

To NASDAQ OMX Copenhagen A/S  
and the press

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## Q1 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2012 – 31 MARCH 2012

### RESULTS

- The Nykredit Realkredit Group recorded a profit before tax of DKK 1,788m against DKK 1,004m in Q1/2011
- 13.6% growth in core income from business operations totalling DKK 2,471m
  - The business area Retail grew by 14.4% to DKK 1,538m, while Totalkredit Partners grew by 19.7% to DKK 419m. Wholesale improved earnings by 4.9% to DKK 596m
  - In Q1/2012 nominal mortgage lending and bank lending grew by a total of DKK 14.5bn to DKK 1,138bn
  - Gross new mortgage lending rose to DKK 67bn, up DKK 33bn on Q1/2011
  - Higher activity and customer levels in Markets and Asset Management
- Operating costs, depreciation and amortisation excluding special value adjustments rose by 1.8% to DKK 1,431m
  - Costs as a percentage of core income from business operations declined to 57.9% against 64.6% in Q1/2011
  - Special value adjustments equalled net income of DKK 175m
- Impairment losses on loans and advances were DKK 494m, equal to 0.04% of loans and advances
  - Impairment losses on mortgage lending stood at DKK 401m, or 0.04% of loans and advances, against DKK 252m in Q1/2011
  - Impairment losses on bank lending were DKK 93m, or 0.09% of loans and advances, against DKK 26m in Q1/2011
  - The Group's impairment losses were as expected and chiefly related to personal customers and SMEs
- Core income from securities came to DKK 89m against DKK 131m in Q1/2011
- Investment portfolio income came to DKK 1,350m against DKK 594m in Q1/2011
  - Investment portfolio income chiefly stemmed from Danish and international covered bonds and high-rated corporate bonds
  - The Group had no exposures to GIIISP countries
- Cost of capital in the form of net interest on hybrid capital was DKK 115m, which was unchanged on Q1/2011.

### CAPITAL

- The total capital ratio was 17.2% at end-Q1/2012 against an internal capital adequacy requirement of 9.7%
- The core Tier 1 capital ratio amounted to 14.2%
- Group equity totalled DKK 56.6bn against DKK 55.3bn at the beginning of the year.

*Peter Engberg Jensen, Group Chief Executive, has the following comments:*

In Q1/2012 Nykredit's core income from business operations grew by 14%. Gross new mortgage lending contributed to this development, totalling DKK 67bn against DKK 34bn last year.

Cost and loan impairment levels were as expected. Core earnings after impairment losses were DKK 553m. Coupled with a very satisfactory development in investment portfolio income, this resulted in a robust pre-tax profit of DKK 1,788m.

### Contacts

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## FINANCIAL HIGHLIGHTS

DKK million	The Nykredit Realkredit Group		
	Q1/2012	Q1/2011	FY 2011
<b>CORE EARNINGS AND RESULTS FOR THE PERIOD</b>			
<b>Core income from</b>			
- business operations	2,471	2,176	9,188
- value adjustment of derivatives and corporate bonds	(170)	48	(632)
- junior covered bonds	(79)	(43)	(190)
- securities	89	131	644
<b>Total</b>	<b>2,311</b>	<b>2,312</b>	<b>9,010</b>
Operating costs, depreciation and amortisation, excl special value adjustments	1,431	1,406	5,709
Operating costs, depreciation and amortisation – special value adjustments <sup>1</sup>	(175)	34	166
Commission – Guarantee Fund for Depositors and Investors	8	70	100
<b>Core earnings before impairment losses</b>	<b>1,047</b>	<b>802</b>	<b>3,035</b>
Impairment losses on loans and advances – mortgage lending	401	252	1,026
Impairment losses on loans and advances – banking	93	26	388
<b>Core earnings after impairment losses</b>	<b>553</b>	<b>524</b>	<b>1,621</b>
Investment portfolio income	1,350	594	179
<b>Profit before cost of capital</b>	<b>1,903</b>	<b>1,118</b>	<b>1,800</b>
Net interest on hybrid capital	(115)	(114)	(462)
<b>Profit before tax</b>	<b>1,788</b>	<b>1,004</b>	<b>1,338</b>
Tax	442	105	223
<b>Profit for the period</b>	<b>1,346</b>	<b>899</b>	<b>1,115</b>
<b>Profit for the period excludes value adjustment and reclassification of strategic equities against equity totalling</b>	<b>148</b>	<b>(261)</b>	<b>(854)</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>			
	31.03.2012	31.03.2011	31.12.2011
<b>Assets</b>			
Receivables from credit institutions and central banks	63,900	37,624	66,258
Mortgage loans at fair value	1,097,992	1,030,008	1,084,317
Bank loans – excluding reverse transactions	55,935	60,250	55,776
Bonds and equities	94,920	103,974	100,794
Remaining assets	94,790	59,568	85,760
<b>Total assets</b>	<b>1,407,537</b>	<b>1,291,424</b>	<b>1,392,905</b>
<b>Liabilities and equity</b>			
Payables to credit institutions and central banks	108,335	94,266	117,626
Deposits	56,673	53,416	57,404
Issued bonds at fair value	1,041,153	960,768	1,021,942
Subordinated debt – hybrid capital	11,246	10,801	11,204
Subordinated debt – supplementary capital	-	485	-
Remaining liabilities	133,526	116,029	129,419
Equity	56,604	55,659	55,310
<b>Total liabilities and equity</b>	<b>1,407,537</b>	<b>1,291,424</b>	<b>1,392,905</b>
<b>FINANCIAL RATIOS</b>			
Profit for the period as % of average equity pa	9.6	6.5	2.0
Core earnings before impairment losses as % of average equity pa	7.5	5.8	5.5
Core earnings after impairment losses as % of average equity pa	4.0	3.8	2.9
Costs as % of core income from business operations	57.9	64.6	62.1
Total provisions for loan impairment – mortgage lending	2,657	2,338	2,485
Total provisions for loan impairment and guarantees – banking	4,383	6,159	4,407
Impairment losses for the period, % – mortgage lending	0.04	0.02	0.10
Impairment losses for the period, % – banking	0.09	0.03	0.42
Total capital ratio, %	17.2	18.6	17.1
Core Tier 1 capital ratio, %	14.2	15.3	13.9
Average number of full-time staff	4,125	4,057	4,139

<sup>1</sup> Special value adjustments include value adjustment of certain staff benefits and owner-occupied properties, refund of VAT and payroll tax from 2004 to 2010.

# Q1 INTERIM REPORT 2012

## NYKREDIT REALKREDIT GROUP RESULTS

Profit before tax was DKK 1,788m against DKK 1,004m in Q1/2011.

Group results reflected growth in mortgage and bank lending, declining costs as a percentage of core income from business operations, higher impairment losses on mortgage lending to personal customers and small and medium-sized enterprises (SMEs) and high investment portfolio income.

Core income from business operations climbed by 13.6% or DKK 295m to DKK 2,471m; Retail represented DKK 194m, Totalkredit Partners DKK 69m and Wholesale DKK 28m of the rise.

Group mortgage lending at nominal value and bank lending rose by a net amount of DKK 14.5bn, or 1.3%, to DKK 1,138bn compared with the beginning of the year. The business areas Retail, Totalkredit Partners and Wholesale contributed DKK 2.3bn, DKK 6.1bn and DKK 6.0bn, respectively, to the rise.

Group impairment losses on loans and advances were DKK 494m against DKK 278m in Q1/2011. Impairment losses recorded in the period mainly concerned personal customers and SMEs.

Impairment losses equalled 0.04% of total mortgage and bank lending in Q1/2012. Individual impairment provisions remained largely unchanged on the beginning of the year; they were DKK 5.4bn, while collective impairment provisions increased by DKK 138m to DKK 1.6bn.

The Group posted investment portfolio income of DKK 1,350m against DKK 594m in Q1/2011. Investment portfolio income chiefly stemmed from the interest rate hedged portfolios of Danish and international covered bonds and high-rated corporate bonds. Net income from bonds, liquidity and interest rate instruments was DKK 1,254m. Income deriving from equities and equity instruments was DKK 33m, while profit from the sale of strategic equities amounted to DKK 63m before tax.

Equity climbed DKK 1.3bn inclusive of group profit after tax of DKK 1.3bn and value adjustments against equity. Equity subsequently amounted to DKK 56.6bn.

### New organisation

The presentation of business areas in Nykredit's financial statements has been changed to reflect reorganisation within the Group. The business areas now comprise Retail, Totalkredit Partners, Wholesale and Group Items. Please refer to Business areas below for a detailed description.

### Core earnings

#### Core income from business operations

Group core income from business operations was DKK 2,471m against DKK 2,176m in the same period the year before – up DKK 295m or 13.6%.

Core income from mortgage operations grew to DKK 1,569m against DKK 1,356m in Q1/2011, up 15.7%.

The Group's gross new mortgage lending rose by DKK 33bn to DKK 67bn in Q1/2012, twice that of the same period the year before. The upturn mainly stemmed from Retail (DKK 10.2bn) and Totalkredit Partners (DKK 21.8bn), reflecting higher refinancing activity spurred by historically low interest rates, whereas the Danish housing market remained subdued.

Group nominal mortgage lending rose to DKK 1,082bn, up DKK 14.3bn on end-2011.

Core income from banking operations expanded by DKK 63m to DKK 839m, corresponding to 8.0% in Q1/2012. The bulk of the increase derived from Markets and Asset Management.

Group bank lending was DKK 55.9bn, which was unchanged on the beginning of the year. Deposits shrank from DKK 57.4bn at the beginning of the year to DKK 56.7bn. As loan demand remained fairly modest, competition continued to be keen in the deposits market.

#### Value adjustment of derivatives and corporate bonds

A number of customers with variable-rate mortgages have hedged interest rate risk through swaps with a fixed interest rate of typically 4-5%.

The Bank's interest rate risk on such swaps is limited, as the risk is hedged on an ongoing basis in the international markets. The Bank's credit risk on corporate customers which do not provide collateral has increased.

As a consequence, market value adjustment of derivatives led to a charge of DKK 190m compared with a credit of DKK 21m in Q1/2011.

Further, market value adjustment of corporate bonds was DKK 20m in Q1/2012 compared with DKK 27m in Q1/2011.

#### Junior covered bonds

The Group had issued DKK 39.8bn of junior covered bonds in nominal terms as supplementary collateral for covered bonds compared with DKK 31.4bn at end-Q1/2011. Net interest expenses relating to junior covered bonds came to DKK 79m against DKK 43m in the same period the year before.

#### Core income from securities

Core income from securities decreased to DKK 89m from DKK 131m the year before. The decline stemmed from a fall in Danmarks Nationalbank's lending rate – the risk-free interest rate.

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

Group costs excluding special value adjustments and commission payable to the Guarantee Fund for Depositors and Investors came to DKK 1,431m, corresponding to 1.8% growth on Q1/2011. Costs as a percentage of core income from business operations totalled 57.9% against 64.6% in Q1/2011.

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

Under special value adjustments, a net credit of DKK 175m was reported compared with a charge of DKK 34m in Q1/2011.

Special value adjustment of certain staff benefits generated income of DKK 238m in Q1/2012, which chiefly stemmed from the Group's senior benefit plan, which was terminated at the beginning of 2012. Results were adversely affected by a provision of DKK 63m concerning staff reductions.

#### *Commission – the Guarantee Fund for Depositors and Investors*

In Q1/2012 DKK 8m was paid to the Danish Guarantee Fund for Depositors and Investors, which was an adjustment relating to distressed banks in 2011.

#### *Impairment losses on loans and advances*

The Group's impairment losses on loans and advances were DKK 494m against DKK 278m in Q1/2011. Retail represented DKK 321m of loan impairment losses for the period, Totalkredit Partners DKK 152m and Wholesale DKK 21m.

Retail, chiefly personal customers and SMEs, accounted for DKK 321m of impairment losses on mortgage and bank lending for the period or 0.07% of loans and advances. This compared with impairment losses of DKK 263m in Q1/2011.

Totalkredit Partners reported impairment losses on mortgage lending of DKK 152m, or 0.03% of loans and advances, compared with DKK 50m in the same period the year before.

#### **Investment portfolio income**

Group investment portfolio income landed at DKK 1,350m against DKK 594m in the same period the year before.

Investment portfolio income from bonds, liquidity and interest rate instruments was DKK 1,254m. Investment portfolio income from equities and equity instruments value adjusted through profit or loss was DKK 33m. In addition, investment portfolio income included a pre-tax profit of DKK 63m from the sale of strategic equities.

Investment portfolio income notably stemmed from earnings on the interest rate hedged portfolios of Danish and international covered bonds and high-rated corporate bonds, and the sale of equities classified as available-for-sale.

Nykredit's securities portfolio mainly consists of Danish and European covered bonds and high-rated corporate bonds. Nykredit has no exposures to government or covered bonds from Southern Europe.

The interest rate risk of the portfolio was widely reduced by offsetting sales of government bonds or through interest rate derivatives.

#### **Net interest on hybrid capital**

The Group raised hybrid capital of a total amount of DKK 11.2bn, which was unchanged on the same period last year. Results included net interest expenses of DKK 115m in Q1/2012, which was unchanged on the same period in 2011.

#### **Tax**

Tax calculated on profit for the year was DKK 442m, corresponding to an effective tax rate of 24.7%.

#### **Strategic equities adjusted against equity**

The value adjustment of strategic equities, chiefly in banks, resulted in a credit of DKK 148m after tax. Of the value adjustment, strategic equities against equity contributed a credit of DKK 213m, while profit from the sale of strategic equities reclassified from equity to the income statement resulted in a charge of DKK 65m.

#### **Subsidiaries**

##### *Totalkredit*

Totalkredit recorded a profit before tax of DKK 175m compared with DKK 203m in the same period the year before. Reference is made to the Q1 Interim Report 2012 of Totalkredit A/S.

##### *Nykredit Bank*

The Nykredit Bank Group posted a profit before tax of DKK 152m compared with DKK 215m in the same period in 2011. Reference is made to the Q1 Interim Report 2012 of the Nykredit Bank Group.

#### **OUTLOOK FOR 2012**

The Group's expectations for the full year are in line with those stated in connection with the presentation of the Annual Report for 2011.

## EQUITY AND CAPITAL ADEQUACY OF THE NYKREDIT REALKREDIT GROUP

### Equity

Group equity after recognition of profit for the period rose by DKK 1.3bn to DKK 56.6bn at end-Q1/2012.

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

Strategic equity investments include shares in a number of Danish local and regional banks. The continuous value adjustment of these equities is recognised in equity. Value adjustment against equity in the Consolidated Financial Statements came to DKK 213m in Q1/2012. The value of equities classified as available for sale totalled DKK 2,313m at end-Q1/2012.

In compliance with the International Financial Reporting Standards (IFRS), realised capital gains from the sale of strategic equities were reclassified from equity to the income statement. The reclassification increased profit after tax for the period by a net amount of DKK 65m.

### Capital base and capital adequacy

#### The Nykredit Realkredit Group

The Group's capital base stood at DKK 60.6bn, and risk-weighted items totalled DKK 352bn, corresponding to a total capital ratio of 17.2%. The Group's capital requirement was DKK 28.2bn, and the core Tier 1 capital ratio was 14.2% at end-Q1/2012.

