

To OMX Nordic Exchange Copenhagen
and the press

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H1 INTERIM REPORT – THE NYKREDIT BANK GROUP 1 JANUARY 2008 – 30 JUNE 2008

- The Group recorded a profit before tax of DKK 267m against DKK 545m for H1/2007
- Profit before tax generated a return on equity of 8.6% pa against 23.0% for H1/2007 and 19.6% for FY 2007
- This development was prompted by the financial market turmoil as interest rate trends, including yield spread movements, had an adverse effect on income from securities and derivatives
- The Bank's customer-oriented activities generally performed satisfactorily leading to a 9% rise in core income
- Impairment losses amounted to DKK 33m against DKK 3m in H1/2007. Property market trends were generally not reflected in impairment losses
- The Bank has a sound level of liquidity, which strengthened in H1/2008 chiefly on the back of the issue of notes for a nominal amount of DKK 6.7bn under the Bank's EMTN programme
- The capital adequacy ratio came to 9.3% against 11.7% at end-2007 and 11.7% at 30 June 2007.

2008 – OUTLOOK

- Based on trends in H1/2008, Management anticipates a profit for the year of DKK 800m-900m, DKK 250m down on the previous forecast.

INFORMATION ABOUT THE NYKREDIT BANK GROUP

The Nykredit Bank Group's H1 Interim Report 2008 and further information about the Nykredit Bank Group are available at nykredit.com.

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Financial highlights – the Nykredit Bank Group

DKK million	H1/2008	FY 2007	H1/2007	H1/2006	H1/2005	H1/ 2004
The Nykredit Bank Group						
SUMMARY INCOME STATEMENT						
Net interest and fee income	808	1,323	603	477	544	374
Value adjustments	(1)	542	360	201	52	109
Other operating income	15	17	8	13	10	16
Staff and administrative expenses	519	871	422	341	281	241
Other operating costs, depreciation and amortisation	3	12	1	1	1	3
Impairment losses on loans, advances and receivables	33	(14)	3	(12)	(3)	26
Profit before tax	267	1,013	545	361	327	229
Tax	68	255	137	107	91	68
Profit for the period	199	758	408	254	236	161
BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables from central banks and credit institutions	15,326	21,123	26,151	16,700	15,493	20,508
Loans, advances and other receivables at fair value	11,515	5,550	4,006	9,698	7,807	5,724
Loans, advances and other receivables at amortised cost	49,091	39,659	34,826	25,020	18,353	18,784
Bonds at fair value and equities	52,507	55,483	53,129	43,670	36,596	30,808
Other asset items	19,638	13,584	12,013	8,333	7,542	5,412
Total assets	148,077	135,399	130,125	103,421	85,791	81,236
Liabilities and equity						
Payables to credit institutions and central banks	75,760	76,825	77,269	59,271	43,977	41,210
Deposits and other payables	32,595	31,717	23,312	22,181	22,326	20,762
Other non-derivative financial liabilities at fair value	6,932	5,403	10,252	8,410	7,386	10,322
Other payables	24,094	12,953	12,138	8,835	7,852	5,096
Total payables	139,381	126,898	122,971	98,697	81,541	77,390
Provisions	2	2	5	56	39	27
Subordinate loan capital	2,400	2,400	1,900	800	800	800
Equity	6,294	6,099	5,249	3,868	3,411	3,019
Total liabilities and equity	148,077	135,399	130,125	103,421	85,791	81,236
OFF-BALANCE SHEET ITEMS						
Guarantees	12,513	14,435	11,573	7,963	11,917	7,788
Other contingent liabilities	8,761	8,041	7,702	4,131	2,377	3,051
FINANCIAL RATIOS						
Capital adequacy ratio, %	9.3	11.7	11.7	9.4	9.7	9.6
Core capital ratio, %	6.9	8.4	8.6	7.9	8.1	7.4
Return on equity before tax (pa), %	8.6	19.6	23.0	19.2	19.9	15.6
Return on equity after tax (pa), %	6.4	14.7	17.2	13.6	14.4	11.0
Income:cost ratio, DKK	1.48	2.17	2.28	2.09	2.17	1.85
Interest rate exposure, %	1.3	3.3	3.0	3.7	3.4	1.9
Foreign exchange position, %	2.2	5.7	13.4	11.6	13.6	14.2
Foreign exchange exposure, %	0.0	0.1	0.0	0.2	0.1	0.2
Loans and advances:deposits	1.9	1.4	1.7	1.6	1.1	1.1
Loans and advances:equity	9.6	7.4	7.4	9.0	7.7	8.2
Growth in loans and advances for the period, %	34.1	39.5	19.8	31.4	14.9	11.0
Excess cover:statutory liquidity requirements, %	57.7	150.7	116.4	123.6	164.7	161.0
Total large exposures, %	134.3	134.9	183.8	497.9	364.4	281.5
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0	0.1
Average number of staff, full-time equivalents	675	588	565	476	420	345

Financial ratios have been calculated according to the definitions of the Danish Executive Order on the Presentation of Financial Statements

Financial highlights – Nykredit Bank A/S

DKK million	The Nykredit Bank A/S					
	H1/2008	FY 2007	H1/2007	H1/2006	H1/2005	H1/2004
SUMMARY INCOME STATEMENT						
Net interest and fee income	734	1,231	554	438	512	350
Value adjustments	12	526	345	184	43	100
Other operating income	2	8	5	12	9	11
Staff and administrative expenses	459	779	380	311	256	220
Other operating costs, depreciation and amortisation	1	9	1	1	0	2
Impairment losses on loans, advances and receivables	29	(45)	3	(16)	(5)	24
Investments in associates and group enterprises	8	(9)	25	23	14	14
Profit before tax	267	1,013	545	361	327	229
Tax	68	255	137	107	91	68
Profit for the period	199	758	408	254	236	161
BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables from central banks and credit institutions	15,024	20,187	25,756	16,723	15,490	20,495
Loans, advances and other receivables at fair value	11,696	5,737	4,297	9,698	7,807	5,724
Loans, advances and other receivables at amortised cost	48,055	38,314	34,480	24,851	18,335	18,904
Bonds at fair value and equities	50,902	53,310	52,031	43,441	36,352	30,641
Other asset items	19,844	13,835	12,196	8,458	7,661	5,520
Total assets	145,521	131,383	128,760	103,171	85,645	81,284
Liabilities and equity						
Payables to credit institutions and central banks	73,027	73,296	76,290	58,996	43,774	41,148
Deposits and other payables	32,956	32,034	23,459	22,271	22,427	20,850
Other non-derivative financial liabilities at fair value	6,925	4,776	10,309	8,410	7,386	10,322
Other payables	23,918	12,777	11,551	8,776	7,815	5,120
Total payables	136,826	122,883	121,609	98,453	81,402	77,440
Provisions	1	1	2	50	32	25
Subordinate loan capital	2,400	2,400	1,900	800	800	800
Equity	6,294	6,099	5,249	3,868	3,411	3,019
Total liabilities and equity	145,521	131,383	128,760	103,171	85,645	81,284
OFF-BALANCE SHEET ITEMS						
Guarantees	12,513	14,435	11,573	7,963	11,917	7,838
Other contingent liabilities	8,707	8,011	7,680	4,122	2,344	3,037
FINANCIAL RATIOS						
Capital adequacy ratio, %	9.4	12.0	11.8	9.4	9.8	9.6
Core capital ratio, %	6.9	8.6	8.7	7.9	8.2	7.5
Return on equity before tax (pa), %	8.6	19.6	23.0	19.2	19.9	15.6
Return on equity after tax (pa), %	6.4	14.7	17.2	13.6	14.4	11.0
Income:cost ratio, DKK	1.55	2.37	2.42	2.22	2.30	1.93
Interest rate exposure, %	1.2	3.2	3.0	3.7	3.4	1.9
Foreign exchange position, %	1.7	5.7	13.4	11.6	13.6	14.2
Foreign exchange exposure, %	0.0	0.1	0.0	0.2	0.1	0.2
Loans and advances:deposits	1.8	1.4	1.7	1.6	1.2	1.2
Loans and advances:equity	9.5	7.2	7.4	8.9	7.7	8.1
Growth in loans and advances for the period, %	35.6	36.8	20.5	32.0	15.6	10.9
Excess cover:statutory liquidity requirements, %	59.3	147.7	114.1	121.0	164.7	160.3
Total large exposures, %	134.0	134.7	183.8	497.9	364.4	282.0
Impairment losses for the period, %	0.0	(0.1)	0.0	0.0	0.0	0.1
Average number of staff, full-time equivalents	557	507	495	420	363	295

