

To the Copenhagen Stock Exchange
and the press

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H1 INTERIM REPORT – THE NYKREDIT BANK GROUP 1 JANUARY 2007-30 JUNE 2007

- Group profit before tax came to DKK 545m compared with DKK 361m in H1/2006.
- Profit before tax generated a return on equity of 23.0% pa against 19.2% in H1/2006 and 22.3% for FY2006.
- Continued marked earnings growth in Markets & Asset Management and Corporate Banking, while Retail Banking, excl impairment losses, is on a level with H1/2006.
- The balance sheet stood at DKK 130bn against DKK 107bn at end-2006. Loans and advances increased by 20% to DKK 38.8bn.
- Nykredit Bank A/S received additional capital in the amount DKK 1.2bn from the Parent Company Nykredit Realkredit in Q2. The capital base after statutory deductions subsequently totals just over DKK 7bn.
- Nykredit Bank A/S and the former subsidiary Nykredit Portefølje Bank A/S merged with effect from 1 January 2007.
- In Q2 the Bank was assigned a Aa3 rating by Moody's Investors Service. The rating has enabled an expansion of the Bank's business volume and customer base, just as the Bank plans to establish funding programmes in the international capital markets.
- The crisis in the US subprime market has not affected the Bank's earnings expectations for FY2007.

2007 – OUTLOOK

Based on the results achieved for H1/2007, the Bank expects a profit before tax of around DKK 0.9-1.0bn, which is an upward revision of DKK 100m compared with the forecast made in the Q1 Interim Report 2007.

INFORMATION ABOUT THE NYKREDIT GROUP

The Nykredit Bank Group's H1 Interim Report 2007 and further information about the Nykredit Group are available at nykredit.com.

Contacts

Henning Kruse Petersen, Chairman – Tel +45 44 55 15 10
Kim Duus, Managing Director – Tel +45 44 55 10 25

Nykredit Bank A/S
Kalvebod Brygge 1-3
DK-1780 Copenhagen V
Tel +45 44 55 18 00
CVR no 10 51 96 08

Highlights - the Nykredit Bank Group

DKK million

	H1/ 2007	FY 2006	H1/ 2006	H1/ 2005	H1/ 2004	H1/ 2003
INCOME STATEMENT						
Net interest income	447	776	346	448	322	414
Dividends, fees and commissions, net	156	256	131	96	52	44
Net interest and fee income	603	1,032	477	544	374	458
Value adjustments	360	522	201	52	109	17
Other operating costs	8	21	13	10	16	65
Staff, administrative and other operating costs	422	740	341	281	241	207
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	1	2	1	1	3	3
Impairment losses on loans and receivables	3	(44)	(12)	(3)	26	83
Profit before tax	545	877	361	327	229	247
Tax	137	250	107	91	68	74
Profit for the period	408	627	254	236	161	173
BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables						
from central banks and credit institutions	26,151	18,438	16,700	15,493	20,508	20,052
Loans, advances and other receivables at fair value	4,006	3,432	9,698	7,807	5,724	3,247
Loans, advances and other receivables at amortised cost	34,826	28,983	25,020	18,353	18,784	19,655
Bonds at fair value and equities	53,129	47,955	43,670	36,596	30,808	27,687
Other assets and prepayments	12,013	8,237	8,333	7,542	5,412	6,782
Total assets	130,125	107,045	103,421	85,791	81,236	77,423
Liabilities and equity						
Payables to credit institutions and central banks	77,269	63,107	59,271	43,977	41,210	44,843
Deposits and other payables	23,312	22,667	22,181	22,326	20,762	14,257
Issued bonds at amortised cost	1,612	1,741	1,750	669	267	-
Other non-derivative financial liabilities at fair value	10,252	7,032	8,410	7,386	10,322	7,741
Other payables and deferred income	10,526	6,939	7,085	7,183	4,829	6,771
Total payables	122,971	101,486	98,697	81,541	77,390	73,612
Provisions	5	18	56	39	27	20
Subordinate loan capital	1,900	1,300	800	800	800	800
Equity	5,249	4,241	3,868	3,411	3,019	2,991
Total liabilities and equity	130,125	107,045	103,421	85,791	81,236	77,423
OFF-BALANCE SHEET ITEMS						
Guarantees	11,573	9,343	7,963	11,917	7,788	7,887
Other contingent liabilities	7,702	6,374	4,131	2,377	3,051	3,927
Total off-balance sheet items	19,275	15,717	12,094	14,294	10,839	11,814
FINANCIAL RATIOS						
Capital adequacy ratio, %	11.7	10.6	9.4	9.7	9.6	9.1
Core capital ratio, %	8.6	8.2	7.9	8.1	7.4	7.1
Return on equity before tax (pa), %	23.0	22.3	19.2	19.9	15.6	17.0
Return on equity after tax (pa), %	17.2	16.0	13.6	14.4	11.0	12.0
Income:cost ratio, DKK	2.28	2.26	2.09	2.17	1.85	1.84
Interest rate exposure, %	3.0	4.3	3.7	3.4	1.9	2.5
Foreign exchange position, %	13.4	5.7	11.6	13.6	14.2	11.1
Foreign exchange exposure, %	0.0	0.2	0.2	0.1	0.2	0.3
Loans and advances:deposits	1.7	1.4	1.6	1.1	1.1	1.5
Loans and advances:equity	7.4	7.6	9.0	7.7	8.2	7.7
Growth in loans and advances for the period, %	19.8	22.7	31.4	14.9	11.0	(5.3)
Excess cover:statutory requirements for liquidity, %	116.4	122.7	123.6	164.7	161.0	88.9
Total major exposures, %	183.8	336.4	497.9	364.4	281.5	335.0
Impairment losses for the period, %	0.0	(0.1)	0.0	0.0	0.1	0.3
Average number of full-time staff	565	492	476	420	345	318

Highlights - Nykredit Bank A/S

DKK million

	H1/ 2007	FY 2006*	H1/ 2006*	H1/ 2005*	H1/ 2004*	H1/ 2003*
INCOME STATEMENT						
Net interest income	428	753	336	437	312	404
Dividends, fees and commissions, net	126	203	102	75	38	33
Net interest and fee income	554	956	438	512	350	437
Value adjustments	345	486	184	43	100	8
Other operating income	5	19	12	9	11	65
Staff, administrative and other operating costs	380	669	311	256	220	192
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	1	2	1	0	2	2
Impairment losses on loans and receivables	3	(52)	(16)	(5)	24	80
Investments in associates and group enterprises	25	35	23	14	14	11
Profit before tax	545	877	361	327	229	247
Tax	137	250	107	91	68	74
Profit for the period	408	627	254	236	161	173
BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables from central banks and credit institutions	25,756	18,271	16,723	15,490	20,495	20,038
Loans, advances and other receivables at fair value	4,297	3,432	9,698	7,807	5,724	3,247
Loans, advances and other receivables at amortised cost	34,480	28,758	24,851	18,335	18,904	19,846
Bonds at fair value and equities	52,031	47,238	43,441	36,352	30,641	27,421
Investments in associates and group enterprises	315	297	175	158	142	105
Other assets and prepayments	11,881	8,183	8,283	7,503	5,378	6,759
Total assets	128,760	106,179	103,171	85,645	81,284	77,416
Liabilities and equity						
Payables to credit institutions and central banks	76,290	62,548	58,996	43,774	41,148	44,819
Deposits and other payables	23,459	22,764	22,271	22,427	20,850	14,300
Issued bonds at amortised cost	1,612	1,741	1,750	669	325	-
Other non-derivative financial liabilities at fair value	10,309	7,032	8,410	7,386	10,322	7,741
Other payables and deferred income	9,939	6,539	7,026	7,146	4,795	6,745
Total payables	121,609	100,624	98,453	81,402	77,440	73,605
Provisions	2	14	50	32	25	20
Subordinate loan capital	1,900	1,300	800	800	800	800
Equity	5,249	4,241	3,868	3,411	3,019	2,991
Total liabilities and equity	128,760	106,179	103,171	85,645	81,284	77,416
OFF-BALANCE SHEET ITEMS						
Guarantees	11,573	9,343	7,963	11,917	7,838	8,027
Other contingent liabilities	7,680	6,346	4,122	2,344	3,037	3,909
Total off-balance sheet items	19,253	15,689	12,085	14,261	10,875	11,936