The Group's internal capital adequacy requirement (ICAAP) was 9.7% at end-Q1/2012. 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" and in the report Risk and Capital Management 2011, which is available at [nykredit.com/reports](http://nykredit.com/reports).

#### Nykredit Realkredit A/S

Nykredit Realkredit A/S's Tier 1 capital ratio was 15.7% and the core Tier 1 capital ratio 13.0%. The total capital ratio amounted to 15.7%. By comparison, the internal capital adequacy requirement (ICAAP) was 9.5%.

Under the transitional rules, the capital requirement amounted to DKK 33.9bn, equal to a total capital ratio of at least 8.8%.

### The Nykredit Realkredit Group Changes in equity and capital base

DKK million	31.03.2012	31.03.2011	2011
<b>Equity, beginning of period</b>	<b>55,310</b>	55,320	55,320
Distributed dividend	(200)	(300)	(300)
Profit for the period	1,346	899	1,115
Fair value adjustment of equities available for sale	213	(115)	(683)
Unrealised capital loss on equities available for sale reclassified to the income statement	-	-	34
Realised net value adjustment of equities available for sale	(65)	(146)	(205)
Other adjustments	-	-	28
<b>Equity, end of period</b>	<b>56,604</b>	<b>55,659</b>	<b>55,310</b>
Revaluation reserves transferred to supplementary capital	(151)	(132)	(151)
Proposed dividend	-	-	(200)
Intangible assets, including goodwill	(4,136)	(4,492)	(4,199)
Capitalised tax assets	(136)	(339)	(214)
Hybrid capital	10,662	10,801	11,204
Other deductions from Tier 1 capital <sup>1</sup>	(2,256)	(958)	(2,263)
<b>Tier 1 capital after statutory deductions</b>	<b>60,587</b>	<b>60,539</b>	<b>59,487</b>
<b>Total supplementary capital</b>	<b>201</b>	<b>704</b>	<b>200</b>
Statutory deductions from capital base	(201)	(704)	(200)
<b>Total capital base after statutory deductions</b>	<b>60,587</b>	<b>60,539</b>	<b>59,487</b>

Note: Capital base and capital adequacy are specified further on page 25.

<sup>1</sup> Pursuant to the Danish Executive Order on Capital Adequacy, 50% of certain investments in credit and financial institutions must be deducted from Tier 1 capital and supplementary capital, respectively.

## 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 internal capital adequacy requirement is calculated as the required capital base as a percentage of risk-weighted items. The Group's internal capital adequacy requirement was 9.7%.

The report Risk and Capital Management 2011, 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 Group as well as all group companies.

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

### Pillar I

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

### Pillar II

Pillar II comprises capital to cover other risks as well as an increased capital requirement during an economic downturn. The capital requirement during an economic downturn is determined by means of stress tests.

## EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

### Sparekassen Østjylland and Spar Salling

Nykredit's exposure to Sparekassen Østjylland in the form of subordinate loan capital amounted to DKK 19m. The amount was not charged to the income statement. Nykredit has had no loss-making exposures to Spar Salling.

Otherwise, no significant events have occurred in the period up to the presentation of the Q1 Interim Report 2012.

### The Nykredit Realkredit Group Capital base and capital adequacy

DKK million	31.03.2012	31.03.2011	2011
Credit risk	22,909	22,948	23,293
Market risk	3,527	1,562	3,086
Operational risk	1,722	1,474	1,474
<b>Total capital requirement<sup>1</sup></b>	<b>28,159</b>	<b>25,984</b>	<b>27,852</b>
<b>Capital base</b>	<b>60,587</b>	<b>60,539</b>	<b>59,487</b>
Core Tier 1 capital ratio, %	14.2	15.3	13.9
Tier 1 capital ratio, %	17.2	18.6	17.1
Total capital ratio, %	17.2	18.6	17.1
Capital adequacy requirement (SREP), %	8.0	8.0	8.0
Internal capital adequacy requirement (Pillar I and Pillar II), %	9.7	9.7	9.6
<b>Total risk-weighted items</b>	<b>351,986</b>	<b>324,802</b>	<b>348,155</b>

<sup>1</sup> The capital requirement is subject to 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. The capital requirement subject to the transitional provisions was DKK 49.3bn at end-Q1/2012.

### The Nykredit Realkredit Group Required capital base and internal capital adequacy requirement

DKK million	31.03.2012	31.03.2011	2011
Credit risk	17,782	19,490	17,962
Market risk	6,058	2,974	5,821
- of which stressed VaR	3,708	-	2,797
Operational risk	1,662	1,372	1,373
Risk relating to own properties	128	138	128
<b>Pillar I, total</b>	<b>25,630</b>	<b>23,974</b>	<b>25,284</b>
Weaker economic climate (stress test, etc)	2,582	2,360	2,463
Other factors <sup>1</sup>	1,498	1,355	1,417
Model and calculation uncertainties <sup>2</sup>	2,971	2,769	2,916
ICAAP buffer of Nykredit Bank	1,333	1,150	1,325
<b>Pillar II, total</b>	<b>8,384</b>	<b>7,633</b>	<b>8,122</b>
<b>Total required capital base</b>	<b>34,013</b>	<b>31,607</b>	<b>33,405</b>
<b>Total risk-weighted items</b>	<b>351,986</b>	<b>324,803</b>	<b>348,155</b>
<b>Internal capital adequacy requirement, %</b>	<b>9.7</b>	<b>9.7</b>	<b>9.6</b>

<sup>1</sup> Other factors include assessment of control risk, strategic risk, external risk, concentration risk and liquidity risk.  
<sup>2</sup> Under Pillar II, a charge is included to reflect the uncertainty of the models used. Generally, the charge applied corresponds to 10% of the risks calculated.

## BUSINESS AREAS

Nykredit changed its organisation as at 1 January 2012. The new organisation comprises the following main business areas:

- Retail, which comprises Nykredit's personal customers and SMEs
- Totalkredit Partners, which provides mortgage loans to personal customers via local and regional banks
- Wholesale, which mainly comprises Corporate & Institutional Banking (CIB) and the business units Markets and Asset Management
- Group Items, which comprises Treasury as well as income and costs not allocated to the other business areas, including core income from securities and investment portfolio income.

The segment financial statements and comparative figures for 2011 have been restated to reflect the new organisation.

Group core earnings after impairment losses totalled DKK 553m against DKK 524m in Q1/2011.

Nominal mortgage lending rose by DKK 14.3bn to DKK 1,082bn. The Nykredit Group's gross new lending totalled DKK 67bn against DKK 34bn in Q1/2011.

The Group's share of the Danish mortgage market was 42.9% for total lending and 45.7% for gross new lending against 42.2% and 49.9% in Q1/2011.

The market share of private residential mortgage lending was 47.0% against 46.1% in the same period the year before.

The market share of mortgage lending to commercial customers was 37.1% against 36.8% in the same period the year before.

At end-Q1/2012, bank lending remained unchanged at DKK 55.9bn compared with the beginning of the year. Deposits were DKK 56.7bn at end-Q1/2012 against DKK 57.4bn at the beginning of the year. The decrease in bank deposits stemmed from a decrease of DKK 0.9bn and DKK 0.4bn in Retail and Group Items, respectively, which was offset by a rise of DKK 0.6bn in Wholesale.

Nykredit Mægler (estate agency business) saw a 2.6% slip in turnover from 3,117 properties sold in Q1/2011 to 3,036 properties.

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

DKK million	Retail	Totalkredit Partners	Wholesale	Group Items	Total
<b>Q1/2012</b>					
<b>Core income from</b>					
- customer activities, gross	1,340	419	794	(82)	2,471
- distribution	198	-	(198)	-	-
<b>total business operations</b>	<b>1,538</b>	<b>419</b>	<b>596</b>	<b>(82)</b>	<b>2,471</b>
- value adjustment of derivatives and corporate bonds	(211)	-	41	-	(170)
- junior covered bonds	(28)	(47)	(4)	-	(79)
- securities	-	-	-	89	89
<b>Total</b>	<b>1,299</b>	<b>372</b>	<b>633</b>	<b>7</b>	<b>2,311</b>
Operating costs	760	100	205	16	1,081
Depreciation of property, plant and equipment and amortisation of intangible assets	2	128	1	52	183
<b>Core earnings before impairment losses</b>	<b>537</b>	<b>144</b>	<b>427</b>	<b>(61)</b>	<b>1,047</b>
Impairment losses on loans and advances	321	152	21	-	494
<b>Core earnings after impairment losses</b>	<b>216</b>	<b>(8)</b>	<b>406</b>	<b>(61)</b>	<b>553</b>
Investment portfolio income <sup>2</sup>	-	-	-	1,350	1,350
<b>Profit (loss) before cost of capital</b>	<b>216</b>	<b>(8)</b>	<b>406</b>	<b>1,289</b>	<b>1,903</b>
Net interest on hybrid capital	-	-	-	(115)	(115)
<b>Profit (loss) before tax</b>	<b>216</b>	<b>(8)</b>	<b>406</b>	<b>1,174</b>	<b>1,788</b>
<b>Return</b>					
Average business capital, DKKm <sup>3</sup>	11,107	7,869	6,394	7,919	33,290
Core earnings after impairment losses as % of average business capital <sup>3</sup>	7.9	(0.4)	25.8	-	6.7
<b>Q1/2011</b>					
<b>Core earnings after impairment losses</b>	<b>328</b>	<b>58</b>	<b>420</b>	<b>(282)</b>	<b>524</b>
<b>Return</b>					
Average business capital, DKKm <sup>3</sup>	10,700	7,768	6,460	5,305	30,234
Core earnings after impairment losses as % of average business capital <sup>3</sup>	12.4	3.0	26.4	-	7.0

<sup>1</sup> Please refer to note 2 in this report for complete segment financial statements with comparative figures.

<sup>2</sup> Investment portfolio income includes a profit of DKK 7m from investments in associates (2011: DKK 8m).

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



**Results – Retail**

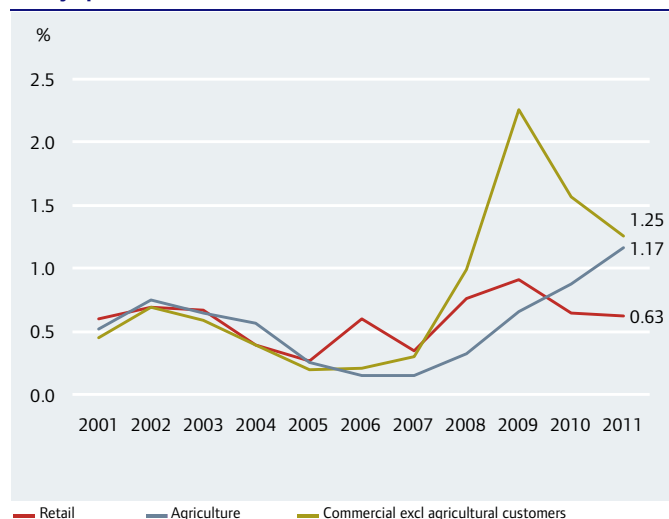
DKK million	Q1/2012	Q1/2011
Core income from		
- business operations	1,538	1,344
- value adjustment of derivatives	(211)	15
- junior covered bonds	(28)	(15)
<b>Total</b>	<b>1,299</b>	<b>1,344</b>
Operating costs	760	750
Depreciation of property, plant and equipment and amortisation of intangible assets	2	3
<b>Core earnings before impairment losses</b>	<b>537</b>	<b>591</b>
Impairment losses on loans and advances		
- mortgage lending	229	185
Impairment losses on loans and advances		
- banking	92	78
<b>Core earnings after impairment losses</b>	<b>216</b>	<b>328</b>

**Activity**

DKK million	31.03.2012	2011
<b>Mortgage lending</b>		
Gross new lending, Q1 *	21,857	11,623
Portfolio at nominal value, end of period	435,641	432,614
Impairment losses as % of loans and advances *	0.05	0.04
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	889	828
- Collective impairment provisions	774	734
Total impairment provisions as % of loans and advances	0.38	0.36
Portfolio of repossessed properties, end of period (properties)	277	255
<b>Banking</b>		
Loans and advances, end of period	28,280	29,005
Deposits, end of period	34,121	35,013
Impairment losses as % of loans and advances *	0.31	0.20
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	1,907	1,935
- Collective impairment provisions	187	179
Total impairment provisions as % of loans and advances	6.90	6.79
Guarantees, end of period	7,089	7,220
Provisions for guarantees, end of period	60	63

\* Determined for Q1/2012 and Q1/2011.

Other data are determined as at end-Q1/2012 and end-2011.

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

The business area Retail is responsible for the Group's activities with personal customers and SMEs, including agricultural customers, residential rental customers, wealthy personal customers and personal customers owning property in France, Spain and Germany financed by Danish mortgage loans. Retail also includes the activities of Nykredit Mægler A/S.

Nykredit serves its customers through own distribution channels, totalling 55 centres in Denmark. The estate agencies of the Nybolig and Estate chains constitute other distribution channels. Nykredit offers insurance in cooperation with Gjensidige Forsikring. The customers of Retail are offered the Group's products within banking, mortgage lending, insurance, pension, investment and debt management.

On 1 June 2012 Nykredit will set up a new sales and advisory centre, Nykredit Direkte® serving personal and commercial customers throughout Denmark. The advisory services offered by Nykredit Direkte® will be based on email, telephone and the Internet.

**Activity**

In nominal terms, total mortgage lending went up by DKK 3.0bn to DKK 436bn at end-Q1/2012. Gross new lending increased by DKK 10.2bn to DKK 22bn in Q1/2012. Gross new lending to personal customers was DKK 12bn and DKK 10bn to commercial customers.

At end-Q1/2012, bank lending had gone down to DKK 28.3bn from DKK 29.0bn at the beginning of the year.

**Results**

Core earnings before impairment losses came to DKK 537m against DKK 591m in Q1/2011. Core income from business operations was DKK 1,538m against DKK 1,344m in Q1/2011. Of this upturn, 17% derived from mortgage lending and 10% from banking.

Value adjustment of derivatives was a charge of DKK 211m in Q1/2012 against a credit of DKK 15m in Q1/2011. This value adjustment was chiefly prompted by a few customer exposures.

Operating costs climbed by DKK 10m to DKK 760m in Q1/2012 on the same period the year before.

Impairment losses on loans and advances amounted to DKK 229m and DKK 92m for mortgage and bank lending, respectively, against a total of DKK 263m in Q1/2011. Impairment losses amounted to 0.05% and 0.31% of mortgage and bank lending, respectively.

At end-Q1/2012, impairment provisions were DKK 3,757m against DKK 3,676m as at 1 January 2012. Impairment provisions for mortgage and bank lending came to DKK 1,663m and DKK 2,094m, respectively. Individual and collective impairment provisions grew by DKK 33m and DKK 48m, resulting in a total rise of DKK 81m.

At the December due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due came to 0.99% for Retail against 1.06% at the same time in 2010.

At end-Q1/2012, repossessed properties amounted to 277. In the period 104 properties were repossessed and 82 sold.



