

**To the Copenhagen Stock Exchange and
the press**

18 August 2004

**Interim Report 2004
The Nykredit Realkredit Group
(1 January 2004 – 30 June 2004)**

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The Interim Report will be presented at a press conference today, 18 August at 14.00, at Nykredit's headquarters, Kalvebod Brygge 1-3, DK-1780 Copenhagen V.

From today the Interim Report 2004 of the Nykredit Realkredit Group can be downloaded as a pdf file from Nykredit's website www.nykredit.com.

DKK MILLION	H1/2004	H1/2003	FY2003
CORE EARNINGS AND PROFIT			
Core income from:			
- Lending	2,373	2,090	4,118
- Securities	373	432	798
Total	2,746	2,522	4,916
Operating costs, depreciation and amortisation	1,408	1,280	2,666
Goodwill – Totalkredit	96	-	28
Core earnings before write-offs	1,242	1,242	2,222
Write-offs and provisions for bad and doubtful debts	(108)	77	184
Profit from insurance activities before tax	64	28	101
Core earnings after write-offs and insurance operations	1,414	1,193	2,139
Investment portfolio income	614	1,239	2,282
Profit on ordinary activities before tax	2,028	2,432	4,421
Tax	571	730	1,146
Profit for the period	1,457	1,702	3,275
SUMMARY BALANCE SHEET - END OF PERIOD			
Loans and advances:			
- Mortgage Bank	610,584	421,045	586,664
- Bank	24,719	23,168	22,276
Bonds and shares	85,673	73,926	142,381
Deposits – Bank	22,573	15,910	14,139
Issued bonds	651,488	460,133	698,067
Subordinate loan capital – Totalkredit	2,598	-	2,601
Capital and reserves	40,546	36,299	39,061
Total assets	797,348	587,879	828,819
KEY RATIOS			
Profit for the period as a percentage of average capital and reserves ¹	7.3	9.6	8.9
Core earnings before write-offs as a percentage of average capital and reserves ¹	6.2	7.0	6.0
Core earnings after write-offs as a percentage of average capital and reserves ¹	7.1	6.7	5.8
Costs as a percentage of core income	54.8	50.7	54.8
Total provisions	1,930	2,074	2,139
Write-offs and provisions as a percentage for the period	0.0	0.0	0.0
Capital adequacy ratio	10.2	10.9	10.5
Core capital ratio	9.8	11.2	10.1
Average number of full-time staff:			
- Nykredit Realkredit and consolidated subsidiaries	2,848	2,693	2,808
- Insurance (non-consolidated)	384	399	400

Note: The percentages have been restated as per annum figures.

INTERIM REPORT 2004

- Profit before tax of DKK 2,028m.
- Core earnings amounted to DKK 1,414m and investment portfolio income DKK 614m.
- Write-offs and provisions posted an income of DKK 108m.
- Capital and reserves including net profit for the period subsequently stood at DKK 40.5bn.
- Excluding and including net profit for the period, the capital adequacy ratio was 10.2 and 10.5, respectively.
- Bank and mortgage lending was up by DKK 26bn to DKK 635bn.
- The Group has revised up its expectations by DKK 350m to a profit before tax of around DKK 2,700–3,000m.

Profit before tax of the Nykredit Realkredit Group for H1 amounted to DKK 2,028m (DKK 2,432m in 2003) of which core earnings were DKK 1,414m equal to an advance of DKK 221m relative to the year before. The positive development in core earnings reflects a high level of activity and improvement in Group losses. Profit after tax was DKK 1,457m (DKK 1,702m in 2003).

Results were positively affected by Nykredit's acquisition of Totalkredit. For H1/2004 Totalkredit turned in a profit before tax of DKK 248m. Furthermore, the acquisition of Totalkredit affected the accounts with costs of DKK 173m.

The Nykredit Realkredit Group				
Net effect of Totalkredit				
DKKm	Group excl Totalkredit	Totalkredit results	Goodwill, etc	Group incl Totalkredit
Core income from				
- Lending	2,089	284	-	2,373
- Securities	359	30	(16)	373
Total	2,448	314	(16)	2,746
Operating costs, depreciation and amortisation	1,311	97	-	1,408
Goodwill – Totalkredit	-	-	96	96
Core earnings before write-offs	1,137	217	112	1,242
Write-offs and provisions	(108)	-	-	(108)
Profit from insurance activities	64	-	-	64
Core earnings after write-offs and insurance activities	1,309	217	112	1,414
Investment portfolio income	644	31	(61)	614
Profit on ordinary activities before tax	1,953	248	(173)	2,028

CORE EARNINGS

Group core earnings after write-offs and insurance activities came to DKK 1,414m in H1/2004 compared with DKK 1,193m in the same period the year before.

