

To NASDAQ OMX Copenhagen A/S  
and the press

19 August 2010

**H1 INTERIM REPORT – THE NYKREDIT BANK GROUP**  
**1 JANUARY 2010 – 30 JUNE 2010**

- The Group recorded a profit before tax of DKK 157m against a loss of DKK 1,184m for H1/2009. Excluding the Bank's payments and provisions under Bank Rescue Package I, profit was DKK 518m in H1/2010.
- The change in profit before tax is mainly attributable to a pronounced decline in impairment losses etc from DKK 1,856m in H1/2009 to DKK 749m. Impairment losses on a portfolio of terminated exposures relating to corporate customers of Forstædernes Bank dropped from DKK 1.2bn to DKK 0.4bn, profit from Corporate Banking decreased by DKK 382m, while profit from Retail Banking increased by DKK 55m. Provisions under Bank Rescue Package I for the period totalled DKK 114m against DKK 163m in H1/2009.
- Core income from business operations rose by a satisfactory 11% from DKK 1,736m to DKK 1,935m in H1/2010.
- Administrative expenses amounted to DKK 992m against DKK 1,017m in H1/2009. This development was due to fewer staff members, including the effect of a keen focus on cost containment and synergies from organisational changes.
- The balance sheet stood at DKK 228bn, up DKK 12.7bn on end-2009.
- Liquidity remained sound in H1/2010 with excess liquidity cover relative to statutory requirements of 265.8% against 323.9% at end-2009.
- The capital adequacy and core capital ratios came to 12.7% against 12.0% compared with 12.3% at end-2009.
- Equity stood at DKK 12,464m against DKK 12,374m at the beginning of 2010. The increase equals profit for the period.
- Profit before tax generated a return on equity of 2.5% pa against a negative return of 23.7% in H1/2009 and a negative return of 46.2% for the full year 2009.

**OUTLOOK FOR 2010**

H1/2010 saw satisfactory growth in core income and lower impairment losses on loans and advances than expected at the beginning of the year. Trends from H1 are expected to continue and Management expects Nykredit Bank to record a profit before tax for the full year. The development in impairment losses on loans and advances is, however, still subject to uncertainty.

**INFORMATION ABOUT THE NYKREDIT BANK GROUP**

The Nykredit Bank Group's H1 Interim Report 2010 and further information about the Nykredit Bank Group are available at [nykredit.com](http://nykredit.com).

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# Financial highlights – the Nykredit Bank Group

The Nykredit Bank Group

DKK million

Comparative figures have been restated in accordance with the merger with

Forstædernes Bank A/S

	H1/ 2010	FY 2009	H1/ 2009	H1/2008	H1/ 2007	H1/ 2006
<b>SUMMARY INCOME STATEMENT</b>						
Net interest and fee income	1,827	3,675	1,852	1,345	1,105	923
Value adjustments	300	313	70	(67)	412	216
Other operating income	18	36	19	18	8	13
Staff and administrative expenses	977	1,914	981	832	722	607
Other operating expenses, depreciation and amortisation	262	603	288	25	23	18
Impairment losses on loans, advances and receivables	749	6,571	1,856	180	12	18
Loss from investments in associates and group enterprises	-	(138)	-	-	-	-
<b>Profit (loss) before tax</b>	<b>157</b>	<b>(5,202)</b>	<b>(1,184)</b>	<b>259</b>	<b>768</b>	<b>509</b>
Tax	67	(1,264)	(281)	68	188	146
<b>Profit (loss) for the period</b>	<b>90</b>	<b>(3,938)</b>	<b>(903)</b>	<b>191</b>	<b>580</b>	<b>363</b>
<b>BALANCE SHEET, END OF PERIOD</b>						
<b>Assets</b>						
Cash balance and receivables from central banks and credit institutions	35,201	46,361	25,567	18,714	28,791	20,899
Loans, advances and other receivables at fair value	13,899	11,963	23,320	11,515	4,006	9,854
Loans, advances and other receivables at amortised cost	61,355	60,921	65,825	73,054	58,874	44,106
Bonds at fair value and equities	73,046	65,670	81,298	60,128	57,920	49,289
Other asset items	44,431	30,294	28,739	20,604	12,540	8,788
<b>Total assets</b>	<b>227,932</b>	<b>215,209</b>	<b>224,749</b>	<b>184,015</b>	<b>162,131</b>	<b>132,936</b>
<b>Liabilities and equity</b>						
Payables to credit institutions and central banks	65,922	56,843	77,074	89,172	87,722	70,006
Deposits and other payables	57,481	65,117	60,890	49,216	39,085	36,325
Issued bonds at amortised cost	38,114	44,059	39,692	8,239	3,039	3,149
Other non-derivative financial liabilities at fair value	9,785	6,798	5,083	6,932	10,252	8,410
Other payables	42,072	28,084	27,914	18,215	11,216	7,427
<b>Total payables</b>	<b>213,374</b>	<b>200,901</b>	<b>210,653</b>	<b>171,774</b>	<b>151,314</b>	<b>125,317</b>
Provisions	958	765	278	27	12	63
Subordinated debt	1,136	1,169	4,058	3,798	3,399	2,249
Equity	12,464	12,374	9,760	8,416	7,406	5,307
<b>Total liabilities and equity</b>	<b>227,932</b>	<b>215,209</b>	<b>224,749</b>	<b>184,015</b>	<b>162,131</b>	<b>132,936</b>
<b>OFF-BALANCE SHEET ITEMS</b>						
Contingent liabilities	17,549	23,386	16,015	19,676	20,511	16,323
Other commitments	7,531	9,387	9,258	8,761	7,702	4,131
<b>FINANCIAL RATIOS</b>						
Capital adequacy ratio, %	12.7	12.3	12.5	9.3	11.7	9.4
Core capital ratio, %	12.0	12.3	9.4	6.9	8.6	7.9
Return on equity before tax, % *)	1.3	(46.2)	(11.9)	3.1	11.5	9.9
Return on equity after tax, % *)	0.8	(35.0)	(9.1)	2.3	8.7	7.0
Income:cost ratio, DKK *)	1.08	0.43	0.62	1.25	2.01	1.79
Interest rate exposure, %	0.8	0.1	1.1	1.3	3.0	3.7
Foreign exchange position, %	2.6	0.7	0.0	2.2	13.4	11.6
Foreign exchange exposure, %	0.0	0.0	0.1	0.0	0.0	0.2
Loans and advances:deposits *)	1.4	1.2	1.5	1.7	1.6	1.5
Loans and advances:equity *)	6.0	5.9	9.1	10.0	8.5	10.2
Growth in loans and advances for the period, % *)	3.3	(25.4)	(8.8)	19.8	19.3	24.6
Excess cover:statutory liquidity requirements, %	265.8	323.9	200.3	57.7	116.4	123.6
Total large exposures, %	33.0	62.1	97.6	134.9	183.8	497.9
Impairment losses for the period, % *)	0.7	6.3	1.7	0.2	0.0	0.0
Average number of staff, full-time equivalents *)	923	1,228	1,317	1,249	1,115	1,010

The financial ratios have been calculated in accordance with the definitions of the Danish Executive Order on the Presentation of Financial Statements.

\*) The financial ratios have been restated in accordance with the merger with Forstædernes Bank.

**H1/2010 IN BRIEF**

Comparative figures have been restated to reflect the changes resulting from the merger with Forstædernes Bank. The effect on financial highlights appears from page 39.

The Group recorded a profit before tax of DKK 157m against a loss of DKK 1,184m in H1/2009. Although results have improved significantly, they were not as a whole satisfactory. However, higher core income from business operations and lower impairment losses developed in a positive direction.

Compared with H1/2009, core income from business operations rose by a satisfactory DKK 199m (11%) to DKK 1,935m. The rise was attributable to Markets & Asset Management and Corporate Banking, while the other areas were on a level with H1/2009.

Own trading positions generated negative core income of DKK 7m from the portfolio of Kalvebod issues in H1. In H1/2009 income totalled DKK 77m of which Kalvebod issues

contributed DKK 52m. DKK 25m came from Proprietary Trading activities, which were transferred to Nykredit Realkredit in H2/2009.

Core income from group items declined from DKK 81m to DKK 57m in H1/2010. This was a consequence of the decline in short-term interest rates from about 2.4% (avg) in H1/2009 to 1.06% in H1/2010 combined with higher equity.

Of the total income, net interest dropped by DKK 54m primarily as a result of lower interest rate levels. Net fees rose by DKK 29m to DKK 409m, while value adjustments went up by DKK 230m to DKK 300m. Changes in value adjustments and net interest income should be considered in context, as the Bank widely uses combinations of interest-bearing financial assets and liabilities as well as derivatives, including swaps for interest rate hedging purposes, in its day-to-day operations.

Staff and administrative expenses fell by DKK 4m to DKK 977m. This development was a

result of synergies from organisational changes, including the merger with Forstædernes Bank and a keen focus on cost containment.

Staff expenses were reduced by DKK 147m (-25%) – down from DKK 570m to DKK 423m in H1/2010. This trend should be seen in the context of a 25% reduction in average staff numbers to 923 in H1/2010, as an increasing part of the joint activities are performed by the Parent Company.

By contrast, administrative expenses went up by DKK 143m to DKK 554m. The development was partly attributable to an increase in IT costs, including costs relating to the merger, and payments to the Parent Company for the performance of intercompany activities.

Commission under Bank Rescue Package I amounted to DKK 247m, which was on a level with H1/2009.

Impairment losses on loans and advances and

**The Nykredit Bank Group – results for 1 January to 30 June before tax by business area**

DKK million	Retail Banking	Corporate Banking	Markets & Asset Management	Other activities	Group items <sup>1</sup> and eliminations	Total H1
	2010	2010	2010	2010	2010	
Core income from business operations	414	568	913	40	-	1,935
Core income from own trading positions <sup>3</sup>	-	-	(7)	-	-	(7)
Core income from securities	-	-	-	-	57	57
<b>Total core income</b>	<b>414</b>	<b>568</b>	<b>906</b>	<b>40</b>	<b>57</b>	<b>1,985</b>
Operating costs	261	293	421	17	-	992
Commission under Bank Rescue Package I	35	120	61	31	-	247
<b>Core earnings before impairment losses</b>	<b>118</b>	<b>155</b>	<b>424</b>	<b>(8)</b>	<b>57</b>	<b>746</b>
Impairment losses on loans and advances	148	101	1	385	-	635
Provisions under Bank Rescue Package I	15	51	25	23	-	114
<b>Core earnings after impairment losses</b>	<b>(45)</b>	<b>3</b>	<b>398</b>	<b>(416)</b>	<b>57</b>	<b>(3)</b>
Investment portfolio income <sup>2</sup>	-	-	-	-	160	160
<b>Profit (loss) before tax for the period</b>	<b>(45)</b>	<b>3</b>	<b>398</b>	<b>(416)</b>	<b>217</b>	<b>157</b>
<b>Results before tax for H1/2009</b>						
Core income from business operations	421	515	745	55	-	1,736
Core income from own trading positions	-	-	77	-	-	77
Core income from securities	-	-	-	-	81	81
<b>Total core income</b>	<b>421</b>	<b>515</b>	<b>822</b>	<b>55</b>	<b>81</b>	<b>1,894</b>
Operating costs	311	329	356	21	-	1,017
Commission under Bank Rescue Package I	27	116	58	51	-	252
<b>Core earnings before impairment losses</b>	<b>83</b>	<b>70</b>	<b>408</b>	<b>(17)</b>	<b>81</b>	<b>625</b>
Impairment losses on loans and advances	92	446	1	1,154	-	1,693
Provisions under Bank Rescue Package I	16	87	27	33	-	163
<b>Core earnings after impairment losses</b>	<b>(25)</b>	<b>(463)</b>	<b>380</b>	<b>(1,204)</b>	<b>81</b>	<b>(1,231)</b>
Investment portfolio income	-	-	-	-	47	47
<b>Profit (loss) before tax</b>	<b>(25)</b>	<b>(463)</b>	<b>380</b>	<b>(1,204)</b>	<b>128</b>	<b>(1,184)</b>

<sup>1</sup> 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.

<sup>2</sup> Investment portfolio income equals the return on the Bank's own portfolio exceeding risk-free interest.

<sup>3</sup> Comprises income from Proprietary Trading in H1/2009 and value adjustment of the portfolio of subordinate debt in Danish banks (Kalvebod issues).

Comparative figures have been restated to reflect the changes resulting from the merger with Forstædernes Bank. Further specifications and financial ratios appear from note 2.

provisions for guarantees came to DKK 635m compared with DKK 1,693m in H1/2009. To this should be added provisions relating to Bank Rescue Package I which declined from DKK 163m in H1/2009 to DKK 114m.

The decline of DKK 1,058m in impairment losses and provisions is a result of a portfolio of terminated exposures relating to corporate customers of Forstædernes Bank, which was reduced by DKK 769m, and a decline of DKK 346m within Corporate Banking. By contrast, impairment losses and provisions in the Retail Banking area went up by DKK 56m to DKK 148m.

