

To OMX Nordic Exchange Copenhagen  
and the press

15 May 2008

## Q1 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2008 – 31 MARCH 2008

- Core earnings after loan impairment were DKK 847m against DKK 984m in Q1/2007
  - Earnings from customer-oriented activities matched expectations
  - Loan losses and arrears remained very low
  - The Bank recorded a capital loss of DKK 163m on bonds
- The investment portfolio was adversely affected by financial market turmoil leading to a loss of DKK 695m against an income of DKK 164m in Q1/2007
- Profit before tax was DKK 152m against DKK 1,148m in Q1/2007

### FINANCIAL HIGHLIGHTS

- The Group's gross new mortgage lending rose by DKK 6bn to DKK 43bn in Q1/2008
- Bank lending went up by DKK 4bn to DKK 43bn relative to the beginning of the year.
- Group core income from business operations declined by DKK 72m to DKK 1,457m
- Core income from securities increased by DKK 80m to DKK 516m
- Operating costs, depreciation and amortisation went up by DKK 88m to DKK 1,141m
- Impairments totalled a net income of DKK 15m compared with DKK 72m in Q1/2007
- The investment portfolio generated a loss of DKK 695m against an income of DKK 164m in Q1/2007
- Value adjustment of strategic equities against equity resulted in a loss of DKK 695m
- Including profit for the period, the Group's equity was DKK 53.4bn
- The Group's capital adequacy ratio was 18.0% inclusive of profit for the period against a capital requirement of 13.4% under the Basel II transitional rules

### 2008 – OUTLOOK

- Financial market turmoil will have only a limited effect on the forecast of core earnings of DKK 4,200m-4,400m. Continued financial market turmoil is not expected to have a material impact on earnings in the business areas Retail Customers, Business Partners and Commercial Customers, whereas earnings in Markets & Asset Management may be adversely affected
- Investment portfolio income was estimated at DKK 400m-600m at the beginning of the year. The estimate is subject to great uncertainty due to continued turmoil in financial markets

Peter Engberg Jensen, Group Chief Executive, has the following comments on the Q1 Interim Report 2008:

*– Earnings in customer-oriented activities have been stable despite financial market turmoil.*

*Customer creditworthiness is good, and losses and arrears are record low.*

*The Group's core income from business operations is therefore largely on a level with that of Q1/2007.*

*By contrast, the financial market turmoil has left its mark, particularly because we had not foreseen the marked yield spread widening between government bonds and high-rated mortgage bonds.*

### INFORMATION ABOUT THE NYKREDIT GROUP

More information about the Nykredit Group is available at [nykredit.com](http://nykredit.com).

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# Financial highlights

DKK million	The Nykredit Realkredit Group		
	Q1/ 2008	Q1/ 2007	FY 2007
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>			
<b>Core income from</b>			
Business operations	1,457	1,529	6,534
Securities	516	436	1,988
<b>Total</b>	<b>1,973</b>	<b>1,965</b>	<b>8,522</b>
Operating costs, depreciation and amortisation	1,141	1,053	4,352
<b>Core earnings before impairment losses</b>	<b>832</b>	<b>912</b>	<b>4,170</b>
Impairment losses on loans and advances	(15)	(72)	(67)
<b>Core earnings after impairment losses</b>	<b>847</b>	<b>984</b>	<b>4,237</b>
Investment portfolio income	(695)	164	158
<b>Profit before tax</b>	<b>152</b>	<b>1,148</b>	<b>4,395</b>
Tax	54	299	1,032
<b>Profit for the period</b>	<b>98</b>	<b>849</b>	<b>3,363</b>
Profit for the period excludes value adjustment of strategic equities against equity	(695)	300	(465)
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>			
	31.03.2008	31.03.2007	31.12.2007
<b>Assets</b>			
Receivables from credit institutions and central banks	74,002	32,884	82,645
Mortgage loans	847,002	772,781	823,228
Bank loans – excluding reverse transactions	43,539	34,086	39,660
Bonds and equities	89,460	62,376	98,588
Other assets	34,040	24,710	30,937
<b>Total assets</b>	<b>1,088,043</b>	<b>926,837</b>	<b>1,075,058</b>
<b>Liabilities and equity</b>			
Payables to credit institutions and central banks	130,219	90,108	115,875
Deposits and other payables	31,572	21,318	31,581
Issued bonds at fair value	791,286	719,076	796,403
Subordinated loan capital			
– Hybrid core capital	3,709	3,699	3,622
– Supplementary capital	3,722	4,983	3,722
Other liabilities	74,181	34,518	69,408
Equity	53,354	53,135	54,447
<b>Total liabilities and equity</b>	<b>1,088,043</b>	<b>926,837</b>	<b>1,075,058</b>
<b>FINANCIAL RATIOS</b>			
Core earnings before impairment losses as % of average equity	6.2	6.9	7.8
Core earnings after impairment losses as % of average equity	6.3	7.5	8.0
Profit for the period as % of average equity	0.7	6.5	6.3
Costs as % of core income	57.8	53.9	51.1
Total impairment provisions	349	338	349
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)
Capital adequacy ratio, %*	18.0	11.6	10.3
Core capital ratio, %*	17.7	10.9	9.7
Average number of full-time staff	3,794	3,564	3,672

\*) For Q1/2008 the capital adequacy and core capital ratios include profit for the period in accordance with the Basel II rules.

# Q1 Interim Report 2008

## Q1/2008

Nykredit's earnings in customer-oriented activities met expectations – and were not affected by the international liquidity and credit crisis. The quarter under review continued to be characterised by very low losses and arrears.

The impact of the international liquidity crisis on Nykredit's funding was insignificant due to Nykredit's use of the balance principle and an efficient Danish bond market. As expected, Nykredit sold bonds worth DKK 115bn to refinance ARMs at the beginning of the year and also sold newly issued bonds on a continuous and daily basis totalling DKK 30bn in Q1/2008.

The international credit crisis expanded credit spreads between mortgage bonds and European government bonds significantly in March. Further, equity prices declined – with financials taking the brunt.

Nykredit has large holdings of mortgage bonds and other AAA-rated bonds. The Group seeks to neutralise the interest rate risk of this bond portfolio through the sale of European government bonds, etc. Whenever mortgage and government bond spreads are expanding – like in March – such a portfolio will be loss-making.

## THE NYKREDIT REALKREDIT GROUP RESULTS

The Group's core earnings after loan impairment were DKK 847m against DKK 984m in Q1/2007.

Core earnings in the business areas Retail Customers, Business Partners and Commercial Customers matched forecasts.

Due to the financial market turmoil, core earnings in Markets & Asset Management were a negative DKK 30m compared with a positive figure of DKK 137m in Q1/2007.

Group loan losses and arrears remained very low. Total impairments produced a net income of DKK 15m in the quarter under review.

The Group's investment portfolio generated a loss of DKK 695m against an income of DKK 164m in the same period the year before, chiefly due to wider yield spreads between mortgage bonds, etc and government bonds.

The portfolio of strategic equities, mainly in banks, which are value adjusted against equity, produced a loss of DKK 695m compared with an income of DKK 300m for Q1/2007.

The Group reported a pre-tax profit of DKK 152m for Q1/2008 against DKK 1,148m. Profit after tax was DKK 98m compared with DKK 849m.

## Core earnings

Group core income from business operations was DKK 1,457m against DKK 1,529m for the same period the year before.

Core income from mortgage lending totalled DKK 1,029m compared with DKK 933m, which should be seen in the context of a rise of DKK 6bn in gross new lending to DKK 43bn. Measured at nominal value, Group mortgage lending rose by DKK 18bn to DKK 867bn in Q1/2008.

In terms of gross new lending, the Nykredit Group held a market share of 43.0% in the first three months of the year.

Core income from banking operations came to DKK 295m against DKK 452m for the same period the year before. The decline mainly stemmed from Markets & Asset Management, which recorded a decrease in core income from DKK 264m to DKK 118m.

Core income from insurance operations went up by DKK 10m to DKK 72m.

Core income from securities amounted to DKK 516m compared with DKK 436m in Q1/2007. Core income from securities is calculated on the basis of short-term money market rates averaging 4.1% in Q1/2008.

Operating costs, depreciation and amortisation rose, as expected, by DKK 88m to DKK 1,141m on account of higher staff numbers in Commercial Customers, Markets & Asset Management and IT.

Group loan impairments produced a net income of DKK 15m against DKK 72m in the same period the year before. Losses ascertained contributed DKK 2m to impairments compared with DKK 9m in the same period the year before.

