

To NASDAQ OMX Copenhagen A/S
and the press

23 August 2012

**NYKREDIT BANK A/S – a subsidiary of Nykredit Realkredit A/S consolidated in the Nykredit Group's
Financial Statements**

**H1 INTERIM REPORT – THE NYKREDIT BANK GROUP
1 JANUARY 2012 – 30 JUNE 2012**

- Profit before tax came to DKK 302m, down DKK 143m on H1/2011
- Income from business operations climbed 8% to DKK 1,824m
- Value adjustment of derivatives and corporate bonds was a charge of DKK 438m against a credit of DKK 11m in H1/2011
- Operating costs rose by DKK 31m to DKK 918m owing in part to the establishment of the branch in Stockholm and IT costs relating to a new banking platform
- Impairment losses on loans and advances were DKK 248m, equal to 0.2% in H1/2012
- Special payments to the Danish Guarantee Fund for Depositors and Investors amounted to DKK 3m in H1/2012 against DKK 85m in H1/2011
- The investment portfolio generated an income of DKK 39m against a loss of DKK 161m in H1/2011
- Costs as a percentage of core income from business operations totalled 50.5% compared with 57.6% in H1/2011
- Profit before tax generated a return on equity of 4.2% pa against 8.7% pa for H1/2011
- The Bank has no exposures to sovereign debt issued by GIISP countries.

Fitch Ratings has assigned an issuer rating of A/F1 to Nykredit Bank.

LIQUIDITY

- Excess cover relative to statutory liquidity requirements was 153% against 176% at end-2011.

CAPITAL

- The total capital ratio and the Tier 1 capital ratio both came to 19.8%
- The core Tier 1 capital ratio was 19.5%.

INFORMATION ABOUT THE NYKREDIT BANK GROUP

The H1 Interim Reports 2012 of the Nykredit Bank Group and the Nykredit Group and further information about Nykredit are available at nykredit.com.

Contacts

Karsten Knudsen, Chairman – tel +45 44 55 19 04
Bjørn Mortensen, Managing Director – tel +45 44 55 18 95

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

FINANCIAL HIGHLIGHTS – THE NYKREDIT BANK GROUP

DKK million	H1/2012	H1/2011	FY 2011
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
- business operations	1,824	1,688	3,506
- value adjustment of derivatives and corporate bonds	(438)	11	(632)
- securities	46	80	175
Total	1,432	1,779	3,049
Operating costs and depreciation of equipment	918	887	1,814
Payment to the Danish Guarantee Fund for Depositors and Investors	3	85	100
Core earnings before impairment losses	511	807	1,135
Impairment losses on loans and advances and provisions for guarantees	248	201	388
Core earnings after impairment losses	263	606	747
Investment portfolio income	39	(161)	(154)
Profit before tax	302	445	593
Tax	72	115	160
Profit for the period	230	330	433
SUMMARY BALANCE SHEET, END OF PERIOD			
Assets			
Cash balance and receivables from central banks and credit institutions	44,545	25,418	50,244
Loans, advances and other receivables at fair value	32,106	16,409	22,007
Loans, advances and other receivables at amortised cost	55,318	57,541	55,901
Bonds at fair value and equities	72,839	56,836	61,063
Other asset items	48,531	25,885	43,153
Total assets	253,339	182,089	232,368
Liabilities and equity			
Payables to credit institutions and central banks	66,191	37,647	63,093
Deposits and other payables	55,446	52,107	57,551
Issued bonds at amortised cost	27,385	26,113	26,137
Other non-derivative financial liabilities at fair value	39,656	25,336	27,308
Other payables	49,778	25,766	43,594
Provisions	201	255	233
Subordinated debt	250	766	250
Equity	14,432	14,099	14,202
Total liabilities and equity	253,339	182,089	232,368
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	12,366	9,229	10,142
Other commitments	7,766	6,617	6,842
FINANCIAL RATIOS			
Profit for the period as % of average equity, pa	3.2	4.7	3.1
Profit before tax for the period as % of average equity, pa	4.2	8.7	4.2
Core earnings before impairment losses as % of average equity, pa	7.1	11.6	8.1
Core earnings after impairment losses as % of average equity, pa	3.7	8.7	5.3
Costs excl impairment losses as % of core income from business operations	50.5	57.6	54.6
Provisions for loan impairment, DKKm	4,304	5,354	4,294
Impairment losses for the period, %	0.2	0.2	0.4
Total capital ratio, %	19.8	18.5	19.3
Tier 1 capital ratio, %	19.8	17.9	19.3
Core Tier 1 capital ratio, %	19.5	17.6	19.0
Average number of staff, full-time equivalents	833	801	817

THE NYKREDIT BANK GROUP

NYKREDIT BANK GROUP RESULTS

The Group delivered a profit before tax of DKK 302m against DKK 445m in H1/2011.

H1/2012 was impacted by subdued loan demand and low interest rate levels which in the H1 financial statements translated into higher market values of the Bank's securities and derivatives, but also increased credit exposure to customers with interest rate swaps. The loan impairment level remained relatively low in H1.

Core income from business operations improved by DKK 136m, or 8%, on H1/2011, and compared with Q1/2012 core income grew by DKK 146m to DKK 985m in Q2/2012 partly due to increased earnings in Nykredit Markets.

Due to interest rate falls, the market value of interest rate swaps increased, resulting in higher credit risk in relation to especially customers that have entered into swap agreements with the Bank in order to hedge the interest rate risk of their variable-rate mortgage loans. As a consequence, special market value adjustment of derivatives came to a charge of DKK 438m in H1/2012 compared with a credit of DKK 11m in H1/2011.

Impairment losses on loans and advances were DKK 248m against DKK 201m in H1/2011. Impairment losses remained very low at 0.2%. As in previous periods, the impairment level rose moderately especially for Retail, but remained low for Wholesale.

Core earnings

Core income from business operations

Core income increased by DKK 136m to DKK 1,824m, of which Retail contributed DKK 80m, whereas Wholesale lifted core income by DKK 38m compared with H1/2011.

Group Items improved by DKK 18m, reflecting in part that H1/2011 was affected by the impact of the bankruptcy of Amagerbanken.

As in preceding quarters, lending activity was fairly low. Lending at amortised cost went down by DKK 0.6bn to DKK 55.3bn compared with 31 December 2011.

Deposits at amortised cost came to DKK 55.4bn against DKK 57.6bn at end-2011. The deposit surplus stood at DKK 0.1bn at 30 June 2012.

Value adjustment of derivatives and corporate bonds

Value adjustment totalled a charge of DKK 438m in H1/2012, of which derivatives accounted for a charge of DKK 454m due to increased credit risk and corporate bonds for a credit of DKK 16m.

The Bank's interest rate risk on derivatives is largely hedged. Rising interest rates will diminish the credit risk, resulting in a lower value adjustment. Conversely, additional interest rate falls will result in a higher credit risk.

Core income from securities

Core income from securities dropped from DKK 80m in H1/2011 to DKK 46m in H1/2012. This development was a net effect of increased capital as well as a change in the risk-free interest rate, which fell from about 1.1% in H1/2011 to about 0.6% in H1/2012. The risk-free interest rate equals Danmarks Nationalbank's lending rate.

Operating expenses, depreciation and amortisation

Staff and administrative expenses rose by DKK 31m (3.5%) to DKK 911m, of which payroll costs accounted for DKK 17m (up 4.9%), while other administrative expenses went up by DKK 14m partly as a result of IT costs relating to the new banking platform.

The average staff number increased from 801 in H1/2011 to 833, partly reflecting the establishment of a branch in Stockholm and a general staff increase throughout 2011. However, compared with end-2011 when staff totalled 836, H1 actually saw a minor reduction.

Guarantee Fund for Depositors and Investors

In H1/2012 the Bank paid DKK 3m to the Guarantee Fund for Depositors and Investors compared with DKK 85m in H1/2011. The charge was a readjustment of expenses relating to distressed banks in 2011.

Impairment losses and provisions

Impairment losses on loans and advances for the period were DKK 248m, equal to a continued low level of 0.2%.

In H1/2011 the charge was DKK 201m.

The charge in H1/2012 was mainly attributable to personal customers and small and medium-sized enterprises (SMEs) in Retail, totalling DKK 237m compared with DKK 118m in H1/2011. Conversely, the impairment charge for Wholesale decreased from DKK 71m to DKK 12m in H1/2012.

Investment portfolio income

Investment portfolio income was DKK 39m in H1/2012 compared with a loss of DKK 161m in H1/2011 when the item was significantly impacted by negative value adjustment of the Bank's portfolio of Kalvebod issues.

In H1/2012 investment portfolio income included commission to Nykredit Holding for a special guarantee provided to strengthen the Bank's total capital and Tier 1 capital ratios.

Investment portfolio income is the excess income in addition to risk-free interest obtained from the portfolios not allocated to the business areas. The return on financial instruments in the business areas is recognised in their core income.

Tax

Tax for the period has been estimated at DKK 72m, corresponding to 23.8% of profit before tax for the period.

Q2/2012 results

The Group recorded a profit before tax of DKK 150m in Q2/2012 against a profit of DKK 152m in Q1/2012.

Core earnings before impairment losses came to DKK 286m against DKK 255m in Q1/2012. This development was notably a result of a rise of DKK 146m in core income from business operations to DKK 985m (17%).

By contrast, value adjustment of derivatives came to a charge of DKK 268m compared with a charge of DKK 170m in Q1/2012.

Other expenses were slightly below the Q1 level, whereas loan impairments were higher. This development reflected ordinary periodic fluctuations.

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

	Retail		Wholesale		Group Items		Total	
DKK million	2012	2011	2012	2011	2012	2011	2012	2011
Core income from:								
customer activity, gross	604	583	1,275	1,178	(55)	(73)	1,824	1,688
remuneration for distribution	406	347	(406)	(347)	-	-	0	0
Core income from business operations	1,010	930	869	831	(55)	(73)	1,824	1,688
Value adjustment of derivatives and corporate bonds	(408)	(5)	(30)	16	-	-	(438)	11
Core income from securities	-	-	-	-	46	80	46	80
Total core income	602	925	839	847	(9)	7	1,432	1,779
Operating costs	422	419	373	343	123	125	918	887
Payment to the Guarantee Fund for Depositors and Investors	-	-	-	-	3	85	3	85
Core earnings before impairment losses	180	506	466	504	(135)	(203)	(551)	807
Impairment losses on loans and advances	237	118	12	71	(1)	12	248	201
Core earnings after impairment losses	(57)	388	454	433	(134)	(215)	263	606
Investment portfolio income	-	-	-	-	39	(161)	39	(161)
Profit (loss) before tax for the period	(57)	388	454	433	(95)	(376)	302	445
Costs/core income from business operations, %	65.2	57.7	44.3	49.8	-	-	64.1	69.5

OUTLOOK FOR 2012

The Bank expects H2 to be on a level with H1, as both income from business operations and costs are estimated to be broadly unchanged. We expect a profit for the full year in line with 2011, but due to the uncertainty in financial markets, this forecast is subject to some uncertainty.

