

To NASDAQ OMX Copenhagen A/S  
and the press

7 November 2013

## Q1-Q3 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY – 30 SEPTEMBER 2013

- The Nykredit Realkredit Group recorded a profit before tax of DKK 2,058m against DKK 3,221m for Q1-Q3/2012
  - Results exceeded our expectations at the beginning of the year. Value adjustment of swaps had an adverse effect on results, whereas investment portfolio income was higher than expected
- Growth in core income from lending was 5%
- Costs continued to decline, and the cost/income ratio came to 55.2% against 56.6% for FY 2012.

### OTHER CURRENT ISSUES

- Our customers increasingly demand fixed-rate repayment loans, and Nykredit and Totalkredit will accommodate this demand by launching a new 30-year fixed-rate repayment loan ("Realkredit Classic") without the use of two-tier mortgaging in spring 2014
- Totalkredit will offer secured homeowner loans to local and regional banks
- The product range will be broadened to include Cita-linked loans – in accordance with an agreement between the sector and the authorities
- Nykredit has experienced a rise in the demand for advisory services outside ordinary business hours. Nykredit's central advisory centre, Nykredit Direkte, will therefore expand weekend business hours, which means that our advisers will be available to our customers 70 hours per week.

Michael Rasmussen, Group Chief Executive, commented:

*"The new government initiative preserves the good features of 1-year funded adjustable-rate mortgages (ARMs) and removes the refinancing risk. The implication is that our customers will be cushioned from very steep interest rate rises, for instance in case of a currency crisis.*

*Coupled with our most recent initiatives, this initiative will provide the Group's 1.1 million customers with relevant and competitive products, and our advisers will be available to our customers 70 hours per week."*

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## FINANCIAL HIGHLIGHTS

DKK million	The Nykredit Realkredit Group		
	Q1-Q3/2013	Q1-Q3/2012	FY 2012
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>			
<b>Core income from</b>			
- business operations	7,671	7,543	10,200
- value adjustment of derivatives and corporate bonds	(561)	(514)	(1,067)
- junior covered bonds	(356)	(318)	(436)
- securities	89	191	212
<b>Total</b>	<b>6,843</b>	<b>6,902</b>	<b>8,909</b>
Operating costs, depreciation and amortisation, excl special value adjustments	4,233	4,254	5,776
Operating costs, depreciation and amortisation – special value adjustments <sup>1</sup>	(54)	(183)	(205)
Payment to the Guarantee Fund for Depositors and Investors	53	18	23
<b>Core earnings before impairment losses</b>	<b>2,611</b>	<b>2,813</b>	<b>3,315</b>
Impairment losses on loans and advances – mortgage lending	1,275	1,118	1,592
Impairment losses on loans and advances – banking	329	415	557
<b>Core earnings after impairment losses</b>	<b>1,007</b>	<b>1,280</b>	<b>1,166</b>
Investment portfolio income	1,394	2,289	2,444
<b>Profit before cost of capital</b>	<b>2,401</b>	<b>3,569</b>	<b>3,610</b>
Net interest on hybrid capital	(343)	(348)	(465)
<b>Profit before tax</b>	<b>2,058</b>	<b>3,221</b>	<b>3,145</b>
Tax	269	681	575
<b>Profit for the period</b>	<b>1,789</b>	<b>2,540</b>	<b>2,570</b>
<b>Total value adjustment and reclassification of strategic equities against equity</b>	<b>(408)</b>	<b>(68)</b>	<b>(237)</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>			
	30.09.2013	30.09.2012	31.12.2012
<b>Assets</b>			
Receivables from credit institutions and central banks	31,983	50,620	60,174
Mortgage loans at fair value	1,136,059	1,128,680	1,136,445
Bank loans – excluding reverse transactions	49,130	53,980	49,728
Bonds and equities	75,521	92,371	82,413
Remaining assets	108,117	109,936	104,645
<b>Total assets</b>	<b>1,400,811</b>	<b>1,435,587</b>	<b>1,433,405</b>
<b>Liabilities and equity</b>			
Payables to credit institutions and central banks	55,974	80,506	67,539
Deposits	59,160	53,498	54,509
Issued bonds at fair value	1,088,084	1,082,066	1,103,818
Subordinated debt – hybrid capital	11,028	11,322	11,281
Remaining liabilities	127,780	150,626	138,702
Equity	58,784	57,569	57,556
<b>Total liabilities and equity</b>	<b>1,400,811</b>	<b>1,435,587</b>	<b>1,433,405</b>
<b>FINANCIAL RATIOS</b>			
Profit for the period as % of average equity pa	4.1	6.0	4.6
Core earnings before impairment losses as % of average equity pa	5.9	6.6	5.9
Core earnings after impairment losses as % of average equity pa	2.3	3.0	2.1
Costs as % of core income from business operations	55.2	56.4	56.6
Total provisions for loan impairment – mortgage lending	3,500	2,846	2,954
Total provisions for loan impairment and guarantees – banking	4,242	4,416	4,139
Impairment losses for the period, % – mortgage lending	0.11	0.10	0.14
Impairment losses for the period, % – banking	0.30	0.40	0.59
Total capital ratio, %	20.4	18.6	19.1
Core Tier 1 capital ratio, %	17.0	15.4	15.8
Average number of staff, full-time equivalents	4,042	4,118	4,115

<sup>1</sup> Special value adjustments include value adjustment of certain staff benefits and owner-occupied properties as well as adjustment of a provision relating to Dansk Pantebrevsbørs under konkurs (in bankruptcy).

# Q1-Q3 INTERIM REPORT 2013

## NYKREDIT REALKREDIT GROUP RESULTS

Group profit before tax was DKK 2,058m against DKK 3,221m in Q1-Q3/2012 in line with the stock exchange announcement released on 11 October 2013.

The pre-tax profit of the Group reflected an increase of 5% in core income from customer-oriented business, excluding Nykredit Markets. Further, costs declined and investment portfolio income continued to be high at DKK 1,394m. This compared with exceptionally high investment portfolio income of DKK 2,289m in Q1-Q3/2012.

Value adjustment of derivatives (interest rate swaps) and loan impairment losses developed adversely by DKK 0.6bn in the third quarter. This was the outcome of a more conservative assessment in continuation of an inspection by the Danish Financial Supervisory Authority (FSA). Further, the level of mortgage loan impairment remained relatively high for personal customers and small enterprises. Total loan impairment losses and value adjustment of derivatives were on a level with Q1-Q3/2012.

Lower activity levels had an adverse effect on earnings in Nykredit Markets as in previous quarters.

The Group recorded a profit after tax of DKK 1,789m. Equity was DKK 58,784m at end-Q3/2013 after value adjustment and reclassification of strategic equities resulting in a charge of DKK 408m.

### Core earnings

#### *Core income from business operations*

Core income from business operations improved by 1.7% or DKK 128m to DKK 7,671m relative to Q1-Q3/2012.

Core income from mortgage operations rose by 4.8% to DKK 5,099m against DKK 4,866m in Q1-Q3/2012. The rise was prompted in part by higher lending volumes and administration margin increases implemented in 2012.

Gross new mortgage lending stood at DKK 93bn, of which lending to personal customers and small and medium-sized enterprises (SMEs) accounted for DKK 57bn and DKK 16bn, respectively. In Q1-Q3/2012, gross new lending of DKK 173bn was affected by exceptionally high lending activity in response to a declining interest rate level, which prompted many homeowners to remortgage.

The Group's mortgage lending at nominal value went up by DKK 11bn to DKK 1,120bn compared with the beginning of the year. Of the uplift, 59% derived from the business areas Retail and Totalkredit Partners, while 41% stemmed from Wholesale.

Core income from banking operations was down by DKK 125m, or 4.9%, to DKK 2,438m relative to Q1-Q3/2012. The downturn was mainly brought about by a decline in the activity level of Nykredit Markets and generally soft loan demand.

Loan demand remained relatively modest. The Group's bank lending decreased by DKK 0.6bn to DKK 49.1bn compared with the beginning of the year. Deposits rose by DKK 4.6bn to DKK 59.2bn compared with the beginning of the year. At end-Q3/2013, Nykredit Bank

recorded a deposit surplus of DKK 10.0bn against DKK 4.8bn at the beginning of the year.

#### *Value adjustment of derivatives and corporate bonds*

Value adjustment in Q1-Q3/2013 was a charge of DKK 561m, of which interest rate swaps represented a charge of DKK 569m. Adjustment of interest rate swaps came to a charge of DKK 534m in Q1-Q3/2012.

Value adjustment of corporate bonds equalled a credit of DKK 8m against a credit of DKK 20m in Q1-Q3/2012.

The development in Q1-Q3/2013 was notably the result of higher negative value adjustment of DKK 619m relating to interest rate swaps in Q3, whereas the Group recorded a credit of DKK 50m in H1/2013.

The Q3/2013 value adjustments should be seen in the light of an inspection of Nykredit Bank by the Danish FSA, which reviewed the Bank's exposures to housing cooperatives, including the Bank's determination of housing cooperatives' equity and identification of objective evidence of impairment (OEI).

Identification of OEI on an exposure is in part based on a housing cooperative's equity determined on the basis of a 30-year cash flow and a conservative assessment of rent. If equity is negative after 30 years, there is OEI. This procedure also includes housing cooperatives that make timely payments.

In a number of instances, the rents used by Nykredit Bank to determine housing cooperatives' equity were too high according to the Danish FSA, and using lower rents resulted in the existence of OEI for a higher number of housing cooperatives, which affected loan impairment losses and value adjustment of interest rate swaps.

Interest rate swaps are generally not included in the determination of any negative equity and are as such not the direct cause of the increasing number of exposures with OEI.

In addition to the development in housing cooperatives' financial position and equity, value adjustment of interest rate swaps depends on the interest rate level, and higher interest rates will thus result in positive value adjustments.

#### *Junior covered bonds*

Nykredit's issuance of junior covered bonds totalled DKK 46.9bn at end-Q3/2013 against DKK 44.5bn at the beginning of the year, leading to net interest expenses of DKK 356m. Net interest expenses came to DKK 318m in Q1-Q3/2012, when the issues totalled DKK 49.9bn compared with DKK 31.4bn at the beginning of 2012. Junior covered bonds are used to fund supplementary collateral for covered bonds (SDOs).

#### *Core income from securities*

Core income from securities amounted to DKK 89m relative to DKK 191m in Q1-Q3/2012. This development resulted from a change in the risk-free interest rate, which decreased from 0.51% in Q1-

Q3/2012 to 0.24%. The risk-free interest rate equals the average lending rate of the Danish central bank.

*Operating costs, depreciation and amortisation, excl special value adjustments*

The Group's costs, excluding special value adjustments, dropped by 0.5% to DKK 4,233m compared with Q1-Q3/2012. The cost/income ratio, calculated as costs as a percentage of core income from business operations, was trimmed to 55.2% from 56.6% in the full year 2012.

*Operating costs, depreciation and amortisation – special value adjustments*

Special value adjustments netted a credit of DKK 54m against a credit of DKK 183m in Q1-Q3/2012.

*Commission – Guarantee Fund for Depositors and Investors*

Commission payable to the Danish Guarantee Fund for Depositors and Investors amounted to DKK 53m compared with DKK 18m in Q1-Q3/2012.

Commission in Q1-Q3/2013 included an ordinary payment of DKK 46m and a DKK 7m adjustment concerning the winding-up of banks in distress.

*Impairment losses on loans and advances*

The Group's impairment losses on loans and advances came to DKK 1,604m against DKK 1,533m in Q1-Q3/2012. Impairment losses equalled 0.13% of total mortgage and bank lending.

Group impairment losses on mortgage lending stood at DKK 1,275m, equal to 0.11% of loans and advances, against DKK 1,118m or 0.10% in Q1-Q3/2012.

Impairment losses on mortgage lending to personal customers were DKK 641m, equal to 0.09% of loans and advances, against DKK 822m or 0.12% in Q1-Q3/2012.

Impairment losses on lending to commercial customers came to DKK 634m, of which impairment losses relating to SMEs remained relatively high at DKK 514m. Total impairment losses on lending to commercial customers corresponded to 0.15% of loans and advances compared with DKK 296m in Q1-Q3/2012.

Impairment losses on bank lending remained low at DKK 329m, equal to 0.30% of loans and advances, against DKK 415m in Q1-Q3/2012. Impairment losses for the period were in part increased by new impairment provisions of DKK 382m net, while recoveries on claims previously written off led to income of DKK 163m.

Impairment losses on lending to personal customers were at a very low level of DKK 15m against DKK 99m in Q1-Q3/2012.

Impairment losses on lending to commercial customers remained unchanged at DKK 314m relative to Q1-Q3/2012. Of this amount, 56% was attributable to SMEs, while reversal of provisions made for claims previously written off mainly related to terminated exposures.

**Investment portfolio income**

Investment portfolio income was DKK 1,394m against DKK 2,289m in Q1-Q3/2012.

Of income in Q1-Q3/2013, DKK 697m was a profit from the sale of strategic equities, which under current accounting rules must be recognised as income relative to the initial acquisition cost. Half the profit derived from the sale of Nykredit's shares in Jeudan A/S.

Owing to the profit on the sale of strategic equities, investment portfolio income should be seen in the context of the negative value adjustment and reclassification of these equities against equity. When strategic equities are sold, gains from previous periods are recognised as income, and a corresponding negative adjustment is made against equity.

Investment portfolio income from bonds, liquidity, interest rate instruments and subordinated bank debt was DKK 415m, of which net value adjustment of issued junior covered bonds was a charge of DKK 141m. The negative value adjustment of junior covered bonds reflects the positive fact that funding costs have decreased, leading to a higher market value of already issued junior covered bonds.

Investment portfolio income from equities and equity instruments value adjusted through profit or loss was DKK 282m, of which DKK 182m concerned private equity.

Nykredit's securities portfolio mainly consists of short-term, high-rated Danish and other European covered bonds and credit bonds.

The interest rate risk relating to the bond portfolio was largely eliminated through offsetting government bond sales or the use of interest rate derivatives.

**Net interest on hybrid capital**

Net interest expenses amounted to DKK 343m, which was unchanged on Q1-Q3/2012.

**Tax**

Tax calculated on profit for the year was DKK 269m, corresponding to an effective tax rate of 13.1%.

The Group's tax rate was influenced by a tax-free profit on equities. Adjusted for this, the tax rate was 24.5% for Q1-Q3/2013.

**Subsidiaries**

*Nykredit Bank*

The Nykredit Bank Group posted a profit before tax of DKK 85m against a profit of DKK 337m in Q1-Q3/2012. Reference is made to the Q1-Q3 Interim Report 2013 of the Nykredit Bank Group.

*Totalkredit*

Totalkredit posted a profit before tax of DKK 545m against a profit of DKK 552m in Q1-Q3/2012. Reference is made to the Q1-Q3 Interim Report 2013 of Totalkredit A/S.

**Q3/2013 results**

The Group posted a profit before tax of DKK 52m against DKK 1,083m in Q2/2013.

Compared with Q2/2013, pre-tax profit declined by DKK 1,031m, which was chiefly due to a value adjustment of derivatives (interest rate swaps), resulting in a charge of DKK 658m, while net impairment of bank lending was up by DKK 214m mainly due to the cooperative housing segment. This development derived from a more conservative assessment following inspection by the Danish FSA.

Impairment losses on mortgage lending to personal customers and small commercial customers remained high at DKK 411m against DKK 279m in Q2/2013.

Investment portfolio income rose by DKK 64m to DKK 395m in Q3/2013 against DKK 331m in Q2/2013.

### **OUTLOOK FOR 2013**

The Group's expectations for the full year are unchanged compared with its guidance at the 2012 full year results. Investment portfolio income is set to exceed expectations. This will be offset by higher negative value adjustment of swaps.

# BUSINESS AREAS

The Group is organised into the following business areas:

- Retail, which comprises Nykredit's personal customers and SMEs.  
The business area includes mortgage lending to Nykredit's personal customers arranged via Totalkredit
- Totalkredit Partners, which arranges the Group's mortgage loans to personal customers via local and regional banks
- Wholesale, which comprises Corporate & Institutional Banking and the business units Nykredit Markets and Nykredit Asset Management.

Further, Group Items comprises income and costs not allocated to the business areas, including core income from securities and investment portfolio income.

Gross income from customer business is allocated to the business area which supplied the underlying products (Nykredit Markets or Nykredit Asset Management). Income which may be attributed to the sales activities of Retail and Corporate & Institutional Banking is subsequently reallocated in full. Correspondingly, the related costs are reallocated from Nykredit Markets and Nykredit Asset Management to Retail and Corporate & Institutional Banking.

Group core earnings after impairment losses totalled DKK 1,007m against DKK 1,280m in Q1-Q3/2012. The development reflected growth in core earnings from the business areas Retail and Totalkredit Partners, whereas higher negative value adjustment of interest rate swaps and lower activity levels in Nykredit Markets produced a downturn in the business area Wholesale.

Nominal mortgage lending improved by DKK 11bn to DKK 1,120bn on the beginning of the year. In Q1-Q3/2013, the Nykredit Realkredit Group recorded gross new lending of DKK 93bn, of which DKK 57bn to personal customers.

The Group's share of total Danish mortgage lending was 43.0%, which was unchanged on end-Q3/2012. The Group's market share in the private residential segment was 47.2% and in the commercial segment 37.2%, which was on a level with end-Q3/2012.

Bank lending totalled DKK 49.1bn at end-Q3/2013. Compared with the beginning of the year, lending by Wholesale was up by DKK 0.6m, whereas lending by Retail fell by DKK 1.6bn. Bank deposits were up by DKK 4.6bn to DKK 59.2bn at end-Q3/2013, in part due to higher deposit levels recorded by both Retail and Wholesale.

## Results by business area<sup>1</sup>

DKK million	Retail	Totalkredit Partners	Wholesale	Group Items	Total
<b>Q1-Q3/2013</b>					
<b>Core income from</b>					
- customer activities, gross	4,131	1,290	2,273	(23)	7,671
- payment for distribution	489	-	(489)	-	-
<b>Total business operations</b>	<b>4,620</b>	<b>1,290</b>	<b>1,784</b>	<b>(23)</b>	<b>7,671</b>
- value adjustment of derivatives and corporate bonds	(118)	-	(444)	-	(562)
- junior covered bonds	(123)	(213)	(19)	-	(355)
- securities	-	-	-	89	89
<b>Total</b>	<b>4,379</b>	<b>1,077</b>	<b>1,321</b>	<b>66</b>	<b>6,843</b>
Operating costs	2,358	305	591	401	3,655
Depreciation of property, plant and equipment and amortisation of intangible assets	8	389	4	176	577
<b>Core earnings before impairment losses</b>	<b>2,013</b>	<b>383</b>	<b>726</b>	<b>(511)</b>	<b>2,611</b>
Impairment losses on loans and advances	1,038	326	241	(1)	1,604
<b>Core earnings after impairment losses</b>	<b>975</b>	<b>57</b>	<b>485</b>	<b>(510)</b>	<b>1,007</b>
Investment portfolio income <sup>2</sup>	-	-	-	1,394	1,394
<b>Profit before cost of capital</b>	<b>975</b>	<b>57</b>	<b>485</b>	<b>884</b>	<b>2,401</b>
Net interest on hybrid capital	-	-	-	(343)	(343)
<b>Profit before tax</b>	<b>975</b>	<b>57</b>	<b>485</b>	<b>541</b>	<b>2,058</b>
<b>Return</b>					
Average business capital, DKKm <sup>3</sup>	11,942	7,789	5,221	7,127	32,079
Core earnings after impairment losses as % of average business capital <sup>3</sup>	10.9	1.0	12.4	-	4.2
<b>Q1-Q3/2012</b>					
<b>Core earnings after impairment losses</b>	<b>564</b>	<b>(12)</b>	<b>1,034</b>	<b>(306)</b>	<b>1,280</b>
<b>Return</b>					
Average business capital, DKKm <sup>3</sup>	11,637	7,861	6,376	7,330	33,205
Core earnings after impairment losses as % of average business capital <sup>3</sup>	6.5	(0.2)	21.7	-	5.2

<sup>1</sup> Please refer to note 4 in this report for complete segment financial statements with comparative figures.

