

**To Copenhagen Stock Exchange  
and the press**

**18 August 2005**

**H1 Interim Report  
The Nykredit Realkredit Group  
(1 January 2005 – 30 June 2005)**

**THE PERIOD – IN BRIEF**

- Profit before tax of DKK 2,397m.
- Core earnings posted DKK 1,565m and investment portfolio income DKK 832m.
- Adjustment of strategic equity investments against equity amounted to DKK 795m.
- Significantly high gross mortgage lending in H1 of DKK 168bn.
- Loans and advances went up by DKK 43bn to DKK 693bn.
- The Nykredit Group provided 44.6% of total gross mortgage lending and 45.9% of total net new mortgage lending in Denmark.
- The Group has adjusted upwards its expectations for profit before tax for the year to DKK 3.3–3.7bn.
- Group equity stood at DKK 46.8bn.
- Group capital adequacy incl interim profit was 11.6%.

Contacts:

Mogens Munk Rasmussen, Group Chief Executive  
Nels Petersen, Head of Corporate Communications  
Tel +45 33 42 14 70 or +45 20 22 22 72.

From today the H1 Interim Report of the Nykredit Realkredit Group can be downloaded as a pdf file from Nykredit's website [www.nykredit.com](http://www.nykredit.com).

DKK MILLION	H1/2005	H1/2004 *)	FY2004 *)
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>			
<b>Core income from:</b>			
- Business operations	2,884	2,474	4,811
- Securities	392	386	814
<b>Total</b>	<b>3,276</b>	<b>2,860</b>	<b>5,625</b>
Operating costs, depreciation and amortisation	1,785	1,711	3,504
<b>Core earnings before losses</b>	<b>1,491</b>	<b>1,149</b>	<b>2,121</b>
Provisions for loan impairment	(74)	(108)	(400)
<b>Core earnings after losses</b>	<b>1,565</b>	<b>1,257</b>	<b>2,521</b>
Investment portfolio income	832	682	1,732
<b>Profit for the period before tax</b>	<b>2,397</b>	<b>1,939</b>	<b>4,253</b>
Tax	679	509	1,058
<b>Profit for the period</b>	<b>1,718</b>	<b>1,430</b>	<b>3,195</b>
<b>SUMMARY BALANCE SHEET</b>	<b>30.06.2005</b>	<b>30.06.2004 *)</b>	<b>31.12.2004 *)</b>
<b>Assets:</b>			
Mortgage loans	674,425	610,584	632,482
Bank loans – excl reverse transactions	18,354	18,784	17,408
Bonds and shares	56,916	89,044	73,947
Other assets	102,840	82,206	75,024
<b>Total assets</b>	<b>852,535</b>	<b>800,618</b>	<b>798,861</b>
<b>Liabilities and equity:</b>			
Deposits	21,813	20,715	19,008
Issued mortgage bonds	679,338	651,488	651,598
Subordinate loan capital:			
- Hybrid core capital	4,007	-	3,844
- Supplementary capital	2,378	2,598	2,600
Other liabilities	98,221	82,756	77,546
Equity	46,778	43,061	44,265
<b>Total liabilities and equity</b>	<b>852,535</b>	<b>800,618</b>	<b>798,861</b>
<b>KEY RATIOS</b>	<b>30.06.2005</b>	<b>30.06.2004 *)</b>	<b>FY2004 *)</b>
Profit for the period as a % of average equity (pa)	7.6	7.0	7.4
Core earnings before losses as a % of average equity (pa)	6.6	5.6	4.9
Core earnings after losses as a % of average equity (pa)	6.9	6.1	5.8
Costs as a % of core income	54.5	59.8	62.3
Total provisions	1,077	1,930	1,610
Provisioning ratio for the period	(0.0)	(0.0)	(0.1)
Capital adequacy ratio	11.0	10.2	11.5
Core capital ratio	10.6	9.8	11.1
Average number of full-time staff	3,227	3,232	3,234

\*) Adjusted in accordance with the new accounting policies, cf the opening balance sheet at 1 January 2005 – page 7.