BUSINESS AREAS

Due to organisational changes within Nykredit, the presentation of the Bank's business areas has been changed in 2012 and now comprises:

- Retail, which comprises personal customers as well as SMEs
- Wholesale, which comprises the business units Corporate & Institutional Banking, Nykredit Markets and Nykredit Asset Management
- Group Items, which comprises the Bank's Treasury area and other income and costs not allocated to the business areas, including core income from securities and investment portfolio income.

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

The change does not affect overall results or equity. The previous presentation form and any related comparative figures have been restated to reflect the reorganisation.

Retail

The business area comprises banking for personal customers and SMEs.

Retail posted a loss before tax of DKK 57m compared with a profit of DKK 388m in H1/2011.

Core income from business operations developed favourably from DKK 930m in H1/2011 to DKK 1,010m in H1/2012.

By contrast, value adjustment of derivatives came to a charge of DKK 408m in H1/2012 compared with a charge of DKK 5m in H1/2011.

Operating costs rose by DKK 3m to DKK 422m.

Impairment losses on loans and advances were DKK 237m in H1/2012 against DKK 118m in H1/2011. The charge in 2012 was chiefly attributable to individual impairment provisions for commercial lending, whereas collective impairment provisions totalled a credit of DKK 13m.

Impairment losses were 0.6%.

Costs relative to core income from business operations totalled 65.2% against 57.7% in H1/2011.

The subsidiary Nykredit Leasing contributed a profit of DKK 5.8m to the business area's results against a loss of DKK 0.1m in H1/2011.

Lending and deposits

The business area's lending decreased by DKK 1.3bn to DKK 27.8bn, while deposits rose by DKK 1.9bn from DKK 35.0bn to DKK 36.9bn.

The level in H1/2012 reflected continued modest demand for finance.

Wholesale

Wholesale comprises banking activities for the Bank's corporate and institutional clients, including non-profit housing customers, the Bank's Markets and Asset Management activities and Other Activities, including a special loan portfolio of terminated exposures.

The business area recorded a profit of DKK 454m. This represented a DKK 21m rise on H1/2011 when profit was DKK 433m.

Core income from business operations rose from DKK 831m to DKK 869m in H1/2012, up DKK 38m compared with H1/2011. Generally, the business areas developed favourably relative to H1/2011, but Corporate & Institutional Banking was affected by a loss of about DKK 53m on an equity portfolio relating to terminated exposures.

The area's gross income from customer activity totalled DKK 1,275m excl value adjustment of derivatives compared with DKK 1,178m in H1/2011.

Nykredit Markets posted gross income of DKK 604m, up DKK 167m on H1/2011. Nykredit Asset Management also recorded DKK 24m growth in gross income from customer activity, which totalled DKK 397m.

Activity in the business unit Nykredit Markets increased, reflecting a higher customer intake and general market trends. H1/2012 was affected by the European debt crisis, including the ECB's liquidity measures, as well as higher risk aversion fuelled by increasing uncertainty and volatility in financial markets.

Due to the market conditions, several large investors placed their investments in secure countries, including Denmark, where Danish government yields traded below the German. At the same time, Danish investors stepped up their domestic investments, which had a positive impact on earnings.

Likewise, Nykredit Asset Management recorded a positive earnings trend. Assets under management amounted to DKK 115bn, corresponding to a rise of DKK 14bn relative to end-2011. Assets under

Wholesale		
DKK million	H1/2012	H1/2011
Customer activity, gross		
Nykredit Markets	604	437
Nykredit Asset Management	397	373
Corporate & Institutional Banking	274	368
Total	1,275	1,178
Remuneration for distribution		
Nykredit Markets	(231)	(157)
Nykredit Asset Management	(219)	(213)
Corporate & Institutional Banking	44	23
Total	(406)	(347)
Core income		
Nykredit Markets	373	280
Nykredit Asset Management	178	160
Corporate & Institutional Banking	318	391
Total	869	831

administration came to DKK 446bn against DKK 335bn at end-2011. Compared with Q1/2012, assets under administration grew by DKK 39bn, and assets under management by DKK 12bn.

The subsidiary Nykredit Portefølje Administration, which is part of Nykredit Asset Management, earned a profit before tax of DKK 46m against DKK 20m in H1/2011. In H1/2012 Nykredit Portefølje Administration won a number of large mandates, contributing to the rise in assets under administration.

Operating costs landed at DKK 373m, up DKK 30m on H1/2011.

Impairment losses on loans and advances came to DKK 12m against DKK 71m in H1/2011. The charge in 2012 comprised a reversal of DKK 20m relating to the portfolio of terminated exposures and impairment losses in other areas of DKK 32m.

Impairment losses neared 0% in H1/2012 against 0.7% for the full year 2011.

Costs relative to core income from business operations totalled 44.3% against 49.8% in H1/2011.

Lending and deposits

Lending grew from DKK 24.1bn at end-2011 to DKK 24.6bn at 30 June 2012, of which the loan portfolio of terminated exposures accounted for an expected decline of DKK 0.5bn.

Deposits came to DKK 15.5bn against DKK 19.4bn at end-2011.

Group Items

Group Items includes the results of the Bank's Treasury area, core earnings and investment portfolio income from securities as well as other income and expenses not allocated to the business areas. Significant non-allocated costs are IT costs and special payments to the Guarantee Fund for Depositors and Investors.

The business area recorded a loss of DKK 95m against a loss of DKK 376m in H1/2011.

Treasury activities generated a loss of about DKK 75m in H1/2012.

Core earnings and investment portfolio income from securities were DKK 85m compared with a loss of DKK 81m in H1/2011 when income was affected by turbulence in the Danish banking market, resulting in capital losses on subordinated debt instruments etc in Danish banks.

Non-allocated expenses were DKK 102m compared with DKK 180m in H1/2011. H1/2011 was impacted by a payment of DKK 85m to the Guarantee Fund for Depositors and Investors, while the H1/2012 payment only amounted to DKK 3m. IT development costs were DKK 99m in H1/2012 against DKK 95m in H1/2011.

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

Balance sheet

Compared with end-2011 the balance sheet grew by DKK 21.0bn (9%) to DKK 253.3bn.

Balances with credit institutions and cash balances reduced by DKK 5.7bn to DKK 44.5bn, while loans and advances at fair value went up by DKK 10.1bn to DKK 32.1bn in part due to increased repo activities in the Stockholm branch.

Loans and advances at amortised cost were DKK 55.3bn, which was largely the same as the 2011 level of DKK 55.9bn. This level reflected

The Nykredit Bank Group Lending and deposits

DKK million	30.06.2012	31.12.2011	30.06.2011
Loans and advances	87,424	77,908	73,950
Retail	27,783	29,130	29,758
Personal	14,736	15,476	15,511
Commercial	13,047	13,654	14,247
Wholesale	24,596	24,105	25,625
Loans and advances at fair value (reverse lending)	32,106	22,007	16,409
Group Items and other lending	2,939	2,666	2,158
Deposits	72,914	73,415	71,228
Retail	36,873	35,013	34,293
Personal	21,237	18,758	18,895
Commercial	15,636	16,255	15,398
Wholesale	15,539	19,401	15,627
Deposits at fair value (repo)	17,468	15,864	19,121
Group Items and other deposits	3,034	3,137	2,187

The Nykredit Bank Group Equity

DKK million	30.06.2012	31.12.2011	30.06.2011
Equity, beginning of period	14,202	13,769	13,769
Profit after tax for the period	230	433	330
Equity, end of period	14,432	14,202	14,099

The Nykredit Bank Group Capital base and capital adequacy

DKK million	30.06.2012	31.12.2011	30.06.2011
Share capital	6,045	6,045	6,045
Retained earnings	8,387	8,157	8,054
Core Tier 1 capital	14,432	14,202	14,099
Primary and other statutory deductions from Tier 1 capital	122	193	148
Supplementary capital and hybrid capital	250	250	766
Other additions to and deductions from capital base	-	-	13
Capital base after statutory deductions	14,560	14,259	14,730
Weighted items	73,381	73,811	79,460
Total capital ratio, %	19.8	19.3	18.5
Tier 1 capital ratio, %	19.8	19.3	17.9
Core Tier 1 capital ratio, %	19.5	19.0	17.6
Internal capital adequacy requirement (ICAAP), %	10.2	10.2	10.2

continued fairly subdued loan demand within both Retail and Wholesale. Compared with end-2011, lending by Retail went down by about DKK 1.3bn, while Wholesale showed an increase of DKK 0.5bn.

The portfolio of bonds expanded from DKK 60.6bn at end-2011 to DKK 72.5bn. The size and development of the portfolio reflected the Bank's repo activities and trading positions, including the Stockholm activities, and the development in and placing of the Bank's liquidity, of which a substantial part is placed in securities. The portfolio mainly contains high-rated government and covered bonds.

Other assets totalled DKK 48.3bn against DKK 43.0bn at end-2011. At 30 June 2012, DKK 41.1bn was attributable to positive market values of derivatives compared with DKK 37.5bn at end-2011. The positive market values resulted from the Bank's customer activities in derivatives and own positions for hedging interest rate risk. These transactions were widely hedged and should be viewed in the context of Other liabilities, which included negative market values in the amount of DKK 40.5bn.

The item Other assets also included interest and commission receivable.

Payables to credit institutions and central banks rose from DKK 63.1bn at end-2011 to DKK 66.2bn.

Deposits and other payables amounted to DKK 55.4bn, corresponding to a decline of DKK 2.1bn against DKK 57.6bn at end-2011. Compared with end-H1/2011, deposits and other payables rose by DKK 3.3bn. Retail deposits rose by DKK 1.9bn compared with end-2011, while Wholesale deposits fell by DKK 3.9bn.

Relative to lending at amortised cost, the Bank's deposit surplus was DKK 0.1bn.

Issued bonds were up from DKK 26.1bn at end-2011 to DKK 27.4bn at 30 June 2012. In H1/2012, the Bank launched issues under the ECP and EMTN programmes with satisfactory sales and interest rate levels.

Other non-derivative financial liabilities at fair value, which include deposits relating to repo transactions, came to DKK 39.7bn against DKK 27.3bn at end-2011.

Other liabilities totalled DKK 49.6bn against DKK 43.5bn at end-2011. The item mainly consisted of negative market value of financial instruments and interest and commission payable.

Equity

Equity stood at DKK 14.4bn at 30 June 2012. Compared with 31 December 2011, equity improved by DKK 230m, which equalled profit after tax 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.

Capital base and capital adequacy

The Nykredit Bank Group's capital base stood at DKK 14.6bn at 30 June 2012 compared with DKK 14.3bn at end-2011.

At 30 June 2012, the capital requirement totalled DKK 5.9bn which was unchanged from end-2011.

The total capital ratio was 19.8% compared with 19.3% at end-2011. The internal capital adequacy requirement was 10.2%, the same as at end-2011.

Nykredit Bank has a target of maintaining a Tier 1 capital ratio of at least 12%. The Tier 1 capital ratio was 19.8% at 30 June 2012. The core Tier 1 capital ratio was 19.5%.