At the settlement date in December, the Group's 75-day mortgage loan arrears as a

percentage of total mortgage payments due were 0.16%, which is unchanged compared with previous payment dates.

## Investment portfolio income

The Group recorded a loss on its investment portfolio of DKK 695m against an income of DKK 164m in Q1/2007.

The investment portfolio of bonds, liquidity and interest rate instruments generated a loss of DKK 491m against an income of DKK 52m for the same period in 2007. Equities and equity instruments produced a loss of DKK 204m against an income of DKK 112m for the same period the year before.

The main reason for the decline in income from the portfolio of bonds, etc was yield spread widening between high-rated mortgage bonds, etc and government bonds.

A negative value adjustment of DKK 695m was made against equity due to a decline in the price of strategic equity investments in banks.

## Tax

Tax on profit for the period is calculated at DKK 54m for the entire Group.

## Financial risk

At 31 March 2008, Group Value-at-Risk stood at DKK 238m in terms of a 99% confidence interval over one day.

The Group's interest rate exposure in the event of a general interest rate change of 1 percentage point was DKK 556m. The equity price exposure in case of a general price decline of 10% was DKK 558m.

## Subsidiaries

Totalkredit recorded a profit before tax of DKK 280m compared with DKK 236m for the same period the year before. For further information, please refer to Totalkredit's Q1 Interim Report 2008.

The Nykredit Bank Group realised a profit before tax of DKK 125m compared with DKK 320m for the same period the year before. For further information, please refer to the Q1 Interim Report 2008 of the Nykredit Bank Group.

Nykredit Forsikring (insurer) posted a profit before tax of DKK 30m against DKK 43m for the same period the year before. The technical

profit amounted to DKK 22m against DKK 13m in Q1/2007. A decline in investment returns due to a dividend distribution of DKK 800m in May 2007 affected the total profit of Nykredit Forsikring.

#### OUTLOOK FOR 2008

Financial market turmoil will have only a limited effect on the forecast of core earnings of DKK 4,200m-4,400m. Continued financial market turmoil is not expected to have a material impact on earnings in the business areas Retail Customers, Business Partners and Commercial Customers, whereas earnings in Markets & Asset Management may be adversely affected.

Investment portfolio income was estimated at DKK 400m-600m at the beginning of the year. The estimate is subject to great uncertainty due to continued turmoil in financial markets.

#### BUSINESS AREAS

The Group is organised into four business areas - Retail Customers, Business Partners, Commercial Customers and Markets & Asset Management. The activities of the business areas are coordinated across Group entities.

The business area **Retail Customers** covers activities aimed at retail customers through Nykredit's own distribution channels. Retail Customers realised core earnings before impairments of DKK 149m against DKK 172m in 2007. The figure includes gross new lending of just over DKK 5bn against DKK 6bn in 2007. Bank lending went up by just over DKK 0.5bn to DKK 8bn.

**Business Partners** is responsible primarily for the sale by business partners of mortgage loans to retail customers of Totalkredit arranged by Danish local and regional banks. Business Partners realised core earnings before impairments of DKK 93m against DKK 45m in 2007. These results reflect gross new lending of DKK 19bn against just below DKK 21bn the year before and include amortisation of DKK 87m relating to distribution rights.

**Commercial Customers** serves the agricultural, business and rental housing segments, including housing society dwellings and non-profit housing. Commercial Customers realised core earnings before impairment losses of DKK 361m against DKK 343m in 2007. Gross new mortgage lending amounted to DKK 19bn compared with DKK 9bn in 2007. Bank lending went up by almost DKK 3bn to DKK 32bn.

**Markets & Asset Management** handles the activities of the Nykredit Realkredit Group within trading in securities and financial instruments, debt capital, asset management and pension products. Core earnings in Markets & Asset Management were a loss of DKK 30m compared with a profit of DKK 137m in 2007. Core income declined by DKK 146m to DKK 118m, which was attributable to losses on Nykredit Bank's own risk taking.

Group items include income and expenses not directly attributable to the business areas.

#### Q1/2008 results by business area

DKKm	Retail Customers		Business Partners		Commercial Customers		Markets & Asset Management		Group items and eliminations		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Core income from business operations	466	477	291	238	535	487	118	264	47 <sup>3</sup>	63 <sup>3</sup>	1,457	1,529
Core income from securities	-	-	-	-	-	-	-	-	516	436	516	436
Direct operating costs	313	301	111	93	174	144	148	127	263	257	1,009	922
Depreciation on property, plant and equipment and amortisation of intangible assets	4	4	87	100	-	-	-	-	41	27	132	131
<b>Core earnings before impairment losses</b>	<b>149</b>	<b>172</b>	<b>93</b>	<b>45</b>	<b>361</b>	<b>343</b>	<b>(30)</b>	<b>137</b>	<b>259</b>	<b>215</b>	<b>832</b>	<b>912</b>
Impairment losses on loans and advances	(23)	(27)	1	-	7	(45)	-	-	-	-	(15)	(72)
<b>Core earnings after impairment losses</b>	<b>172</b>	<b>199</b>	<b>92</b>	<b>45</b>	<b>354</b>	<b>388</b>	<b>(30)</b>	<b>137</b>	<b>259</b>	<b>215</b>	<b>847</b>	<b>984</b>
Investment portfolio income <sup>1</sup>	-	-	-	-	-	-	-	-	(695)	164	(695)	164
<b>Profit before tax</b>	<b>172</b>	<b>199</b>	<b>92</b>	<b>45</b>	<b>354</b>	<b>388</b>	<b>(30)</b>	<b>137</b>	<b>(436)</b>	<b>379</b>	<b>152</b>	<b>1,148</b>
<b>Return</b>												
Avg business capital, DKK million <sup>2</sup>	<b>3,676</b>	<b>3,864</b>	<b>6,135</b>	<b>4,442</b>	<b>12,682</b>	<b>10,355</b>	<b>1,478</b>	<b>1,314</b>	-	-	<b>27,375</b>	<b>24,100</b>
Core earnings after impairment losses as % of avg business capital	19.0	20.9	6.1	4.1	11.3	15.2	(8.2)	42.3	-	-	12.5	16.6

<sup>1</sup> Investment portfolio income includes profit from investments in associates of DKK 17m in 2008 against DKK 5m in 2007.

<sup>2</sup> Business capital is computed in accordance with Basel II and equals the statutory capital adequacy requirement.

<sup>3</sup> Of which DKK 39m relating to the proportionate consolidation of JN Data (DKK 48m in 2007).

## BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY OF THE NYKREDIT REALKREDIT GROUP

### Balance sheet

The Group's balance sheet totalled DKK 1,088bn against DKK 1,075bn at the beginning of the year.

Group mortgage lending at fair value totalled DKK 847bn against DKK 823bn at the beginning of the year. Measured at nominal value, mortgage lending rose by DKK 18bn to DKK 867bn.

Bank lending excluding reverse transactions amounted to almost DKK 43bn at end-Q1/2008 – up by DKK 4bn.

### Equity and dividend

Group equity, including recognition of profit for the period etc, stood at DKK 53.4bn at end-Q1/2008 compared with DKK 54.4bn at the beginning of the year.

In accordance with IAS 39, Nykredit has classified the Group's strategic equity investments as "available for sale" in its Consolidated Financial Statements. The strategic equity investments include equities in a number of Danish local and regional banks. These equities are value adjusted against equity on a continuous basis. The value adjustment against equity in the Consolidated Financial Statements came to a loss of DKK 695m. The value of equities classified as available-for-sale totalled DKK 4,265m.

### CAPITAL ADEQUACY

The capital base and capital adequacy are determined using the new capital adequacy rules (Basel II).

The capital charge for credit risk is calculated on the basis of the most advanced IRB approaches for the most part of the loan portfolio.

All calculations made for each individual exposure in the portfolio are added up to a total capital adequacy requirement. The advanced credit models estimate probabilities of default (PDs), losses given defaults (LGDs) and exposure values (EVs).

Under the transitional rules, risk-weighted items and the capital charge may not decrease by more than 10% and 20% in 2008 and 2009, respectively, compared with the former rules.

According to the transitional rules, the capital requirement amounts to DKK 40.3bn equal to a capital adequacy ratio of at least 13.4%.