<sup>2</sup> Investment portfolio income includes profit from the sale of investments in associates of DKK 30m (2012: DKK 30m).

<sup>3</sup> Business capital has been determined as Nykredit's ICAAP result.

## Results – Retail

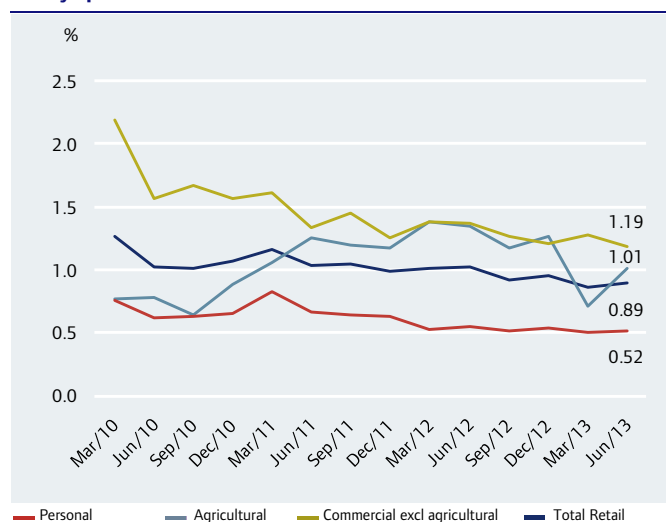
DKK million	Q1-Q3/2013	Q1-Q3/2012
<b>Core income from</b>		
- business operations	4,620	4,541
- value adjustment of derivatives	(118)	(479)
- junior covered bonds	(123)	(110)
<b>Total</b>	<b>4,379</b>	<b>3,952</b>
Operating costs	2,323	2,293
Payment to the Guarantee Fund for Depositors and Investors	35	9
Depreciation of property, plant and equipment and amortisation of intangible assets	8	9
<b>Core earnings before impairment losses</b>	<b>2,013</b>	<b>1,641</b>
Impairment losses on loans and advances		
- mortgage lending	829	624
Impairment losses on loans and advances – banking	209	453
<b>Core earnings after impairment losses</b>	<b>975</b>	<b>564</b>

## Activities

DKK million	30.09.2013	2012
<b>Mortgage lending</b>		
Gross new lending, Q1-Q3*	29,368	50,900
Portfolio at nominal value, end of period	448,246	450,218
Impairment losses for the period as % of loans and advances*	0.19	0.14
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	1,466	1,307
- Collective impairment provisions	797	611
Total impairment provisions as % of loans and advances	0.50	0.43
Portfolio of repossessed properties, end of period (properties)	293	276
<b>Banking</b>		
Loans and advances, end of period	25,553	27,105
Deposits, end of period	39,448	36,174
Impairment losses for the period as % of loans and advances*	0.82	1.48
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	2,049	2,002
- Collective impairment provisions	115	140
Total impairment provisions as % of loans and advances	7.81	7.33
Guarantees, end of period	3,754	3,668
Provisions for guarantees, end of period	54	74

\* For Q1-Q3/2013 and Q1-Q3/2012. Other data from end-Q3/2013 and end-2012.

### Arrears ratio, mortgage lending 75 days past the due date



## RETAIL

The business area Retail comprises personal customers and SMEs, including agricultural customers, private residential rental customers, wealthy personal customers and personal customers owning properties in France or Spain financed by Danish mortgage loans. Further, the business area includes mortgage lending to Nykredit's personal customers arranged via Totalkredit. Retail also comprises the activities of Nykredit Mægler A/S and Nykredit Leasing A/S.

Nykredit serves its customers through 55 local customer centres and the sales and advisory centre Nykredit Direkte®. The estate agencies of the Nybolig and Estate chains constitute other distribution channels. Nykredit offers insurance in partnership with Gjensidige Forsikring.

The customers of Retail are offered products within banking, mortgage lending, insurance, pension, investment and debt management.

## Activities

In nominal terms, total mortgage lending went down by DKK 2.0bn to DKK 448bn at end-Q3/2013. The decline stemmed from personal customers. Nominal lending to personal customers and commercial customers was DKK 204bn and DKK 244bn, respectively.

Gross new mortgage lending fell by DKK 21.5bn to DKK 29.4bn compared with the same period the year before. This development should be seen in the context of exceptionally high lending activity in Q1-Q3/2012 in response to low interest rates, which caused many homeowners to remortgage. Gross new lending comprised DKK 13.7bn to personal customers and DKK 15.7bn to commercial customers.

At end-Q3/2013, bank lending was down to DKK 25.6bn from DKK 27.1bn at the beginning of the year. The fall was evenly distributed between personal and commercial customers. At end-Q3/2013, bank deposits amounted to DKK 39.4bn, up from DKK 36.2bn at the beginning of the year. The rise was due to higher deposits from commercial customers.

## Results

Core earnings after impairment losses came to DKK 975m against DKK 564m in Q1-Q3/2012.

The most important factor underlying the positive development was lower value adjustment of derivatives (interest rate swaps). Further, results reflected a continued low level of lending to personal customers and higher impairment losses on mortgage lending to SMEs, whereas impairment losses on lending to personal customers decreased.

Core income from business operations amounted to DKK 4,620m in Q1-Q3/2013. Core income from commercial customers grew by DKK 109m, whereas income from personal customers declined. Core income from mortgage operations went up by 4%, whereas core income from banking operations dropped by 2.8%.

Value adjustment of derivatives, mainly interest rate swaps, was a charge of DKK 118m against a charge of DKK 479m in Q1-Q3/2012.

Operating costs rose by DKK 30m to DKK 2,323m in Q1-Q3/2013.

Mortgage impairment losses rose by DKK 205m to DKK 829m, whereas impairment losses on bank lending more than halved to DKK 209m. Total impairment losses fell by 3.6% compared with Q1-Q3/2012. Impairment losses represented 0.19% of mortgage lending and 0.82% of bank lending.

At end-Q3/2013, impairment provisions totalled DKK 4,427m against DKK 4,060m at the beginning of the year. Total impairment provisions for mortgage and bank lending were DKK 2,263m and DKK 2,164m, respectively. The change in total impairment provisions of DKK 367m chiefly stemmed from a rise in collective and individual impairment provisions for mortgage lending to commercial customers, whereas impairment provisions for bank lending to personal customers declined slightly.

At the June due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due came to 0.89% for Retail against 1.02% at the same time in 2012.

At end-Q3/2013, repossessed properties amounted to 293, of which 164 were private residential properties and 129 commercial properties. In the period under review, 260 properties were repossessed and 243 sold.



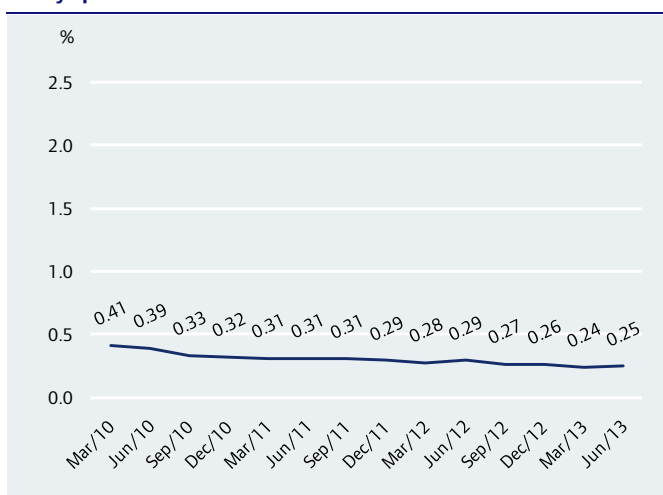
**Results – Totalkredit Partners**

DKK million	Q1-Q3/ 2013	Q1-Q3/ 2012
Core income from		
- business operations	1,290	1,307
- junior covered bonds	(213)	(189)
<b>Total</b>	<b>1,077</b>	<b>1,118</b>
Operating costs	305	314
Depreciation of property, plant and equipment and amortisation of intangible assets	389	390
<b>Core earnings before impairment losses</b>	<b>383</b>	<b>414</b>
Impairment losses on loans and advances	326	426
<b>Core earnings after impairment losses</b>	<b>57</b>	<b>(12)</b>

**Activities**

DKK million	30.09.2013	2012
<b>Mortgage lending</b>		
Gross new lending, Q1-Q3*	43,384	97,951
Portfolio at nominal value, end of period	493,484	484,980
Impairment losses for the period as % of loans and advances*	0.07	0.09
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	403	441
- Collective impairment provisions	561	429
Total impairment provisions as % of loans and advances	0.20	0.18
Portfolio of repossessed properties, end of period (properties)	60	77

\* For Q1-Q3/2013 and Q1-Q3/2012.  
Other data from end-Q3/2013 and end-2012.

**Arrears ratio, mortgage lending  
75 days past the due date****TOTALKREDIT PARTNERS**

The business area Totalkredit Partners comprises mortgage loans distributed to personal customers under the Totalkredit brand through nearly 70 Danish local and regional banks.

**Activities**

Nominal mortgage lending improved by DKK 8.5bn to DKK 493bn at end-Q3/2013. Gross new lending contracted by DKK 54.6bn to DKK 43bn on Q1-Q3/2012.

**Results**

Core earnings after impairment losses produced a profit of DKK 57m against a loss of DKK 12m in Q1-Q3/2012.

Results reflected a drop in core income from business operations, rising interest expenses for supplementary collateral and a decline in operating costs and loan impairment losses.

Core income from business operations edged down by 1.4% to DKK 1,290m in Q1-Q3/2013. This was the result of higher administration margin income prompted by larger lending volumes and price increases implemented in April 2012, but also of a drop in activity-specific income owing to lower lending levels.

Net expenses for junior covered bonds were DKK 213m compared with DKK 189m in Q1-Q3/2012. The rise was attributable to an increased need for supplementary collateral due to a decline in property prices.

Operating costs were trimmed to DKK 305m in Q1-Q3/2013 from DKK 314m in the same period the year before.

Depreciation of property, plant and equipment and amortisation of intangible assets totalling DKK 389m mainly related to amortisation of distribution rights obtained in connection with Nykredit's acquisition of Totalkredit.

Recognised losses, corresponding to the cash part of a loan exceeding 60% of the mortgageable value of the property at the time of granting, are offset against future commission payments from Totalkredit to its partner banks.

Loan impairment losses reduced by 24% to DKK 326m compared with the same period in 2012, after set-off against commission payable to partner banks. The amount offset grew by DKK 61m to DKK 246m in Q1-Q3/2013. Impairment losses totalled 0.07% of loans and advances in Q1-Q3/2013.

At end-Q3/2013, impairment provisions totalled DKK 964m against DKK 870m at the beginning of the year. The DKK 94m change in total impairment provisions stemmed from a rise in collective impairment provisions, whereas individual impairment provisions decreased.

At the June due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due were 0.25% against 0.29% at the same time in 2012.

The number of repossessed properties was 60 at end-Q3/2013. In the period under review, 99 properties were repossessed and 116 sold.

**Results – Wholesale**

DKK million	Q1-Q3/ 2013	Q1-Q3/ 2012
Core income from		
- business operations	1,784	1,757
- value adjustment of derivatives and corporate bonds	(444)	(35)
- junior covered bonds	(19)	(19)
<b>Total</b>	<b>1,321</b>	<b>1,703</b>
Operating costs	584	632
Payment to the Guarantee Fund for Depositors and Investors	7	2
Depreciation of property, plant and equipment and amortisation of intangible assets	4	3
<b>Core earnings before impairment losses</b>	<b>726</b>	<b>1,066</b>
Impairment losses on loans and advances		
- mortgage lending	110	68
Impairment losses on loans and advances - banking	131	(36)
<b>Core earnings after impairment losses</b>	<b>485</b>	<b>1,034</b>

**Income from customer activities**

DKK million	Q1-Q3/ 2013	Q1-Q3/ 2012
Gross income before payment for distribution		
- Nykredit Markets	517	731
- Nykredit Asset Management	588	575
- Corporate & Institutional Banking	1,168	997
<b>Total</b>	<b>2,273</b>	<b>2,203</b>
Payment for distribution		
- Nykredit Markets	(192)	(308)
- Nykredit Asset Management	(343)	(330)
- Corporate & Institutional Banking	46	92
<b>Total</b>	<b>(489)</b>	<b>(546)</b>
Core income after payment for distribution		
- Nykredit Markets	325	423
- Nykredit Asset Management	245	245
- Corporate & Institutional Banking	1,214	1,089
<b>Total</b>	<b>1,784</b>	<b>1,757</b>

**WHOLESALE**

The business area Wholesale comprises activities with the Group's corporate and institutional clients, the non-profit housing segment, cooperative housing and mortgage lending to corporates for properties abroad. Wholesale also handles the Group's activities within securities and financial derivatives trading, and wealth and asset management. Wholesale consists of Corporate & Institutional Banking, Nykredit Markets and Nykredit Asset Management.

**Results**

Core earnings after impairment losses came to DKK 485m against DKK 1,034m in Q1-Q3/2012.

Results mirrored higher negative value adjustment of derivatives (interest rate swaps) and a rise in loan impairment losses. Corporate & Institutional Banking recorded growth in business volumes, while activity within Nykredit Markets was at a lower level.

Gross income from customer activities was DKK 2,273m compared with DKK 2,203m in Q1-Q3/2012.

Of this amount, gross income from Nykredit Markets was DKK 517m, down DKK 214m on Q1-Q3/2012, while gross income from Nykredit Asset Management reduced by DKK 13m to DKK 588m. Corporate & Institutional Banking recorded a DKK 171m increase to DKK 1,168m.

Nykredit Markets's income after payment for distribution dropped by DKK 98m to DKK 325m in Q1-Q3/2013, whereas Nykredit Asset Management's income remained unchanged at DKK 245m after payment for distribution. Corporate & Institutional Banking recorded an upturn of DKK 125m to DKK 1,214m.

Value adjustment of derivatives, chiefly interest rate swaps, increased by DKK 409m and was a charge of DKK 444m in Q1-Q3/2013.

Operating costs were cut by 7.6% to DKK 584m compared with the same period the year before.

Impairment losses on mortgage lending came to DKK 110m, up DKK 42m. The increase stems from higher individual impairment provisions in respect of commercial customers.

Impairment losses on bank lending were DKK 131m in Q1-Q3/2013 against a net credit of DKK 36m in Q1-Q3/2012. Of impairment losses on bank lending, DKK 80m concerned higher provisions for guarantees compared with a DKK 43m reversal of impairment provisions for guarantees in the same period the year before. The business unit Other Activities contributed a credit of DKK 133m mainly from the sale of properties in temporary possession.

Impairment losses on mortgage and bank lending amounted to 0.06% and 0.23%, respectively.

At end-Q3/2013, total impairment provisions came to DKK 2,132m against DKK 1,977m at the beginning of the year. The DKK 155m increase chiefly derived from an increase in collective impairment provisions of DKK 142m, of which provisions for banking activities constituted DKK 129m.

**Results – Wholesale**

DKK million	30.09.2013	2012
<b>Mortgage lending</b>		
Gross new lending, Q1-Q3*	19,882	23,962
Portfolio at nominal value, end of period	178,097	173,599
Impairment losses for the period as % of loans and advances*	0.06	0.04
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	197	104
- Collective impairment provisions	76	63
Total impairment provisions as % of loans and advances	0.15	0.10
Portfolio of repossessed properties, end of period (properties)	2	3
<b>Banking</b>		
Loans and advances, end of period	20,249	19,655
Deposits, end of period	18,691	16,286
Impairment losses for the period as % of loans and advances*	0.23	0.03
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	1,649	1,729
- Collective impairment provisions	210	81
Total impairment provisions as % of loans and advances	8.41	8.43
Guarantees, end of period	1,077	936
Provisions for guarantees, end of period	88	8
<b>Assets under management</b>	<b>115,219</b>	<b>103,698</b>
<b>Assets under administration</b>		
<b>Nykredit Portefølje Administration A/S</b>	<b>576,679</b>	<b>513,675</b>
- of which the investment funds of the Nykredit Group	51,590	46,518

\* For Q1-Q3/2013 and Q1-Q3/2012.  
Other data from end-Q3/2013 and end-2012.

**Activities**

In nominal terms, total mortgage lending improved by DKK 4.5bn to DKK 178bn at end-Q3/2013. Gross new mortgage lending contracted by DKK 4.1bn to DKK 19.9bn compared with the same period the year before.

At end-Q3/2013, bank lending was DKK 20.2bn, up DKK 0.6bn on the beginning of the year. The rise can be attributed to commercial customers.

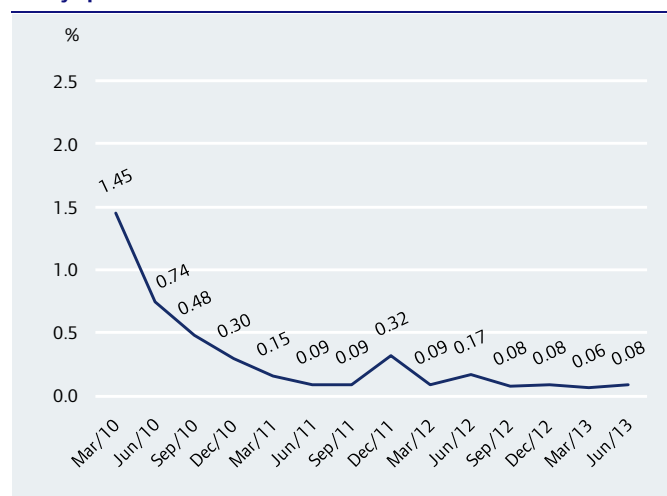
Bank deposits increased by DKK 2.4bn to DKK 18.7bn at end-Q3/2013. The improvement in deposits stems from Nykredit Asset Management and commercial customers.

At end-Q3/2013, assets under management stood at DKK 115bn, up DKK 11.5bn on the beginning of the year. Total assets under administration went up by DKK 63.0bn to DKK 577bn at end-Q3/2013.

**Arrears**

At the June due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due were 0.08% against 0.17% at the same time in 2012.

The number of repossessed properties was 2 at end-Q3/2013. In the period under review, 1 property was sold.

**Arrears ratio, mortgage lending  
75 days past the due date**

## GROUP ITEMS

A number of income statement and balance sheet items are not allocated to the business areas. Such items are carried under Group Items and include costs of some staff functions and IT development costs. Group Items also includes the Group's total return on the securities portfolio, which is the sum of "Core income from securities" and "Investment portfolio income". The activities of the companies Nykredit Ejendom A/S and Ejendomsselskabet Kalvebod A/S are also part of Group Items.

## Results

Profit before tax was DKK 541m against DKK 1,635m in the same period the year before.

## Core income from securities

The Group's core income from securities amounted to DKK 89m against DKK 191m in Q1-Q3/2012. The downturn resulted from a decrease in the Danish central bank's average lending rate from 0.51% in Q1-Q3/2012 to 0.24%.