To underpin the Bank's rating, Nykredit Holding issued a loss guarantee at end-2011 for the part of the Bank's impairment losses and provisions that exceeds 2% of loans, advances and guarantees during a financial year subject to a maximum of DKK 2bn for the term of the guarantee. The guarantee resulted in a reduction in the Bank's credit risk exposure of DKK 1.9bn.

Weighted assets declined by DKK 0.4bn compared with end-2011. The development comprised a drop of DKK 4.5bn in items involving credit risk, a rise of DKK 0.8bn in items involving operational risk and a rise of DKK 3.3bn in items involving market risk.

ICAAP buffer

Nykredit Bank conducts a number of stress tests to determine its internal capital adequacy requirement. In light of the risk of cyclical fluctuations in impairment losses on unsecured bank loans and counterparty risk as well as in credit quality in general, the Bank has decided to set a minimum internal capital adequacy requirement of 10% of risk-weighted assets even if the model-based calculations indicate a lower ratio.

Ratings

From 13 April 2012 Nykredit Bank is solely rated by Standard & Poor's. Standard & Poor's did not change Nykredit Bank's ratings in H1/2012.

Nykredit requested Moody's Investors Service to cease rating the Nykredit Group as from 13 April 2012. Reference is made to the press release previously issued.

After the end of the financial period, the Nykredit Group has commenced cooperation with Fitch Ratings, cf page 12.

**Nykredit Bank A/S
Ratings**

	Standard & Poor's
Short-term rating	A-1
Long-term rating	A+

IMPAIRMENT LOSSES, LOANS AND ADVANCES

Earnings impact for the period

Impairment losses on loans and advances went up from DKK 201m in H1/2011 to DKK 248m.

This increase was mainly attributable to Retail where impairment losses rose by DKK 119m to DKK 237m, of which commercial customers accounted for a rise of DKK 109m to DKK 166m, while personal customers represented a rise from DKK 62m to DKK 71m. Generally, the charge remained low considering the Bank's level of activity.

Impairment losses on Wholesale exposures came to DKK 12m against DKK 71m in H1/2011. Of the charge in H1/2012, a portfolio of terminated exposures accounted for a reversal of DKK 20m, whereas other Wholesale customers accounted for a charge of DKK 32m.

Of the total charge of DKK 248m, DKK 8m was attributable to collective impairment provisions, whereas impairment losses on loans and advances and provisions for guarantees came to a total charge of DKK 240m.

The amended rules of the Danish Executive Order on the Presentation of Financial Statements issued by the Danish Financial Supervisory Authority (FSA) had a negligible effect on the charge.

The charge amounted to 0.2% of total loans, advances and guarantees, which was unchanged compared with H1/2011. The charge for SMEs was 0.6%, whereas the percentage was close to 0% for the other business areas.

Provisions – the Nykredit Bank Group

DKK million	Retail		Wholesale		Group Items		Total	
	H1/2012	H1/2011	H1/2012	H1/2011	H1/2012	H1/2011	H1/2012	H1/2011
Impairment provisions, beginning of year	2,114	2,381	2,089	3,698	91	64	4,294	6,143
Impairment provisions and reversals for the period	(15)	(205)	(24)	(573)	1	(11)	10	(789)
Impairment provisions, end of period	2,099	2,176	2,113	3,125	92	53	4,304	5,354
Of which individual	1,934	1,917	1,963	2,911	91	53	3,988	4,881
Of which collective	165	259	150	214	1	0	316	473
Provisions for guarantees								
Provisions, beginning of period	62	332	52	265	0	147	114	744
Provisions, end of period	73	62	8	91	0	0	81	153
Total provisions	2,172	2,238	2,121	3,216	92	53	4,385	5,507
Earnings impact								
New impairment provisions and losses for the period, net	228	102	59	22	1	14	288	138
Received on loans and advances previously impaired	2	1	4	-	2	2	8	3
Total	226	101	55	22	(1)	12	280	135
Provisions for guarantees	11	17	(43)	49	0	-	(32)	66
Total earnings impact	237	118	12	71	(1)	12	248	201

Loans, advances and guarantees by sector at 30 June 2012 and 31 December 2011

DKK million	Loans, advances and guarantees		Provisions	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
Public sector	484	542	0	0
Agriculture, hunting, forestry and fishing	2,308	2,448	127	120
Manufacturing, mining and quarrying	6,761	5,652	102	105
Energy supply	626	1,306	16	33
Construction	1,835	1,687	279	254
Trading	2,594	2,472	247	287
Transport, accommodation and food service activities	1,823	2,308	119	90
Information and communication	970	964	90	65
Financial and insurance activities	39,321	28,656	904	935
Property	15,922	14,613	1,370	1,312
Other commercial	6,773	7,767	475	530
Total commercial	78,933	67,873	3,729	3,731
Personal	20,373	19,636	656	677
Total	99,790	88,051	4,385	4,408

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

Provisions at 30 June 2012

Compared with impairment provisions of DKK 4,294m at 31 December 2011, H1/2012 saw a minor rise of DKK 10m to DKK 4,304m at 30 June 2012.

In all business areas, levels were largely unchanged from end-2011.

Provisions for guarantees fell by DKK 33m to DKK 81m. The decline was primarily attributable to reversals concerning a portfolio of terminated exposures relating to corporate customers of the former Forstædernes Bank.

At 30 June 2012, the carrying amount of loans and advances to these customers totalled DKK 1.8bn against DKK 2.3bn at end-2011. The exposures continue to be terminated in line with expectations.

Relative to total loans, advances and guarantees, provisions totalled 4.2% against 4.8% at end-2011.

Loans, advances and guarantees by sector

Loans, advances and guarantees were DKK 99.8bn at 30 June 2012 against DKK 88.1bn at end-2011.

The upturn of DKK 11.8bn compared with end-2011 mainly stemmed from higher reverse lending, which rose by DKK 10.1bn to DKK 32.1bn in part due to activities in the Stockholm branch.

Apart from this, the individual sectors displayed no significant fluctuations compared with end-2011. The same applied to the related impairment provisions.

The financial and insurance sector still accounted for the largest exposure of DKK 39.3bn against DKK 28.7bn at end-2011. The increase mainly resulted from reverse lending as a considerable part of lending to this sector is generally granted against bonds as collateral.

Of total lending and guarantees, the financial and insurance sector accounted for 39% (end-2011: 32%), the property sector about 16% (end-2011: 17%) and personal customers 20% (end-2011: 22%).

Pursuant to the supervisory diamond model of the Danish FSA, the Bank's lending growth was 12.2%. According to the Danish FSA's indicative limit, growth of 20% or more may imply higher risk. Exclusive of reverse lending, the growth rate was negative at 1.2%.

Lending to the property and construction sectors saw a total rise from DKK 16.3bn at end-2011 to DKK 17.8bn. Of total lending at 30 June 2012, DKK 14.2bn derived from the rental property sector (end-2011: DKK 13.0bn). At 30 June 2012, impairment provisions for lending to the property sector totalled DKK 1.6bn, equal to 8.5% of total lending, compared with 8.7% at end-2011.

Pursuant to the supervisory diamond model, the Bank's property sector exposure was 16.1%. The Danish FSA's indicative limit is 25%.

LIQUIDITY AND FINANCIAL RISK

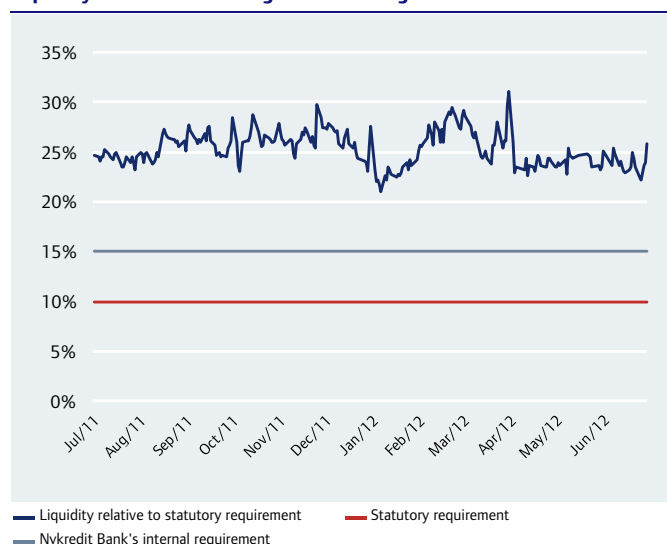
Nykredit Bank A/S

Liquidity stress testing (market scenario)



Nykredit Bank A/S

Liquidity as % of debt and guarantee obligations



Note: The graph shows Nykredit Bank's liquidity as % of total debt and guarantee obligations after statutory deductions, cf s 152 of the Danish Financial Business Act.

Liquidity

Liquidity risk reflects the risk of loss as a result of insufficient liquidity to cover current payment obligations.

Nykredit Bank monitors its balance sheet and liquidity on a day-to-day basis as part of its liquidity risk management. The management of the Bank's structural liquidity risk is based on an internal model relating to the liquidity of assets and liabilities.

Securities in the trading book not serving as collateral constitute a short-term liquidity buffer that may be applied in the case of unforeseen drains on the Bank's liquidity. These securities consist mainly of liquid Danish and European government and covered bonds eligible as collateral with Danmarks Nationalbank or other European central banks.

Stress testing is performed on a continuous basis using bank-specific, sector-specific and combination scenarios as prescribed by the Danish Executive Order on the governance and management of banks.

According to a stress test of the Bank's liquidity based on scenarios involving no access to funding markets, the Bank has positive liquidity for at least 12 months.

According to the Danish Financial Business Act, a bank's liquidity must be at least 10% of total reduced debt and guarantee obligations. Nykredit Bank operates with an internal excess liquidity cover of minimum 50% relative to the statutory requirement.

At 30 June 2012, the excess cover was 153% against 176% at end-2011, corresponding to a liquidity buffer of DKK 39.4bn compared with DKK 41.2bn at end-2011. In H1/2012, the liquidity buffer averaged DKK 34.3bn compared with an average of DKK 31.3bn for 2011.

The Bank's long-term funding activities progressed according to plan, with EMTN issues totalling DKK 17.4bn at 30 June 2012, of which issuance in H1/2012 amounted to DKK 4.8bn.

Further, the Bank continued its current refinancing of short-term ECP issues, which totalled DKK 10.7bn at 30 June 2012.