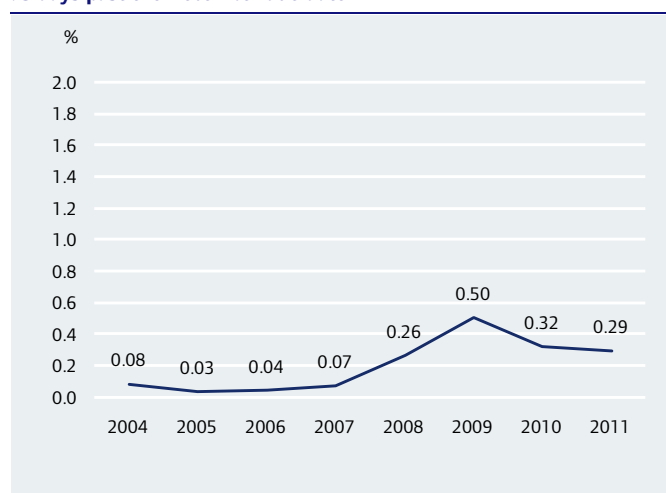
**Results – Totalkredit Partners**

DKK million	Q1/ 2012	Q1/ 2011
Core income from		
- business operations	419	350
- junior covered bonds	(47)	(25)
<b>Total</b>	<b>372</b>	<b>325</b>
Operating costs	100	96
Depreciation of property, plant and equipment and amortisation of intangible assets	128	121
<b>Core earnings before impairment losses</b>	<b>144</b>	<b>108</b>
Impairment losses on loans and advances	152	50
<b>Core earnings after impairment losses</b>	<b>(8)</b>	<b>58</b>

**Activity**

DKK million	31.03.2012	2011
<b>Mortgage lending</b>		
Gross new lending, Q1 *	36,249	14,410
Portfolio at nominal value, end of period	479,682	473,566
Impairment losses as % of loans and advances *	0.03	0.01
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	424	393
- Collective impairment provisions	351	311
Total impairment provisions as % of loans and advances	0.16	0.15
Portfolio of repossessed properties, end of period (properties)	94	85

\* Determined for Q1/2012 and Q1/2011.  
Other data are determined as at end-Q1/2012 and end-2011.

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

The business area Totalkredit Partners is responsible for the distribution of mortgage loans to personal customers under the Totalkredit brand through nearly 100 Danish local and regional banks having more than 1,000 branches.

**Activity**

Nominal mortgage lending went up by DKK 6.1 bn to DKK 480bn at end-Q1/2012. Gross new lending expanded by DKK 21.8bn to DKK 36.2bn in Q1/2012.

**Results**

Core earnings before impairment losses came to DKK 144m against DKK 108m in Q1/2011.

Core income from business operations was DKK 419m against DKK 350m in Q1/2011. The rise reflected higher remortgaging activity due to historically low interest rates.

Net interest expenses for junior covered bonds stood at DKK 47m against DKK 25m in 2011.

Operating costs were unchanged on Q1/2011, ie DKK 100m. Depreciation of property, plant and equipment and amortisation of intangible assets amounted to DKK 128m, which mainly related to amortisation of distribution rights obtained in connection with Nykredit's acquisition of Totalkredit.

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

Loan impairment losses were DKK 152m after set-off against commission payable to the banks totalling DKK 46m compared with DKK 50m in Q1/2011. Impairment losses equalled 0.03% of loans and advances.

At end-Q1/2012, impairment provisions totalled DKK 775m against DKK 704m at the beginning of the year. The change in total impairment provisions of DKK 71m stemmed from a rise of DKK 31m in individual impairment provisions and of DKK 40m in collective impairment provisions.

At the December due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due were 0.29% against 0.32% at the same time in 2010.

Since the beginning of the year, 49 properties have been repossessed and 40 sold. At end-Q1/2012, the portfolio of repossessed properties stood at 94.

**Results – Wholesale**

DKK million	Q1/ 2012	Q1/ 2011
Core income from		
- business operations	596	568
- value adjustment of derivatives and corporate bonds	41	33
- junior covered bonds	(4)	(3)
<b>Total</b>	<b>633</b>	<b>598</b>
Operating costs	205	208
Depreciation of property, plant and equipment and amortisation of intangible assets	1	1
<b>Core earnings before impairment losses</b>	<b>427</b>	<b>389</b>
Impairment losses on loans and advances		
- mortgage lending	20	18
Impairment losses on loans and advances		
- banking	1	(48)
<b>Core earnings after impairment losses</b>	<b>406</b>	<b>419</b>

**Income from customer activities**

DKK million	Q1/ 2012	Q1/ 2011
Gross income before remuneration for distribution		
- Markets	278	240
- Asset Management	206	196
- CIB	310	316
<b>Total</b>	<b>794</b>	<b>752</b>
Remuneration for distribution		
- Markets	(103)	(86)
- Asset Management	(116)	(112)
- CIB	21	14
<b>Total</b>	<b>(198)</b>	<b>(184)</b>
Core income after remuneration for distribution		
- Markets	175	154
- Asset Management	90	84
- CIB	331	330
<b>Total</b>	<b>596</b>	<b>568</b>

**WHOLESALE**

The business area Wholesale includes activities with the Group's largest and most complex commercial customers, non-profit housing and mortgage lending to commercial customers owning property abroad. Wholesale also handles the Group's activities within securities and financial derivatives trading, asset management and pension products. Wholesale consists of the business units Corporate & Institutional Banking (CIB), Markets and Asset Management.

**Results**

Core earnings before impairment losses came to DKK 427m against DKK 389m in Q1/2011.

Core income from business operations was DKK 596m against DKK 568m in Q1/2011.

Markets's and Asset Management's gross income from customer activities came to DKK 484m of which DKK 278m in Markets and DKK 206m in Asset Management, corresponding to a total uplift of DKK 48m relative to Q1/2011. Results mirrored higher activity and customer numbers in Markets and growth in Asset Management's assets under management and administration.

Gross income from customer trades is recognised in the product supplier units (Markets and Asset Management). Income is subsequently allocated 100% to the customer areas which have handled the respective sales and distribution tasks. Correspondingly, the costs of the product supplier units are allocated to the customer areas.

Markets's and Asset Management's earnings after remuneration for distribution amounted to DKK 265m against DKK 238m in Q1/2011.

Operating costs at DKK 205m in Q1/2012 were unchanged compared with Q1/2011.

Impairment losses on loans and advances amounted to DKK 20m and DKK 1m for mortgage and bank lending, respectively, against a net credit totalling DKK 30m in Q1/2011. Impairment losses as a percentage of loans and advances amounted to 0.01% and 0.16% of mortgage and bank lending, respectively.

At end-Q1/2012, impairment provisions totalled DKK 2,344m against DKK 2,307m at the beginning of the year. The change in total impairment provisions of DKK 37m stemmed from a DKK 9m drop in individual impairment provisions and a DKK 46m rise in collective impairment provisions.

**Results – Wholesale**

DKK million	31.03.2012	2011
<b>Mortgage lending</b>		
Gross new lending, Q1 *	9,038	7,710
Portfolio at nominal value, end of period	166,628	161,426
Impairment losses as % of loans and advances †	0.01	0.01
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	143	139
- Collective impairment provisions	75	80
Total impairment provisions as % of loans and advances	0.13	0.14
Portfolio of repossessed properties, end of period (properties)	7	7
<b>Banking</b>		
Loans and advances, end of period	24,932	24,105
Deposits, end of period	19,960	19,401
Impairment losses as % of loans and advances †	0.16	(0.17)
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	1,945	1,959
- Collective impairment provisions	181	129
Total impairment provisions as % of loans and advances	7.86	7.97
Guarantees – end of period	3,365	2,510
Provisions for guarantees, end of period	9	51
<b>Assets under management</b>	<b>103,243</b>	<b>101,331</b>
<b>Assets under administration</b>		
<b>Nykredit Portefølje Administration A/S</b>	<b>407,480</b>	<b>334,796</b>
- of which the Nykredit Group's investment funds	40,676	35,417
* For Q1/2012 and Q1/2011. † Other data are as at end-Q1/2012 and end-2011.		

**Activity**

Total nominal mortgage lending rose by DKK 5.2bn to DKK 167bn at end-Q1/2012. Gross new lending improved by DKK 1.3bn to DKK 9bn in Q1/2012. Of the rise in gross new lending, DKK 2bn was generated by international activities.

At end-Q1/2012, bank lending was DKK 24.9bn, up DKK 0.8bn on the beginning of the year.

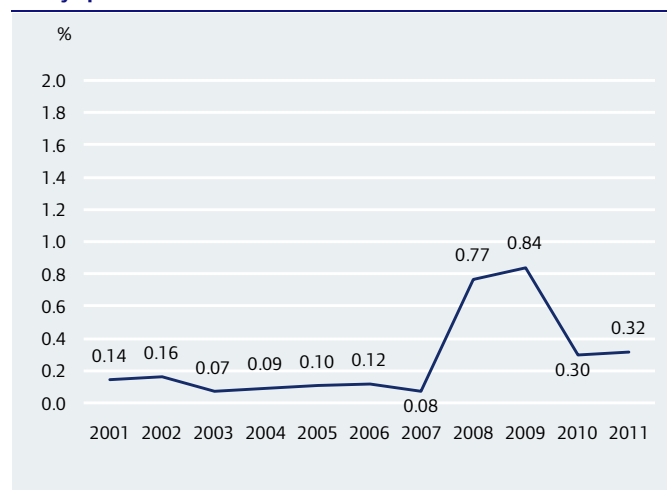
At end-Q1/2012, bank deposits of DKK 20bn were unchanged on the beginning of the year.

Asset Management recorded a positive trend in earnings. Total assets under management amounted to DKK 103bn at end-Q1/2012, corresponding to a DKK 2bn rise relative to the beginning of the year. Total assets under administration went up by DKK 73bn to DKK 407bn at end-Q1/2012.

**Arrears**

At the December due date, 75-day mortgage loan arrears as a percentage of total mortgage payments due for Wholesale were 0.32% against 0.30% at the same time in 2010.

Since the beginning of the year, one property has been repossessed and one sold. At end-Q1/2012, the portfolio of repossessed properties contained seven properties.

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

**Results – Group Items**

DKK million	Q1/ 2012	Q1/ 2011
Core income from		
- business operations	(82)	(86)
- securities	89	131
<b>Total</b>	<b>7</b>	<b>45</b>
Operating costs	183	155
Operating costs – special value adjustments	(175)	34
Commission to the Danish Guarantee Fund for Depositors and Investors	8	70
Depreciation of property, plant and equipment and amortisation of intangible assets	52	71
<b>Core earnings before impairment losses</b>	<b>(61)</b>	<b>(285)</b>
Impairment losses on loans and advances – banking	-	(4)
<b>Core earnings after impairment losses</b>	<b>(61)</b>	<b>(281)</b>
Investment portfolio income	1,350	594
<b>Profit before cost of capital</b>	<b>1,289</b>	<b>313</b>
Net interest on hybrid capital	115	114
<b>Profit before tax</b>	<b>1,174</b>	<b>199</b>

**Activity**

DKK million	31.03.2012	2011
<b>Banking</b>		
Loans and advances, end of period	2,724	2,666
Deposits, end of period	2,591	2,989
<b>Total impairment provisions, end of period</b>		
- Individual impairment provisions	91	91
- Collective impairment provisions	2	-
Total impairment provisions as % of loans and advances	3.32	3.32
Guarantees, end of period	586	412
Provisions for guarantees, end of period	-	-

Data are as at end-Q1/2012 and end-2011.

**GROUP ITEMS**

The segment financial statements contain a number of income statement and balance sheet items that are not allocated to the business areas. Such items are carried under Group Items and include costs of some staff functions, IT development costs and contributions to the Guarantee Fund for Depositors and Investors. Group Items also include the Group's total return on the securities portfolio, which is the sum of "Core income from securities" and "Investment portfolio income". Activities in the group unit Treasury and the companies Nykredit Ejendom A/S and Ejendomsselskabet Kalvebod A/S are also part of Group Items.

**Core income from securities**

The Group recorded core income from securities of DKK 89m against DKK 131m in Q1/2011. The downturn stemmed from a decline in Danmarks Nationalbank's lending rate from 1.05% in Q1/2011 to 0.70%.

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

**Operating costs**

Operating costs were DKK 183m against DKK 155m in Q1/2011. Special value adjustments including value adjustment of certain staff benefits and owner-occupied properties resulted in a net credit of DKK 175m in Q1/2012 compared with a charge of DKK 34m for the same period the year before. The net credit was affected by value adjustment of DKK 238m notably relating to the Group's senior benefit plan, which was terminated in early 2012. Conversely, the item was adversely affected by a provision of DKK 63m concerning staff reductions.

Core earnings before impairment losses were a loss of DKK 61m against a loss of DKK 285m in Q1/2011.

**Investment portfolio income**

The Group's investment portfolio income came to DKK 1,350m against DKK 594m in Q1/2011.

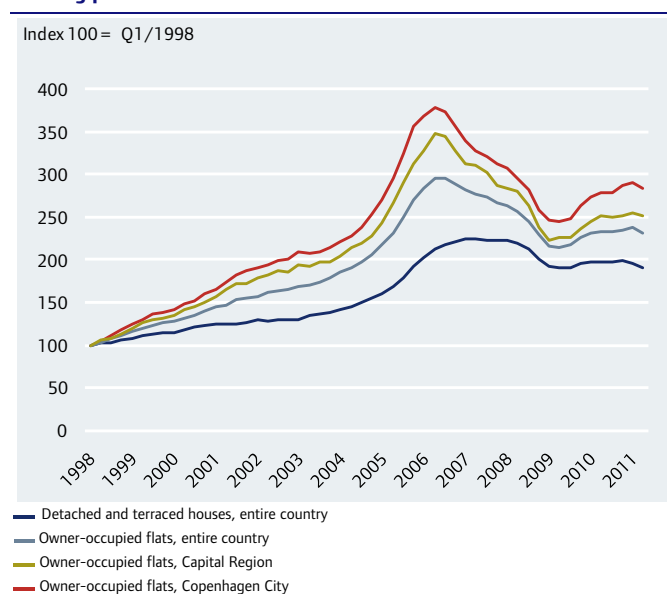
Investment portfolio income from bonds, liquidity and interest rate instruments came to DKK 1,254m in Q1/2012. Investment portfolio income from equities and equity instruments value adjusted through profit or loss was DKK 33m. In addition, investment portfolio income included a pre-tax profit of DKK 63m from the sale of strategic equities.

Investment portfolio income is the excess income from investing in equities, bonds and derivative financial instruments in addition to risk-free interest as well as realisation of equities classified as available for sale and value adjustment of Kalvebod issues. Price spread and interest margin income relating to the mortgage lending of Nykredit Realkredit and Totalkredit and the trading activities of Markets is included not as investment portfolio income, but as core income from business operations.

Investment portfolio income also included a net charge of DKK 20m relating to Nykredit Holding's guarantee for a few extraordinary, large losses incurred by Nykredit Bank.

# LOANS AND ADVANCES

## The Nykredit Realkredit Group Housing prices in Denmark



Source: Association of Danish Mortgage Banks

The Group reported total lending of DKK 1,138bn against DKK 1,123bn 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 DKK 1,098bn against DKK 1,084bn at the beginning of the year. Group mortgage lending in nominal terms excluding arrears went up by DKK 14bn to DKK 1,082bn in Q1/2012.

Group bank lending was DKK 55.9bn against DKK 55.8bn at the beginning of the year, up DKK 0.1bn. The Group's reverse transactions amounted to DKK 32.8bn against DKK 22.0bn at the beginning of the year.