Highlights - Nykredit Bank A/S

	H1/ 2007	FY 2006*	H1/ 2006*	H1/ 2005*	H1/ 2004*	H1/ 2003*
FINANCIAL RATIOS						
Capital adequacy ratio, %	11.8	10.6	9.4	9.8	9.6	9.1
Core capital ratio, %	8.7	8.3	7.9	8.2	7.5	7.1
Return on equity before tax (pa), %	23.0	22.3	19.2	19.9	15.6	17.0
Return on equity after tax (pa), %	17.2	16.0	13.6	14.4	11.0	12.0
Income:cost ratio, DKK *	2.42	2.42	2.22	2.30	1.93	1.90
Interest rate exposure, %	3.0	4.2	3.7	3.4	1.9	2.5
Foreign exchange position, %	13.4	5.4	11.6	13.6	14.2	11.1
Foreign exchange exposure, %	0.0	0.2	0.2	0.1	0.2	0.3
Loans and advances:deposits	1.7	1.4	1.6	1.2	1.2	1.6
Loans and advances:equity	7.4	7.6	8.9	7.7	8.1	7.7
Growth in loans and advances for the period, %	20.5	23.0	32.0	15.6	10.9	(5.1)
Excess cover:statutory requirements for liquidity, %	114.1	117.2	121.0	164.7	160.3	88.2
Total major exposures, %	183.8	336.4	497.9	364.4	282.0	335.0
Impairment losses for the period, %	0.0	(0.1)	0.0	0.0	0.1	0.3
Average number of full-time staff *	495	433	420	363	295	276

* Comparative figures and ratios have been restated following the merger between Nykredit Bank A/S and Nykredit Portefølje Bank A/S.

H1/2007

THE PERIOD IN BRIEF

Nykredit Bank A/S and the Nykredit Bank Group recorded a profit before tax of DKK 545m. Compared with H1/2006 when the corresponding amount was DKK 361m, this is an increase of 51% or DKK 184m, which is considered highly satisfactory.

Relative to H1/2006, net interest and fee income and value adjustments rose by DKK 285m to DKK 963m. The rise is attributable to an increasing level of activity within the business areas Corporate Banking and Markets & Asset Management, whose core income grew by DKK 112m and DKK 137m, respectively, while income from Retail Banking dropped by DKK 2m.

Income from securities not allocated to the business areas rose by DKK 31m to DKK 71m. Of this rise, core income showed a DKK 40m increase, while investment portfolio income was down DKK 9m on H1/2006.

Compared with the H1 Interim Report 2006, net interest income increased by DKK 101m to DKK 447m and value adjustments by DKK 159m to DKK 360m.

Net fee and commission income increased from DKK 131m to DKK 156m which mainly reflects the increase in activities within Corporate Banking and Markets & Asset Management.

Staff and administrative expenses totalled DKK

422m against DKK 341m in H1/2006. Wages and salaries accounted for an expense of DKK 253m compared with DKK 201m in H1/2006. The Bank's high level of activity brought about an increase in staff from an average of 476 in H1/2006 to 565 in 2007.

In addition to the higher activity level in general, the development in wages and salaries also reflects the increased business volume and nearly 30 staff transferred from Nykredit Realkredit A/S to Corporate Banking as part of the organisational change announced in Q4/2006. Finally, the expense is affected by increased provisions for performance pay.

Other administrative expenses were up DKK 28m to DKK 168m.

Impairment of loans and advances came to a loss of DKK 3m against income of DKK 12m in H1/2006. This development should mainly be seen in the context of the considerable reversals in H1/2006 of provisions for loan impairment within Retail Banking. H1/2007 reflects a more normal level. Provisions for loan impairment within Corporate Banking were largely flat compared with H1/2006. Total provisions for loan impairment came to DKK 86m as at 30 June 2007 against DKK 88m at end-2006 – a very low level which reflects the favourable economic climate in Denmark.

Calculated tax on profit for the period was DKK 137m equal to 25% of profit before tax.

Tax has been calculated based on the current tax rate of 25% adjusted for changes in deferred tax as a result of the reduction of company tax rate from 28% to 25% in Q2/2007 and for taxes for previous years of approximately DKK 10m (expense). For FY2007 the tax rate is expected to be around 25%.

Profit after tax came to DKK 408m against DKK 254m in H1/2006, resulting in a return on equity of 17.2% pa against 13.6% pa in H1/2006.

BUSINESS AREAS

The Nykredit Bank Group is organised in three intercompany business areas: Retail Banking, Corporate Banking and Markets & Asset Management. Retail Banking serves retail customers and small agricultural customers. Corporate Banking serves business, agricultural and rental housing customers, including housing society and non-profit housing customers. Markets & Asset Management handles the business of the Nykredit Group within securities trading, asset management and pension advice.

Retail Banking

For H1/2007 the Retail Banking area recorded a profit of DKK 67m against DKK 89m for H1/2006. The profit decrease can mainly be explained by the fact that impairment losses for H1/2006 constituted an income of DKK 24m against an income of DKK 6m in H1/2007. Core income and operating costs

The Nykredit Bank Group Profit before tax by business area

DKKm	Retail Banking		Corporate Banking		Markets & Asset Management		Group items ¹		Total	
	H1/2007	H1/2006	H1/2007	H1/2006	H1/2007	H1/2006	H1/2007	H1/2006	H1/2007	H1/2006
Core income	141	143	237	125	519	382	86	46	983	696
Operating costs	80	78	78	57	262	206	1	1	421	342
Core earnings before impairment losses	61	65	159	68	257	176	85	45	562	354
Impairment losses on loans and advances	(6)	(24)	9	12	0	0	-	-	3	(12)
Core earnings after impairment losses	67	89	150	56	257	176	85	45	559	366
Investment portfolio income ²	-	-	-	-	-	-	(14)	(5)	(14)	(5)
Profit before tax for the period	67	89	150	56	257	176	71	40	545	361
Income:costs	1.9	2.6	2.7	1.8	2.0	1.9	-	-	2.3	2.1
Average allocated business capital ³	909	777	2,400	1,656	874	786	25	21	4,208	3,240
Core earnings after impairment losses as a % of allocated business capital (pa)	14.7	22.9	12.5	6.8	58.8	44.5	-	-	26.6	22.6

¹ Include income from securities not allocated to the individual business areas but included in the Bank's own portfolio as well as non-allocated expenses.

² Investment portfolio income equals returns from own portfolios exceeding risk-free interest.

³ 8% of average risk-weighted assets allocated to the business areas.

remained largely at the level of H1/2007.