Core earnings vary from quarter to quarter as a result of current remortgaging levels, the general economic outlook and money market rates.

Group core income from lending in the Mortgage Bank and Bank amounted to DKK 2,373m of which Totalkredit contributed DKK 284m. For H1/2003 core income from lending was DKK 2,090m.

Core income from securities came to DKK 373m in H1/2004 against DKK 432m in the same period the year before. The difference relates to decline in money market rates.

Operating costs, depreciation and amortisation were on a level with expectations for the Group as a whole at DKK 1,408m against DKK 1,280m in the same period the year before. The rise was affected by Totalkredit's costs of DKK 97m in H1/2004. Goodwill amortisation for H1/2004 was DKK 96m.

Group write-offs and provisions are still low. Total write-offs and provisions in the Mortgage Bank posted an income of DKK 134m as a consequence of provisions reversed. In the Bank, write-offs and provisions posted an expense of DKK 26m.

In the period Group mortgage lending increased by just over DKK 24bn to DKK 611bn. At end-H1 Bank lending totalled DKK 25bn, up DKK 2bn relative to the beginning of the year.

In the mortgage credit market, the Nykredit Group consolidated its position and accounted for 43% of total gross lending and 42% of total net new lending. In the retail customers area, the equivalent market shares were 43% and 50%.

INVESTMENT PORTFOLIO INCOME

Nykredit recorded investment portfolio income of DKK 614m in H1/2004 against DKK 1,239m in H1/2003.

The Group's total investment portfolio income including Nykredit Forsikring and excluding transactions related to the acquisition of Totalkredit came to 712m in H1/2004.

Investment portfolio income shows the additional income Nykredit has gained by investing in equities and bonds relative to risk-free money market rates.

Investment portfolio income has been stated exclusive of price and interest margins related to all types of banking and mortgage banking business.

At 30 June 2004 the Group's interest rate exposure amounted to DKK 430m given an overall change in interest rates of 1 percentage point. The interest rate exposure will be reduced by DKK 162m if the acquisition of Totalkredit is completed. The equity exposure given an overall price decline of 10% was DKK 447m. Value-at-Risk amounted to DKK 61m in terms of a 99% confidence interval over one day.

BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

The Group balance sheet stood at DKK 797bn at the end of the period against DKK 829bn at the beginning.

The refinancing of adjustable-rate mortgages at end-2003 created a temporary increase in the balance sheet of around DKK 70bn. Adjusted for the increase, the Group balance sheet showed a rise of DKK 38bn at the end of H1/2004 relative to the beginning of the year.

Group lending went up by DKK 26bn in the period. Mortgage lending increased by just over DKK 24bn to DKK 611bn. Bank lending increased by just over DKK 2bn to nearly DKK 25bn.

Group capital and reserves including net profit for the

The Nykredit Realkredit Group			
Development in capital and reserves			
DKKm	30 June 2004	30 June 2003	2003
Capital and reserves, beginning of period	39,061	34,479	34,479
Adjustments to changed accounting policies	19	115	154
Adjusted capital and reserves, beginning of period	39,080	34,594	34,633
Capital increase	-	-	1,150
Net profit for the period	1,457	1,702	3,275
Other adjustments	9	3	3
Capital and reserves, end of period	40,546	36,299	39,061

The Nykredit Realkredit Group			
Capital resources (excl net profit for the period)			
DKKm	30 June 2004	30 June 2003	2003
Weighted assets	397,481	308,519	382,541
- of which with market risk	35,044	23,061	33,330
Capital requirement	31,798	24,681	30,603
Core capital after deduction	38,805	34,458	38,727
Supplementary capital	2,578	187	2,588
Deduction for equity investments	(1,023)	(1,129)	(1,247)
Capital base	40,360	33,516	40,068
Excess cover	8,562	8,835	9,465
Capital adequacy ratio stated as			
- Capital base	10.2	10.9	10.5
- Core capital	9.8	11.2	10.1

period and adjustments to capital and reserves were DKK 40,546m against DKK 39,061m at the beginning of the year.

In the period up to the presentation of the Interim Report, no events have occurred which may change the assessment hereof.

At the end of H1 the Group capital base was DKK 40,360m excluding net profit for the period and DKK 41,817m including net profit for the period against DKK 40,068m at the beginning of the year.

OTHER

Totalkredit

Just over a year after Nykredit announced the acquisition of Totalkredit, the dual-brand strategy Nykredit opted to pursue has proved successful. Totalkredit has been integrated into Nykredit, and relative to the partnership banks, Totalkredit has retained its position as business partner and strengthened its position in the mortgage banking market.

On 1 April 2004 Totalkredit realised a capital increase of a nominal DKK 65,739,700 at a price of DKK 1,521.15 per share of a nominal DKK 100. The share capital subsequently amounted to a nominal DKK 535,780,100.