Calculated tax was DKK 67m, or about 42% of pre-tax profit. Relative to the current tax rate of 25%, tax calculated for the period was particularly affected by an adjustment of deferred tax in the former Forstædernes Bank for previous years.

Profit after tax totalled DKK 90m against a loss after tax of DKK 903m in H1/2009.

## OUTLOOK FOR 2010

Core income from business operations is expected to remain at the H1 level for the rest of the year. However, as a part of the Bank's income derives from return on bond portfolios etc, the level is dependent on the development in interest rate markets.

Wages, salaries and administrative expenses are expected to remain at largely the same level as in H1 for the rest of the year, while the trends in the Danish economy, including housing prices and unemployment, still involve a risk of new credit losses.

Overall, profit before impairment losses and tax is expected to be slightly above the level in 2009 when profit before impairment losses and tax was DKK 1,369m (including the merger with Forstædernes Bank).

On the basis of the trends in H1/2010, Management expects Nykredit Bank to record a profit before tax for the full year.

## OTHER

### Merger with Forstædernes Bank A/S

As previously announced, the merger with Forstædernes Bank took place on 1 April, effective at 1 January 2010 for accounting purposes. Comparative figures have been restated to reflect the merger.

## Early redemption of subordinate capital

In August the Bank redeemed supplementary capital of DKK 150m and applied for FSA approval of the early redemption of additional subordinated debt of DKK 100m and EUR 10m in September and October 2010.

## Capital increase

The Bank expects growth in customer-oriented business to continue. To this is added the redemption of supplementary capital and the Bank's general aim to maintain adequate capital resources. Against this backdrop, Nykredit Bank's equity will be increased in September 2010 by DKK 1bn. The capital increase will be fully subscribed for by Nykredit Realkredit.

## EVENTS AFTER 30 JUNE

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

## BUSINESS AREAS

The segment financial statements have in 2010 been affected by the merger with Forstædernes Bank and a general reorganisation. Comparative figures have been restated to the widest extent possible. However, certain income statement and balance sheet items have been allocated among the business areas based on a number of estimates.

The Nykredit Bank Group is structured around a unified organisation offering customers one single point of access to Nykredit.

The group unit Customers comprises all Nykredit's distribution channels, and it is up to the customers whether they want to be served personally at the centres, online or by telephone. The competence centres Nykredit Markets and Nykredit Asset Management handle the activities of the Nykredit Group relating to trading in securities and derivatives, asset and investment management, pension products, etc.

The financial reporting of the Nykredit Bank Group is centred around the following segments: Retail Banking, Corporate Banking, Markets & Asset Management and Other Activities.

## Retail Banking

The business area serves households and small agricultural customers, who typically require the same product range as retail customers.

Retail Banking recorded a loss of DKK 45m against a loss of DKK 25m in H1/2009. Core income decreased by DKK 7m to DKK 414m. Lending for housing purposes generally increased, while lending for customers with wage accounts went down. By contrast, an uptrend is seen in deposits from customers with wage accounts.

Costs declined by DKK 50m to DKK 261m, while commission under Bank Rescue Package I amounted to DKK 35m against DKK 27m in H1/2009. The development in costs generally matched expectations.

Impairment losses and provisions came to DKK 163m against DKK 108m in H1/2009. Provisions under Bank Rescue Package I were fairly unchanged. Generally, the level continued to be relatively low compared with total loans and guarantees of around DKK 24.1bn. However, the increase reflects slightly higher credit risk on retail lending.

The income:cost ratio remained unchanged at DKK 0.9 compared with 30 June 2009.

Loans and advances amounted to DKK 15.2bn at 30 June 2010 against DKK 16.6bn at end-2009, while deposits were fairly unchanged at DKK 19.5bn. The development in loans and advances is partly attributable to the changed allocation between business areas as a result of the reorganisation.

## Corporate Banking

The business area serves business, agricultural and rental housing customers, including housing cooperative and non-profit housing customers.

Despite a rise in core income of DKK 53m, the business area's profit of DKK 3m for H1/2010 was not satisfactory.

Compared with H1/2009, core income rose from DKK 515m to DKK 568m. Notably Group Customers which serves the Group's corporate customers performed well.

The rise in income was partly an effect of the price adjustments of business with corporate customers which resulted in higher margins and fees.

Value adjustment of corporate bonds and derivatives came to a loss of DKK 33m against a loss of DKK 82m in H1/2010. H1/2010 was affected by especially negative value adjustments of derivatives.

Operating costs decreased from DKK 329m in H1/2009 to DKK 293m, as forecast.

Group enterprises and associates of the business area generated a loss of DKK 3.9m against a loss of DKK 23m in H1/2009.

Impairment losses and provisions declined by DKK 345m from DKK 446m to DKK 101m, while provisions under Bank Rescue Package I amounted to DKK 51m against DKK 87m in H1/2009.

The income:cost ratio stood at 1.0 against 0.5 in H1/2009.

Loans and advances amounted to DKK 41.9bn against DKK 39.2bn at end-2009, while deposits amounted to DKK 29.8bn against DKK 33.4bn at end-2009.

### Markets & Asset Management

The business area handles the activities of the Nykredit Group within trading in securities and derivatives, debt capital, asset management and pension products. The area also includes the Bank's Treasury activities. Proprietary Trading was included in H1/2009.

Markets & Asset Management recorded a profit before tax of DKK 398m against DKK 380m in H1/2009, equivalent to a rise of DKK 18m.

Core income from business operations rose by a satisfactory DKK 168m (22%) to DKK 913m, while income from own trading positions were reduced by DKK 84m to a loss of DKK 7m as a result of negative value adjustments of Kalvebod issues.

Nykredit Markets recorded good earnings growth in several areas. Derivatives business rose to the level seen previously, and other areas retained or raised the activity level. Not least Equities made very satisfactory progress. Fixed income saw high activity in H1 despite financial turbulence and the euro crisis.

Asset Management also recorded satisfactory growth. Assets under management rose by 12.4% to DKK 79.9bn, and assets under administration went up by 10.3% to DKK 252bn. In comparison, H1/2009 growth in assets under management and assets under administration was 3.5% and -7.0%, respectively. In H1/2010 Asset Management launched Nykredit AIDA, investment in gold, oil, equities and bonds, aimed at professional customers. In June the subfund Danish Focus Equities (Danske Fokusaktier) was launched to retail and

professional customers. Total issuance came to almost DKK 850m.

Operating costs rose by DKK 65m to DKK 421m. Overall, the development matched expectations.

The income:cost ratio stood at DKK 1.8 against DKK 1.9 in H1/2009.

Loans and advances (reverse lending) came to DKK 13.9bn against DKK 11.9bn at end-2009. Loans and advances were issued to eg pension funds, investment funds and investment companies.

Deposits stood at DKK 7.2bn at 30 June 2010 against DKK 11.1bn at end-2009. Repo transactions at 30 June 2010, included in the item Non-derivative financial liabilities at fair value, amounted to DKK 5.7bn. At end-2009 the item came to DKK 0.5bn.

### Other Activities

This business area comprises a portfolio of terminated exposures relating to corporate customers of Forstædernes Bank.

The business area recorded a loss of DKK 416m against a loss of DKK 1,204m in H1/2009.

As the activity concerned a defined loan portfolio of terminated exposures, the vast majority of results for the year was impairment losses of DKK 385m in H1/2010 and DKK 1,154m in H1/2009. To this was added an expense of DKK 23m in H1/2010 concerning Bank Rescue Package I against DKK 33m in H1/2009.

The loans amount to about DKK 4.2bn after total impairment losses of DKK 3.9bn. The impairment rate is thus almost 50%.

## THE NYKREDIT BANK GROUP

### BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

#### Balance sheet

The balance sheet stood at DKK 227.9bn against DKK 215.2bn at end-2009, up DKK 12.7bn (5.9%).

Compared with end-2009, loans and advances at fair value and amortised cost together rose by DKK 2.4bn to DKK 75.2bn of which reverse lending accounted for a rise of almost DKK 2bn.

Bonds went up from DKK 65.0bn at end-2009 to DKK 72.5bn. The size of the portfolio should be viewed against the Bank's repo activities and trading positions as well as the Bank's high liquidity, part of which had been placed in securities. The portfolio mainly contained high-rated government and mortgage bonds. The portfolio includes bonds with cover assets consisting of subordinated in Danish banks (Kalvebod issues). The item amounted to about DKK 1.2bn, equal to the level at 31 December 2009.

Other assets totalled DKK 42.7bn against DKK 28.5bn at end-2009. This amount includes positive market values of derivative financial instruments in the amount of DKK 35.6bn (at 31 December 2009: DKK 20.7bn), which related to the Bank's trading in derivatives and own positions for hedge accounting purposes, etc. These transactions were widely hedged and relate to the item Other liabilities, which included negative market values of derivative financial instruments in the amount of DKK 33.9bn (at 31 December 2009: DKK 19.6bn).

Deposits came to DKK 57.5bn against DKK 65.1bn at end-2009. Deposits mainly derived from Retail Banking with DKK 19.5bn (at 31 December 2009: DKK 19.6bn), Corporate Banking with DKK 29.8bn (at 31 December 2009: DKK 33.4bn) and Markets & Asset Management with DKK 7.2bn (at 31 December 2009: DKK 11.1bn). Furthermore, deposits from repo transactions increased from DKK 0.5bn at end-2009 to DKK 5.7bn at 30 June 2010.

Issued bonds declined from DKK 44.1bn at end-2009 to DKK 38.1bn. The item was reduced in accordance with the Bank's expected liquidity requirement, and the change includes current redemptions and new issues made without using the individual government guarantee and at satisfactory margins. See also Liquidity Management on page 10.

Other non-derivative financial liabilities at fair value increased from DKK 6.8bn to DKK 9.8bn. The item includes deposits as well as negative securities holdings relating to repo transactions.

Other liabilities totalled DKK 42.1bn against DKK 28.1bn at end-2009. The amount mainly included negative market values of derivative financial instruments of DKK 33.9bn and interest payable of DKK 7.6bn.

#### Equity

Equity was DKK 12,464m at 30 June 2010. Compared with end-2009 when it stood at DKK 10,227m, this constitutes an increase of DKK 2,237m which involves a rise of DKK 2,147m in connection with the merger and profit after tax of DKK 90m for the period.

Equity was identical in Nykredit Bank A/S and the Nykredit Bank Group, as the same recognition and measurement principles are applied.

## The Nykredit Bank Group

### Changes in equity

DKK million	30.06.2010	30.06.2009	31.12.2009
Equity, beginning of period, incl Forstædernes Bank	12,374	10,159	10,159
Capital increase and share premium, incl Forstædernes Bank	-	504	6,154
Other additions and disposals	-	-	(1)
Profit (loss) for the period, incl Forstædernes Bank	90	(903)	(3,938)
<b>Equity, end of period</b>	<b>12,464</b>	<b>9,760</b>	<b>12,374</b>

For more information on equity, see pages 16 and 17

## The Nykredit Bank Group

### Capital base and capital adequacy

DKK million	31.06.2010	30.06.2009	31.12.2009
Share capital	5,545	2,575	4,175
Retained earnings	6,919	4,667	6,052
<b>Core capital</b>	<b>12,464</b>	<b>7,242</b>	<b>10,227</b>
Hybrid core capital	239	-	-
Primary and other statutory deductions from core capital	337	189	675
<b>Total</b>	<b>12,366</b>	<b>7,053</b>	<b>9,552</b>
Supplementary capital	859	2,400	-
Primary and other statutory deductions	92	109	-
<b>Capital base after statutory deductions</b>	<b>13,133</b>	<b>9,344</b>	<b>9,552</b>
<b>Total weighted items</b>	<b>103,451</b>	<b>74,670</b>	<b>77,452</b>
Capital adequacy ratio, %	12.7	12.5	12.3
Core capital ratio, %	12.0	9.4	12.3

The capital adequacy and core capital ratios of H1/2009 and FY 2009 are unchanged relative to previously published information on the Nykredit Bank Group.

## Nykredit Bank A/S

### Ratings

	Moody's Investors Service	Standard & Poor's
Short-term rating	P-1	A-1
Long-term rating	A1	A+
Bank Financial Strength Rating	C-	

## 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.

Nykredit Bank's capital structure and capital adequacy are described in the report Risk and Capital Management 2009, which is available at [nykredit.com/reports](http://nykredit.com/reports).

Nykredit Bank is authorised by the Danish Financial Supervisory Authority to use the advanced IRB approaches to determine the capital requirement for retail lending and the foundation IRB approaches to determine the capital requirement for corporate lending. In respect of sovereign and credit institution exposures, the Bank applies the standardised approach.

After statutory deductions, the capital base rose by DKK 3.6bn relative to end-2009, which was chiefly attributed to the equity increase, hybrid core capital and supplementary capital in connection with the merger with Forstædernes Bank.