Retail lending came to around DKK 7bn against DKK 6.3bn at end-2006. This lift resulted mainly from increased lending through equity release accounts. Deposits totalled DKK 10.1bn compared with DKK 9.7bn at end-2006.

Corporate Banking

For H1/2007 the Corporate Banking area recorded a profit of DKK 150m against DKK 56m for H1/2006, up DKK 94m. A DKK 112m increase in core income to a total of DKK 237m was behind the marked lift. Operating costs rose by DKK 21m to DKK 78m, primarily as a result of higher expenses for wages and salaries.

The entire business area generally saw a favourable development with growing lending, increased trading in derivative financial instruments and a larger transaction volume. Growth in earnings from domestic and international corporate customers was substantial, and sales through the commercial centres of the Nykredit Group increased satisfactorily.

Impairment losses on loans and advances totalled DKK 9m against DKK 12m in H1/2006.

Corporate lending amounted to DKK 27.5bn compared with DKK 22.6bn at end-2006, up 21.6%. Q2/2007 generally saw growth in several of the loan products offered by this business area, with particularly fair growth within syndicated, fixed-asset and fixed-term loans.

Deposits stood at DKK 12.9bn at 30 June 2007 against DKK 12.8bn at end-2006.

Markets & Asset Management

Markets & Asset Management maintained the high activity level of recent quarters. H1 saw an increase in profit of DKK 81m from DKK 176m in H1/2006 to DKK 257m in H1/2007.

Compared with H1/2006 core income was up DKK 137m to DKK 519m. The increase was broad-based across the business area, with trading, foreign exchange, debt capital and asset management activities continuing the satisfactory trend, while income from own trading was markedly above the level of

H1/2006. Furthermore, consequential to the Aa3 rating assigned by Moody's Investors Service in Q2, the Bank has entered into its first major derivatives transactions with institutional customers.

Viewed separately, Q2/2007 saw a reduction in core income of around 3% relative to Q1/2007, which should be seen in the light of the interest rate increase towards the end of the quarter that had an adverse effect on the Bank's own trading positions.

Compared with H1/2006 operating costs rose by DKK 56m to DKK 262m. The rise was expected and relates to the increased level of activity which led to higher staff expenses.

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

Balance sheet

The balance sheet stood at DKK 130.1bn at 30 June 2007 equal to an increase of some DKK 23bn compared with end-2006.

Receivables from credit institutions rose from DKK 18.4bn at end-2006 to DKK 26.2bn at 30 June 2007. Repo transactions accounted for DKK 9.5bn of this rise, while other balances dropped by DKK 1.7bn.

Loans, advances and other receivables at amortised cost and fair value were up from DKK 32.4bn at end-2006 to DKK 38.8bn. Of the DKK 6.4bn increase, Retail Banking delivered around DKK 0.8bn and Corporate Banking around DKK 5.0bn, while repo transactions increased by around DKK 0.6bn.

The portfolio of bonds and equities grew from DKK 48bn at end-2006 to DKK 53.1bn at 30 June 2007. The portfolio size and development relative to end-2006 should be seen in the context of the considerable repo activities of the Bank.

The Nykredit Bank Group Changes in equity

DKKm	30 June 2007	30 June 2006	31 December 2006
Equity, beginning of period	4,241	3,614	3,614
Paid-up capital	600	-	-
Profit for the period	408	254	627
Equity, end of period	5,249	3,868	4,241

The Nykredit Bank Group Capital base and capital adequacy

DKKm	30 June 2007	30 June 2006	31 December 2006
Share capital, beginning of period	1,400	1,400	1,400
Capital increase and premium	600	-	-
Profit for the period	408	-	-
Retained earnings	2,841	2,214	2,841
Total core capital	5,249	3,614	4,241
Supplementary capital	1,900	800	1,300
Statutory deductions from core capital and supplementary capital	121	135	113
Total, end of period	7,028	4,279	5,428
Weighted items not included in the trading portfolio	51,226	34,998	40,502
Weighted items incurring market risk	8,767	10,479	10,631
Total weighted items	59,993	45,477	51,133
Capital adequacy ratio, %	11.7	9.4	10.6
Core capital ratio, %	8.6	7.9	8.2

Other assets and prepayments totalled DKK 12bn against DKK 8.2bn at end-2006. The item mainly consists of interest and commissions receivable, including "positive market values of derivative financial instruments".

Payables to credit institutions and central banks rose from DKK 63.1bn at end-2006 to DKK 77.3bn at end-H1/2007. Repo activities accounted for DKK 4.3bn of this rise.

Deposits amounted to DKK 23.3bn, which was largely unchanged compared with end-2006 when deposits were DKK 22.7bn.

Issued bonds totalled DKK 1.6bn against DKK 1.7bn at end-2006. The Bank made one issue in 2007 – "NB Argentina" – while bonds worth DKK 100m matured. The majority of the issued bonds are quoted on the Copenhagen Stock Exchange.

Other non-derivative financial liabilities at fair value came to DKK 10.2bn against DKK 7bn at end-2006. The item consists mainly of "negative securities portfolios" that form part of the Bank's repo activities.

Other payables and deferred income amounted to DKK 10.5bn against DKK 6.9bn at end-2006. The item mainly consists of interest and commissions payable, including "negative market values of derivative financial instruments".

Relative to end-2006, subordinate loan capital rose by DKK 600m to DKK 1,900m. The capital was provided by the Parent Company Nykredit Realkredit A/S to support the favourable development in the Bank's business areas.

Equity

Equity stood at DKK 5,249m at 30 June 2006 compared with DKK 4,241m at end-2006. The increase of DKK 1,008m breaks down into DKK 600m of new paid-up capital and profit for the period of DKK 408m. DKK 300m of the paid-up capital was premium.

Capital adequacy

The Bank has included profit for the period in the determination of capital adequacy as from the H1 Interim Report 2007. Combined with the injection of new core and supplementary capital of an aggregate DKK 1.2bn, this explains the higher capital adequacy and core capital ratios.

The Nykredit Bank Group's capital adequacy ratio came to 11.7%, while the core capital ratio was 8.6%. Excluding profit for the period, the capital adequacy and core capital ratios were 11.0% and 7.9%, respectively.

Nykredit Bank A/S's capital adequacy ratio was 11.8% and the core capital ratio 8.7%. Excluding profit for the period, the ratios were 11.1% and 8.0%, respectively.

Capital resources and capital requirements

Nykredit Bank must have sufficient capital resources to sustain its risk profile and growth strategy. In the Nykredit Group, capital resources are as far as possible concentrated in the Parent Company Nykredit Realkredit A/S. Nykredit Bank has an internal target of maintaining a buffer of at least 1 percentage point at all times in relation to the statutory capital adequacy requirements.

From 2008, it will be possible to apply advanced models in the determination of the statutory capital requirement. Nykredit Bank has submitted an application to the Danish Financial Supervisory Authority for permission to apply advanced models with respect to the retail loan portfolio and implement advanced models for the commercial loan portfolio. In respect of government and credit institution exposures, the Bank has applied for permission to use the standard method.

The Bank's capital base and capital adequacy requirements are determined based on economic business capital, ie the capital necessary to cover (at a given probability) the statistically maximum losses within a time horizon of one year. Economic business capital is based on models for credit and market risk developed in-house.

Nykredit Bank plans to publish detailed information on risk and capital management in the course of Q4/2007.