## Results – Group Items

DKK million	Q1-Q3/ 2013	Q1-Q3/ 2012
Core income from		
- business operations	(23)	(62)
- securities	89	191
<b>Total</b>	<b>66</b>	<b>129</b>
Operating costs	444	455
Operating costs – special value adjustments	(54)	(183)
Payment to the Guarantee Fund for Depositors and Investors	11	7
Depreciation of property, plant and equipment and amortisation of intangible assets	176	158
<b>Core earnings before impairment losses</b>	<b>(511)</b>	<b>(308)</b>
Impairment losses on loans and advances – mortgage lending	10	-
Impairment losses on loans and advances – banking	(11)	(2)
<b>Core earnings after impairment losses</b>	<b>(510)</b>	<b>(306)</b>
Investment portfolio income	1,394	2,289
<b>Profit before cost of capital</b>	<b>884</b>	<b>1,983</b>
Net interest on hybrid capital	(343)	(348)
<b>Profit before tax</b>	<b>541</b>	<b>1,635</b>

## Activities

DKK million	30.09.2013	2012
<b>Banking</b>		
Loans and advances, end of period	3,328	2,968
Deposits, end of period	1,018	2,049
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions, loans and advances	75	91
- Individual impairment provisions, credit institutions	(19)	-
- Collective impairment provisions	-	15
Total impairment provisions as % of loans and advances	2.76	3.43
Guarantees, end of period	502	202
Provisions for guarantees, end of period	-	-

Data from end-Q3/2013 and end-2012.

Core income from securities equals the return the Group could have obtained by placing its investment portfolios at the risk-free interest rate. Core income from securities also includes net interest expenses relating to supplementary capital and the acquisition of Totalkredit.

## Operating costs

Operating costs remained unchanged at DKK 444m in Q1-Q3/2013.

Special value adjustments were a credit of DKK 54m. This included a charge of DKK 24m relating to a revised estimate underlying the calculation of the Group's payroll tax, which was offset by a credit of DKK 78m stemming from a partial reversal of provisions relating to Dansk Pantebrevsbørs A/S under konkurs (in bankruptcy). The net credit of DKK 183m in Q1-Q3/2012 concerned termination of the Group's senior benefit scheme, offset by provisions relating to staff reductions.

## Impairment losses

Loan impairment was a net credit of DKK 1m and concerned only a few exposures.

## Investment portfolio income

Investment portfolio income was DKK 1,394m against DKK 2,289m in the same period of 2012.

Of income in Q1-Q3/2013, DKK 697m was attributable to profit from the sale of strategic equities, which under current accounting rules must be recognised as income relative to the initial acquisition cost. Half the profit derived from the sale of Nykredit's shareholding in Jeudan A/S. Owing to the profit on the sale of strategic equities, investment portfolio income should be seen in the context of the negative value adjustment and reclassification of these equities against equity. When strategic equities are sold, gains from previous periods are recognised as income, and a corresponding negative adjustment is made against equity.

Investment portfolio income from bonds, liquidity and interest rate instruments was DKK 415m after set-off of commission of DKK 60m for a loss guarantee issued by Nykredit Holding in favour of Nykredit Bank. Net value adjustment of issued junior covered bonds was a charge of DKK 141m. Investment portfolio income from equities and equity instruments value adjusted through profit or loss was DKK 282m, of which DKK 182m concerned private equity.

Investment portfolio income is the income exceeding risk-free interest obtained from investing in equities, bonds and derivative financial instruments. To this should be added the realisation of equities classified as available for sale and value adjustment of Kalvebod issues. Price spreads and interest margins relating to the mortgage lending of Nykredit Realkredit and Totalkredit and the trading activities of Nykredit Markets are included not as investment portfolio income, but as core income from business operations.

## EQUITY AND CAPITAL ADEQUACY OF THE NYKREDIT REALKREDIT GROUP

### Equity

Group equity grew by DKK 1.2bn to DKK 58.8bn at end-Q3/2013.

The rise consisted of profit for the period of DKK 1.8bn and positive value adjustment of strategic equities of DKK 0.3bn, which was offset by reclassification of negative value adjustment of DKK 0.7bn on the sale of strategic equities. The Group distributed dividend of DKK 0.2bn.

In accordance with IAS 39, Nykredit has classified the Group's strategic equity investments as "available for sale" in its Consolidated Financial Statements. Current value adjustment of these equities is recognised in equity, whereas value adjustments following a sale will be reclassified from equity to the income statement. The value of equities classified as available for sale totalled DKK 1,345m against DKK 1,766m at the beginning of the year.

### The Nykredit Realkredit Group Equity

DKK million	30.09.2013	31.12.2012
<b>Equity, beginning of period</b>	<b>57,556</b>	<b>55,310</b>
Profit for the period	1,789	2,569
Fair value adjustment of equities available for sale	301	236
Realised value adjustment of equities available for sale reclassified to the income statement	(709)	(473)
Distributed dividend	(150)	(200)
Other adjustments	(3)	114
<b>Equity, end of period</b>	<b>58,784</b>	<b>57,556</b>

### The Nykredit Realkredit Group Capital and capital adequacy

DKK million	30.09.2013	2012
Credit risk	21,036	22,051
Market risk	2,403	2,368
Operational risk	1,505	1,722
<b>Total capital requirement<sup>1</sup></b>	<b>24,945</b>	<b>26,142</b>
Core Tier 1 capital	52,961	51,720
Tier 1 capital	63,633	62,410
Capital base after statutory deductions	63,633	62,410
Core Tier 1 capital ratio, %	17.0	15.8
Tier 1 capital ratio, %	20.4	19.1
Total capital ratio, %	20.4	19.1
Internal capital adequacy requirement (Pillar I and Pillar II), %	10.3	9.6
<b>Total risk-weighted assets</b>	<b>311,809</b>	<b>326,775</b>

Capital base and capital adequacy are specified further in note 2.

<sup>1</sup> The capital requirement is determined in accordance with the transitional provisions of the Danish Executive Order on Capital Adequacy. The capital requirement must constitute at least 80% of the capital requirement determined under Basel I. capital requirement was DKK 50.2bn at end-Q3/2013.

### Capital and capital adequacy

The Group's capital base stood at DKK 63.6bn, and risk-weighted assets totalled DKK 311.8bn, corresponding to a total capital ratio of 20.4%.

The calculation of the total capital ratio includes a loss guarantee issued by Nykredit Holding A/S in favour of Nykredit Bank. Nykredit Bank's management has decided to terminate the guarantee in Q4/2013. Exclusive of the guarantee, the total capital ratio was 19.3% at end-Q3/2013. The intercompany guarantee has no effect on the Nykredit Holding Group's capital and capital adequacy.

The Group's capital requirement was DKK 24.9bn, and the core Tier 1 capital ratio was 17.0% at end-Q3/2013.

Under the transitional rules, the capital requirement amounted to DKK 50.2bn, equal to a total capital ratio of at least 16.1%. The transitional rules of Basel I have been extended to 2015 inclusive. They are expected to be extended to 2019 when new capital requirements come into force.

The IRB advanced approaches are used to determine the capital requirement for credit risk for the greater part of the loan portfolio. The capital requirement for market risk is chiefly determined using a Value-at-Risk model, and the capital requirement for operational risk is determined using the basic indicator approach.

Nykredit's use of models to determine capital requirements is described under "Group risk management" in the Nykredit Realkredit Group's Annual Report 2012 and in the report Risk and Capital Management 2012 available at [nykredit.com/reports](http://nykredit.com/reports).

### Required capital base and internal capital adequacy requirement

The required capital base is the minimum capital required, in Management's judgement, to cover all significant risks. The Group's required capital base amounted to DKK 32.2bn at end-Q3/2013, corresponding to an internal capital adequacy requirement of 10.3%.

Nykredit's required capital base consists of Pillar I and Pillar II capital.

Pillar I capital, covering credit, market and operational risk as well as risk relating to own properties, was determined at DKK 22.6bn at end-Q3/2013.

Pillar II comprises capital to cover other risk as well as an increased capital requirement during an economic downturn. The Pillar II capital requirement was determined at DKK 9.6bn at end-Q3/2013.

The report Risk and Capital Management 2012, available at [nykredit.com/reports](http://nykredit.com/reports), contains a detailed description of the determination of the required capital base and internal capital adequacy requirement of the Nykredit Realkredit Group as well as all group companies.

### New regulation

The Nykredit Realkredit Group has been designated as a systemically important financial institution (SIFI) in Denmark. Based on the announcement by the political parties behind the SIFI agreement, Nykredit's equity requirement will increase by 2% of risk-weighted assets.

The new requirements will be implemented gradually up to 2019. Nykredit estimates that the total future regulatory requirement will be in the region of 18% of risk-weighted assets compared with a capital adequacy requirement of some 9.5% today. Further, it is expected that risk-weighted assets will increase due to changes in calculation rules. For the entire Group, risk-weighted assets are likely to be in the region of DKK 400bn, inclusive of a capital reserve buffer.

Nykredit will aim for an equity level of some 15% of risk-weighted assets. Thus, Nykredit's capital policy will allow for changes in economic trends. During an economic upturn, the capital requirement will rise due to a statutory countercyclical buffer. During an economic downturn with high unemployment, the capital requirement will rise mainly due to higher arrears, which increases risk-weighted assets.

Based on the above, the equity requirement for 2019 amounts to DKK 68bn inclusive of a buffer for cyclical fluctuations.

### OTHER

#### Partnership on new secured homeowner loans

Totalkredit will expand its business activities with the banks forming part of the Totalkredit partnership. From Q1/2014, these banks will launch a new competitive homeowner loan, when Denmark's leading mortgage bank for private homeowners, Totalkredit, which is owned by Nykredit, broadens its product range to include a new type of secured homeowner loan funded by covered bonds in the form of SDOs.

The homeowner loan, which has a term of up to 30 years and is subject to a LTV limit of 60%, has been developed in association with the local banks of the Totalkredit partnership.

#### New Group Chief Executive

On 1 September 2013 the Board of Directors appointed Michael Rasmussen Group Chief Executive and CEO of Nykredit Holding A/S, Nykredit Realkredit A/S and Foreningen Nykredit. Michael Rasmussen (48) was until his appointment CEO of Nordea Danmark A/S and a member of Nordea's Group Executive Management responsible for Nordea's activities in Denmark and all the Nordea group's retail banking activities.

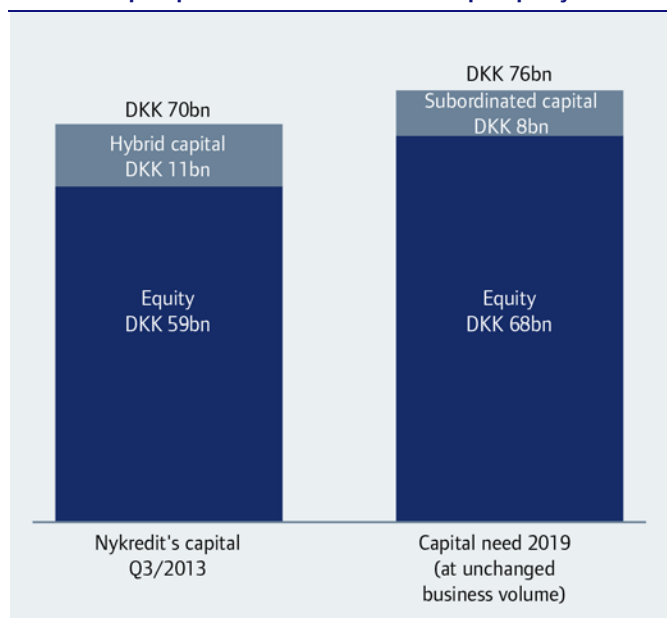
#### Tax

In May 2013, the Danish tax authorities suggested a change to Nykredit's reported income for the assessment year 2009. Reference is made to note 25 "Off-balance sheet items – Tax".

### EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

No significant events have occurred in the period up to the presentation of the Q1-Q3 Interim Report 2013 which affect the financial position of the Nykredit Group.

### The Nykredit Realkredit Group Estimated capital position based on the future capital policy



# LENDING

The Group reported total lending of DKK 1,169bn against DKK 1,159bn at the beginning of the year. Total lending included mortgage lending at nominal value and bank lending excluding reverse transactions.

Group mortgage lending at fair value was unchanged at DKK 1,136bn compared with the beginning of the year. The Group's nominal mortgage lending amounted to DKK 1,120bn.

The Group's bank lending totalled DKK 49.1bn against DKK 49.7bn at the beginning of the year. The Group's reverse transactions amounted to DKK 50.1bn against DKK 35.4bn at the beginning of the year.

Impairment provisions for mortgage and bank lending totalled DKK 7.6bn compared with DKK 7.0bn at the beginning of the year. At end-Q3/2013, the Group had made impairment provisions for receivables from credit institutions of DKK 29m, but no impairment provisions for reverse transactions.

The Group's guarantees came to DKK 5.3bn at end-Q3/2013.

## The Nykredit Realkredit Group

### Loans, advances, guarantees and impairment losses on loans and advances

DKK million	Loans, advances and guarantees		Total provisions for loan impairment and guarantees		Impairment losses on loans and advances, earnings impact	
	30.09.2013	31.12.2012	30.09.2013	31.12.2012	Q1-Q3/2013	FY 2012
<b>Mortgage lending<sup>1</sup></b>						
Nykredit Realkredit <sup>2</sup>	591,674	598,882	2,494	2,051	921	1,052
Totalkredit <sup>3</sup>	528,153	509,915	1,006	903	345	540
<b>Total</b>	<b>1,119,827</b>	<b>1,108,797</b>	<b>3,500</b>	<b>2,954</b>	<b>1,266</b>	<b>1,592</b>
<b>Bank lending<sup>4</sup></b>						
Nykredit Bank <sup>5</sup>	48,017	48,116	3,049	2,838	382	480
Terminated exposures <sup>6</sup>	1,113	1,611	1,050	1,220	(133)	109
<b>Total</b>	<b>49,130</b>	<b>49,727</b>	<b>4,099</b>	<b>4,058</b>	<b>249</b>	<b>589</b>
<b>Receivables from credit institutions<sup>4</sup></b>						
<b>Total</b>	<b>25</b>	<b>-</b>	<b>29</b>	<b>-</b>	<b>29</b>	<b>-</b>
Reverse transactions	50,149	35,401	-	-	-	-
Guarantees	5,333	4,806	143	82	61	(32)
<b>Loan impairment, %<sup>7</sup></b>						
Nykredit Realkredit	-	-	0.42	0.34	0.16	0.18
Totalkredit	-	-	0.19	0.18	0.07	0.11
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>0.27</b>	<b>0.11</b>	<b>0.14</b>
Nykredit Bank	-	-	5.97	5.57	0.75	0.94
Terminated exposures <sup>6</sup>	-	-	48.53	47.03	(6.13)	3.85
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.70</b>	<b>7.55</b>	<b>0.47</b>	<b>1.10</b>

<sup>1</sup> Nominal mortgage lending.

<sup>2</sup> Excluding intercompany lending of DKK 1,210m (2012: DKK 1,161m).

<sup>3</sup> The earnings impact has been adjusted for an intercompany set-off of DKK 10m in Q1-Q3/2013 (2012: DKK 13m).

<sup>4</sup> Bank lending and receivables from credit institutions determined after total impairment provisions.

<sup>5</sup> Excluding intercompany lending of DKK 66m (2012: DKK 80m).

<sup>6</sup> From the former Forstædernes Bank.

<sup>7</sup> Loan impairment excludes receivables from credit institutions, reverse transactions and guarantees.

## MORTGAGE LENDING

The Group's credit exposures in terms of nominal mortgage lending amounted to DKK 1,120bn at end-Q3/2013 against DKK 1,109bn at the beginning of the year, a rise of DKK 11bn.

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

The LTV ratios of the mortgage loan portfolio are shown in the table below with individual loans relative to the estimated values of the individual properties at end-Q3/2013.

### Total provisions for mortgage loan impairment

The Group's total impairment provisions for mortgage lending rose by DKK 546m from the beginning of the year to DKK 3,500m at end-Q3/2013.

The Group's individual impairment provisions for mortgage lending totalled DKK 2,066m against DKK 1,851m at the beginning of the year, and collective impairment provisions for mortgage lending were DKK 1,434m against DKK 1,103m at the beginning of the year.

Of the increase in impairment provisions, DKK 212m related to private residential property, for which individual and collective impairment provisions came to DKK 1m and DKK 211m, respectively.

Private residential property accounted for DKK 1,756m and commercial property DKK 1,744m of impairment provisions at end-Q3/2013.

The Group's total impairment provisions amounted to 0.31% of total mortgage lending against 0.27% at the beginning of the year.

### Earnings impact

Impairment losses on mortgage lending were DKK 1,266m against DKK 1,118m in Q1-Q3/2012. Of total impairment losses on loans and advances for the period, DKK 655m, or 52%, was attributable to private residential property.

To this should be added impairment losses on credit institutions totaling DKK 10m in Q1-Q3/2013.

## The Nykredit Realkredit Group

### Mortgage debt outstanding relative to estimated property values

DKKm/%	LTV (loan-to-value)						Total	LTV average, % <sup>1</sup>
	0-40	40-60	60-80	80-90	90-100	>100		
Private residential property	398,598	157,830	103,342	19,904	8,640	7,627	695,940	75
Private residential rental	72,869	26,046	13,552	1,830	750	622	115,670	67
Industry and trades	16,337	5,424	2,183	490	261	202	24,896	65
Office and retail	84,500	24,124	4,103	561	243	224	113,754	55
Agricultural property	72,202	19,508	7,463	1,274	625	594	101,666	59
Non-profit housing	-	-	-	-	-	-	67,590	-
Other	13,363	3,041	1,158	72	47	84	17,765	55
<b>Total, end-Q3/2013</b>	<b>657,868</b>	<b>235,973</b>	<b>131,800</b>	<b>24,130</b>	<b>10,567</b>	<b>9,353</b>	<b>1,137,281</b>	<b>68</b>
Total, end-2012	654,182	231,850	135,812	26,864	10,781	8,456	1,137,797	68

<sup>1</sup>Determined as the top part of the debt outstanding relative to estimated property values.

Note: The figures are actual LTV ratios including any financed costs. Public authority guarantees reduce the credit risk relating to subsidised housing that forms part of lending to the non-profit housing segment. For this reason, LTVs of non-profit housing offer no relevant risk data.

In the table, debt outstanding is distributed continuously by LTV category. Loans with security covering for example between 0% and 60% of the mortgageable value are distributed with two thirds of the debt outstanding in the LTV range 0-40% and one third in the LTV range 40-60%.

## The Nykredit Realkredit Group

### Provisions for mortgage loan impairment by property type<sup>1</sup>

DKK million	30.09.2013				31.12.2012			
	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total earnings impact	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total earnings impact
Private residential property	808	948	1,756	655	807	737	1,544	1,093
Private residential rental	482	138	620	266	333	95	428	148
Industry and trades	185	20	205	71	123	20	143	43
Office and retail	233	153	386	185	219	84	303	207
Agricultural property	267	135	402	50	311	129	440	61
Non-profit housing	22	24	46	19	14	13	27	20
Other	69	16	85	20	44	25	69	20
<b>Total</b>	<b>2,066</b>	<b>1,434</b>	<b>3,500</b>	<b>1,266</b>	<b>1,851</b>	<b>1,103</b>	<b>2,954</b>	<b>1,592</b>

<sup>1</sup> The breakdown by property type is not directly comparable with the Group's business areas.



**The Nykredit Realkredit Group****Arrears ratio – 75 days past the due date**

Due dates	Arrears relative to total mortgage payments %	Bond debt outstanding affected by arrears of total bond debt outstanding %	Bond debt outstanding affected by arrears DKKbn
<b>2013</b>			
- June	0.46	0.50	5.6
- March	0.47	0.46	5.1
<b>2012</b>			
- December	0.49	0.53	5.9
- September	0.52	0.51	5.6
- June	0.56	0.63	7.1
- March	0.57	0.56	6.2

*Arrears*

At the June due date, the Group's mortgage loan arrears as a percentage of total mortgage payments due were 0.46% against 0.56% at the same time the year before.

Likewise, the Group's bond debt outstanding affected by arrears as a percentage of the total bond debt outstanding declined from 0.63% to 0.50% compared with the same time the year before.

Mortgage impairment provisions rose despite decreasing arrears ratios. This is in particular the result of low marketability and declining prices of some property types.