The entire capital increase was subscribed for by Nykredit Realkredit A/S which now holds 57.7% of the shares in Totalkredit A/S compared with the previous 51.8%.

Today the Board of Directors has authorised the Executive Board to exercise Nykredit's option on buying another 16.4% of Totalkredit's shares on 1 October 2004. Having exercised the option, Nykredit will obtain ownership of 74.1% of Totalkredit's shares.

More focus on commercial customers

Through various organisational initiatives, Nykredit this spring reinforced its efforts aimed at the Group's commercial customers in order to provide a more focused response to the needs for broad financial services of many commercial customers.

The aim is to enhance the synergies between the Nykredit Group's other activities within banking and mortgage banking and to take advantage of the special expertise of the insurance company within the property segment.

International activities**Cooperation with Citibank in Poland**

In April Nykredit's Polish mortgage bank, Nykredit Bank Hipoteczny, established a partnership with Citibank Handlowy regarding the distribution of mortgage loans to retail customers.

France and Spain

For more than a year, Nykredit has been offering Danish mortgage finance to Danes with real property in the South of France, and in May Nykredit expanded its geographic lending area. Also the product range was widened in H1 and now comprises interest-only mortgages (Pauselån) which are very popular in Denmark.

Nykredit has recently launched a similar lending concept in the South of Spain and opened a representative office in Marbella in June.

Several regional and local banks have entered into distribution agreements with Nykredit in order to meet demand from their customers for Danish mortgage credit to finance properties in Spain and France.

RATING

Nykredit's new lending takes place out of Capital Centre D which has been rated Aaa by Moody's Investors Service, the highest possible rating. Capital Centre C and the General Capital Centre are rated Aa1 by Moody's.

Totalkredit's Capital Centre C is also rated Aaa by Moody's.

Moreover, Standard & Poor's rating of bonds issued by the General Capital Centre is still AA.

IMPLEMENTATION OF INTERNATIONAL ACCOUNTING STANDARDS

Effective from 1 January 2005, the Nykredit Group will be required to present accounts in accordance with the international accounting standards IFRS. The Group's transition to IFRS is proceeding according to schedule. In H2/2004 the EU will decide on the details related to the implementation of the accounting standards.

SUBSIDIARIES**Totalkredit**

Totalkredit's profit before tax for H1/2004 amounted to DKK 248m against DKK 277m in the same period the year before. Results reflect continued high lending activity and consequent growth in the loan stock of DKK 18bn to DKK 180bn. For further information, please refer to Totalkredit's Interim Report 2004.

The Nykredit Bank Group

In H1/2004 the Nykredit Bank Group realised a profit before tax of DKK 229m compared with DKK 247m in H1/2003. Results mirror a generally satisfactory development in the Bank's business areas. For further information, please refer to the Nykredit Bank Group's Interim Report 2004.

Nykredit Forsikring

The results for H1/2004 of Nykredit Forsikring (Nykredit insurance) were characterised by a higher business volume and a favourable development in claims. The Insurer realised a profit before tax of DKK 64m against DKK 28m in the same period the year before. The combined ratio amounted to 101.1 in H1 compared with 107.7 in the same period last year.

In May the Insurer presented a new focused strategy for the commercial customers area according to which the company will concentrate on offering buildings insurance in future. In this connection an agreement has been concluded to divest the company's industrial injury insurance portfolio and the portfolio of customers within manufacturing, etc. The new strategy is already expected to contribute positively to results in H2/2004.

Profit before tax of Nykredit Forsikring has not been consolidated but has been recognised as a separate item under core earnings.

Totalkredit - principal items

DKKm	H1/2004	H1/2003	FY2003
Core income from lending	284	265	506
Operating costs, depreciation and amortisation	97	71	165
Investment portfolio income	31	62	95
Profit on ordinary activities before tax	248	277	473

The Nykredit Bank Group - principal items

DKKm	H1/2004	H1/2003	FY2003
Core income from lending	449	487	874
Operating costs, depreciation and amortisation	244	210	441
Investment portfolio income	19	13	46
Profit on ordinary activities before tax	229	247	418

Nykredit Forsikring - principal items

DKKm	H1/2004	H1/2003	FY2003
Core income from operations	597	530	1,105
Operating costs, depreciation and amortisation	126	129	265
Claims payments	458	425	832
Investment portfolio income	37	35	61
Profit on ordinary activities before tax	64	28	101

Nykredit Mægler

In H1/2004 the company realised a profit before tax of DKK 34m against DKK 6m in the equivalent period the year before.

OUTLOOK FOR 2004

At the beginning of the year Nykredit forecast a profit on ordinary activities before tax of around DKK 2,350–2,650m. Based on the very low loss levels and broad-based growth in core earnings, forecast results before tax have been revised up to approximately DKK 2,700–3,000m.