Financial risk

For details on methods for determination and description of financial risk, please refer to the Annual Report 2006. Significant financial risks include:

The Nykredit Bank Group's Value-at-Risk came to DKK 17.0m at 30 June 2007 against DKK 14.8m at end-2006. On average, VaR amount-

ed to DKK 12.9m in H1/2007 against DKK 10.6m for FY2006.

The interest rate exposure totalled DKK 160m at end-H1/2007 against DKK 182m at end-2006.

Exchange Rate Indicator 1 came to DKK 708m at end-H1 against DKK 242m at end-2006.

Outlook for 2007

As a whole, H1/2007 was characterised by the positive development already prevailing at the presentation of the Q1 Interim Report 2007. Compared with a profit before tax of DKK 320m for Q1/2007, however, the Q2 profit dropped to DKK 225m, partly owing to increased impairment losses and lower core income in the wake of the interest rate increase towards the end of H1/2007, which had a negative impact on the Bank's own trading activities.

In conclusion, Management expects a profit before tax of around DKK 0.9-1.0bn for FY2007, up DKK 100m on the forecast made in the Q1 Interim Report 2007.

A considerable part of the Bank's income is market-dependent, which generally calls for a prudent assessment of the development and earnings.

OTHER

As previously announced, Nykredit Bank A/S merged with its subsidiary Nykredit Portefølje Bank A/S. The merger was effective from 1 January 2007. The merger does not affect the interim profit, nor the Bank's/Bank Group's equity, since the subsidiary has so far been recognised at its equity value. The most important adjustments made to the balance sheet of Nykredit Bank A/S are specified on pages 26 and 27 of this Interim Report.

The merger as such is not expected to affect the Bank's earnings for 2007.

Nykredit Portefølje Administration A/S has so far been a subsidiary of Nykredit Portefølje Bank A/S, but will in future be owned directly by Nykredit Bank A/S and recognised as a subsidiary in Nykredit Bank's financial statements.

To support the positive development in the Bank's business areas, the Parent Company Nykredit Realkredit A/S has increased the Bank's capital resources by DKK 1.2bn in the form of subordinate loan capital and equity of DKK 600m each.

Events occurred after 30 June 2007

No material events have occurred in the period up to the presentation of the H1 Interim Report.

Uncertainty about 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. For a detailed description, please refer to page 14 of the Annual Report for 2006.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the H1 Interim Report.

ACCOUNTING POLICIES

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

The financial statements of the Parent Company have been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

issued by the Danish Financial Supervisory Authority, including the Executive Order on the application of IFRS of financial companies.

The accounting policies are unchanged relative to the Annual Report for 2006. Please refer to the description of the accounting policies of Nykredit Bank and the Nykredit Bank Group contained in the Annual Report for 2006 at nykredit.com.

With respect to the H1 Interim Report 2007, note in particular that the merger of the subsidiary Nykredit Portefølje Bank A/S was effective from 1 January 2007. Nykredit Bank A/S's comparative figures for 2006 and material items of the five-year statements have therefore been adapted to the effect of the merger to achieve a better basis for comparison of the individual items in the income statement and the balance sheet. The merger balance sheet as at 1 January 2007 is available in summary on pages 26 and 27 of this Interim Report. Since the subsidiary has so far been measured according to the equity method, neither results nor equity are affected by the merger.

The comparative figures of the Nykredit Bank Group are not affected by the merger.

Statement by the Executive Board and the Board of Directors on the Interim Report

The Board of Directors and the Executive Board have today reviewed and approved the H1 Interim Report for 1 January-30 June 2007 of Nykredit Bank A/S and the Nykredit Bank Group.

The Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by

Copenhagen, 16 August 2007

the EU. The H1 Interim Report of the Parent Company has been prepared in accordance with the Danish Financial Business Act. The H1 Interim Report has furthermore been prepared in accordance with the Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the H1 Interim Report gives a

true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2007 and the results of the Group's and the Parent Company's activities as well as the Group's cash flows for the financial period 1 January-30 June 2007.

The H1 Interim Report has not been audited.

BOARD OF DIRECTORS

Henning Kruse Petersen, Chairman

Søren Holm, Deputy Chairman

Per Ladegaard

Henrik Asmussen, staff-elected

Allan Kristiansen, staff-elected

EXECUTIVE BOARD

Kim Duus

Karsten Knudsen

Financial highlights – six quarters

DKK million

The Nykredit Bank Group	Q2/ 2007	Q1/ 2007	Q4/ 2006	Q3/ 2006	Q2/ 2006	Q1/ 2006
SUMMARY INCOME STATEMENT						
Net interest income	215	232	194	235	229	117
Dividend, fee and commission income, net	81	75	67	59	65	66
Net interest and fee income	296	307	261	294	294	183
Value adjustments	163	197	228	93	81	120
Other operating income	6	2	5	4	5	8
Staff, administrative and other operating costs	224	198	230	168	187	154
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	0	1	2	1	0	1
Impairment losses on loans and receivables	16	(13)	(24)	(8)	(6)	(6)
Profit before tax	225	320	286	230	199	162
Tax	48	89	79	64	62	45
Profit for the period	177	231	207	166	137	117
BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables from central banks and credit institutions	26,151	19,052	18,438	21,609	16,700	15,365
Loans, advances and other receivables at fair value	4,006	3,295	3,432	4,477	9,698	5,014
Loans, advances and other receivables at amortised cost	34,826	34,084	28,983	25,852	25,020	21,950
Bonds at fair value	52,828	52,269	47,697	45,794	43,340	45,946
Equities	301	281	258	278	330	280
Investment and owner-occupied properties	73	73	73	72	247	247
Other assets and prepayments	11,940	8,846	8,164	8,301	8,086	7,384
Total assets	130,125	117,900	107,045	106,383	103,421	96,186
Liabilities and equity						
Payables to credit institutions and central banks	77,269	72,670	63,107	59,869	59,271	49,402
Deposits and other payables	23,312	21,903	22,667	21,041	22,181	24,329
Issued bonds at amortised cost	1,612	1,630	1,741	1,702	1,750	1,741
Other non-derivative financial liabilities at fair value	10,252	8,020	7,032	11,025	8,410	9,954
Other liabilities and deferred income	10,526	7,888	6,939	7,356	7,085	6,173
Total payables	122,971	112,111	101,486	100,993	98,697	91,599
Provisions	5	17	18	56	56	56
Subordinate loan capital	1,900	1,300	1,300	1,300	800	800
Equity	5,249	4,472	4,241	4,034	3,868	3,731
Total liabilities and equity	130,125	117,900	107,045	106,383	103,421	96,186
OFF-BALANCE SHEET ITEMS						
Guarantees	11,573	9,247	9,343	7,492	7,963	8,493
Other contingent liabilities	7,702	6,163	6,374	5,086	4,131	3,600
Total off-balance sheet items	19,275	15,410	15,717	12,578	12,094	12,093
FINANCIAL RATIOS						
Capital adequacy ratio, %	11.7	9.8	10.6	10.9	9.4	9.8
Core capital ratio, %	8.6	7.7	8.2	8.0	7.9	8.4
Return on equity before tax (pa), %	18.5	29.3	27.6	23.3	21.0	17.7
Return on equity after tax (pa), %	14.6	21.2	20.0	16.8	14.4	12.7
Income:cost ratio, DKK	1.94	2.72	2.38	2.43	2.09	2.09
Interest rate exposure, %	3.0	4.3	4.3	1.1	3.7	3.0
Impairment losses for the period, %	0.0	0.0	(0.1)	(0.1)	0.0	0.0