### The Nykredit Realkredit Group

#### Changes in equity

DKK million	Q1/2008	Q1/2007	FY 2007
<b>Equity, beginning of period</b>	<b>54,447</b>	<b>51,987</b>	<b>51,987</b>
Extraordinary dividend	-	-	(500)
Profit for the period	98	849	3,363
Fair value adjustment of equities – available-for-sale	(695)	300	(465)
Dividends declared	(500)	-	-
Other adjustments	4	(1)	62
<b>Equity, end of period</b>	<b>53,354</b>	<b>53,135</b>	<b>54,447</b>
Dividends proposed	-	-	(500)
<b>Equity after dividend distribution</b>	<b>53,354</b>	<b>53,135</b>	<b>53,947</b>

### The Nykredit Realkredit Group

#### Capital base and capital adequacy

DKK million	Basel II	Basel I	Basel I
	Q1/2008	Q1/2007	FY 2007
Credit risk	20,542	35,919	41,098
Market risk	2,186	2,024	2,014
Operational risk	1,283	-	-
<b>Total capital requirement</b>	<b>24,011</b>	<b>37,943</b>	<b>43,112</b>
<b>Capital adequacy</b>	<b>29,002</b>	-	-
<b>Weighted items</b>	<b>300,140</b>	<b>474,291</b>	<b>538,898</b>
Core capital	51,489	51,551	52,313
Capital base	54,116	54,936	55,340
<b>Core capital ratio, %</b>	<b>17.2</b>	<b>10.9</b>	<b>9.7</b>
<b>Capital adequacy ratio, %</b>	<b>18.0</b>	<b>11.6</b>	<b>10.3</b>
<b>Basel II transitional rules</b>			
Minimum capital requirement under the transitional rules <sup>1</sup>	40,309	-	-
Minimum capital adequacy under the transitional rules <sup>2</sup>	13.4	-	-

<sup>1</sup> The capital requirement under the transitional rules has been determined as 90% of the capital requirement of Basel I pursuant to the transitional rules of the Danish Executive Order on Capital Adequacy.

<sup>2</sup> The minimum capital adequacy ratio under the transitional rules has been determined as the capital requirement under the transitional rules as % of risk-weighted items under Basel II. Therefore, the minimum capital adequacy ratio expresses the capital adequacy ratio required under the transitional rules.

### Capital adequacy

Capital adequacy is the minimum capital base required in Management's opinion to cover all significant risk.

Nykredit's calculation of capital adequacy is based on the model calculations used in the determination of the capital charge. However, a statistical level of 99.97% is applied, equal to a Aa2-Aa3 rating. When calculating the capital requirement and capital adequacy ratio, a 99.9% confidence level is used.

Capital adequacy consists of Pillar I and Pillar II.

**Pillar I** capital covers credit risk, market risk, operational risk, insurance risk and risk relating to own properties.

**Pillar II** comprises capital to cover other risks as well as an increased statutory capital charge for credit and market risk during a mild recession. Under the new capital adequacy rules, the capital requirement increases with rising losses and arrears. Pillar II allows for this effect, just as it allows for any operating losses following a rise in impairments, etc. The capital charge relating to credit exposures is calculated on the basis of a thorough stress test of the loan portfolio.

At end-Q1/2008, capital adequacy came to DKK 29.0bn of which DKK 22.8bn concerned Pillar I and DKK 6.2bn Pillar II.

## CAPITAL POLICY

Nykredit's objective is to be able to maintain its lending activities at an unchanged level regardless of economic trends.

Against this backdrop, Nykredit divides its equity of DKK 53.4bn into four elements:

- *Business capital* of DKK 29.0bn equal to the statutory capital adequacy requirement.
- *Cyclical buffer* of DKK 12.2bn covering the expected rise in the capital adequacy requirement should the economic climate change from mild to severe recession. The calculation of the cyclical buffer is based on the same thorough stress test as under Pillar II
- *Statutory capital deductions* relating to intangible assets of DKK 3.9bn.
- *Strategic capital* of DKK 8.3bn, the long-term capital maintained for strategic initiatives.

## OTHER

### Enlargement of Group Executive Board

Bente Overgaard, Executive Vice President, was appointed Group Managing Director and joined Nykredit's Group Executive Board on 1 March 2008. She is in charge of human resources, staff training, management and organisational development as well as the Group's facilities management functions.

The Group Executive Board currently consists of Peter Engberg Jensen, Group Chief Executive, and Søren Holm, Karsten Knudsen, Per Ladegaard, Bente Overgaard and Niels Tørslev, all Group Managing Directors.

### Closer partnership with local and regional banks

In March 2008 Nykredit/Totalkredit offered the local and regional banks a new and broader partnership agreement, which constitutes an extension of the agreement from 2003 when Nykredit acquired Totalkredit.

The key element of the offer is that the final price of the Totalkredit shares is determined now rather than in 2010, as originally agreed.

The back payment will amount to DKK 1,460m after tax for settlement on 1 October 2012. Nykredit Realkredit provided DKK 750m for such liability in the Financial Statements for 2007. The provisions made for the back payment are offset by increased goodwill, etc and consequently reduce Nykredit's core capital. As at 1 April 2008, the Group's core capital ratio will thus be reduced by 0.3 percentage point to 16.9%.

The new partnership agreement has been adopted by the banks and will take effect on 1 April 2008 as agreed by the parties.

Under the new agreement, the Nykredit Group also offers the banks access to lending funded by mortgage bonds, covered bonds (SDOs) or covered mortgage bonds (SDROs) through Nykredit Bank, Nykredit Realkredit or Totalkredit. The banks' funding of new housing loans included in their own balance sheets up to 1 April 2010 through SDO issuance will take place via Nykredit/Totalkredit.

Under the new agreement, all partnership banks will apply a set-off model under which any losses incurred on the loans arranged by the banks are offset against future commission payments from Totalkredit. The transition from the former guarantee model to the set-off model increases the capital adequacy requirements of Nykredit/Totalkredit.

Nykredit/Totalkredit has in recent years developed a new web-based integrated advisory and production system, which will be key to the banks' housing advisory services and sale of Totalkredit loans.

### Tax case

Nykredit Realkredit is party to a pending tax case which the Danish tax authorities have appealed to the Danish High Court. If the High Court also finds for Nykredit, deferred tax of DKK 200m will be recognised as income.

### Uncertainty about recognition and measurement

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

The areas in which assumptions and estimates significant to the financial statements have been made include provisions for loan and receivable impairment, unlisted financial instruments and other provisions, see the mention in the Annual Report for 2007.

In Management's opinion, the uncertainty relating to the above-mentioned matters is insignificant to the Q1 Interim Report 2008.

## EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

### Lån & Spar Bank a business partner of Totalkredit

Lån & Spar Bank will become a business partner of Totalkredit and will therefore get access to Totalkredit's Xportal. The bank will in future offer Totalkredit brand mortgage loans to its customers.

### SEB divests Hellerup branch to Nykredit

SEB divests its branch in Hellerup with just over 1,000 retail customers to Nykredit Retail Customers with effect from 1 June 2008.

The divestment is part of SEB's focus on asset management.

No other material events have occurred in the period up to the presentation of the Q1 Interim Report 2008.

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

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January-31 March 2008 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

The Consolidated Financial Statements have been presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU. The Interim Report of the Parent Company has been prepared in accordance with the Danish Financial Business Act.

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

In our opinion, the Interim Report gives a true and fair review of the development in the activities and financial circumstances of the Group and the Parent Company as well as an adequate description of the material risk and uncertainty factors affecting the Group and the Parent Company.

We are furthermore of the opinion that the Interim Report gives a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 31 March 2008 and the results of the Group's and the Parent Company's activities as well as the Group's cash flows for the financial period 1 January – 31 March 2008.