Financial ratios have been calculated according to the definitions of the Danish Executive Order on the Presentation of Financial Statements.

Comparative key figures for 2004-2006 have been restated following the merger between Nykredit Bank A/S and Nykredit Portefølje Bank A/S.

H1/2008 IN BRIEF

For H1/2008 the Bank and the Nykredit Bank Group recorded a profit before tax of DKK 267m compared with DKK 545m for H1/2007.

The lower profit should be seen in the context of the international credit crisis in H1/2008, which resulted in losses on Danish mortgage bonds due to higher yields and credit spread expansion. Swedish mortgage and corporate bonds were generally affected by the same trend. Coupled with a rise in especially short-term European rates, this caused income from the Bank's own risk-taking to be negative.

In total, the Bank's core income declined from DKK 983m for H1/2007 to DKK 875m.

An opposite trend was recorded for customer-oriented activities, and Corporate Banking and Nykredit Markets made a particularly good contribution to earnings. Core income, excluding income from risk-taking and group items, amounted to DKK 910m, up 9% on H1/2007, when income was DKK 832m.

The investment portfolio yielded a loss of DKK 52m against a loss of DKK 14m for H1/2007. The change was prompted by the general financial market turmoil.

Net interest and fee income came to DKK 808m up from DKK 603m for H1/2007. Conversely, income from value adjustments declined from DKK 360m for H1/2007 to a loss of DKK 1m chiefly due to the development in bonds and derivatives.

Other operating income grew from DKK 8m to DKK 15m in part due to the sale of fixed assets in the subsidiary LeasIT A/S.

Staff and administrative expenses rose from DKK 422m in H1/2007 to DKK 519m (+23%).

Salaries increased by 14% to DKK 289m, which should be seen in the light of a rise of 110 persons in the average headcount to 675 persons (+19%). Corporate Banking and Markets & Asset Management were the main contributors to the increase. As at 30 June 2008, the Bank Group had 714 staff (full-time equivalents) against 627 staff at end-2007.

Other administrative expenses were up DKK 62m to DKK 230m (+37%). The lift was triggered by higher IT costs and Parent Company (Nykredit Realkredit A/S) settlements following growth in joint activities and new settlement agreements.

Impairment losses on loans and advances totalled DKK 33m against DKK 3m in H1/2007. The level continued to be very low compared with total loans, advances and guarantees of some DKK 73bn. The increase stemmed notably from two individual exposures and higher group-based impairment provisions for commercial loans within the segment "agriculture, hunting and forestry". The Bank has not experienced any significant changes in customers' payment behaviour prompted by property market trends. Accordingly, the Bank's impairments for H1/2008 were generally not affected by the weaker property market.

Calculated tax was DKK 68m, or 25.7% of pre-tax profit. For the full year, we expect the tax rate to remain at the same level.

The Group posted a profit of DKK 199m for the period under review, down DKK 209m compared with H1/2007.

OUTLOOK FOR 2008

For the full year, the Bank expects to retain the improvement in customer-oriented activities, while its forecast of earnings from securities portfolios is subject to significant uncertainty due to the turmoil in credit and interest rate markets.

Therefore, the Bank anticipates a profit before tax of DKK 800m-900m for the full year 2008, which is DKK 250m lower than previously announced.

The Nykredit Bank Group**Profit before tax by business area**

DKK million	Retail Banking		Corporate Banking		Markets & Asset Management		Group items ¹		Total	
	H1/2008	H1/2007	H1/2008	H1/2007	H1/2008	H1/2007	H1/2008	H1/2007	H1/2008	H1/2007
Core income *	143	141	294	237	312	519	126	86	875	983
* of which Proprietary Trading	-	-	-	-	(167)	65	-	-	(167)	65
Operating costs	97	80	116	78	310	262	0	1	523	421
Core earnings before impairment losses	46	61	178	159	2	257	126	85	352	562
Impairment losses on loans and advances	2	(6)	31	9	-	-	-	-	33	3
Core earnings after impairment losses	44	67	147	150	2	257	126	85	319	559
Investment portfolio income ²	-	-	-	-	-	-	(52)	(14)	(52)	(14)
Profit before tax for the period	44	67	147	150	2	257	74	71	267	545
Income:costs	1.44	1.91	2.00	2.72	1.01	1.98			1.57	2.28
Average allocated business capital ³	439	1,063	4,794	2,664	1,123	912	79	66	6,435	4,705
Core earnings after losses as % of allocated business capital (pa)	20.1	12.6	6.1	11.3	0.4	56.4	-	-	9.9	23.8

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 the return on the Bank's own portfolio exceeding risk-free interest.

³ The business capital has been determined according to the Basel II principles based on the method applying to the determination of the required capital base.

BUSINESS AREAS

The Nykredit Bank Group is organised into three intercompany business areas: Retail Banking, Corporate Banking and Markets & Asset Management.

Retail Banking serves retail customers and small agricultural customers, who typically require the same product range as retail customers.

Corporate Banking serves business, agricultural and rental housing customers, including housing society and non-profit housing customers.

Markets & Asset Management handles the activities of the Nykredit Group within trading in securities and derivatives, debt capital, asset management and pension products. In addition, the business area conducts own trading activities.

Retail Banking

For H1/2008 Retail Banking recorded a profit of DKK 44m against DKK 67m for H1/2007.

Core income was largely on a level with that of H1/2007, as total income from deposits, lending and other banking business improved, while income from mortgage trading activities declined.

Costs were up by DKK 17m to DKK 97m due to higher costs relating to IT and a rise in joint activities with Nykredit Realkredit A/S as well as new intercompany settlement agreements.

Impairment losses amounted to DKK 2m against an income of DKK 6m in H1/2007. The level remained very low thanks to low unemployment and the generally sound finances of retail customers in particular.

Loans and advances amounted to DKK 8.9bn against DKK 7.8bn at end-2007, while deposits at DKK 10.1bn were largely unchanged.

Corporate Banking

Corporate Banking recorded a profit of DKK 147m for the period under review against DKK 150m in H1/2007.

Core income improved to DKK 294m from DKK 237m in H1/2007. Customer-oriented activities delivered a satisfactory performance with growth in core income of some DKK 100m (+46%). This includes income from LeasIT of DKK 35m against DKK 7m in H1/2007. Core income was adversely affected by the financial market turmoil, which resulted in a loss from corporate bond value adjustments of DKK 49m against a gain of DKK 2m in H1/2007.

Costs rose by DKK 38m to DKK 116m, one contributory factor being the full recognition of LeasIT A/S, a subsidiary, in 2008. To this should be added higher Parent Company settlements and increasing IT costs, as mentioned under Retail Banking.