Income statements H1/2007

DKK million

Nykredit Bank A/S			Note	The Nykredit Bank Group	
H1/ 2006*	H1/ 2007			H1/ 2007	H1/ 2006
1,267	2,217	Interest income	1	2,262	1,281
931	1,789	Interest expense	2	1,815	935
336	428	NET INTEREST INCOME		447	346
4	3	Dividend on equities		3	4
248	278	Fee and commission income		322	278
150	155	Fee and commission expense		169	151
438	554	NET INTEREST AND FEE INCOME		603	477
184	345	Value adjustments	3	360	201
12	5	Other operating income		8	13
311	380	Staff and administrative expenses	4	421	341
1	1	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets		1	1
0	-	Other operating costs		1	0
(16)	3	Impairment losses on loans and receivables	5	3	(12)
23	25	Profit from investments in associates and group enterprises	6	-	-
361	545	PROFIT BEFORE TAX FOR THE PERIOD		545	361
107	137	Tax for the period	7	137	107
254	408	PROFIT FOR THE PERIOD		408	254

* Income statements, balance sheets and notes have been restated following the merger between Nykredit Bank A/S and Nykredit Portefølje Bank A/S.

Balance sheets, end of period

DKK million

Nykredit Bank A/S		Note	The Nykredit Bank Group	
31.12.2006*	30.06.2007		30.06.2007	31.12.2006
ASSETS				
33	31		31	33
18,238	25,725	8	26,120	18,405
3,432	4,297	9	4,006	3,432
28,758	34,480	9	34,826	28,983
46,980	51,730	10	52,828	47,697
258	301		301	258
40	46		-	-
257	269		-	-
Land and buildings				
72	71		71	72
-	-		2	1
72	71		73	73
4	4		7	6
-	1		-	-
8,105	11,804	11	11,929	8,153
2	1		4	5
106,179	128,760		130,125	107,045

* Income statements, balance sheets and notes have been restated following the merger between Nykredit Bank A/S and Nykredit Portefølje Bank A/S.

Balance sheets, end of period

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.12.2006*	30.06.2007		Note	30.06.2007	31.12.2006
LIABILITIES AND EQUITY					
62,548	76,290	Payables to credit institutions and central banks	12	77,269	63,107
22,764	23,459	Deposits and other payables	13	23,312	22,667
1,741	1,612	Issued bonds at amortised cost	14	1,612	1,741
7,032	10,309	Other non-derivative financial liabilities at fair value	15	10,252	7,032
74	203	Current tax liabilities		217	83
6,462	9,734	Other liabilities	16	10,297	6,852
3	2	Deferred income		12	4
100,624	121,609	Total payables		122,971	101,486
Provisions					
9	0	– Provisions for deferred tax		3	13
5	2	– Other provisions		2	5
14	2	Total		5	18
1,300	1,900	Subordinate loan capital	17	1,900	1,300
Equity					
1,400	1,700	Share capital	18	1,700	1,400
147	70	Other reserves		-	-
2,694	3,479	Retained earnings		3,549	2,841
4,241	5,249	Total		5,249	4,241
106,179	128,760	TOTAL LIABILITIES AND EQUITY		130,125	107,045
OFF-BALANCE SHEET ITEMS					
9,343	11,573	Guarantees		11,573	9,343
6,346	7,680	Other contingent liabilities		7,702	6,374
15,689	19,253	Total	19	19,275	15,717
		Foreign exchange and interest rate exposures	20		
		Contingent liabilities	21		
		Hedge accounting	22		
		Related parties	23		
		Group structure	24		

* Income statements, balance sheets and notes have been restated following the merger between Nykredit Bank A/S and Nykredit Portefølje Bank A/S.

Statement of changes in equity

DKK million

Nykredit Bank A/S

	Share capital *	Other reserves Revaluation reserve under the equity method	Retained earnings	Total
2007				
Equity, 1 January 2007	1,400	147	2,694	4,241
Paid-up share capital	300			300
Paid-up premium			300	300
Profit for the period			408	408
Other disposals/additions		(77)	77	0
Total comprehensive income	300	(77)	785	1,008
Equity, 30 June 2007	1,700	70	3,479	5,249
2006				
Equity, 1 January 2006	1,400	131	2,083	3,614
Profit for the period, H1		27	227	254
Other disposals/additions, H1		(35)	35	0
Total comprehensive income, H1	0	(8)	262	254
Equity, 30 June 2006	1,400	123	2,345	3,868
Profit for the period, H2		24	349	373
Other disposals/additions, H2				0
Total comprehensive income, H2	0	24	349	373
Equity, 31 December 2006	1,400	147	2,694	4,241
<p>* Share capital consists of 12 shares in multiples of DKK 1m. Nykredit Bank A/S is wholly-owned by Nykredit Realkredit A/S, Copenhagen. Nykredit Bank A/S is included in the Consolidated Financial Statements of this company and the consolidated financial statements of Foreningen Nykredit, Copenhagen, which owns 86.71% of Nykredit Realkredit A/S.</p>				

Statement of changes in equity

DKK million

The Nykredit Bank Group

	Share capital *	Other reserves	Retained earnings	Total
2007				
Equity, 1 January 2007	1,400	-	2,841	4,241
Paid-up share capital	300			300
Paid-up premium			300	300
Profit for the period			408	408
Total comprehensive income	300	-	708	1,008
Equity, 30 June 2007	1,700	-	3,549	5,249
2006				
Equity, 1 January 2006	1,400	-	2,214	3,614
Profit for the period, H1			254	254
Total comprehensive income, H1	0	-	254	254
Equity, 30 June 2006	1,400	-	2,468	3,868
Profit for the period, H2		-	373	373
Total comprehensive income, H2		-	373	373
Equity, 31 December 2006	1,400	-	2,841	4,241
<p>* Share capital consists of 12 shares in multiples of DKK 1m. Nykredit Bank A/S is wholly-owned by Nykredit Realkredit A/S, Copenhagen. Nykredit Bank A/S is included in the Consolidated Financial Statements of this company and the consolidated financial statements of Foreningen Nykredit, Copenhagen, which owns 86.71% of Nykredit Realkredit A/S.</p>				

Core earnings and investment portfolio income

DKK million

The Nykredit Bank Group

CORE EARNINGS AND INVESTMENT PORTFOLIO INCOME	H1/2007			H1/2006		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	433	14	447	340	6	346
Dividend on equities	0	3	3	3	1	4
Fee and commission income, net	155	(2)	153	127	0	127
Net interest and fee income	588	15	603	470	7	477
Value adjustments	387	(27)	360	213	(12)	201
Other operating income	8	0	8	13	0	13
Total income	983	(12)	971	696	(5)	691
Staff and administrative expenses	419	2	421	341	0	341
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	1	0	1	1	0	1
Other operating costs	1	0	1	-	0	0
Impairment losses on loans and receivables	3	0	3	(12)	0	(12)
Profit before tax for the period	559	(14)	545	366	(5)	361