Weighted assets rose by DKK 26.0bn compared with end-2009 – also a result of the merger.

The capital adequacy ratio of the Nykredit Bank Group landed at 12.7% at 30 June 2010 against 12.3% at end-2009 and 12.5% at 30 June 2009.

The core capital ratio came to 12.0% against 12.3% at end-2009 and 9.4% at 30 June 2009.

The capital need of Nykredit Bank was determined at 9.8% at 30 June 2010, and the required capital base amounts to DKK 10.2bn. The change relative to end-2009 when the ratio stood at 8.8% must in part be seen as a result of the merger with Forstædernes Bank.

## Ratings

The Bank's ratings are unchanged compared with end-2009.

## Impairment losses and provisions

### Earnings impact for the period

Impairment losses on loans and advances came to DKK 749m against DKK 1,856m in H1/2009. Of the charge, Bank Rescue Package I accounted for DKK 114m in H1/2010 against DKK 163m in H1/2009.

The charge includes individual provisions of DKK 708m and collective impairment provisions of DKK 41m against DKK 1,861m and a gain of DKK 5m, respectively, in H1/2009.

The charge amounted to 0.7% of total loans, advances and guarantees against 6.3% for the full year 2009 and 1.7% for H1/2009. In Retail Banking, the ratio was 0.7%, in Corporate Banking 0.3%, in Markets & Asset Management 0.2% and in Other Activities 4.4%.

Other Activities accounted for DKK 408m, or 54% of the total charge for the period. The figure is still relatively high, but compared with H1/2009 when the charge was DKK 1.2bn, the improvement is noticeable. Of the remaining part of the charge, DKK 163m was attributable to Retail Banking, DKK 152m to Corporate Banking and DKK 26m to Markets & Asset Management.

Bank Rescue Package I caused a charge of DKK 114m against DKK 163m in H1/2009. In Management's view, appropriate provisions had been made at 30 June relative to the Bank's share of the total Package, but the charge is inherently very sensitive to a rise in the number of distressed banks in the Financial Stability Company, a governmental winding-up company, including higher losses etc on already distressed banks.



**Provisions, end of period**

Provisions totalled DKK 7,843m against DKK 8,421m at end-2009 and DKK 4,272m at 30 June 2009.

This constituted a decline of DKK 578m on end-2009. The figure results from a net increase of DKK 433m in new impairment provisions and the recognition of provisions previously made of DKK 1,011m as lost, as a number of non-performing loans were recognised as losses during H1/2010.

The most significant change was attributable to Other Activities where impairment provisions were reduced from DKK 4,575m at the beginning of the year to DKK 3,959m at 30 June 2010. Impairment provisions for this part of the Bank's lending totalled almost 50% at 30 June 2010.

Provisions for guarantees amounted to DKK 823m against DKK 252m at 30 June 2009 and DKK 609m at end-2009. Compared with end-2009, provisions increased by DKK 214m, of which Bank Rescue Package I accounted for a rise of DKK 114m.

Provisions for Bank Rescue Package I consequently totalled DKK 494m against DKK 380m at end-2009.

Relative to total loans, advances and guarantees, provisions were 7.8% against 8.0% at end-2009.

About 56% of total provisions concerned the portfolio of terminated exposures relating to Other Activities, which was largely unchanged compared with end-2009.

**The Nykredit Bank Group – provisions for H1/2010**

DKK million	Provisions for loan impairment		Provisions for guarantees		Total provisions		Earnings impact for the period	
	30 June 2010	Beginning of 2010	30 June 2010	Beginning of 2010	30 June 2010	Beginning of 2010	H1/2010	H1/2009
Retail Banking	599	467	78	59	677	526	163	108
Corporate Banking	2,397	2,702	251	181	2,648	2,883	152	534
Markets & Asset Management	65	68	115	87	180	155	26	28
Other Activities	3,959	4,575	379	282	4,338	4,857	408	1,186
<b>Total</b>	<b>7,020</b>	<b>7,812</b>	<b>823</b>	<b>609</b>	<b>7,843</b>	<b>8,421</b>	<b>749</b>	<b>1,856</b>
Of which Forstædernes Bank		6,232		336		6,568		1,390
Of which Nykredit Bank		1,580		273		1,853		466
Provisions divided into:								
- individual	6,722	7,554	823	609	7,545	8,163	708	1,861
- collective	298	258			298	258	41	(5)
<b>Of which relating to Bank Rescue Package I</b>			<b>494</b>	<b>380</b>			<b>114</b>	<b>163</b>

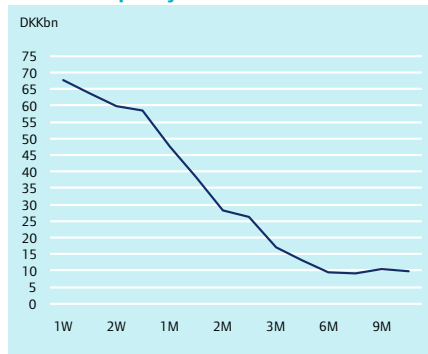
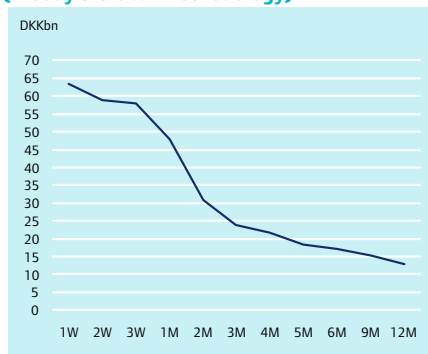
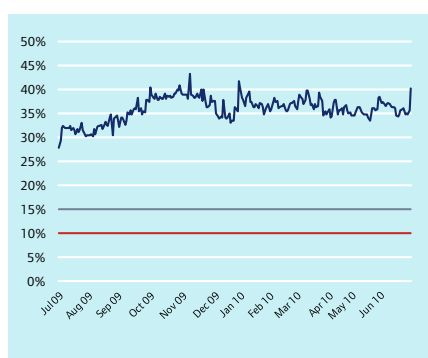
For a detailed specification of provisions, please see notes 7, 29 and 30.

**Loans, advances, guarantees and provisions by sector**

DKK million	Loans, advances and guarantees		Provisions	
	30.06.2010	Beginning of 2010	30.06.2010	Beginning of 2010
<b>Public sector</b>	<b>674</b>	<b>498</b>	<b>0</b>	<b>113</b>
Agriculture, hunting, forestry and fisheries	2,912	3,089	84	87
Manufacturing	9,612	8,502	407	365
Building and construction	1,658	2,019	254	219
Trade, restaurants and hotels	3,757	4,154	409	410
Transport, mail and telephone	2,162	2,655	21	21
Credit, finance and insurance	17,382	14,105	879	1,662
Property management and trade, business services	20,241	23,514	3,068	3,129
Other corporate	10,547	12,136	1,804	1,654
<b>Total corporate</b>	<b>68,271</b>	<b>70,174</b>	<b>6,926</b>	<b>7,547</b>
Retail	23,858	25,598	917	762
<b>Total</b>	<b>92,803</b>	<b>96,270</b>	<b>7,843</b>	<b>8,422</b>
Of which reverse lending	13,899	11,963	0	0
Of which guarantees	17,549	23,386	823	609

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

Loans, advances and guarantee figures appear less impairment provisions and correspond to the carrying amounts.

**Nykredit Bank A/S****12-month liquidity****Nykredit Bank A/S****Liquidity stress test****(Moody's Global Methodology)****Nykredit Bank A/S****Liquidity as % of debt and guarantee obligations**

Loans, advances and guarantees granted to the property management and trade etc sector amounted to 21.8%, down slightly on end-2009. Management finds exposures to the property market reasonable considering the Bank's business model, size and capital resources, and the area is monitored closely. At 30 June 2010, provisions accounted for about 15% of loans, advances and guarantees relating to property management and trade etc against 13.3% at the beginning of 2010.

Around 19% of total loans, advances and guarantees have been granted to the credit and finance sector, including pension funds, investment funds and investment companies. A considerable part of lending was based on reverse transactions with bonds serving as collateral.

Loans, advances and guarantees totalled DKK 92.8bn against DKK 96.3bn at the beginning of 2010.

**Guarantees**

The Bank issues guarantees on a current basis, including guarantees to mortgage banks. According to the accounting rules, guarantees must be reviewed on a current basis and losses under guarantees provided for if deemed necessary.

At 30 June 2010, provisions to counter losses under guarantees totalled DKK 823m relative to DKK 609m at end-2009. Of total provisions at 30 June 2010, DKK 494m was attributable to Bank Rescue Package I, up DKK 114m on end-2009.

**LIQUIDITY MANAGEMENT**

Liquidity risk is the risk of loss as a result of insufficient liquidity to cover current payment obligations. Please refer to the Annual Report for 2009 of the Nykredit Bank Group, Risk and capital management, page 15, for a detailed review of and information on the Nykredit Bank Group's risk management.

Nykredit Bank monitors its balance sheet and liquidity on a day-to-day basis. The management of the Bank's structural liquidity risk is based on an internal model relating to the liquidity of assets and liabilities. Securities not serving as collateral in the trading book constitute a short-term liquidity buffer that may be applied in the case of unforeseen drains on the Bank's liquidity.

The model assumptions are stress tested daily. This includes calculating the effect of a liquidity crisis that would cause an increase in the Bank's funding costs and lower liquidity of the assets.

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 15%.

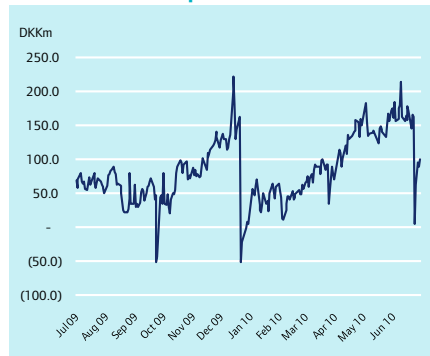
At 30 June 2010, the financial ratio Excess cover:statutory liquidity requirements was 265.8% against 323.9% at end-2009. At 30 June 2010, the liquidity buffer equivalent to the above excess cover amounted to DKK 63.6bn compared with DKK 66.8bn at end-2009. In H1/2010 the liquidity buffer averaged DKK 58.2bn compared with an average of DKK 38.0bn for H1/2009.

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

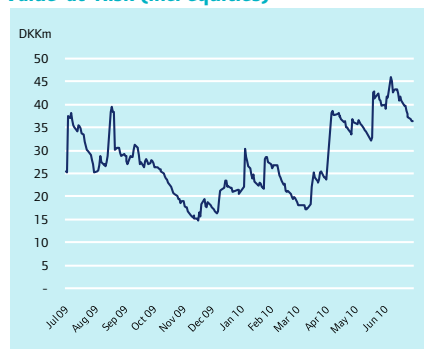
As part of its liquidity reserves, the Bank raised funding of DKK 1.2bn in Q2/2010 following the latest EMTN issue of DKK 3.7bn in March 2010, both without the use of the government guarantee scheme. The Bank's long-term funding activities progressed according to plan, with EMTN issues without government guarantees maturing after the expiry of Bank Rescue Package I on 30 September 2010.

Further, the bank has continued its current refinancing of short-term ECP issues up to the expiry of Bank Rescue Package I. The bank has issued ECP totalling EUR 455m (DKK 3.4bn) maturing after 30 September 2010.

### Net interest rate exposure



### Value-at-Risk (incl equities)



Value-at-Risk at 99%

The aggregate bond issues through the ECP and EMTN programmes etc amounted to DKK 38.1bn at 30 June 2010 against DKK 44.1bn at end-2009.

### Financial risk

For details on methods of determination and a description of financial risk, please refer to the Annual Report for 2009, p 20ff.

The Bank's Value-at-Risk and net interest rate exposure for H1/2010 reflect Nykredit Bank's and Forstædernes Bank's total positions. Comparative Value-at-Risk figures for 2009 concern the Nykredit Bank Group.

Value-at-Risk came to DKK 36.4m at 30 June 2010 against DKK 25.4m at 30 June 2009 for Nykredit Bank A/S. It averaged DKK 35.2m for H1/2010 against DKK 41.0m for H1/2009.

The development in Value-At-Risk was mainly driven by market movements, in particular the still very volatile spreads between the Bank's interest rate swaps and its portfolio of mortgage bonds. Position-taking has been limited and relatively stable. However, Value-at-Risk shows a leap at 1 January as a result of the merger with Forstædernes Bank, which contributed large equity positions in particular.

The interest rate exposure amounted to DKK 104m at 30 June 2010 against DKK 145m at 30 June 2009.

The development in interest rate exposure was mainly driven by periodic interest rate fixings in respect of variable-rate bonds and interest rate swaps.

Exchange Rate Indicator 1 was DKK 319m against DKK 198m at 30 June 2009 and DKK 83m at end-2009.