Impairment losses amounted to DKK 31m against DKK 9m in H1/2007. The level continued to be low, which can be ascribed to a few individual exposures and a rise in group-based impairment provisions of about DKK 11m, mainly in the segments "agriculture, hunting and forestry".

Loans and advances were DKK 40.1bn against DKK 31.8bn at end-2007, up 26%, while deposits rose from DKK 21.4bn at end-2007 to DKK 22.2bn.

Markets & Asset Management

Markets & Asset Management recorded a profit of DKK 2m for H1/2008 against DKK 257m for H1/2007.

Core income declined by DKK 207m to DKK 312m. The main reason was a decline in income of DKK 226m to a loss of DKK 161m on Proprietary Trading (own risk-taking). Core income from the Bank's Treasury activities was also below the H1/2007 level.

Other activities met expectations and exceeded the H1/2007 level, which is considered highly satisfactory in view of market conditions. Trading in interest rate contracts, securities and derivatives as well as credit trading delivered a very good performance. Income from Nykredit Asset Management and Portefølje Administration was largely on a level with H1/2007, while Debt Capital Markets income was lower due to the current market trends.

Operating costs went up by DKK 48m to DKK 310m. Wages and salaries accounted for DKK 20m (+14%) of the rise, which was attributable to the higher number of staff. Staff numbers rose by almost 60 (+18%) relative to H1/2007. Further, IT costs increased in the half-year under review due to measures supporting future earnings and the Bank's risk management. In addition, Markets & Asset Management also saw a rise in joint costs settled with the Parent Company.

THE NYKREDIT BANK GROUP BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

Balance sheet

The balance sheet stood at DKK 148.1bn against DKK 135.4bn at end-2007, up DKK 12.7bn (+9.4%).

Loans and advances at fair value and amortised cost together rose by DKK 15.4bn to DKK 60.6bn (+34%). Retail lending accounted for DKK 1.1bn of the increase, corporate lending DKK 8.3bn and lending relating to repo activities DKK 6bn.

Provisions for loan impairment increased by DKK 27m to DKK 122m relative to end-2007. The net increase derived from a few individual commercial exposures and a rise in group-based impairment provisions of some DKK 11m.

The Bank's loan impairments for H1/2008 were generally not affected by the declining property prices, and there was no evidence of a significant deterioration of customers' payment behaviour.

Impairment provisions as % of loans, advances and guarantees of 0.17% were largely unchanged compared with the past few years. No provisions have been made for balances with credit institutions.

The breakdown of loans, advances and guarantees by sector and industry is fairly equal to that recorded in previous years.

The Bank monitors property market trends and its own exposures closely, and Management considers the current exposure to be appropriate. Part of the exposures consist of land registration guarantees relating to mortgage loans and bridge financing preceding mortgage financing. Historically, the credit risk of these exposures is very low.

The rise in "Credit, finance and insurance" is mainly attributable to balances with investment funds and investment companies.

Bonds and equities went down DKK 3bn (-5%) to DKK 52.5bn. The performance and size of the portfolio should chiefly be seen in the context of Nykredit Markets's trading operations and the Bank's repo market activities.

Payables to credit institutions and central banks declined by DKK 1bn (-1%) to DKK 75.8bn, while deposits gained almost DKK 1bn to DKK 32.6bn compared with end-2007.

Issued bonds went up by DKK 5.2bn to DKK 6.8bn. The Bank issued notes for a nominal amount of DKK 6.7bn in H1/2008 via international capital markets. The new notes were issued under the Bank's EMTN programme. The notes are listed on the Luxembourg Stock Exchange, Société Anonyme de la Bourse de Luxembourg. Bonds totalling a nominal value of DKK 1.2bn matured in the same period.

Equity

Equity was DKK 6,294m at 30 June 2008. Compared with end-2007, equity was up DKK 195m, corresponding to a post-tax profit for the period of DKK 199m and a DKK 4m reduction relating to the divestment of an owner-occupied property. Equity came to the same amount in Nykredit Bank A/S and the Nykredit Bank Group.

The Nykredit Bank Group

Loan impairment and loans, advances and guarantees by sector

DKK million	30.06.08	31.12.07	31.12.06	31.12.05	31.12.04
Impairment provisions					
Individual impairment provisions, end of period	100	84	27	132	182
Group-based impairment provisions, end of period	22	11	61	50	31
Total impairment provisions	122	95	88	182	213
- of which Retail Banking	22	22	48	121	128
- of which Corporate Banking	100	73	40	61	85
Total loans, advances, guarantees and loan impairment	73,241	59,739	41,846	37,000	30,782
Impairment provisions as % of loans, advances and guarantees	0.17%	0.16%	0.21%	0.49%	0.69%
Impairment losses for H1/FY	33	(14)	(44)	7	6
Loans, advances and guarantee debtors by sector and industry as %, end of period					
Public sector	0%	0%	1%	0%	0%
Corporate customers					
Agriculture, hunting and forestry	4%	5%	3%	4%	3%
Manufacturing, extraction of raw materials, utilities	10%	11%	14%	9%	8%
Building and construction	1%	1%	1%	1%	1%
Trade, restaurants and hotels	4%	5%	6%	7%	3%
Transport, mail and telephone	4%	3%	4%	1%	2%
Credit, finance and insurance	24%	10%	8%	17%	23%
Property management and trade, business services	24%	26%	25%	24%	23%
Other sectors	6%	9%	7%	5%	4%
Total corporate customers	77%	70%	68%	68%	67%
Retail customers	23%	30%	31%	32%	33%
Total	100%	100%	100%	100%	100%

Capital resources and capital adequacy

Nykredit Bank must have adequate capital resources to sustain its risk profile and growth strategy.

In the Nykredit Group, reserves are to the widest extent possible concentrated in the Parent Company, Nykredit Realkredit A/S.

As from 1 January 2008, the capital base and capital adequacy are determined using the new capital adequacy rules (Basel II). For a detailed description, please refer to the Annual Report for 2007. Nykredit Bank's implementation of the new capital adequacy rules is also described in the report "Risk and Capital Management 2007", which is available at nykredit.com/reports.

Nykredit Bank has been authorised by the Danish Financial Supervisory Authority to apply the advanced models with respect to the retail loan portfolio and to implement the advanced models for the corporate portfolio under the new capital adequacy rules.

In respect of sovereign and credit institution exposures, the Bank applies the standardised approach.

After statutory deductions, the capital base declined by DKK 416m relative to end-2007. This was mainly due to the deduction required as from 1 January 2008 for the difference between expected losses and impairments for accounting purposes. Further, the capital base increased by the profit for the period.

Risk-weighted assets rose by DKK 13bn compared with end-2007. The increase was attributable to the development in the Bank's activities as well as the new determination under Basel II.

The capital adequacy ratio of the Nykredit Bank Group came to 9.3% at 30 June 2008 against 11.7% at end-2007, and the core capital ratio was 6.9% against 8.4% at end-2007.

Nykredit Bank has an internal target of maintaining a buffer of at least 1 percentage point relative to the statutory capital adequacy requirements at all times.