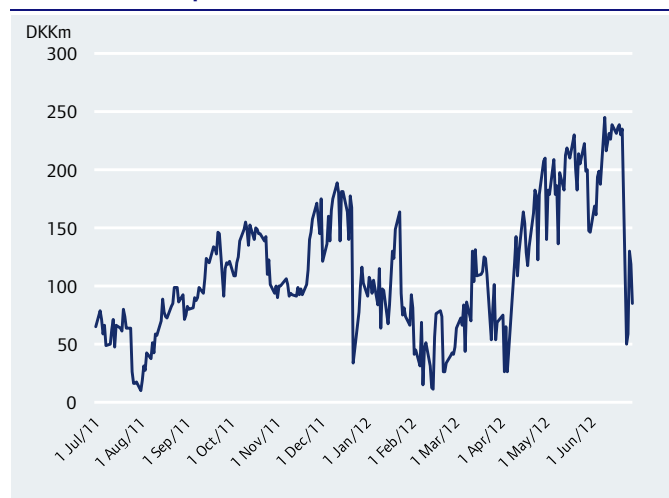
The aggregate amount issued under the ECP and EMTN programmes was DKK 28.1bn at 30 June 2012 against DKK 26.4bn at end-2011.

In line with general market trends, the Bank's EMTN funding costs rose noticeably, but the Bank's new issues continue to attract positive interest from investors.

Danmarks Nationalbank introduced new liquidity measures for banks in 2011 by expanding the collateral base to include credit claims of good quality. The Bank is positive towards this initiative, but has no plans to make use of the facility given the Bank's liquidity position.

The Nykredit Bank Group**Risk key figures**

DKK million	H1/2012	H1/2011	2011
Value-at-Risk			
End of period	32	19	29
Average	29	20	22
Interest rate risk			
End of period	85	64	103
Foreign exchange position			
EUR	322	(3)	73
Excl EUR and DKK	19	32	17

Nykredit Bank A/S**Net interest rate exposure****Nykredit Bank A/S****Value-at-Risk (incl equities)**

— Value-at-Risk (99%)

Financial risk

Value-at-Risk came to DKK 32m at 30 June 2012 against DKK 19m at 30 June 2011. Value-at-Risk averaged DKK 29m in H1/2012 against DKK 20m in H1/2011.

The rise in this risk measure, in both end-of-period and average terms, was mainly due to the Bank's customer trading activities and market making in Swedish securities in the Stockholm branch, which was established at end-2011.

The interest rate exposure amounted to DKK 85m at 30 June 2012 against DKK 64m at 30 June 2011. This development was also affected by activities in Sweden but did not differ significantly from the level usually associated with the Bank's activities.

The Bank's foreign exchange position in EUR was DKK 322m at 30 June 2012 against a negative amount of DKK 3m at 30 June 2011. Moreover, the Bank's foreign exchange position in currencies other than EUR and DKK totalled DKK 19m at 30 June 2012 against DKK 32m at 30 June 2011.

OTHER

The Danish tax authorities have proposed that the taxable income declared for 2008 be changed. The change relates to a tax deduction for impairment losses made by Forstædernes Bank, which was merged with Nykredit Bank in 2010. Reference is made to note 24 "Contingent liabilities".

EVENTS OCCURRED AFTER 30 JUNE 2012**Fitch has rated Nykredit Realkredit and Nykredit Bank**

Nykredit has commenced cooperation with the international credit rating agency Fitch Ratings. The agency announced on 20 August 2012 that Nykredit Realkredit A/S and Nykredit Bank A/S had been assigned a long-term Issuer Default Rating (IDR) of A and a short-term IDR of F1. Both ratings have stable outlooks.

Reference is made to Nykredit's press release dated 20 August 2012.

Otherwise, no material events have occurred in the period up to the presentation of the H1 Interim Report.

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 light of the financial turmoil are priced in markets characterised by low turnover and other 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 2011), to which reference is made.

MANAGEMENT STATEMENT

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 2012 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 Interim Financial Statements of the Parent Company, Nykredit Bank A/S, have been prepared in accordance with the Danish Financial Business Act and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

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

Copenhagen, 23 August 2012

Executive Board

Bjørn Mortensen

Georg Andersen

Lars Bo Bertram

We are of the opinion that the Interim Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2012 and of the results of the Group's and the Parent Company's operations as well as the Group's cash flows for the financial period 1 January – 30 June 2012.

In our opinion, the Management's Review provides a fair review of the matters dealt with and describes the material risk and uncertainty factors which may affect the Group and the Parent Company.

The H1 Interim Report has not been audited or reviewed.

Board of Directors

Karsten Knudsen, Chairman

Søren Holm, Deputy Chairman

Henrik K. Asmussen, staff-elected

Olav Brusen Barsøe, staff-elected

Kim Duus

Allan Kristiansen, staff-elected

Per Ladegaard

Bente Overgaard

Income statements for 1 January – 30 June

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
H1/2011	H1/2012		note	H1/2012	H1/2011
2,066	1,997	Interest income	3	2,036	2,099
811	883	Interest expenses	4	874	808
1,255	1,114	NET INTEREST INCOME		1,162	1,291
2	3	Dividend on equities		3	2
532	583	Fee and commission income		670	619
228	356	Fee and commission expenses		362	252
1,561	1,344	NET INTEREST AND FEE INCOME		1,473	1,660
(54)	(15)	Value adjustments	5	(16)	(56)
4	1	Other operating income		14	14
812	842	Staff and administrative expenses	6	911	880
1	3	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets		3	2
87	3	Other operating expenses		7	90
186	234	Impairment losses on loans, advances and receivables	7	248	201
15	41	Profit from investments in associates and group enterprises	8	-	-
440	289	PROFIT BEFORE TAX		302	445
110	59	Tax	9	72	115
330	230	PROFIT FOR THE PERIOD		230	330
		STATEMENTS OF COMPREHENSIVE INCOME			
330	230	PROFIT FOR THE PERIOD		230	330
-	-	Other additions and disposals		-	-
-	-	OTHER COMPREHENSIVE INCOME		-	-
330	230	COMPREHENSIVE INCOME FOR THE PERIOD		230	330

Balance sheets at 30 June

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.12.2011	30.06.2012		note	30.06.2012	31.12.2011
ASSETS					
2,544	473	Cash balance and demand deposits with central banks		473	2,544
47,700	44,071	Receivables from credit institutions and central banks	10	44,072	47,700
22,007	32,106	Loans, advances and other receivables at fair value	11	32,106	22,007
55,606	54,965	Loans, advances and other receivables at amortised cost	12	55,318	55,901
60,501	72,331	Bonds at fair value	13	72,499	60,648
414	339	Equities	14	340	415
354	394	Investments in group enterprises		-	-
27	31	Intangible assets		31	27
18	19	Other property, plant and equipment		20	19
115	126	Deferred tax assets		71	61
55	52	Assets in temporary possession	15	52	55
42,963	48,272	Other assets	16	48,301	42,972
12	54	Prepayments		56	19
232,316	253,233	TOTAL ASSETS		253,339	232,368

Balance sheets at 30 June

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
31.12.2011	30.06.2012		note	30.06.2012	31.12.11
LIABILITIES AND EQUITY					
63,093	66,151	Payables to credit institutions and central banks	17	66,191	63,093
57,660	55,534	Deposits and other payables	18	55,446	57,551
26,137	27,385	Issued bonds at amortised cost	19	27,385	26,137
27,308	39,656	Other non-derivative financial liabilities at fair value	20	39,656	27,308
77	144	Current tax liabilities		152	70
22	6	Liabilities temporarily assumed		5	22
43,333	49,473	Other liabilities	21	49,616	43,497
1	1	Deferred income		5	5
217,631	238,350	TOTAL PAYABLES		238,456	217,683
Provisions					
114	82	Provisions for losses under guarantees	22	82	114
119	119	Other provisions	22	119	119
233	201	TOTAL PROVISIONS		201	233
250	250	Subordinated debt	23	250	250
Equity					
6,045	6,045	Share capital		6,045	6,045
-	-	Revaluation reserves		-	-
Other reserves					
70	70	Statutory reserves		-	-
8,087	8,317	Retained earnings		8,387	8,157
14,202	14,432	TOTAL EQUITY		14,432	14,202
232,316	253,233	TOTAL LIABILITIES AND EQUITY		253,339	232,368
Off-balance sheet items					
10,142	12,366	Contingent liabilities	24	12,366	10,142
6,672	7,646	Other commitments	25	7,766	6,842
		Accounting policies	1		
		Business areas	2		
		Related party transactions and balances	26		
		Loans, advances and guarantees	27		
		Foreign exchange and interest rate exposures	28		
		Hedging interest rate risk	29		
		Group structure	30		
		The Nykredit Bank Group – six quarters	31		
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Statement of changes in equity

DKK million

Nykredit Bank A/S

	Share capital	Statutory reserves	Revaluation reserves	Retained earnings	Total
EQUITY, 30 JUNE 2012					
End of previous financial year	6,045	70		8,087	14,202
TOTAL	6,045	70	-	8,087	14,202
Comprehensive income					
Profit for the period				230	230
Total comprehensive income	-	-	-	230	230
Total changes in equity	-	-	-	230	230
Equity, 30 June 2012	6,045	70	-	8,317	14,432
EQUITY, 30 JUNE 2011					
End of previous financial year	6,045	34		7,690	13,769
TOTAL	6,045	34	-	7,690	13,769
Comprehensive income					
Profit for the period	-	-		330	330
Total comprehensive income	0	0	-	330	330
Total changes in equity	0	0	-	330	330
Equity, 30 June 2011	6,045	34	-	8,020	14,099

Statement of changes in equity

DKK million

The Nykredit Bank Group

	Share capital	Statutory reserves and revaluation reserves	Retained earnings	Total
EQUITY, 30 JUNE 2012				
End of previous financial year	6,045	-	8,157	14,202
TOTAL	6,045	-	8,157	14,202
Comprehensive income				
Profit for the period			230	230
Total comprehensive income	-	-	230	230
Total changes in equity	-	-	230	230
Equity, 30 June 2012	6,045	-	8,387	14,432
EQUITY, 30 JUNE 2011				
End of previous financial year	6,045	0	7,724	13,769
TOTAL	6,045	0	7,724	13,769
Comprehensive income				
Profit for the period	-	-	330	330
Total comprehensive income	0	0	330	330
Total changes in equity	0	0	330	330
Equity, 30 June 2011	6,045	0	8,054	14,099

The share capital breaks down into 18 shares in multiples of DKK 1m. The share capital is wholly owned by Nykredit Realkredit A/S, Copenhagen, Denmark. 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, Denmark, which owns 89.51% of Nykredit Realkredit A/S. The financial statements [in Danish] of Foreningen Nykredit may be obtained from the association.