### UNCERTAINTY AS TO RECOGNITION AND MEASUREMENT

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

The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment, unlisted financial instruments and listed financial instruments, which in the light of the financial turmoil are priced in markets characterised by low turnover, and provisions, the determination of which involves a number of estimates.

Uncertainty as to recognition and measurement is described in detail in the Bank's accounting policies (note 1 of the Annual Report for 2009, page 41), to which reference is made.

## 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 2010 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 Financial Statements of the Parent Company, Nykredit Bank A/S, have been prepared 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.

We are of the opinion that the H1 Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2010 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 2010.

We are furthermore of the opinion that the Management's Review 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 which may affect the Group and the Parent Company.

Copenhagen, 19 August 2010

### Board of Directors

Karsten Knudsen, Chairman

Søren Holm, Deputy Chairman

Henrik K. Asmussen, staff-elected member

Kim Duus

Allan Kristiansen, staff-elected member

Per Ladegaard

Bente Overgaard

### Executive Board

Bjørn Mortensen

Georg Andersen

Lars Bo Bertram

# Income statements for 1 January – 30 June

DKK million

Nykredit Bank A/S		Note	The Nykredit Bank Group	
H1/2009	H1/2010		H1/2010	H1/2009
3,695	2,242	3	2,269	3,737
2,264	851	4	851	2,265
<b>1,431</b>	<b>1,391</b>		<b>1,418</b>	<b>1,472</b>
18	1		1	18
507	563		658	591
186	209		250	229
<b>1,770</b>	<b>1,746</b>		<b>1,827</b>	<b>1,852</b>
98	300	5	300	70
7	6		18	19
915	919	6	977	981
31	11		12	33
254	249		250	255
1,839	731	7	749	1,856
(23)	11	8	-	-
<b>(1,187)</b>	<b>153</b>		<b>157</b>	<b>(1,184)</b>
(284)	63	9	67	(281)
<b>(903)</b>	<b>90</b>		<b>90</b>	<b>(903)</b>

## Statements of comprehensive income 1 January – 30 June

<b>(903)</b>	<b>90</b>	<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>90</b>	<b>(903)</b>
504	-	Capital increase	-	504
<b>504</b>	<b>-</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>504</b>
<b>(399)</b>	<b>90</b>	<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>90</b>	<b>(399)</b>



## Balance sheets

DKK million

Nykredit Bank A/S		The Nykredit Bank Group			
31.12.2009	30.06.2010		Note	30.06.2010	31.12.2009
		LIABILITIES AND EQUITY			
56,843	65,922	Payables to credit institutions and central banks	16	65,922	56,843
65,334	57,716	Deposits and other payables	17	57,481	65,117
44,059	38,114	Issued bonds at amortised cost	18	38,114	44,059
6,798	9,785	Other non-derivative financial liabilities at fair value	19	9,785	6,798
27,918	41,938	Other liabilities	20	42,063	28,071
8	5	Deferred income		9	13
200,960	213,480	TOTAL PAYABLES		213,374	200,901
		Provisions			
609	823	Provisions for losses under guarantees	23	823	609
156	135	Other provisions	23	135	156
765	958	TOTAL PROVISIONS		958	765
1,169	1,136	Subordinated debt	24	1,136	1,169
		Equity			
5,545	5,545	Share capital		5,545	5,545
		Other reserves			
0	0	Statutory reserves		-	-
6,829	6,919	Retained earnings		6,919	6,829
12,374	12,464	TOTAL EQUITY		12,464	12,374
215,268	228,038	TOTAL LIABILITIES AND EQUITY		227,932	215,209
		Off-balance sheet items			
23,385	17,548	Contingent liabilities	21	17,549	23,386
9,343	7,458	Other commitments	22	7,531	9,387
32,728	25,006	TOTAL OFF-BALANCE SHEET ITEMS		25,080	32,773
		Accounting policies	1		
		Results by business area	2		
		Other contingent liabilities	25		
		Related party transactions	26		
		Foreign exchange and interest rate risk	27		
		Hedging interest rate risk	28		
		Loans, advances and guarantees by sector	29		
		Impairment losses on loans, advances and guarantees by business area	30		
		Group structure	31		
		Nykredit Bank A/S – financial highlights	32		

# Statement of changes in equity and comprehensive income

DKK million

## Nykredit Bank A/S

	Share capital (restated to reflect the merger with Forstædernes Bank)	Statutory reserves and revaluation reserves: Revaluation of property	Retained earnings (restated to reflect the merger with Forstædernes Bank)	Total
<b>EQUITY 30 JUNE 2010</b>				
End of previous financial year, Nykredit Bank	4,175		6,052	10,227
End of previous financial year, Forstædernes Bank (Forstædernes Bank including share premium)	1,370	1	776	2,147
				0
<b>Total, beginning of financial year</b>	<b>5,545</b>	<b>1</b>	<b>6,828</b>	<b>12,374</b>
Cancellation of shares in Forstædernes Bank	(1,370)		0	(1,370)
New issue of share capital in Nykredit Bank	1,370			1,370
Transferred to Retained earnings		(1)	1	0
<b>TOTAL</b>	<b>5,545</b>	<b>0</b>	<b>6,829</b>	<b>12,374</b>
<b>Comprehensive income:</b>				
Profit for the period			90	90
<b>Total comprehensive income</b>			<b>90</b>	<b>90</b>
Changes in equity for the period			90	90
<b>Equity, 30 June 2010</b>	<b>5,545</b>	<b>0</b>	<b>6,919</b>	<b>12,464</b>
<b>EQUITY, 30 JUNE 2009</b>				
End of previous financial year, Nykredit Bank	2,575	0	4,529	7,104
End of previous financial year, Forstædernes Bank (Forstædernes Bank including share premium)	944	1	2,110	3,055
				0
<b>Total, beginning of financial year</b>	<b>3,519</b>	<b>1</b>	<b>6,639</b>	<b>10,159</b>
Transferred to Retained earnings		(1)	1	0
<b>TOTAL</b>	<b>3,519</b>	<b>0</b>	<b>6,640</b>	<b>10,159</b>
<b>Comprehensive income:</b>				
Loss for the period			(903)	(903)
<b>Total</b>			<b>(903)</b>	<b>(903)</b>
<b>Other comprehensive income:</b>				
Capital increase	120		384	504
<b>Total comprehensive income</b>	<b>120</b>		<b>575</b>	<b>504</b>
Changes in equity for the period	120		(519)	(399)
<b>Equity, 30 June 2009</b>	<b>3,639</b>	<b>0</b>	<b>6,121</b>	<b>9,760</b>



# Statement of changes in equity and comprehensive income

DKK million

## The Nykredit Bank Group

	Share capital (restated to reflect the merger with Forstædernes Bank)	Statutory reserves and revaluation reserves: Revaluation of property	Retained earnings (restated to reflect the merger with Forstædernes Bank)	Total
<b>EQUITY 30 JUNE 2010</b>				
End of previous financial year, Nykredit Bank	4,175		6,052	10,227
End of previous financial year, Forstædernes Bank (Forstædernes Bank including share premium)	1,370	1	776	2,147
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Cancellation of shares in Forstædernes Bank	(1,370)			(1,370)
New issue of share capital in Nykredit Bank	1,370			1,370
Transferred to Retained earnings		(1)	1	0
<b>TOTAL</b>	<b>5,545</b>	<b>0</b>	<b>6,829</b>	<b>12,374</b>
<b>Comprehensive income:</b>				
Profit for the period			90	90
<b>Total comprehensive income</b>			<b>90</b>	<b>90</b>
Changes in equity for the period			90	90
<b>Equity, 30 June 2010</b>	<b>5,545</b>	<b>0</b>	<b>6,919</b>	<b>12,464</b>
<b>EQUITY, 30 JUNE 2009</b>				
End of previous financial year, Nykredit Bank	2,575		4,529	7,104
End of previous financial year, Forstædernes Bank (Forstædernes Bank including share premium)	944	1	2,110	3,055
<b>Total, beginning of financial year</b>	<b>3,519</b>	<b>1</b>	<b>6,639</b>	<b>10,159</b>
Transferred to Retained earnings		(1)	1	0
<b>TOTAL</b>	<b>3,519</b>	<b>0</b>	<b>6,640</b>	<b>10,159</b>
<b>Comprehensive income:</b>				
Loss for the period			(903)	(903)
<b>Total</b>			<b>(903)</b>	<b>(903)</b>
<b>Other comprehensive income:</b>				
Capital increase	120		384	504
<b>Total comprehensive income</b>	<b>120</b>		<b>(519)</b>	<b>(399)</b>
Changes in equity for the period	120	0	(519)	(399)
<b>Equity, 30 June 2009</b>	<b>3,639</b>	<b>0</b>	<b>6,121</b>	<b>9,760</b>

\* The share capital breaks down into 16 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, Kalvebod Brygge 1-3, Copenhagen, which owns 88.18% of Nykredit Realkredit A/S. The financial statements of Foreningen Nykredit may be obtained from the company.

# Capital adequacy and core capital ratios

DKK million

<b>Nykredit Bank A/S</b>			
<b>Capital adequacy and core capital</b>	<b>H1/2010</b>	<b>FY 2009</b>	<b>H1/2009</b>
Share capital	5,545	4,175	2,575
Reserves			7
Retained earnings	6,919	6,052	4,660
<b>Total core capital</b>	<b>12,464</b>	<b>10,227</b>	<b>7,242</b>
Hybrid core capital	239		
Primary and other statutory deductions from core capital	370	708	206
<b>Core capital including hybrid core capital after statutory deductions</b>	<b>12,333</b>	<b>9,519</b>	<b>7,036</b>
Supplementary capital	859		2,400
Primary and other statutory deductions	100		113
<b>Capital base after statutory deductions</b>	<b>13,092</b>	<b>9,519</b>	<b>9,323</b>
Weighted items involving credit, counterparty and delivery risk	89,903	67,035	61,921
Weighted items involving market risk	9,695	8,051	10,488
Weighted items involving operational risk	3,902	2,965	2,964
<b>Total weighted items</b>	<b>103,500</b>	<b>78,051</b>	<b>75,373</b>
Capital adequacy ratio, % (H1/2009 and FY 2009 correspond to that of Nykredit Bank)	12.6	12.2	12.4
Core capital ratio, % (H1/2009 and FY 2009 correspond to that of Nykredit Bank)	11.9	12.2	9.3
<b>The Nykredit Bank Group</b>			
<b>Capital adequacy and core capital</b>	<b>H1 / 2010</b>	<b>FY 2009</b>	<b>H1/2009</b>
Share capital	5,545	4,175	2,575
Retained earnings	6,919	6,052	4,667
<b>Total core capital</b>	<b>12,464</b>	<b>10,227</b>	<b>7,242</b>
Hybrid core capital	239		
Primary and other statutory deductions from core capital	337	675	189
<b>Core capital including hybrid core capital after statutory deductions</b>	<b>12,366</b>	<b>9,552</b>	<b>7,053</b>
Supplementary capital	859		2,400
Primary and other statutory deductions	92		109
<b>Capital base after statutory deductions</b>	<b>13,133</b>	<b>9,552</b>	<b>9,344</b>
Weighted items involving credit, counterparty and delivery risk	89,630	66,185	60,965
Weighted items involving market risk	9,695	8,050	10,490
Weighted items involving operational risk	4,126	3,217	3,215
<b>Total weighted items</b>	<b>103,451</b>	<b>77,452</b>	<b>74,670</b>
Capital adequacy ratio, % (H1/2009 and FY 2009 correspond to that of Nykredit Bank)	12.7	12.3	12.5
Core capital ratio, % (H1/2009 and FY 2009 correspond to that of Nykredit Bank)	12.0	12.3	9.4

# Cash flow statement 1 January – 30 June

DKK million

	The Nykredit Bank Group	
	H1/ 2010	H1/2009
Profit (loss) after tax	90	(903)
<b>Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions</b>		
Depreciation and impairment losses for property, plant and equipment	12	33
Other non-cash changes	0	0
Impairment losses on loans, advances and receivables	755	1,860
Tax calculated on profit (loss) for the year	67	(281)
<b>Total</b>	<b>834</b>	<b>1,612</b>
<b>Profit (loss) adjusted for non-cash operating items</b>	<b>924</b>	<b>709</b>
<b>Change in working capital</b>		
Loans, advances and other receivables	(2,738)	6,820
Deposits and other payables	(7,749)	(350)
Payables to credit institutions and central banks	9,498	(14,695)
Bonds at fair value	(6,549)	(23,966)
Equities	188	74
Other working capital	2,736	2,385
<b>Total</b>	<b>(4,614)</b>	<b>(29,732)</b>
Corporation tax paid, net	(39)	(60)
<b>Cash flows from operating activities</b>	<b>(3,729)</b>	<b>(29,083)</b>
<b>Cash flows from investing activities</b>		
Property, plant and equipment	41	(1)
<b>Total</b>	<b>41</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>		
Capital contribution	0	504
Subordinated debt	(38)	(87)
Issued bonds	(7,679)	18,695
<b>Total</b>	<b>(7,717)</b>	<b>19,112</b>
<b>Total cash flows</b>	<b>(11,405)</b>	<b>(9,972)</b>
Cash and cash equivalents, beginning of period	46,361	35,317
Foreign currency translation adjustment of cash	245	222
<b>Cash and cash equivalents, end of period</b>	<b>35,201</b>	<b>25,567</b>
<b>Cash and cash equivalents, end of period</b>		
Specification of cash and cash equivalents, end of period:		
Cash balance and demand deposits with central banks	512	256
Receivables from credit institutions and central banks	34,689	25,311
<b>Cash and cash equivalents, end of period</b>	<b>35,201</b>	<b>25,567</b>