Impairment provisions for mortgage and bank lending totalled DKK 6,971m compared with DKK 6,779m at the beginning of the year. At end-Q1/2012, the Group had made no impairment provisions for receivables from credit institutions and central banks or reverse transactions.

The Group's guarantees came to DKK 11.0bn against DKK 10.1bn at the beginning of the year.

## 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	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011	31.03.2012	FY 2011
<b>Mortgage lending <sup>1</sup></b>						
Nykredit Realkredit <sup>2</sup>	602,657	594,471	1,882	1,781	249	579
Totalkredit	479,834	473,704	775	704	152	447
<b>Total</b>	<b>1,082,491</b>	<b>1,068,175</b>	<b>2,657</b>	<b>2,485</b>	<b>401</b>	<b>1,026</b>
Of which arrears	540	569				
<b>Bank lending <sup>3</sup></b>						
Nykredit Bank <sup>4</sup>	53,983	53,494	2,870	2,885	101	453
Terminated exposures <sup>5</sup>	1,952	2,282	1,444	1,409	37	(93)
<b>Total</b>	<b>55,935</b>	<b>55,776</b>	<b>4,314</b>	<b>4,294</b>	<b>138</b>	<b>360</b>
Reverse transactions	32,830	22,007	-	-	-	-
Guarantees	11,041	10,142	69	114	(45)	28
<b>Impairment losses, % <sup>6</sup></b>						
Nykredit Realkredit	-	-	0.31	0.30	0.04	0.10
Totalkredit	-	-	0.16	0.15	0.03	0.09
<b>Total</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.23</b>	<b>0.04</b>	<b>0.10</b>
Nykredit Bank	-	-	5.05	5.12	0.18	0.80
Terminated exposures <sup>5</sup>	-	-	42.52	38.17	1.09	(2.52)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.16</b>	<b>7.15</b>	<b>0.23</b>	<b>0.60</b>

<sup>1</sup> Nominal mortgage lending, including arrears.

<sup>2</sup> Excluding intercompany lending of DKK 1,231m (2011: DKK 1,233m).

<sup>3</sup> Bank lending after total loan impairment provisions.

<sup>4</sup> Excluding intercompany lending of DKK 114m (2011: DKK 125m).

<sup>5</sup> From the former Forstædernes Bank.

<sup>6</sup> Loan impairment excludes reverse transactions and guarantees.

**MORTGAGE LENDING**

The Group's credit exposure to nominal mortgage lending, including arrears, amounted to DKK 1,082bn at end-Q1/2012 against DKK 1,068bn at the beginning of the year, a rise of DKK 14bn. Lending for private residential property accounted for DKK 7bn of the rise.

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

The LTV ratios of the mortgage loan portfolio are shown in the table below with individual loans relative to estimated values of the individual properties at end-Q1/2012.

**Total provisions for mortgage loan impairment**

The Group's total impairment provisions for mortgage lending rose by DKK 172m in the period to DKK 2,657m at end-Q1/2012.

The Group's individual impairment provisions for mortgage lending totalled DKK 1,457m against DKK 1,360m at the beginning of the year, and collective impairment provisions for mortgage lending were DKK 1,200m against DKK 1,125m at the beginning of the year.

Growth in impairment provisions mainly related to private residential property. In Q1/2012, total impairment provisions relating to private residential property rose by DKK 128m, of which individual impairment provisions represented DKK 50m and collective impairment provisions DKK 78m.

Private residential property accounted for DKK 1,188m and commercial property DKK 1,469m of impairment provisions.

The Group's total impairment provisions amounted to 0.25% of total mortgage lending against 0.23% at the beginning of the year.

**Earnings impact**

Impairment losses on mortgage lending came to DKK 401m against DKK 252m in Q1/2011. Of total impairment losses on loans and advances for the period, DKK 282m, or just above 70%, was attributable to private residential property.

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

DKK million/%	LTV (loan-to-value)					Total	LTV, median, % <sup>1</sup>	LTV, avg, % <sup>2</sup>
	0-40	40-60	60-80	Over 80				
Private residential property	382,404	151,710	104,452	34,052	672,617	35	75	
Private residential rental	70,415	22,247	12,347	2,712	107,721	28	64	
Industry and trades	19,707	3,866	477	131	24,181	20	47	
Office and retail	78,605	22,185	4,712	1,193	106,695	25	55	
Agriculture	73,681	19,438	7,034	1,837	101,990	25	57	
Non-profit housing	-	-	-	-	68,581	-	-	
Other	13,905	2,527	844	173	17,449	21	50	
<b>Total, end-Q1/2012</b>	<b>638,715</b>	<b>221,973</b>	<b>129,866</b>	<b>40,100</b>	<b>1,099,234</b>	<b>30</b>	<b>67</b>	
Total, end-2011	639,976	218,468	124,416	35,227	1,085,890	30	66	

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.

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

<sup>2</sup> Determined as the top part of the debt outstanding relative to estimated property values.

**The Nykredit Realkredit Group****Provisions for mortgage loan impairment by property type<sup>1</sup>**

DKK million	31.03.2012				31.12.2011			
	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	693	495	1,188	282	643	417	1,060	735
Private residential rental	336	145	481	41	336	126	462	(163)
Industry and trades	102	88	190	39	96	71	167	78
Office and retail	148	116	264	62	131	98	229	70
Agriculture	128	335	463	(9)	114	366	480	288
Non-profit housing	12	3	15	5	7	3	10	(10)
Other	38	18	56	(19)	33	44	77	28
<b>Total</b>	<b>1,457</b>	<b>1,200</b>	<b>2,657</b>	<b>401</b>	<b>1,360</b>	<b>1,125</b>	<b>2,485</b>	<b>1,026</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 due

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>2011</b>			
- December	0.58	0.71	7.7
- September	0.60	0.67	7.1
- June	0.56	0.66	7.0
- March	0.66	0.66	6.9
<b>2010</b>			
- December	0.62	0.74	7.7

### The Nykredit Realkredit Group

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



### The Nykredit Realkredit Group

#### Bank loans, advances and guarantees

DKK million	31.03.2012	31.12.2011
Bank lending	53,983	53,494
Terminated exposures <sup>1</sup>	1,952	2,282
Reverse transactions	32,830	22,007
Guarantees	11,041	10,142
<b>Total</b>	<b>99,806</b>	<b>87,925</b>

<sup>1</sup> From the former Forstædernes Bank.

### The Nykredit Realkredit Group

#### Provisions for loan impairment and guarantees

DKK million	Q1/2012	FY 2011
Retail	95	391
Wholesale excluding terminated exposures	6	62
Terminated exposures <sup>1</sup>	37	(93)
<b>Total provisions for loan impairment</b>	<b>138</b>	<b>360</b>
Provisions for guarantees	(45)	28
<b>Total</b>	<b>93</b>	<b>388</b>

<sup>1</sup> From the former Forstædernes Bank.

#### Repossessed properties

In Q1/2012, the Group repossessed 154 properties and sold 123. At end-Q1/2012, the property portfolio stood at 378 compared with 347 at the beginning of the year. Of the portfolio at end-Q1/2012, 249 properties were private residential properties.

#### Arrears

At the December due date, group mortgage arrears as a percentage of total mortgage payments due came to 0.58%. By comparison, the arrears ratio was 0.62% at the same time the year before.

#### BANK LENDING

The Group's credit exposure to bank lending totalled DKK 99.8bn against DKK 87.9bn at the beginning of the year, up DKK 11.9bn. The increase primarily stemmed from higher reverse lending, which grew by DKK 10.8bn to DKK 32.8bn. The rise derived in part from the activity of the Stockholm branch.

Bank lending accounted for DKK 55.9bn of the total credit exposure against DKK 55.8bn at the beginning of the year. Bank lending before impairment provisions was DKK 60.2bn against DKK 60.0bn at the beginning of 2012.

#### Total provisions for bank loan impairment

Total provisions for loan impairment amounted to DKK 4,314m against DKK 4,293m at the beginning of the year.

The Group's individual impairment provisions for bank lending totalled DKK 3,943m against DKK 3,985m at the beginning of the year, a fall of DKK 42m. Collective impairment provisions for bank lending were DKK 371m against DKK 308m at the beginning of the year, down by DKK 63m.

Impairment provisions for Retail were reduced by DKK 20m to DKK 2,094m, while impairment provisions for Wholesale excluding terminated exposures came to DKK 683m compared with DKK 679m at end-2011. Impairment provisions for terminated exposures grew by DKK 35m to DKK 1,444m.

#### Guarantees

The Group issues guarantees on a current basis, including guarantees to mortgage banks in connection with the granting of mortgage loans. Guarantees totalled DKK 11.0bn against DKK 10.1bn at the beginning of the year.

At end-Q1/2012, provisions for guarantees amounted to DKK 69m against DKK 114m at the beginning of the year.



**Earnings impact**

Impairment losses on loans and advances for the period stood at DKK 93m against DKK 26m in Q1/2011. Under provisions for guarantees a net reversal of DKK 45m was made in Q1/2012. This compared with provisions for guarantees of DKK 24m in Q1/2011.

The chief reason for the development in impairment losses on loans and advances was a substantial reversal of provisions totalling DKK 75m for terminated exposures in Q1/2011 compared with a charge of DKK 37m in Q1/2012.

**The Nykredit Realkredit Group**  
**Total provisions for bank loan impairment and guarantees**

DKK million	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total 31.03.2012	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total Provisions 31.12.2011
Retail	60	1,907	187	2,154	62	1,935	179	2,176
Wholesale excluding terminated exposures	0	560	123	683	0	577	102	679
Terminated exposures <sup>1</sup>	9	1,385	59	1,453	52	1,382	27	1,461
Group Items	0	91	2	93	0	91	0	91
<b>Total</b>	<b>69</b>	<b>3,943</b>	<b>371</b>	<b>4,383</b>	<b>114</b>	<b>3,985</b>	<b>308</b>	<b>4,407</b>

<sup>1</sup> From the former Forstædernes Bank.

**Bank loans, advances and guarantees by industry**

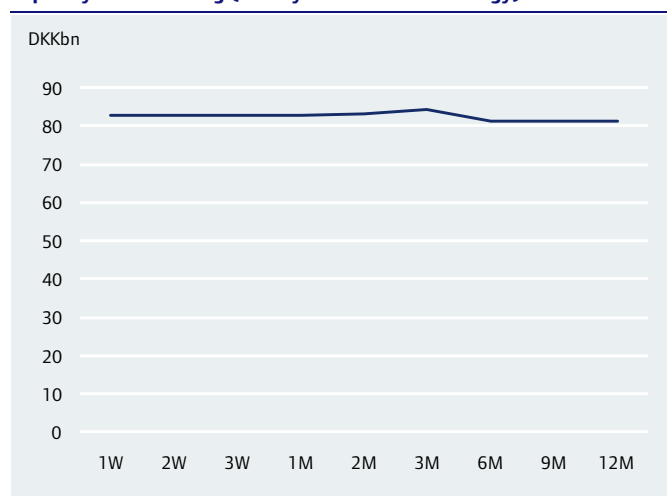
DKK million	Loans, advances and guarantees		Provisions	
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
<b>Public sector</b>	<b>516</b>	<b>542</b>	<b>0</b>	<b>0</b>
Agriculture, hunting, forestry and fishing	2,121	2,448	119	120
Manufacturing, mining and quarrying	6,595	5,652	117	105
Energy supply	1,268	1,306	28	33
Construction	1,692	1,687	261	254
Trading	2,452	2,472	262	287
Transport, accommodation and food service activities	1,889	2,308	92	90
Information and communication	1,282	964	83	65
Financial and insurance activities	39,435	28,656	929	935
Property	15,217	14,488	1,335	1,312
Other commercial	7,944	7,766	517	530
<b>Total commercial</b>	<b>79,895</b>	<b>67,747</b>	<b>3,743</b>	<b>3,731</b>
<b>Personal</b>	<b>19,395</b>	<b>19,636</b>	<b>641</b>	<b>677</b>
<b>Total</b>	<b>99,806</b>	<b>87,925</b>	<b>4,384</b>	<b>4,408</b>

As the breakdown is based on public sector statistics, it is not directly comparable with the Bank's business areas. The breakdown is based on the official Danish standard DB07.

# LIQUIDITY AND FUNDING

## Banking operations

### Liquidity stress testing (Moody's Global Methodology)



Note: Liquidity raised through issuance of junior covered bonds is included up to their maturity.

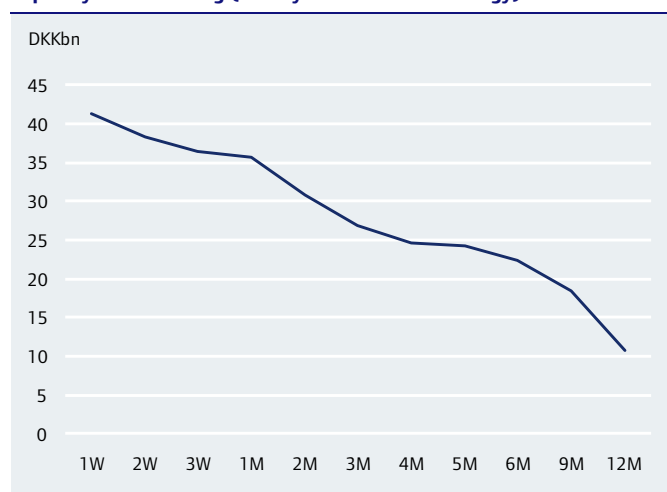
## Banking operations

### Liquidity relative to statutory requirement



## Banking operations

### Liquidity stress testing (Moody's Global Methodology)



## LIQUIDITY

Nykredit has structured its lending in a manner that ensures a high level of liquidity. The greater part of group lending is 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 the bondholders. Accordingly, mortgage lending and the funding thereof produce positive liquidity. Furthermore, lending by Nykredit Bank is funded by deposits.

The Group's equity and capital market funding, excluding ROs/SDOs, are placed in liquid Danish and European government and covered bonds. These securities are eligible as collateral with Danmarks Nationalbank or other European central banks and thus directly exchangeable into cash. To this should be added a small portfolio of money market deposits, equities, corporate bonds and similar assets.

Nykredit's stock of liquid assets constitutes a sizeable buffer against liquidity movements driven by customer flows, arrears, current costs and maturing capital market funding.

In addition, the Group applies its stock of liquid assets to ensure compliance with statutory liquidity requirements, the requirement of Danish mortgage legislation for supplementary collateral on falling property prices through issuance of SDOs, and credit rating agencies' requirements for maintaining the current high ratings. Nykredit aims to comply with all the above-mentioned requirements with a comfortable margin.

The graphs show the development in liquidity reserves for the mortgage banks and Nykredit Bank determined in a stress scenario as defined by Moody's Investors Services in "Bank Financial Strength Ratings: Global Methodology". The graphs show that the group companies are highly liquid for at least 12 months ahead.

## FUNDING

### Bond issuance

The Nykredit Realkredit Group is one of the largest private bond issuers in Europe.

The Nykredit Realkredit Group's bond issuance mainly consists of covered bonds (SDOs and ROs).

In addition, the Group has issued hybrid capital and bonds to finance supplementary collateral issued in pursuance of section 33 e of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (junior covered bonds) in Nykredit Realkredit.