Capital adequacy and Tier 1 capital

DKK million

	30.06.2012	31.12.2011	30.06.2011
Nykredit Bank A/S			
Capital adequacy and Tier 1 capital			
Share capital	6,045	6,045	6,045
Reserves	70	70	34
Retained earnings	8,317	8,087	8,020
Total core Tier 1 capital	14,432	14,202	14,099
Hybrid capital	250	250	250
Primary and other statutory deductions from Tier 1 capital	185	255	189
Tier 1 capital after statutory deductions	14,497	14,197	14,160
Supplementary capital, subordinate loan capital	-	-	516
Difference between expected losses and impairments for accounting purposes (supplementary capital charge)	-	-	93
Primary and other statutory deductions	-	-	84
Capital base after statutory deductions	14,497	14,197	14,685
Weighted items involving credit, counterparty and delivery risk	54,388	58,558	68,894
Weighted items involving market risk	13,632	10,337	5,852
Weighted items involving operational risk	5,927	5,261	5,262
Total weighted items	73,947	74,156	80,008
Total capital ratio, %	19.6	19.1	18.4
Tier 1 capital ratio, %	19.6	19.1	17.7
The Nykredit Bank Group			
Capital adequacy and Tier 1 capital			
Share capital	6,045	6,045	6,045
Retained earnings	8,387	8,157	8,054
Total core Tier 1 capital	14,432	14,202	14,099
Hybrid capital	250	250	250
Primary and other statutory deductions from Tier 1 capital	122	193	148
Tier 1 capital after statutory deductions	14,560	14,259	14,201
Supplementary capital, subordinate loan capital	-	-	516
Difference between expected losses and impairments for accounting purposes (supplementary capital charge)	-	-	93
Primary and other statutory deductions	-	-	80
Capital base after statutory deductions	14,560	14,259	14,730
Weighted items involving credit, counterparty and delivery risk	53,460	57,940	68,074
Weighted items involving market risk	13,632	10,338	5,853
Weighted items involving operational risk	6,289	5,533	5,533
Total weighted items	73,381	73,811	79,460
Total capital ratio, %	19.8	19.3	18.5
Tier 1 capital ratio, %	19.8	19.3	17.9

Cash flow statement for 1 January – 30 June

DKK million

	The Nykredit Bank Group	
	H1/2012	H1/2011
Profit after tax for the period	230	330
Adjustment for non-cash operating items, depreciation, amortisation, impairment losses and provisions		
Depreciation and impairment losses for property, plant and equipment	3	2
Other non-cash changes	48	-
Impairment losses on loans, advances and receivables	256	204
Tax calculated on profit for the period	72	115
Total	379	321
Profit for the period adjusted for non-cash operating items	609	651
Change in working capital		
Loans, advances and other receivables	(9,772)	(1,987)
Deposits and other payables	(2,135)	(3,510)
Payables to credit institutions and central banks	3,074	(10,424)
Bonds at fair value	(11,631)	18,487
Equities	75	(116)
Other working capital	13,087	66
Total	(7,302)	2,516
Corporation tax paid, net	-	(11)
Cash flows from operating activities	(6,693)	3,156
Cash flows from investing activities		
Acquisition of subsidiary	-	(18)
Property, plant and equipment	(8)	(6)
Total	(8)	(24)
Cash flows from financing activities		
Subordinated debt	-	(47)
Issued bonds	955	(6,419)
Total	955	(6,466)
Total cash flows	(5,746)	(3,334)
Cash and cash equivalents, beginning of period	50,244	29,480
Foreign currency translation adjustment of cash	47	(728)
Cash and cash equivalents, end of period	44,545	25,418
Cash and cash equivalents, end of period		
Specification of cash and cash equivalents, end of period:		
Cash balance and demand deposits with central banks	473	229
Receivables from credit institutions and central banks	44,072	25,189
Cash and cash equivalents, end of period	44,545	25,418

Core earnings and investment portfolio income

DKK million

	H1/2012			The Nykredit Bank Group H1/2011		
	Core income	Investment portfolio income	Total	Core income	Investment portfolio income	Total
1 January – 30 June						
Net interest income	1,096	66	1,162	1,184	107	1,291
Dividend on equities	3	-	3	2	-	2
Fee and commission income, net	349	(41)	308	368	(1)	367
Net interest and fee income	1,448	25	1,473	1,554	106	1,660
Value adjustments	(30)	14	(16)	211	(267)	(56)
Other operating income	14	-	14	14	-	14
Staff and administrative expenses	911	-	911	880	-	880
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	3	-	3	2	-	2
Other operating expenses	7	-	7	90	-	90
Impairment losses on loans and advances	248	-	248	201	-	201
Profit (loss) before tax	263	39	302	606	(161)	445

Notes

1. ACCOUNTING POLICIES

The H1 Interim 2012 Report of the Group is 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 annual report.

With respect to recognition and measurement, the H1 Interim Report of the Parent Company has been prepared in accordance with the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. issued by the Danish Financial Supervisory Authority.

The accounting policies of both the Group and Nykredit Bank A/S are unchanged compared with the Annual Report 2011. A description of the Bank's and the Bank Group's accounting policies applied in the Annual Report 2011 is available at nykredit.com.

Compared with the H1 Interim Report 2011 and the Annual Report 2011, the presentation of the Bank's business areas has been changed in 2012. The change is a consequence of the reorganisation of the Nykredit Group, including changes in intercompany settlements within the Bank.

The major changes relative to previous business area reporting are that the activities of personal and commercial customers are now included in the business area Retail. The Group's corporate and institutional clients have been separated from the former business area Corporate Banking and are now included under Wholesale along with Nykredit Markets and Nykredit Asset Management. The portfolio of terminated corporate exposures of Forstædernes Bank is also included in Wholesale. Furthermore, the Bank's Treasury activities have been separated from the former Markets & Asset Management and are now included under Group Items.

Restatement of comparative figures is partly based on a number of estimates. The modification does not affect the results, balance sheets or equity of Nykredit Bank or the Nykredit Bank Group.

Relative to the information in the accounting policies in the Annual Report 2011 (note 1), no new financial reporting standards or interpretations have been issued or approved which may impact Nykredit Bank's and the Nykredit Bank Group's H1 Interim Report 2012. The IASB is currently working on a project which, in time, will replace the IAS 39 rules. The revised standard – IFRS 9 – is divided into three main phases comprising classification and measurement of financial assets and liabilities, impairments and hedge accounting.

The EU has opted not to adopt the IFRS 9 until the results of all the phases are available. According to plan, the new standard will be implemented in January 2015. The impact of the implementation of IFRS 9 on the results of the Bank and the Bank Group has not yet

been analysed, as the standard is not currently available in a form that allows for an overall assessment of the effect.

In 2012 the Danish Financial Supervisory Authority has issued a new executive order on the presentation of financial statements effective as from the H1 Interim Report 2012. The changes primarily include various specifications in connection with the determination of the provisioning need, including objective evidence of impairment, valuation of security and provisioning calculations etc. The implementation of the amended executive order has not had a significant impact on the Bank's results, balance sheet or equity.

All figures in the H1 Interim Report are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off to DKK million, the sum of individual figures and the stated totals may differ slightly.

Notes

DKK million

The Nykredit Bank Group

2. BUSINESS AREAS				
H1/2012	Retail	Wholesale	Group Items ¹	Total
Core income from				
customer activity, gross	604	1,275	(55)	1,824
remuneration for distribution	406	(406)		0
Total core income from business operations	1,010	869	(55)	1,824
Value adjustment of derivatives and corporate bonds	(408)	(30)		(438)
Core income from securities			46	46
Total core income *	602	839	(9)	1,432
Operating costs	422	373	123	918
Payment to the Guarantee Fund for Depositors and Investors			3	3
Core earnings before impairment losses	180	466	(135)	511
Impairment losses on loans and advances	237	12	(1)	248
Core earnings after impairment losses	(57)	454	(134)	263
Investment portfolio income ²			39	39
Profit (loss) before tax for the period	(57)	454	(95)	302
* Of which transactions between business areas	373	(466)	93	0
Costs/core income from business operations, %	65.2	44.3	-	64.1
Average allocated business capital ³	3,341	3,540	2,250	9,131
Core earnings after impairment losses as % of allocated capital (pa)	(3.4)	25.7	-	5.8
H1/2011	Retail	Wholesale	Group Items ¹	Total
Core income from				
customer activity, gross	583	1,178	(73)	1,688
remuneration for distribution	347	(347)		0
Total core income from business operations	930	831	(73)	1,688
Value adjustment of derivatives and corporate bonds	(5)	16		11
Core income from securities			80	80
Total core income *	925	847	7	1,779
Operating costs	419	343	125	887
Payment to the Guarantee Fund for Depositors and Investors ⁴			85	85
Core earnings before impairment losses	506	504	(203)	807
Impairment losses on loans and advances	118	71	12	201
Core earnings after impairment losses	388	433	(215)	606
Investment portfolio income ²			(161)	(161)
Profit (loss) before tax for the period	388	433	(376)	445
* Of which transactions between business areas	403	(271)	(132)	0
Costs/core income from business operations, %	57.7	49.8	-	69.5
Average allocated business capital ³	3,336	3,369	1,842	8,547
Core earnings after impairment losses as % of allocated capital (pa)	23.3	25.7	-	14.2

¹ Includes income from securities not allocated to the individual business areas, but included in the Bank's own portfolio as well as non-allocated costs. Also includes the Bank's Treasury activities as from 2012. Comparative figures have been restated.

² Investment portfolio income equals the return on the Bank's own portfolio exceeding risk-free interest. As from 2012, investment portfolio income also includes expenses in connection with Nykredit's intercompany guarantee.

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

⁴ Includes expenses resulting from bankruptcies in the Danish banking sector.

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
H1/2011	H1/2012	H1/2012	H1/2011
3. INTEREST INCOME			
61	95	95	61
1,324	1,508	1,544	1,354
777	514	516	778
(96)	(121)	(121)	(96)
Of which			
(24)	(31)	(31)	(24)
(69)	(75)	(75)	(69)
(3)	(13)	(13)	(3)
0	(2)	(2)	0
0	1	2	2
2,066	1,997	2,036	2,099
Of which interest income from genuine purchase and resale transactions entered as			
25	71	71	25
74	184	184	74
4. INTEREST EXPENSES			
80	103	103	80
462	478	469	459
249	296	296	249
20	6	6	20
811	883	874	808
Of which interest expenses for genuine sale and repurchase transactions entered as			
35	15	15	35
88	146	146	88
5. VALUE ADJUSTMENTS			
0	0	0	0
(302)	175	174	(303)
91	17	17	90
(1)	0	0	(1)
23	12	12	23
135	(219)	(219)	135
(54)	(15)	(16)	(56)
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 for own credit risk on issued bonds or other financial liabilities.			

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
H1/2011	H1/2012	H1/2012	H1/2011
6. STAFF AND ADMINISTRATIVE EXPENSES			
8	5	5	8
330	348	390	370
474	489	516	502
812	842	911	880
Remuneration of Board of Directors and Executive Board			
Board of Directors			
0	0	0	0
Remuneration Each staff-elected board representative receives annual remuneration of DKK 60,000. No additional remuneration is paid to the Board of Directors.			
Executive Board			
8	5	5	8
8	5	5	8
The terms and conditions governing the remuneration and pensions of the Executive Board have not changed since the Annual Report for 2011, to which reference is made.			
Staff expenses			
271	287	323	306
26	28	31	29
33	33	36	35
330	348	390	370
687	706	833	801
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
Specification of impairment provisions			
4,850	3,942	3,988	4,881
473	315	316	473
5,323	4,257	4,304	5,354
Individual impairment provisions for loans, advances and receivables			
5,694	3,942	3,986	5,721
396	486	500	409
357	259	268	363
883	227	230	886
4,850	3,942	3,988	4,881
Collective impairment provisions			
421	307	308	422
52	8	8	51
473	315	316	473

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
H1/2011	H1/2012	H1/2012	H1/2011
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)			
Earnings impact			
91	235	240	97
32	39	48	41
3	8	8	3
120	266	280	135
66	(32)	(32)	66
186	234	248	201
134	226	240	150
52	8	8	51
Specification of loans and advances subject to objective evidence of impairment			
7,209	6,086	6,193	7,287
4,850	3,942	3,988	4,881
2,359	2,144	2,205	2,406
55,400	53,136	53,429	55,608
473	315	316	473
54,927	52,821	53,113	55,135
8. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
15	41	-	-
15	41	-	-
9. TAX			
110	59	72	115
110	59	72	115
25.0	20.4	23.8	26.0
Tax is calculated on the basis of a tax rate of 25%. Tax for the period was not affected by any special circumstances, and tax for the full year is expected to come to almost 25%.			