# Core earnings and investment portfolio income

DKK million

The Nykredit Bank Group

1 January – 30 June	H1/2010			H1/2009		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	1,360	58	1,418	1,362	110	1,472
Dividend on equities	1	-	1	3	15	18
Fee and commission income	658	-	658	591	-	591
Fee and commission expenses	249	1	250	229	-	229
<b>Net interest and fee income</b>	<b>1,770</b>	<b>57</b>	<b>1,827</b>	<b>1,727</b>	<b>125</b>	<b>1,852</b>
Value adjustments	197	103	300	148	(78)	70
Other operating income	18	-	18	19	-	19
Staff and administrative expenses	977	-	977	981	-	981
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	12	-	12	33	-	33
Other operating expenses	250	-	250	255	-	255
Impairment losses on loans and advances	749	-	749	1,856	-	1,856
<b>Profit (loss) before tax</b>	<b>(3)</b>	<b>160</b>	<b>157</b>	<b>(1,231)</b>	<b>47</b>	<b>(1,184)</b>
Of which Nykredit Bank A/S	-	-	-	144	47	191
Of which Forstædernes Bank A/S	-	-	-	(1,375)	0	(1,375)

# Notes

## 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 financial reporting and disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS and a less detailed presentation relative to the presentation of annual reports.

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

The accounting policies of both the Group and Nykredit Bank A/S are unchanged compared with the Annual Report for 2009. A description of the Bank's and the Bank Group's accounting policies applied in the Annual Report for 2009 is available at [nykredit.com](http://nykredit.com).

The presentation of the segment financial statements has been changed, and certain activities formerly presented under Corporate Banking and Markets & Asset Management are now presented under Retail Banking. The change does not affect the Group's results, balance sheets or equity. In addition, the segment financial statements have been expanded to include a new segment: Other Activities.

Comparative figures have been restated.

As mentioned in the Management's Review, Nykredit Bank A/S and Forstædernes Bank A/S merged at 1 April 2010 – effective at 1 January 2010 for accounting purposes. The merger has been accounted for using the uniting-of-interests method of accounting, as both companies reported to the same parent company, Nykredit Realkredit. In accordance with the uniting-of-interests method of accounting, the financial statements have been prepared as if the companies were merged from the earliest period included in the financial statements. Comparative figures in the H1 Interim Report have been restated accordingly.

Comparative figures in the segment financial statements, including allocation of income statement and balance sheet items, are to a certain extent based on an estimate, as the two banks have not previously used the same segmentation.

Relative to the information in the accounting policies in the Annual Report for 2009 (note 1), no new financial reporting standards or interpretations have been issued or approved which may impact the H1 Interim Report 2010 of Nykredit Bank and the Bank Group.

The H1 Interim Report 2010 has not been audited or reviewed.

# Notes

DKK million

The Nykredit Bank Group

## 2. BUSINESS AREAS

H1/2010	Retail Banking	Corporate Banking	Markets & Asset Management	Other activities	Group items <sup>1</sup> and eliminations	Total
Core income from business operations	414	568	913	40		1,935
Core income from own trading positions <sup>4</sup>			(7)			(7)
Core income from securities					57	57
<b>Total core income</b>	<b>414</b>	<b>568</b>	<b>906</b>	<b>40</b>	<b>57</b>	<b>1,985</b>
Operating costs	261	291	411	17		980
Amortisation, depreciation and impairment losses for property, plant and equipment as well as intangible assets		2	10			12
Commission under the government guarantee scheme (Bank Rescue Package I)	35	120	61	31		247
<b>Core earnings before impairment losses</b>	<b>118</b>	<b>155</b>	<b>424</b>	<b>(8)</b>	<b>57</b>	<b>746</b>
Impairment losses on loans and advances	148	101	1	385		635
Provisions under Bank Rescue Package I	15	51	25	23		114
<b>Core earnings after impairment losses</b>	<b>(45)</b>	<b>3</b>	<b>398</b>	<b>(416)</b>	<b>57</b>	<b>(3)</b>
Investment portfolio income <sup>2</sup>					160	160
<b>Profit (loss) before tax for the year</b>	<b>(45)</b>	<b>3</b>	<b>398</b>	<b>(416)</b>	<b>217</b>	<b>157</b>
Income:costs	0.9	1.0	1.8	0.1	-	1.1
Average allocated business capital <sup>3</sup>	1,525	6,380	1,385	730	140	10,160
Core earnings after impairment losses as % of allocated business capital (pa)	(5.9)	0.1	57.5	(114.0)	-	(0.1)
Total assets, 30 June 2010	15,254	43,559	163,813	4,217	1,089	227,932
H1/2009	Retail Banking	Corporate Banking	Markets & Asset Management	Other activities	Group items <sup>1</sup> and eliminations	Total
Core income from business operations	421	515	745	55		1,736
Core income from own trading positions <sup>4</sup>			77			77
Core income from securities					81	81
<b>Total core income</b>	<b>421</b>	<b>515</b>	<b>822</b>	<b>55</b>	<b>81</b>	<b>1,894</b>
Operating costs	294	316	355	19		984
Amortisation, depreciation and impairment losses for property, plant and equipment as well as intangible assets	17	13	1	2		33
Commission under the government guarantee scheme (Bank Rescue Package I)	27	116	58	51		252
<b>Core earnings before impairment losses</b>	<b>83</b>	<b>70</b>	<b>408</b>	<b>(17)</b>	<b>81</b>	<b>625</b>
Impairment losses on loans and advances	92	446	1	1,154		1,693
Provisions under Bank Rescue Package I	16	87	27	33		163
<b>Core earnings after impairment losses</b>	<b>(25)</b>	<b>(463)</b>	<b>380</b>	<b>(1,204)</b>	<b>81</b>	<b>(1,231)</b>
Investment portfolio income <sup>2</sup>					47	47
<b>Profit (loss) before tax for the period</b>	<b>(25)</b>	<b>(463)</b>	<b>380</b>	<b>(1,204)</b>	<b>128</b>	<b>(1,184)</b>
Income:costs	0.9	0.5	1.9	0.0	-	0.6
Total assets, 31 December 2009	16,666	40,817	142,979	5,121	9,626	215,209

Average capital for H1/2009 has not been determined as it has not been possible to produce comparative figures for Forstædernes Bank according to the same principles as applied in Nykredit Bank in 2009. For comparative figures 2009, this also means that income statement and asset items to some extent have been allocated among the business areas based on an estimate.

<sup>1</sup> Include income from securities not allocated to the individual business areas, but included in the Bank's own portfolio.

<sup>2</sup> Investment portfolio income equals the return on the Bank's own portfolio exceeding risk-free interest.

<sup>3</sup> The business capital has been determined according to the Basel II principles based on the method applied to determine the "required capital base".

<sup>4</sup> Comprises net income from proprietary trading activities in Markets and Asset Management in H1/2009 and value adjustment of the portfolio of subordinated debt in Danish banks (Kølvæb issues).

## Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
H1/ 2009	H1/2010	H1/2010	H1/2009
<b>3. INTEREST INCOME</b>			
153	133	134	154
2,097	1,273	1,298	2,127
1,523	967	967	1,532
(84)	(132)	(132)	(83)
(39)	(47)	(47)	(39)
(45)	(85)	(85)	(45)
6	1	2	7
<b>3,695</b>	<b>2,242</b>	<b>2,269</b>	<b>3,737</b>
1,649	-	-	783
<b>Of which interest income from genuine purchase and resale transactions entered as</b>			
47	47	47	47
308	38	38	307
<b>4. INTEREST EXPENSES</b>			
378	159	160	389
1,282	389	388	1,272
478	288	288	478
126	15	15	126
<b>2,264</b>	<b>851</b>	<b>851</b>	<b>2,265</b>
384	-	-	384
<b>Of which interest expenses for genuine sale and repurchase transactions entered as</b>			
49	45	45	52
19	1	1	19
<b>5. VALUE ADJUSTMENTS</b>			
5	0	0	5
56	(40)	(40)	36
16	36	36	16
(1)	(1)	(1)	(1)
242	175	175	242
(214)	130	130	(222)
(6)	-	-	(6)
<b>98</b>	<b>300</b>	<b>300</b>	<b>70</b>
(79)	-	-	(79)
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.			
No value adjustments have been made that can be attributed to changes in the credit risk on the Bank's own issues/financial liabilities.			
Fair value adjustment relating to fair value hedging for accounting purposes is listed in note 28.			

## Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
H1/2009	H1/2010	H1/2010	H1/2009
<b>6. STAFF AND ADMINISTRATIVE EXPENSES</b>			
4	5	5	4
528	384	418	566
383	530	554	411
<b>915</b>	<b>919</b>	<b>977</b>	<b>981</b>
322	-	-	322
<b>Remuneration of Board of Directors and Executive Board</b>			
<b>Board of Directors</b>			
Each staff-elected board representative receives annual remuneration of DKK 60,000.			
<b>Executive Board</b>			
4	5	5	4
<b>4</b>	<b>5</b>	<b>5</b>	<b>4</b>
<b>Remuneration of Executive Board</b>			
The terms and conditions governing the remuneration and pensions of the Executive Board have not changed since the Annual Report for 2009, to which reference is made. Remuneration of the Executive Board and the Board of Directors of Forstædernes Bank in H1/2009 has been recognised under "Staff expenses".			
<b>Staff expenses</b>			
445	324	354	485
39	29	32	39
44	31	32	42
<b>528</b>	<b>384</b>	<b>418</b>	<b>566</b>
<b>1,194</b>	<b>824</b>	<b>923</b>	<b>1,317</b>
540			540



## Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
H1/2009	H1/2010	H1/2010	H1/2009
<b>7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES</b>			
<b>Specification of impairment provisions</b>			
3,817	6,682	6,722	3,838
182	298	298	182
<b>3,999</b>	<b>6,980</b>	<b>7,020</b>	<b>4,020</b>
7,766	-	-	7,812
6,232			6,232
<b>Individual impairment provisions</b>			
578	1,424	1,469	592
1,607	6,085	6,085	1,607
<b>2,185</b>	<b>7,509</b>	<b>7,554</b>	<b>2,199</b>
1,744	636	647	1,760
53	459	468	58
59	1,004	1,011	63
<b>3,817</b>	<b>6,682</b>	<b>6,722</b>	<b>3,838</b>
<b>Collective impairment provisions</b>			
123	110	110	123
64	147	147	64
<b>187</b>	<b>257</b>	<b>257</b>	<b>187</b>
(5)	41	41	(5)
<b>182</b>	<b>298</b>	<b>298</b>	<b>182</b>
<b>Earnings impact</b>			
1,686	218	220	1,698
11	305	321	16
4	6	6	4
146	214	214	146
<b>1,839</b>	<b>731</b>	<b>749</b>	<b>1,856</b>
1,844	690	708	1,861
(5)	41	41	(5)
<b>8. PROFIT (LOSS) FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES</b>			
(22)	0	-	-
(1)	11	-	-
<b>(23)</b>	<b>11</b>	<b>-</b>	<b>-</b>
<b>9. TAX</b>			
(284)	63	67	(281)
<b>(284)</b>	<b>63</b>	<b>67</b>	<b>(281)</b>
(334)	-	-	(334)
<b>41.2</b>	<b>Tax as % of profit for the period</b>	<b>42.6</b>	
Tax is calculated on the basis of a tax rate of 25%. Tax for the period was chiefly affected by an adjustment of deferred tax in the former Forstædernes Bank relating to previous financial years, after which the rate for the period came to 42.6%. Tax for the full year is expected to be affected by the same factors.			

## Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2009	30.06.2010		30.06.2010	31.12.2009
<b>10. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
893	363	Receivables at call from central banks	363	893
45,327	34,323	Receivables from credit institutions	34,326	45,331
<b>46,220</b>	<b>34,686</b>	<b>Total</b>	<b>34,689</b>	<b>46,224</b>
(1,147)	-	Of which Forstædernes Bank and eliminations	-	(1,147)
10,755	10,771	Of which genuine purchase and resale transactions	10,771	10,755
<b>11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>				
11,963	13,899	Loans and advances at fair value	13,899	11,963
<b>11,963</b>	<b>13,899</b>	<b>Total</b>	<b>13,899</b>	<b>11,963</b>
80	-	Of which Forstædernes Bank and eliminations	-	80
11,963	13,899	Of which genuine purchase and resale transactions	13,899	11,963
<b>12. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST</b>				
60,722	61,144	Loans and advances	61,355	60,921
<b>60,722</b>	<b>61,144</b>	<b>Total</b>	<b>61,355</b>	<b>60,921</b>
15,493	-	Of which Forstædernes Bank and eliminations	-	15,493
<b>Impairment provisions made, end of period (31 December 2009/30 June 2010)</b>				
7,509	6,682	Individual impairment provisions	6,722	7,554
257	298	Collective impairment provisions	298	258
<b>Fixed-rate loans</b>				
2,640	2,277	Of total loans and advances, fixed-rate loans represent	2,277	2,640
2,706	2,360	Market value of fixed-rate loans	2,360	2,706
Market value adjustments have been recognised through profit or loss				
<b>13. BONDS AT FAIR VALUE</b>				
51,315	61,236	Mortgage bonds	61,236	51,315
9,042	6,713	Government bonds	6,713	9,042
4,843	8,483	Other bonds	8,483	4,843
<b>65,200</b>	<b>76,432</b>	<b>Total</b>	<b>76,432</b>	<b>65,200</b>
248	3,916	Own bonds offset against issued bonds/subordinated debt	3,916	248
<b>64,952</b>	<b>72,516</b>	<b>Total</b>	<b>72,516</b>	<b>64,952</b>
10,949	-	Of which Forstædernes Bank and eliminations	-	10,949
The effect of fair value adjustment has been recognised through profit or loss.				
7,980	2,916	Of which drawn bonds	2,916	7,980
7,636	19,530	Assets sold as part of genuine sale and repurchase transactions	19,530	7,636
25,027	14,862	As collateral for the Danish central bank, Danmarks Nationalbank, foreign clearing centres and collateral agreements, bonds have been deposited of a total market value of	14,862	25,027
The collateral was provided on an arm's length basis.				

## Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2009	30.06.2010		30.06.2010	31.12.2009
		<b>14. EQUITIES</b>		
716	528	Equities at fair value	530	718
<b>716</b>	<b>528</b>	<b>Total</b>	<b>530</b>	<b>718</b>
487	-	Of which Forstædernes Bank and eliminations	-	487
		<b>Specification of equity portfolios</b>		
49	250	Listed on NASDAQ OMX Copenhagen A/S	250	49
5	0	Listed on other stock exchanges	0	5
662	278	Unlisted equities carried at fair value	280	664
<b>716</b>	<b>528</b>	<b>Total equities</b>	<b>530</b>	<b>718</b>
		<b>15. OTHER ASSETS</b>		
7,614	6,918	Interest and commission receivable	6,956	7,645
20,689	35,604	Positive market value of derivative financial instruments	35,604	20,735
106	133	Other assets	133	107
<b>28,409</b>	<b>42,655</b>	<b>Total</b>	<b>42,693</b>	<b>28,487</b>
287	-	Of which Forstædernes Bank and eliminations	-	287
		<b>16. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS</b>		
63	481	Payables to central banks	481	63
56,780	65,441	Payables to credit institutions	65,441	56,780
<b>56,843</b>	<b>65,922</b>	<b>Total</b>	<b>65,922</b>	<b>56,843</b>
3,234	-	Of which Forstædernes Bank and eliminations	-	3,234
7,258	14,056	Of which genuine sale and repurchase transactions	14,056	7,258
		<b>17. DEPOSITS AND OTHER PAYABLES</b>		
36,236	34,016	On demand	33,923	36,129
4,704	4,507	At notice	4,507	4,704
21,145	16,299	Time deposits	16,157	21,035
3,249	2,894	Special deposits	2,894	3,249
<b>65,334</b>	<b>57,716</b>	<b>Total</b>	<b>57,481</b>	<b>65,117</b>
18,152	-	Of which Forstædernes Bank and eliminations	-	18,152
		<b>18. ISSUED BONDS AT AMORTISED COST</b>		
		<b>Issues</b>		
22,319	23,346	EMTN issues	23,346	22,319
18,900	15,585	ECP issues	15,585	18,900
3,088	3,077	Other issues	3,077	3,088
<b>44,307</b>	<b>42,008</b>	<b>Total amortised cost</b>	<b>42,008</b>	<b>44,307</b>
248	3,894	Own portfolio	3,894	248
<b>44,059</b>	<b>38,114</b>	<b>Total</b>	<b>38,114</b>	<b>44,059</b>
2,520	-	Of which Forstædernes Bank and eliminations	-	2,520
		No value adjustments have been made that can be ascribed to credit risk changes. All issues carry floating interest rates.		

## Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2009	30.06.2010		30.06.2010	31.12.2009
		<b>19. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE</b>		
451	5,738	Deposits at fair value	5,738	451
6,347	4,047	Negative securities portfolios	4,047	6,347
<b>6,798</b>	<b>9,785</b>	<b>Total liabilities at fair value</b>	<b>9,785</b>	<b>6,798</b>
451	5,738	Of which genuine sale and repurchase transactions	5,738	451
		<b>20. OTHER LIABILITIES</b>		
7,883	7,580	Interest and commission payable	7,577	7,883
19,574	33,851	Negative market value of derivative financial instruments	33,851	19,620
461	507	Other payables	635	568
<b>27,918</b>	<b>41,938</b>	<b>Total</b>	<b>42,063</b>	<b>28,071</b>
209	-	Of which Forstædernes Bank and eliminations	-	209
		The items Interest and commission payable and Other payables fall due within one year.		
		<b>21. CONTINGENT LIABILITIES</b>		
18,951	14,435	Financial guarantees	14,435	18,951
1,279	4	Registration and refinancing guarantees	4	1,279
3,155	3,109	Other contingent liabilities	3,110	3,156
<b>23,385</b>	<b>17,548</b>	<b>Total</b>	<b>17,549</b>	<b>23,386</b>
3,760	-	Of which Forstædernes Bank	-	3,760
		<b>22. OTHER COMMITMENTS</b>		
9,235	7,301	Irrevocable credit commitments	7,301	9,235
108	157	Other	230	152
<b>9,343</b>	<b>7,458</b>	<b>Total</b>	<b>7,531</b>	<b>9,387</b>

## Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
<b>23. PROVISIONS</b>			
<b>Provisions for pensions and similar obligations</b>			
6	-	-	6
0	-	-	0
6	-	-	6
<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Provisions for losses under guarantees</b>			
56	273	273	56
50	336	336	50
<b>106</b>	<b>609</b>	<b>609</b>	<b>106</b>
514	214	214	514
11	0	0	11
<b>609</b>	<b>823</b>	<b>823</b>	<b>609</b>
<b>Other provisions</b>			
6	156	156	7
158	0	0	158
8	21	21	9
<b>156</b>	<b>135</b>	<b>135</b>	<b>156</b>
<b>Total provisions for losses under guarantees and other provisions</b>			
118	765	765	119
672	214	214	672
25	21	21	26
<b>765</b>	<b>958</b>	<b>958</b>	<b>765</b>
360	-	-	360
<p>As a result of its operations, the Bank continuously enters into contracts where it is probable that the settlement of the obligations will lead to an outflow of the Bank's financial resources, and where a reliable estimate may be made of the size of the obligations.</p> <p>The balance sheet items in the financial statements represent the Bank's best estimates of the expected costs relating to provisions.</p> <p>The provisions typically concern contractual obligations relating to loans and advances and other banking activities. The item also includes the provisions found necessary in connection with the Bank's participation in Bank Rescue Package I.</p> <p>It is estimated that the majority of provisions will be settled within 1-2 years.</p>			

## Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
<b>24. SUBORDINATED DEBT</b>			
<b>Subordinate loan capital</b>			
74	75	Nom EUR 10m. The loan falls due at par (100) on 31 October 2010 and carries a floating interest rate.	75 74
75	75	Nom DKK 75m. The loan falls due at par (100) on 29 March 2014 and carries a floating interest rate.	75 75
100	100	Nom DKK 100m. The loan falls due at par (100) on 24 September 2013 and carries a floating interest rate.	100 100
111	117	Nom NOK 125m. The loan falls due at par (100) on 29 September 2014 and carries a floating interest rate.	117 111
151	150	Nom DKK 150m. The loan falls due at par (100) on 6 May 2013 and carries a fixed interest rate.	150 151
200	200	Nom DKK 200m. The loan falls due at par (100) on 30 September 2014 and carries a floating interest rate.	200 200
200	180	Nom DKK 200m. The loan falls due at par (100) on 1 November 2014 and carries a floating interest rate.	180 200
<b>911</b>	<b>897</b>	<b>Total</b>	<b>897 911</b>
<b>Hybrid core capital</b>			
100	89	Nom DKK 100m. The loan is perpetual and carries a floating interest rate.	89 100
158	150	Nom DKK 150m. The loan is perpetual and carries a fixed interest rate.	150 158
<b>258</b>	<b>239</b>	<b>Total</b>	<b>239 258</b>
<b>1,169</b>	<b>1,136</b>	<b>Total subordinated debt</b>	<b>1,136 1,169</b>
Included in the determination of capital base after statutory deductions			
	859	Subordinate loan capital	859
	239	Hybrid core capital	239
-	-	Costs related to raising and prepaying subordinated debt	- -
-	-	Extraordinary principal repayments and prepayments in the financial period	- -
No value adjustments have been made that can be attributed to changes in own credit risk.			
Subordinated debt capital fully relates to capital raised in the former Forstædernes Bank.			

# Notes

## 25. OTHER CONTINGENT LIABILITIES

### *Legal proceedings and litigation*

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.

### *"Government guarantee scheme"*

The Bank participates in Bank Rescue Package I, implying that the Danish government has issued a two-year guarantee that covers the Danish banks participating in the scheme.

Nykredit Bank's share of the total guarantee commission is calculated at DKK 988m pa until 30 September 2010. For H1/2010, approximately DKK 247m has been charged to the income statement (under Other operating expenses). The remaining commission expenses total around DKK 125m for the period 1 July – 30 September 2010.

Nykredit Bank also participates in a sector guarantee totalling DKK 20bn with a share estimated at DKK 1,318m, which has been recognised under Other contingent liabilities (note 20). Under the guarantee obligation, Nykredit Bank is liable for up to DKK 1,318m in case of the collapse of one or more Danish banks for reasons covered by the scheme. As at 30 June 2010, DKK 494m was provided for this obligation. In Management's opinion, provisions at 30 June 2010 reflect the Bank's share of the expected obligation.

## 26. RELATED PARTY TRANSACTIONS AND BALANCES

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

No unusual related party transactions occurred in H1/2010.

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 trade and services took place on an arm's length basis.

Important related party transactions prevailing/entered into in 2010 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.

## Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
30.06.2009	30.06.2010	30.06.2010	30.06.2009
<b>27. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES</b>			
<b>Foreign exchange risk</b>			
210	319	319	198
3.0	2.6	2.6	2.8
4	5	5	4
0.1	0.0	0.0	0.1
*) 30 June 2009 corresponds to Nykredit Bank's indicators.			
<b>Interest rate risk by the currency involving the highest interest rate exposure</b>			
(52)	39	39	(52)
198	70	70	198
(2)	4	4	(2)
6	(8)	(8)	6
(5)	0	0	(5)
0	(1)	(1)	0
0	0	0	0
<b>145</b>	<b>104</b>	<b>104</b>	<b>145</b>
<b>Total interest rate exposure of debt instruments</b>			
<b>28. HEDGING INTEREST RATE RISK</b>			
The Nykredit Bank Group continuously hedges the interest rate risk of fixed-rate assets and liabilities using derivative financial instruments etc. This enables the Group to manage the level of its aggregate interest rate sensitivity taking into consideration the expected interest rate development.			
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).			
<b>HEDGED FIXED-RATE ASSETS</b>			
2,253	2,277	2,277	2,253
<b>2,253</b>	<b>2,277</b>	<b>2,277</b>	<b>2,253</b>
<b>Market value of hedged fixed-rate assets</b>			
2,317	2,360	2,360	2,317
<b>2,317</b>	<b>2,360</b>	<b>2,360</b>	<b>2,317</b>
<b>Fair value adjustment</b>			
64	83	83	64
<b>64</b>	<b>83</b>	<b>83</b>	<b>64</b>
<b>HEDGING DERIVATIVE FINANCIAL INSTRUMENTS</b>			
3,068	1,232	1,232	3,068
(63)	(84)	(84)	(63)
<b>FAIR VALUE ADJUSTMENT DIFFERENCE</b>			
<b>1</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>
Hedged and hedging financial instruments have been fair value adjusted through profit or loss.			