Nykredit Bank has launched issues under the EMTN and ECP programmes as part of its funding programme.

At the beginning of Q1/2012, the Nykredit Realkredit Group started issuing a 30-year fixed-rate bond with repayments and a coupon of 3.5% out of Capital Centre E. Issuance amounted to DKK 9.7bn at the end of the quarter.

### Bond portfolio

The Group's portfolio of bonds totalled DKK 354bn at end-Q1/2012, of which self-issued bonds accounted for DKK 259bn. The portfolio amounted to DKK 370bn at end-2011, of which DKK 272bn was self-issued bonds.

Nykredit's portfolio of self-issued bonds mainly consists of bonds maturing on the next due date. These bonds are applied to ensure payments in connection with the drawing of bonds, etc.

Of the bond portfolio at end-Q1/2012, DKK 166bn was a temporary holding from the mortgage operations, ie from the refinancing of Nykredit's fixed mortgage bullets funding adjustable-rate mortgages ARMs (RTLs) as well as from the placement of prepaid funds from borrowers. The remaining holding of DKK 188bn is used for market making in the mortgage and banking operations as well as investment of reserves.

Nykredit provides bonds as collateral for loans with Danmarks Nationalbank as part of the Group's ordinary liquidity management and bond settlement. The Group had not placed bonds as collateral with Danmarks Nationalbank at end-Q1/2012.

Nykredit does not make use of Danmarks Nationalbank's lending facilities as part of its business model for refinancing ARMs.

### Ratings

#### Standard & Poor's rating of Nykredit

In April 2012 Standard & Poor's (S&P) assigned a AAA rating to ROs issued out of Capital Centre G, the highest possible rating. Capital Centre G currently comprises commercial loans with LTV ratios above 45%, but going forward it will also include private residential mortgage loans with LTV ratios above 60%.

S&P also assigned a A+ rating to junior covered bonds issued out of Capital Centres E and H. Junior covered bonds are applied to fund supplementary collateral in the capital centres issuing SDOs.

#### The Group terminates contract with Moody's

Nykredit requested Moody's Investors Service to cease rating the Nykredit Group in April 2012.

The request applied to Moody's rating of Nykredit Realkredit A/S, Nykredit Bank A/S and Totalkredit A/S as well as their respective issues.

Nykredit decided to terminate the rating contract for business reasons. The cooperation had been satisfactory for several years, but due to Moody's volatile view of the Danish mortgage industry in recent years – despite the very low loan loss and arrears ratios by international standards – the significance of the ratings to Nykredit and to Nykredit's investors had diminished significantly.

### 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 for 2011.

In Management's opinion, the uncertainty relating to the above-mentioned matters is insignificant to the Q1 Interim Report 2012.

# 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 – 31 March 2012 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

The Consolidated Financial Statements have been prepared 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.

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 31 March 2012 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 – 31 March 2012.

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.

Copenhagen, 10 May 2012

### Executive Board

Peter Engberg Jensen  
Group Chief Executive

Kim Duus  
Group Managing Director

Søren Holm  
Group Managing Director

Karsten Knudsen  
Group Managing Director

Per Ladegaard  
Group Managing Director

Bente Overgaard  
Group Managing Director

### 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

Anders C. Obel

Erling Bech Poulsen

Lars Peter Skaarup

Nina Smith

Jens Erik Udsen

Leif Vinther

## Income statements for 1 January – 31 March

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
Q1/2011	Q1/2012		Note	Q1/2012	Q1/2011
9,035	9,268	Interest income	3	11,158	10,942
7,750	7,861	Interest expenses	4	8,439	8,352
1,285	1,408	<b>NET INTEREST INCOME</b>		<b>2,718</b>	<b>2,590</b>
7	13	Dividend on equities		13	7
208	314	Fee and commission income		665	454
64	74	Fee and commission expenses		514	380
1,436	1,660	<b>NET INTEREST AND FEE INCOME</b>		<b>2,882</b>	<b>2,671</b>
(123)	883	Value adjustments	5	605	58
12	2	Other operating income		53	54
698	499	Staff and administrative expenses	6	1,071	1,240
165	176	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	7	184	196
0	0	Other operating expenses		10	73
202	257	Impairment losses on loans, advances and receivables	8	494	279
305	277	Profit from investments in associates and group enterprises	9	7	8
564	1,890	<b>PROFIT BEFORE TAX</b>		<b>1,788</b>	<b>1,004</b>
(74)	396	Tax	10	442	104
638	1,494	<b>PROFIT FOR THE PERIOD</b>		<b>1,346</b>	<b>899</b>
		<b>OTHER COMPREHENSIVE INCOME</b>			
-	-	Fair value adjustment of equities available for sale		257	(204)
-	-	Tax on fair value adjustment of equities available for sale		(43)	89
-	-	Realised value adjustment of equities available for sale reclassified to the income statement		(63)	(180)
-	-	Tax on realised value adjustment of equities available for sale reclassified to the income statement		(2)	(0)
-	-	Unrealised capital loss on equities available for sale reclassified to the income statement due to objective evidence of impairment		-	45
-	-	Tax on unrealised capital loss on equities available for sale reclassified to the income statement due to objective evidence of impairment		-	(11)
-	-	<b>OTHER COMPREHENSIVE INCOME</b>		<b>148</b>	<b>(261)</b>
638	1,494	<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,494</b>	<b>638</b>

## Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2011	31.03.2012		Note	31.03.2012	31.12.2011
<b>ASSETS</b>					
4,540	1,568	Cash balance and demand deposits with central banks		2,227	7,084
34,631	35,568	Receivables from credit institutions and central banks	11	61,673	59,175
1,085,179	1,117,681	Loans, advances and other receivables at fair value	12	1,131,081	1,106,516
940	934	Loans, advances and other receivables at amortised cost	13	56,870	56,716
68,621	56,000	Bonds at fair value	14	91,072	97,115
<b>Equities</b>					
3,264	3,455	Equities measured at fair value through profit or loss		1,535	1,615
-	-	Equities available for sale		2,313	2,064
3,264	3,455	<b>Total</b>		<b>3,847</b>	<b>3,679</b>
149	155	Investments in associates		157	151
28,714	28,984	Investments in group enterprises		-	-
4,137	4,076	Intangible assets		4,136	4,199
<b>Land and buildings</b>					
-	-	Investment properties		753	753
20	20	Owner-occupied properties		1,603	1,598
20	20	<b>Total</b>		<b>2,356</b>	<b>2,351</b>
309	302	Other property, plant and equipment		348	356
344	25	Current tax assets		25	344
662	644	Deferred tax assets		722	741
451	529	Assets in temporary possession		649	621
18,913	16,854	Other assets	15	52,022	53,619
201	244	Prepayments		351	239
1,251,073	1,267,039	<b>TOTAL ASSETS</b>		<b>1,407,537</b>	<b>1,392,905</b>

## Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2011	31.03.2012		Note	31.03.2012	31.12.2011
<b>LIABILITIES AND EQUITY</b>					
89,065	79,427	Payables to credit institutions and central banks	16	108,335	117,626
-	-	Deposits and other payables	17	56,673	57,404
1,060,979	1,091,295	Issued bonds at fair value	18	1,041,153	1,021,942
195	180	Issued bonds at amortised cost	19	31,135	25,864
4,421	2,531	Other non-derivative financial liabilities at fair value	20	33,598	30,908
-	-	Current tax liabilities		290	201
-	-	Liabilities temporarily assumed		14	22
29,172	25,161	Other liabilities	21	67,408	71,180
-	-	Deferred income		4	4
<b>1,183,832</b>	<b>1,198,594</b>	<b>Total payables</b>		<b>1,338,609</b>	<b>1,325,152</b>
<b>Provisions</b>					
351	166	Provisions for pensions and similar obligations		171	356
492	552	Provisions for deferred tax		586	526
94	94	Repayable reserves in pre-1972 series		94	94
-	-	Provisions for losses under guarantees		69	114
30	29	Other provisions		157	149
<b>967</b>	<b>841</b>	<b>Total provisions</b>		<b>1,078</b>	<b>1,239</b>
<b>10,965</b>	<b>11,000</b>	<b>Subordinated debt</b>	22	<b>11,246</b>	<b>11,204</b>
<b>Equity</b>					
1,182	1,182	Share capital		1,182	1,182
<b>Accumulated changes in value</b>					
2	2	- Revaluation reserves		151	151
-	-	- Value adjustment of equities available for sale		1,130	982
<b>Other reserves</b>					
2,155	2,431	- Statutory reserves		-	-
47,720	47,720	- Series reserves		47,720	47,720
4,051	5,269	Retained earnings		6,421	5,075
200	-	Proposed dividend		-	200
<b>55,310</b>	<b>56,604</b>	<b>Total equity</b>		<b>56,604</b>	<b>55,310</b>
<b>1,251,073</b>	<b>1,267,039</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,407,537</b>	<b>1,392,905</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
-	-	Contingent liabilities	23	11,041	10,142
1,981	2,009	Other commitments		8,273	8,389
<b>1,981</b>	<b>2,009</b>	<b>TOTAL</b>		<b>19,314</b>	<b>18,531</b>



## Statement of changes in equity

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Statutory reserves*	Series reserves	Retained earnings	Proposed dividend	Total
<b>2012</b>							
Equity, 1 January	1,182	2	2,155	47,720	4,051	200	55,310
Profit for the period	-	-	277	-	1,218	-	1,494
<b>Total comprehensive income for the period</b>	-	-	277	-	1,218	-	1,494
Dividend from associates	-	-	(1)	-	1	-	-
Dividend paid	-	-	-	-	-	(200)	(200)
<b>Equity, 31 March</b>	<b>1,182</b>	<b>2</b>	<b>2,431</b>	<b>47,720</b>	<b>5,269</b>	<b>-</b>	<b>56,604</b>
<b>2011</b>							
Equity, 1 January	1,182	4	1,357	35,490	16,987	300	55,320
Profit (loss) for the year	-	-	786	-	(724)	200	261
<b>Other comprehensive income</b>							
Share of comprehensive income in associates and group enterprises	-	-	21	-	-	-	21
<b>Total other comprehensive income</b>	-	-	21	-	-	-	21
<b>Total comprehensive income for the year</b>	-	-	<b>806</b>	-	<b>(724)</b>	<b>200</b>	<b>282</b>
Dividend from associates	-	-	(8)	-	8	-	-
Dividend paid	-	-	-	-	-	(300)	(300)
Adjustment pursuant to capital adequacy rules	-	-	-	12,230	(12,230)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	8	-	8
Other adjustments	-	(2)	-	0	2	-	0
<b>Equity, 31 December</b>	<b>1,182</b>	<b>2</b>	<b>2,155</b>	<b>47,720</b>	<b>4,051</b>	<b>200</b>	<b>55,310</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. Nykredit Realkredit A/S has only one class of shares, and all the shares confer the same rights on shareholders.

## Statement of changes in equity

DKK million

The Nykredit Realkredit Group

	Share capital	Revaluation reserves	Accumulated value adjustment of equities available for sale	Series reserves	Retained earnings	Proposed dividend	Total
<b>2012</b>							
Equity, 1 January	1,182	151	982	47,720	5,075	200	55,310
Profit for the period	-	-	-	-	1,346	-	1,346
<b>Other comprehensive income</b>							
Fair value adjustment of equities available for sale	-	-	213	-	-	-	213
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	(65)	-	-	-	(65)
<b>Total other comprehensive income</b>	-	-	148	-	-	-	148
<b>Total comprehensive income for the period</b>	-	-	148	-	1,346	-	1,494
Dividend paid	-	-	-	-	-	(200)	(200)
<b>Equity, 31 March</b>	<b>1,182</b>	<b>151</b>	<b>1,130</b>	<b>47,720</b>	<b>6,421</b>	<b>-</b>	<b>56,604</b>
<b>2011</b>							
Equity, 1 January	1,182	132	1,836	35,490	16,380	300	55,320
Profit for the year	-	-	-	-	915	200	1,115
<b>Other comprehensive income</b>							
Fair value adjustment of equities available for sale	-	-	(682)	-	-	-	(682)
Unrealised capital loss on equities available for sale reclassified to the income statement due to objective evidence of impairment	-	-	34	-	-	-	34
Realised value adjustment of equities available for sale reclassified to the income statement	-	-	(205)	-	-	-	(205)
Fair value adjustment of owner-occupied properties	-	21	-	-	-	-	21
<b>Total other comprehensive income</b>	-	21	(854)	-	-	-	(833)
<b>Total comprehensive income for the year</b>	-	21	(854)	-	915	200	282
Dividend paid	-	-	-	-	-	(300)	(300)
Adjustment pursuant to capital adequacy rules	-	-	-	12,230	(12,230)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	8	-	8
Other adjustments	-	(2)	1	0	1	-	0
<b>Equity, 31 December</b>	<b>1,182</b>	<b>151</b>	<b>982</b>	<b>47,720</b>	<b>5,075</b>	<b>200</b>	<b>55,310</b>

Reference is made to page 5 of the Management's Review for a statement of the movements in equity for the period 1 January 2011 to 31 March 2011.