Balance sheet figures have been adjusted, except for balance sheet items relating to IAS 39, including provisions for loan impairment.

## Interim Report H1/2005

The results of the Nykredit Realkredit Group reflected a period with very high lending activity and were a profit before tax of DKK 2,397m compared with DKK 1,939m in the same period the year before. Profit after tax was DKK 1,718m against DKK 1,430m in 2004.

### CORE EARNINGS

Group core earnings after losses were DKK 1,565m in H1/2005 against DKK 1,257m in the same period the year before.

Group core income from business operations went up by DKK 410m to DKK 2,884m reflecting particularly high lending and refinancing activity. The Group's gross mortgage lending amounted to DKK 168bn in H1/2005 against DKK 99bn in the same period the year before.

Core income from insurance operations recognised under total core income from business operations was affected by the storm in January and amounted to DKK 28m against DKK 101m in the same period the year before.

Core income from securities was DKK 392m in H1/2005 against DKK 386m in the same period the year before.

As forecast, operating costs, depreciation and amortisation were DKK 1,785m in H1/2005 against DKK 1,711m in 2004.

Group provisions for loan impairment posted an income of DKK 74m in part as a result of reversal of provisions in the Mortgage Bank and the Bank.

### INVESTMENT PORTFOLIO INCOME

Nykredit recorded investment portfolio income of DKK 832m in H1/2005 against DKK 682m in H1/2004. To this, investment portfolio income of DKK 778m should be added relating to strategic equity investments which are adjusted against equity in the Consolidated Financial Statements.

At 30 June 2005 Group Value-at-Risk stood at DKK 107m in terms of a 99% confidence interval over one day.

Group interest rate risk was DKK 468m in case of a general interest rate change of 1 percentage point from which DKK 141m will be deducted if the acquisition of Totalkredit is completed. The equity risk in case of a general price decline of 10% was DKK 618m.

### SUBSIDIARIES

Totalkredit recorded profit before tax of DKK 376m compared with DKK 248m in the same period the year before. Core earnings showed a rise of DKK 121m to DKK 339m mirroring a very high activity level and consequent growth in mortgage lending of DKK 34bn. For further information, please refer to Totalkredit's Interim Report H1/2005.

For H1/2005 the Nykredit Bank Group realised a profit before tax of DKK 327m compared with DKK 229m in the same period the year before. Results reflect a positive development especially within the business areas Retail Customers and Markets & Asset Management. For further information, please refer to Nykredit Bank's Interim Report H1/2005.

For H1/2005 Nykredit Forsikring (insurance company) recorded profit before tax of DKK 12m compared with DKK 63m in the same period the year before.

**BUSINESS AREAS**

Total Danish gross mortgage lending amounted to DKK 378bn against DKK 232bn the year before. In H1/2005 the Group provided 44.6% of total Danish gross lending. Nykredit mortgage lending totalled DKK 674bn at end-H1/2005.

In the period, mortgage lending went up by DKK 42bn of which Totalkredit contributed DKK 34bn. Lending growth reflects an extraordinarily high level of activity and commitment in Nykredit as well as in the local and regional banks.

*Retail Customers* comprises Nykredit's own centres, etc and Totalkredit mortgage lending arranged by local and regional banks. Retail Customers realised core earnings before losses of DKK 634m. Results include amortisation of DKK 199m relating to intangible assets derived from the acquisition of Totalkredit. Results were a consequence of the historically high activity in the Danish mortgage banking area and growth in gross lending of DKK 44bn compared with the same period last year. Total growth in mortgage lending in H1/2005 landed at DKK 35bn. The Bank area was also characterised by high growth especially within deposits.