*Housing prices*

Nominal housing prices have gained 3% pa on average in the past decade, and today they are at the same level as in 2004, adjusted for inflation. A nascent turnaround in the housing market was seen in H1/2013, but regional variation is substantial.

In the period from Q2/2012 to Q2/2013, house prices slid by almost 0.1% across the board, whereas owner-occupied flat prices were up 7.4%.

*Repossessed properties*

In Q1-Q3/2013, the Group repossessed 359 properties and sold 360. At end-Q3/2013, the portfolio stood at 355, of which 224 were private residential properties, compared with 356 at the beginning of the year.

**BANK LENDING**

Following the Danish FSA's inspection of the Group's credits area, Nykredit Bank has made a more conservative assessment of cooperative housing exposures. There is consequently OEI (objective evidence of impairment) whenever a conservatively assessed rent is not sufficient to restore positive equity in a housing cooperative over a 30-year cash flow. Any market value of swaps is included in the calculation of equity only if the maturity of the swap exceeds 30 years. If there is OEI, loan impairment is calculated for the exposure and negative value adjustment of any interest rate swaps is made.

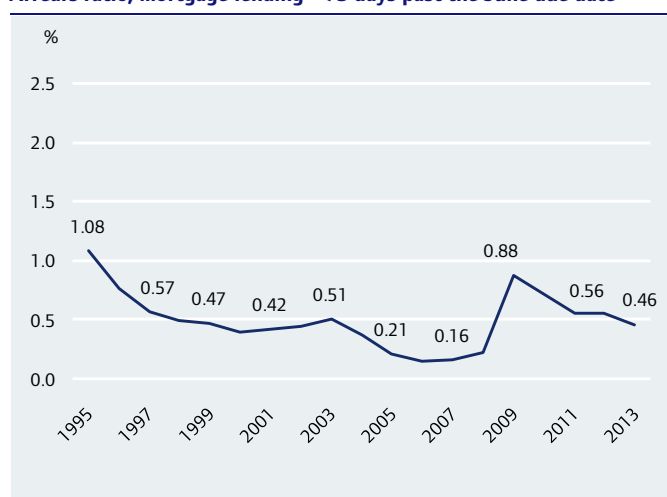
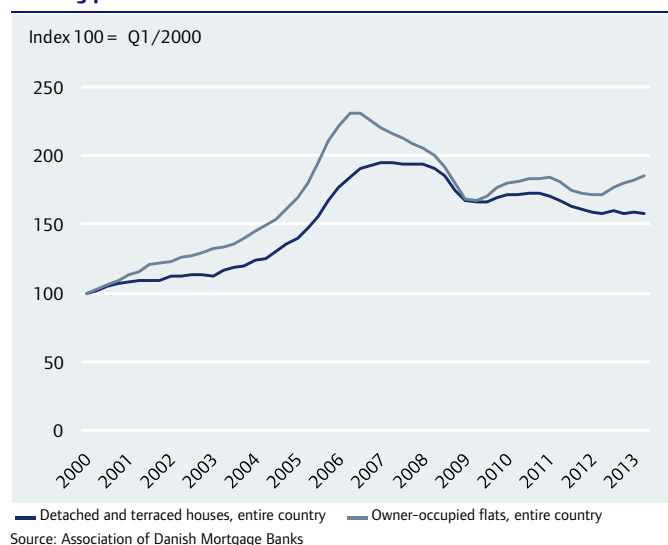
The Group's credit exposure to loans, advances and guarantees was DKK 104.6bn against DKK 89.9bn at the beginning of the year, up DKK 14.7bn. The increase primarily stemmed from reverse lending, which grew by DKK 14.7bn to DKK 50.1bn.

Bank lending accounted for DKK 49.1bn of the total credit exposure against DKK 49.7bn at the beginning of the year. Bank lending before impairment provisions was DKK 53.2bn against DKK 53.8bn at the beginning of 2013.

**Total provisions for bank loan impairment**

Provisions for bank loan impairment totalled DKK 4,099m against DKK 4,058m at the beginning of the year. Impairment provisions for receivables from credit institutions came to DKK 19m at end-Q3/2013.

The Group's individual impairment provisions for bank lending amounted to DKK 3,792m against DKK 3,821m at the beginning of the year, a fall of DKK 29m. Collective impairment provisions for bank

**The Nykredit Realkredit Group****Arrears ratio, mortgage lending – 75 days past the June due date****The Nykredit Realkredit Group****Housing prices in Denmark**

lending were DKK 326m against DKK 236m at the beginning of the year, up DKK 90m.

Impairment provisions for Retail were up DKK 23m to DKK 2,164m, while impairment provisions for Wholesale excluding terminated exposures increased to DKK 810m from DKK 590m at the beginning of the year. Impairment provisions for terminated exposures reduced by DKK 170m to DKK 1,050m compared with the beginning of the year. Impairment provisions for Group Items amounted to DKK 94m including provisions for receivables from credit institutions of DKK 19m.

#### The Nykredit Realkredit Group Earnings impact of bank loan impairment and provisions for guarantees

DKK million	Q1-Q3/ 2013	FY 2012
Retail	227	500
Wholesale excl terminated exposures	240	(32)
Terminated exposures	(188)	109
Group Items <sup>1</sup>	(11)	12
<b>Total impairment losses before guarantees</b>	<b>268</b>	<b>589</b>
Provisions for guarantees:		
Retail	(19)	11
Wholesale excl terminated exposures	25	-
Terminated exposures	55	(43)
<b>Total</b>	<b>329</b>	<b>557</b>

<sup>1</sup> Q1-Q3/2013 includes a DKK 19m impairment loss on credit institutions.

#### The Nykredit Realkredit Group Total provisions for bank loan impairment and guarantees by business area

DKK million	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total 30.09.2013	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total 31.12.2012
Retail	54	2,049	115	2,218	74	2,001	140	2,215
Wholesale excl terminated exposures	25	604	206	835	-	559	31	590
Terminated exposures	63	1,045	5	1,113	8	1,170	50	1,228
Group Items <sup>1</sup>	-	94	-	94	-	91	15	106
<b>Total</b>	<b>142</b>	<b>3,792</b>	<b>326</b>	<b>4,260</b>	<b>82</b>	<b>3,821</b>	<b>236</b>	<b>4,139</b>

<sup>1</sup> Q1-Q3/2013 includes impairment provisions for credit institutions of DKK 19m.

#### The Nykredit Realkredit Group Bank loans, advances and guarantees by industry

DKK million	Loans, advances 30.09.2013	an 31.12.2012	Provisions 30.09.2013	31.12.2012
<b>Public sector</b>	<b>386</b>	<b>513</b>	<b>4</b>	<b>4</b>
Agriculture, hunting, forestry and fishing	1,898	1,957	168	167
Manufacturing, mining and quarrying	6,255	6,377	174	155
Energy supply	1,266	523	7	9
Construction	1,785	1,816	294	279
Trade	2,533	2,217	222	237
Transport, accommodation and food service activities	2,788	2,135	120	101
Information and communication	742	879	64	73
Finance and insurance	54,787	39,703	528	742
Real estate	10,580	13,056	1,638	1,367
Other	7,618	8,109	419	397
<b>Total commercial customers</b>	<b>90,252</b>	<b>76,772</b>	<b>3,634</b>	<b>3,527</b>
<b>Personal customers</b>	<b>19,350</b>	<b>20,012</b>	<b>604</b>	<b>608</b>
<b>Total</b>	<b>109,988</b>	<b>97,297</b>	<b>4,242</b>	<b>4,139</b>
<b>Impairment provisions for credit institutions</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,260</b>	<b>4,139</b>
- of which intercompany guarantees	5,376	7,362	-	-

The breakdown is based on public sector statistics and is therefore not directly comparable with the Bank's business areas.

#### Guarantees

The Group issues guarantees on a current basis. Guarantees issued came to DKK 5.3bn against DKK 4.8bn at the beginning of the year.

At end-Q3/2013, provisions for guarantees amounted to DKK 142m against DKK 82m at the beginning of the year.

#### Earnings impact

For the period under review, bank loan impairment losses were DKK 268m and provisions for guarantees DKK 61m, a total charge of DKK 329m. Impairments were positively affected by recoveries on claims provided for as a result of satisfactory disposal of properties repossessed in connection with the settlement of non-performing exposures. In the course of 2013, the carrying amount of repossessed properties reduced by some DKK 700m to DKK 208m as at 30 September 2013.

By way of comparison, loan impairment losses and provisions for guarantees were DKK 415m in Q1-Q3/2012.

# LIQUIDITY AND FUNDING

## LIQUIDITY

The Group's balance sheet structure ensures a high level of liquidity. The greater part of group lending consists of mortgage loans funded by covered bonds in the form of ROs and SDOs according to the match-funding principle. Nykredit's mortgage borrowers make their payments on or before the date on which Nykredit pays bondholders. Accordingly, mortgage lending and the funding thereof produce positive liquidity.

Mortgage loans may be funded by SDOs/ROs matching the term of the loan or by bonds which are refinanced one or more times during the term of the loan. For loans subject to refinancing, the structure of the loan agreements eliminates any market risk on funding and liquidity items on Nykredit's part.

In addition, the Group's bank lending was funded by deposits. The Group recorded a deposit surplus of DKK 10bn at end-Q3/2013.

The Group's liquidity reserve is mainly placed in liquid Danish and other European government and covered bonds. In a liquid repo market, these securities are eligible as collateral with other banks and with the Danish or other European central banks and are thus directly exchangeable into liquidity. To this should be added a small portfolio of money market deposits, equities, credit bonds and similar assets.

The liquidity reserve ensures that Nykredit has a sizeable buffer against liquidity movements driven by customer flows, loan arrears, current costs and maturing capital market funding. In addition, the stock of liquid assets ensures the Group's compliance with statutory liquidity requirements, including the requirement of Danish mortgage legislation for supplementary collateral in case of falling property prices in connection with SDO issuance, the liquidity requirement of the Danish Financial Business Act and credit rating agencies' requirements for maintaining the current high ratings.

The stock of liquid assets of the Group's mortgage banks which did not serve as collateral totalled DKK 98bn at end-Q3/2013 against DKK 92bn at end-2012.

At end-Q3/2013, Nykredit Bank's stock of liquid assets amounted to DKK 82.8bn against DKK 69.3bn at end-2012, determined in accordance with section 152 of the Danish Financial Business Act.

### Bond portfolio

The gross bond portfolio of DKK 331bn comprises mortgage bank reserves, Nykredit Bank's stock of liquid assets, portfolios relating to market-making in the mortgage lending and banking areas, proceeds from the issuance of junior covered bonds as well as assets serving as collateral of DKK 14bn.

In compliance with the balance principle, the Group's mortgage banks hold a temporary portfolio of DKK 130bn relating to the refinancing of the covered bonds used to fund Nykredit's short-term adjustable-rate mortgages (ARMs) and placement of funds prepaid such as ordinary principal payments, prepayments and funds from fixed-price agreements not yet settled. The Group's portfolio of self-issued bonds held in accordance with the balance principle chiefly comprises short-

term bonds maturing on the next payment date. The portfolio is used to secure payment in connection with bond redemption.

Self-issued bonds accounted for DKK 126bn of the liquidity reserve and DKK 130bn of the stock of liquid assets under the balance principle. The portfolio of self-issued bonds included in the liquidity reserve has been reduced in anticipation of the future LCR rules.

In the period preceding payment dates, the value of bonds issued exceeds the value of the mortgage loan portfolio. The main reason is refinancing where the new bonds are issued immediately after the refinancing auctions, which are conducted approximately one month prior to the relevant payment date, whereas the existing bonds do not mature until the same payment date.

## LIQUIDITY COVERAGE RATIO

Nykredit will be subject to the new international regulatory framework regarding the liquidity coverage ratio (LCR) in early 2015. It is Nykredit's expectation that its SDOs and ROs will be eligible for inclusion in the stock of liquid assets. Nykredit expects to partially replace its portfolio of self-issued bonds by other bonds in connection with the implementation of the rules, which is not considered to give rise to any problems.

Under these assumptions, the LCRs of the group companies were as follows at end-Q3/2013:

The Nykredit Realkredit Group	193%
Nykredit Realkredit A/S	156%
Totalkredit A/S	187%
Nykredit Bank A/S	116%

Given Nykredit's liquidity reserve combined with measures already initiated, Nykredit expects to fulfil the expected LCR requirements well ahead of schedule regardless of the final implementation.

On the back of its SIFI status, Nykredit expects that the LCR requirement will be at least 100% as from 1 January 2015.

## NET STABLE FUNDING RATIO

The net stable funding ratio (NSFR) is a measure indicating whether an institution can meet its payment obligations one year ahead in a stressed situation in which it is not possible to raise new funding in the form of bonds etc.

In the EU, the NSFR is so far a reporting requirement intended to enable the EU Commission and the European Banking Authority (EBA) to consider how to introduce net stable funding regulation in 2018.

In Nykredit's view, the NSFR exaggerates the importance of being able to fund the next 12 months of payments without having to raise new funding in the bond market. Nykredit has spread its refinancing auctions and its general bond sales to stabilise funding based on continuous trading and market making in the bond market. This method may lead to interest rate volatility, but as was seen during the financial crisis, the method contributed to maintaining an active Danish market for covered bonds, whereas most other markets were closed for issuance.

### Standard & Poor's liquidity and funding requirements

In Q3/2013 Standard & Poor's introduced the following two liquidity and funding metrics:

- Broad liquid assets to short-term wholesale funding (short-term liquidity)
- Stable funding ratio (funding)

Standard & Poor's metrics are largely in line with the LCR and NSFR requirements above, but Standard & Poor's horizon for the short-term metric is one year whereas that of the LCR is 30 days.

Standard & Poor's assigned negative outlooks to Nykredit Realkredit's and Nykredit Bank's long-term unsecured ratings when the new metrics were introduced. In addition to the negative outlook, Standard & Poor's has indicated that the refinancing risk must be reduced within two years.

Nykredit expects Standard & Poor's to take a positive stance on the Danish government's proposal for elimination of the refinancing risk of mortgage banks.

## FUNDING

### Bond issuance

The Nykredit Group is one of the largest private bond issuers in Europe. The Group's mortgage lending is funded through the issuance of SDOs and ROs.

The Nykredit Realkredit Group introduced two-tier mortgaging for personal customers at end-Q3/2012. Two-tier mortgaging applies when the total loan amount exceeds 60% of the property value. Mortgage loans of up to 60% of the property value (base loans) are funded by SDOs, whereas loans for the 60-80% bracket (top loans) are funded by ROs. In the long term, this will reduce the Nykredit Group's supplementary collateral requirement if property prices decline.

Nykredit's ROs, which fund top loans, were generally well received by the market. Yield spreads versus the SDOs funding base loans have tightened significantly since the launch of two-tier mortgaging. The underlying bonds trade at yield spreads that are 5-30bp above those of equivalent SDOs. In connection with the refinancing of ARMs in Q3/2013, bonds of DKK 121bn were issued. Day-to-day tap issuance of bonds amounted to DKK 40bn in Q3/2013.

In addition, Nykredit Realkredit A/S issues junior covered bonds to fund supplementary collateral. Nykredit issued junior covered bonds totalling DKK 5.7bn in Q1-Q3/2013. Nykredit recently started issuing junior covered bonds out of its RO capital centres. Of the above DKK 5.7bn, DKK 2bn worth of junior covered bonds were issued out of Capital Centre D.

Nykredit Bank A/S's EMTN issues in Q1-Q3/2013 amounted to DKK 1.9bn. Further, the Bank continued refinancing short-term ECP issues, which totalled DKK 12.1bn at end-Q3/2013.

Finally, Nykredit Realkredit A/S issues subordinated debt to meet capital adequacy and rating agency requirements. No new subordinated debt was issued in Q1-Q3/2013.

### Issuance in 2013

The Nykredit Realkredit Group has not made any changes to its issuance programme for 2013 compared with its guidance at the full year 2012 results.

Nykredit wants to initiate its implementation of the new capital requirements as soon as possible. It is expected that this process will include the issuance of subordinated debt. Nykredit will not start issuing until the requirements for the various types of instrument are fully clarified. This clarification may extend into 2014.

### RATING

On 19 July 2013, Standard & Poor's affirmed Nykredit Realkredit A/S's and Nykredit Bank A/S's ratings of A+ (long-term unsecured rating) and A-1 (short-term unsecured rating). At the same time, however, Nykredit's ratings were assigned negative outlooks. The negative outlooks are a consequence of Standard & Poor's changed view on the refinancing risk relating to ARMs with short-term funding.

Fitch has assigned a long-term unsecured rating of A and a short-term unsecured rating of F1 and stable outlooks to Nykredit Realkredit A/S and Nykredit Bank A/S.

Moody's still publishes unsolicited ratings for some group companies despite the fact that Nykredit has no rating relationship with Moody's.

### 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 Annual Report 2012.

In Management's view, the uncertainty relating to the above matters is of no significant importance to the Q1-Q3 Interim Report 2013.

# MANAGEMENT STATEMENT

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## 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 2013 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 Financial Statements of the Parent Company have been prepared in accordance with the Danish Financial Business Act and the Danish Executive Order on Finan-

cial Reports for Credit Institutions and Investment Firms, etc.

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

We are of the opinion that the Interim Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 September 2013 and of the results of the Group's and the Parent Company's operations as well as the Group's cash flows for the financial period 1 January – 30 September 2013.

We are furthermore of the opinion that the Management's Review gives a fair review of the development in the operations and financial circumstances of the Group and the Parent Company as well as a description of the material risk and uncertainty factors which may affect the Group and the Parent Company.

The Interim Report has not been audited or reviewed.