Copenhagen, 15 May 2008

### Executive Board

Peter Engberg Jensen,  
Group Chief Executive

Søren Holm,  
Group Managing Director

Karsten Knudsen,  
Group Managing Director

Per Ladegaard,  
Group Managing Director

Bente Overgaard,  
Group Managing Director

Niels Tørslev,  
Group Managing Director

### Board of Directors

Steen E. Christensen,  
Chairman

Hans Bang-Hansen,  
Deputy Chairman

K.E. Borup,  
Deputy Chairman

Kristian Bengaard

Michael Demsitz

John Finderup

Anette R. Fischer

Lisbeth Grimm

Steffen Kragh

Allan Kristiansen

Nina Smith

Jens Thomsen

Jens Erik Udsen

Leif Vinther

## Income statements for 1 January - 31 March

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
Q1/2007	Q1/2008		Note	Q1/2008	Q1/2007
7,387	9,715	Interest income	2	12,758	10,267
6,576	8,793	Interest expenses	3	10,935	8,736
812	922	<b>NET INTEREST INCOME</b>		<b>1,823</b>	<b>1,530</b>
32	28	Dividend on equities		29	32
167	184	Fee and commission income		303	299
51	53	Fee and commission expenses		292	283
959	1,081	<b>NET INTEREST AND FEE INCOME</b>		<b>1,862</b>	<b>1,578</b>
-	-	Net premiums earned		316	303
429	(1,425)	Value adjustments	4	(758)	351
1	16	Other operating income		79	130
-	-	Claims incurred, net of reinsurance		237	240
551	591	Staff and administrative expenses	5	1,008	922
111	110	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	6	132	131
0	0	Other operating expenses		1	1
(60)	(19)	Impairment losses on loans, advances and receivables	7	(15)	(72)
664	468	Profit from investments in associates and group enterprises	8	17	5
1,451	(542)	<b>PROFIT BEFORE TAX</b>		<b>152</b>	<b>1,148</b>
302	54	Tax	9	54	299
1,149	(597)	<b>PROFIT FOR THE PERIOD</b>		<b>98</b>	<b>849</b>



## Balance sheets at 31 March

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2007	31.03.2008		Note	31.03.2008	31.12.2007
<b>ASSETS</b>					
32	159	Cash balance and demand deposits with central banks		1,096	135
79,937	56,520	Receivables from credit institutions and central banks	10	72,906	82,510
474,062	486,119	Loans, advances and other receivables at fair value	11	855,370	828,954
242,622	225,197	Totalkredit mortgage loan funding	12	0	0
649	637	Loans, advances and other receivables at amortised cost	13	44,476	40,608
62,548	45,502	Bonds at fair value	14	83,050	90,935
<b>Equities</b>					
7,344	6,090	Equities measured at fair value through profit or loss		2,145	2,694
-	-	Equities available for sale		4,265	4,960
7,344	6,090	<b>Total</b>		6,410	7,653
188	204	Investments in associates		157	137
18,774	19,117	Investments in group enterprises		-	-
3,957	3,874	Intangible assets		3,916	3,999
<b>Land and buildings</b>					
-	-	Investment properties		71	71
360	366	Owner-occupied properties		1,677	1,617
360	366	<b>Total</b>		1,748	1,688
156	158	Other property, plant and equipment		273	276
59	211	Current tax assets		247	95
258	253	Deferred tax assets		313	313
5	4	Assets in temporary possession		5	5
10,942	8,690	Other assets	15	17,932	17,596
121	104	Prepayments		144	152
902,014	853,204	<b>TOTAL ASSETS</b>		1,088,043	1,075,058

## Balance sheets at 31 March

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2007	31.03.2008		Note	31.03.2008	31.12.2007
<b>LIABILITIES AND EQUITY</b>					
63,210	54,304	Payables to credit institutions and central banks	16	130,219	115,875
-	-	Deposits and other payables	17	31,572	31,581
724,746	687,516	Issued bonds at fair value	18	791,286	796,403
27	27	Issued bonds at amortised cost	19	4,568	1,589
30,560	34,609	Other non-derivative financial liabilities at fair value		39,151	33,444
-	-	Current tax liabilities		48	15
19,876	14,190	Other liabilities	20	26,674	30,775
-	-	Deferred income		18	11
<b>838,420</b>	<b>790,646</b>	<b>Total payables</b>		<b>1,023,537</b>	<b>1,009,693</b>
<b>Provisions</b>					
179	182	Provisions for pensions and similar obligations		200	197
748	707	Provisions for deferred tax		756	797
-	-	Insurance liabilities		1,879	1,702
110	112	Repayable reserves funded by pre-1972 series		112	110
767	772	Other provisions		775	769
<b>1,804</b>	<b>1,773</b>	<b>Total provisions</b>		<b>3,722</b>	<b>3,575</b>
<b>7,343</b>	<b>7,430</b>	<b>Subordinate loan capital</b>	21	<b>7,430</b>	<b>7,343</b>
<b>Equity</b>					
1,182	1,182	Share capital		1,182	1,182
<b>Accumulated changes in value</b>					
89	89	- Revaluation reserves		247	247
15	18	- Accumulated foreign currency translation adjustment of foreign entities		18	15
-	-	- Value adjustment of equities available for sale		1,479	2,173
<b>Other reserves</b>					
3,435	3,790	- Statutory reserves		-	-
24,258	24,258	- Reserves in series		24,258	24,258
24,969	24,017	Retained earnings		26,171	26,072
500	-	Proposed dividend		-	500
<b>54,447</b>	<b>53,354</b>	<b>Total equity</b>		<b>53,354</b>	<b>54,447</b>
<b>902,014</b>	<b>853,204</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,088,043</b>	<b>1,075,058</b>
<b>OFF-BALANCE SHEET ITEMS</b>					
-	-	Guarantees	22	4,457	4,242
1,641	1,661	Other contingent liabilities		10,060	9,427
<b>1,641</b>	<b>1,661</b>	<b>TOTAL</b>		<b>14,517</b>	<b>13,670</b>
<b>Related party transactions and balances</b>					
<b>Financial highlights – five years</b>					
<b>Financial highlights – five quarters</b>					
<b>Group structure</b>					

## Statement of changes in equity 1 January - 31 March

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Statutory reserves *	Reserves in series	Retained earnings	Proposed dividend	Total
<b>2008</b>								
Balance, beginning of period	1,182	89	15	3,435	24,258	24,969	500	54,447
Adjustment relating to foreign entities	-	-	3	-	-	-	-	3
Profit for the period	-	-	-	355	-	(951)	-	(597)
<b>Total comprehensive income</b>	-	-	3	355	-	(951)	-	(593)
Dividend adopted	-	-	-	-	-	-	(500)	(500)
<b>Total other adjustments</b>	-	-	-	-	-	-	(500)	(500)
<b>Balance, end of period</b>	<b>1,182</b>	<b>89</b>	<b>18</b>	<b>3,790</b>	<b>24,258</b>	<b>24,017</b>	<b>-</b>	<b>53,354</b>
<b>2007</b>								
Balance, beginning of year	1,182	91	7	2,439	23,336	24,932	-	51,987
Reclassification	-	(5)	-	-	-	5	-	-
Adjustment relating to owner-occupied properties	-	4	-	-	-	-	-	4
Adjustment relating to foreign entities	-	-	8	-	-	-	-	8
Profit for the year	-	-	-	1,785	-	612	500	2,897
<b>Total comprehensive income</b>	-	(2)	8	1,785	-	617	500	2,909
Extraordinary dividend paid	-	-	-	-	-	(500)	-	(500)
Dividend from subsidiaries	-	-	-	(820)	-	820	-	-
Adjustment pursuant to capital adequacy rules	-	-	-	-	922	(922)	-	-
Transferred from provisions - pre-1972 series	-	-	-	-	-	16	-	16
Adjustment relating to associates	-	-	-	(4)	-	4	-	-
Adjustment relating to subsidiaries	-	-	-	35	-	1	-	36
<b>Total other adjustments</b>	-	-	-	(789)	922	(581)	-	(449)
<b>Balance, year-end</b>	<b>1,182</b>	<b>89</b>	<b>15</b>	<b>3,435</b>	<b>24,258</b>	<b>24,969</b>	<b>500</b>	<b>54,447</b>

\* The item relates to transfer to reserves for net revaluation according to the equity method. The reserves are non-distributable.

The share capital is divided into shares of DKK 100.00 and multiples thereof. Nykredit Realkredit A/S has only one class of shares, and all shares confer the same rights on shareholders.