*Commercial Customers* comprises business activities aimed at commercial and agricultural customers, etc. Commercial Customers realised core earnings before losses of DKK 668m in H1/2005. Results show very high activity levels in the mortgage banking area and

consequent growth in gross lending of DKK 23bn compared with the same period last year. In H1/2005 total growth in mortgage lending landed at DKK 7bn. The Bank area was characterised by growth for example within derivative financial instruments for commercial customers. The storm in January had a negative effect on insurance operations.

*Markets & Asset Management* realised core earnings of DKK 140m in H1/2005. Results stem from high activity and earnings levels relating to trading in interest rate products and derivative financial instruments.

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

<b>The Nykredit Realkredit Group</b>					
<b>Business areas – H1/2005</b>					
DKKm	<b>Retail Customers</b>	<b>Commercial Customers</b>	<b>Markets &amp; Asset Management</b>	<b>Group items</b>	<b>Group, total</b>
Core income from business operations	1,524	956	302	102	2,884
Core income from securities				392	392
Operating costs	684	287	162	407	1,540
Depreciation of property, plant and equipment and amortisation of intangible assets	206	1	-	38	245
<b>Core earnings before losses</b>	<b>634</b>	<b>668</b>	<b>140</b>	<b>49</b>	<b>1,491</b>
Provisions for loan impairment	(2)	(73)	-	1	(74)
<b>Core earnings after losses</b>	<b>636</b>	<b>741</b>	<b>140</b>	<b>48</b>	<b>1,565</b>
Investment portfolio income				832	832
<b>Profit before tax</b>	<b>636</b>	<b>741</b>	<b>140</b>	<b>880</b>	<b>2,397</b>
<b>Business areas – H1/2004</b>					
DKKm					
<b>Core earnings before losses</b>	<b>445</b>	<b>669</b>	<b>63</b>	<b>(28)</b>	<b>1,149</b>
<b>Profit before tax</b>	<b>465</b>	<b>757</b>	<b>63</b>	<b>654</b>	<b>1,939</b>

## BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

The Group balance sheet stood at DKK 853bn at end-H1/2005 against an adjusted opening balance sheet at 1 January 2005 of DKK 799bn.

In H1/2005 Group mortgage lending increased by nearly DKK 42bn to DKK 674bn. Bank lending amounted to DKK 18bn at end-H1/2005 equal to a rise of DKK 1bn relative to the beginning of the year.

Group equity including profit for the period was DKK 46,778m against an adjusted equity of DKK 44,265m 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 comprise shares in Jyske Bank A/S, Sydbank A/S, Spar Nord Bank A/S, Amagerbanken A/S, Jeudan A/S, DADES A/S and Værdipapircentralen A/S. Shares available-for-sale are value-adjusted at fair value directly against equity up to a potential divestment. In case of a divestment,

the accumulative value adjustment will be included in the operating results. The value adjustment against equity in the Consolidated Financial Statements was DKK 778m after tax in H1/2005. The total value of shares classified as available-for-sale amounted to DKK 3,589m at end-H1/2005.

At end-H1/2005 the Group's capital base stood at DKK 46,572m excluding profit for the period and value adjustment of shares against equity. Including profit for the period, the capital base was DKK 49,085m against DKK 46,152m at the beginning of the year. Comparative figures for weighted assets and capital adequacy ratios have not been adjusted for the effect of new accounting policies.

## OUTLOOK FOR 2005

In H1/2005 the Nykredit Group's activity levels in both the Mortgage Bank and the Bank significantly surpassed expectations. Provisions for loan impairment still develop favourably just as investment portfolio income increased.

The Nykredit Group has therefore adjusted upwards its forecast of core earnings after losses from DKK 2,100-2,300m to DKK 2,500-2,700m.

For H1/2005 profit before tax of DKK 2,397m was realised. The forecast profit before tax for the year has therefore been adjusted upwards to DKK 3,300-3,700m from DKK 2,900-3,200m.

The forecasts are based on ordinary activity levels in H2 and unchanged conditions in financial markets.