Cash flow statement

DKK million

	The Nykredit Bank Group	
	30.06.2007	30.06.2006
Profit after tax for the period	408	254
Adjustment for non-cash operating items, depreciation, amortisation and impairment losses		
Depreciation and impairment losses for property, plant and equipment	1	1
Impairment losses on loans and receivables	6	(9)
Tax calculated on profit for the period	137	107
Total	144	99
Profit for the period adjusted for non-cash operating items	552	353
Change in working capital		
Loans, advances and other receivables	(6,470)	(8,324)
Deposits and other payables	660	97
Payables to credit institutions and central banks	13,940	14,579
Bonds at fair value	(5,084)	(7,414)
Equities	(43)	(63)
Other working capital	2,758	1,352
Total	5,761	227
Corporation tax paid, net	(11)	(21)
Cash flows from operating activities	6,302	559
Cash flows from investing activities		
Property, plant and equipment	(2)	2
Total	(2)	2
Cash flows from financing activities		
Capital contribution	600	0
Subordinated debt	600	0
Issued bonds	6	1,096
Total	1,206	1,096
Total cash flows	7,506	1,657
Cash and cash equivalents, beginning of period	18,438	15,031
Foreign currency translation adjustment of cash	207	12
Cash and cash equivalents, end of period	26,151	16,700
Cash and cash equivalents, end of period		
Cash and cash equivalents, end of period, specified as:		
Cash balance and demand deposits with central banks	31	31
Receivables from credit institutions and central banks	26,120	16,669
Cash and cash equivalents, end of period	26,151	16,700

Notes

Nykredit Bank A/S			The Nykredit Bank Group	
2006	2007		2007	2006
1. INTEREST INCOME				
158	326	Receivables from credit institutions and central banks	335	158
551	958	Loans, advances and other receivables	967	560
680	881	Bonds	908	686
(123)	52	Total derivative financial instruments	52	(123)
Of which				
19	9	- Foreign exchange contracts	9	19
(142)	42	- Interest rate contracts	42	(142)
1	0	Other interest income	0	0
1,267	2,217	Total	2,262	1,281
Of which interest income from genuine purchase and resale transactions entered as:				
95	234	Receivables from credit institutions and central banks	244	95
69	76	Loans, advances and other receivables at fair value	73	69
Of total interest income:				
482	974	Interest income accrued on financial assets measured at amortised cost	985	491
4	3	Interest income from finance leases	20	17
2. INTEREST EXPENSE				
618	1,260	Credit institutions and central banks	1,291	623
295	464	Deposits and other payables as well as non-derivative financial liabilities at fair value	460	294
5	33	Issued bonds	33	5
13	31	Subordinate loan capital	30	13
0	1	Other interest expense	1	0
931	1,789	Total	1,815	935
Of which interest expense for genuine sale and repurchase transactions entered as:				
151	292	Payables to credit institutions and central banks	311	151
12	21	Non-derivative financial liabilities at fair value	20	12
Issued bonds				
3	5	Offset interest on the Bank's own portfolio of own bonds	5	3
Of total interest expense:				
919	1,444	Interest expense accrued on financial liabilities measured at amortised cost	1,453	923
3. VALUE ADJUSTMENTS				
0	51	Other loans, advances and receivables at fair value	66	17
(609)	(638)	Bonds	(659)	(609)
27	41	Equities	41	27
(1)	0	Investment properties	0	(1)
27	49	Foreign exchange	49	27
740	842	Foreign exchange, interest rate, equity, commodity and other contracts as well as other derivative financial instruments	863	740
184	345	Total	360	201
Of which value adjustment of hedge accounting instruments:				
(32)	36	Fair value hedging	36	(32)

Notes

Nykredit Bank A/S			The Nykredit Bank Group	
2006	2007		2007	2006
4. STAFF AND ADMINISTRATIVE EXPENSES				
Remuneration of Board of Directors and Executive Board				
0	0	Board of Directors	0	0
3	2	Executive Board	2	3
3	2	Total	2	3
<p>Each staff-elected Board of Directors representative receives an annual remuneration of DKK 60,000. Remuneration of the Executive Board consists of remuneration of Kim Duus, Managing Director. Karsten Knudsen, Managing Director of Nykredit Bank, is a member of the Parent Company Nykredit Realkredit A/S's Group Executive Board and is remunerated by the Parent Company. In addition to the remuneration mentioned above, Kim Duus, Managing Director, is remunerated in the form of a company car. In Q1/2006 the item also included remuneration of Jes Klausby, Managing Director.</p> <p>Members of the Executive Board receive a fixed salary. No bonus plans have been established. Executive Board members do not receive remuneration as directors of group enterprises and associates. The pensionable age for members of the Executive Board is 65 years. No agreements have been made for pension benefits for Executive Board members. The term of notice is 12 months. Upon resignation at Nykredit Bank A/S's request, Executive Board members are entitled to termination benefits equal to six months' gross salary.</p>				
Staff expenses				
151	191	Wages and salaries	212	169
14	16	Pensions (defined contribution plans)	18	15
13	19	Social security expenses	21	14
178	226	Total	251	198
130	152	Other administrative expenses	168	140
311	380	Total staff and administrative expenses	421	341
420	495	Average number of staff for the period, full-time equivalents	565	476
5. IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES				
Effect on profit				
18	5	Impairment losses for the period, net	6	22
(31)	(2)	Reversed impairment losses	(4)	(31)
(4)	(3)	Received on loans and advances previously written off as impairment losses	(2)	(4)
1	3	Lost (not previously written off individually as impairment losses)	3	1
(16)	3	Total	3	(12)
(25)	2	Of which individual impairment losses	2	(21)
9	1	Of which group-based impairment losses	1	9
Provisions for loan and receivable impairment at amortised cost				
Individual impairment provisions				
130	17	1 January	27	132
9	4	Impairment provisions for the period	5	13
(31)	(2)	Reversed impairment provisions	(4)	(31)
(21)	(3)	Lost finally, now deducted from total impairment provisions	(4)	(20)
87	16	Individual impairment provisions at 30 June	24	94
Group-based impairment provisions				
50	61	1 January	61	50
9	1	Impairment provisions for the period	1	9
59	62	Total at 30 June	62	59
180	78	Total impairment provisions, 1 January	88	182
146	78	Total impairment provisions, 30 June	86	153
0	0	Impairment provisions for credit institutions and provisions for guarantees	0	0

Notes

Nykredit Bank A/S			The Nykredit Bank Group	
2006	2007		2007	2006
		6. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES		
10	7	Profit before tax from investments in associates	-	-
13	18	Profit before tax from investments in group enterprises	-	-
23	25	Total	-	-
		7. TAX FOR THE PERIOD		
30	25	Tax as a % of profit for the period	25	30
		For the full year, the tax expense is expected to land around 25% of profit for the year. Tax has been computed based on the current tax rate of 25%.		
		8. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
2,973	349	Receivables at call with central banks	349	2,973
15,265	25,376	Receivables from credit institutions	25,771	15,432
18,238	25,725	Total	26,120	18,405
8,734	17,935	Of which genuine purchase and resale transactions	18,349	8,887
		9. LOANS AND ADVANCES AT FAIR VALUE AND AMORTISED COST		
3,432	4,297	Loans, advances and other receivables at fair value 1)	4,006	3,432
28,758	34,480	Loans, advances and other receivables at amortised cost	34,826	28,983
32,190	38,777	Total	38,832	32,415
3,432	4,297	1) of which genuine purchase and resale transactions	4,006	3,432
3,404	3,241	Of total loans and advances, fixed-rate loans represent	3,241	3,404
3,419	3,204	Market value of fixed-rate loans	3,204	3,419
		The market value adjustment has been recognised in the income statement.		
		10. BONDS AT FAIR VALUE		
32,485	36,214	Mortgage bonds	36,767	32,903
6,855	5,896	Government bonds	6,233	6,919
7,919	9,952	Other bonds and claims priced in active markets	10,160	8,154
47,259	52,062	Total	53,160	47,976
279	332	Own bonds offset against issued bonds, cf note 14	332	279
46,980	51,730	Total	52,828	47,697
13,148	18,187	Assets sold as part of genuine sale and repurchase transactions	18,641	13,564
25,698	24,375	As collateral security for the Danish central bank, Danmarks Nationalbank, and clearing centres, etc, bonds have been deposited of a total market value of	24,375	25,698
		11. OTHER ASSETS		
3,560	4,016	Interest and commission receivable	4,057	3,609
4,467	7,555	Positive market value of derivative financial instruments	7,602	4,467
78	233	Other assets	270	77
8,105	11,804	Total	11,929	8,153