# Capital base and capital adequacy, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2011	31.03.2012		31.03.2012	31.12.2011
<b>Capital base and capital adequacy</b>				
55,310	56,604	Equity, end of period	56,604	55,310
(2)	(2)	Revaluation reserves transferred to supplementary capital	(151)	(151)
<b>55,308</b>	<b>56,602</b>	<b>Tier 1 capital</b>	<b>56,453</b>	<b>55,159</b>
(200)	-	Proposed dividend	-	(200)
(4,137)	(4,076)	Intangible assets	(4,136)	(4,199)
(170)	(92)	Capitalised tax assets	(136)	(214)
<b>50,801</b>	<b>52,435</b>	<b>Core Tier 1 capital after primary statutory deductions</b>	<b>52,181</b>	<b>50,546</b>
10,965	10,416	Hybrid capital included	10,662	11,204
(773)	(827)	Difference between expected losses and impairments for accounting purposes	(1,087)	(1,050)
(1,616)	(1,634)	Other statutory deductions	(1,169)	(1,212)
<b>59,376</b>	<b>60,389</b>	<b>Tier 1 capital after statutory deductions</b>	<b>60,587</b>	<b>59,487</b>
51	52	Revaluation reserves and series reserves	201	200
<b>59,428</b>	<b>60,440</b>	<b>Capital base before statutory deductions</b>	<b>60,788</b>	<b>59,687</b>
(773)	(827)	Difference between expected losses and impairments for accounting purposes	(1,087)	(1,050)
(447)	(429)	Other statutory deductions	(141)	(181)
1,169	1,205	Set-off of excess capital deduction	1,028	1,031
<b>59,376</b>	<b>60,389</b>	<b>Capital base after statutory deductions</b>	<b>60,587</b>	<b>59,487</b>
<b>Capital requirement</b>				
27,419	27,468	Credit risk (incl settlement risk, statutory deduction for collective impairment provisions under the standardised approach and a charge for exceeding large exposure limits)	22,909	23,293
2,276	2,446	Market risk	3,527	3,086
1,097	886	Operational risk	1,722	1,474
<b>30,792</b>	<b>30,800</b>	<b>Total capital requirement</b>	<b>28,159</b>	<b>27,852</b>
<b>Risk-weighted assets</b>				
<b>384,897</b>	<b>385,002</b>	<b>Total risk-weighted assets</b>	<b>351,986</b>	<b>348,155</b>
<b>Financial ratios</b>				
12.6	13.0	Core Tier 1 capital ratio, %	14.2	13.9
15.4	15.7	Tier 1 capital ratio, %	17.2	17.1
15.4	15.7	Total capital ratio, %	17.2	17.1

# Core earnings and investment portfolio income for 1 January – 31 March

DKK million

The Nykredit Realkredit Group

	Q1/2012				Q1/2011			
	Core earnings	Investment portfolio income	Cost of capital	Total	Core earnings	Investment portfolio income	Cost of capital	Total
Net interest income	2,059	773	(114)	2,718	2,031	672	(113)	2,590
Dividend on equities	0	13	-	13	0	7	-	7
Fee and commission income, net	183	(33)	-	151	85	(11)	-	74
<b>Net interest and fee income</b>	<b>2,242</b>	<b>754</b>	<b>(114)</b>	<b>2,882</b>	<b>2,116</b>	<b>667</b>	<b>(113)</b>	<b>2,671</b>
Value adjustments	16	590	(1)	605	142	(82)	(2)	58
Other operating income	53	-	-	53	53	1	-	54
Staff and administrative expenses	1,071	-	-	1,071	1,240	-	-	1,240
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	184	-	-	184	196	-	-	196
Other operating expenses	10	-	-	10	73	-	-	73
Impairment losses on loans, advances and other receivables	494	-	-	494	279	-	-	279
Profit from investments in associates	-	7	-	7	-	8	-	8
<b>Profit (loss) before tax</b>	<b>553</b>	<b>1,350</b>	<b>(115)</b>	<b>1,788</b>	<b>524</b>	<b>594</b>	<b>(114)</b>	<b>1,004</b>

## Cash flow statement for 1 January – 31 March

DKK million

	The Nykredit Realkredit Group	
Note	Q1/2012	Q1/2011
<b>Profit for the period</b>	<b>1,346</b>	<b>899</b>
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	184	196
Profit from investments in associates	(7)	(8)
Impairment losses on loans, advances and receivables	494	279
Prepayments/deferred income, net	(113)	(82)
Tax calculated on profit for the period	442	104
Other adjustments	12	(255)
<b>Total</b>	<b>1,012</b>	<b>234</b>
<b>Profit for the period adjusted for non-cash operating items</b>	<b>2,359</b>	<b>1,133</b>
<b>Change in working capital</b>		
Loans, advances and other receivables	(25,213)	(1,787)
Deposits and payables to credit institutions	(10,023)	(3,664)
Issued bonds	24,482	(12,512)
Other working capital	279	934
<b>Total</b>	<b>(10,475)</b>	<b>(17,028)</b>
<b>Corporation tax paid, net</b>	<b>0</b>	<b>(101)</b>
<b>Cash flows from operating activities</b>	<b>(8,116)</b>	<b>(15,997)</b>
<b>Cash flows from investing activities</b>		
Acquisition of associates	-	(2)
Divestment of associates	-	1
Dividend received	1	8
Purchase and sale of bonds and equities	6,068	(4,830)
Purchase of intangible assets	(89)	(91)
Purchase of property, plant and equipment	(32)	(49)
Sale of property, plant and equipment	2	1
<b>Total</b>	<b>5,951</b>	<b>(4,961)</b>
<b>Cash flows from financing activities</b>		
Redemption of subordinated debt	7	(75)
Dividend paid	(200)	-
<b>Total</b>	<b>(193)</b>	<b>(75)</b>
<b>Total cash flows</b>	<b>(2,359)</b>	<b>(21,032)</b>
<b>Cash and cash equivalents, beginning of period</b>		
Cash balance and demand deposits with central banks	7,084	507
Receivables from credit institutions and central banks	59,175	58,149
<b>Total</b>	<b>66,258</b>	<b>58,657</b>
<b>Cash and cash equivalents, end of period</b>		
Cash balance and demand deposits with central banks	2,227	633
Receivables from credit institutions and central banks	61,673	36,991
<b>Total</b>	<b>63,900</b>	<b>37,624</b>

# Notes

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# Notes

## 1. ACCOUNTING POLICIES

### General

The Consolidated Financial Statements for Q1/2012 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 Companies, etc. issued by the Danish Financial Supervisory Authority.

The segment reporting process has been changed as part of organisational changes in Q1/2012. The new organisation is based on three key business areas: Retail, Totalkredit Partners and Wholesale. In addition, a number of income statement and balance sheet items are not allocated to any of the above business areas. Those items are carried under Group Items.

The major changes relative to previous segment reporting are that the activities of personal and commercial customers, the activities of Nykredit Mægler A/S and mortgage loans granted via Nykredit's branch in Poland have merged into the business area Retail. The Group's largest and most complex commercial customers and small and medium-sized commercial customers have been separated and merged with Markets and Asset Management into the business area Wholesale. The portfolio of terminated exposures relating to corporate customers of the former Forstædernes Bank is also comprised by the business area Wholesale. The activities of Ejendomselskabet Kalvebod A/S, Nykredit Ejendomme A/S and Group Treasury are included in Group Items. The business area Totalkredit has changed its name to Totalkredit Partners.

Comparative figures have been restated and the adjustment does not affect the results, comprehensive income, balance sheets or equity of the Nykredit Group.

In all other respects, the accounting policies are unchanged compared with the Annual Report for 2011.

Compared with the information disclosed in the accounting policies of the Annual Report for 2011 (note 1), no new reporting standards or interpretations have been issued or approved which would influence the Q1 Interim Report 2012 of Nykredit Realkredit A/S or the Nykredit Realkredit Group. The IASB is currently 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 EU has opted not to adopt the IFRS 9 until the results of all three phases are available. The new standard is expected to be implemented in January 2015. The impact of the implementation of IFRS 9 on the Consolidated Financial Statements has not yet been analysed, as the standard is not currently available in a form that allows for an overall assessment of the effect.

In Q1/2012, the Danish Financial Supervisory Authority issued a new Executive Order on the presentation of financial reports for credit institutions and investment companies with effect as from the Group's H1 Interim Report 2012.

The changes mainly relate to specifications regarding the determination of the provisioning need, including identification of objective evidence of impairment (OEV), assessment of security and calculation of loan impairment. Implementation of the amended Executive Order is not expected to have any material effect on the results, comprehensive income, balance sheets or equity of the Parent Company or the Group.

For a full description of the Group's and the Parent Company's accounting policies, please refer to the Annual Report for 2011, which is available at [nykredit.com](http://nykredit.com).

All figures in the Q1 Interim Report 2012 are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off to DKK million, the sum of individual figures and the stated totals may differ slightly.

The Q1 Interim Report 2012 has not been audited or reviewed.



## Notes

DKK million

2. RESULTS BY BUSINESS AREA	Totalkredit			Group	Total
	Retail	Partners	Wholesale	Items	
<b>Q1/2012</b>					
<b>Core income from</b>					
- customer activities, gross	1,340	419	794	(82)	2,471
- remuneration for distribution	198	-	(198)	-	-
<b>total business operations</b>	<b>1,538</b>	<b>419</b>	<b>596</b>	<b>(82)</b>	<b>2,471</b>
- value adjustment of derivatives and corporate bonds	(211)	-	41	-	(170)
- junior covered bonds	(28)	(47)	(4)	-	(79)
- securities	-	-	-	89	89
<b>Total</b>	<b>1,299</b>	<b>372</b>	<b>633</b>	<b>7</b>	<b>2,311</b>
Operating costs	760	100	205	16	1,081
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	2	128	1	52	184
<b>Core earnings before impairment losses</b>	<b>537</b>	<b>143</b>	<b>427</b>	<b>(61)</b>	<b>1,046</b>
Impairment losses on loans and advances	321	152	21	0	494
<b>Core earnings after impairment losses</b>	<b>215</b>	<b>(8)</b>	<b>406</b>	<b>(61)</b>	<b>552</b>
Investment portfolio income <sup>1</sup>	-	-	-	1,350	1,350
<b>Profit (loss) before cost of capital</b>	<b>215</b>	<b>(8)</b>	<b>406</b>	<b>1,289</b>	<b>1,902</b>
Net interest on hybrid capital	-	-	-	(115)	(115)
<b>Profit (loss) before tax</b>	<b>215</b>	<b>(8)</b>	<b>406</b>	<b>1,174</b>	<b>1,788</b>
<b>Q1/2011</b>					
<b>Core income from</b>					
- customer activities, gross	1,160	350	752	(86)	2,176
- remuneration for distribution	184	-	(184)	-	-
<b>total business operations</b>	<b>1,344</b>	<b>350</b>	<b>568</b>	<b>(86)</b>	<b>2,176</b>
- value adjustment of derivatives and corporate bonds	15	-	33	-	48
- junior covered bonds	(15)	(25)	(3)	-	(43)
- securities	-	-	-	131	131
<b>Total</b>	<b>1,344</b>	<b>325</b>	<b>598</b>	<b>45</b>	<b>2,312</b>
Operating costs	750	96	208	259	1,313
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	3	121	1	71	196
<b>Core earnings before impairment losses</b>	<b>591</b>	<b>108</b>	<b>390</b>	<b>(286)</b>	<b>802</b>
Impairment losses on loans and advances	263	50	(30)	(4)	279
<b>Core earnings after impairment losses</b>	<b>328</b>	<b>58</b>	<b>420</b>	<b>(282)</b>	<b>524</b>
Investment portfolio income <sup>1</sup>	-	-	-	594	594
<b>Profit before cost of capital</b>	<b>328</b>	<b>58</b>	<b>420</b>	<b>312</b>	<b>1,118</b>
Net interest on hybrid capital	-	-	-	(114)	(114)
<b>Profit before tax</b>	<b>328</b>	<b>58</b>	<b>420</b>	<b>198</b>	<b>1,004</b>

<sup>1</sup> Investment portfolio income includes profit from investments in associates of DKK 7m against DKK 8m in 2011.

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2011	Q1/2012	Q1/2012	Q1/2011
		<b>3. INTEREST INCOME</b>	
3,402	3,504	72	36
4,286	4,333	8,972	8,916
806	882	1,462	1,361
		<b>Bonds</b>	
185	213	475	540
219	203	324	310
390	434	542	524
48	7	(22)	50
45	53	122	75
		<b>Derivative financial instruments</b>	
1	(27)	(44)	(9)
35	65	53	(24)
-	-	(5)	(1)
24	19	19	24
<b>9,440</b>	<b>9,685</b>	<b>11,970</b>	<b>11,801</b>
(185)	(213)	(475)	(540)
(219)	(203)	(324)	(310)
(1)	(1)	(13)	(9)
<b>9,035</b>	<b>9,268</b>	<b>11,158</b>	<b>10,942</b>
		<b>Of which interest income from genuine purchase and resale transactions entered as:</b>	
12	3	43	18
-	-	80	32
		<b>4. INTEREST EXPENSES</b>	
199	170	256	215
-	-	187	219
7,737	7,849	8,563	8,558
199	200	199	207
20	59	46	13
<b>8,155</b>	<b>8,278</b>	<b>9,251</b>	<b>9,211</b>
(185)	(213)	(475)	(540)
(219)	(203)	(324)	(310)
(1)	(1)	(13)	(9)
<b>7,750</b>	<b>7,861</b>	<b>8,439</b>	<b>8,352</b>
		<b>Of which interest expenses from genuine sale and repurchase transactions entered as:</b>	
196	163	239	203
-	-	18	43

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2011	Q1/2012	Q1/2012	Q1/2011
<b>5. VALUE ADJUSTMENTS</b>			
<b>Financial assets measured at fair value through profit or loss</b>			
(4,229)	(89)	(447)	(9,887)
(4,409)	(384)	-	-
(87)	21	(1)	0
(944)	634	769	(1,391)
(130)	273	37	92
-	-	-	(7)
11	(84)	(71)	23
765	98	(139)	943
<b>Financial assets measured at fair value and recognised in "Other comprehensive income"</b>			
-	-	-	(45)
-	-	63	180
<b>Financial liabilities measured at fair value through profit or loss</b>			
4,491	30	395	10,152
4,409	384	-	-
-	-	0	(2)
<b>(123)</b>	<b>883</b>	<b>605</b>	<b>58</b>
<b>6. STAFF AND ADMINISTRATIVE EXPENSES</b>			
12	13	13	12
496	307	534	719
190	179	524	510
<b>698</b>	<b>499</b>	<b>1,071</b>	<b>1,240</b>
<b>Remuneration of Board of Directors and Executive Board</b>			
<b>Board of Directors</b>			
1	1	1	1
<b>Executive Board</b>			
9	9	9	9
2	3	3	2
<b>12</b>	<b>13</b>	<b>13</b>	<b>12</b>
The terms and conditions governing the salaries, pensions and retirement of the Executive Board are unchanged relative to the mention in the Annual Report for 2011.			
<b>Staff expenses</b>			
405	216	406	592
46	47	65	63
45	44	63	64
<b>496</b>	<b>307</b>	<b>534</b>	<b>719</b>
<b>Number of staff</b>			
3,086	3,119	4,125	4,057

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2011	Q1/2012	Q1/2012	Q1/2011
<b>7. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS</b>			
<b>Intangible assets</b>			
143	150	- Amortisation	151 144
<b>Property, plant and equipment</b>			
22	25	- Depreciation	33 29
-	-	- Impairment losses	- 23
<b>165</b>	<b>176</b>	<b>Total</b>	<b>184 196</b>
<b>8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES</b>			
<b>8 a. Earnings impact</b>			
134	167	Change in individual impairment provisions for loans and advances	367 204
51	35	Change in collective impairment provisions for loans and advances	138 21
13	35	Losses recognised for the period, net	63 44
(8)	(14)	Received on claims previously written off as impairment losses	(22) (9)
-	-	Provisions for guarantees	(45) 24
<b>190</b>	<b>223</b>	<b>Total impairment losses on loans, advances and guarantees</b>	<b>501 284</b>
12	34	Value adjustment of assets in temporary possession	39 20
0	-	Value adjustment of claims previously written off as impairment losses	- 0
-	-	Losses offset against commission payments to banks	(46) (26)
<b>202</b>	<b>257</b>	<b>Total</b>	<b>494 279</b>
<b>8 b. Specification of provisions for loan impairment</b>			
1,030	1,033	Individual impairment provisions	5,399 6,977
773	849	Collective impairment provisions	1,572 1,410
<b>1,803</b>	<b>1,882</b>	<b>Total impairment provisions</b>	<b>6,971 8,388</b>
<b>Impairment provisions have been offset against the following items:</b>			
1,400	1,487	Mortgage loans – note 12	2,161 1,869
403	395	Arrears and outlays – note 12	495 469
-	-	Bank loans and advances – note 13	4,314 6,050
<b>1,803</b>	<b>1,882</b>	<b>Total impairment provisions</b>	<b>6,971 8,388</b>
<b>8 c. Individual impairment provisions</b>			
<b>981</b>	<b>967</b>	<b>Impairment provisions, beginning of period</b>	<b>5,345 6,980</b>
166	282	Impairment provisions for the period	821 501
(32)	(116)	Impairment provisions reversed	(454) (296)
(30)	(47)	Value adjustment of repossessed properties	(77) (40)
(55)	(54)	Impairment provisions recognised as lost	(235) (167)
<b>1,030</b>	<b>1,033</b>	<b>Impairment provisions, end of period</b>	<b>5,399 6,977</b>
<b>8 d. Collective impairment provisions</b>			
<b>722</b>	<b>815</b>	<b>Impairment provisions, beginning of period</b>	<b>1,434 1,389</b>
51	35	Impairment provisions for the period	138 51
-	-	Impairment provisions reversed	0 (29)
<b>773</b>	<b>849</b>	<b>Impairment provisions, end of period</b>	<b>1,572 1,410</b>