Copenhagen, 7 November 2013

### Executive Board

Michael Rasmussen  
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

### Board of Directors

Steen E. Christensen  
Chairman

Hans Bang-Hansen  
Deputy Chairman

Steffen Kragh  
Deputy Chairman

Kristian Bengaard

Michael Demsitz

Merete Eldrup

Marlene Holm

Allan Kristiansen

Bent Naur

Anders C. Obel

Erling Bech Poulsen

Lars Peter Skaarup

Nina Smith

Jens Erik Udsen

Leif Vinther

# Statements of income and other comprehensive income DKK million

## for 1 January – 30 September

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
Q1-Q3/2012	Q1-Q3/2013		Note	Q1-Q3/2013	Q1-Q3/2012
26,019	21,947	Interest income	5	27,142	31,609
21,952	18,653	Interest expenses	6	19,617	23,468
4,068	3,293	<b>NET INTEREST INCOME</b>		<b>7,526</b>	<b>8,140</b>
78	194	Dividend on equities		212	81
795	637	Fee and commission income		1,384	1,766
203	220	Fee and commission expenses		1,533	1,587
4,738	3,904	<b>NET INTEREST AND FEE INCOME</b>		<b>7,588</b>	<b>8,401</b>
527	408	Value adjustments	7	120	249
8	14	Other operating income		163	163
1,821	1,887	Staff and administrative expenses	8	3,676	3,506
534	551	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	9	577	560
0	3	Other operating expenses		56	23
681	932	Impairment losses on loans, advances and receivables	10	1,604	1,533
757	580	Profit from investments in associates and group enterprises	11	101	30
2,994	1,534	<b>PROFIT BEFORE TAX</b>		<b>2,058</b>	<b>3,221</b>
522	153	Tax	12	269	681
2,473	1,381	<b>PROFIT FOR THE PERIOD</b>		<b>1,789</b>	<b>2,540</b>
		<b>OTHER COMPREHENSIVE INCOME</b>			
		<b>ITEMS NOT ELIGIBLE FOR RECLASSIFICATION TO THE INCOME STATEMENT:</b>			
(14)	(10)	Actuarial gains/losses on defined benefit plans		(10)	(14)
-	-	Change in deferred tax on fair value adjustment of owner-occupied properties due to a reduction of the corporation tax rate		7	-
-	7	Share of comprehensive income in associates and group enterprises		-	-
(14)	(3)	<b>Total items not eligible for reclassification to the income statement</b>		<b>(3)</b>	<b>(14)</b>
		<b>ITEMS ELIGIBLE FOR RECLASSIFICATION TO THE INCOME STATEMENT:</b>			
-	-	Fair value adjustment of equities available for sale		330	340
-	-	Tax on fair value adjustment of equities available for sale		(29)	(57)
-	-	Realised value adjustment of equities available for sale reclassified to the income statement		(697)	(342)
-	-	Tax on realised value adjustment of equities available for sale reclassified to the income statement		(13)	(9)
-	-	<b>Total items eligible for reclassification to the income statement</b>		<b>(408)</b>	<b>(68)</b>
(14)	(3)	<b>OTHER COMPREHENSIVE INCOME</b>		<b>(411)</b>	<b>(81)</b>
2,459	1,378	<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,378</b>	<b>2,459</b>

## Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2012	30.09.2013		Note	30.09.2013	31.12.2012
<b>ASSETS</b>					
2,465	743	Cash balance and demand deposits with central banks		3,910	9,497
31,526	28,998	Receivables from credit institutions and central banks	13	28,073	50,677
1,162,099	1,191,782	Loans, advances and other receivables at fair value	14	1,186,613	1,172,253
378	384	Loans, advances and other receivables at amortised cost	15	49,520	50,111
38,379	15,444	Bonds at fair value	16	72,778	79,055
<b>Equities</b>					
2,982	2,395	Equities measured at fair value through profit or loss		1,397	1,592
-	-	Equities available for sale		1,345	1,766
<b>2,982</b>	<b>2,395</b>	<b>Total</b>		<b>2,743</b>	<b>3,358</b>
155	116	Investments in associates		118	158
30,189	30,713	Investments in group enterprises		-	-
3,654	3,197	Intangible assets		3,246	3,705
<b>Land and buildings</b>					
-	-	Investment properties		610	652
18	18	Owner-occupied properties		1,661	1,668
<b>18</b>	<b>18</b>	<b>Total</b>		<b>2,271</b>	<b>2,319</b>
324	314	Other property, plant and equipment		366	377
141	-	Current tax assets		246	353
171	169	Deferred tax assets		184	184
465	478	Assets in temporary possession		711	1,412
16,083	16,271	Other assets	17	49,782	59,724
190	189	Prepayments		249	221
<b>1,289,219</b>	<b>1,291,212</b>	<b>TOTAL ASSETS</b>		<b>1,400,811</b>	<b>1,433,405</b>

## Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2012	30.09.2013		Note	30.09.2013	31.12.2012
<b>LIABILITIES AND EQUITY</b>					
48,597	17,548	Payables to credit institutions and central banks	18	55,974	67,539
-	-	Deposits and other payables	19	59,160	54,509
1,145,585	1,175,943	Issued bonds at fair value	20	1,088,084	1,103,818
182	3,758	Issued bonds at amortised cost	21	29,757	27,595
2,025	1,525	Other non-derivative financial liabilities at fair value	22	37,950	34,557
-	145	Current tax liabilities		289	17
-	-	Liabilities temporarily assumed		135	478
23,570	22,222	Other liabilities	23	58,802	75,099
-	-	Deferred income		2	4
<b>1,219,960</b>	<b>1,221,141</b>	<b>Total payables</b>		<b>1,330,154</b>	<b>1,363,616</b>
<b>Provisions</b>					
161	166	Provisions for pensions and similar obligations		172	167
393	218	Provisions for deferred tax		316	465
87	78	Repayable reserves in pre-1972 series		78	87
-	-	Provisions for losses under guarantees		143	82
26	27	Other provisions		135	150
<b>668</b>	<b>489</b>	<b>Total provisions</b>		<b>844</b>	<b>951</b>
<b>11,035</b>	<b>10,797</b>	<b>Subordinated debt</b>	<b>24</b>	<b>11,028</b>	<b>11,281</b>
<b>Equity</b>					
1,182	1,182	Share capital		1,182	1,182
<b>Accumulated changes in value</b>					
2	2	- revaluation reserves		209	202
-	-	- value adjustment of equities available for sale		337	745
<b>Other reserves</b>					
2,896	3,401	- statutory reserves		-	-
44,054	44,054	- series reserves		44,054	44,054
9,272	10,146	Retained earnings		13,002	11,223
150	-	Proposed dividend		-	150
<b>57,556</b>	<b>58,784</b>	<b>Total equity</b>		<b>58,784</b>	<b>57,556</b>
<b>1,289,219</b>	<b>1,291,212</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,400,811</b>	<b>1,433,405</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
-	-	Contingent liabilities	25	5,333	4,806
1,620	1,417	Other commitments		7,872	9,213
<b>1,620</b>	<b>1,417</b>	<b>TOTAL</b>		<b>13,205</b>	<b>14,019</b>



# Statement of changes in equity for 1 January – 30 September

DKK million

Nycredit Realkredit A/S

	Share capital	Revaluation reserves	Statutory reserves*	Series reserves	Retained earnings	Proposed dividend	Total
<b>2013</b>							
Equity, 1 January	1,182	2	2,896	44,054	9,272	150	57,556
Profit for the period	-	-	545	-	837	-	1,381
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	(10)	-	(10)
Share of comprehensive income in associates and group enterprises	-	-	7	-	-	-	7
<b>Total other comprehensive income</b>	-	-	7	-	(10)	-	(3)
<b>Total comprehensive income for the period</b>	-	-	551	-	827	-	1,378
Dividend from associates	-	-	(7)	-	7	-	-
Dividend from group enterprises	-	-	(40)	-	40	-	-
Dividend distributed	-	-	-	-	-	(150)	(150)
<b>Equity, 30 September</b>	<b>1,182</b>	<b>2</b>	<b>3,401</b>	<b>44,054</b>	<b>10,146</b>	<b>-</b>	<b>58,784</b>
<b>2012</b>							
Equity, 1 January	1,182	2	2,155	47,720	4,051	200	55,310
Profit for the period	-	-	757	-	1,716	-	2,473
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	(14)	-	(14)
<b>Total other comprehensive income</b>	-	-	-	-	(14)	-	(14)
<b>Total comprehensive income for the period</b>	-	-	757	-	1,702	-	2,459
Dividend from associates	-	-	(2)	-	2	-	-
Dividend distributed	-	-	-	-	-	(200)	(200)
<b>Equity, 30 September</b>	<b>1,182</b>	<b>2</b>	<b>2,910</b>	<b>47,720</b>	<b>5,755</b>	<b>-</b>	<b>57,569</b>

\* 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 and multiples thereof. Nycredit Realkredit A/S has only one class of shares, and all the shares confer the same rights on shareholders.

# Statement of changes in equity for 1 January – 30 September

DKK million

The Nykredit Realkredit Group

	Share capital	Revaluation reserves	Accumulated value adjustment of equities available for sale	Series reserves	Retained earnings	Proposed dividend	Total
<b>2013</b>							
Equity, 1 January	1,182	202	745	44,054	11,223	150	57,556
Profit for the period	-	-	-	-	1,789	-	1,789
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	(10)	-	(10)
Fair value adjustment of equities available for sale	-	-	301	-	-	-	301
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	(709)	-	-	-	(709)
Change in deferred tax on fair value adjustment of owner-occupied properties	-	7	-	-	-	-	7
<b>Total other comprehensive income</b>	-	7	(408)	-	(10)	-	(411)
<b>Total comprehensive income for the period</b>	-	7	(408)	-	1,779	-	1,378
Dividend distributed	-	-	-	-	-	(150)	(150)
<b>Equity, 30 September</b>	<b>1,182</b>	<b>209</b>	<b>337</b>	<b>44,054</b>	<b>13,002</b>	<b>-</b>	<b>58,784</b>
<b>2012</b>							
Equity, 1 January	1,182	151	982	47,720	5,075	200	55,310
Profit for the period	-	-	-	-	2,540	-	2,540
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	-	-	-	-	(14)	-	(14)
Fair value adjustment of equities available for sale	-	-	284	-	-	-	284
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	(351)	-	-	-	(351)
<b>Total other comprehensive income</b>	-	-	(68)	-	(14)	-	(81)
<b>Total comprehensive income for the period</b>	-	-	(68)	-	2,526	-	2,459
Dividend distributed	-	-	-	-	-	(200)	(200)
<b>Equity, 30 September</b>	<b>1,182</b>	<b>151</b>	<b>915</b>	<b>47,720</b>	<b>7,601</b>	<b>-</b>	<b>57,569</b>

## Statement of changes in equity for 1 January – 31 December

DKK million

	Share capital	Revaluation reserves	Statutory reserves*	Accumulated value adjustment of equities available for sale	Series reserves	Retained earnings	Proposed dividend	Total
<b>Nykredit Realkredit A/S</b>								
<b>2012</b>								
<b>Equity, 1 January</b>	1,182	2	2,155	-	47,720	4,051	200	55,310
<b>Profit for the year</b>	-	-	689	-	-	1,492	150	2,332
<b>Other comprehensive income</b>								
Actuarial gains/losses on defined benefit plans	-	-	-	-	-	60	-	60
Share of comprehensive income in associates and group enterprises	-	-	53	-	-	-	-	53
<b>Total other comprehensive income</b>	-	-	53	-	-	60	-	114
<b>Total comprehensive income for the year</b>	-	-	743	-	-	1,553	150	2,445
Dividend from associates	-	-	(2)	-	-	2	-	-
Dividend distributed	-	-	-	-	-	-	(200)	(200)
Adjustment pursuant to capital adequacy rules	-	-	-	-	(3,666)	3,666	-	-
Transferred from provisions for pre-1972 series	-	-	-	-	(0)	1	-	1
<b>Equity, 31 December</b>	1,182	2	2,896	-	44,054	9,272	150	57,556
<b>The Nykredit Realkredit Group</b>								
<b>2012</b>								
<b>Equity, 1 January</b>	1,182	151	-	982	47,720	5,075	200	55,310
<b>Profit for the year</b>	-	-	-	-	-	2,419	150	2,569
<b>Other comprehensive income</b>								
Actuarial gains/losses on defined benefit plans	-	-	-	-	-	60	-	60
Fair value adjustment of equities available for sale	-	-	-	236	-	-	-	236
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	-	(473)	-	-	-	(473)
Fair value adjustment of owner-occupied properties	-	53	-	-	-	-	-	53
<b>Total other comprehensive income</b>	-	53	-	(237)	-	60	-	(124)
<b>Total comprehensive income for the year</b>	-	53	-	(237)	-	2,479	150	2,445
Dividend distributed	-	-	-	-	-	-	(200)	(200)
Adjustment pursuant to capital adequacy rules	-	-	-	-	(3,666)	3,666	-	-
Transferred from provisions for pre-1972 series	-	-	-	-	(0)	1	-	1
Other adjustments	-	(2)	-	-	-	2	-	-
<b>Equity, 31 December</b>	1,182	202	-	745	44,054	11,223	150	57,556

\* 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 and multiples thereof. Nykredit Realkredit A/S has only one class of shares, and all the shares confer the same rights on shareholders.

## Cash flow statement for 1 January – 30 September

DKK million

	The Nykredit Realkredit Group		
	Note	Q1-Q3/2013	Q1-Q3/2012
<b>Profit for the period</b>		<b>1,789</b>	<b>2,540</b>
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets		577	560
Profit from investments in associates		(101)	(30)
Impairment losses on loans, advances and receivables		1,604	1,533
Prepayments/deferred income, net		(30)	6
Tax calculated on profit for the period		269	681
Other adjustments		(328)	(38)
<b>Total</b>		<b>1,992</b>	<b>2,712</b>
<b>Profit for the period adjusted for non-cash operating items</b>		<b>3,781</b>	<b>5,252</b>
<b>Change in working capital</b>			
Loans, advances and other receivables		(15,373)	(55,964)
Deposits and payables to credit institutions		(6,914)	(41,026)
Issued bonds		(13,572)	64,755
Other working capital		(2,776)	3,360
<b>Total</b>		<b>(38,635)</b>	<b>(28,875)</b>
<b>Corporation tax paid, net</b>		<b>(72)</b>	<b>(11)</b>
<b>Cash flows from operating activities</b>		<b>(34,926)</b>	<b>(23,634)</b>
<b>Cash flows from investing activities</b>			
Divestment of associates		63	-
Dividend received		7	2
Purchase and sale of bonds and equities		6,892	8,423
Purchase of intangible assets		(16)	(119)
Purchase of property, plant and equipment		(87)	(112)
Sale of property, plant and equipment		42	2
<b>Total</b>		<b>6,900</b>	<b>8,196</b>
<b>Cash flows from financing activities</b>			
Purchase and sale of self-issued subordinated debt instruments		(15)	(0)
Dividend distributed		(150)	(200)
<b>Total</b>		<b>(165)</b>	<b>(200)</b>
<b>Total cash flows</b>		<b>(28,190)</b>	<b>(15,638)</b>
<b>Cash and cash equivalents, beginning of period</b>			
Cash balance and demand deposits with central banks		9,497	7,084
Receivables from credit institutions and central banks		50,677	59,175
<b>Total</b>		<b>60,174</b>	<b>66,258</b>
<b>Cash and cash equivalents, end of period</b>			
Cash balance and demand deposits with central banks		3,910	4,048
Receivables from credit institutions and central banks		28,073	46,572
<b>Total</b>		<b>31,983</b>	<b>50,620</b>

# Notes

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# Notes

## 1. ACCOUNTING POLICIES

### GENERAL

The Consolidated Financial Statements for Q1-Q3/2013 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 but a less detailed presentation relative to the presentation of annual reports.

The Interim Financial Statements of the Parent Company have been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. issued by the Danish Financial Supervisory Authority.

### New and amended standards and interpretations

IAS 19 "Employee Benefits" entered into force on 1 January 2013. For the Nykredit Group, the amendment to the standard means that actuarial gains and losses on defined benefit plans are recognised in "Other comprehensive income" and not in "Staff and administrative expenses". The elimination of the corridor approach has had no impact as the Nykredit Group has not applied this approach.

The Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. issued by the Danish Financial Supervisory Authority has been amended accordingly, and the Parent Company has consequently implemented this amendment in its recognition of defined benefit plans.

As a result of the implementation of the amendment to IAS 19 and the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc., all comparative figures have been restated. The effect of the restatement of comparative figures is the same for the Parent Company and the Group.

As regards the comparative figures for Q1-Q3/2012, the restatement had a positive effect on profit after tax for the period of DKK 14m and a negative effect on other comprehensive income of DKK 14m.

Other standards in force as at 1 January 2013 have been implemented with no effect on profit, comprehensive income, balance sheets or equity for the period.

The implementation of IFRS 13 "Fair Value Measurement" has resulted in additional disclosure requirements for interim reports, cf note 27.

Compared with the information disclosed in the accounting policies of the Annual Report 2012 (note 1), no new reporting standards or interpretations have been issued or approved which influence the Q1-Q3 Interim Report 2013 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

The IASB is still working on a project which, in time, will replace the IAS 39 rules. The revised standard – IFRS 9 – is divided into three main phases comprising classification and measurement of financial assets and liabilities, impairments and hedge accounting.

The impact of the implementation of IFRS 9 on the Consolidated Financial Statements has not been analysed, as the standard is not currently available in a form that allows an overall assessment of the effect.

In all other respects, the accounting policies are unchanged compared with the Annual Report 2012. For a full description of the Group's and the Parent Company's accounting policies, please refer to note 1 of the Annual Report 2012, which is available at [nykredit.com](http://nykredit.com).

All figures in the Interim Financial Statements 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.

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2012	30.09.2013		30.09.2013	31.12.2012
<b>2. CAPITAL BASE AND CAPITAL ADEQUACY</b>				
<b>Capital base and capital adequacy</b>				
57,556	58,784	Equity, end of period	58,784	57,556
(2)	(2)	Revaluation reserves transferred to supplementary capital	(209)	(202)
<b>57,554</b>	<b>58,783</b>	<b>Tier 1 capital</b>	<b>58,575</b>	<b>57,354</b>
(150)	-	Proposed dividend	-	(150)
(3,654)	(3,197)	Intangible assets	(3,246)	(3,705)
<b>53,751</b>	<b>55,586</b>	<b>Core Tier 1 capital after primary statutory deductions</b>	<b>55,330</b>	<b>53,499</b>
10,445	10,441	Hybrid capital included	10,672	10,690
(882)	(912)	Difference between expected losses and impairments for accounting purposes	(981)	(917)
(1,717)	(2,243)	Other statutory deductions	(1,388)	(863)
<b>61,596</b>	<b>62,872</b>	<b>Tier 1 capital after statutory deductions</b>	<b>63,633</b>	<b>62,410</b>
40	36	Revaluation reserves and series reserves	243	241
<b>61,636</b>	<b>62,908</b>	<b>Capital base before statutory deductions</b>	<b>63,876</b>	<b>62,650</b>
(882)	(912)	Difference between expected losses and impairments for accounting purposes	(981)	(917)
(438)	(684)	Other statutory deductions	(325)	(93)
1,279	1,559	Set-off of excess capital deduction	1,063	769
<b>61,596</b>	<b>62,872</b>	<b>Capital base after statutory deductions</b>	<b>63,633</b>	<b>62,410</b>
<b>Capital requirement</b>				
27,751	27,457	Credit risk (incl settlement risk, statutory deduction for collective impairment provisions under the standardised approach and a charge for exceeding large exposure limits)	21,036	22,051
1,346	1,247	Market risk	2,403	2,368
886	768	Operational risk	1,505	1,722
<b>29,983</b>	<b>29,471</b>	<b>Total capital requirement</b>	<b>24,945</b>	<b>26,142</b>
<b>374,788</b>	<b>368,393</b>	<b>Total risk-weighted assets</b>	<b>311,809</b>	<b>326,775</b>
<b>Financial ratios</b>				
13.6	14.2	Core Tier 1 capital ratio, %	17.0	15.8
16.4	17.1	Tier 1 capital ratio, %	20.4	19.1
16.4	17.1	Total capital ratio, %	20.4	19.1
<b>Required capital base and internal capital adequacy requirement</b>				
27,751	27,457	Credit risk	17,274	18,285
2,570	2,445	Market risk	3,743	3,812
1,697	1,575	- of which stressed VaR	2,346	2,372
898	772	Operational risk	1,461	1,662
-	-	Risk relating to own properties	133	133
<b>31,219</b>	<b>30,674</b>	<b>Total Pillar I</b>	<b>22,611</b>	<b>23,893</b>
1,208	1,245	Weaker economic climate (stress test, etc)	2,620	2,506
1,440	1,602	Other factors and uncertainties	6,936	4,879
<b>2,648</b>	<b>2,847</b>	<b>Total Pillar II</b>	<b>9,555</b>	<b>7,385</b>
<b>33,867</b>	<b>33,521</b>	<b>Total required capital base</b>	<b>32,167</b>	<b>31,278</b>
<b>374,788</b>	<b>368,393</b>	<b>Total risk-weighted assets</b>	<b>311,809</b>	<b>326,775</b>
<b>9.0</b>	<b>9.1</b>	<b>Internal capital adequacy requirement (ICAAP), %</b>	<b>10.3</b>	<b>9.6</b>