The Nykredit Bank Group

Changes in equity

DKK million	30.06.2008	30.06.2007	31.12.2007
Equity, beginning of period	6,099	4,241	4,241
New, paid-up capital	-	600	1,100
Other additions and disposals	(4)	-	-
Profit for the period	199	408	758
Equity, end of period	6,294	5,249	6,099

The Nykredit Bank Group

Capital base and capital adequacy

DKK million	30.06.2008	30.06.2007	31.12.2007
Share capital	1,950	2,000	1,950
Retained earnings	4,344	3,249	4,149
Core capital	6,294	5,249	6,099
Primary and other deductions from core capital	428	121	107
Supplementary capital	2,400	1,900	2,400
Total	8,266	7,028	8,392
Statutory deductions from capital base	344	-	54
Capital base after statutory deductions	7,922	7,028	8,338
Weighted items involving credit, counterparty and delivery risk, etc	70,946	51,226	61,029
Weighted items involving market risk	10,532	8,767	10,389
Weighted items involving operational risk, etc	2,914	-	-
Total weighted items	84,392	59,993	71,418
Capital adequacy, %	9.3	11.7	11.7
Core capital ratio, %	6.9	8.6	8.4

LIQUIDITY MANAGEMENT

Liquidity risk is the risk of loss because of insufficient cash to cover current payment obligations. Please refer to the Annual Report for 2007, page 20, for a detailed review of and information on the Group's risk management.

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

The liquidity buffer in 2008 averaged DKK 10bn. At end-H1/2008, the liquidity buffer amounted to DKK 8.9bn compared with DKK 20.2bn at end-2007.

To strengthen funding through international capital markets, the Bank established a EUR 5bn European Medium Term Note (EMTN) programme in Q4/2007. At end-H1/2008, DKK 6.7bn had been issued under the EMTN programme. The notes were issued at satisfactory spreads relative to swaps, reflecting the Nykredit Group's low-risk profile and sound capital structure.

The management of the Bank's structural liquidity risk is based on an internal liquidity model quantifying the Bank's expected liquidity position at any future time, in other words, the most likely development in liquidity if no steps are taken to raise new liquidity. The liquidity model shows the sum of deterministic payments and the expected value of market-related and random payments for each point over time. The liquidity model is a management tool, which serves to determine the level of liquidity Nykredit Bank needs to raise or place.

The Bank's Board of Directors formulates the liquidity policy, liquidity model principles and requirements and targets for the Bank's structural liquidity risk.

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

If the Bank's liquidity is stress tested according to the principles of Moody's "Bank Financial Strength Ratings: Global Methodology" based on the assumption that there is no access to

capital markets, the stress test curve shows that the Bank can withstand a lack of access to funding markets for 12 months.

According to the Danish Financial Business Act, a bank's liquidity must total at least 10% of total reduced debt and guarantee obligations. Nykredit Bank uses an internal liquidity requirement of at least 15%. At 30 June 2008, the financial ratio "Excess cover:statutory liquidity requirements" was 57.7%, corresponding to a liquidity ratio of 16%.

FINANCIAL RISK

For details on methods of determination and a description of financial risk, please refer to the Annual Report for 2007. Significant financial risks include:

Value-at-Risk came to DKK 25m at 30 June 2008 against DKK 17.0m at 30 June 2007. For H1/2008 the average was DKK 20.5m against DKK 12.9m for H1/2007 and DKK 12.5m for FY 2007. Growth in Value-at-Risk chiefly resulted from higher market volatility and interest rate risk at the short end of the yield curve.

The interest rate exposure amounted to DKK 78m at 30 June 2008 against DKK 160m at 30 June 2007. At end-2007, the figure totalled DKK 197m. The main reasons for the year-on-year reduction were that the Bank reduced its spreads against EUR and closed a number of positions.

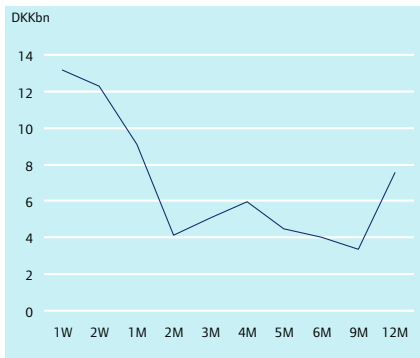
Exchange Rate Indicator 1 was DKK 131m against DKK 708m at 30 June 2007. At end-2007, Exchange Rate Indicator 1 totalled DKK 339m.

UNCERTAINTY ABOUT RECOGNITION AND MEASUREMENT

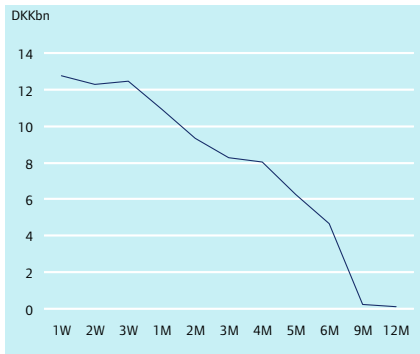
The measurement of certain assets and liabilities is based on accounting estimates made by Group Management.

The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment and unlisted financial instruments. For a detailed description, please refer to the Annual Report for 2007, page 21. In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the H1 Interim Report.

Nykredit Bank A/S
12-month liquidity curve



Nykredit Bank A/S
Liquidity stress test
(Moody's Global Methodology)



Nykredit Bank A/S
Liquidity as % of debt
and guarantee obligations



— Liquidity as % of debt and guarantee obligations (section 152)
— Nykredit's internal requirement — Statutory requirement

OTHER**Nykredit acquires SEB's branch in Hellerup**

With effect from 1 June 2008, Nykredit Bank and Nykredit have acquired SEB's branch in Hellerup. The divestment is part of SEB's focus on asset management.

Nykredit Bank takes over lending of approximately DKK 200m and deposits of approximately DKK 550m. Also, customers' custody accounts of approximately DKK 850m are taken over.

According to the transfer agreement, the transfer will take place successively as customers are actually transferred to Nykredit Bank. Transfer of lending of approximately DKK 175m and deposits of approximately DKK 300m remain at 30 June 2008. These items have been recognised in the financial statements under other assets and other liabilities, respectively. The balance has been recorded as a balance with SEB.

The exposures are acquired at book value equal to their fair value.

The acquisition is not expected to significantly affect the Bank's income statement, balance sheet or equity in 2008.

LeasIT A/S and Nykredit Leasing to merge

On 18 June 2008, the boards of directors of LeasIT A/S and Nykredit Leasing A/S decided to merge the two companies, which are wholly owned by Nykredit Bank. The merger is expected to be finally approved in Q3/2008.

LeasIT A/S, which will be the continuing company, will change its name to Nykredit Leasing A/S following the merger.

The merger is motivated by practical and organisational reasons. The object of both companies is to carry on leasing activities, which is why the boards of directors find it appropriate to unite the activities in one company.

The merger will be effective for accounting purposes from 1 January 2008, as the uniting-of-interests method has been applied, cf section 123 of the Danish Financial Statements Act. The merger will not affect Nykredit Bank's or the Nykredit Bank Group's financial statements.

In H1/2008 no other events of significant importance to the presentation of the H1 Interim Report 2008 have occurred.

EVENTS OCCURRED AFTER 30 JUNE 2008

In connection with Danmarks Nationalbank's issue of a liquidity guarantee to Roskilde Bank in July, a private association under the Danish Bankers Association established for the purpose of maintaining financial resources to wind up distressed banks (Det Private Beredskab til Afvikling af Nødlidende Banker, Sparekasser og Andelskasser) issued a guarantee of DKK 750m to Danmarks Nationalbank, of which the Nykredit Group extraordinarily guaranteed DKK 200m. The guarantee was provided through Nykredit Holding.

Nykredit's guarantee will only apply if Roskilde Bank does not meet its obligations to Danmarks Nationalbank.

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

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

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January – 30 June 2008 of Nykredit Bank A/S and the Nykredit Bank Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The H1 Interim Report of the Parent Company, Nykredit Bank A/S, has been pre-

pared in accordance with the Danish Financial Business Act.