# Notes

DKK million

## The Nykredit Bank Group

## 29. LOANS, ADVANCES AND GUARANTEES BY SECTOR

## Loans, advances, guarantees and provisions by sector and industry

At 30 June 2010

The Nykredit Bank Group

	Carrying amount		Total	Provisions		
	Loans and advances	Guarantees		Individual provisions for loan impairment and guarantees	Collective impairment provisions	Total
<b>Public sector</b>	<b>0</b>	<b>674</b>	<b>674</b>			
<b>Corporate customers</b>						
Agriculture, hunting and forestry	2,163	749	2,912	82	2	84
Manufacturing industries, extraction of raw materials, utilities	9,352	260	9,612	376	31	407
Building and construction	1,086	572	1,658	246	8	254
Trade, restaurants and hotels	3,226	531	3,757	394	15	409
Transport, mail and telephone	1,850	312	2,162	13	8	21
Credit, finance and insurance	16,213	1,169	17,382	861	18	879
Property management and trade, business services	16,639	3,602	20,241	2,961	107	3,068
Other trade and industry	9,300	1,247	10,547	1,755	49	1,804
<b>Total corporate customers</b>	<b>59,829</b>	<b>8,442</b>	<b>68,271</b>	<b>6,688</b>	<b>238</b>	<b>6,926</b>
Retail customers	15,425	8,433	23,858	857	60	917
<b>Total carrying amount</b>	<b>75,254</b>	<b>17,549</b>	<b>92,803</b>	<b>7,545</b>	<b>298</b>	<b>7,843</b>
Of which reverse lending	13,899	-	13,899	-	-	-

At 31 December 2009

The Nykredit Bank Group

	Carrying amount		Total	Provisions		
	Loans and advances	Guarantees		Individual provisions for loan impairment and guarantees	Collective impairment provisions	Total
<b>Public sector</b>	<b>133</b>	<b>365</b>	<b>498</b>	<b>113</b>	<b>0</b>	<b>113</b>
<b>Corporate customers</b>						
Agriculture, hunting and forestry	2,084	1,005	3,089	84	3	87
Manufacturing industries, extraction of raw materials, utilities	8,087	415	8,502	327	38	365
Building and construction	1,320	699	2,019	205	14	219
Trade, restaurants and hotels	3,521	633	4,154	397	13	410
Transport, mail and telephone	2,251	404	2,655	17	4	21
Credit, finance and insurance	12,427	1,678	14,105	1,637	25	1,662
Property management and trade, business services	16,199	7,315	23,514	3,059	70	3,129
Other trade and industry	10,498	1,638	12,136	1,614	40	1,654
<b>Total corporate customers</b>	<b>56,387</b>	<b>13,787</b>	<b>70,174</b>	<b>7,340</b>	<b>207</b>	<b>7,547</b>
Retail customers	16,364	9,234	25,598	711	51	762
<b>Total carrying amount</b>	<b>72,884</b>	<b>23,386</b>	<b>96,270</b>	<b>8,164</b>	<b>258</b>	<b>8,422</b>
Of which reverse lending	11,963	-	11,963	-	-	-

# Notes

DKK million

## 29. LOANS, ADVANCES AND GUARANTEES (continued)

### Provisioning rate, %

The Nykredit Bank Group	H1/ 2010	Q1/ 2010	FY 2009	Q3/ 2009	H1/ 2009	Q1/ 2009
Total loans and advances	75,254	73,185	72,884	87,260	89,145	93,710
Total guarantees	17,549	20,131	23,386	16,797	16,015	15,860
Provisions for loan impairment	7,020	8,009	7,813	5,303	4,020	3,246
Provisions for guarantees	823	791	609	193	252	137
<b>Loans, advances, guarantees and loan impairment</b>	<b>100,646</b>	<b>102,116</b>	<b>104,692</b>	<b>109,553</b>	<b>109,432</b>	<b>112,953</b>
Provisioning rate, %	7.8	8.6	8.0	5.0	3.9	3.0
Provisioning rate excluding guarantees, %	8.5	9.9	9.7	5.7	4.3	3.3

### Impaired loans and advances

	Nykredit Bank A/S		The Nykredit Bank Group	
	H1/ 2009	H1/ 2010	H1/ 2010	H1/ 2009
<b>Loans and advances at amortised cost subject to individual impairment provisioning</b>				
Loans and advances subject to individual provisioning	5,459	12,206	12,337	5,516
Individual impairment provisions	3,817	6,682	6,722	3,838
<b>Loans and advances after impairment</b>	<b>1,642</b>	<b>5,524</b>	<b>5,615</b>	<b>1,678</b>
Loans and advances subject to collective provisioning	63,951	55,918	56,038	64,329
Collective impairment provisions	182	298	298	182
<b>Loans and advances after impairment</b>	<b>63,769</b>	<b>55,620</b>	<b>55,740</b>	<b>64,147</b>

## Notes

DKK million

The Nykredit Bank Group

## 30. PROVISIONS FOR LOAN IMPAIRMENT AND GUARANTEES BY BUSINESS AREA

	Retail Banking	Corporate Banking	Markets & Asset Management	Other Activities	Total
<b>H1/2010</b>					
Impairment provisions, end-2009 (The Nykredit Bank Group)	72	1,440	68		1,580
Impairment provisions, end-2009 (Forstædernes Bank A/S)	395	1,262		4,575	6,232
<b>Total, beginning of period</b>	<b>467</b>	<b>2,702</b>	<b>68</b>	<b>4,575</b>	<b>7,812</b>
Impairment provisions and reversals	142	54	(3)	26	219
Claims previously provided for, lost	10	359		642	1,011
<b>Impairment provisions, end-H1</b>	<b>599</b>	<b>2,397</b>	<b>65</b>	<b>3,959</b>	<b>7,020</b>
Of which individual	544	2,194	60	3,924	6,722
Of which collective	55	203	5	35	298
Provisions for guarantees, beginning of year (Nykredit Bank)	27	181	65		273
Provisions for guarantees, beginning of year (Forstædernes Bank)	16	53		267	336
Correction of balance, beginning of year	16	(53)	22	15	0
<b>Total, beginning of year</b>	<b>59</b>	<b>181</b>	<b>87</b>	<b>282</b>	<b>609</b>
Additions, net	19	70	28	97	214
<b>Provisions for guarantees, end-H1</b>	<b>78</b>	<b>251</b>	<b>115</b>	<b>379</b>	<b>823</b>
Of which provisions relating to Bank Rescue Package I	67	220	110	97	494
<b>Total provisions for loan impairment and guarantees</b>	<b>677</b>	<b>2,648</b>	<b>180</b>	<b>4,338</b>	<b>7,843</b>
<b>Earnings impact</b>					
New impairment provisions for the period, net	143	54	(3)	26	220
Impairment losses not provided for	2	33	2	284	321
Received on loans and advances previously provided for	1	5			6
<b>Total</b>	<b>144</b>	<b>82</b>	<b>(1)</b>	<b>310</b>	<b>535</b>
Provisions for guarantees	19	70	27	98	214
<b>Total</b>	<b>163</b>	<b>152</b>	<b>26</b>	<b>408</b>	<b>749</b>
Of which provisions relating to Bank Rescue Package I	15	51	25	23	114
	Retail Banking	Corporate Banking	Markets & Asset Management	Other Activities	Total
<b>H1/2009</b>					
Impairment provisions, end-2008 (The Nykredit Bank Group)	30	674	10		714
Impairment provisions, end-2008 (Forstædernes Bank A/S)	106	310		1,255	1,671
<b>Total, beginning of period</b>	<b>136</b>	<b>984</b>	<b>10</b>	<b>1,255</b>	<b>2,385</b>
Provisions and reversals, net	106	395	1	1,133	1,635
<b>Impairment provisions, end-H1</b>	<b>242</b>	<b>1,379</b>	<b>11</b>	<b>2,388</b>	<b>4,020</b>
Of which individual	234	1,206	10	2,388	3,838
Of which collective	8	173	1		182
Provisions for guarantees, beginning of year (Nykredit Bank)	5	41	10		56
Provisions for guarantees, beginning of year (Forstædernes Bank)	32	6		12	50
<b>Total, beginning of year</b>	<b>37</b>	<b>47</b>	<b>10</b>	<b>12</b>	<b>106</b>
Additions, net	(15)	80	27	54	146
<b>Provisions for guarantees, end-H1</b>	<b>22</b>	<b>127</b>	<b>37</b>	<b>66</b>	<b>252</b>
Of which relating to Bank Rescue Package I	22	122	37	45	226
<b>Total provisions for loan impairment and guarantees</b>	<b>264</b>	<b>1,506</b>	<b>48</b>	<b>2,454</b>	<b>4,272</b>
<b>Earnings impact</b>					
Nykredit Bank	34	404	28		466
Forstædernes Bank	74	130		1,186	1,390
<b>Total</b>	<b>108</b>	<b>534</b>	<b>28</b>	<b>1,186</b>	<b>1,856</b>
Of which provisions relating to Bank Rescue Package I	16	87	27	33	163

# Notes

DKK million

## 31. GROUP STRUCTURE

Name and registered office	Revenue *	Assets	Liabilities	Share capital 30.06.10	Equity 31.12.09	Ownership interest, % 30.06.10	Profit (loss) for the period	Nykredit Bank's share of profit (loss) for the period	Equity 30.06.10	Carrying amount
<b>Nykredit Bank A/S (Parent Company) a)</b>	<b>2,052</b>	<b>228,038</b>	<b>215,574</b>	<b>5,545</b>	<b>12,374</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>12,464</b>	<b>-</b>
<b>Consolidated subsidiaries</b>										
Nykredit Portefølje Administration A/S, Copenhagen f)	55	204	71	25	120	100	13	13	133	133
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen d)	0	28	0	5	28	100	0	0	28	28
Nykredit Pantebrevsinvestering A/S, Copenhagen b)	0	11	0	5	11	100	0	0	11	11
Nykredit Sirius Ltd., Cayman Islands e)	0	3	0	46	3	100	0	0	3	3
Nykredit Finance plc, Plymouth d)	0	27	0	21	25	100	0	0	27	27
Nykredit Leasing A/S (formerly LeasIT A/S), Gladsaxe c) <sup>1</sup>	37	2,073	1,927	46	148	100	(2)	(2)	146	146
<b>Associates</b>										
Dansk Pantebrevsbørs A/S, Copenhagen b) <sup>2</sup>	-	-	-	-	-	50	-	-	-	-
The company is subject to insolvency proceedings.										

\*) For companies preparing financial statements in accordance with the Danish Financial Business Act, revenue is defined as net interest and fees, value adjustments and other operating income.

<sup>1</sup> From 1 October 2007, Nykredit Bank's ownership interest increased from 22.65% to 100%, and LeasIT A/S subsequently merged with Nykredit Leasing A/S in 2008 with LeasIT A/S as the surviving company. After the merger, the company continued under the name of Nykredit Leasing A/S.

<sup>2</sup> The company used to be subject to proportionate consolidation based on shareholders' agreements entitling the Bank to appoint a director. As the company is subject to insolvency proceedings, the requirement of significant influence is no longer considered satisfied. Therefore the company has not been proportionately consolidated in the financial statements for 2009 or in the H1/2010 financial statements.

Pantebrevsselskabet af 8/8 1995 A/S and Nykredit Pantebrevsinvestering had few activities in 2010. Nykredit Sirius Ltd. and Nykredit Finance Plc are in liquidation.

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.

In addition, the property company "Ryvang Invest A/S" has been included in the Nykredit Bank Group. The company was acquired in H1/2010 and is expected to be resold in H2/2010. Consequently, the company has not been fully consolidated but recognised under Assets in temporary possession.

# Notes

DKK million

## 32. FINANCIAL HIGHLIGHTS – NYKREDIT BANK A/S

Notes relating to the financial highlights for the Nykredit Bank Group appear from page 2.