The Nykredit Realkredit Group			
Development in equity			
DKKm	30 June 2005	30 June 2004	31 December 2004
<b>Equity</b>	<b>44,265</b>	<b>40,546</b>	<b>42,349</b>
Adjustment, beginning of period	-	28	-
Effect of changed accounting policies – IFRS	-	(26)	378
Effect of reclassification – minority interests	-	2,513	1,538
<b>Adjusted equity, beginning of period</b>	<b>44,265</b>	<b>43,061</b>	<b>44,265</b>
Profit for the period	1,718	-	-
Fair value adjustment of shares – available-for-sale	778	-	-
Other adjustments	17	-	-
<b>Equity, end of period</b>	<b>46,778</b>	<b>43,061</b>	<b>44,265</b>

The Nykredit Realkredit Group			
Capital resources (excl profit for the period)			
DKKm	30 June 2005	30 June 2004	31 December 2004
Core capital	44,837	38,805	44,482
Capital base	46,572	40,360	46,152
Weighted assets	421,916	397,481	401,335
Capital requirement	33,753	31,798	32,107
Excess cover	12,819	8,562	14,045
<b>Capital adequacy stated on the basis of</b>			
- Capital base	<b>11.0</b>	<b>10.2</b>	<b>11.5</b>
- Core capital	<b>10.6</b>	<b>9.8</b>	<b>11.1</b>

## OTHER

### Hectic activity

In H1/2005 interest rates reached new record lows. Following the attractive low interest rate levels, the Nykredit Group saw record-high sales and refinancing activity in H1. In total, the Nykredit Group and the other Danish mortgage banks refinanced loans worth DKK 215.6bn, thereby breaking the previous record set in H1/2003 of DKK 182.2bn.

High refinancing activity sharpens the already strong competition for mortgage customers. Nonetheless, the Nykredit Group maintained its position as market leader.

In H1 Nykredit and Totalkredit granted more than 141,000 mortgage loans against 94,000 in the same period in 2004. Especially fixed-rate loans and the new capped loan types RenteMax and BoligLån were popular among the Nykredit Group's customers.

In H1 Nykredit and Totalkredit advanced 55% of the capped mortgage loans granted in Denmark.

### Joint bond issuance

The Danish Financial Supervisory Authority has granted Nykredit Realkredit A/S permission to issue mortgage bonds to fund mortgage lending in both Nykredit Realkredit A/S and Totalkredit A/S.

Through joint bond issuance, Nykredit and Totalkredit can obtain greater volume and liquidity in the individual series and thereby a more stable pricing of bonds.

Furthermore, the joint bond issuance activities will provide the Nykredit Group with Denmark's largest bond series and even better possibilities of product development.

### New Group Executive Board member

At 1 June 2005 Karsten Knudsen, Managing Director of Nykredit Bank, was appointed Group Managing Director and joined Nykredit's Group Executive Board where he will be responsible for the Group's activities in the Commercial Customers area.

### Action brought against Foreningen Nykredit and Nykredit Holding A/S

Industriens Realkreditfond (the Industrial Mortgage Fund of Denmark, the "Fund"), which holds 6.89% of Nykredit Holding A/S, has brought an action against Foreningen Nykredit (the Nykredit Association) and Nykredit Holding A/S as well as a number of Directors of Nykredit Holding A/S.

In its writ of summons, the Fund claims that a resolution passed at the General Meeting of Nykredit Holding A/S to the effect that no dividend will be paid to the shareholders for 2004 is void and that the Nykredit Association must redeem the Fund's shareholding of Nykredit Holding A/S.

Nykredit will deny any liability. Nykredit expects the Danish courts to uphold its denial.

The Fund has also sought approval from the Danish authorities to amend its articles of association, aiming to be released of its obligation under its articles to remain a shareholder of Nykredit Holding A/S. Nykredit has objected to such amendment of the Fund's articles to the Danish Commerce and Companies Agency.