Further, the H1 Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the H1 Interim Report gives a fair review of the development in the activities and financial circumstances of the Group and the Parent Company as well as a satisfactory description of the material risk and uncertainty

factors affecting the Group and the Parent Company.

We are furthermore of the opinion that the H1 Interim Report gives a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2008 and of the results of the Group's and the Parent Company's activities as well as the Group's cash flows for the financial period 1 January – 30 June 2008.

Copenhagen, 14 August 2008

Board of Directors

Karsten Knudsen, Chairman

Søren Holm, Deputy Chairman

Per Ladegaard

Henrik K. Asmussen, staff-elected

Allan Kristiansen, staff-elected

Executive Board

Kim Duus

Bjørn Damgaard Mortensen

The Nykredit Bank Group – six quarters

DKK million

	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
SUMMARY INCOME STATEMENT						
Net interest income	336	319	297	274	215	232
Dividends, fees and commission income (net)	85	68	74	75	81	75
Net interest and fee income	421	387	371	349	296	307
Value adjustments	19	(20)	133	49	163	197
Net interest, fees and value adjustments	440	367	504	398	459	504
Other operating income	9	6	7	2	6	2
Staff and administrative expenses	275	244	253	196	224	198
Depreciation, amortisation and other operating expenses	1	2	10	1	0	1
Impairment losses on loans and advances	31	2	27	(44)	16	(13)
Profit before tax	142	125	221	247	225	320
Tax	37	31	56	62	48	89
Profit	105	94	165	185	177	231
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables from credit institutions	15,326	22,327	21,123	26,654	26,151	19,052
Loans, advances and other receivables at fair value	11,515	8,171	5,550	10,128	4,006	3,295
Loans, advances and other receivables at amortised cost	49,091	43,538	39,659	35,617	34,826	34,084
Bonds at fair value	52,253	59,662	55,201	49,210	52,828	52,269
Equities	254	290	282	287	301	281
Land and buildings	71	82	82	73	73	73
Other asset items	19,567	13,460	13,502	13,126	11,940	8,846
Total assets	148,077	147,530	135,399	135,095	130,125	117,900
Liabilities and equity						
Payables to credit institutions and central banks	75,760	84,330	76,825	73,619	77,269	72,670
Deposits and other payables	32,595	31,700	31,717	29,067	23,312	21,903
Issued bonds	6,802	4,541	1,562	1,544	1,612	1,630
Non-derivative financial liabilities at fair value	6,932	7,041	5,403	10,717	10,252	8,020
Other payables	17,292	11,323	11,391	12,812	10,526	7,888
Total payables	139,381	138,935	126,898	127,759	122,971	112,111
Provisions	2	2	2	2	5	17
Subordinate loan capital	2,400	2,400	2,400	1,900	1,900	1,300
Equity	6,294	6,193	6,099	5,434	5,249	4,472
Total liabilities and equity	148,077	147,530	135,399	135,095	130,125	117,900
OFF-BALANCE SHEET ITEMS						
Guarantees	12,513	11,277	14,435	13,002	11,573	9,247
Other liabilities	8,761	8,365	8,041	7,482	7,702	6,163
FINANCIAL RATIOS						
Capital adequacy ratio, %	9.3	9.8	11.7	11.5	11.7	9.8
Core capital ratio, %	6.9	7.2	8.4	8.6	8.6	7.7
Return on equity before tax (pa), %	9.1	8.1	15.4	18.5	18.5	29.3
Return on equity after tax (pa), %	6.7	6.1	11.4	13.9	14.6	21.2
Income:cost ratio, DKK	1.46	1.50	1.76	2.61	1.94	2.72
Interest rate exposure, %	1.3	2.4	3.3	2.1	3.0	4.3

Income statements 1 January – 30 June

DKK million

Nykredit Bank A/S		note	The Nykredit Bank Group	
H1/2007	H1/2008		H1/2008	H1/2007
2,217	3,211	2	3,296	2,262
1,789	2,593	3	2,641	1,815
428	618		655	447
3	4		4	3
278	295		355	322
155	183		206	169
554	734		808	603
345	12	4	(1)	360
5	2		15	8
380	459	5	519	421
1	1		2	1
-	0		1	1
3	29	6	33	3
25	8	7	-	-
545	267		267	545
137	68	8	68	137
408	199		199	408

Balance sheets, end of period

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.12.2007	30.06.2008		note	30.06.2008	31.12.2007
ASSETS					
103	107	Cash balance and demand deposits with central banks		107	103
20,084	14,917	Receivables from credit institutions and central banks	9	15,219	21,020
5,737	11,696	Loans, advances and other receivables at fair value	10	11,515	5,550
38,314	48,055	Loans, advances and other receivables at amortised cost	11	49,091	39,659
53,028	50,648	Bonds at fair value	12	52,253	55,201
282	254	Equities		254	282
22	15	Investments in associates		-	-
383	387	Investments in group enterprises		-	-
0	12	Intangible assets		14	2
71	71	Total land and buildings		71	82
71	71	Investment properties		71	71
-	-	Owner-occupied properties		-	11
6	5	Other property, plant and equipment		9	10
15	0	Current tax assets		0	11
34	60	Deferred tax assets		70	42
13,302	19,292	Other assets	13	19,465	13,429
2	2	Prepayments		9	8
131,383	145,521	TOTAL ASSETS		148,077	135,399

Balance sheets, end of period

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.12.2007	30.06.2008		note	30.06.2008	31.12.2007
LIABILITIES AND EQUITY					
73,296	73,027	Payables to credit institutions and central banks	14	75,760	76,825
32,034	32,956	Deposits and other payables	15	32,595	31,717
1,562	6,802	Issued bonds at amortised cost	16	6,802	1,562
4,776	6,925	Other non-derivative financial liabilities at fair value	17	6,932	5,403
-	41	Current tax liabilities		51	-
11,213	17,073	Other liabilities	18	17,226	11,379
2	2	Deferred income		15	12
122,883	136,826	TOTAL PAYABLES		139,381	126,898
Provisions					
1	1	Other provisions		2	2
1	1	TOTAL PROVISIONS		2	2
2,400	2,400	Subordinate loan capital	19	2,400	2,400
Equity					
1,950	1,950	Share capital		1,950	1,950
		Revaluation reserves		0	4
		Other reserves			
69	67	Statutory reserves		-	-
4,080	4,277	Retained earnings		4,344	4,145
6,099	6,294	TOTAL EQUITY		6,294	6,099
131,383	145,521	TOTAL LIABILITIES AND EQUITY		148,077	135,399
OFF-BALANCE SHEET ITEMS					
14,435	12,513	Guarantees	20	12,513	14,435
8,011	8,707	Other contingent liabilities	21	8,761	8,041
22,446	21,220	TOTAL OFF-BALANCE SHEET ITEMS		21,274	22,476
Accounting policies					
Foreign exchange and interest rate exposures					
Hedging of interest rate risk					
Contingent liabilities					
Related parties					
Group structure					