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group		
31.12.2011	30.06.2012		30.06.2012	31.12.2011
10. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
16,788	10,278	Receivables at call from central banks	10,278	16,788
30,912	33,793	Receivables from credit institutions	33,794	30,912
47,700	44,071	Total	44,072	47,700
13,863	18,536	Of which genuine purchase and resale transactions	18,536	13,863
11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE				
22,007	32,106	Genuine purchase and resale transactions	32,106	22,007
22,007	32,106	Total	32,106	22,007
12. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST				
55,606	54,965	Loans and advances at amortised cost	55,318	55,901
55,606	54,965	Total	55,318	55,901
Impairment provisions made, end of period				
3,942	3,942	Individual impairment provisions	3,988	3,986
307	315	Collective impairment provisions	316	308
13. BONDS AT FAIR VALUE				
50,092	53,433	Covered bonds	53,601	50,239
5,444	9,628	Government bonds	9,628	5,444
5,646	10,088	Other bonds	10,088	5,646
61,182	73,149	Total	73,317	61,329
681	818	Self-issued bonds offset against issued bonds	818	681
60,501	72,331	Total	72,499	60,648
The impact of fair value adjustment has been recognised in the income statement.				
2,218	1,514	Of which drawn bonds	1,514	2,218
30,039	40,408	Assets sold as part of genuine sale and repurchase transactions	40,408	30,039
18,371	11,870	As collateral for the Danish central bank and foreign clearing centres, etc, bonds have been deposited of a total market value of	11,870	18,371
The collateral was provided on an arm's length basis.				

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2011	30.06.2012		30.06.2012	31.12.2011
		14. EQUITIES		
181	157	Listed on NASDAQ OMX Copenhagen A/S	157	181
9	14	Listed on other stock exchanges	14	9
224	168	Unlisted equities carried at fair value	169	225
414	339	Total	340	415
		15. ASSETS IN TEMPORARY POSSESSION		
91	55	Assets, beginning of year	55	91
39	46	Additions	46	39
75	49	Disposals	49	75
55	52	Total	52	55
		At 31 December 2011 and 30 June 2012, this item solely comprised repossessed properties.		
		The Nykredit Bank Group accepts mortgages on property as security for loans, and in a number of instances the Bank repossesses the properties in the event of borrowers' non-performance of loan agreements etc.		
		Property valuation is based on the expected sales values in case of disposal within a period of 12 months.		
		16. OTHER ASSETS		
5,160	6,927	Interest and commission receivable	6,951	5,160
37,494	41,081	Positive market value of derivative financial instruments	41,081	37,494
309	264	Remaining assets	269	318
42,963	48,272	Total	48,301	42,972
		17. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS		
5,144	1,144	Payables to central banks	1,144	5,144
57,949	65,007	Payables to credit institutions	65,047	57,949
63,093	66,151	Total	66,191	63,093
14,251	22,863	Of which genuine sale and repurchase transactions	22,863	14,251
		18. DEPOSITS AND OTHER PAYABLES		
29,651	34,104	On demand	34,056	29,572
6,313	6,589	At notice	6,589	6,313
18,842	12,080	Time deposits	12,040	18,812
2,854	2,761	Special deposits	2,761	2,854
57,660	55,534	Total	55,446	57,551

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2011	30.06.2012		30.06.2012	31.12.2011
19. ISSUED BONDS AT AMORTISED COST				
Issues				
14,535	17,443	EMTN issues *	17,443	14,535
11,914	10,672	ECP issues *	10,672	11,914
29	29	Employee bonds	29	29
340	59	Other issues *	59	340
26,818	28,203	Total	28,203	26,818
681	818	Own portfolio	818	681
26,137	27,385	Total	27,385	26,137
No value adjustments have been made that can be ascribed to own credit risk changes.				
* Listed on NASDAQ OMX Copenhagen A/S or on the Luxembourg Stock Exchange.				
20. OTHER NON-DERIVATIVE FINANCIAL LIABILITIES AT FAIR VALUE				
15,864	17,468	Deposits at fair value	17,468	15,864
11,444	22,188	Negative securities portfolios	22,188	11,444
27,308	39,656	Total	39,656	27,308
15,864	17,468	Of which genuine sale and repurchase transactions	17,468	15,864
21. OTHER LIABILITIES				
6,026	8,352	Interest and commission payable	8,356	6,056
36,728	40,545	Negative market value of derivative financial instruments	40,545	36,728
579	576	Other payables	715	713
43,333	49,473	Total	49,616	43,497

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
31.12.2011	30.06.2012	30.06.2012	31.12.2011
22. PROVISIONS			
Provisions for losses under guarantees			
745	114	114	745
92	20	20	92
723	52	52	723
114	82	82	114
Other provisions			
102	119	119	102
88	0	0	88
71	0	0	71
119	119	119	119
Total provisions for losses under guarantees and other provisions			
847	233	233	847
180	20	20	180
794	52	52	794
233	201	201	233
<p>As a result of its operations, the Bank continuously enters into contracts where it is probable that the settlement of the liability will lead to an outflow of the Bank's financial resources, and where a reliable estimate may be made of the size of the liability.</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, including provisions for and final settlement of Bank Rescue Package I in 2011.</p> <p>In 2011 the Bank's provisions for expenses in connection with the Guarantee Fund for Depositors and Investors totalled DKK 85m as a result of the bankruptcies of Amagerbanken A/S and Max Bank A/S. Of this amount, DKK 70m was settled in 2011.</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	
31.12.2011	30.06.2012	30.06.2012	31.12.2011
		23. SUBORDINATED DEBT	
		Subordinated debt consists of financial liabilities in the form of subordinate loan capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.	
		Hybrid capital	
100	100	Nom DKK 100m. The loan is perpetual and carries a floating interest rate of 1.7% pa above 3M Cibur	100
150	150	Nom DKK 150m. The loan is perpetual and carries a fixed interest rate of 6.3% pa	150
250	250	Total	250
250	250	Total subordinated debt	250
		Included in the determination of the capital base after statutory deductions	
-	-	- Subordinate loan capital	-
250	250	Hybrid capital	250
-	-	- Costs related to raising and redeeming subordinated debt	-
		No value adjustments have been made that can be attributed to changes in own credit risk.	
		24. CONTINGENT LIABILITIES	
6,861	9,018	Financial guarantees	9,018
501	465	Registration and refinancing guarantees	465
2,780	2,883	Other contingent liabilities	2,883
10,142	12,366	Total	12,366
		OTHER CONTINGENT LIABILITIES	
		<i>Legal proceedings and litigation</i>	
		The Bank's operations involve the Bank in legal proceedings and litigation, including tax disputes. The cases are subject to ongoing review, and necessary provisions are made based on an assessment of the risk of loss. Pending cases are not expected to have a significant effect on the Nykredit Bank Group's financial position.	
		<i>Tax</i>	
		The Danish tax authorities (SKAT) have proposed that the taxable income declared for 2008 be changed.	
		The proposal is based on a review of eight exposures that were granted by Forstædernes Bank and subsequently assumed by the Nykredit Realkredit Group in connection with the acquisition of Forstædernes Bank. In 2010 Forstædernes Bank was merged with Nykredit Bank. As a result of the financial crisis and the property market trends, Forstædernes Bank recorded considerable impairment losses on these exposures in 2008 and 2009 for accounting as well as tax purposes.	
		SKAT's review for the accounting year 2008 has not been completed yet. However, in SKAT's opinion the loans were not granted on standard business terms and failed to comply with the business procedures and instructions. For this reason, SKAT finds that there was no basis for deducting the impairment losses from the taxable income.	
		The tax effect for the accounting year 2008 could amount to up to DKK 300m, but as the review has not been completed yet, the amount is provisional. SKAT has not yet taken a position on possible changes to the accounting year 2009, but the amount is estimated to correspond to the 2008 level.	
		Nykredit Bank's management disagrees with the reasoning presented by SKAT and is of the opinion that the loans were granted on standard business terms, in accordance with Forstædernes Bank's policies and business procedures. The loans were moreover granted up to five years prior to the financial crisis, at which time the adverse effects of the property market development were unforeseeable.	

Notes

OTHER CONTINGENT LIABILITIES (continued)

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

The bankruptcies of Amagerbanken, Fjordbank Mors and Max Bank in 2011

For the full year 2011, the Bank charged about DKK 330m related to the bankruptcies of Amagerbanken A/S, Fjordbank Mors A/S and Max Bank A/S to the income statement. The amount corresponds to the costs the Bank expects to incur in relation to the winding-up of the three banks. In H1/2012 DKK 11m related to the bankruptcy of Amagerbanken (capital losses on securities) was charged to the income statement.

The majority of the Bank's losses in connection with Amagerbanken and Fjordbank Mors were attributable to hybrid capital and subordinated debt. The expenses in connection with Max Bank came to DKK 15m, corresponding to the Bank's estimated share of the expenses covered by the Guarantee Fund for Depositors and Investors in connection with the winding-up of the bank. Nykredit Bank had no loans, advances or other receivables in Max Bank.

Guarantee Fund for Depositors and Investors

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

Any losses arising in connection with the final winding-up are covered by the Guarantee Fond through its winding-up and restructuring department. Nykredit Bank's share of the expense amounts to about 3%.

Notes

DKK million

Nykredit Bank A/S			The Nykredit Bank Group	
31.12.2011	30.06.2012		30.06.2012	31.12.2011
		25. OTHER COMMITMENTS		
6,493	7,474	Irrevocable credit commitments	7,474	6,493
179	172	Other	292	349
6,672	7,646	Total	7,766	6,842

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, its Executive Board and related parties thereof.

No unusual related party transactions occurred in 2011 or H1/2012.

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 or on a cost reimbursement basis.

Important related party transactions prevailing/entered into in 2011 or 2012 include:

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

Master agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas.

In H1/2011 the Bank sold the portfolio of Kalvebod issues to Nykredit Realkredit. The fair value of the portfolio was about DKK 1.1bn at the transfer date.

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

Nykredit Holding A/S has issued guarantees or letters of comfort to third parties in specific cases.