Notes

Nykredit Bank A/S			The Nykredit Bank Group	
2006	2007		2007	2006
12. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS				
20,868	22,309	Payables to credit institutions	22,309	20,868
41,680	53,981	Payables to central banks	54,960	42,239
62,548	76,290	Total	77,269	63,107
13,375	17,536	Of which genuine sale and repurchase transactions	17,986	13,701
13. DEPOSITS AND OTHER PAYABLES				
14,156	12,792	On demand	12,644	14,059
0	702	At notice	702	0
7,871	9,199	Time deposits	9,199	7,871
737	766	Special deposits	767	737
22,764	23,459	Total	23,312	22,667
14. ISSUED BONDS AT AMORTISED COST				
2,066	1,971	Total issues	1,971	2,066
(325)	(359)	Amortisation and own portfolio	(359)	(325)
1,741	1,612	Total	1,612	1,741
Issues				
325	325	*2003 to 2008 Bond loan (DKK)	325	325
239	239	*2005 to 2016 Curve steepener (DKK)	239	239
100	0	*2005 to 2007 Range Accrual Note (DKK)	0	100
100	100	*2005 to 2010 Basket Barrier (DKK)	100	100
23	22	2005 to 2010 Index-linked (DKK)	22	23
574	574	*2006 to 2008 Nykredit Højrente I (EUR 77m)	574	574
649	648	*2006 to 2008 Nykredit Højrente II (EUR 87m)	648	649
56	57	2006 to 2011 NB Credit Pick (EUR 7.5m)	57	56
0	6	2007 to 2009 NB Argentina	6	0
2,066	1,971	Total nominal value	1,971	2,066
(46)	(27)	Amortisation of transaction costs and other adjustments	(27)	(46)
279	332	Own portfolio	332	279
1,741	1,612	Total	1,612	1,741
1,987	1,886	* Listed on the Copenhagen Stock Exchange The issues carry floating interest rates	1,886	1,987
15. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE				
28	827	Deposits at fair value	770	28
7,004	9,482	Negative securities portfolios	9,482	7,004
7,032	10,309	Total	10,252	7,032
28	827	Of which genuine sale and repurchase transactions	770	28
16. OTHER LIABILITIES				
3,185	4,095	Interest and commission payable	4,116	3,158
3,096	5,486	Negative market value of derivative financial instruments	5,968	3,245
181	153	Other payables	213	449
6,462	9,734	Total	10,297	6,852

Notes

Nykredit Bank A/S			The Nykredit Bank Group	
2006	2007		2007	2006
17. SUBORDINATE LOAN CAPITAL				
Subordinate loan capital consists of liabilities which, in case of voluntary or compulsory liquidation, will not be repaid until after the claims of ordinary creditors have been met. The loan capital below was granted by Nykredit Realkredit A/S. The loan capital forms part of the supplementary capital and has been included in full in the capital base.				
The loan was granted in 2003 and falls due on 1 December 2011. No principal payments will be made on the loan during its term. The loan carries a floating interest rate.				
500	500		500	500
The loan was granted in 2005 and falls due on 22 April 2013. No principal payments will be made on the loan during its term. The loan carries a floating interest rate.				
300	300		300	300
The loan was granted in 2006 and falls due on 30 September 2014. No principal payments will be made on the loan during its term. The loan carries a floating interest rate.				
500	500		500	500
The loan was granted in 2007 and falls due on 30 June 2015. No principal payments will be made on the loan during its term. The loan carries a floating interest rate.				
-	600		600	-
1,300	1,900	Total	1,900	1,300
18. EQUITY AND CAPITAL ADEQUACY				
Equity				
Share capital, beginning of period				
1,400	1,400		1,400	1,400
Paid-up share capital				
-	300		300	-
1,400	1,700	Share capital, end of period	1,700	1,400
Statutory reserves				
Reserve for net revaluation according to the equity method, beginning of period				
131	147		-	-
Merger-related disposals				
-	(77)		-	-
Other movements in the period				
16	0		-	-
147	70	Total, end of period	-	-
Retained earnings, beginning of period				
2,083	2,694		2,841	2,214
Paid-up premium on capital increase				
-	300		300	-
Transfers in the period				
611	485		408	627
2,694	3,479	Total, end of period	3,549	2,841
Equity, beginning of period				
3,614	4,241		4,241	3,614
Equity, end of period				
4,241	5,249		5,249	4,241
Capital adequacy				
Core capital				
4,241	5,249		5,249	4,241
Supplementary capital				
1,300	1,900		1,900	1,300
Statutory deductions from core capital and supplementary capital				
113	121		121	113
5,428	7,028	Total	7,028	5,428
Weighted items not included in the trading portfolio				
40,262	51,086		51,226	40,502
Weighted items incurring market risk				
10,530	8,556		8,767	10,631
50,792	59,642	Total	59,993	51,133
Core capital after statutory deductions as a % of weighted items				
8.3	8.7		8.6	8.2
Capital adequacy ratio, %				
10.6	11.8		11.7	10.6
19. OFF-BALANCE SHEET ITEMS				
Financial guarantees				
7,182	9,168		9,168	7,182
Registration and refinancing guarantees				
120	65		65	120
Other guarantees				
2,041	2,340		2,340	2,041
9,343	11,573	Total guarantees	11,573	9,343
Irrevocable credit commitments				
6,238	7,572		7,573	6,238
Other commitments				
108	108		129	136
6,346	7,680	Total other contingent liabilities	7,702	6,374

Notes

Nykredit Bank A/S			The Nykredit Bank Group	
2006	2007		2007	2006
20. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES				
Foreign exchange exposure				
229	708	Exchange Rate Indicator 1	708	242
5.4	13.4	Exchange Rate Indicator 1 as a % of core capital after statutory deductions	13.4	5.7
6	2	Exchange Rate Indicator 2	2	6
0.2	0.0	Exchange Rate Indicator 2 as a % of core capital after statutory deductions	0.0	0.2
Interest rate risk by currency involving the highest interest rate exposure				
397	345	DKK	360	412
(225)	(189)	EUR	(202)	(236)
5	13	SEK	13	5
2	(15)	NOK	(15)	2
6	0	PLN	0	6
0	1	GBP	1	0
0	2	CHF	2	0
(8)	0	JPY	0	(8)
1	1	Other currencies	1	1
178	158	Total	160	182
21. CONTINGENT LIABILITIES				
As part of its day-to-day operations, the Bank is involved in legal proceedings and disputes. The Bank is of the opinion that the outcome thereof will have no material effect on its financial position.				
22. HEDGE ACCOUNTING				
According to the accounting provisions, some loans, advances and deposits must, initially, be measured at amortised cost, while derivative financial instruments have been measured at fair value. To obtain accounting symmetry between hedging and hedged transactions, fair value adjustment of the financial assets and liabilities that form part of effective hedge accounting has been allowed. The fair value adjustment exclusively concerns the hedged part (the interest rate exposure).				
Hedged fixed-rate assets				
3,404	3,241	Loans, advances and other receivables at amortised cost	3,241	3,404
3,404	3,241	Total	3,241	3,404
Market value of hedged fixed-rate assets				
3,419	3,204	Loans, advances and other receivables at amortised cost	3,204	3,419
3,419	3,204	Total carrying amount	3,204	3,419
Fair value adjustment				
15	(37)	Loans, advances and other receivables at amortised cost	(37)	15
15	(37)	Total fair value adjustment	(37)	15
Hedging derivative financial instruments				
4,056	3,223	Nominal value (synthetic principal)	3,223	4,056
(16)	36	Market value adjustment (negative/positive market value)	36	(16)
(1)	(1)	Total fair value adjustment difference	(1)	(1)