Statement of changes in equity and capital adequacy

DKK million

Nykredit Bank A/S

	Share capital(*)	Statutory reserve: Reserve for net revaluation according to the equity method	Retained earnings	Total
Equity 2008				
Equity, 1 January 2008, cf the table below	1,950	69	4,080	6,099
Profit for the period	-	2	197	199
Other disposals/additions	-	(4)	0	(4)
Total comprehensive income, H1/2008	-	(2)	197	195
Total changes in equity, H1/2008	-	(2)	197	195
Equity, 30 June 2008	1,950	67	4,277	6,294
Equity 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 changes in equity, H1/2007	300	(77)	785	1,008
Equity, 30 June 2007	1,700	70	3,479	5,249
Profit/loss, Q3-Q4/2007	-	(24)	374	350
Other disposals/additions as well as additions related to merger, Q3-Q4/2007	-	23	(23)	0
Total comprehensive income, FY 2007	-	(78)	836	758
New paid-up capital	250	-	250	500
Total changes in equity, FY 2007	550	(78)	1,386	1,858
Equity, 31 December 2007	1,950	69	4,080	6,099
* The share capital breaks down into 13 shares in multiples of DKK 1m. The share capital is wholly owned by Nykredit Realkredit A/S, Copenhagen. Nykredit Bank is included in the consolidated financial statements of this company and the consolidated financial statements of Foreningen Nykredit, Copenhagen, which holds 87.5% of Nykredit Realkredit A/S.				
Capital adequacy and core capital				
	H1/2008	FY 2007		
Share capital	1,950	1,950		
Reserves	67	69		
Retained earnings (incl profit/loss for the period)	4,277	4,080		
Total core capital	6,294	6,099		
Primary and other statutory deductions from core capital	422	92		
Supplementary capital	2,400	2,400		
Total	8,272	8,407		
Statutory deductions from capital base	348	58		
Capital base after statutory deductions	7,924	8,349		
Weighted items involving credit, counterparty and delivery risk	71,380	59,902		
Weighted items involving market risk	10,115	9,724		
Weighted items involving operational risk	2,625	-		
Total weighted items	84,120	69,626		
Capital adequacy ratio, %	9.4	12.0		
Core capital ratio, %	6.9	8.6		

Statement of changes in equity and capital adequacy

DKK million

The Nykredit Bank Group

	Share capital	Revaluation reserves: Revaluation of property	Retained earnings	Total
Equity 2008				
Equity, 1 January 2008, cf the table below	1,950	4	4,145	6,099
Profit for the period	-	-	199	199
Other disposals/additions	-	(4)	0	(4)
Total comprehensive income, H1/2008	-	-	199	199
Total changes in equity, H1/2008	-	-	199	195
Equity, 30 June 2008	1,950	-	4,344	6,294
Equity 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 changes in equity, H1/2007	300	-	708	1,008
Equity, 30 June 2007	1,700	-	3,549	5,249
Profit/loss, Q3-Q4/2007	-	-	350	350
Other disposals/additions as well as additions related to merger, Q3-Q4/2007	-	4	(4)	0
Total comprehensive income, FY 2007	-	4	754	758
New paid-up capital	250	-	250	500
Total changes in equity, FY 2007	550	4	1,304	1,858
Equity, 31 December 2007	1,950	4	4,145	6,099
Capital adequacy and core capital				
	H1/2008	FY 2007		
Share capital	1,950	1,950		
Retained earnings (incl profit/loss for the period)	4,344	4,149		
Total core capital	6,294	6,099		
Primary and other statutory deductions from core capital	428	107		
Supplementary capital (2008: incl revaluation reserves)	2,400	2,400		
Total	8,266	8,392		
Statutory deductions from capital base	344	54		
Capital base after statutory deductions	7,922	8,338		
Weighted items involving credit, counterparty and delivery risk	70,946	61,029		
Weighted items involving market risk	10,532	10,389		
Weighted items involving operational risk	2,914	-		
Total weighted items	84,392	71,418		
Capital adequacy ratio, %	9.3	11.7		
Core capital ratio, %	6.9	8.4		

Cash flow statement, 1 January – 30 June

DKK million

	The Nykredit Bank Group	
	30.06.2008	30.06.2007
Profit after tax for the period	199	408
Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions		
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	2	1
Other non-cash changes	(26)	-
Impairment losses on loans, advances and receivables	36	6
Tax calculated on profit for the period	68	137
Total	80	144
Profit for the period adjusted for non-cash operating items	279	552
Change in working capital		
Loans, advances and other receivables	(15,454)	(6,470)
Deposits and other payables	896	660
Payables to credit institutions and central banks	(104)	13,940
Bonds at fair value	3,134	(5,084)
Equities	28	(43)
Other working capital	1,343	2,758
Total	(10,157)	5,761
Corporation tax paid, net	(35)	(11)
Cash flows from operating activities	(9,913)	6,302
Cash flows from investing activities		
Property, plant and equipment	(2)	(2)
Total	(2)	(2)
Cash flows from financing activities		
Capital contribution	-	600
Subordinate loan capital	-	600
Issued bonds	5,262	6
Total	5,262	1,206
Total cash flows	(4,653)	7,506
Cash and cash equivalents, beginning of period	21,123	18,438
Foreign currency translation adjustment of cash	(1,144)	207
Cash and cash equivalents, end of period	15,326	26,151
Cash and cash equivalents, end of period		
Specification of cash and cash equivalents, end of period:		
Cash balance and demand deposits with central banks	107	31
Receivables from credit institutions and central banks	15,219	26,120
Cash and cash equivalents, end of period	15,326	26,151

Core earnings and investment portfolio income, 1 January – 30 June

DKK million

The Nykredit Bank Group	2008			2007		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	521	134	655	433	14	447
Dividend on equities	2	2	4	0	3	3
Fee and commission income, net	149	0	149	155	(2)	153
Net interest and fee income	672	136	808	588	15	603
Value adjustments	61	(62)	(1)	387	(27)	360
Other operating income	15	0	15	8	0	8
Staff and administrative expenses	519	0	519	419	2	421
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	2	0	2	1	0	1
Other operating expenses	1	0	1	1	0	1
Impairment losses on loans and advances	33	0	33	3	0	3
Profit/loss before tax	193	74	267	559	(14)	545

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
2007	2008		2008	2007
		1. 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 observance of the principles of recognition and measurement of the IFRS and a less detailed presentation relative to the presentation of annual reports.		
		With respect to recognition and measurement, the financial statements of the Parent Company have been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. issued by the Danish Financial Supervisory Authority, including the Executive Order on the application of IFRS by financial companies.		
		Compared with the Annual Report for 2007, the "Business capital" included in the business area reporting has been calculated according to the new principles. As from 1 January 2008, the business capital is determined in accordance with the Basel II rules based on the method applied to determine the required capital base. The required capital base is the statutory capital requirement with the addition of a projected capital charge for periods with mild recession. The business return has been calculated as the business area results relative to the business capital. Comparative figures have been restated.		
		In all other respects, the accounting policies of both the Group and Nykredit Bank A/S are unchanged compared with the Annual Report for 2007. A description of the accounting policies of Nykredit Bank and the Nykredit Bank Group in the Annual Report for 2007 is available at nykredit.com.		
		In Management's opinion, no new IAS/IFRS standards have been issued/adopted that will substantially influence the financial reporting of the Bank compared with the Annual Report for 2007.		
		The H1 Interim Report has not been audited or reviewed.		
		2. INTEREST INCOME		
326	370	Receivables from credit institutions and central banks	371	335
958	1,452	Loans, advances and other receivables	1,493	967
881	1,290	Bonds	1,332	908
52	99	Total derivative financial instruments	99	52
		Of which		
9	57	- Foreign exchange contracts	57	9
42	42	- Interest rate contracts	42	42
0	0	Other interest income	1	0
2,217	3,211	Total	3,296	2,262
		Of which interest income from genuine purchase and resale transactions entered as:		
234	271	Receivables from credit institutions and central banks	272	244
76	180	Loans, advances and other receivables at fair value	172	73
		3. INTEREST EXPENSES		
1,260	1,710	Credit institutions and central banks	1,771	1,291
464	736	Deposits and other payables	723	460
33	80	Issued bonds	80	33
31	67	Subordinate loan capital	67	30
1	0	Other interest expenses	0	1
1,789	2,593	Total	2,641	1,815
		Of which interest expenses for genuine sale and repurchase transactions entered as:		
292	272	Payables to credit institutions and central banks	300	311
21	23	Deposits and other payables (non-derivative financial liabilities at fair value)	18	20
		Issued bonds		
5	8	Offset interest from the Bank's own portfolio of own bonds	8	5