The results forecast is based on the absence of major price movements in equity and bond markets in H2.

HYBRID CAPITAL

Nykredit has decided to look into the possibilities of raising hybrid core capital in Nykredit Realkredit A/S. In line with capital and reserves, hybrid core capital may in future form part of the Group's financial resources, a possibility that opens up prospects of further growth.

The raising of hybrid core capital has become possible in connection with the passing of the Danish Financial Business Act and a subsequent specification of the Danish tax laws in June 2004.

FINANCIAL CALENDAR 2004**18 November**

Quarterly report for Q1–Q3 of Nykredit Realkredit A/S, Totalkredit A/S and Nykredit Bank A/S.

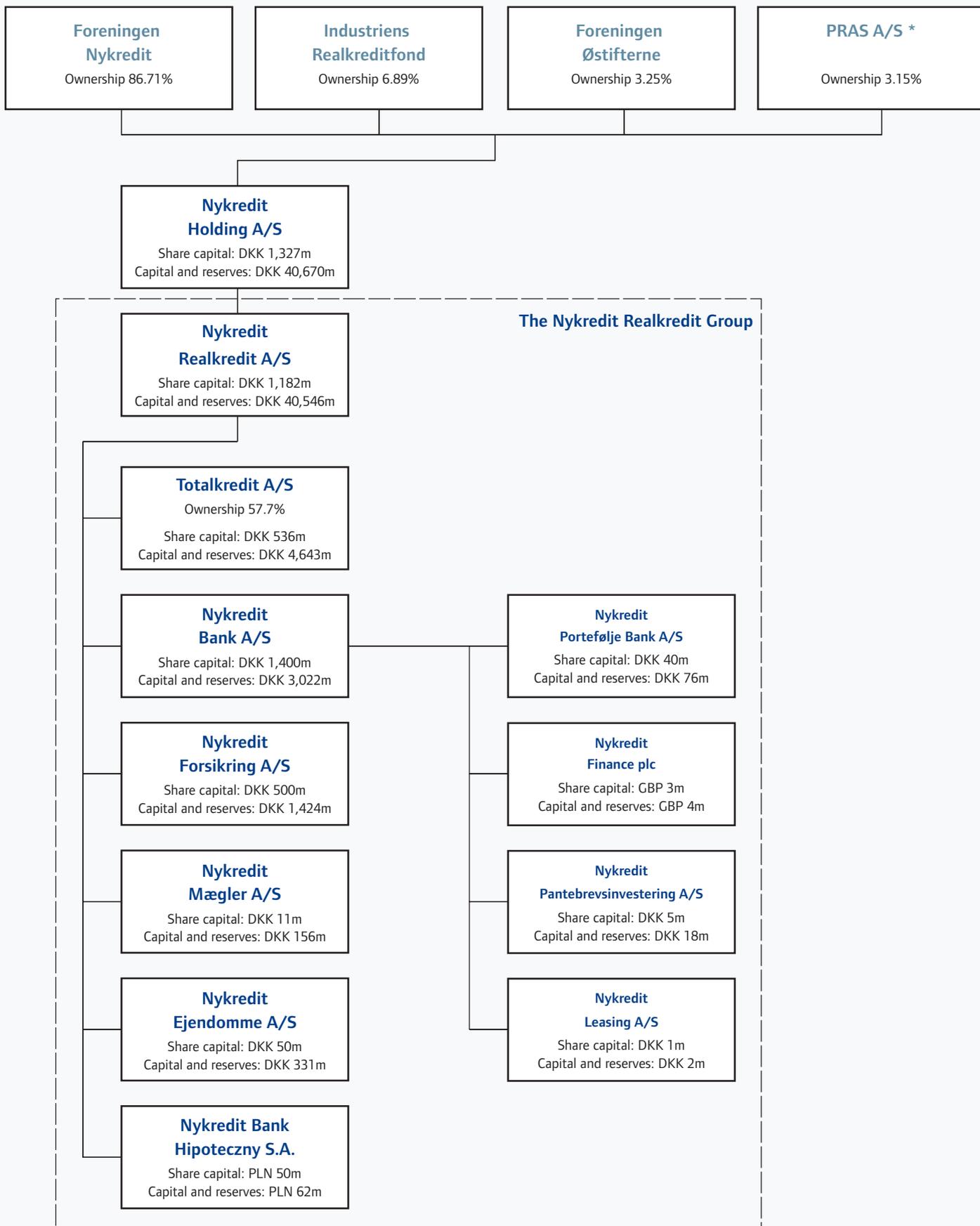
ACCOUNTING POLICIES

The Interim Report 2004 of the Nykredit Realkredit A/S and the Nykredit Realkredit Group has been prepared in compliance with the Danish Financial Business Act and the executive order of the Danish Financial Supervisory Authority on the presentation of mortgage bank and mortgage bank group accounts.