Ole Trolle, Managing Director, appointed by the Fund, has withdrawn from the boards of Nykredit Holding A/S and Nykredit Realkredit A/S.

## EVENTS OCCURRED AFTER THE CLOSING OF THE FINANCIAL PERIOD

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

DKK MILLION	Q2/2005	Q1/2005	Opening balance sheet 1 Jan 05	FY2004	Q4/2004	Q3/2004	Q2/2004	Q1/2004
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>								
<b>Core income from:</b>								
- Business operations	1,528	1,356	-	4,811	1,254	1,083	1,232	1,242
- Securities	220	172	-	814	230	198	202	184
<b>Total</b>	<b>1,748</b>	<b>1,528</b>	<b>-</b>	<b>5,625</b>	<b>1,484</b>	<b>1,281</b>	<b>1,434</b>	<b>1,426</b>
Operating costs, depreciation and amortisation	928	857	-	3,504	982	811	867	844
<b>Core earnings before losses</b>	<b>820</b>	<b>671</b>	<b>-</b>	<b>2,121</b>	<b>502</b>	<b>470</b>	<b>567</b>	<b>582</b>
Provisions for loan impairment	(98)	24	-	(400)	(256)	(36)	(115)	7
<b>Core earnings after losses</b>	<b>918</b>	<b>647</b>	<b>-</b>	<b>2,521</b>	<b>758</b>	<b>506</b>	<b>682</b>	<b>575</b>
Investment portfolio income	317	515	-	1,732	654	396	133	549
<b>Profit before tax for the period</b>	<b>1,235</b>	<b>1,162</b>	<b>-</b>	<b>4,253</b>	<b>1,412</b>	<b>902</b>	<b>815</b>	<b>1,124</b>
Tax	312	367	-	1,058	324	225	207	302
<b>Profit for the period</b>	<b>923</b>	<b>795</b>	<b>-</b>	<b>3,195</b>	<b>1,088</b>	<b>677</b>	<b>608</b>	<b>822</b>
<b>SUMMARY BALANCE SHEET</b>								
<b>Assets</b>								
Mortgage loans	674,425	649,312	632,482	621,897	621,897	618,890	610,584	599,889
Bank loans - excl reverse transactions	18,354	18,495	17,408	17,360	17,360	18,041	18,784	18,639
Bonds and shares	56,916	44,569	73,947	227,906	227,906	100,125	89,044	77,580
Other assets	102,840	95,464	75,024	74,719	74,719	74,650	82,206	84,142
<b>Total assets</b>	<b>852,535</b>	<b>807,840</b>	<b>798,861</b>	<b>941,882</b>	<b>941,882</b>	<b>811,706</b>	<b>800,618</b>	<b>780,250</b>
<b>Liabilities and equity</b>								
Deposits	21,813	19,845	19,008	19,008	19,008	20,554	20,715	15,406
Issued mortgage bonds	679,338	657,045	651,598	795,555	795,555	642,655	651,488	636,599
Subordinate loan capital:								
- Hybrid core capital	4,007	3,858	3,844	3,696	3,696	3,696	-	-
- Supplementary capital	2,378	2,378	2,600	2,600	2,600	2,600	2,598	2,602
Other liabilities	98,221	79,506	77,546	77,122	77,122	98,462	82,756	83,195
<b>Equity</b>								
Previous policies	-	-	42,349	42,349	42,349	41,218	40,546	39,918
Adjustment, beginning of period	-	-	-	28	28	28	28	28
Effect of changed policies	-	-	378	(14)	(14)	(20)	(26)	(11)
Effect of reclassification - minority interests	-	-	1,538	1,538	1,538	2,513	2,513	2,513
<b>Total equity</b>	<b>46,778</b>	<b>45,208</b>	<b>44,265</b>	<b>43,901</b>	<b>43,901</b>	<b>43,739</b>	<b>43,061</b>	<b>42,448</b>
<b>Total liabilities and equity</b>	<b>852,535</b>	<b>807,840</b>	<b>798,861</b>	<b>941,882</b>	<b>941,882</b>	<b>811,706</b>	<b>800,618</b>	<b>780,250</b>
<b>KEY RATIOS</b>								
Profit for the period as a % of average equity (pa)	8.0	7.1	-	7.7	10.2	6.4	5.8	8.1
Core earnings before losses as a % of avg equity (pa)	7.1	6.0	-	5.1	4.9	4.4	5.4	5.6
Core earnings after losses as a % of avg equity (pa)	8.0	5.8	-	6.1	5.8	4.7	6.5	5.6
Costs as a % of core income	53.1	56.1	-	62.3	66.2	63.3	60.5	59.2
Total provisions	1,077	1,165	-	1,610	1,610	1,875	1,930	2,136
Provisioning ratio for the period	(0.0)	0.0	-	(0.1)	(0.1)	(0.0)	(0.0)	0.0
Capital adequacy ratio	11.0	11.2	-	11.5	11.5	11.0	10.2	10.4
Core capital ratio	10.6	10.8	-	11.1	11.1	10.6	9.8	10.0
Average number of full-time staff:	3,227	3,266	-	3,234	3,234	3,236	3,232	3,208

