	(1,596)	(558)	(874)
Profit (loss) before tax	(1,726)	1,419	782	(600)	(670)	304	85
Tax	(379)	359	208	(78)	(149)	4	37
Profit (loss) for the period	(1,348)	1,059	574	(521)	(521)	299	49
Profit (loss) for the period excluding value adjustment of strategic equities against equity	382	462	(6)	(1,443)	(446)	(263)	(695)
SUMMARY BALANCE SHEET, END OF PERIOD							
Assets							
Receivables from credit institutions and central banks	38,055	48,010	52,710	73,400	66,192	63,912	74,002
Mortgage loans	972,080	942,634	921,397	895,463	860,399	843,957	847,002
Bank loans – excluding reverse transactions	62,333	65,802	67,937	72,733	50,450	49,040	43,539
Bonds and equities	88,736	112,219	97,960	103,434	79,136	81,050	89,460
Other assets	81,032	72,848	79,027	73,097	47,425	45,573	34,056
Total assets	1,242,236	1,241,514	1,219,031	1,218,127	1,103,601	1,083,531	1,088,059
Liabilities and equity							
Payables to credit institutions and central banks	115,755	132,244	152,961	162,549	112,341	118,274	130,219
Deposits and other payables	63,486	60,557	59,222	61,177	34,026	32,471	31,572
Issued bonds at fair value	888,380	883,736	834,419	836,081	813,185	795,142	791,289
Hybrid capital	4,224	4,183	4,233	4,119	3,642	3,548	3,709
Supplementary capital	4,777	4,771	4,873	4,860	3,725	3,723	3,722
Other liabilities	114,110	103,554	112,394	98,964	84,309	77,030	74,244
Equity	51,503	52,469	50,930	50,377	52,374	53,343	53,304
Total liabilities and equity	1,242,236	1,241,514	1,219,031	1,218,127	1,103,601	1,083,531	1,088,059
FINANCIAL RATIOS							
Profit (loss) for the period as % of average equity pa	(10.4)	8.2	4.5	(2.3)	(3.9)	2.2	0.4
Core earnings before impairment losses as % of average equity pa	5.2	6.4	6.5	7.5	7.3	7.2	7.0
Core earnings after impairment losses as % of average equity pa	(26.3)	(2.6)	1.3	(2.7)	7.0	6.5	7.1
Provisions for loan impairment and guarantees	8,542	5,022	3,964	2,947	467	437	349
Impairment losses for the period, %	0.4	0.1	0.1	0.1	0.0	0.0	(0.0)
Capital adequacy ratio, %*	16.8	16.7	15.8	14.7	17.0	17.2	18.0
Core capital ratio, %*	15.5	15.5	14.6	13.5	16.1	16.4	17.1
Average number of full-time staff	4,543	4,618	4,644	4,507	3,888	3,837	3,794

* As from 1 January 2008, the capital adequacy and core capital ratios are determined in accordance with Basel II.

Group structure

DKK million

The Nykredit Realkredit Group

	Ownership interest, % at 30 September 2009	Profit (loss) for the period	Equity at 30 September 2009	Profit (loss) for 2008	Equity at 31 December 2008
26. GROUP STRUCTURE					
Name and registered office					
The Nykredit Realkredit Group					
Nykredit Realkredit A/S, Copenhagen, a)					
Consolidated subsidiaries					
Totalkredit A/S, Taastrup, a)	100	602	12,154	823	11,552
Nykredit Bank A/S, Copenhagen, b)	100	(251)	10,053	(241)	7,104
Nykredit Finance plc, Plymouth, i)	100	0	22	1	21
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen, i)	100	0	28	1	28
Nykredit Pantebrevsinvestering A/S, Copenhagen, e)	100	0	11	0	11
Nykredit Portefølje Administration A/S, Copenhagen, j)	100	12	115	14	103
Nykredit Sirius Ltd., Cayman Islands, d)	100	(9)	69	(39)	78
Nykredit Leasing A/S, Gladsaxe, h)	100	(3)	124	16	126
Forstædernes Bank A/S, b)	100	(3,120)	1,588	(1,227)	3,055
Nykredit Forsikring A/S, Copenhagen, c)	100	163	1,421	108	1,258
Nykredit Mægler A/S, Århus, f)	100	(7)	111	1	118
Nykredit Ejendomme A/S, Copenhagen, g)	100	(56)	640	(125)	695
Ejendomsselskabet Kalvebod A/S, Copenhagen, g)	100	0	250	-	-
Nykredit Adm. V A/S, Copenhagen, i)	100	-	1	-	1
Dene Finanse S.A., Warsaw, k)	-	1	-	7	128
a) Mortgage bank					
b) Bank					
c) Insurance company					
d) Financial enterprise					
e) Mortgage trading company					
f) Estate agency business					
g) Property company					
h) Leasing business					
i) No activity					
j) Investment management company					
k) The company has been liquidated					
Nykredit Realkredit A/S is consolidated with the Parent Company, Nykredit Holding A/S, which is consolidated with Foreningen Nykredit.					
The financial statements of Foreningen Nykredit (in Danish) and Nykredit Holding A/S (in Danish) are available from: Nykredit Realkredit A/S Kalvebod Brygge 1-3 DK-1780 Copenhagen V					