## Notes

DKK million

Nycredit Realkredit A/S		The Nycredit Realkredit Group		
Q1/2011	Q1/2012		Q1/2012	Q1/2011
<b>8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)</b>				
<b>8 e. Specification of loans and advances subject to objective evidence of impairment</b>				
4,814	6,616	Loans and advances before individual impairment provisions	14,982	14,707
1,030	1,033	Impairment provisions	5,399	6,977
<b>3,785</b>	<b>5,583</b>	<b>Loans and advances after impairment provisions</b>	<b>9,583</b>	<b>7,729</b>
46,284	41,096	Loans and advances before collective impairment provisions	123,631	152,763
773	849	Impairment provisions	1,572	1,410
<b>45,511</b>	<b>40,247</b>	<b>Loans and advances after impairment provisions</b>	<b>122,059</b>	<b>151,352</b>
<p>Loans and advances subject to collective provisioning include loans and advances in the rating categories 0, 1 and 2 as well as non-performing loans not individually provided for. This constitutes a change compared with Q1/2011 when collective impairment provisions were made for all rating categories.</p> <p>The change has had no effect on collective impairment provisions, but "Loans and advances before collective impairment provisions" has been restated based on an estimate.</p>				
<b>8 f. Impairment losses on repossessed properties</b>				
<b>173</b>	<b>262</b>	<b>Impairment losses, beginning of period</b>	<b>358</b>	<b>233</b>
30	47	Transfer from non-repossessed properties	77	40
15	44	Impairments for the period	55	29
(3)	(10)	Impairments reversed	(16)	(9)
(58)	(46)	Impairments recognised as lost	(67)	(62)
<b>157</b>	<b>297</b>	<b>Impairment losses, end of period</b>	<b>408</b>	<b>233</b>
<p>Impairment losses on repossessed properties have been offset against "Assets in temporary possession".</p>				
<b>9. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES</b>				
8	7	Profit from investments in associates	7	8
297	270	Profit from investments in group enterprises	-	-
<b>305</b>	<b>277</b>	<b>Total</b>	<b>7</b>	<b>8</b>
<b>10. TAX</b>				
(13.1)	20.9	Effective tax rate, %	24.7	10.4
<p>In 2011 the effective tax rate was influenced by the recognition of income of approximately DKK 133m relating to tax provided for in previous years. Nycredit was able to recognise the amount as income after the courts found for Nycredit in a tax case.</p> <p>Adjusted for tax relating to previous years recognised as income, the effective tax rate in 2011 was 26.6% for the Nycredit Realkredit Group.</p>				
<b>11. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
3,000	1,800	Receivables from central banks	14,145	19,788
31,631	33,768	Receivables from credit institutions	47,527	39,387
<b>34,631</b>	<b>35,568</b>	<b>Total</b>	<b>61,673</b>	<b>59,175</b>
5,877	5,372	Of which genuine purchase and resale transactions	19,391	19,121

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2011	31.03.2012	31.03.2012	31.12.2011	
<b>12. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>				
604,684	612,595	Mortgage loans	1,097,992	1,084,317
26	129	Arrears and outlays	259	191
-	-	Other loans and advances	32,830	22,007
18,623	19,582	Loans to Totalkredit serving as collateral in capital centres	-	-
461,846	485,375	Totalkredit mortgage loan funding	-	-
<b>1,085,179</b>	<b>1,117,681</b>	<b>Total</b>	<b>1,131,081</b>	<b>1,106,516</b>
-	-	Of which genuine purchase and resale transactions	32,830	22,007
<b>Mortgage loans</b>				
<b>575,112</b>	<b>595,273</b>	<b>Balance, beginning of period, nominal value</b>	<b>1,067,606</b>	<b>1,029,636</b>
87,062	30,883	New loans	67,133	156,583
571	337	Indexation	337	571
(320)	317	Foreign currency translation adjustment	317	(320)
(11,608)	(2,228)	Ordinary principal payments	(3,218)	(15,342)
(55,544)	(21,082)	Prepayments and extraordinary principal payments	(50,224)	(103,522)
<b>595,273</b>	<b>603,500</b>	<b>Balance, end of period, nominal value</b>	<b>1,081,951</b>	<b>1,067,606</b>
(366)	(446)	Loans transferred relating to properties in temporary possession	(484)	(500)
271	276	Loans assumed by the Danish Agency for Governmental Management	276	271
<b>595,177</b>	<b>603,330</b>	<b>Total nominal value</b>	<b>1,081,742</b>	<b>1,067,376</b>
<b>10,794</b>	<b>10,752</b>	<b>Adjustment for interest rate risk</b>	<b>18,412</b>	<b>18,865</b>
<b>Adjustment for credit risk</b>				
(473)	(637)	Individual impairment provisions	(961)	(798)
(815)	(849)	Collective impairment provisions	(1,200)	(1,125)
<b>604,684</b>	<b>612,595</b>	<b>Balance, end of period, fair value</b>	<b>1,097,992</b>	<b>1,084,317</b>
For total loans and advances, Nykredit has received mortgages on property and:				
23,581	24,306	Supplementary guarantees totalling	32,302	31,673
1,346	1,245	Interim loan guarantees totalling	9,101	9,739
6,333	6,963	Registration guarantees totalling	19,902	17,634
<b>Arrears and outlays</b>				
431	388	Arrears before impairment provisions	540	569
89	136	Outlays before impairment provisions	214	184
(494)	(395)	Individual impairment provisions for arrears and outlays	(495)	(562)
<b>26</b>	<b>129</b>	<b>Total</b>	<b>259</b>	<b>191</b>
<b>Totalkredit mortgage loan funding</b>				
<b>432,038</b>	<b>455,052</b>	<b>Balance, beginning of period, nominal value</b>	-	-
187,927	82,211	New loans	-	-
(6,934)	(629)	Ordinary principal payments	-	-
(157,979)	(57,624)	Prepayments and extraordinary principal payments	-	-
<b>455,052</b>	<b>479,011</b>	<b>Balance, end of period, nominal value</b>	-	-
6,794	6,365	Adjustment for interest rate risk	-	-
<b>461,846</b>	<b>485,375</b>	<b>Balance, end of period, fair value</b>	-	-

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2011	31.03.2012	31.03.2012	31.12.2011
<b>13. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST</b>			
-	-	60,249	60,070
47	37	-	-
-	-	37	47
933	940	940	933
<b>980</b>	<b>977</b>	<b>61,226</b>	<b>61,050</b>
<b>Adjustment for credit risk</b>			
-	-	(3,942)	(3,985)
-	-	(372)	(308)
<b>980</b>	<b>977</b>	<b>56,912</b>	<b>56,756</b>
(40)	(42)	(42)	(40)
<b>940</b>	<b>934</b>	<b>56,870</b>	<b>56,716</b>
<b>14. BONDS AT FAIR VALUE</b>			
39,683	45,527	140,363	132,855
114,725	90,734	118,593	138,736
58,225	46,016	69,588	76,921
4,414	4,124	9,838	9,768
5,981	6,860	15,953	11,850
<b>223,029</b>	<b>193,260</b>	<b>354,335</b>	<b>370,129</b>
(114,725)	(90,734)	(118,593)	(138,736)
(39,682)	(45,526)	(140,362)	(132,854)
-	(1,000)	(2,680)	(273)
(1)	(1)	(1)	(1)
-	-	(1,627)	(1,150)
<b>68,621</b>	<b>56,000</b>	<b>91,072</b>	<b>97,115</b>
Of bonds at fair value before set-off of self-issued bonds:			
12,312	416	744	14,589
6,631	3,323	3,323	25,001
As collateral for the Danish central bank (Danmarks Nationalbank) and foreign clearing centres, bonds have been deposited of a total market value of			
Collateral security was provided on an arm's length basis.			
<b>15. OTHER ASSETS</b>			
14,189	12,722	13,089	13,086
414	422	-	-
3,996	3,416	38,269	39,752
123	135	135	123
192	159	529	658
<b>18,913</b>	<b>16,854</b>	<b>52,022</b>	<b>53,619</b>

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2011	31.03.2012		31.03.2012	31.12.2011
<b>16. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
86,065	79,427	Payables to credit institutions	107,828	109,481
3,000	-	Payables to central banks	507	8,144
<b>89,065</b>	<b>79,427</b>	<b>Total</b>	<b>108,335</b>	<b>117,626</b>
82,632	75,527	Of which genuine sale and repurchase transactions	92,777	96,263
<b>17. DEPOSITS AND OTHER PAYABLES</b>				
-	-	On demand	31,513	30,343
-	-	At notice	5,703	5,498
-	-	Time deposits	16,796	18,709
-	-	Special deposits	2,660	2,854
-	-	<b>Total</b>	<b>56,673</b>	<b>57,404</b>
<b>18. ISSUED BONDS AT FAIR VALUE</b>				
383,423	352,445	ROs	426,679	461,842
800,522	836,173	SDOs	836,173	800,522
31,441	39,937	Junior covered bonds	39,937	31,441
<b>1,215,387</b>	<b>1,228,555</b>	<b>Total</b>	<b>1,302,788</b>	<b>1,293,805</b>
(154,407)	(137,260)	Self-issued bonds transferred from "Bonds at fair value" – note 14	(261,635)	(271,863)
<b>1,060,979</b>	<b>1,091,295</b>	<b>Total</b>	<b>1,041,153</b>	<b>1,021,942</b>
<b>18 a. ROs</b>				
375,075	344,160	ROs at nominal value	417,088	452,202
8,348	8,285	Fair value adjustment	9,591	9,640
<b>383,423</b>	<b>352,445</b>	<b>ROs at fair value</b>	<b>426,679</b>	<b>461,842</b>
(114,725)	(90,734)	Self-issued ROs transferred from "Bonds at fair value" – note 14	(118,593)	(138,736)
<b>268,698</b>	<b>261,712</b>	<b>Total</b>	<b>308,086</b>	<b>323,106</b>
1	31	Of which pre-issuance	31	1
44,574	31,229	ROs drawn for redemption at next creditor payment date	36,059	46,982
<b>18 b. SDOs</b>				
791,152	827,269	SDOs at nominal value	827,269	791,152
9,370	8,903	Fair value adjustment	8,903	9,370
<b>800,522</b>	<b>836,173</b>	<b>SDOs at fair value</b>	<b>836,173</b>	<b>800,522</b>
(39,682)	(45,526)	Self-issued SDOs transferred from "Bonds at fair value" – note 14	(140,362)	(132,854)
<b>760,840</b>	<b>790,647</b>	<b>Total</b>	<b>695,810</b>	<b>667,668</b>
497	859	Of which pre-issuance	859	497
118,443	115,907	SDOs drawn for redemption at next creditor payment date	115,907	118,443



## Notes

DKK million

Nykkredit Realkredit A/S		The Nykkredit Realkredit Group		
31.12.2011	31.03.2012		31.03.2012	31.12.2011
<b>18. ISSUED BONDS AT FAIR VALUE (continued)</b>				
<b>18 c. Junior covered bonds</b>				
31,354	39,775	Junior covered bonds at nominal value	39,775	31,354
87	162	Fair value adjustment	162	87
<b>31,441</b>	<b>39,937</b>	<b>Junior covered bonds at fair value</b>	<b>39,937</b>	<b>31,441</b>
-	(1,000)	Self-issued junior covered bonds transferred from "Bonds at fair value" – note 14	(2,680)	(273)
<b>31,441</b>	<b>38,937</b>	<b>Total</b>	<b>37,256</b>	<b>31,168</b>
-	2,500	Junior covered bonds drawn for redemption at next creditor payment date	2,500	-
<b>19. ISSUED BONDS AT AMORTISED COST</b>				
-	-	Corporate bonds	32,553	26,789
61	61	SDOs	61	61
135	120	Employee bonds	149	164
40	42	Other securities	42	40
<b>237</b>	<b>224</b>	<b>Total</b>	<b>32,806</b>	<b>27,055</b>
-	-	Self-issued corporate bonds transferred from "Bonds at fair value" – note 14	(1,627)	(1,150)
(1)	(1)	Self-issued SDOs transferred from "Bonds at fair value" – note 14	(1)	(1)
(40)	(42)	Other self-issued securities transferred from "Loans, advances and other receivables at amortised cost" – note 13	(42)	(40)
<b>195</b>	<b>180</b>	<b>Total</b>	<b>31,135</b>	<b>25,864</b>
<b>20. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE</b>				
-	-	Deposits at fair value	17,995	15,872
4,421	2,531	Negative securities portfolios	15,603	15,036
<b>4,421</b>	<b>2,531</b>	<b>Total</b>	<b>33,598</b>	<b>30,908</b>
-	-	Of which genuine sale and repurchase transactions	17,995	15,872
<b>21. OTHER LIABILITIES</b>				
18,459	15,355	Interest and commission payable	21,225	23,113
5,825	4,957	Negative market value of derivative financial instruments	39,314	40,967
2,591	2,657	Payables relating to the purchase of Totalkredit shares	2,597	2,532
2,296	2,193	Other liabilities	4,271	4,569
<b>29,172</b>	<b>25,161</b>	<b>Total</b>	<b>67,408</b>	<b>71,180</b>

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2011	31.03.2012	31.03.2012	31.12.2011
		<b>22. 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 after 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>	
-	-	- Nom DKK 100m. The loan is perpetual and carries an interest rate of 1.7% pa above 3M Cibor	100 100
-	-	- Nom DKK 150m. The loan is perpetual and carries a fixed interest rate of 6.3% pa	150 150
3,989	3,990	Nom EUR 500m. The loan is perpetual, but may be redeemed at par (100) from 22 September 2014. The loan carries a fixed interest rate of 4.9% pa up to 22 September 2014, after which date it will carry a floating interest rate.	3,990 3,989
6,975	7,010	Nom EUR 900m. The loan is perpetual, but may be redeemed at par (100) from 1 April 2015. The loan carries a fixed interest rate of 9.0% pa up to 1 April 2015, after which date the interest rate will be fixed every five years.	7,010 6,975
<b>10,965</b>	<b>11,000</b>	<b>Total hybrid capital</b>	<b>11,250 11,215</b>
-	-	- Portfolio of self-issued bonds	(4) (11)
<b>10,965</b>	<b>11,000</b>	<b>Total subordinated debt</b>	<b>11,246 11,204</b>
10,965	10,416	Subordinated debt that may be included in the capital base	10,662 11,204
-	-	Extraordinary principal payments and redemption of subordinated debt in the financial period	- 594

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2011	31.03.2012	31.03.2012	31.12.2011
<b>23. OFF-BALANCE SHEET ITEMS</b>			
Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheets are presented below.			
-	-		
	-	11,041	10,142
1,981	2,009	8,273	8,389
<b>1,981</b>	<b>2,009</b>	<b>19,314</b>	<b>18,531</b>
<b>Contingent liabilities</b>			
-	-	8,220	6,860
-	-	28	501
-	-	2,793	2,780
-	-	<b>11,041</b>	<b>10,142</b>
"Other contingent liabilities" chiefly comprises purchase price and payment guarantees.			
<b>Other commitments</b>			
23	11	6,299	6,517
1,958	1,998	1,973	1,873
<b>1,981</b>	<b>2,009</b>	<b>8,273</b>	<b>8,389</b>
"Other liabilities" comprises obligations and liabilities to securities depositories, investment commitments to private equity funds and non-callable lease payments relating to properties leased under operating leases.			
<b>Other contingent liabilities</b>			
Owing to the size and business scope of the Nykredit Realkredit Group, the Group is continuously involved in legal proceedings and litigation, including tax disputes. The cases are subject to ongoing review, 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 is liable for roughly 3% of any losses incurred by the Danish Guarantee Fund for Depositors and Investors in the event of bankruptcy or winding-up of a bank.			
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's total capital ratio below the statutory capital requirement plus 0.5% or the internal capital adequacy requirement (ICAAP) plus 0.5%.			
Nykredit Realkredit A/S is liable for the obligations of the pension fund in run-off Nykredits Afviklingspensionskasse (CVR no 24256219).			