## Notes

DKK million

## The Nykredit Realkredit Group

3. CORE EARNINGS AND INVESTMENT PORTFOLIO INCOME	Q1-Q3/2013				Q1-Q3/2012			
	Core earnings	Investment portfolio income	Cost of capital	Total	Core earnings	Investment portfolio income	Cost of capital	Total
Net interest income	6,911	957	(342)	7,526	6,387	2,100	(347)	8,140
Dividend on equities	7	205	-	212	3	79	-	81
Fee and commission income, net	(64)	(85)	-	(149)	269	(89)	-	180
<b>Net interest and fee income</b>	<b>6,853</b>	<b>1,078</b>	<b>(342)</b>	<b>7,589</b>	<b>6,658</b>	<b>2,090</b>	<b>(347)</b>	<b>8,401</b>
Value adjustments	(166)	286	(0)	120	81	169	(1)	249
Other operating income	155	8	-	163	163	-	-	163
Staff and administrative expenses	3,677	-	-	3,677	3,506	-	-	3,506
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	577	-	-	577	560	-	-	560
Other operating expenses	56	-	-	56	23	-	-	23
Impairment losses on loans, advances and other receivables	1,604	-	-	1,604	1,533	-	-	1,533
Profit from investments in associates	78	22	-	101	-	30	-	30
<b>Profit (loss) before tax</b>	<b>1,007</b>	<b>1,394</b>	<b>(343)</b>	<b>2,058</b>	<b>1,280</b>	<b>2,289</b>	<b>(348)</b>	<b>3,221</b>



## Notes

DKK million

## The Nykredit Realkredit Group

## 4. RESULTS BY BUSINESS AREA

Q1-Q3/2013	Retail	Totalkredit Partners	Wholesale	Group Items	Total
<b>Core income from</b>					
- customer activities, gross	4,131	1,290	2,273	(23)	7,671
- allocation of income for distribution	489	-	(489)	-	-
<b>Total business operations</b>	<b>4,620</b>	<b>1,290</b>	<b>1,784</b>	<b>(23)</b>	<b>7,671</b>
- value adjustment of derivatives and corporate bonds	(118)	-	(443)	-	(562)
- junior covered bonds	(123)	(213)	(19)	-	(356)
- securities	-	-	-	89	89
<b>Total core income</b>	<b>4,378</b>	<b>1,077</b>	<b>1,321</b>	<b>66</b>	<b>6,843</b>
Operating costs	2,358	305	591	401	3,654
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	7	390	4	176	577
<b>Core earnings before impairment losses</b>	<b>2,013</b>	<b>383</b>	<b>726</b>	<b>(511)</b>	<b>2,611</b>
Impairment losses on loans and advances	1,038	326	241	(1)	1,604
<b>Core earnings after impairment losses</b>	<b>975</b>	<b>57</b>	<b>485</b>	<b>(510)</b>	<b>1,007</b>
Investment portfolio income <sup>1</sup>	-	-	-	1,394	1,394
<b>Profit before cost of capital</b>	<b>975</b>	<b>57</b>	<b>485</b>	<b>884</b>	<b>2,401</b>
Net interest on hybrid capital	-	-	-	(343)	(343)
<b>Profit before tax</b>	<b>975</b>	<b>57</b>	<b>485</b>	<b>541</b>	<b>2,058</b>

Q1-Q3/2012	Retail	Totalkredit Partners	Wholesale	Group Items	Total
<b>Core income from</b>					
- customer activities, gross	3,995	1,308	2,303	(63)	7,543
- allocation of income for distribution	546	-	(546)	-	-
<b>Total business operations</b>	<b>4,541</b>	<b>1,308</b>	<b>1,757</b>	<b>(63)</b>	<b>7,543</b>
- value adjustment of derivatives and corporate bonds	(479)	-	(35)	-	(514)
- junior covered bonds	(110)	(189)	(19)	-	(318)
- securities	-	-	-	191	191
<b>Total core income</b>	<b>3,951</b>	<b>1,118</b>	<b>1,704</b>	<b>129</b>	<b>6,902</b>
Operating costs	2,302	314	634	279	3,529
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	9	390	3	158	560
<b>Core earnings before impairment losses</b>	<b>1,641</b>	<b>415</b>	<b>1,066</b>	<b>(308)</b>	<b>2,813</b>
Impairment losses on loans and advances	1,077	426	32	(2)	1,533
<b>Core earnings after impairment losses</b>	<b>564</b>	<b>(12)</b>	<b>1,034</b>	<b>(306)</b>	<b>1,280</b>
Investment portfolio income <sup>1</sup>	-	-	-	2,289	2,289
<b>Profit (loss) before cost of capital</b>	<b>564</b>	<b>(12)</b>	<b>1,034</b>	<b>1,983</b>	<b>3,569</b>
Net interest on hybrid capital	-	-	-	(348)	(348)
<b>Profit (loss) before tax</b>	<b>564</b>	<b>(12)</b>	<b>1,034</b>	<b>1,635</b>	<b>3,221</b>

<sup>1</sup> Investment portfolio income includes a profit from investments in associates of DKK 30m, including divestment gains, compared with DKK 30m in 2012.

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
Q1-Q3/2012	Q1-Q3/2013		Q1-Q3/2013	Q1-Q3/2012
<b>5. INTEREST INCOME</b>				
10,220	9,161	Receivables from credit institutions and central banks	49	199
11,773	9,147	Loans, advances and other receivables	20,552	25,075
2,777	3,066	Administration margin (income)	5,369	4,784
<b>Bonds</b>				
589	266	- Self-issued SDOs (særligt dækkede obligationer)	627	1,351
601	241	- Self-issued ROs (realkreditobligationer)	515	933
1,092	257	- Other ROs	780	1,359
12	(15)	- Government bonds	(8)	(19)
146	96	- Other bonds	197	414
<b>Derivative financial instruments</b>				
(75)	(35)	- Foreign exchange contracts	(54)	(119)
28	228	- Interest rate contracts	282	(66)
-	-	- Equity contracts	(35)	(21)
-	-	- Other contracts	(4)	(4)
51	45	Other interest income	68	53
<b>27,213</b>	<b>22,457</b>	<b>Total</b>	<b>28,338</b>	<b>33,938</b>
(589)	(266)	Interest from self-issued SDOs offset against interest expenses – note 6	(627)	(1,351)
(601)	(241)	Interest from self-issued ROs offset against interest expenses – note 6	(515)	(933)
(4)	(3)	Interest from self-issued other securities and bonds offset against interest expenses – note 6	(53)	(45)
<b>26,019</b>	<b>21,947</b>	<b>Total</b>	<b>27,142</b>	<b>31,609</b>
<b>Of which interest income from genuine purchase and resale transactions entered as:</b>				
6	10	Receivables from credit institutions and central banks	29	108
-	-	Loans, advances and other receivables	131	245
<b>6. INTEREST EXPENSES</b>				
349	42	Credit institutions and central banks	106	515
-	-	Deposits and other payables	345	598
22,083	18,480	Issued bonds	19,750	24,010
603	602	Subordinated debt	610	612
110	40	Other interest expenses	1	62
<b>23,146</b>	<b>19,163</b>	<b>Total</b>	<b>20,812</b>	<b>25,797</b>
(589)	(266)	Set-off of interest from self-issued SDOs – note 5	(627)	(1,351)
(601)	(241)	Set-off of interest from self-issued ROs – note 5	(515)	(933)
(4)	(3)	Set-off of interest from self-issued other securities and bonds – note 5	(53)	(45)
<b>21,952</b>	<b>18,653</b>	<b>Total</b>	<b>19,617</b>	<b>23,468</b>
<b>Of which interest expenses from genuine sale and repurchase transactions entered as:</b>				
337	36	Credit institutions and central banks	55	481
-	-	Deposits and other payables	56	165

## Notes

DKK million

Nykredit Realkredit A/S

The Nykredit Realkredit Group

	Q1-Q3/2012	Q1-Q3/2013		Q1-Q3/2013	Q1-Q3/2012
<b>7. VALUE ADJUSTMENTS</b>					
<b>Financial assets measured at fair value through profit or loss</b>					
4,461	(5,325)	Mortgage loans		(10,244)	7,722
2,436	(4,581)	Totalkredit mortgage loan funding		-	-
266	103	Other loans, advances and receivables at fair value		7	1
915	(180)	Bonds		(450)	973
348	389	Equities		106	54
-	-	Investment properties		(0)	(2)
(65)	25	Foreign exchange		69	(35)
(329)	(6)	Foreign exchange, interest rate and other contracts as well as derivative financial instruments		(386)	(477)
<b>Financial assets measured at fair value and recognised in "Other comprehensive income"</b>					
-	-	Realised value adjustment of equities available for sale reclassified to the income statement		697	342
<b>Financial liabilities measured at fair value through profit or loss</b>					
(5,069)	5,402	Issued bonds		10,320	(8,331)
(2,436)	4,581	Totalkredit mortgage loan funding		-	-
<b>527</b>	<b>408</b>	<b>Total</b>		<b>120</b>	<b>249</b>
<b>8. STAFF AND ADMINISTRATIVE EXPENSES</b>					
28	39	Remuneration of Board of Directors and Executive Board		39	28
9	26	Remuneration of former Group Chief Executive		26	9
1,333	1,527	Staff expenses		2,242	2,019
451	294	Other administrative expenses		1,369	1,450
<b>1,821</b>	<b>1,887</b>	<b>Total</b>		<b>3,676</b>	<b>3,506</b>
<b>Remuneration of current Board of Directors and Executive Board</b>					
<b>Board of Directors</b>					
2	2	Remuneration		2	2
<b>Executive Board, current</b>					
19	29	Fixed salaries		29	19
-	0	Pensions		0	-
6	8	Provisions for pension benefits		8	6
<b>28</b>	<b>39</b>	<b>Total</b>		<b>39</b>	<b>28</b>

# Notes

## 8. STAFF AND ADMINISTRATIVE EXPENSES (continued)

### Terms and conditions governing the current Executive Board

	Group Chief Executive	Group Managing Directors
Fixed annual salary (DKK 1,000), end of period	9,612	5,951
Pension scheme	Defined contribution	Defined benefit
Pension terms	Nykredit contributes 23% of fixed salary	65% of fixed salary for up to 5 years after attaining the age of 60

Members of the Executive Board receive fixed salaries covering all directorships and executive positions in Foreningen Nykredit and its group enterprises and associates. Neither bonus nor other variable remuneration plans have been established for the members of the Executive Board. As at 1 November 2013, executive board members may no longer opt for a company car.

The Group Chief Executive is subject to a mutual term of notice of 6 months. Upon resignation at Nykredit's request, the Group Chief Executive is entitled to termination benefits equal to 22 months' fixed salary and pension contributions. The Group Chief Executive will resign in the month he attains the age of 70 at the latest.

Group Managing Directors are subject to a mutual term of notice of 6 months until they attain the age of 60. Upon termination at Nykredit's request before the age of 60, a Group Managing Director is entitled to termination benefits equal to 22 months' fixed salary. Group Managing Directors resign in the month they attain the age of 70 at the latest. Group Managing Directors may resign by giving 12 months' notice on attaining the age of 60 and until attaining the age of 70 and are entitled to pension benefits for up to 5 years equal to 65% of their fixed salaries. Similarly, subject to 6 months' notice Nykredit may request a Group Managing Director to retire in this period.

On 1 September 2013, Michael Rasmussen succeeded Peter Engberg Jensen as Group Chief Executive. No additional changes have been made to the composition of the Executive Board.

### Special circumstances

Upon assuming his new office on 1 September 2013, Michael Rasmussen received compensation in the amount of DKK 5.97m covering the value of the forfeit share-based incentive programme with his former employer. The amount was charged to the income statement in Q1-Q3/2013.

### Former Group Chief Executive

Peter Engberg Jensen retired as Group Chief Executive at end-August 2013. At the time of retirement, Peter Engberg Jensen received a fixed salary of DKK 6.04m. In accordance with his contractual term of notice, Peter Engberg Jensen will receive salary until end-February 2014. The salary of DKK 4.53m for the notice period was charged to the income statement in Q1-Q3/2013.

Peter Engberg Jensen is contractually entitled to a 5-year pension of 65% of his gross salary at the time of retirement. This obligation has been currently provided for, based on a calculated retirement age of 65 years. Peter Engberg Jensen retired at the age of 60. The part of the pension obligation not already provided for was charged to the income statement in Q1-Q3/2013, equivalent to DKK 15.41m.

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1-Q3/2012	Q1-Q3/2013	Q1-Q3/2013	Q1-Q3/2012
<b>8. STAFF AND ADMINISTRATIVE EXPENSES (continued)</b>			
<b>Remuneration of former Group Chief Executive</b>			
7	10	10	7
2	16	16	2
<b>9</b>	<b>26</b>	<b>26</b>	<b>9</b>
<b>Staff expenses</b>			
1,040	1,197	1,774	1,611
142	142	201	199
150	188	267	209
<b>1,333</b>	<b>1,527</b>	<b>2,242</b>	<b>2,019</b>
<b>Number of staff</b>			
3,090	3,002	4,042	4,118
<b>9. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS</b>			
<b>Intangible assets</b>			
460	473	475	462
<b>Property, plant and equipment</b>			
74	78	103	98
<b>534</b>	<b>551</b>	<b>577</b>	<b>560</b>

## Notes

DKK million

Nykredit Realkredit A/S

The Nykredit Realkredit Group

Q1-Q3/2012 Q1-Q3/2013

Q1-Q3/2013 Q1-Q3/2012

		10. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
		10 a. Earnings impact			
403	571	Change in individual impairment provisions for loans and advances		1,082	1,070
-	10	Change in individual impairment provisions for receivables from credit institutions		29	-
49	191	Change in collective impairment provisions for loans and advances		421	170
162	91	Losses recognised for the period, net		322	409
(25)	(27)	Received on claims previously written off		(194)	(40)
-	-	Provisions for guarantees		61	(26)
<b>589</b>	<b>836</b>	<b>Total provisions for loan and receivable impairment and guarantees</b>		<b>1,720</b>	<b>1,584</b>
95	96	Value adjustment of assets in temporary possession		130	136
(3)	(1)	Value adjustment of claims previously written off		(1)	(3)
-	-	Losses offset against commission payments to banks		(246)	(185)
<b>681</b>	<b>932</b>	<b>Total</b>		<b>1,604</b>	<b>1,533</b>
		10 b. Specification of impairment losses on loans, advances and receivables			
1,092	1,655	Individual impairment provisions		5,868	5,570
864	848	Collective impairment provisions		1,760	1,604
<b>1,955</b>	<b>2,504</b>	<b>Total impairment provisions</b>		<b>7,628</b>	<b>7,174</b>
		Impairment provisions have been offset against the following items:			
1,531	2,364	Mortgage loans – note 14		3,272	2,306
424	130	Arrears and outlays – note 14		228	540
-	-	Bank loans and advances – note 15		4,099	4,328
-	10	Receivables from credit institutions		29	-
<b>1,955</b>	<b>2,504</b>	<b>Total impairment provisions</b>		<b>7,628</b>	<b>7,174</b>
		10 c. Individual impairment provisions for loans and advances			
<b>967</b>	<b>1,394</b>	<b>Impairment provisions, beginning of period</b>		<b>5,673</b>	<b>5,345</b>
583	776	Impairment provisions for the period		1,833	1,662
(180)	(205)	Impairment provisions reversed		(750)	(592)
(80)	(99)	Value adjustment of repossessed properties		(135)	(122)
(198)	(221)	Impairment provisions recognised as lost		(781)	(722)
<b>1,092</b>	<b>1,645</b>	<b>Impairment provisions, end of period</b>		<b>5,839</b>	<b>5,570</b>
		10 d. Collective impairment provisions for loans and advances			
<b>815</b>	<b>657</b>	<b>Impairment provisions, beginning of period</b>		<b>1,339</b>	<b>1,434</b>
49	191	Net impairment provisions for the period		421	170
<b>864</b>	<b>848</b>	<b>Impairment provisions, end of period</b>		<b>1,760</b>	<b>1,604</b>
		10 e. Individual impairment provisions for receivables from credit institutions			
-	-	Impairment provisions, beginning of period		-	-
-	10	Impairment provisions for the period		29	-
-	<b>10</b>	<b>Impairment provisions, end of period</b>		<b>29</b>	<b>-</b>

## Notes

DKK million

Nykredit Realkredit A/S

The Nykredit Realkredit Group

Q1-Q3/2012 Q1-Q3/2013

Q1-Q3/2013 Q1-Q3/2012

		<b>10. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)</b>		
		<b>10 f. Specification of loans, advances and receivables as well as receivables from credit institutions with objective evidence of impairment</b>		
5,394	8,057	Loans and advances before individual impairment provisions	16,035	13,951
1,092	1,645	Impairment provisions	5,839	5,570
<b>4,302</b>	<b>6,412</b>	<b>Loans and advances after impairment provisions</b>	<b>10,196</b>	<b>8,381</b>
42,524	43,972	Loans and advances before collective impairment provisions	118,685	125,845
864	848	Impairment provisions	1,760	1,604
<b>41,660</b>	<b>43,124</b>	<b>Loans and advances after impairment provisions</b>	<b>116,925</b>	<b>124,241</b>
-	29	Receivables from credit institutions before individual impairment provisions	54	-
-	10	Impairment provisions	29	-
<b>-</b>	<b>19</b>	<b>Receivables after impairment provisions</b>	<b>25</b>	<b>-</b>
		<b>10 g. Impairment losses on repossessed properties</b>		
262	320	<b>Impairment losses, beginning of period</b>	<b>448</b>	<b>358</b>
80	99	Transferred from non-repossessed properties	135	122
103	114	Impairment provisions for the period	165	150
(8)	(18)	Impairment provisions reversed	(35)	(14)
(159)	(161)	Impairment provisions recognised as lost	(236)	(216)
<b>278</b>	<b>354</b>	<b>Impairment losses, end of period</b>	<b>477</b>	<b>401</b>
Impairment losses on repossessed properties have been offset against "Assets in temporary possession".				
		<b>11. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES</b>		
30	22	Profit from investments in associates	101	30
727	558	Profit from investments in group enterprises	-	-
<b>757</b>	<b>580</b>	<b>Total</b>	<b>101</b>	<b>30</b>
		<b>12. TAX</b>		
17.4	10.0	Effective tax rate, %	13.1	21.1
The Group's effective tax rate was affected by tax-exempt gains on equities. Adjusted for such gains, the Nykredit Group's effective tax rate was 24.5% in Q1-Q3/2013.				