## Statement of changes in equity 1 January - 31 March

DKK million

Nykredit Realkredit Group

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Statutory reserves*	Reserves in series	Retained earnings	Proposed dividend	Total
<b>2008</b>								
<b>Balance, beginning of period</b>	1,182	247	15	2,173	24,258	26,072	500	54,447
Adjustment of equities available for sale	-	-	-	(695)	-	-	-	(695)
Adjustment relating to foreign entities	-	-	3	-	-	-	-	3
Profit for the period	-	-	-	-	-	98	-	98
<b>Total comprehensive income</b>	-	-	3	(695)	-	98	-	(593)
Dividend adopted	-	-	-	-	-	-	(500)	(500)
<b>Total other adjustments</b>	-	-	-	-	-	-	(500)	(500)
<b>Balance, end of period</b>	1,182	247	18	1,479	24,258	26,171	-	53,354
<b>2007</b>								
<b>Balance, beginning of year</b>	1,182	202	7	2,636	23,336	24,624	-	51,987
Reclassification	-	5	-	3	-	(8)	-	-
Adjustment of equities available for sale	-	-	-	(465)	-	-	-	(465)
Adjustment relating to owner-occupied properties	-	39	-	-	-	-	-	39
Adjustment relating to foreign entities	-	-	8	-	-	-	-	8
Profit for the year	-	-	-	-	-	2,863	500	3,363
<b>Total comprehensive income</b>	-	45	8	(462)	-	2,854	500	2,945
Extraordinary dividend paid	-	-	-	-	-	(500)	-	(500)
Adjustment pursuant to capital adequacy rules	-	-	-	-	922	(922)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	-	16	-	16
<b>Total other adjustments</b>	-	-	-	-	922	(1,406)	-	(484)
<b>Balance, year-end</b>	1,182	247	15	2,173	24,258	26,072	500	54,447

## Cash flow statement 1 January - 31 March

DKK million

	The Nykredit Realkredit Group	
	Q1/2008	Q1/2007
<b>Profit after tax for the period</b>	98	849
Amortisation and impairment losses for intangible assets	103	105
Depreciation and impairment losses for property, plant and equipment	29	26
Value adjustment of investments	(17)	(5)
Impairment losses on loans, advances and receivables	(15)	(72)
Prepayments/deferred income, net	15	(42)
Tax calculated on profit for the period	54	299
Other adjustments	(1,191)	299
<b>Total</b>	<b>(1,023)</b>	<b>610</b>
<b>Profit for the period adjusted for non-cash operating items</b>	<b>(924)</b>	<b>1,459</b>
<b>Change in working capital</b>		
Loans and advances	(30,269)	(19,471)
Deposits and payables to credit institutions	14,336	4,749
Issued bonds	(2,137)	(32,595)
Other working capital	1,460	(5,190)
<b>Total</b>	<b>(16,610)</b>	<b>(52,506)</b>
<b>Corporation tax paid, net</b>	<b>(213)</b>	<b>(103)</b>
<b>Cash flows from operating activities</b>	<b>(17,748)</b>	<b>(51,151)</b>
<b>Cash flows from investing activities</b>		
Investments	9,126	26,633
Intangible assets	(20)	(35)
Property, plant and equipment	(86)	(44)
<b>Total</b>	<b>9,020</b>	<b>26,553</b>
<b>Cash flows from financing activities</b>		
Subordinate loan capital	87	(34)
<b>Total</b>	<b>87</b>	<b>(34)</b>
<b>Total cash flows</b>	<b>(8,640)</b>	<b>(24,631)</b>
<b>Cash and cash equivalents, beginning of period</b>		
Cash balance and demand deposits with central banks	135	200
Receivables from credit institutions and central banks	82,510	57,316
<b>Total</b>	<b>82,645</b>	<b>57,516</b>
<b>Cash and cash equivalents, end of period</b>		
Cash balance and demand deposits with central banks	1,096	550
Receivables from credit institutions and central banks	72,906	32,334
<b>Total</b>	<b>74,002</b>	<b>32,884</b>

## Core earnings and investment portfolio income 1 January - 31 March

DKK million

## The Nykredit Realkredit Group

	Q1/2008			Q1/2007		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	1,791	32	1,823	1,557	(27)	1,530
Dividend on equities	0	29	29	-	32	32
Net fee and commission income	20	(10)	10	34	(18)	16
<b>Net interest and fee income</b>	<b>1,811</b>	<b>51</b>	<b>1,862</b>	<b>1,591</b>	<b>(13)</b>	<b>1,578</b>
Net premiums earned	316	-	316	303	-	303
Value adjustments	5	(763)	(758)	224	127	351
Other operating income	79	-	79	85	45	130
Claims incurred, net of reinsurance	237	-	237	240	-	240
Staff and administrative expenses	1,008	-	1,008	922	-	922
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	132	-	132	131	-	131
Other operating expenses	1	-	1	1	-	1
Provisions for loan impairment	(15)	-	(15)	(72)	-	(72)
Profit from equity investments	-	17	17	-	5	5
<b>Profit/loss before tax</b>	<b>847</b>	<b>(695)</b>	<b>152</b>	<b>984</b>	<b>164</b>	<b>1,148</b>

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

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

Compared with the Annual Report for 2007, the "Business capital" included in the business area reporting has been calculated according to the new principles. As from 1 January 2008, the business capital is based on the Basel II rules and meets the statutory capital adequacy requirement. Capital adequacy reflects the statutory requirement for the capital base with the addition of a projected capital charge for periods with mild recession. The business return has been calculated as the result relative to the business capital. Comparative figures have been restated.

In all other respects, the accounting policies of both the Group and Nykredit Realkredit A/S are unchanged compared with the Annual Report for 2007. A description of the Group's and the Parent Company's accounting policies in the Annual Report for 2007 is available at [nykredit.com](http://nykredit.com).

All figures in the Q1 Interim Report 2008 are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to rounding to the nearest whole million DKK, minor differences between the sum of individual figures and the stated totals may occur.

In Management's opinion, no new IAS/IFRS standards have been adopted that will substantially influence the financial reporting of the Company compared with the Annual Report for 2007.

The Q1 Interim Report has not been audited or reviewed.

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2007	Q1/2008	Q1/2008	Q1/2007
<b>2. INTEREST INCOME</b>			
1,687	3,268	581	214
4,890	5,675	10,771	8,824
521	551	989	900
<b>Bonds</b>			
-	112	182	-
243	201	805	794
145	414	572	130
82	(241)	(239)	94
18	51	65	49
<b>Derivative financial instruments</b>			
10	(35)	(13)	16
8	11	27	29
25	22	10	13
<b>7,631</b>	<b>10,030</b>	<b>13,750</b>	<b>11,062</b>
-	(112)	(182)	-
(243)	(201)	(805)	(794)
(1)	(1)	(5)	(1)
<b>7,387</b>	<b>9,715</b>	<b>12,758</b>	<b>10,267</b>
<b>Of which interest income from genuine purchase and resale transactions entered as:</b>			
31	312	454	120
-	-	93	51
<b>3. INTEREST EXPENSES</b>			
323	554	1,396	820
-	-	371	226
6,384	8,432	10,029	8,350
83	94	94	98
30	27	37	37
<b>6,820</b>	<b>9,108</b>	<b>11,927</b>	<b>9,531</b>
-	(112)	(182)	-
(243)	(201)	(805)	(794)
(1)	(1)	(5)	(1)
<b>6,576</b>	<b>8,793</b>	<b>10,935</b>	<b>8,736</b>
<b>Of which interest expenses for genuine sale and repurchase transactions entered as:</b>			
110	307	460	253
-	-	12	7



## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2007	Q1/2008	Q1/2008	Q1/2007
<b>4. VALUE ADJUSTMENTS</b>			
<b>Financial assets measured at fair value through profit or loss</b>			
(1,103)	3,385	6,073	(669)
(143)	1,416	-	-
0	(9)	(11)	8
98	(197)	189	143
425	(995)	(287)	150
-	-	0	-
3	(43)	(33)	(206)
(91)	(88)	(522)	260
-	-	(2)	2
<b>Financial assets measured at fair value against equity</b>			
-	-	-	-
<b>Financial liabilities measured at fair value through profit or loss</b>			
1,098	(3,477)	(6,165)	664
143	(1,416)	-	-
<b>429</b>	<b>(1,425)</b>	<b>(758)</b>	<b>351</b>
<b>5. STAFF AND ADMINISTRATIVE EXPENSES</b>			
8	8	8	8
294	321	557	511
249	262	467	424
<b>551</b>	<b>591</b>	<b>1,031</b>	<b>943</b>
-	-	(23)	(22)
<b>551</b>	<b>591</b>	<b>1,008</b>	<b>922</b>
<b>Remuneration of Board of Directors and Executive Board</b>			
<b>Board of Directors</b>			
0	0	0	0
<b>Executive Board</b>			
7	7	7	7
1	1	1	1
<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
The terms and conditions governing the pension and retirement of the Executive Board are unchanged relative to the mention in the Annual Report for 2007.			