Comparative figures for the income statement, balance sheet and off-balance sheet items have been restated to reflect the merger with Forstædernes Bank A/S

	H1/2010	FY 2009	H1/2009	H1/2008	H1/2007	H1/2006
<b>SUMMARY INCOME STATEMENT</b>						
Net interest and fee income	1,746	3,523	1,770	1,271	1,056	884
Value adjustments	300	322	98	(54)	397	199
Other operating income	6	13	7	5	5	12
Staff and administrative expenses	919	1,801	915	772	680	577
Other operating expenses, depreciation and amortisation	260	599	285	23	23	18
Impairment losses on loans, advances and receivables	731	6,501	1,839	176	12	14
Profit (loss) from investments in associates and group enterprises	11	(158)	(23)	5	25	23
<b>Profit (loss) before tax</b>	<b>153</b>	<b>(5,201)</b>	<b>(1,187)</b>	<b>256</b>	<b>768</b>	<b>509</b>
Tax	63	(1,263)	(284)	65	188	146
<b>Profit (loss)</b>	<b>90</b>	<b>(3,938)</b>	<b>(903)</b>	<b>191</b>	<b>580</b>	<b>363</b>
<b>BALANCE SHEET, END OF PERIOD</b>						
<b>Assets</b>						
Cash balance and receivables from central banks and credit institutions	35,198	46,357	25,484	18,412	28,396	20,922
Loans, advances and other receivables at fair value	13,899	11,963	23,320	11,696	4,297	9,854
Loans, advances and other receivables at amortised cost	61,144	60,722	65,411	72,018	58,528	43,937
Bonds at fair value and equities	73,044	65,668	81,226	58,523	56,822	49,060
Other asset items	44,753	30,558	29,009	20,810	12,723	8,913
<b>Total assets</b>	<b>228,038</b>	<b>215,268</b>	<b>224,450</b>	<b>181,459</b>	<b>160,766</b>	<b>132,686</b>
<b>Liabilities and equity</b>						
Payables to credit institutions and central banks	65,922	56,843	76,406	86,439	86,743	69,731
Deposits and other payables	57,716	65,334	61,427	49,577	39,232	36,415
Other non-derivative financial liabilities at fair value	9,785	6,798	5,083	6,925	10,309	8,410
Issued bonds at amortised cost	38,114	44,059	39,692	8,239	3,039	3,149
Other payables	41,943	27,926	27,747	18,039	10,629	7,368
<b>Total payables</b>	<b>213,480</b>	<b>200,960</b>	<b>210,355</b>	<b>169,219</b>	<b>149,952</b>	<b>125,073</b>
Provisions	958	765	277	26	9	57
Subordinated debt	1,136	1,169	4,058	3,798	3,399	2,249
Equity	12,464	12,374	9,760	8,416	7,406	5,307
<b>Total liabilities and equity</b>	<b>228,038</b>	<b>215,268</b>	<b>224,450</b>	<b>181,459</b>	<b>160,766</b>	<b>132,686</b>
<b>OFF-BALANCE SHEET ITEMS</b>						
Contingent liabilities	17,548	23,385	16,014	19,676	20,511	16,323
Other commitments	7,458	9,343	9,225	8,707	7,680	4,122
<b>FINANCIAL RATIOS</b>						
Capital adequacy ratio, %	12.6	12.2	12.4	9.3	11.8	9.4
Core capital ratio, %	11.9	12.2	9.3	6.9	8.7	7.9
Return on equity before tax, %, *)	1.3	(46.2)	(11.9)	3.1	11.5	9.9
Return on equity after tax, %, *)	0.8	(35.0)	(9.1)	2.3	8.7	7.0
Income:cost ratio, DKK, *)	1.08	0.42	0.62	1.26	2.04	1.80
Interest rate exposure, %	0.8	0.1	1.1	1.2	3.0	3.7
Foreign exchange position, %	2.6	0.7	0.0	1.7	13.4	11.6
Foreign exchange exposure, %	0.0	0.0	0.1	0.0	0.0	0.2
Loans and advances:deposits *)	1.4	1.2	1.5	1.7	1.6	1.5
Loans and advances:equity *)	6.0	5.9	9.1	9.9	8.5	10.1
Growth in loans and advances for the period, %, *)	3.2	(25.2)	(8.6)	20.6	19.7	25.0
Excess cover:statutory liquidity requirements, %	265.7	324.0	200.4	59.3	114.1	121.0
Total large exposures, %	33.1	62.2	97.7	134.7	183.8	497.9
Impairment losses for the period, %, *)	0.7	6.3	1.7	0.2	0.0	0.0
Average number of staff, full-time equivalents *)	824	1,124	1,194	1,131	1,045	954

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

\*) The financial ratios have been restated to reflect the merger with Forstædernes Bank.

# The Nykredit Bank Group – 6 quarters

DKK million

	Q2/ 2010	Q1/ 2010	Q4/ 2009	Q3/ 2009	Q2/ 2009	Q1/ 2009
<b>SUMMARY INCOME STATEMENT</b>						
Net interest income	747	671	690	773	730	742
Dividends, fees and commission income, net	189	220	192	169	202	178
<b>Net interest and fee income</b>	<b>936</b>	<b>891</b>	<b>882</b>	<b>942</b>	<b>932</b>	<b>920</b>
Value adjustments	107	193	291	(48)	109	(39)
<b>Net interest, fees and value adjustments</b>	<b>1,043</b>	<b>1,084</b>	<b>1,173</b>	<b>894</b>	<b>1,041</b>	<b>881</b>
Other operating income	5	13	10	7	7	12
Staff and administrative expenses	467	510	503	430	510	471
Other operating expenses, depreciation and amortisation	130	132	138	178	140	147
Profit (loss) from investments in associates and group enterprises	0	0	0	(138)	0	0
Impairment losses on loans, advances and receivables	368	381	1,322	3,393	964	892
<b>Profit (loss) before tax</b>	<b>83</b>	<b>74</b>	<b>(780)</b>	<b>(3,238)</b>	<b>(566)</b>	<b>(617)</b>
Tax	14	53	(214)	(769)	(134)	(147)
<b>Profit (loss)</b>	<b>69</b>	<b>21</b>	<b>(566)</b>	<b>(2,469)</b>	<b>(432)</b>	<b>(470)</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>						
<b>Assets</b>						
Cash balance and receivables from central banks and credit institutions	35,201	45,103	46,361	25,520	25,567	28,297
Loans, advances and other receivables at fair value	13,899	13,314	11,963	24,904	23,320	25,749
Loans, advances and other receivables at amortised cost	61,355	59,871	60,921	62,356	65,825	67,961
Bonds at fair value	72,516	74,197	64,951	58,819	80,687	74,857
Equities	530	198	719	604	611	616
Land and buildings	69	69	69	70	70	70
Other asset items	44,362	36,066	30,225	33,063	28,669	34,979
<b>Total assets</b>	<b>227,932</b>	<b>228,818</b>	<b>215,209</b>	<b>205,336</b>	<b>224,749</b>	<b>232,529</b>
<b>Liabilities and equity</b>						
Payables to credit institutions and central banks	65,922	66,382	56,843	46,532	77,074	77,336
Deposits and other payables	57,481	59,762	65,117	63,897	60,890	59,270
Issued bonds	38,114	40,365	44,059	43,308	39,692	42,207
Other non-derivative financial liabilities at fair value	9,785	14,327	6,798	6,502	5,083	4,728
Other payables	42,072	33,490	28,084	31,584	27,914	34,485
<b>Total payables</b>	<b>213,374</b>	<b>214,326</b>	<b>200,901</b>	<b>191,823</b>	<b>210,653</b>	<b>218,026</b>
Provisions	958	948	765	554	278	150
Subordinated debt	1,136	1,144	1,169	1,318	4,058	4,161
Equity	12,464	12,400	12,374	11,641	9,760	10,192
<b>Total liabilities and equity</b>	<b>227,932</b>	<b>228,818</b>	<b>215,209</b>	<b>205,336</b>	<b>224,749</b>	<b>232,529</b>
<b>OFF-BALANCE SHEET ITEMS</b>						
Contingent liabilities	17,549	20,131	23,386	16,797	16,015	15,860
Other commitments	7,531	8,476	9,387	8,220	9,258	8,570
<b>FINANCIAL RATIOS</b>						
Capital adequacy ratio, %, *)	12.7	12.4	12.3	13.6	12.5	11.6
Core capital ratio, %, *)	12.0	12.4	12.3	13.7	9.4	8.7
Return on equity before tax (pa), %	5.4	2.4	(26.0)	(121.0)	(22.7)	(24.3)
Return on equity after tax (pa), %	4.5	0.7	(18.9)	(92.3)	(17.3)	(18.5)
Income:cost ratio, DKK	1.09	1.07	0.60	0.19	0.65	0.59
Interest rate exposure, %, *)	0.8	0.7	0.1	0.3	1.1	0.9

\*) Equals the financial ratios of the Nykredit Bank Group for the period up to and including end-2009

The financial ratios have been restated to reflect the merger with Forstædernes Bank A/S.

# Pro forma statement of comparative figures for Nykredit Bank and Forstædernes Bank A/S, H1/2009 (consolidated)

DKK million

	The Nykredit Bank Group	Forstæ- dernes Bank	Total	Eliminations	Pro forma H1/2009
<b>INCOME STATEMENTS, H1/2010</b>					
Net interest income	1,073	399	1,472		1,472
Dividends, fees and commission income, net	260	120	380		380
Value adjustments	149	(79)	70		70
Other operating income	15	4	19		19
Staff and administrative expenses	659	322	981		981
Other operating expenses, depreciation and amortisation	181	107	288		288
Impairment losses on loans, advances and receivables	466	1,390	1,856		1,856
Profit from investments in associates and group enterprises	0	0	0		0
<b>Profit (loss) before tax</b>	<b>191</b>	<b>(1,375)</b>	<b>(1,184)</b>		<b>(1,184)</b>
Tax	53	(334)	(281)		(281)
<b>Profit (loss)</b>	<b>138</b>	<b>(1,041)</b>	<b>(903)</b>		<b>(903)</b>
<b>BALANCE SHEETS, END-JUNE 2009</b>					
<b>Assets</b>					
Cash balance and receivables from central banks and credit institutions	30,579	1,754	32,333	(6,766)	25,567
Loans, advances and other receivables at fair value	23,244	76	23,320		23,320
Loans, advances and other receivables at amortised cost	45,793	20,032	65,825		65,825
Bonds at fair value and equities	71,600	9,698	81,298		81,298
Investments in associates and group enterprises	0	4	4		4
Other asset items	27,889	1,239	29,128	(393)	28,735
<b>Total assets</b>	<b>199,105</b>	<b>32,803</b>	<b>231,908</b>	<b>(7,159)</b>	<b>224,749</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	75,381	8,459	83,840	(6,766)	77,074
Deposits and other payables	44,341	16,549	60,890		60,890
Issued bonds at amortised costs	36,920	2,772	39,692		39,692
Other non-derivative financial liabilities at fair value	5,083	0	5,083		5,083
Other payables	27,577	730	28,307	(393)	27,914
<b>Total payables</b>	<b>189,302</b>	<b>28,510</b>	<b>217,812</b>	<b>(7,159)</b>	<b>210,653</b>
Provisions	161	117	278		278
Subordinated debt	2,400	1,658	4,058		4,058
Equity	7,242	2,518	9,760		9,760
<b>Total liabilities and equity</b>	<b>199,105</b>	<b>32,803</b>	<b>231,908</b>	<b>(7,159)</b>	<b>224,749</b>
The statement is based on a summary of the merged companies' income statements and balance sheets for H1/2009.					
Eliminations have been made for important intercompany transactions. Eliminations in the income statement have been set off against the individual summary items.					
<b>EQUITY</b>					
Beginning of year/period	7,104	3,055	10,159		10,159
Profit (loss) for the period	138	(1,041)	(903)		(903)
Paid-up new capital		504	504		504
<b>Total, end of period</b>	<b>7,242</b>	<b>2,518</b>	<b>9,760</b>		<b>9,760</b>

# Pro forma statement of comparative figures for Nykredit Bank and Forstædernes Bank A/S (consolidated)

DKK million

	The Nykredit Bank Group	Forstæder- nes Bank	Total
<b>IMPAIRMENT PROVISIONS, H1/2009</b>			
Total individual impairment provisions	917	2,921	3,838
Total collective impairment provisions	144	38	182
<b>Total impairment provisions, 30 June 2009</b>	<b>1,061</b>	<b>2,959</b>	<b>4,020</b>
<b>Individual impairment provisions</b>			
At the beginning of 2009	592	1,607	2,199
Impairment provisions, H1/2009	368	1,392	1,760
Reversed impairment provisions	36	22	58
Other additions and disposals	0	0	0
Impairment provisions recognised as lost	7	56	63
<b>Total</b>	<b>917</b>	<b>2,921</b>	<b>3,838</b>
Of which credit institutions	0	0	0
<b>Collective impairment provisions</b>			
At the beginning of 2009	123	64	187
Impairment provisions, net, H1/2009	21	(26)	(5)
<b>Total</b>	<b>144</b>	<b>38</b>	<b>182</b>
<b>Earnings impact, H1/2009</b>			
Change in provisions for loan and receivable impairment	354	1,344	1,698
Losses recognised for the period	10	6	16
Received on claims previously written off	1	3	4
<b>Total</b>	<b>363</b>	<b>1,347</b>	<b>1,710</b>
Provisions for guarantees	103	43	146
<b>Total earnings impact</b>	<b>466</b>	<b>1,390</b>	<b>1,856</b>
<b>IMPAIRMENT PROVISIONS, FY 2009</b>			
<b>IMPAIRMENT PROVISIONS, END-2009</b>			
Total individual impairment provisions	1,469	6,085	7,554
Total collective impairment provisions	111	147	258
<b>Total, 31 December 2009</b>	<b>1,580</b>	<b>6,232</b>	<b>7,812</b>
<b>EARNINGS IMPACT, FY 2009</b>			
Impairment provisions	1,008	5,060	6,068
Provisions for guarantees	217	286	503
<b>Total</b>	<b>1,225</b>	<b>5,346</b>	<b>6,571</b>