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2012	30.09.2013		30.09.2013	31.12.2012
<b>13. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
-	-	Receivables from central banks	-	1,746
31,526	28,998	Receivables from credit institutions	28,073	48,930
<b>31,526</b>	<b>28,998</b>	<b>Total</b>	<b>28,073</b>	<b>50,677</b>
3,364	2,519	Of which genuine purchase and resale transactions	13,859	20,633
<b>14. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>				
614,848	601,545	Mortgage loans	1,136,059	1,136,445
288	270	Arrears and outlays	405	408
-	-	Other loans and advances	50,149	35,401
26,305	31,991	Loans to Totalkredit serving as collateral in capital centres	-	-
520,658	557,976	Totalkredit mortgage loan funding	-	-
<b>1,162,099</b>	<b>1,191,782</b>	<b>Total</b>	<b>1,186,613</b>	<b>1,172,253</b>
-	-	Of which genuine purchase and resale transactions	50,149	35,401
<b>14 a. Mortgage loans</b>				
<b>595,273</b>	<b>600,042</b>	<b>Balance, beginning of period, nominal value</b>	<b>1,108,796</b>	<b>1,067,606</b>
86,574	36,542	New loans	91,524	217,333
618	448	Indexation	448	618
1,264	(441)	Foreign currency translation adjustment	(441)	1,264
(11,925)	(8,866)	Ordinary principal payments	(13,414)	(16,617)
(71,762)	(34,843)	Prepayments and extraordinary principal payments	(67,086)	(161,408)
<b>600,042</b>	<b>592,884</b>	<b>Balance, end of period, nominal value</b>	<b>1,119,827</b>	<b>1,108,796</b>
(391)	(356)	Loans transferred relating to properties in temporary possession	(375)	(611)
262	259	Loans assumed by the Danish Agency for Governmental Management	259	262
<b>599,914</b>	<b>592,787</b>	<b>Total</b>	<b>1,119,712</b>	<b>1,108,447</b>
<b>16,869</b>	<b>11,121</b>	<b>Adjustment for interest rate risk</b>	<b>19,619</b>	<b>30,719</b>
<b>Adjustment for credit risk</b>				
(1,277)	(1,515)	Individual impairment provisions	(1,837)	(1,618)
(657)	(848)	Collective impairment provisions	(1,434)	(1,103)
<b>614,848</b>	<b>601,545</b>	<b>Balance, end of period, fair value</b>	<b>1,136,059</b>	<b>1,136,445</b>
For total loans and advances, Nykredit has received mortgages on properties and:				
25,552	26,583	Supplementary guarantees totalling	34,646	33,265
945	829	Interim loan guarantees totalling	9,987	9,196
4,811	1,339	Registration guarantees totalling	9,798	16,533
<b>14 b. Arrears and outlays</b>				
371	339	Arrears before impairment provisions	445	486
34	61	Outlays before impairment provisions	188	156
(117)	(130)	Individual impairment provisions for arrears and outlays	(228)	(234)
<b>288</b>	<b>270</b>	<b>Total</b>	<b>405</b>	<b>408</b>



## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2012	30.09.2013	30.09.2013	31.12.2012
<b>14. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE (continued)</b>			
<b>14 c. Totalkredit mortgage loan funding</b>			
455,052	509,107		
<b>Balance, beginning of period, nominal value</b>		-	-
281,437	167,799		
New loans		-	-
(2,791)	(2,615)		
Ordinary principal payments		-	-
(224,590)	(122,884)		
Prepayments and extraordinary principal payments		-	-
<b>509,107</b>	<b>551,407</b>	<b>-</b>	<b>-</b>
<b>Balance, end of period, nominal value</b>			
11,550	6,568		
Adjustment for interest rate risk		-	-
<b>520,658</b>	<b>557,976</b>	<b>-</b>	<b>-</b>
<b>Balance, end of period, fair value</b>			
<b>15. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST</b>			
-	-	53,229	53,785
Bank loans and advances			
30	26	-	-
Totalkredit mortgage loan funding			
-	-	27	31
Mortgage loans			
386	395	400	390
Other loans and advances			
<b>416</b>	<b>422</b>	<b>53,657</b>	<b>54,207</b>
<b>Balance, end of period</b>			
<b>Adjustment for credit risk</b>			
-	-	(3,774)	(3,822)
Individual impairment provisions			
-	-	(325)	(236)
Collective impairment provisions			
<b>416</b>	<b>422</b>	<b>49,557</b>	<b>50,149</b>
<b>Balance after impairment, end of period</b>			
(38)	(37)	(37)	(38)
Set-off of self-issued "Other loans and advances" against "Issued bonds at amortised cost" – note 21			
<b>378</b>	<b>384</b>	<b>49,520</b>	<b>50,111</b>
<b>Total</b>			
<b>16. BONDS AT FAIR VALUE</b>			
59,493	53,772	153,447	137,386
Self-issued SDOs			
93,777	63,838	100,112	113,726
Self-issued ROs			
30,601	12,357	56,800	65,368
Other ROs			
3,648	340	8,860	8,105
Government bonds			
4,981	2,747	11,293	11,361
Other bonds			
<b>192,501</b>	<b>133,054</b>	<b>330,513</b>	<b>335,946</b>
<b>Total</b>			
(93,777)	(63,838)	(100,112)	(113,726)
Set-off of self-issued ROs against "Issued bonds at fair value" – note 20			
(59,492)	(53,744)	(153,419)	(137,385)
Set-off of self-issued SDOs against "Issued bonds at fair value" – note 20			
(851)	-	(2,882)	(3,453)
Set-off of self-issued junior covered bonds against "Issued bonds at fair value" – note 20			
(1)	(28)	(28)	(1)
Set-off of self-issued SDOs against "Issued bonds at amortised cost" – note 21			
-	-	(1,293)	(2,327)
Set-off of self-issued other bonds against "Issued bonds at amortised cost" – note 21			
<b>38,379</b>	<b>15,444</b>	<b>72,778</b>	<b>79,055</b>
<b>Total</b>			
13,175	11,631	22,338	16,774
Of bonds at fair value before set-off of self-issued bonds:			
Redeemed bonds			
2,314	2,368	13,300	16,612
As collateral security for the Danish central bank and foreign clearing centres, bonds have been deposited of a total market value of			
Collateral security was provided on an arm's length basis.			

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2012	30.09.2013		30.09.2013	31.12.2012
<b>17. OTHER ASSETS</b>				
10,718	12,232	Interest and commission receivable	12,455	11,763
387	261	Receivables from group enterprises	-	-
4,615	3,341	Positive market value of derivative financial instruments	31,253	46,832
204	199	Defined benefit plans	199	204
158	238	Other	5,876	925
<b>16,083</b>	<b>16,271</b>	<b>Total</b>	<b>49,782</b>	<b>59,724</b>
<b>18. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
48,597	17,548	Payables to credit institutions	54,247	67,293
-	-	Payables to central banks	1,726	246
<b>48,597</b>	<b>17,548</b>	<b>Total</b>	<b>55,974</b>	<b>67,539</b>
44,009	16,413	Of which genuine sale and repurchase transactions	42,194	56,993
<b>19. DEPOSITS AND OTHER PAYABLES</b>				
-	-	On demand	40,785	37,994
-	-	At notice	5,450	5,851
-	-	Time deposits	10,044	10,639
-	-	Special deposits	2,882	26
-	-	<b>Total</b>	<b>59,160</b>	<b>54,509</b>
<b>20. ISSUED BONDS AT FAIR VALUE</b>				
330,648	294,701	ROs	345,673	389,323
924,598	955,550	SDOs	955,550	924,598
44,460	43,274	Junior covered bonds	43,274	44,460
<b>1,299,706</b>	<b>1,293,526</b>	<b>Total</b>	<b>1,344,498</b>	<b>1,358,381</b>
(154,121)	(117,582)	Self-issued bonds transferred from "Bonds at fair value" – note 16	(256,413)	(254,563)
<b>1,145,585</b>	<b>1,175,943</b>	<b>Total</b>	<b>1,088,084</b>	<b>1,103,818</b>
<b>20 a. ROs</b>				
318,609	285,838	ROs at nominal value	334,869	374,974
12,040	8,863	Fair value adjustment	10,805	14,349
<b>330,648</b>	<b>294,701</b>	<b>ROs at fair value</b>	<b>345,673</b>	<b>389,323</b>
(93,777)	(63,838)	Self-issued ROs transferred from "Bonds at fair value" – note 16	(100,112)	(113,726)
<b>236,871</b>	<b>230,863</b>	<b>Total</b>	<b>245,561</b>	<b>275,598</b>
583	26	Of which pre-issuance	26	583
35,295	8,957	ROs for redemption at next creditor payment date	10,673	37,564

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2012	30.09.2013	30.09.2013	31.12.2012
<b>20. ISSUED BONDS AT FAIR VALUE (continued)</b>			
<b>20 b. SDOs</b>			
908,165	946,692		
		SDOs at nominal value	
16,432	8,858	Fair value adjustment	
<b>924,598</b>	<b>955,550</b>	<b>SDOs at fair value</b>	
			946,692
			8,858
			<b>955,550</b>
			<b>924,598</b>
(59,492)	(53,744)	Self-issued SDOs transferred from "Bonds at fair value" – note 16	
<b>865,106</b>	<b>901,806</b>	<b>Total</b>	
			(153,419)
			(137,385)
			<b>802,131</b>
			<b>787,212</b>
1,932	617	Of which pre-issuance	
125,522	140,123	SDOs for redemption at next creditor payment date	
			617
			140,123
			1,932
			125,522
<b>20 c. Junior covered bonds</b>			
43,320	42,174	Junior covered bonds at nominal value	
1,140	1,100	Fair value adjustment	
<b>44,460</b>	<b>43,274</b>	<b>Junior covered bonds at fair value</b>	
			42,174
			1,100
			<b>43,274</b>
			<b>44,460</b>
(851)	-	Self-issued junior covered bonds transferred from "Bonds at fair value" – note 16	
<b>43,609</b>	<b>43,274</b>	<b>Total</b>	
			(2,882)
			(3,453)
			<b>40,392</b>
			<b>41,008</b>
-	4,975	Junior covered bonds for redemption at next creditor payment date	
			4,975
			-
<b>21. ISSUED BONDS AT AMORTISED COST</b>			
-	-	Corporate bonds	
61	28	SDOs	
-	3,651	Junior covered bonds	
120	105	Employee bonds	
40	38	Other securities	
<b>221</b>	<b>3,823</b>	<b>Total</b>	
			27,271
			28
			3,651
			127
			38
			<b>31,115</b>
			<b>29,961</b>
-	-	Self-issued corporate bonds transferred from "Bonds at fair value" – note 16	
(1)	(28)	Self-issued SDOs transferred from "Bonds at fair value" – note 16	
(38)	(37)	Self-issued other securities transferred from "Loans, advances and other receivables at amortised cost" – note 15	
<b>182</b>	<b>3,758</b>	<b>Total</b>	
			(1,293)
			(28)
			(37)
			<b>29,757</b>
			<b>27,595</b>
<b>22. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE</b>			
-	-	Deposits at fair value	
2,025	1,525	Negative securities portfolios	
<b>2,025</b>	<b>1,525</b>	<b>Total</b>	
			23,649
			14,301
			<b>37,950</b>
			<b>34,557</b>
-	-	Of which genuine sale and repurchase transactions	
			23,649
			17,718

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2012	30.09.2013	30.09.2013	31.12.2012
<b>23. OTHER LIABILITIES</b>			
14,804	14,882	19,971	21,477
6,244	4,635	33,470	48,939
399	408	371	361
2,125	2,297	4,990	4,321
<b>23,570</b>	<b>22,222</b>	<b>58,802</b>	<b>75,099</b>
<b>24. SUBORDINATED DEBT</b>			
Subordinated debt consists of financial liabilities in the form of hybrid capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.			
Subordinated debt is included in the capital base in accordance with the Danish Executive Order on capital base determination.			
<b>Hybrid capital</b>			
-	-	100	100
-	-	150	150
3,971	3,864	3,864	3,971
7,064	6,933	6,933	7,064
<b>11,035</b>	<b>10,797</b>	<b>11,047</b>	<b>11,285</b>
-	-	(19)	(5)
<b>11,035</b>	<b>10,797</b>	<b>11,028</b>	<b>11,281</b>
10,445	10,441	10,672	10,690

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2012	30.09.2013	30.09.2013	31.12.2012
<b>25. OFF-BALANCE SHEET ITEMS</b>			
Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheets are presented below.			
-	-		
		-	-
		Contingent liabilities	5,333 4,806
1,620	1,417	Other commitments	7,872 9,213
<b>1,620</b>	<b>1,417</b>	<b>Total</b>	<b>13,205 14,019</b>
<b>25 a. Contingent liabilities</b>			
-	-		
		-	-
		Financial guarantees	1,496 1,739
-	-	Registration and refinancing guarantees	769 596
-	-	Other contingent liabilities	3,068 2,471
-	-	<b>Total</b>	<b>5,333 4,806</b>
"Other contingent liabilities" chiefly comprises purchase money and payment guarantees.			
<b>25 b. Other commitments</b>			
10	2		
		-	-
		Irrevocable credit commitments	6,308 7,338
1,610	1,415	Other	1,564 1,875
<b>1,620</b>	<b>1,417</b>	<b>Total</b>	<b>7,872 9,213</b>

"Other" under "Other commitments" comprises obligations to and charges in favour of securities depositories, investment commitments to private equity funds and non-cancellable lease payments.

**Other contingent liabilities**

Owing to its size and business scope, the Nykredit Realkredit Group is continuously involved in legal proceedings and litigation. The cases are reviewed regularly, and necessary provisions are made based on an assessment of the risk of loss. Pending cases are not expected to have a significant effect on the Nykredit Realkredit Group's financial position.

Nykredit Bank A/S participates in the mandatory Danish deposit guarantee scheme, the Danish Guarantee Fund for Depositors and Investors. Participating banks must pay a fixed annual amount of 2.5‰ of the covered net deposits. Payment to the Fund's bank department is mandatory until the assets of the scheme exceed 1% of the covered net deposits of the sector. The bank department bears any direct losses on the winding-up of Danish banks, cf Bank Rescue Packages III and IV, to the extent the loss is attributable to the covered net deposits.

Any losses arising from the final winding-up are covered by the Fund through its winding-up and restructuring department. Nykredit Bank's share of the expense will amount to about 3%.

Nykredit Realkredit A/S has issued a letter of comfort stating that Nykredit Realkredit A/S will contribute capital to Nykredit Bank A/S to ensure that Nykredit Bank A/S's Tier 1 capital calculated according to the Basel II rules does not fall below 12-13%. However, Nykredit Realkredit A/S will not contribute capital to Nykredit Bank A/S if that will bring Nykredit Realkredit A/S's total capital ratio below the statutory capital requirement plus 0.5% or the internal capital adequacy requirement (ICAAP) plus 0.5%.

The Company is jointly taxed in Denmark with Foreningen Nykredit as its administration company. Pursuant to the Danish Corporation Tax Act, the Company is liable for income taxes etc payable by the jointly taxed companies as of the financial year 2013 and for any obligations to withhold tax at source on interest, royalties and dividends of these companies as of 1 July 2012.

Nykredit Realkredit A/S is liable for the obligations of the pension fund in run-off Nykredits Afviklingspensionskasse (CVR no 24 25 62 19).

# Notes

## 25. OFF-BALANCE SHEET ITEMS (continued)

### Tax

The Danish tax authorities (SKAT) have proposed that Nykredit Bank's taxable income declared for 2008 and 2009 be changed.

The proposal is based on a review of exposures granted by Forstædernes Bank and subsequently assumed by the Nykredit Realkredit Group in connection with the acquisition of Forstædernes Bank. In 2010 Forstædernes Bank was merged with Nykredit Bank. As a result of the financial crisis and property market trends, Forstædernes Bank recorded considerable impairment losses on these exposures in 2008 and 2009 for accounting as well as tax purposes.

SKAT's review for the tax assessment years 2008 and 2009 has not been completed yet. However, in SKAT's opinion the loans were not granted on standard business terms and failed to comply with business procedures and instructions. For this reason, SKAT finds that there was no basis for deducting the impairment losses from the taxable income.

The tax effect for the tax assessment year 2008 could be to up to DKK 300m, but as the review has not been completed yet, the amount is provisional. In May 2013, SKAT announced a change to the tax assessment year 2009 which may result in a tax effect of around DKK 350m.

Nykredit Bank's management disagrees with the argumentation of SKAT and is of the opinion that the loans were granted on standard business terms, in accordance with Forstædernes Bank's policies and business procedures. The loans were moreover granted up to five years prior to the financial crisis, at which time the adverse effects of the property market development were unforeseeable.

Should SKAT uphold that a tax deduction cannot be obtained, Nykredit Bank will appeal against SKAT's decision. In Nykredit Bank's opinion, the probability that the courts will find for SKAT in case of legal action is negligible as the loans were originally granted on standard business terms. A judgement delivered by the Danish Supreme Court (no SKM2012.353 of 1 June 2012) sustains Nykredit Bank's view. On this basis, the tax charge has not been adjusted.

## 26. 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 in 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 occurred in Q1-Q3/2013.

The companies have entered into various agreements as a natural part of the Group's day-to-day operations. The agreements typically involve finance, guarantees, sales commission, tasks relating to IT support and IT development projects, payroll and staff administration as well as other administrative tasks. Intercompany trade and services took place on an arm's length basis or on a cost reimbursement basis.

Significant related party transactions prevailing/entered into in Q1-Q3/2013 include:

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

Nykredit Realkredit A/S has granted loans to Totalkredit A/S serving as collateral in Totalkredit's capital centres. At 30 September 2013, the loan amounted to DKK 31.9bn. An agreement has been made to hedge market risk relating to collateral, including investments, in Totalkredit's capital centres. The hedged amount constituted a charge of DKK 276m for Nykredit Realkredit in Q1-Q3/2013.

Agreement on the distribution of mortgage loans to personal customers via Totalkredit A/S (this agreement was concluded on the same terms as apply to other partners, including commission payments).

Nykredit Realkredit A/S has granted loans of DKK 3,100m to Totalkredit A/S in the form of subordinated debt.

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

Nykredit Holding A/S has issued a loss guarantee for the part of Nykredit Bank A/S's impairment losses and provisions (earnings impact for the year) that exceeds 2% of Nykredit Bank A/S's loans, advances and guarantees subject to a maximum of DKK 2bn for the term of the guarantee. Nykredit Bank's management has decided to terminate the guarantee in Q4/2013.

## Notes

DKK million

## The Nykredit Realkredit Group

## 27. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Financial instruments at fair value by measurement category (the IFRS hierarchy)

	Listed prices	Observable inputs	Unobservable inputs	Total fair value
<b>Q1-Q3/2013</b>				
<b>Financial instruments in the form of assets:</b>				
<b>Recognised as trading book:</b>				
- receivables from credit institutions and central banks <sup>1</sup>	-	13,859	-	13,859
- other loans and advances	-	50,149	-	50,149
- bonds at fair value	53,511	18,765	502	72,778
- equities measured at fair value through profit or loss	463	-	934	1,397
- positive fair value of derivative financial instruments	510	29,521	1,221	31,253
<b>Recognised through the fair value option:</b>				
- mortgage loans, arrears and outlays	1,057,841	78,623	-	1,136,464
<b>Recognised as available for sale:</b>				
- equities available for sale	427	-	919	1,345
<b>Total</b>	<b>1,112,752</b>	<b>190,918</b>	<b>3,576</b>	<b>1,307,245</b>
<b>Financial instruments in the form of liabilities:</b>				
<b>Recognised as trading book:</b>				
- payables to credit institutions and central banks <sup>1</sup>	-	42,194	-	42,194
- other non-derivative financial liabilities at fair value	14,301	23,649	-	37,950
- negative fair value of derivative financial instruments	619	32,657	194	33,470
<b>Recognised through the fair value option:</b>				
- issued bonds at fair value	1,077,669	10,415	-	1,088,084
<b>Total</b>	<b>1,092,589</b>	<b>108,915</b>	<b>194</b>	<b>1,201,698</b>
<b>Financial instruments measured on the basis of unobservable inputs</b>				
<b>Fair value, beginning of period, financial assets</b>			<b>2,751</b>	
Unrealised capital gains/losses recognised in "Value adjustments" in the income statement			(538)	
Realised capital gains/losses recognised in "Value adjustments" in the income statement			83	
Unrealised capital gains/losses recognised in "Fair value adjustment of equities available for sale" under "Other comprehensive income"			16	
Purchases for the period			817	
Sales for the period			(235)	
Redemptions for the period			(310)	
Transferred from Listed prices and Observable inputs			992	
<b>Fair value, end of period, financial assets</b>			<b>3,576</b>	
<b>Fair value, beginning of period, financial liabilities</b>			<b>166</b>	
Unrealised capital gains/losses recognised in "Value adjustments" in the income statement			28	
<b>Fair value, end of period, financial liabilities</b>			<b>194</b>	

<sup>1</sup> "Receivables from credit institutions and central banks" and "Payables to credit institutions and central banks" consist of genuine sale and repurchase transactions as well as genuine purchase and resale transactions recognised at fair value.

Transfers from Observable inputs to Unobservable inputs consist of interest rate swaps adjusted for increased credit risk stemming from a credit value adjustment model (DKK 950m) and of four untraded bonds (DKK 42m) for which measurement is subject to significant elements of unobservable inputs.

In accordance with the commencement provisions for IFRS 13, no comparative figures have been stated for Q1-Q3/2012.

# Notes

The Nykredit Realkredit Group

## 27. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Listed prices

The Group's assets and liabilities at fair value are to the widest extent possible recognised at listed prices or prices quoted in an active market or authorised market place.