Notes

23. RELATED PARTIES

The Parent Company Nykredit Realkredit A/S, its group enterprises and associates as well as group enterprises and associates of the Nykredit Bank Group are regarded as related parties.

No unusual related party transactions occurred in H1/2007.

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

Intercompany trade and services took place on an arm's length or a cost recovery basis.

Important related party transactions prevailing in H1/2007 include:

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

On specific occasions, Nykredit Holding A/S has issued guarantees or letters of comfort to third parties. Nykredit Holding A/S has issued guarantees to Nykredit Bank A/S covering pre-fixed loss amounts with respect to some of the Bank's exposures.

Notes

DKK million

The Nykredit Bank Group

24. GROUP STRUCTURE

	Profit after tax 2006	Equity 31.12.2006	Share capital 31.12.06	Carrying amount 31.12.2006	Ownership share, % 30.06.2007	H1/2007 Profit after tax**	Nykredit Bank's share of profit for the period	Equity 30.06.2007**	Carrying amount 30.06.2007
Nykredit Bank A/S (Parent Company)	627	4,241	* 1,400	-	-	408	-	5,249	-
Consolidated subsidiaries									
Nykredit Portefølje Administration A/S, Copenhagen a)	11	72	25	72	100	8	8	80	80
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen d)	1	26	5	26	100	0	0	27	27
Nykredit Pantebrevsinvestering A/S, Copenhagen b)	0	10	5	10	100	0	0	11	11
Nykredit Leasing A/S, Copenhagen c)	1	6	1	6	100	1	1	6	6
Nykredit Fixed Income Opportunities Fund Limited, Cayman Islands e)	1	113	111	113	100	3	3	116	116
Norswood Properties Limited, Plymouth d)	0	0	0	0	100	0	0	0	0
Nykredit Finance plc, Plymouth d)	0	30	29	30	100	0	0	30	30
Associates subject to proportionate consolidation									
Dansk Pantebrevsbørs A/S, Copenhagen b) ***	26	48	5	24	50.0	8	4	56	28
LeasIT A/S, Lyngby-Taarbæk c) ***	(8)	68	16	16	22.7	7	2	77	18

Nykredit Pantebrevsinvestering A/S had only limited activity in 2007.

Nykredit Fixed Income Opportunities Fund Limited started activities at the beginning of December 2006.

- a) Bank
- b) Mortgage trading company
- c) Leasing company
- d) No activity
- e) Financial institution

* Following the H1/2007 capital increase, the share capital of Nykredit Bank A/S amounts to DKK 1,700m as at 30 June 2007.

** The H1 financial statements 2007 of the companies have not been audited.

*** The companies are subject to proportionate consolidation on the basis of the shareholders' agreements, which provide the Bank with the right to appoint one member of the Board of Directors in the companies.

Merger balance sheet as at 1 January 2007

DKK million

	Note	End of period 2006		Adjustments following the merger	Eliminations	Merger balance sheet as at 1 January 2007
		Nykredit Bank A/S	Nykredit Portefølje Bank A/S			
ASSETS						
Cash balance and demand deposits with central banks and credit institutions		33	0			33
Receivables from credit institutions and central banks		18,238	5		(5)	18,238
Loans, advances and other receivables at fair value		3,432				3,432
Loans, advances and other receivables at amortised cost		28,758				28,758
Bonds at fair value		46,918	62			46,980
Equities		258				258
Investments in associates		40				40
Investments in group enterprises	1	332	72	(147)		257
Investment properties		72				72
Other property, plant and equipment		4	0			4
Deferred tax assets		0	0			0
Other assets		8,079	26			8,105
Prepayments		1	1			2
Total assets		106,165	166	(147)	(5)	106,179
LIABILITIES AND EQUITY						
Payables to credit institutions and central banks		62,553			(5)	62,548
Deposits and other payables		22,764				22,764
Issued bonds at amortised cost		1,741				1,741
Other non-derivative financial liabilities at fair value		7,032				7,032
Current tax liabilities		74	0			74
Other liabilities		6,443	19			6,462
Deferred income		3				3
Total payables		100,610	19	0	(5)	100,624
Provisions for deferred tax		9				9
Other provisions		5		0		5
Total		14	0	0	0	14
Subordinate loan capital		1,300				1,300
Equity						
Share capital	2	1,400	40	(40)		1,400
Statutory reserves	3	147	35	(112)		70
Retained earnings	4	2,694	72	5		2,771
Total		4,241	147	(147)	0	4,241
Total liabilities and equity		106,165	166	(147)	(5)	106,179

Merger balance sheet as at 1 January 2007 - notes

DKK million

	End of period 2006		Adjustments following the merger	Eliminations	Merger balance sheet as at 1 January 2007
	Nykredit Bank A/S	Nykredit Portefølje Bank A/S			
1. GROUP ENTERPRISES					
Nykredit Portefølje Bank A/S	147		(147)		0
Nykredit Portefølje Administration A/S		72			72
Other group enterprises	185				185
Total investments in group enterprises	332	72	(147)	0	257
Nykredit Bank A/S's share of 100% of the equity value of Nykredit Portefølje Bank A/S is eliminated.					
2. SHARE CAPITAL					
The share capital of Nykredit Portefølje Bank A/S is cancelled following the merger.					
3. REVALUATION RESERVE UNDER THE EQUITY METHOD					
Nykredit Portefølje Bank A/S	112		(112)		0
Nykredit Portefølje Administration		35			35
Other group enterprises	35				35
Total net revaluation under the equity method	147	35	(112)	0	70
Net revaluation in Nykredit Bank A/S relating to Nykredit Portefølje Bank A/S is dissolved and the reserve is transferred to "Retained earnings".					
4. RETAINED EARNINGS					
Nykredit Bank A/S and Nykredit Portefølje Bank A/S	2,694	72	(72)		2,694
Revaluation reserve relating to Nykredit Portefølje Bank A/S is dissolved - Note 3			112		112
Revaluation reserve relating to Nykredit Portefølje Administration A/S is transferred to "Revaluation reserve under the equity method"			(35)		(35)
Total retained earnings	2,694	72	5	0	2,771
Retained earnings are adjusted for the difference between the companies' "Net revaluation reserve under the equity method". Henceforth, net revaluation in Nykredit Portefølje Administration A/S is included in "Net revaluation reserve under the equity method" in the surviving company Nykredit Bank A/S.					