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2007	Q1/2008	Q1/2008	Q1/2007
<b>5. STAFF AND ADMINISTRATIVE EXPENSES (continued)</b>			
<b>Staff expenses</b>			
246	270	468	425
31	31	51	52
17	20	37	34
<b>294</b>	<b>321</b>	<b>557</b>	<b>511</b>
<b>Number of staff</b>			
2,362	2,457	3,794	3,589
<b>6. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS</b>			
<b>Intangible assets</b>			
102	100	103	105
<b>Property, plant and equipment</b>			
9	10	29	26
<b>111</b>	<b>110</b>	<b>132</b>	<b>131</b>
<b>7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES</b>			
<b>7.a. Effect on profit</b>			
(37)	(4)	(2)	(39)
(16)	2	2	(29)
5	(1)	2	9
(12)	(16)	(16)	(13)
<b>(60)</b>	<b>(18)</b>	<b>(14)</b>	<b>(72)</b>
0	(1)	(1)	0
0	-	-	0
<b>(60)</b>	<b>(19)</b>	<b>(15)</b>	<b>(72)</b>
<b>7.b. Specification of provisions for loan impairment and guarantees</b>			
158	87	174	184
106	164	175	154
<b>264</b>	<b>251</b>	<b>349</b>	<b>338</b>

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
Q1/2007	Q1/2008	Q1/2008	Q1/2007
<b>7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)</b>			
<b>7.c. Individual impairment provisions</b>			
195	91	176	222
11	8	13	14
(45)	(11)	(13)	(47)
(3)	(1)	(3)	(6)
<b>158</b>	<b>87</b>	<b>174</b>	<b>184</b>
<b>7.d. Group-based impairment provisions</b>			
122	162	173	184
-	2	3	-
(16)	-	(1)	(29)
<b>106</b>	<b>164</b>	<b>175</b>	<b>154</b>
<b>7.e. Specification of loans and advances subject to objective evidence of impairment</b>			
355	172	295	400
158	87	174	184
<b>197</b>	<b>85</b>	<b>121</b>	<b>217</b>
6,495	23,885	24,052	12,687
106	164	175	154
<b>6,389</b>	<b>23,721</b>	<b>23,877</b>	<b>12,533</b>
<b>8. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES</b>			
5	17	17	5
660	451	-	-
<b>664</b>	<b>468</b>	<b>17</b>	<b>5</b>
<b>9. TAX</b>			
<b>Tax for the period can be specified as follows:</b>			
132	(58)	54	299
170	112	-	-
<b>302</b>	<b>54</b>	<b>54</b>	<b>299</b>
20.8	-	35.5	26.0
Effective tax rate, %			

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2007	31.03.2008		31.03.2008	31.12.2007
<b>10. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
10,764	500	Receivables at call with central banks	1,520	12,160
69,173	56,020	Receivables from credit institutions	71,386	70,350
<b>79,937</b>	<b>56,520</b>	<b>Total</b>	<b>72,906</b>	<b>82,510</b>
9,652	6,742	Of which prepaid funds, including prepayments at par and proceeds from the issuance of fixed-price agreements	7,042	13,792
<b>11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>				
473,950	485,985	Mortgage loans	847,002	823,228
112	134	Arrears and outlays	197	176
-	-	Other loans and advances	8,171	5,550
<b>474,062</b>	<b>486,119</b>	<b>Total</b>	<b>855,370</b>	<b>828,954</b>
<b>Mortgage loans</b>				
<b>453,813</b>	<b>486,036</b>	<b>Balance, beginning of period, nominal value</b>	<b>849,211</b>	<b>766,011</b>
111,352	24,747	New loans	43,594	211,681
687	299	Indexation	299	687
(297)	(64)	Foreign currency translation adjustment	(64)	(297)
(12,578)	(2,567)	Ordinary principal payments	(3,807)	(17,318)
(66,942)	(13,831)	Prepayments and extraordinary principal payments	(22,296)	(111,554)
<b>486,036</b>	<b>494,619</b>	<b>Balance, end of period, nominal value</b>	<b>866,936</b>	<b>849,211</b>
-	(2)	Loans transferred relating to properties in temporary possession	(2)	-
273	278	Loans assumed by the Danish Agency for Governmental Management	278	273
<b>486,309</b>	<b>494,896</b>	<b>Total nominal value</b>	<b>867,213</b>	<b>849,484</b>
<b>(12,268)</b>	<b>(8,825)</b>	<b>Adjustment for interest rate risk</b>	<b>(20,124)</b>	<b>(26,164)</b>
<b>Adjustment for credit risk</b>				
(52)	(51)	Individual impairment provisions	(52)	(53)
(39)	(35)	Group-based impairment provisions	(35)	(39)
<b>473,950</b>	<b>485,985</b>	<b>Balance, end of period, fair value</b>	<b>847,002</b>	<b>823,228</b>
22,741	23,092	Other than mortgages on real property, supplementary guarantees for loans received total	67,134	65,107
2,670	2,627	Total interim loan guarantees received	23,780	26,325
<b>Arrears and outlays</b>				
270	294	Arrears before impairment provisions	360	336
3	5	Outlays before impairment provisions	4	2
(161)	(165)	Impairment provisions for arrears and outlays	(167)	(162)
<b>112</b>	<b>134</b>	<b>Total</b>	<b>197</b>	<b>176</b>

## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2007	31.03.2008	31.03.2008	31.12.2007
<b>12. TOTALKREDIT MORTGAGE LOAN FUNDING</b>			
168,889	250,569	-	-
138,787	18,723	-	-
(1,209)	(388)	-	-
(55,899)	(37,177)	-	-
<b>250,569</b>	<b>231,728</b>	<b>-</b>	<b>-</b>
(7,947)	(6,531)	-	-
<b>242,622</b>	<b>225,197</b>	<b>-</b>	<b>-</b>
<b>13. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST</b>			
-	-	43,635	39,753
739	729	1,029	1,039
<b>739</b>	<b>729</b>	<b>44,664</b>	<b>40,792</b>
<b>Adjustment for credit risk</b>			
-	-	(87)	(82)
-	-	(9)	(11)
<b>739</b>	<b>729</b>	<b>44,568</b>	<b>40,699</b>
(91)	(92)	(92)	(91)
<b>649</b>	<b>637</b>	<b>44,476</b>	<b>40,608</b>

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2007	31.03.2008		31.03.2008	31.12.2007
<b>14. BONDS AT FAIR VALUE</b>				
16,489	14,181	Own SDOs	17,590	46,432
140,845	78,881	Own mortgage bonds	109,592	186,503
39,503	32,344	Other mortgage bonds	65,301	61,393
11,147	9,656	Government bonds	12,527	11,859
11,899	3,502	Other bonds	5,637	18,025
<b>219,882</b>	<b>138,563</b>	<b>Total</b>	<b>210,648</b>	<b>324,213</b>
(140,845)	(78,881)	Set-off of own mortgage bonds against "Issued bonds at fair value" – note 18	(109,592)	(186,503)
(16,489)	(14,181)	Set-off of own SDOs against "Issued bonds at fair value" – note 18	(17,590)	(46,432)
-	-	Set-off of other bonds against "Issued bonds at amortised cost" – note 19	(415)	(342)
<b>62,548</b>	<b>45,502</b>	<b>Total</b>	<b>83,050</b>	<b>90,935</b>
552	147	Of which drawn bonds	207	829
71,086	55,318	Pre-issue of mortgage bonds	55,318	71,086
47,756	568	Bond holdings stemming from prepaid funds, including prepayments at par and proceeds from the issue of fixed-price agreements.	568	47,756
39,814	25,568	As collateral security for the Danish central bank, Danmarks Nationalbank, the Danish FUTOP clearing centre and foreign clearing centres, bonds have been provided of a total market value of Collateral security has been provided on standard industry and market terms.	70,468	67,175
<b>15. OTHER ASSETS</b>				
7,832	5,691	Interest and commission receivable	8,564	7,123
693	737	Receivables from group enterprises	-	-
2,035	1,963	Positive market value of derivative financial instruments	8,636	9,710
170	170	Defined benefit plans	170	170
-	-	Receivable relating to reinsurance	66	106
212	129	Other assets	495	486
<b>10,942</b>	<b>8,690</b>	<b>Total</b>	<b>17,932</b>	<b>17,596</b>

## Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2007	31.03.2008		31.03.2008	31.12.2007
<b>16. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS</b>				
37,683	25,054	Payables to credit institutions	61,029	66,348
25,527	29,251	Payables to central banks	69,190	49,527
<b>63,210</b>	<b>54,304</b>	<b>Total</b>	<b>130,219</b>	<b>115,875</b>
<b>17. DEPOSITS AND OTHER PAYABLES</b>				
-	-	On demand	12,240	13,198
-	-	At notice	1,377	1,211
-	-	Time deposits	17,036	16,213
-	-	Special deposits	919	959
-	-	<b>Total</b>	<b>31,572</b>	<b>31,581</b>
<b>18. ISSUED BONDS AT FAIR VALUE</b>				
789,937	659,562	Mortgage bonds	797,453	937,195
87,143	116,015	SDOs	116,015	87,143
5,000	5,000	Junior covered bonds	5,000	5,000
<b>882,081</b>	<b>780,577</b>	<b>Total</b>	<b>918,468</b>	<b>1,029,338</b>
(140,845)	(78,881)	Own mortgage bonds transferred from "Bonds at fair value" – note 14	(109,592)	(186,503)
(16,489)	(14,181)	Own SDOs transferred from "Bonds at fair value" – note 14	(17,590)	(46,432)
<b>724,746</b>	<b>687,516</b>	<b>Total</b>	<b>791,286</b>	<b>796,403</b>
73,436	56,091	Of which pre-issuance	56,091	73,436
119,132	7,063	Drawn for redemption at next creditor settlement date	7,879	125,765
<b>Mortgage bonds</b>				
<b>712,340</b>	<b>789,113</b>	<b>Balance, beginning of period, nominal value</b>	<b>942,319</b>	<b>902,957</b>
299,725	65	Additions	65	299,749
6	2	Foreign currency translation adjustment	2	6
(161,105)	(118,296)	Bonds drawn and cancelled	(124,928)	(174,095)
(61,854)	(15,839)	Prepayments and extraordinary principal payments	(19,754)	(86,298)
<b>789,113</b>	<b>655,045</b>	<b>Total</b>	<b>797,705</b>	<b>942,319</b>
20,414	19,797	Indexation	19,797	20,414
<b>809,527</b>	<b>674,842</b>	<b>Balance, end of period, nominal value</b>	<b>817,502</b>	<b>962,734</b>
(4,988)	(19,590)	Fair value adjustment, beginning of period	(25,539)	(8,118)
(14,602)	4,309	Fair value adjustment	5,490	(17,421)
<b>789,937</b>	<b>659,562</b>	<b>Balance, end of period, fair value</b>	<b>797,453</b>	<b>937,195</b>

## Notes

DKK million

Nykredit Realkredit A/S				The Nykredit Realkredit Group	
31.12.2007	31.03.2008			31.03.2008	31.12.2007
<b>19. ISSUED BONDS AT AMORTISED COST</b>					
-	-	Corporate bonds		4,956	1,904
27	27	Employee bonds		27	27
91	92	Other securities		92	91
<b>118</b>	<b>119</b>	<b>Total</b>		<b>5,076</b>	<b>2,022</b>
-	-	Own other bonds transferred from "Bonds at fair value" – note 14		(415)	(342)
(91)	(92)	Own other bonds transferred from "Loans, advances and other receivables at amortised cost" - note 13		(92)	(91)
<b>27</b>	<b>27</b>	<b>Total</b>		<b>4,568</b>	<b>1,589</b>
<b>20. OTHER LIABILITIES</b>					
16,270	9,209	Interest and commission payable		16,617	21,025
853	722	Negative market value of derivative financial instruments		5,119	6,445
2,128	2,145	Payables relating to the purchase of Totalkredit shares		2,145	2,128
-	500	Dividend payable		500	-
625	1,615	Other payables		2,294	1,178
<b>19,876</b>	<b>14,190</b>	<b>Total</b>		<b>26,674</b>	<b>30,775</b>
<b>21. SUBORDINATE LOAN CAPITAL</b>					
Subordinate loan capital consists of financial liabilities which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.					
EUR 500m (nominal) of hybrid core capital in accordance with section 137 of the Danish Financial Business Act. The loan is perpetual, but may be redeemed at par (100) from 22 September 2014. The loan carries a fixed interest rate of 4.9% up to 22 September 2014 after which date it will carry a floating interest rate.					
3,622	3,709			3,709	3,622
EUR 500m (nominal) of subordinate loan capital in accordance with section 136 of the Danish Financial Business Act. The loan falls due at par (100) on 20 September 2013 and carries a floating interest rate.					
3,722	3,722			3,722	3,722
<b>7,343</b>	<b>7,430</b>	<b>Total</b>		<b>7,430</b>	<b>7,343</b>
7,343	7,430	Subordinate loan capital to be included in the capital base		7,430	7,343
-	-	Extraordinary principal payments and repayment of subordinate loan capital in the financial period		-	1,485



## Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2007	31.03.2008	31.03.2008	31.12.2007
<b>22. OFF-BALANCE SHEET ITEMS</b>			
<p>The size and business volumes of the Nykredit Realkredit Group continuously involve the Group in legal proceedings. For a description of significant cases, please refer to the Management's Review. Other pending cases are not expected to have a significant effect on the Nykredit Realkredit Group's financial position.</p> <p>Nykredit Realkredit A/S is jointly taxed with all the Danish group enterprises of the Foreningen Nykredit Group. Nykredit Realkredit A/S is solely liable for the part of tax which is attributable to Nykredit Realkredit A/S and which is not settled with Foreningen Nykredit via the scheme for payment of tax on account.</p> <p>The companies Nykredit Realkredit A/S, Totalkredit A/S, Nykredit Bank A/S, LeasIT A/S, LeasIT Finans A/S, Nykredit Forsikring A/S and Nykredit Portefølje Adm. A/S are registered jointly where payroll tax and VAT are concerned and are jointly and severally liable for the settlement thereof.</p> <p>Nykredit Forsikring A/S and the other owners of FDC K/S are liable for obligations entered into by FDC K/S. The obligation has a maximum limit of DKK 70m.</p> <p>Nykredit Realkredit A/S is liable for the obligations of the pension funds Jyllands Kreditforenings Afviklingspensionskasse (SE no 24256219) and Den under afvikling værende Pensionskasse i Forenede Kreditforeninger (SE no 71977714).</p> <p>Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheet are presented below.</p>			
-	-		
1,641	1,661	4,457	4,242
<b>1,641</b>	<b>1,661</b>	<b>10,060</b>	<b>9,427</b>
<b>Total</b>			
		<b>14,517</b>	<b>13,670</b>
<b>Guarantees</b>			
-	-		
-	-	2,783	2,651
-	-	1,673	1,591
<b>-</b>	<b>-</b>	<b>4,457</b>	<b>4,242</b>
<b>Other contingent liabilities</b>			
111	90		
1,529	1,570	8,311	8,014
<b>1,641</b>	<b>1,661</b>	<b>1,749</b>	<b>1,413</b>
<b>Total</b>			
		<b>10,060</b>	<b>9,427</b>

# Notes

## 23. RELATED PARTY TRANSACTIONS AND BALANCES

Foreningen Nykredit, the Parent Company Nykredit Holding A/S, group enterprises and associates of Nykredit Realkredit A/S, as stated under "Group structure", as well as Nykredit Realkredit A/S's Board of Directors, Executive Board and related parties thereof are regarded as related parties.

No unusual related party transactions occurred in Q1/2008.

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

Intercompany trading in goods and services took place on an arm's length basis.

Significant related party transactions prevailing/entered into in Q1/2008 include:

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

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

Nykredit Realkredit A/S has provided Nykredit Bank A/S with subordinate loan capital.

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

Master agreement on the terms applicable to transactions in the securities area.

Agreement on joint funding of mortgage loans.

Nykredit Realkredit A/S has provided Totalkredit A/S with subordinate loan capital.

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

Agreements on commission payable in connection with referral of lending business.

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

Agreement on the employment of insurance agents at Nykredit Realkredit A/S centres, sales commission to Nykredit centres and agreement on the management of certain investments.

### **Agreements between Nykredit Realkredit A/S and JN Data A/S**

Agreements on joint IT support etc.

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

Nykredit Realkredit A/S has granted a credit line to Nykredit Ejendomme A/S.

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

Agreements on commission payable in connection with referral of lending business.

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

On specific occasions, Nykredit Holding A/S has issued guarantees or letters of comfort to third parties.

Nykredit Holding A/S has issued guarantees to Nykredit Bank A/S covering pre-fixed loss amounts with respect to some of the Bank's exposures.