### Observable inputs

When an instrument is not traded in an active market, measurement is based on observable inputs and the use of generally accepted calculation models as well as valuation and estimation techniques such as discounted cash flows and option models.

Observable inputs are typically yield curves, volatilities and market prices of similar instruments which are usually obtained through ordinary providers such as Reuters, Bloomberg or market makers. If the fair value is based on transactions in similar instruments, measurement is exclusively based on transactions at arm's length. Reverse lending and repo deposits as well as unlisted derivatives generally belong in this category.

Measurement techniques are generally applied to measure derivatives and unlisted assets and liabilities.

In some cases, markets, eg the bond market, have become inactive and illiquid. When assessing market transactions, it may therefore be difficult to conclude whether the transactions were executed at arm's length or were forced sales. If measurement is based on recent transactions, the transaction price is compared with a price based on relevant yield curves and discounting techniques.

### Unobservable inputs

When it is not possible to measure financial instruments at fair value through active market prices or observable inputs, measurement is made on the basis of internal assumptions and extrapolation. Where possible and appropriate, measurement is based on actual transactions adjusted for differences in eg the liquidity, credit spreads and maturities of the instruments. The Group's unlisted equities are generally classified under this heading although measurement is based on the IPEV Valuation Guidelines.

Positive market values of a number of interest rate swaps with customers in Nykredit Bank's lowest rating categories have been adjusted for increased credit risk stemming from a credit value adjustment model. The model uses for instance the statistical data applied by Nykredit Bank to calculate collective impairment provisions for loans and advances at amortised cost.

Measurement, notably of instruments categorised as unobservable inputs, is subject to some uncertainty. Of total assets and liabilities, DKK 3,576m and DKK 194m, respectively, can be ascribed to this category. Assuming that actual transaction prices will deviate by +/- 10% from the calculated fair value, the earnings impact will be approximately DKK 338m.



## Notes

DKK million

The Nykredit Realkredit Group	Q3/ 2013	Q2/ 2013	Q1/ 2013	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012
<b>28. SEVEN-QUARTER FINANCIAL HIGHLIGHTS</b>							
<b>Core income from</b>							
Business operations	1,780	2,499	2,475	1,986	2,233	2,255	2,222
Securities	26	28	35	21	26	76	89
<b>Total</b>	<b>1,806</b>	<b>2,527</b>	<b>2,510</b>	<b>2,007</b>	<b>2,259</b>	<b>2,332</b>	<b>2,311</b>
Operating costs, depreciation and amortisation	1,356	1,422	1,454	1,507	1,373	1,443	1,272
<b>Core earnings before impairment losses</b>	<b>449</b>	<b>1,105</b>	<b>1,056</b>	<b>500</b>	<b>886</b>	<b>889</b>	<b>1,039</b>
Impairment losses on loans and advances	675	242	687	616	542	497	494
<b>Core earnings after impairment losses</b>	<b>(226)</b>	<b>863</b>	<b>370</b>	<b>(115)</b>	<b>344</b>	<b>392</b>	<b>545</b>
Investment portfolio income	394	331	669	155	756	183	1,350
<b>Profit before cost of capital</b>	<b>168</b>	<b>1,194</b>	<b>1,039</b>	<b>40</b>	<b>1,100</b>	<b>575</b>	<b>1,894</b>
Net interest on hybrid capital	(116)	(111)	(115)	(117)	(117)	(116)	(115)
<b>Profit (loss) before tax</b>	<b>52</b>	<b>1,083</b>	<b>923</b>	<b>(77)</b>	<b>984</b>	<b>457</b>	<b>1,781</b>
Tax	(48)	284	32	(106)	144	95	442
<b>Profit for the period</b>	<b>99</b>	<b>798</b>	<b>891</b>	<b>29</b>	<b>839</b>	<b>362</b>	<b>1,339</b>
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	(8)	(3)	1	74	(16)	(5)	7
Value adjustment of strategic equities	66	89	146	(48)	148	(78)	213
Other adjustment of strategic equities	-	(89)	(620)	(122)	(286)	-	(65)
Fair value adjustment of owner-occupied properties	-	7	-	53	-	-	-
<b>Total other comprehensive income</b>	<b>58</b>	<b>4</b>	<b>(472)</b>	<b>(42)</b>	<b>(154)</b>	<b>(83)</b>	<b>155</b>
<b>Comprehensive income for the period</b>	<b>157</b>	<b>802</b>	<b>419</b>	<b>(13)</b>	<b>685</b>	<b>279</b>	<b>1,494</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>							
	30.09.2013	30.06.2013	31.03.2013	31.12.2012	30.09.2012	30.06.2012	31.03.2012
<b>Assets</b>							
Cash balance and receivables from credit institutions and central banks	31,983	38,859	39,997	60,174	50,620	61,440	63,900
Mortgage loans at fair value	1,136,059	1,133,557	1,136,605	1,136,445	1,128,680	1,120,214	1,097,992
Bank loans – excluding reverse transactions	49,130	50,354	50,192	49,728	53,980	55,203	55,935
Bonds and equities	75,521	70,579	73,391	82,413	92,371	95,773	94,919
Remaining assets	108,117	111,028	111,827	104,645	109,936	101,002	94,790
<b>Total assets</b>	<b>1,400,811</b>	<b>1,404,378</b>	<b>1,412,012</b>	<b>1,433,405</b>	<b>1,435,587</b>	<b>1,433,632</b>	<b>1,407,537</b>
<b>Liabilities and equity</b>							
Payables to credit institutions and central banks	55,974	49,319	49,486	67,539	80,506	100,888	108,335
Deposits and other payables	59,160	63,245	64,994	54,509	53,498	55,281	56,673
Issued bonds at fair value	1,088,084	1,086,408	1,101,262	1,103,818	1,082,066	1,066,902	1,041,153
Subordinated debt	11,028	11,085	11,184	11,281	11,322	11,254	11,246
Remaining liabilities	127,780	135,694	127,260	138,701	150,625	142,423	133,526
Equity	58,784	58,627	57,825	57,556	57,569	56,884	56,604
<b>Total liabilities and equity</b>	<b>1,400,811</b>	<b>1,404,378</b>	<b>1,412,012</b>	<b>1,433,405</b>	<b>1,435,587</b>	<b>1,433,632</b>	<b>1,407,537</b>
<b>FINANCIAL RATIOS</b>							
Profit for the period as % of average equity pa	0.7	5.5	6.2	0.2	5.9	2.6	9.6
Core earnings before impairment losses as % of average equity pa	3.1	7.6	7.3	3.5	6.2	6.3	7.4
Core earnings after impairment losses as % of average equity pa	(1.5)	5.9	2.6	-0.8	2.4	2.8	3.9
Total provisions for loan impairment and guarantees	7,741	7,325	7,380	7,094	7,262	7,111	7,040
Impairment losses for the period, %	0.05	0.02	0.06	0.05	0.04	0.04	0.04
Total capital ratio, %	20.4	20.0	19.1	19.1	18.6	17.5	17.2
Tier 1 capital ratio, %	20.4	20.0	19.1	19.1	18.6	17.5	17.2
Average number of full-time staff	4,042	4,049	4,059	4,115	4,118	4,124	4,125

## Notes

DKK million

The Nykredit Realkredit Group	Q3/ 2013	Q2/ 2013	Q1/ 2013	Q4/ 2012	Q3/ 2012	Q2/ 2012	Q1/ 2012
<b>28. SEVEN-QUARTER FINANCIAL HIGHLIGHTS (continued)</b>							
Net interest income	2,656	2,382	2,487	2,697	2,793	2,629	2,718
Net fee income	90	14	(41)	60	(5)	102	164
<b>Net interest and fee income</b>	<b>2,746</b>	<b>2,396</b>	<b>2,446</b>	<b>2,758</b>	<b>2,787</b>	<b>2,732</b>	<b>2,882</b>
Value adjustments	(717)	294	543	(796)	33	(389)	605
Other operating income	52	55	56	67	57	53	53
Staff and administrative expenses	1194	1,249	1,233	1,294	1,165	1,263	1,078
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	194	190	193	206	191	184	184
Other operating expenses	17	13	27	7	17	(4)	10
Impairment losses on loans, advances and receivables	675	242	687	616	542	497	494
Profit from investments in associates	52	31	18	17	21	3	7
<b>Profit (loss) before tax</b>	<b>52</b>	<b>1,083</b>	<b>923</b>	<b>(77)</b>	<b>983</b>	<b>458</b>	<b>1,781</b>
Tax	(48)	284	32	(106)	144	95	442
<b>Profit for the period</b>	<b>99</b>	<b>798</b>	<b>891</b>	<b>29</b>	<b>839</b>	<b>362</b>	<b>1,339</b>
<b>Other comprehensive income</b>							
Actuarial gains/losses on defined benefit plans	(8)	(3)	1	74	(16)	(5)	7
Value adjustment of strategic equities	66	89	146	(48)	148	(78)	213
Other adjustment of strategic equities	-	(89)	(620)	(122)	(286)	-	(65)
Fair value adjustment of owner-occupied properties	-	7	-	53	-	-	-
<b>Total other comprehensive income</b>	<b>58</b>	<b>4</b>	<b>(472)</b>	<b>(42)</b>	<b>(154)</b>	<b>(83)</b>	<b>155</b>
<b>Comprehensive income for the period</b>	<b>157</b>	<b>802</b>	<b>419</b>	<b>(13)</b>	<b>685</b>	<b>279</b>	<b>1,494</b>
<b>FINANCIAL RATIOS<sup>1</sup></b>							
Total capital ratio, %	20.4	20.0	19.1	19.1	18.6	17.5	17.2
Tier 1 capital ratio, %	20.4	20.0	19.1	19.1	18.6	17.5	17.2
Return on equity before tax	0.2	1.8	0.9	(0.4)	1.6	0.6	3.5
Return on equity after tax	0.3	1.4	0.7	(0.2)	1.2	0.5	2.7
Income:cost ratio	1.06	1.63	1.23	0.88	1.47	1.18	2.12
Foreign exchange position, %	1.0	0.4	0.8	0.6	0.3	0.6	0.8
Loans and advances:equity (loan gearing)	21.0	21.0	21.3	21.2	21.2	21.2	21.0
Growth in loans and advances for the period, %	0.5	0.9	0.7	0.1	0.4	1.5	2.2
Total impairment provisions, %	0.62	0.59	0.59	0.57	0.59	0.58	0.59
Impairment losses for the period, %	0.05	0.02	0.06	0.05	0.04	0.04	0.04

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. As a result, the calculation of financial ratios is based on profit for the period including value and other adjustment of strategic equities. Definitions appear from note 51 in the Annual Report 2012.

## Notes

DKK million

Nykredit Realkredit A/S	Q1-Q3/ 2013	Q1-Q3/ 2012	Q1-Q3/ 2011	Q1-Q3/ 2010	Q1-Q3/ 2009
<b>29. FIVE-YEAR FINANCIAL HIGHLIGHTS</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest income	3,293	4,068	3,442	4,074	3,969
Net fee income	610	670	468	534	509
<b>Net interest and fee income</b>	<b>3,904</b>	<b>4,738</b>	<b>3,909</b>	<b>4,608</b>	<b>4,477</b>
Value adjustments	408	527	(1,930)	(327)	2,840
Other operating income	14	8	21	70	59
Staff and administrative expenses	1,887	1,821	1,987	1,773	1,864
Other operating expenses	3	0	1	2	0
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	551	534	501	490	438
Impairment losses on loans, advances and receivables	932	681	487	555	638
Profit (loss) from investments in associates and group enterprises	580	757	943	2,396	(2,381)
<b>Profit (loss) before tax</b>	<b>1,534</b>	<b>2,994</b>	<b>(33)</b>	<b>3,926</b>	<b>2,053</b>
Tax	153	522	(373)	376	872
<b>Profit for the period</b>	<b>1,381</b>	<b>2,473</b>	<b>340</b>	<b>3,551</b>	<b>1,182</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2009</b>
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	29,742	38,063	27,508	37,497	16,172
Mortgage loans at fair value	601,545	617,343	598,084	578,640	548,103
Totalkredit mortgage loan funding	557,976	540,514	441,982	420,882	347,758
Bonds and equities	17,839	47,952	60,093	61,454	56,500
Remaining assets	84,111	82,113	75,485	61,902	55,805
<b>Total assets</b>	<b>1,291,212</b>	<b>1,325,986</b>	<b>1,203,152</b>	<b>1,160,376</b>	<b>1,024,339</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	17,548	55,194	71,914	95,374	84,041
Issued bonds	1,175,943	1,168,968	1,027,972	963,319	846,564
Subordinated debt	10,797	11,083	10,931	11,000	7,683
Remaining liabilities	28,139	33,172	36,976	35,865	34,547
Equity	58,784	57,569	55,359	54,817	51,503
<b>Total liabilities and equity</b>	<b>1,291,212</b>	<b>1,325,986</b>	<b>1,203,152</b>	<b>1,160,376</b>	<b>1,024,339</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Other commitments	1,417	1,605	2,272	1,199	1,560
<b>FINANCIAL RATIOS<sup>1</sup></b>					
Total capital ratio, %	17.1	16.1	16.2	17.2	16.4
Tier 1 capital ratio, %	17.1	16.1	16.2	17.2	15.6
Return on equity before tax	2.6	5.3	(0.1)	7.4	4.0
Return on equity after tax	2.4	4.4	0.6	6.7	2.3
Income:cost ratio	1.45	1.99	0.99	2.39	1.70
Loans and advances:equity (loan gearing)	10.2	10.7	10.8	10.6	10.7
Growth in loans and advances for the period, %	(1.2)	1.3	2.9	3.3	7.1
Total impairment provisions, %	0.41	0.32	0.31	0.29	0.17
Impairment losses for the period, %	0.15	0.11	0.08	0.10	0.12

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. Definitions appear from note 51 in the Annual Report 2012.

## Notes

DKK million

The Nykredit Realkredit Group	Q1-Q3/ 2013	Q1-Q3/ 2012	Q1-Q3/ 2011	Q1-Q3/ 2010	Q1-Q3/ 2009
<b>29. FIVE-YEAR FINANCIAL HIGHLIGHTS (continued)</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest income	7,526	8,140	7,415	8,421	8,156
Net fee income	63	261	189	437	435
<b>Net interest and fee income</b>	<b>7,588</b>	<b>8,401</b>	<b>7,604</b>	<b>8,858</b>	<b>8,591</b>
Value adjustments	120	249	(1,323)	(165)	2,180
Other operating income	163	163	167	160	114
Staff and administrative expenses	3,676	3,506	3,594	3,480	3,514
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	577	560	571	596	568
Other operating expenses	56	23	109	377	425
Impairment losses on loans, advances and receivables	1,604	1,533	898	1,706	5,920
Profit (loss) from investments in associates	101	30	11	4	(142)
<b>Profit before tax</b>	<b>2,058</b>	<b>3,221</b>	<b>1,288</b>	<b>2,698</b>	<b>315</b>
Tax	269	681	175	701	134
Profit from discontinued insurance operations	-	-	-	1,511	163
<b>Profit for the period</b>	<b>1,789</b>	<b>2,540</b>	<b>1,113</b>	<b>3,509</b>	<b>344</b>
Value adjustment and reclassification of strategic equities against equity totalling	(408)	(68)	(772)	42	838
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
<b>Assets</b>	<b>30.09.2013</b>	<b>30.09.2012</b>	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2009</b>
Cash balance and receivables from credit institutions and central banks					
Mortgage loans at fair value	31,983	50,620	33,619	52,164	38,029
Bank loans – excluding reverse transactions	1,136,059	1,128,680	1,070,144	1,036,167	972,080
Bonds and equities	49,130	53,980	55,621	59,729	62,333
Remaining assets	75,521	92,371	84,456	91,864	88,736
<b>Total assets</b>	<b>1,08,117</b>	<b>109,936</b>	<b>77,863</b>	<b>84,058</b>	<b>81,010</b>
	<b>1,400,811</b>	<b>1,435,587</b>	<b>1,321,703</b>	<b>1,323,984</b>	<b>1,242,188</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	55,974	80,506	85,897	120,134	115,755
Deposits and other payables	59,160	53,498	53,498	54,483	63,486
Issued bonds at fair value	1,088,084	1,082,066	993,566	948,439	888,380
Subordinated debt	11,028	11,322	11,581	11,886	9,001
Remaining liabilities	127,780	150,625	121,802	134,225	114,063
Equity	58,784	57,569	55,359	54,817	51,503
<b>Total liabilities and equity</b>	<b>1,400,811</b>	<b>1,435,587</b>	<b>1,321,703</b>	<b>1,323,984</b>	<b>1,242,188</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Contingent liabilities	5,333	5,547	6,271	6,878	8,298
Other commitments	7,872	9,089	8,809	8,339	10,320
<b>FINANCIAL RATIOS<sup>1</sup></b>					
Total capital ratio, %	20.4	18.6	18.4	18.2	16.8
Tier 1 capital ratio, %	20.4	18.6	18.4	18.1	15.5
Return on equity before tax	2.9	5.7	0.6	8.0	2.6
Return on equity after tax	2.4	4.4	0.6	6.7	2.3
Income:cost ratio	1.29	1.57	1.06	1.45	1.11
Foreign exchange position, %	1.0	0.3	2.1	0.9	0.7
Loans and advances:equity (loan gearing)	21.0	21.2	20.6	20.3	20.6
Growth in loans and advances for the period, %	2.1	4.1	2.4	3.5	4.9
Total impairment provisions, %	0.62	0.59	0.67	0.91	0.79
Impairment losses for the period, %	0.13	0.12	0.08	0.15	0.55

<sup>1</sup> Financial ratios are based on the Danish FSA's definitions and guidelines. As a result, the calculation of financial ratios is based on profit for the period including value and other adjustment of strategic equities. Definitions appear from note 51 in the Annual Report 2012.

## Notes

DKK million

## The Nykredit Realkredit Group

## 30. GROUP STRUCTURE

Name and registered office	Ownership interest as % at 30.09.2013	Profit for Q1-Q3/2013	Equity at 30.09.2013	Profit for 2012	Equity at 31.12.2012
Totalkredit A/S, Taastrup, a)	100	409	15,498	522	15,090
Nykredit Bank A/S, Copenhagen, b)	100	82	14,353	69	14,271
Nykredit Pantebrevsinvestering A/S, Copenhagen, c)	100	0	12	0	12
Nykredit Portefølje Administration A/S, Copenhagen, h)	100	45	303	65	259
Nykredit Leasing A/S, Gladsaxe, f)	100	20	181	16	160
FB Ejendomme A/S, Copenhagen, e)	100	0	4	0	4
Nykredit Mægler A/S, Aarhus, d)	100	22	123	23	141
Nykredit Ejendomme A/S, Copenhagen, e)	100	26	502	49	469
Ejendomsselskabet Kalvebod A/S, Copenhagen, i)	100	20	237	9	218
Kalvebod Ejendomme I A/S, Copenhagen, e)	100	14	71	3	58
Kalvebod Ejendomme II A/S, Copenhagen, e)	100	6	67	6	61
Nykredit Adm. V A/S, Copenhagen, g)	100	0	1	0	1

The group structure only includes significant subsidiaries. Financial information is provided in such order as the companies are recognised in the Consolidated Financial Statements.

- a) Mortgage bank
- b) Bank
- c) Mortgage trading company
- d) Estate agency business
- e) Property company
- f) Leasing business
- g) No activity
- h) Investment management company
- i) Holding company, no independent activities

Nykredit Realkredit A/S is wholly owned by and consolidated with Nykredit Holding A/S, which is consolidated with Foreningen Nykredit.

The financial statements (in Danish) of Foreningen Nykredit and Nykredit Holding A/S are available from:

Nykredit Realkredit A/S  
Kalvebod Brygge 1-3  
DK-1780 Copenhagen V

*This document is an English translation of the original Danish text. In the event of discrepancies between the original Danish text and the English translation, the Danish text shall prevail.*