Furthermore, Nykredit Holding A/S has issued a loss guarantee for the part of the Bank's impairment losses and provisions (earnings impact for the year) that exceeds 2% of loans, advances and guarantees subject to a maximum of DKK 2bn for the term of the guarantee. The guarantee is valid until terminated by the Bank's management.

Notes

DKK million

The Nykredit Bank Group

27. LOANS, ADVANCES AND GUARANTEES

Loans, advances, guarantees and provisions by sector and industry

30 June 2012	Carrying amount			Proportion (%)	Provisions		Total
	Loans and advances	Guarantees	Total loans, advances and guarantees		Individual and other provisions	Collective impairment provisions	
Public sector	228	256	484	0.5	0	0	0
Commercial							
Agriculture, hunting, forestry and fishing	2,156	152	2,308	2.3	119	8	127
Manufacturing, mining and quarrying	5,989	772	6,761	6.8	76	26	102
Energy supply	583	43	626	0.6	12	4	16
Construction	1,357	478	1,835	1.8	262	17	279
Trade	2,351	243	2,594	2.6	239	8	247
Transport, accommodation and food service activities	1,729	94	1,823	1.8	108	11	119
Information and communication	889	81	970	1.0	89	1	90
Financial and insurance activities	38,445	876	39,321	39.4	873	31	904
Property	12,986	2,936	15,922	16.0	1,257	113	1,370
Other commercial	5,925	848	6,773	6.8	447	28	475
Total commercial	72,410	6,523	78,933	79.1	3,482	247	3,729
Personal	14,786	5,587	20,373	20.4	587	69	656
Total	87,424	12,366	99,790	100.0	4,069	316	4,385
Of which reverse lending	32,106	-	32,106	32.2	-	-	-
31 December 2011							
Public sector	237	305	542	0.6	0	0	0
Commercial							
Agriculture, hunting, forestry and fishing	2,102	346	2,448	2.8	107	13	120
Manufacturing, mining and quarrying	5,214	438	5,652	6.4	87	18	105
Energy supply	1,253	53	1,306	1.5	29	4	33
Construction	1,373	314	1,687	1.9	245	9	254
Trade	2,224	248	2,472	2.8	281	6	287
Transport, accommodation and food service activities	1,782	526	2,308	2.6	83	7	90
Information and communication	896	68	964	1.1	63	2	65
Financial and insurance activities	27,867	789	28,656	32.5	909	26	935
Property	12,423	2,190	14,613	16.6	1,172	140	1,312
Other commercial	7,079	688	7,767	8.8	508	22	530
Total commercial	62,213	5,660	67,873	77.1	3,484	247	3,731
Personal	15,459	4,177	19,636	22.3	616	61	677
Total	77,909	10,142	88,051	100.0	4,100	308	4,408
Of which reverse lending	22,007	-	22,007	25.0	-	-	-
PROVISIONING RATE		Q2/	Q1/	Q4/	Q3/	Q2/	Q1/
Group		2012	2012	2011	2011	2011	2011
Total loans and advances		87,424	88,880	77,908	70,180	73,950	73,968
Total guarantees		12,366	11,040	10,142	10,555	9,229	12,175
Provisions for loan impairment		4,304	4,315	4,294	5,137	5,354	6,050
Provisions for guarantees		82	69	114	144	153	109
Total loans, advances, guarantees and loan impairment		104,176	104,304	92,458	86,016	88,686	92,302
Provisioning rate, %		4.2	4.2	4.8	6.1	6.2	6.7
Provisioning rate excluding guarantees, %		4.7	4.6	5.2	6.8	6.8	7.6

Notes

DKK million

Nykredit Bank A/S		The Nykredit Bank Group	
30.06.2011	30.06.2012	30.06.2012	30.06.2011
28. FOREIGN EXCHANGE AND INTEREST RATE EXPOSURES			
Foreign exchange risk			
25	341	341	25
	Exchange rate indicator 1 (DKKm)		
0.2	2.4	2.3	0.2
	Exchange rate indicator 1 as % of Tier 1 capital after statutory deductions		
1	0	0	1
	Exchange rate indicator 2 (DKKm)		
0	0,0	0,0	0
	Exchange rate indicator 2 as % of Tier 1 capital after statutory deductions		
Interest rate risk by the currency involving the highest interest rate exposure			
35	163	164	35
	DKK		
33	(61)	(61)	33
	EUR		
5	(4)	(4)	5
	SEK		
(10)	(7)	(7)	(10)
	CHF		
1	(6)	(6)	1
	USD		
0	(2)	(2)	0
	NOK		
0	1	1	0
	Other currencies		
64	84	85	64
	Total interest rate exposure of debt instruments		
29. HEDGING INTEREST RATE RISK			
<p>The Nykredit Bank Group continuously hedges the interest rate risk of fixed-rate assets and liabilities using derivative financial instruments etc.</p> <p>This enables the Group to manage the level of its aggregate interest rate sensitivity taking into consideration the expected interest rate development.</p> <p>According to the accounting provisions, loans, advances and deposits are generally 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).</p>			

Notes

DKK million

Nykredit Bank A/S				The Nykredit Bank Group	
30.06.2011	30.06.2012			30.06.2012	30.06.2011
29. HEDGING INTEREST RATE RISK (continued)					
HEDGED FIXED-RATE ASSETS					
1,544	1,124	Loans, advances and other receivables at amortised cost		1,124	1,544
1,544	1,124	Total nominal value		1,124	1,544
Market value of hedged fixed-rate assets					
1,579	1,183	Loans, advances and other receivables at amortised cost		1,183	1,579
1,579	1,183	Total carrying amount, end of period		1,183	1,579
Fair value adjustment					
35	59	Loans, advances and other receivables at amortised cost		59	35
35	59	Total fair value adjustment		59	35
HEDGED FIXED-RATE FINANCIAL LIABILITIES					
4,304	4,289	Issued bonds at amortised cost		4,289	4,304
4,304	4,289	Total nominal value		4,289	4,304
Market value of hedged fixed-rate financial liabilities					
4,418	4,463	Issued bonds at amortised cost		4,463	4,418
4,418	4,463	Total carrying amount, end of period		4,463	4,418
Fair value adjustment					
(114)	(174)	Issued bonds at amortised cost		(174)	(114)
(114)	(174)	Total fair value adjustment		(174)	(114)
HEDGING DERIVATIVE FINANCIAL INSTRUMENTS					
4,919	5,294	Nominal value (synthetic principal)		5,294	4,919
78	116	Market value adjustment (negative market value)		116	78
FAIR VALUE ADJUSTMENT DIFFERENCE					
(1)	1	Total		1	(1)
Amounts recognised through profit or loss for the financial period					
186	(79)	Hedged transactions		(79)	186
(186)	81	Hedging transactions		81	(186)

Notes

DKK million

30. GROUP STRUCTURE

Name and registered office	Revenue *	Assets	Liabilities	Share capital at 30.06.2012	Equity at 31.12.2011	Ownership interest, % at 30.06.2012	Profit for the period	Nykredit Bank's share of profit for the period	Equity at 30.06.2012	Carrying amount
Nykredit Bank A/S (Parent Company) a)	1,330	253,233	238,801	6,045	14,202	-	230	-	14,432	-
Consolidated subsidiaries										
Nykredit Portefølje Administration A/S, Copenhagen e)	93	272	44	25	194	100	35	35	228	228
Nykredit Pantebrevsinvestering A/S, Copenhagen b)	0	12	0	5	12	100	0	0	12	12
Nykredit Leasing A/S, Gladsaxe c)	52	2,865	2,715	46	144	100	6	6	150	150
FB Ejendomme A/S, Copenhagen d)	0	5	1	3	4	100	0	0	4	4
Associates										
Dansk Pantebrevsbørs A/S, Copenhagen, b)	-	-	-	-	-	50	0	-	0	-
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 fee income, value adjustments and other operating income.

Nykredit Pantebrevsinvestering A/S has had few activities in 2011 and 2012.

- a) Bank
- b) Mortgage trading company
- c) Leasing company
- d) Property management company
- e) Investment management activities, including asset management and investment advisory services

Notes

DKK million

	Q2/ 2012	Q1/ 2012	Q4/ 2011	Q3/ 2011	Q2/ 2011	Q1/ 2011
31. THE NYKREDIT BANK GROUP – SIX QUARTERS						
SUMMARY INCOME STATEMENT						
Core income from business operations	985	839	896	922	912	776
Value adjustment of derivatives and corporate bonds	(268)	(170)	(287)	(356)	(36)	47
Core income from securities	21	25	42	53	44	36
Total core income	738	694	651	619	920	859
Operating costs and depreciation of equipment	457	461	513	414	450	437
Special payment to the Guarantee Fund for Depositors and Investors	(5)	8	0	15	15	70
Core earnings before impairment losses	286	225	138	190	455	352
Impairment losses on loans and advances	155	93	250	(63)	175	26
Core earnings after impairment losses	131	132	(112)	253	280	326
Investment portfolio income	19	20	(43)	50	(50)	(111)
Profit (loss) before tax	150	152	(155)	303	230	215
Tax	31	41	(31)	76	61	54
Profit (loss)	119	111	(124)	227	169	161
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	119	111	(124)	227	169	161
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables from central banks and credit institutions	44,545	43,008	50,244	21,471	25,418	28,515
Loans, advances and other receivables at fair value	32,106	32,830	22,007	14,398	16,409	13,451
Loans, advances and other receivables at amortised cost	55,318	56,050	55,901	55,782	57,541	60,517
Bonds at fair value	72,499	71,787	60,648	68,219	56,388	67,921
Equities	340	392	415	436	448	377
Land and buildings	-	-	-	67	67	68
Other asset items	48,531	43,161	43,153	42,372	25,818	27,734
Total assets	253,339	247,228	232,368	202,745	182,089	198,583
Liabilities and equity						
Payables to credit institutions and central banks	66,191	67,967	63,093	45,633	37,647	40,888
Deposits and other payables	55,446	56,828	57,551	53,659	52,107	53,648
Issued bonds	27,385	31,576	26,137	27,207	26,113	33,886
Other non-derivative financial liabilities at fair value	39,656	32,179	27,308	18,590	25,336	28,030
Other payables	49,778	43,917	43,594	42,419	25,766	27,184
Total payables	238,456	232,467	217,683	187,508	166,969	183,636
Provisions	201	198	233	261	255	282
Subordinated debt	250	250	250	650	766	735
Equity	14,432	14,313	14,202	14,326	14,099	13,930
Total liabilities and equity	253,339	247,228	232,368	202,745	182,089	198,583
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	12,366	11,040	10,142	10,555	9,229	12,175
Other commitments	7,766	6,601	6,842	7,050	6,617	7,378
FINANCIAL RATIOS						
Total capital ratio, %	19.8	21.2	19.3	18.0	18.5	16.4
Tier 1 capital ratio, %	19.8	21.2	19.3	17.2	17.9	15.9
Return on equity before tax (pa), %	2.1	4.2	(4.3)	8.5	6.6	6.2
Return on equity after tax (pa), %	1.7	3.1	(3.5)	6.4	4.8	4.6
Interest rate exposure, %	0.6	0.6	0.7	0.8	0.5	1.0