## Notes

DKK million

The Nykredit Realkredit Group	Q1/2008	Q1/2007	Q1/2006	Q1/2005	Q1/2004
<b>24. FIVE-YEAR FINANCIAL HIGHLIGHTS</b>					
Net interest income	1,823	1,530	1,284	1,394	1,178
Net fee income	39	48	216	213	117
<b>Net interest and fee income</b>	<b>1,862</b>	<b>1,578</b>	<b>1,500</b>	<b>1,607</b>	<b>1,295</b>
Net premiums earned	316	303	292	261	-
Value adjustments	(758)	351	98	396	502
Other operating income	79	130	42	42	44
Claims incurred, net of reinsurance	237	240	223	255	-
Staff and administrative expenses	1,008	922	885	736	669
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	132	131	124	121	72
Other operating expenses	1	1	-	-	1
Impairment losses on loans, advances and receivables	(15)	(72)	(37)	24	7
Profit/loss from equity investments	17	5	(2)	(8)	74
<b>Profit before tax</b>	<b>152</b>	<b>1,148</b>	<b>735</b>	<b>1,162</b>	<b>1,166</b>
Tax	54	299	194	367	333
<b>Profit for the period</b>	<b>98</b>	<b>849</b>	<b>541</b>	<b>795</b>	<b>833</b>
<b>SELECTED KEY FIGURES FROM THE BALANCE SHEET</b>					
	<b>31.03.2008</b>	<b>31.03.2007</b>	<b>31.03.2006</b>	<b>31.03.2005</b>	<b>31.03.2004</b>
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	74,002	32,884	46,312	72,022	61,503
Mortgage loans	847,002	772,781	701,399	649,312	599,889
Bank loans – excluding reverse transactions	43,539	34,086	21,950	18,495	18,639
Bonds and equities	89,460	62,376	58,425	44,569	77,580
Other assets	34,040	24,710	23,535	23,442	22,639
<b>Total assets</b>	<b>1,088,043</b>	<b>926,837</b>	<b>851,621</b>	<b>807,840</b>	<b>780,250</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	130,219	90,108	74,281	51,742	47,898
Deposits	31,572	21,318	23,992	19,845	15,406
Issued bonds at fair value	791,286	719,076	656,340	657,045	636,599
Subordinate loan capital					
- Hybrid core capital	3,709	3,699	3,788	3,858	-
- Supplementary capital	3,722	4,983	6,107	2,378	2,602
Other liabilities	74,182	34,519	36,982	27,794	35,297
Equity	53,354	53,135	50,131	45,178	42,448
<b>Total liabilities and equity</b>	<b>1,088,043</b>	<b>926,837</b>	<b>851,621</b>	<b>807,840</b>	<b>780,250</b>
<b>FINANCIAL RATIOS <sup>1</sup></b>					
Capital adequacy ratio, %*	18.0	11.6	12.3	11.2	10.4
Core capital ratio, %*	17.2	10.9	11.2	10.8	10.0
Return on equity before tax	(1.0)	2.8	3.4	3.0	2.8
Return on equity after tax	(1.1)	2.2	2.9	2.2	2.0
Income:cost ratio, DKK	1.11	1.94	1.62	2.02	2.56
Foreign exchange position, %	3.0	1.8	1.1	1.0	1.3
Loans and advances:equity (loan gearing)	16.9	15.3	14.6	15.0	15.0
Growth in loans and advances for the period, %	2.7	2.5	2.1	3.4	2.3
Accumulated impairment losses	0.0	0.0	0.1	0.2	0.3
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)	0.0	0.0

<sup>1</sup> Financial ratios are based on the definitions and guidelines of the Danish Financial Supervisory Authority, which implies that the financial ratios have been calculated based on profit for the period, including value adjustment of strategic equities.

\* The capital adequacy ratio and the core capital ratio for Q1/2008 have been determined in accordance with Basel II and include the profit for the period.

## Notes

DKK million

The Nykredit Realkredit Group	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
<b>25. FIVE-QUARTER FINANCIAL HIGHLIGHTS</b>					
<b>Core income from</b>					
Business operations	1,457	1,865	1,526	1,614	1,529
Securities	516	539	520	493	436
<b>Total</b>	<b>1,973</b>	<b>2,404</b>	<b>2,046</b>	<b>2,107</b>	<b>1,965</b>
Operating costs, depreciation and amortisation	1,141	1,284	944	1,070	1,053
<b>Core earnings before impairment losses</b>	<b>832</b>	<b>1,119</b>	<b>1,102</b>	<b>1,037</b>	<b>912</b>
Impairment losses on loans and advances	(15)	51	(46)	-	(72)
<b>Core earnings after impairment losses</b>	<b>847</b>	<b>1,068</b>	<b>1,148</b>	<b>1,037</b>	<b>984</b>
Investment portfolio income	(695)	(210)	114	89	164
<b>Profit before tax</b>	<b>152</b>	<b>859</b>	<b>1,262</b>	<b>1,126</b>	<b>1,148</b>
Tax	54	267	293	173	299
<b>Profit for the period</b>	<b>98</b>	<b>592</b>	<b>969</b>	<b>953</b>	<b>849</b>
<b>Profit for the period excludes value adjustment of strategic equities against equity</b>	<b>(695)</b>	<b>(98)</b>	<b>(280)</b>	<b>(387)</b>	<b>300</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>					
<b>Assets</b>					
Cash balance and receivables from credit institutions and central banks	74,002	82,645	61,754	37,767	32,884
Mortgage loans	847,002	823,228	800,558	775,098	772,781
Bank loans – excluding reverse transactions	43,539	39,660	35,618	34,818	34,085
Bonds and equities	89,459	98,589	70,262	61,001	62,376
Other assets	34,040	30,937	37,822	29,024	24,710
<b>Total assets</b>	<b>1,088,043</b>	<b>1,075,058</b>	<b>1,006,015</b>	<b>937,707</b>	<b>926,837</b>
<b>Liabilities and equity</b>					
Payables to credit institutions and central banks	130,219	115,875	106,922	90,873	90,108
Deposits and other payables	31,572	31,581	29,001	23,136	21,318
Issued bonds at fair value	791,286	796,403	746,097	721,377	719,076
Subordinate loan capital					
- Hybrid core capital	3,709	3,622	3,626	3,577	3,699
- Supplementary capital	3,722	3,722	4,987	4,978	4,983
Other liabilities	74,181	69,410	60,980	40,054	34,519
Equity	53,354	54,447	54,400	53,711	53,135
<b>Total liabilities and equity</b>	<b>1,088,043</b>	<b>1,075,058</b>	<b>1,006,015</b>	<b>937,707</b>	<b>926,837</b>
<b>FINANCIAL RATIOS</b>					
Profit for the period as % of average equity pa	0.7	4.4	7.2	7.1	6.5
Core earnings before impairment losses as % of average equity pa	6.2	8.2	8.2	7.8	6.9
Core earnings after impairment losses as % of average equity pa	6.3	7.8	8.5	7.8	7.5
Costs as % of core income	57.8	53.4	46.1	50.8	53.6
Total impairment provisions	349	349	264	333	338
Impairment losses as % for the period	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Capital adequacy ratio, %*	18.0	10.3	11.0	11.9	11.6
Core capital ratio, %*	17.2	9.7	10.1	10.9	10.9
Average number of full-time staff	3,794	3,672	3,633	3,608	3,564

\* ) The capital adequacy ratio and the core capital ratio for Q1/2008 have been determined in accordance with Basel II and include the profit for the period

## Notes

DKK million

## The Nykredit Realkredit Group

## 26. GROUP STRUCTURE

Name and registered office	Ownership as % at 31.03.08	Profit/loss for the period	Equity at 31.03.08	Profit/loss for the year 2007	Equity at 31.12.07
Nykredit Realkredit A/S, Copenhagen a)					
<b>Consolidated subsidiaries</b>					
Totalkredit A/S, Taastrup a)	100	210	10,939	754	10,729
Nykredit Bank A/S, Copenhagen b)	100	94	6,193	758	6,099
Nykredit Finance plc, Plymouth i)	100	-	26	-	26
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen i)	100	-	27	-	27
Nykredit Pantebrevsinvestering A/S, Copenhagen e)	100	-	11	-	11
Nykredit Portefølje Administration A/S, Copenhagen k)	100	4	93	17	89
Nykredit Leasing A/S, Copenhagen h)	100	-	7	1	7
LeasIT A/S, Lyngby-Taarbæk h)	100	3	108	(21)	105
Nykredit Fixed Income Opportunities Fund Ltd, Cayman Islands d)	100	(6)	112	5	118
Nykredit Forsikring A/S, Copenhagen c)	100	22	1,172	149	1,150
Nykredit Mægler A/S, Århus f)	100	8	125	35	116
Nykredit Ejendomme A/S, Copenhagen g)	100	2	542	54	540
Nykredit Adm. V A/S, Copenhagen i)	100	-	1	-	-
Dene Finanse S.A., under liquidation, Warsaw j)	100	1	103	6	139

a) Mortgage bank

b) Bank

c) Insurance company

d) Financial enterprise

e) Mortgage trading company

f) Estate agency business

g) Property company

h) Leasing business

i) No activity

j) Under liquidation

k) Investment management company

The consolidated financial statements of Nykredit Holding A/S and Foreningen Nykredit include Nykredit Realkredit A/S.

The financial statements of Foreningen Nykredit and Nykredit Holding A/S are available in Danish from:

Nykredit Realkredit A/S  
Kalvebod Brygge 1-3  
DK-1780 Copenhagen V