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
2007	2008		2008	2007
4. VALUE ADJUSTMENTS				
51	(1)	Other loans, advances and receivables at fair value	(1)	66
(638)	(814)	Bonds	(845)	(659)
41	23	Equities	23	41
0	(1)	Investment properties	(1)	0
49	70	Foreign exchange	70	49
842	735	Foreign exchange, interest rate and other contracts as well as derivative financial instruments	753	863
345	12	Total	(1)	360
36	37	Of which fair value hedging (value adjustment of hedging instruments for accounting purposes)	37	36
Value adjustments mainly relate to financial assets, financial liabilities and derivative financial instruments included in the Bank's/Group's trading activities as well as value adjustments of investment properties.				
5. STAFF AND ADMINISTRATIVE EXPENSES				
2	4	Remuneration of Board of Directors/Executive Board	4	2
226	249	Staff expenses	285	251
152	206	Other administrative expenses	230	168
380	459	Total	519	421
Remuneration of Board of Directors and Executive Board:				
Board of Directors				
Remuneration				
Each staff-elected Board representative receives annual remuneration of DKK 60,000.				
Executive Board				
2	4	Salaries	4	2
2	4	Total	4	2
Remuneration of Executive Board:				
The terms and conditions governing the remuneration and pension of the Executive Board have not changed since the Annual Report for 2007, to which reference is made.				
Staff expenses				
191	210	Wages and salaries	240	212
16	18	Pensions (defined contribution plans)	21	18
19	21	Social security expenses	24	21
226	249	Total	285	251
495	557	Average number of staff, full-time equivalents	675	565

Notes

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
2007	2008			2008	2007
6. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES					
Specification of impairment provisions:					
16	34	Total individual impairment provisions		100	24
62	22	Total group-based impairment provisions		22	62
78	56	Total impairment provisions, end of period (30 June)		122	86
29		Total impairment provisions, 31 December 2007			95
Individual impairment provisions:					
17	18	Impairment provisions, beginning of period		84	27
2	19	Impairment provisions for the period, net		21	1
3	3	Impairment provisions recognised as lost		5	4
16	34	Impairment provisions, end of period (30 June)		100	24
Group-based impairment provisions:					
61	11	Impairment provisions, beginning of period		11	61
1	11	Impairment provisions for the period, net		11	1
62	22	Impairment provisions, end of period (30 June)		22	62
Effect on profit/loss					
3	30	Change in provisions for loan and receivable impairment		32	2
3	2	Losses recognised for the period, net		4	3
3	3	Received on claims previously written off		3	2
3	29	Total impairment losses on loans and advances		33	3
2	18	Of which individual		22	2
1	11	Of which group-based		11	1
7. PROFIT/LOSS FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES					
7	(8)	Profit/loss from investments in associates		-	-
18	16	Profit from investments in group enterprises		-	-
25	8	Total		-	-
8. TAX					
25.0	25.7	Tax as % of profit for the period		25.7	25.0
For the year as a whole, the tax charge is expected to amount to around 25-26% of profit for the year. Tax is calculated on the basis of the current tax rate of 25%.					

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
2007	2008		2008	2007
9. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
1,396	3	Receivables at call from central banks	4	1,396
18,688	14,914	Receivables from credit institutions	15,215	19,624
20,084	14,917	Total	15,219	21,020
9,610	8,581	Of which genuine purchase and resale transactions	9,295	10,251
10. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE				
5,737	11,696	Loans and advances at fair value	11,515	5,550
5,737	11,696	Total	11,515	5,550
5,737	11,696	Of which genuine purchase and resale transactions	11,515	5,550
11. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST				
38,314	48,055	Loans and advances	49,091	39,659
38,314	48,055	Total	49,091	39,659
Impairment provisions made, end of period (31 December 2007/30 June 2008)				
18	34	Individual impairment provisions	100	84
11	22	Group-based impairment provisions	22	11
Fixed-rate loans				
3,132	2,550	Of total loans and advances, fixed-rate loans represent	2,550	3,132
3,112	2,494	Market value of fixed-rate loans	2,494	3,112
Market value adjustments have been recognised in the income statement				
12. BONDS AT FAIR VALUE				
47,796	36,945	Mortgage bonds	38,346	49,447
1,457	7,171	Government bonds	7,246	1,796
4,115	7,098	Other bonds	7,227	4,298
53,368	51,214	Total	52,819	55,541
340	566	Own bonds offset against issued bonds	566	340
53,028	50,648	Total	52,253	55,201
The effect of fair value adjustment has been recognised in the income statement				
12,759	8,344	Assets sold as part of genuine sale and repurchase transactions	9,443	12,759
27,361	36,507	As collateral for the Danish central bank, Danmarks Nationalbank, and foreign clearing centres, etc, bonds have been deposited of a total market value of The collateral was provided on an arm's length basis	36,507	27,361
13. OTHER ASSETS				
5,058	6,322	Interest and commission receivable	6,388	5,114
8,184	12,246	Positive market value of derivative financial instruments	12,326	8,244
60	724	Other assets	751	71
13,302	19,292	Total	19,465	13,429

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
2007	2008		2008	2007
14. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS				
24,358	32,000	Payables to central banks	32,000	24,357
48,938	41,027	Payables to credit institutions	43,760	52,468
73,296	73,027	Total	75,760	76,825
11,929	7,845	Of which genuine sale and repurchase transactions	9,295	13,866
15. DEPOSITS AND OTHER PAYABLES				
13,649	13,470	On demand	13,110	13,332
1,211	1,539	At notice	1,539	1,211
16,214	16,981	Time deposits	16,980	16,214
960	966	Special deposits	966	960
32,034	32,956	Total	32,595	31,717
16. ISSUED BONDS AT AMORTISED COST				
1,911	7,398	Value of issues	7,398	1,911
(349)	(596)	Amortisation and own portfolio	(596)	(349)
1,562	6,802	Total	6,802	1,562
Issues				
18	18	2007 to 2010, NB Trend (DKK) *	18	18
325	325	2003 to 2008 Bond loan (DKK) *	325	325
239	239	2005 to 2016 Curve steepener (DKK) *	239	239
100	100	2005 to 2010 Basket Barrier (DKK) *	100	100
574	0	2006 to 2008 Nykredit Højrente I (EUR 77m) *	0	574
649	0	2006 to 2008 Nykredit Højrente II (EUR 87m) *	0	649
6	6	2007 to 2009 NB Argentina (DKK)	6	6
0	896	2008 to 2009 Nykredit Bank EMTN (JPY 20bn) **	896	0
0	3,356	2008 to 2010 Nykredit Bank EMTN (EUR 450m) **	3,356	0
0	394	2008 to 2010 Nykredit Bank EMTN (SEK 500m) **	394	0
0	45	2008 to 2009 Nykredit Bank EMTN (JPY 1bn) **	45	0
0	900	2008 to 2011 Nykredit Bank EMTN (DKK) **	900	0
0	1,119	2008 to 2011 Nykredit Bank EMTN (EUR 150m) **	1,119	0
1,911	7,398	Total nominal value	7,398	1,911
(9)	(31)	Amortisation	(31)	(9)
340	565	Own portfolio	565	340
1,562	6,802	Total	6,802	1,562
1,905	7,392	* Listed on the OMX Nordic Exchange Copenhagen or ** the Luxembourg Stock Exchange (nominal)	7,392	1,905
No value adjustments have been made that can be ascribed to credit risk changes. All issues carry floating interest rates.				
17. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE				
1,100	649	Deposits at fair value	656	1,100
3,676	6,276	Negative securities portfolios	6,276	4,303
4,776	6,925	Total	6,932	5,403
1,100	649	Of which genuine sale and repurchase transactions	656	1,100