The opening balance sheet at 1 January 2005 includes value adjustments as a result of the transition to new accounting policies.

Balance sheet figures for previous periods have been adjusted, except for balance sheet items relating to IAS 39, including provisions for loan impairment.

## ACCOUNTING POLICIES

From 1 January 2005, the annual report of the Nykredit Realkredit Group will be presented in accordance with the International Financial Reporting Standards (IFRS), including the fair value option adopted by the IASB in June 2005. The fair value option is expected to be adopted by the EU in H2/2005.

As will be the case with the annual report for 2005, the H1 Interim Report of the Nykredit Realkredit Group has been presented in accordance with the principles of recognition and measurement of the IAS/IFRS.

From 1 January 2005 Nykredit Realkredit A/S, the Parent Company, will prepare annual reports and interim reports in accordance with the accounting rules of the Danish Financial Supervisory Authority.

The Executive Order on the Presentation of Financial Statements issued by the Danish Financial Supervisory Authority has been drafted to the effect that the accounting rules governing financial companies essentially comply with the IFRS. However, the Executive Order comprises a few derogations. Investments in Group enterprises and associates are recognised in the financial statements of the Parent Company in accordance with the "equity method" contrary to the IFRS which exclusively allow recognition at "fair value" or "cost". Furthermore, the Executive Order does not allow the recognition of financial instruments as "financial assets available-for-sale".

With two exceptions, the accounting policies governing the recognition and measurement in both the Group and the Parent Company are identical.

- In the Consolidated Financial Statements, strategic equity investments have been recognised as "available-for-sale". Up to a potential divestment, the shareholding will be recognised at fair value, and changes will be taken directly to equity. The results of the Parent Company and the Consolidated Financial Statements differ by DKK 778m after tax.
- Minority interests' proportionate share of results and equity in the Consolidated Financial Statements

will be presented as an integral part of profit for the year and equity, and equity of the Parent Company and the Consolidated Financial Statements therefore differs by DKK 1,553m.

The transition to IAS/IFRS has the following effect on the Nykredit Realkredit Group's adjusted comparative figures for H1/2004:

- H1 profit before tax was reduced by DKK 88m to DKK 1,939m, and H1 profit after tax was reduced by DKK 26m to DKK 1,430m.
- At 30 June 2004 equity increased by DKK 2,515m to DKK 43,061m of which reclassification of minority interests amounted to DKK 2,513m.
- The balance sheet total at 30 June 2004 has increased by DKK 3,270m to DKK 800,618m.

The effects of the transition to new accounting policies at 1 January 2005 have been described in the Q1/2005 Interim Report of the Nykredit Realkredit Group and are unchanged relative hereto.