Notes

DKK million

	H1/ 2012	FY 2011	H1/ 2011	H1/ 2010	H1/ 2009	H1/ 2008
32. THE NYKREDIT BANK GROUP – FINANCIAL HIGHLIGHTS						
SUMMARY INCOME STATEMENT						
Net interest and fee income	1,473	3,257	1,660	1,827	1,852	1,345
Value adjustments	(16)	(395)	(56)	300	70	(67)
Other operating income	14	34	14	18	19	18
Staff and administrative expenses	911	1,800	880	977	981	832
Other operating costs, depreciation and amortisation	10	115	92	262	288	25
Impairment losses on loans, advances and receivables	248	388	201	749	1,856	180
PROFIT (LOSS) BEFORE TAX	302	593	445	157	(1,184)	259
Tax	72	160	115	67	(281)	68
PROFIT (LOSS) FOR THE PERIOD	230	433	330	90	(903)	191
SUMMARY BALANCE SHEET						
Assets						
Cash balance and receivables from central banks and credit institutions	44,545	50,244	25,418	35,201	25,567	18,714
Loans, advances and other receivables at fair value	32,106	22,007	16,409	13,899	23,320	11,515
Loans, advances and other receivables at amortised cost	55,318	55,901	57,541	61,355	65,825	73,054
Bonds at fair value and equities	72,839	61,063	56,836	73,046	81,298	60,128
Other asset items	48,531	43,153	25,885	44,431	28,739	20,604
TOTAL ASSETS	253,339	232,368	182,089	227,932	224,749	184,015
Liabilities and equity						
Payables to credit institutions and central banks	66,191	63,093	37,647	65,922	77,074	89,172
Deposits and other payables	55,446	57,551	52,107	57,481	60,890	49,216
Issued bonds at amortised cost	27,385	26,137	26,113	38,114	39,692	8,239
Other non-derivative financial liabilities at fair value	39,656	27,308	25,336	9,785	5,083	6,932
Other payables	49,778	43,594	25,766	42,072	27,914	18,215
TOTAL PAYABLES	238,456	217,683	166,969	213,374	210,653	171,774
Provisions	201	233	255	958	278	27
Subordinated debt	250	250	766	1,136	4,058	3,798
Equity	14,432	14,202	14,099	12,464	9,760	8,416
TOTAL LIABILITIES AND EQUITY	253,339	232,368	182,089	227,932	224,749	184,015
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	12,366	10,142	9,229	17,549	16,015	19,676
Other commitments	7,766	6,842	6,617	7,531	9,258	8,761
FINANCIAL RATIOS						
Total capital ratio, %	19.8	19.3	18.5	12.7	12.5	9.3
Tier 1 capital ratio, %	19.8	19.3	17.9	12.0	9.4	6.9
Core Tier 1 capital ratio, %	19.5	19.0	17.6	11.7	9.4	6.9
Return on equity before tax, % *	2.1	4.2	3.2	1.3	(11.9)	3.1
Return on equity after tax, % *	1.6	3.1	2.4	0.8	(9.1)	2.3
Income:cost ratio *	1.26	1.26	1.38	1.08	0.62	1.25
Interest rate exposure, %	0.6	0.7	0.5	0.8	1.1	1.3
Foreign exchange position, %	2.3	0.6	0.2	2.6	0.0	2.2
Foreign exchange exposure, %	0.0	0.0	0.0	0.0	0.1	0.0
Loans and advances:deposits *	1.6	1.5	1.5	1.4	1.5	1.7
Loans and advances:equity *	6.1	5.5	5.2	6.0	9.1	10.0
Growth in loans and advances for the period, % *	12.2	8.2	2.7	3.3	(8.8)	19.8
Excess cover:statutory liquidity requirements, %	152.9	176.4	198.7	265.8	200.3	57.7
Total large exposures, %	0.0	0.0	10.8	33.0	97.6	134.9
Impairment losses for the period, % *	0.2	0.4	0.2	0.7	1.7	0.2
Average number of staff, full-time equivalents	833	817	801	923	1,317	1,249
The financial ratios have been calculated in accordance with the definitions of the Danish Executive Order on the Presentation of Financial Statements. The financial ratio "Core Tier 1 capital ratio, %" is, however, not included in the definitions of the Danish FSA. *Adjusted to the merger with Forstædernes Bank for the period 2008-2009.						
Financial ratios regarding total capital and Tier 1 capital ratios etc are not affected by the merger with Forstædernes Bank. Comparative figures thus correspond to Nykredit Bank's original statement.						

Notes

DKK million

	H1/ 2012	FY 2011	H1/ 2011	H1 2010	H1 2009	H1 2008
33. NYKREDIT BANK A/S – FINANCIAL HIGHLIGHTS						
SUMMARY INCOME STATEMENT						
Net interest and fee income	1,344	3,047	1,561	1,746	1,770	1,271
Value adjustments	(15)	(393)	(54)	300	98	(54)
Other operating income	1	8	4	6	7	5
Staff and administrative expenses	842	1,664	812	919	915	772
Other operating costs, depreciation and amortisation	6	107	88	260	285	23
Impairment losses on loans, advances and receivables	234	346	186	731	1,839	176
Profit (loss) from investments in associates and group enterprises	41	36	15	11	(23)	5
PROFIT (LOSS) BEFORE TAX	289	581	440	153	(1,187)	256
Tax	59	148	110	63	(284)	65
PROFIT (LOSS) FOR THE PERIOD	230	433	330	90	(903)	191
SUMMARY BALANCE SHEET						
Assets						
Cash balance and receivables from central banks and credit institutions	44,545	50,244	25,418	35,198	25,484	18,412
Loans, advances and other receivables at fair value	32,106	22,007	16,409	13,899	23,320	11,696
Loans, advances and other receivables at amortised cost	54,965	55,606	57,286	61,144	65,411	72,018
Bonds at fair value and equities	72,670	60,915	56,676	73,044	81,226	58,523
Other asset items	48,947	43,544	26,294	44,753	29,009	20,810
TOTAL ASSETS	253,233	232,316	182,083	228,038	224,450	181,459
Liabilities and equity						
Payables to credit institutions and central banks	66,151	63,093	37,647	65,922	76,406	86,439
Deposits and other payables	55,534	57,660	52,213	57,716	61,427	49,577
Issued bonds at amortised cost	27,385	26,137	26,113	38,114	39,692	8,239
Other non-derivative financial liabilities at fair value	39,656	27,308	25,336	9,785	5,083	6,925
Other payables	49,624	43,433	25,654	41,943	27,747	18,039
TOTAL PAYABLES	238,350	217,631	166,963	213,480	210,355	169,219
Provisions	201	233	255	958	277	26
Subordinated debt	250	250	766	1,136	4,058	3,798
Equity	14,432	14,202	14,099	12,464	9,760	8,416
TOTAL LIABILITIES AND EQUITY	253,233	232,316	182,083	228,038	224,450	181,459
OFF-BALANCE SHEET ITEMS						
Contingent liabilities	12,366	10,142	9,229	17,548	16,014	19,676
Other commitments	7,646	6,672	6,516	7,458	9,225	8,707
FINANCIAL RATIOS						
Total capital ratio, %	19.6	19.1	18.4	12.6	12.4	9.3
Tier 1 capital ratio, %	19.6	19.1	17.7	11.9	9.3	6.9
Core Tier 1 capital ratio, %	19.3	18.8	17.4	11.6	9.3	6.9
Return on equity before tax, % *	2.0	4.3	3.2	1.3	(11.9)	3.1
Return on equity after tax, % *	1.6	3.1	2.4	0.8	(9.1)	2.3
Income:cost ratio *	1.27	1.26	1.41	1.08	0.62	1.26
Interest rate exposure, %	0.6	0.7	0.5	0.8	1.1	1.2
Foreign exchange position, %	2.4	0.6	0.0	2.6	0.0	1.7
Foreign exchange exposure, %	0.0	0.0	0.0	0.0	0.1	0.0
Loans and advances:deposits *	1.6	1.4	1.5	1.4	1.5	1.7
Loans and advances:equity *	6.0	5.5	5.2	6.0	9.1	9.9
Growth in loans and advances for the period, % *	12.2	8.2	2.7	3.2	(8.6)	20.6
Excess cover:statutory liquidity requirements, %	152.3	175.8	197.7	265.7	200.4	59.3
Total large exposures, %	0.0	0.0	10.8	33.1	97.7	134.7
Impairment losses for the period, % *	0.2	0.4	0.2	0.7	1.7	0.0
Average number of staff, full-time equivalents	706	698	687	824	1,194	1,131

The financial ratios have been calculated in accordance with the definitions of the Danish Executive Order on the Presentation of Financial Statements. The financial ratio "Core Tier 1 capital ratio, %" is, however, not included in the definitions of the Danish FSA. *Adjusted to the merger with Forstædernes Bank for the period 2008-2009. Financial ratios regarding total capital and Tier 1 capital ratios etc are not affected by the merger with Forstædernes Bank. Comparative figures thus correspond to Nykredit Bank's original statement.

Financial ratios, definitions

Total capital ratio, %	Capital base divided by risk-weighted assets
Tier 1 capital ratio, %	Tier 1 capital after statutory deductions divided by risk-weighted assets
Core Tier 1 capital ratio, %	Calculated as the financial ratio "Tier 1 capital ratio, %", but less hybrid capital
Return on equity before tax, %	Profit (loss) before tax as a percentage of average equity
Return on equity after tax, %	Profit (loss) after tax as a percentage of average equity
Income:cost ratio	Income incl profit (loss) from associates and group enterprises divided by costs less tax
Interest rate exposure, %	Interest rate exposure divided by Tier 1 capital after statutory deductions
Foreign exchange position, %	Foreign exchange indicator 1 divided by Tier 1 capital less statutory deductions
Foreign exchange exposure, %	Foreign exchange indicator 2 divided by Tier 1 capital less statutory deductions
Loans and advances:deposits	Loans and advances + impairment provisions divided by deposits Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost
Loans and advances:equity	Loans and advances divided by equity (end of year/period) Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost
Growth in loans and advances for the year/period, %	Growth in loans and advances from the beginning to the end of the year/period (loans and advances at the beginning of the year/period divided by loans and advances at the end of the year/period) Loans and advances: Include loans and advances at fair value and loans and advances at amortised cost
Excess cover:statutory liquidity requirements, %	Excess cover relative to the 10% requirement of section 152 of the Danish Financial Business Act. (Available excess liquidity relative to 10% of reduced payables) (Reduced payables: Balance sheet total + guarantees - equity - subordinated debt included in the determination of the capital base)
Total large exposures, %	Total large exposures divided by the capital base
Impairment losses for the year/period, %	Impairment losses for the year/period divided by loans and advances + guarantees + impairment provisions

The financial ratios have been calculated in accordance with the Danish FSA's guidelines thereon. The financial ratio "Core Tier 1 capital ratio, %" is, however, not included in the guidelines.

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