# Notes

## 24. RELATED PARTY TRANSACTIONS AND BALANCES

Foreningen Nykredit, the Parent Company Nykredit Holding A/S, group enterprises and associates of Nykredit Realkredit 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 Q1/2012.

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 trading in goods and services took place on an arm's length or cost covering basis.

Significant related party transactions prevailing/entered into in Q1/2012 include:

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

Nykredit Realkredit A/S has granted a loan to Totalkredit A/S serving as collateral in Totalkredit's capital centres. At 31 March 2012, the loan amounted to DKK 19.6bn. 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 loans, advances and guarantees subject to a maximum of DKK 2bn for the term of the guarantee.

## Notes

DKK million

The Nykredit Realkredit Group	Q1/ 2012	Q4/ 2011	Q3/ 2011	Q2/ 2011	Q1/ 2011	Q4/ 2010	Q3/ 2010
<b>25. SEVEN-QUARTER FINANCIAL HIGHLIGHTS</b>							
<b>Core income from</b>							
Business operations	2,223	2,098	1,936	2,151	2,181	2,440	2,350
Securities	89	159	192	162	131	123	121
<b>Total</b>	<b>2,311</b>	<b>2,257</b>	<b>2,128</b>	<b>2,313</b>	<b>2,312</b>	<b>2,563</b>	<b>2,471</b>
Operating costs, depreciation and amortisation	1,265	1,700	1,245	1,521	1,510	1,572	1,432
<b>Core earnings before impairment losses</b>	<b>1,047</b>	<b>558</b>	<b>883</b>	<b>792</b>	<b>802</b>	<b>991</b>	<b>1,038</b>
Impairment losses on loans and advances, including the government guarantee scheme	494	516	153	466	279	676	460
<b>Core earnings after impairment losses</b>	<b>553</b>	<b>41</b>	<b>730</b>	<b>325</b>	<b>524</b>	<b>314</b>	<b>579</b>
Investment portfolio income	1,350	126	(716)	175	594	169	586
<b>Profit before cost of capital</b>	<b>1,903</b>	<b>167</b>	<b>14</b>	<b>500</b>	<b>1,118</b>	<b>484</b>	<b>1,165</b>
Net interest on hybrid capital	(115)	(115)	(117)	(115)	(114)	(117)	(121)
<b>Profit (loss) before tax</b>	<b>1,788</b>	<b>52</b>	<b>(103)</b>	<b>385</b>	<b>1,004</b>	<b>366</b>	<b>1,044</b>
Tax	442	48	(19)	90	104	85	262
<b>Profit (loss) for the period</b>	<b>1,346</b>	<b>4</b>	<b>(84)</b>	<b>295</b>	<b>899</b>	<b>281</b>	<b>781</b>
<b>Other comprehensive income</b>							
Value adjustment of strategic equities	213	(82)	(272)	(213)	(115)	219	75
Other adjustment of strategic equities	(65)	-	-	(25)	(147)	-	100
Fair value adjustment of owner-occupied properties	-	21	-	-	-	1	-
<b>Total other comprehensive income</b>	<b>148</b>	<b>(62)</b>	<b>(272)</b>	<b>(238)</b>	<b>(261)</b>	<b>219</b>	<b>175</b>
<b>Total comprehensive income for the period</b>	<b>1,494</b>	<b>(57)</b>	<b>(356)</b>	<b>57</b>	<b>638</b>	<b>501</b>	<b>956</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>							
	31.03.2012	31.12.2011	30.09.2011	30.06.2011	31.03.2011	31.12.2010	30.09.2010
<b>Assets</b>							
Cash balance and receivables from credit institutions and central banks	63,900	66,258	33,619	36,779	37,624	58,657	52,164
Mortgage loans at fair value	1,097,992	1,084,317	1,070,144	1,040,134	1,030,243	1,030,478	1,036,167
Bank loans – excluding reverse transactions	55,935	55,776	55,621	57,281	60,250	58,833	59,729
Bonds and equities	94,919	100,794	84,456	79,005	103,974	99,144	91,864
Other assets	94,790	85,759	77,863	62,665	59,333	64,028	84,058
<b>Total assets</b>	<b>1,407,537</b>	<b>1,392,905</b>	<b>1,321,703</b>	<b>1,275,864</b>	<b>1,291,424</b>	<b>1,311,140</b>	<b>1,323,984</b>
<b>Liabilities and equity</b>							
Payables to credit institutions and central banks	108,335	117,626	85,897	79,120	94,266	95,879	120,134
Deposits and other payables	56,673	57,404	53,498	51,875	53,416	55,467	54,483
Issued bonds at fair value	1,041,153	1,021,942	993,566	971,772	960,768	974,319	948,439
Subordinated debt	11,246	11,204	11,581	11,444	11,286	11,618	11,886
Other liabilities	133,526	129,419	121,802	105,938	116,030	118,537	134,225
Equity	56,604	55,310	55,359	55,716	55,659	55,320	54,817
<b>Total liabilities and equity</b>	<b>1,407,537</b>	<b>1,392,905</b>	<b>1,321,703</b>	<b>1,275,864</b>	<b>1,291,424</b>	<b>1,311,140</b>	<b>1,323,984</b>
<b>FINANCIAL RATIOS</b>							
Profit (loss) for the period as % of average equity pa	9.6	0.0	(0.6)	2.1	6.5	2.1	5.8
Core earnings before impairment losses as % of average equity pa	7.5	4.0	6.4	5.7	5.8	7.4	7.6
Core earnings after impairment losses as % of average equity, pa	4.0	0.3	5.3	2.3	3.8	2.4	4.3
Total provisions for loan impairment and guarantees	7,040	6,892	7,747	7,939	8,497	9,114	10,308
Impairment losses for the period, %	0.04	0.04	0.01	0.04	0.02	0.06	0.04
Total capital ratio, %	17.2	17.1	18.4	19.5	18.6	18.5	18.2
Tier 1 capital ratio, %	17.2	17.1	18.4	19.5	18.6	18.5	18.1
Average number of full-time staff	4,125	4,139	4,115	4,095	4,057	4,026	4,031

## Notes

DKK million

Nykredit Realkredit A/S	Q1/ 2012	Q1/ 2011	Q1/ 2010	Q1/ 2009	Q1/ 2008
<b>26. FIVE-YEAR FINANCIAL HIGHLIGHTS</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest income	1,408	1,285	1,401	1,242	860
Net fee income	252	151	167	122	159
<b>Net interest and fee income</b>	<b>1,660</b>	<b>1,436</b>	<b>1,568</b>	<b>1,363</b>	<b>1,018</b>
Value adjustments	883	(123)	256	142	(1,428)
Other operating income	2	12	20	20	16
Staff and administrative expenses	499	698	555	656	591
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	176	165	160	144	110
Impairment losses on loans, advances and receivables	257	202	336	53	(19)
Profit from investments in associates and group enterprises	277	305	233	61	355
<b>Profit (loss) before tax</b>	<b>1,890</b>	<b>564</b>	<b>1,025</b>	<b>733</b>	<b>(721)</b>
Tax	396	(74)	181	165	(75)
<b>Profit (loss) for the period</b>	<b>1,494</b>	<b>638</b>	<b>845</b>	<b>568</b>	<b>(646)</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	37,136	24,704	21,265	32,600	56,678
Mortgage loans at fair value	612,595	576,609	562,466	519,052	485,985
Totalkredit mortgage loan funding	485,375	412,492	376,329	289,196	225,197
Bonds and equities	59,455	69,986	61,314	50,652	51,592
Other assets	72,478	61,691	55,626	46,312	33,767
<b>Total assets</b>	<b>1,267,039</b>	<b>1,145,481</b>	<b>1,077,000</b>	<b>937,813</b>	<b>853,220</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	79,427	77,135	110,575	86,532	54,304
Issued bonds	1,091,295	971,683	872,101	761,980	687,519
Subordinated debt	11,000	10,551	14,472	7,694	7,430
Other liabilities	28,713	30,453	27,766	30,678	50,662
Equity	56,604	55,659	52,085	50,930	53,304
<b>Total liabilities and equity</b>	<b>1,267,039</b>	<b>1,145,481</b>	<b>1,077,000</b>	<b>937,813</b>	<b>853,220</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Other commitments	2,009	1,818	1,400	1,750	1,661
<b>FINANCIAL RATIOS</b>					
Total capital ratio, %	15.7	17.3	17.9	16.1	18.9
Tier 1 capital ratio, %	15.7	17.3	17.1	15.2	17.9
Return on equity before tax	3.4	1.0	2.0	1.4	(1.3)
Return on equity after tax	2.7	1.2	1.6	1.1	(1.2)
Income:cost ratio	3.03	1.53	1.97	1.86	(0.06)
Loans and advances:equity (loan gearing)	10.8	10.4	10.8	10.2	9.1
Growth in loans and advances for the period, %	1.4	1.0	1.4	2.4	1.8
Total impairment provisions, %	0.31	0.31	0.29	0.08	0.05
Impairment losses for the period, %	0.04	0.03	0.06	0.01	(0.00)

## Notes

DKK million

The Nykredit Realkredit Group	Q1/ 2012	Q1/ 2011	Q1/ 2010	Q1/ 2009	Q1/ 2008
<b>26. FIVE-YEAR FINANCIAL HIGHLIGHTS (continued)</b>					
<b>SUMMARY INCOME STATEMENT</b>					
Net interest and fee income	2,882	2,671	2,951	2,691	1,786
Value adjustments	605	58	335	195	(749)
Other operating income	53	54	37	35	40
Staff and administrative expenses	1,071	1,240	1,171	1,220	932
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	184	196	198	193	119
Other operating expenses	10	73	125	123	1
Impairment losses on loans, advances and receivables	494	279	699	668	(15)
Profit (loss) from investments in associates and group enterprises	7	8	1	(2)	16
<b>Profit before tax</b>	<b>1,788</b>	<b>1,004</b>	<b>1,131</b>	<b>716</b>	<b>56</b>
Tax	442	104	331	191	29
Profit (loss) from discontinued insurance operations	-	-	(58)	50	22
<b>Profit for the period</b>	<b>1,346</b>	<b>899</b>	<b>742</b>	<b>574</b>	<b>49</b>
Profit for the period excludes value adjustment of strategic equities against equity of	213	(115)	103	(6)	(695)
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
	<b>31.03.2012</b>	<b>31.03.2011</b>	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	63,900	37,624	51,639	52,688	74,002
Mortgage loans at fair value	1,097,992	1,030,243	1,001,492	921,397	847,002
Bank loans – excluding reverse transactions	55,935	60,250	59,859	67,937	43,539
Bonds and equities	94,919	103,974	94,442	97,960	89,460
Other assets	94,790	59,333	67,691	78,983	33,998
<b>Total assets</b>	<b>1,407,537</b>	<b>1,291,424</b>	<b>1,275,123</b>	<b>1,218,966</b>	<b>1,088,001</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	108,335	94,266	148,457	152,961	130,215
Deposits and other payables	56,673	53,416	59,450	59,231	31,572
Issued bonds at fair value	1,041,153	960,768	882,997	834,419	791,289
Subordinated debt	11,246	11,286	15,648	9,106	7,430
Other liabilities	133,526	116,030	116,485	112,319	74,190
Equity	56,604	55,659	52,085	50,930	53,304
<b>Total liabilities and equity</b>	<b>1,407,537</b>	<b>1,291,424</b>	<b>1,275,123</b>	<b>1,218,966</b>	<b>1,088,001</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
Contingent liabilities	11,041	5,759	6,610	7,531	4,457
Other commitments	8,273	8,919	10,124	11,922	10,060
<b>FINANCIAL RATIOS</b>					
Total capital ratio, %	17.2	18.6	18.4	15.8	18.0
Tier 1 capital ratio, %	17.2	18.6	17.3	14.6	17.1
Return on equity before tax	3.5	1.2	2.3	1.5	(1.1)
Return on equity after tax	2.7	1.2	1.6	1.1	(1.2)
Income:cost ratio	2.13	1.37	1.56	1.32	0.38
Foreign exchange position, %	0.8	1.0	0.8	1.5	3.0
Loans and advances:equity (loan gearing)	21.0	19.9	20.6	20.0	16.9
Growth in loans and advances for the period, %	2.2	1.1	1.2	1.7	2.7
Total impairment provisions, %	0.58	0.76	1.00	0.39	0.04
Impairment losses for the period, %	0.04	0.02	0.06	0.06	(0.00)

## Notes

DKK million

## The Nykredit Realkredit Group

## 27. GROUP STRUCTURE

Name and registered office	Ownership interest as % at 31.03.2012	Profit for Q1/2012	Equity at 31.03.2012	Profit (loss) for 2011	Equity at 31.12.2011
<b>The Nykredit Realkredit Group</b>					
Nykredit Realkredit A/S, Copenhagen a)					
<b>Consolidated subsidiaries</b>					
Totalkredit A/S, Taastrup, a)	100	131	13,949	562	13,818
Nykredit Bank A/S, Copenhagen, b)	100	111	14,313	433	14,202
Nykredit Pantebrevsinvestering A/S, Copenhagen c)	100	0	12	0	12
Nykredit Portefølje Administration A/S, Copenhagen, h)	100	17	211	40	194
Nykredit Leasing A/S, Gladsaxe f)	100	3	147	(4)	144
FB Ejendomme A/S, Copenhagen e)	100	0	4	0	4
Nykredit Mægler A/S, Aarhus, d)	100	10	128	5	118
Nykredit Ejendomme A/S, Copenhagen, e)	100	11	378	(195)	367
Ejendomsselskabet Kalvebod A/S, Copenhagen, i)	100	7	215	(41)	209
Kalvebod Ejendomme I A/S, Copenhagen, e)	100	4	59	(34)	55
Kalvebod Ejendomme II A/S, Copenhagen, e)	100	2	57	(8)	55
Nykredit Adm. V A/S, Copenhagen, g)	100	0	1	0	1

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

Nykredit Realkredit A/S

Kalvebod Brygge 1-3

DK-1780 Copenhagen V