The accounting policies applied are consistent with those applied in the Annual Report for 2003.

The Interim Report is unaudited.

The Nykredit Group structure at 30 June 2004



* The former owners of Totalkredit A/S

DKK MILLION	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
CORE EARNINGS AND NET PROFIT FOR THE PERIOD						
Core income from:						
Lending	1,182	1,191	1,104	923	1,045	1,046
Securities	195	178	185	182	212	219
Total	1,377	1,369	1,289	1,105	1,257	1,265
Operating costs, depreciation and amortisation	718	690	782	604	662	618
Goodwill relating to Totalkredit	48	48	28	-	-	-
Core earnings before write-offs	611	631	479	501	595	647
Write-offs and provisions for bad and doubtful debts	(115)	7	106	1	78	(1)
Profit/loss from insurance activities before tax	26	38	47	26	33	(5)
Core earnings after write-offs and insurance operations	752	662	420	526	550	643
Investment portfolio income	110	504	815	228	1,008	231
Profit on ordinary activities before tax	862	1,166	1,235	754	1,558	874
Tax	238	333	230	186	479	251
Minority interests	0	0	0	0	0	0
Net profit for the period	624	833	1,005	568	1,079	623

SUMMARY BALANCE SHEET - END OF PERIOD

Mortgage loans:

- Nykredit Realkredit	430,206	429,244	424,619	423,927	421,045	418,134
- Totalkredit	180,378	170,645	162,045	0	0	0
Total	610,584	599,889	586,664	423,927	421,045	418,134
Loans and advances – Nykredit Bank	24,719	23,432	22,276	24,036	23,168	21,820
Bonds and shares	85,673	75,799	142,381	72,705	73,926	75,527
Deposits – Nykredit Bank	22,573	16,493	14,139	19,457	15,910	12,672
Issued bonds	651,488	636,599	698,067	454,155	460,133	467,649
Capital and reserves	40,546	39,918	39,061	36,874	36,299	35,225
Total assets	797,348	776,925	829,044	580,950	587,879	589,533

KEY RATIOS

Profit for the period as a percentage of average capital and reserves	1.6	2.1	2.6	1.6	3.0	1.8
Core earnings before write-offs as a percentage of average capital and reserves	1.5	1.6	1.3	1.4	1.7	1.9
Core earnings after write-offs as a percentage of average capital and reserves	1.9	1.7	1.1	1.4	1.5	1.8
Costs as a percentage of core income	55.6	53.9	62.8	54.7	52.7	48.9
Total provisions	1,930	2,136	2,139	2,064	2,074	2,018
Write-offs and provisions as a percentage for the period	0.0	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio	10.2	10.4	10.5	10.9	10.9	10.7
Core capital ratio	9.8	10.0	10.1	11.2	11.2	10.9
Average number of full-time staff:						
- Nykredit Realkredit and consolidated subsidiaries	2,848	2,814	2,808	2,738	2,693	2,659
- Insurance (non-consolidated)	384	394	400	399	399	398

Profit and loss accounts for H1/2004

DKK MILLION

NYKREDIT REALKREDIT A/S				THE NYKREDIT REALKREDIT GROUP	
2003 H1	2004 H1		Note	2004 H1	2003 H1
14,032	12,068	Interest receivable	1	17,361	15,045
12,115	10,423	Interest payable	2	14,895	12,726
1,917	1,645	NET INTEREST RECEIVABLE		2,466	2,319
90	106	Dividend from equity investments		112	97
457	410	Fees and commissions receivable		615	493
131	94	Fees and commissions payable		427	69
2,333	2,067	NET INCOME FROM INTEREST AND FEES		2,766	2,840
730	416	Value adjustments	3	479	751
9	9	Other operating income		87	74
1,022	1,001	Staff costs and administrative expenses	4	1,366	1,254
24	126	Depreciation, amortisation and write-downs on tangible and intangible assets		148	31
0	0	Other operating expenses		1	4
(7)	(134)	Write-offs and provisions for bad and doubtful debts	5	(108)	77
399	495	Profit/loss from investments in associated and subsidiary undertakings	6	103	133
2,432	1,994	PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		2,028	2,432
730	537	Tax	7	571	730
1,702	1,457	NET PROFIT FOR THE PERIOD		1,457	1,702
0	0	Minority interests		0	0
1,702	1,457	NET PROFIT FOR THE PERIOD EXCL MINORITY INTERESTS		1,457	1,702