The H1 Interim Report has not been audited.



## Income statements

DKK MILLION

NYKREDIT REALKREDIT A/S				THE NYKREDIT REALKREDIT GROUP	
2004 H1	2005 H1		Note	2005 H1	2004 H1
12,068	11,798	Interest income	1	17,621	17,404
10,423	10,060	Interest expense	2	14,750	14,895
1,645	1,738	<b>NET INTEREST INCOME</b>		2,871	2,509
106	183	Dividend on equity investments		190	115
410	560	Fee and commission income		904	596
94	98	Fee and commission expense		529	427
2,067	2,383	<b>NET INTEREST AND FEE INCOME</b>		3,436	2,793
-	-	Premium income, net of reinsurance		549	600
470	1,294	Value adjustments	3	549	514
9	1	Other operating income		83	86
-	-	Claims incurred, net of reinsurance		509	490
1,008	1,050	Staff costs and administrative expenses	4	1,539	1,461
228	169	Depreciation, amortisation and write-downs on property, plant and equipment and intangible assets		245	249
-	-	Other operating costs		1	1
(134)	(73)	Provisions for loan impairment	5	(74)	(108)
495	666	Profit from investments in associates and group enterprises	6	-	39
1,939	3,198	<b>PROFIT BEFORE TAX FOR THE PERIOD</b>		2,397	1,939
509	702	Tax		679	509
1,430	2,496	<b>PROFIT FOR THE PERIOD</b>		1,718	1,430
-	-	Minority interests		0	0
1,430	2,496	<b>PROFIT FOR THE PERIOD EXCL MINORITY INTERESTS</b>		1,718	1,430

## Balance sheets

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP		
2005 Beginning	2005 30.06.		Note	2005 30.06.	2005 Beginning
<b>ASSETS</b>					
6	798	<b>Cash in hand and demand deposits with central banks</b>		3,458	31
41,804	56,000	<b>Receivables from credit institutions and central banks</b>	7	71,740	53,085
435,817	443,554	<b>Loans, advances and other receivables at fair value</b>	8	682,603	637,945
1,038	1,030	<b>Loans, advances and other receivables at amortised cost</b>		20,410	19,213
51,664	34,527	<b>Bonds at fair value</b>	9	49,579	67,612
<b>Shares</b>					
6,051	6,868	- Fair value option		3,748	3,245
0	0	- Available-for-sale		3,589	3,090
<b>6,051</b>	<b>6,868</b>	<b>Total</b>		<b>7,337</b>	<b>6,335</b>
51	80	<b>Investments in associates</b>		152	124
8,836	9,214	<b>Investments in group enterprises</b>		0	0
2,920	2,767	<b>Intangible assets</b>		3,347	3,541
<b>Land and buildings</b>					
0	0	- Investment properties		265	284
308	307	- Domicile properties		1,310	1,306
<b>308</b>	<b>307</b>	<b>Total</b>		<b>1,575</b>	<b>1,590</b>
138	139	<b>Other property, plant and equipment</b>		180	189
220	0	<b>Current tax assets</b>		14	223
104	113	<b>Deferred tax assets</b>		137	132
37	39	<b>Assets temporarily acquired</b>		42	39
3,185	6,477	<b>Other assets</b>	10	11,858	8,697
95	94	<b>Prepayments</b>		103	105
<b>552,274</b>	<b>562,007</b>	<b>TOTAL ASSETS</b>		<b>852,535</b>	<b>798,861</b>