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
2007	2008		2008	2007
18. OTHER LIABILITIES				
4,820	6,885	Interest and commission payable	6,893	4,845
6,201	9,703	Negative market value of derivative financial instruments	9,768	6,217
192	485	Other payables	565	317
11,213	17,073	Total	17,226	11,379
19. SUBORDINATE LOAN CAPITAL				
Subordinate loan capital consists of financial liabilities which, in case of voluntary or compulsory liquidation, will not be repaid until 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 loans are denominated in DKK and repayable at par (100).				
500	500	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
300	300	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
500	500	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
600	600	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
500	500	The loan was granted in 2007 and falls due on 18 March 2016. No principal payments will be made on the loan during its term. The loan carries a floating interest rate.	500	500
2,400	2,400	Total	2,400	2,400
No costs were incurred when the loans were raised, and no extraordinary repayments were made in 2007 or in H1/2008.				
20. GUARANTEES				
12,739	10,181	Financial guarantees	10,181	12,739
105	132	Registration and refinancing guarantees	132	105
1,591	2,200	Other guarantees	2,200	1,591
14,435	12,513	Total	12,513	14,435
21. OTHER CONTINGENT LIABILITIES				
7,903	8,599	Irrevocable credit commitments	8,599	7,903
108	108	Other commitments	162	138
8,011	8,707	Total	8,761	8,041

Notes

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
30.06.2007	30.06.2008			30.06.2008	30.06.2007
22. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES					
Foreign exchange risk					
708	101	Exchange rate indicator 1 (DKKm)		131	708
13.4	1.6	Exchange rate indicator 1 as % of core capital after statutory deductions		2.1	13.4
2	0	Exchange rate indicator 2 (DKKm)		0	2
0.0	0.0	Exchange rate indicator 2 as % of core capital after statutory deductions		0.0	0.0
Interest rate risk by the currency involving the highest interest rate exposure					
345	80	DKK		92	360
(189)	(9)	EUR		(15)	(202)
13	(8)	SEK		(8)	13
2	6	CHF		6	2
0	1	USD		1	0
(15)	0	NOK		0	(15)
1	1	GBP		1	1
1	1	Other currencies		1	1
158	72	Total interest rate exposure of debt instruments		78	160
23. HEDGING INTEREST RATE RISK					
According to the accounting provisions, loans, advances and deposits must generally be measured at amortised cost, while derivative financial instruments are measured at fair value. To obtain accounting symmetry between hedging and hedged transactions, adjustment of the carrying amounts of the financial assets and liabilities that form part of the effective hedge accounting has been allowed. The fair value adjustment exclusively concerns the hedged part (the interest rate exposure).					
HEDGED FIXED-RATE ASSETS:					
3,241	2,550	Loans, advances and other receivables at amortised cost		2,550	3,241
3,241	2,550	Total nominal value		2,550	3,241
Market value of hedged fixed-rate assets					
3,204	2,494	Loans, advances and other receivables at amortised cost		2,494	3,204
3,204	2,494	Total carrying amount, end of period		2,494	3,204
Fair value adjustment					
(37)	(36)	Loans, advances and other receivables at amortised cost		(36)	(37)
(37)	(36)	Total fair value adjustment		(36)	(37)
HEDGING DERIVATIVE FINANCIAL INSTRUMENTS:					
3,223	2,498	Nominal value (synthetic principal)		2,498	3,223
36	37	Market value adjustment (negative market value)		37	36
FAIR VALUE ADJUSTMENT DIFFERENCE					
(1)	1	Total		1	(1)
Hedged and hedging financial instruments have been fair value adjusted through profit or loss.					

Notes

24. CONTINGENT LIABILITIES

The Bank's operations involve the Bank in legal proceedings and litigation. The Bank is of the opinion that the outcome thereof will have no material effect on its financial position.

25. RELATED PARTY TRANSACTIONS AND BALANCES

The Parent Company Nykredit Realkredit, its parent company as well as its group enterprises and associates are regarded as related parties. In addition, Nykredit Bank's group enterprises and Associates, as stated in the group structure, are included as well as the Bank's Board of Directors, Executive Board and parties related thereto.

No unusual related party transactions occurred in H1/2008.

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

Intercompany sale of goods and services took place on an arm's length basis.

Important related party transactions prevailing/entered into in 2008 include:

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

Master agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas. In addition, Nykredit Realkredit has provided subordinate loan capital to Nykredit Bank.

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

On specific occasions, Nykredit Holding has issued guarantees or letters of comfort to third parties. Nykredit Holding has issued a guarantee to Nykredit Bank covering pre-fixed loss amounts with respect to some of the Bank's exposures. The guarantee expired on 30 June 2008.

Notes

DKK million

26. GROUP STRUCTURE	Revenue *	Assets	Payables and liabilities	Share capital 31.12.07	Equity 31.12.07	Ownership interest, % 31.12.07 and 30.06.08	Profit/loss for the period	Nykredit Bank's share of profit/loss for the period	Equity 30.06.08	Carrying amount 30.06.08
Name and registered office										
Nykredit Bank A/S (Parent Company) a)	748	145,521	139,227	1,950	6,099	-	199	-	6,294	-
Consolidated subsidiaries:										
Nykredit Portefølje Administration A/S, Copenhagen f)	43	118	20	25	89	100	9	9	98	98
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen d)	1	27	0	5	27	100	0	0	27	27
Nykredit Pantebrevsinvestering A/S, Copenhagen b)	0	11	0	5	11	100	0	0	11	11
Nykredit Fixed Income Opportunities										
Fund Limited, the Cayman Islands e)	(9)	1,817	1,710	111	118	100	(11)	(11)	107	107
Nykredit Finance plc, Plymouth d)	1	28	2	29	28	100	0	0	26	26
LeasIT A/S, Lyngby-Taarbæk c) ¹	38	2,297	2,179	21	111	100	11	11	118	118
Associates subject to proportionate consolidation:										
Dansk Pantebrevsbørs A/S, Copenhagen b) ²	4	314	284	5	44	50	(14)	(7)	30	15

The H1 financial statements of the subsidiaries have not been audited or reviewed.

* For companies preparing financial statements in accordance with the Danish Financial Business Act, revenue is defined as: Net interest and fee income, value adjustments and other operating income.

1) Effective for accounting purposes from 1 January 2008, LeasIT A/S merged with Nykredit Leasing A/S. The Company will subsequently change its name to Nykredit Leasing A/S.

2) Subject to proportionate consolidation based on shareholders' agreements entitling the Bank to appoint a director.

Pantebrevsselskabet af 8/8 1995 A/S and Nykredit Pantebrevsinvestering A/S have been completely or partly without activity in 2008.

a) Bank

b) Mortgage trading company

c) Leasing company

d) No activity

e) Finance institution

f) Investment management company. Nykredit Portefølje Administration was previously a subsidiary of Nykredit Portefølje Bank, which merged with Nykredit Bank, effective for accounting purposes from 1 January 2007.