Balance sheets at 30 June

DKK MILLION

NYKREDIT REALKREDIT A/S		THE NYKREDIT REALKREDIT GROUP			
2003	2004		Note	2004	2003
		ASSETS			
99	36	Cash in hand and demand deposits with central banks		2,977	1,925
44,966	38,068	Balances due from credit institutions and central banks	8	56,810	52,157
		Loans and advances			
421,045	430,206	Mortgage loans		610,584	421,045
1,283	1,203	Other loans and advances		26,086	24,534
422,328	431,409	Total loans and advances	9	636,670	445,579
44,180	45,898	Bonds		80,521	69,758
4,093	5,089	Shares		5,152	4,168
308	381	Investments in associated undertakings		450	400
4,935	7,715	Investments in subsidiary undertakings		1,423	1,349
0	1,858	Intangible assets		1,864	1
411	407	Tangible assets		1,743	1,764
5,071	5,863	Other assets	10	9,639	10,672
99	91	Prepayments		99	106
526,490	536,815	TOTAL ASSETS		797,348	587,879
		LIABILITIES AND EQUITY			
15,417	17,720	Debt to credit institutions and central banks		47,620	49,897
0	0	Deposits		22,573	15,910
460,133	461,147	Issued bonds	11	651,488	460,133
14,252	17,050	Other liabilities	12	30,467	25,219
0	0	Deferred income		22	12
389	352	Provisions for liabilities	13	385	409
0	0	Subordinate loan capital		2,598	0
0	0	Minority interests		1,649	0
		Capital and reserves			
1,146	1,182	Share capital		1,182	1,146
2,518	3,632	Share premium account		3,632	2,518
		Other reserves			
14,455	17,453	Reserves in series		17,453	14,455
16,461	16,805	Other reserves		16,767	16,423
17	17	Revaluation reserves		55	55
1,702	1,457	Profit year-to-date after tax		1,457	1,702
36,299	40,546	Total capital and reserves		40,546	36,299
526,490	536,815	TOTAL LIABILITIES AND EQUITY		797,348	587,879
		OFF-BALANCE SHEET ITEMS	14		
0	0	Guarantees		2,150	1,458
1,183	1,329	Other commitments		3,873	4,269
1,183	1,329	TOTAL		6,023	5,727

Core earnings and investment portfolio income

DKK MILLION

THE NYKREDIT REALKREDIT
GROUP

	H1/2004			H1/2003		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest receivable	2,241	225	2,466	1,912	407	2,319
Dividend on equity investments	0	112	112	7	90	97
Fees and commissions receivable, net	213	(25)	188	439	(15)	424
Net income from interest and fees	2,454	312	2,766	2,358	482	2,840
Value adjustments	205	274	479	90	661	751
Other operating income	87	0	87	74	0	74
Staff costs and administrative expenses	1,355	11	1,366	1,245	9	1,254
Depreciation, amortisation and write-downs on tangible and intangible assets	148	0	148	31	0	31
Other operating expenses	1	0	1	4	0	4
Write-offs and provisions for bad and doubtful debts	(108)	0	(108)	77	0	77
Profit from equity investments	64	39	103	28	105	133
Profit on ordinary activities before tax	1,414	614	2,028	1,193	1,239	2,432

Movements in capital

DKK MILLION

NYKREDIT REALKREDIT A/S

	Share capital	Share premium account	Reserves in series	Other reserves	Revaluation reserves	Profit for the period	2004 30.06 Total	2003 30.06 Total
Balance, beginning of period	1,182	3,632	17,453	16,777	17	-	39,061	34,479
Adjustments to changed accounting policies				19		-	19	115
Adjusted balance, beginning of period	1,182	3,632	17,453	16,796	17	-	39,080	34,594
Net profit for the period						1,457	1,457	1,702
Adjustment relating to associated undertakings				9			9	(10)
Adjustment relating to subsidiary undertakings				0			0	13
Balance, end of period	1,182	3,632	17,453	16,805	17	1,457	40,546	36,299

The share capital breaks down into shares of DKK 100.00 and multiples hereof.

Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2003 H1	2004 H1		2004 H1	2003 H1
1. INTEREST RECEIVABLE				
369	283	Balances due from credit institutions and central banks	373	438
11,814	10,184	Loans and advances	14,564	12,348
1,047	1,069	Administration margin (interest margin on lending)	1,484	1,047
Bonds				
249	106	- Own mortgage bonds	364	336
255	144	- Other mortgage bonds	342	570
183	241	- Government bonds	212	179
4	15	- Other bonds	82	80
Derivative financial instruments				
(12)	(1)	- Foreign exchange contracts	(2)	13
48	(27)	- Interest rate contracts	(106)	(26)
75	54	Other interest receivable	48	60
14,032	12,068	Total	17,361	15,045
Of which interest receivable from genuine purchase and resale transactions entered as:				
53	68	Balances due from credit institutions and central banks	167	229
0	0	Loans and advances	44	42
2. INTEREST PAYABLE				
192	152	Credit institutions and central banks	427	602
0	0	Deposits	223	216
11,757	10,168	Issued bonds	14,113	11,757
0	0	Subordinate loan capital	41	0
166	103	Other interest payable	91	151
12,115	10,423	Total	14,895	12,726
Of which interest payable on genuine sale and repurchase transactions entered as:				
71	135	Debt to credit institutions and central banks	232	213
0	0	Deposits	22	18
3. VALUE ADJUSTMENTS				
Bonds				
295	141	- Own mortgage bonds	175	330
89	(14)	- Other mortgage bonds	45	227
135	(110)	- Government bonds	(149)	86
1	(4)	- Other bonds	25	41
453	390	Shares	398	452
2	1	Fixed-rate loans and advances	14	14
(7)	14	Foreign exchange	(58)	(21)
Derivative financial instruments				
1	(1)	- Foreign exchange contracts	8	34
(251)	(11)	- Interest rate contracts	90	(422)
12	(18)	- Share contracts	(18)	11
0	28	- Other contracts	(51)	(1)
730	416	Total	479	751

Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2003 H1	2004 H1		2004 H1	2003 H1
4. STAFF COSTS AND ADMINISTRATIVE EXPENSES				
Salaries and remuneration to the Board of Directors and Executive Board				
8	11	Executive Board	11	8
1	1	Board of Directors	1	1
9	12	Total	12	9
Staff costs				
472	465	Wages	602	578
56	59	Pensions	72	67
41	43	Social security costs	56	50
569	567	Total	730	695
444	422	Other administrative expenses	624	550
1,022	1,001	Total	1,366	1,254
5. WRITE-OFFS AND PROVISIONS FOR BAD AND DOUBTFUL DEBTS				
Write-offs and provisions for loans, advances and guarantees				
Itemisation of provisions for loans, advances and guarantees				
1,827	1,829	Provisions for loans, advances and guarantees, beginning of period	2,122	2,022
167	159	- Provisions for the period	223	271
(154)	(270)	- Reversal of provisions	(309)	(179)
0	0	- Other additions/disposals	0	(10)
(40)	(38)	- Provisions recorded as lost	(123)	(47)
1,800	1,680	Provisions, end of period	1,913	2,057
(27)	(149)	Movement in provisions for loans, advances and guarantees	(209)	35
42	37	Write-offs for the period, net	123	52
(22)	(22)	Received on claims previously written off	(23)	(22)
(7)	(134)	Write-offs and provisions for loans, advances and guarantees	(109)	75
0	0	Write-offs and provisions for other items	1	2
(7)	(134)	Total write-offs and provisions	(108)	77

Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2003 H1	2004 H1		2004 H1	2003 H1
		6. PROFIT FROM INVESTMENTS IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS		
108	39	Profit from investments in associated undertakings	39	105
291	456	Profit from investments in subsidiary undertakings	64	28
399	495	Total	103	133
		7. EFFECTIVE TAX RATE		
30.0	30.0	Current tax rate	30.0	30.0
0.0	0.1	Difference in tax rates of associated and subsidiary undertakings	0.0	0.0
(0.1)	(3.5)	Non-tax liable income	(3.5)	(0.1)
0.1	1.5	Non-deductible expenses	1.6	0.1
(0.1)	(1.2)	Adjustment of tax assessed for previous years	(1.2)	0.0
29.9	26.9	Effective tax rate	26.9	30.0

Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2003 30.06	2004 30.06		2004 30.06	2003 30.06
8. BALANCES DUE FROM CREDIT INSTITUTIONS AND CENTRAL BANKS				
18,209	16,715	Balances due at call with central banks	17,211	18,210
26,757	21,353	Balances due with credit institutions	39,599	33,947
44,966	38,068	Total	56,810	52,157
3,165	5,634	Of which genuine sales and repurchase transactions with credit institutions	17,268	14,567
26,075	13,207	Of which prepaid funds including prepayments at par and proceeds from the issuance of fixed-price agreements	13,207	26,075
9. LOANS AND ADVANCES				
421,045	430,206	Mortgage loans	610,584	421,045
212	179	Amounts outstanding in non-foreclosed properties	219	212
1,071	1,024	Other loans and advances	25,867	24,322
422,328	431,409	Total	636,670	445,579
Mortgage loans				
412,923	425,945	Balance, beginning of year	587,991	412,923
82,471	59,165	New loans	102,939	82,471
1,051	819	Indexation	819	1,051
17	(103)	Currency translation adjustment	(103)	17
(7,408)	(7,085)	Ordinary payments	(8,855)	(7,408)
(66,683)	(47,343)	Redemptions and extraordinary payments	(71,015)	(66,683)
422,371	431,398	Balance, year-end	611,776	422,371
(68)	(75)	Loans transferred relating to properties temporarily foreclosed	(75)	(68)
(1,535)	(1,395)	Provisions for loans and advances	(1,395)	(1,535)
277	278	Loans assumed by the Financial Administration Agency	278	277
421,045	430,206	Total	610,584	421,045
10. OTHER ASSETS				
147	602	Positive market value of derivative financial instruments	2,688	4,053
3,268	3,406	Interest and commissions due	5,607	5,616
437	820	Tax receivable	820	437
125	0	Deferred tax assets	13	120
1,094	1,035	Other assets	511	446
5,071	5,863	Total	9,639	10,672

Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2003	2004		2004	2003
30.06	30.06		30.06	30.06
		11. ISSUED BONDS		
460,133	461,147	Mortgage bonds	651,163	460,133
0	0	Other bonds	325	0
460,133	461,147	Total	651,488	460,133
		Mortgage bonds		
474,960	505,663	Balance, beginning of period	673,705	474,960
84,199	54,317	Additions	98,096	84,199
18	(111)	Currency translation adjustment	(111)	18
(119,225)	(109,098)	Bonds drawn and cancelled	(120,889)	(119,225)
(4,515)	(13,704)	Redemptions and extraordinary payments	(23,718)	(4,515)
435,437	437,067	Total	627,083	435,437
24,696	24,080	Indexation	24,080	24,696
460,133	461,147	Balance, end of period	651,163	460,133
		12. OTHER LIABILITIES		
164	85	Negative market value of derivative financial instruments	2,224	4,254
2,861	5,104	Negative trading book relating to purchase and resale transactions	11,423	7,102
7,399	6,854	Interest and commission owing	11,488	9,755
0	0	Tax owed on income for the period	63	76
0	0	Dividend	0	2
3,828	5,007	Other liabilities	5,269	4,030
14,252	17,050	Total	30,467	25,219
		13. PROVISIONS FOR LIABILITIES		
6	6	Pensions and similar liabilities	7	6
0	0	Deferred tax	9	0
383	346	Repayable reserves funded by pre-1972 series	346	383
0	0	Loss risk relating to legal actions	22	20
0	0	Other	1	0
389	352	Total	385	409
		14. OFF-BALANCE SHEET ITEMS		
		Guarantees		
0	0	Financial guarantees	645	478
0	0	Other guarantees	1,505	980
0	0	Total	2,150	1,458
		Other commitments		
0	46	Irrevocable credit commitments	3,053	3,731
1,183	1,283	Other commitments	820	538
1,183	1,329	Total	3,873	4,269

Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2003 30.06	2004 30.06		2004 30.06	2003 30.06
		15. COLLATERAL SECURITY		
		In favour of Danmarks Nationalbank, the Danish FUTOP Clearing Centre and foreign clearing centres, bonds have been deposited as security of a total market value of		
15,455	5,625		16,172	26,951

The Danish Financial Supervisory Authority ratio system

The Nykredit Realkredit Group	2000 30.06	2001 30.06	2002 30.06	2003 30.06	2004 30.06
Capital adequacy ratio	11.4	10.9	10.8	10.9	10.2
Core capital ratio	11.3	11.3	11.1	11.2	9.8
Return on equity before tax, %	3.6	4.3	3.1	6.9	5.1
Return on equity after tax, %	2.4	3.3	2.2	4.8	3.7
Income/cost ratio	2.13	2.28	1.85	2.78	2.44
Foreign exchange position, %	3.3	1.4	1.2	1.5	0.7
Accumulated provisions ratio	0.5	0.5	0.5	0.5	0.3
Write-offs and provisions for the period, %	0.0	0.0	0.0	0.0	0.0
Growth in loans and advances for the period, %	1.8	3.1	2.9	1.9	4.3
Gearing of loans and advances	13.2	12.9	12.8	12.3	15.7
Nykredit Realkredit A/S					
Capital adequacy ratio	12.5	12.0	12.0	11.9	12.1
Core capital ratio	12.3	12.3	12.3	12.2	12.4
Return on equity before tax, %	3.6	4.3	3.1	6.9	5.0
Return on equity after tax, %	2.4	3.3	2.2	4.8	3.7
Income/cost ratio	2.59	2.67	2.10	3.34	3.01
Foreign exchange position, %	2.6	0.2	0.4	0.9	0.9
Accumulated provisions ratio	0.5	0.4	0.4	0.4	0.4
Write-offs and provisions for the period, %	0.0	0.0	0.0	0.0	0.0
Growth in loans and advances for the period, %	1.2	1.6	2.0	2.3	1.3
Gearing of loans and advances	12.6	12.1	12.0	11.6	10.6