## Balance sheets

DKK MILLION

NYKREDIT REALKREDIT A/S		THE NYKREDIT REALKREDIT GROUP		
2005 Beginning	2005 30.06.		2005 30.06	2005 Beginning
		<b>LIABILITIES AND EQUITY</b>		
17,160	26,106	<b>Payables to credit institutions and central banks</b>	<b>60,005</b>	<b>44,069</b>
0	0	<b>Deposits and other payables</b>	<b>21,813</b>	<b>19,008</b>
469,563	465,030	<b>Issued bonds</b>	<b>680,008</b>	<b>651,913</b>
0	199	<b>Current tax liabilities</b>	<b>305</b>	<b>0</b>
4,254	7,640	<b>Non-derivative financial liabilities at fair value</b>	<b>12,177</b>	<b>5,110</b>
13,560	12,762	<b>Other liabilities</b>	<b>21,958</b>	<b>25,102</b>
0	0	<b>Deferred income</b>	<b>18</b>	<b>15</b>
		<b>Provisions</b>		
-	-	- Insurance liabilities	1,843	1,530
130	129	- Provisions for pensions and similar obligations	142	144
773	663	- Provisions for deferred tax	846	984
263	246	- Repayable reserves in pre-1972 series	246	263
0	0	- Other provisions	11	14
1,166	1,038	<b>Total provisions</b>	<b>3,088</b>	<b>2,935</b>
3,844	4,007	<b>Subordinate loan capital</b>	<b>6,385</b>	<b>6,444</b>
		<b>Equity</b>		
1,182	1,182	Share capital	1,182	1,182
		Accumulated changes in value		
70	72	- Revaluation reserves	110	108
		Other reserves		
319	219	- Statutory reserves	-	-
20,794	20,794	- Reserves in series	20,794	20,794
3,632	3,632	- Other reserves	3,632	3,632
16,730	16,830	Retained earnings	17,011	17,011
-	2,496	Profit for the period	2,496	-
0	0	Minority interests	1,553	1,538
42,727	45,225	<b>Total equity</b>	<b>46,778</b>	<b>44,265</b>
552,274	562,007	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>852,535</b>	<b>798,861</b>
		<b>Off-balance sheet items</b>		
-	-	Guarantees	4,188	3,429
1,560	1,313	Other commitments	3,061	3,443
1,560	1,313	<b>Total</b>	<b>7,249</b>	<b>6,872</b>

## Movements in capital

DKK MILLION

NYKREDIT REALKREDIT A/S										
	Share capital	Statutory reserves	Reserves in series	Other reserves	Retained earnings	Revaluation reserves	Profit for the period	Minority interests	2005 30.06 Total	2004 30.06 Total
<b>Adjusted balance, beginning of year</b>	1,182	319	20,794	3,632	16,730	70	-	-	42,727	39,108
Dividend from Nykredit Mægler		(100)			100				-	-
Profit for the period							2,496		2,496	1,430
Other adjustments						2			2	10
<b>Balance, end of period</b>	1,182	219	20,794	3,632	16,830	72	2,496	-	45,225	40,548
The share capital breaks down into shares of DKK 100.00 and multiples hereof.										
THE NYKREDIT REALKREDIT GROUP										
	Share capital	Statutory reserves	Reserves in series	Other reserves	Retained earnings	Revaluation reserves	Profit for the period	Minority interests	2005 30.06 Total	2004 30.06 Total
<b>Adjusted balance, beginning of period</b>	1,182	-	20,794	3,632	17,011	108	-	1,538	44,265	39,108
Reclassification, minority interests										2,513
Profit for the period							1,718		1,718	1,430
Fair value adjustment of shares - available-for-sale						2	778	15	778	0
Other adjustments									17	10
<b>Balance, end of period</b>	1,182	-	20,794	3,632	17,011	110	2,496	1,553	46,778	43,061

## Core earnings and investment portfolio income

DKK MILLION

THE NYKREDIT REALKREDIT  
GROUP

	2005 H1			2004 H1		
	Core earnings	Invest- ment portfolio income	Total	Core earnings	Invest- ment portfolio income	Total
Net interest income	2,538	333	2,871	2,258	251	2,509
Dividend on equity investments	2	188	190	2	113	115
Fee and commission income, net	397	(22)	375	198	(29)	169
<b>Net interest and fee income</b>	<b>2,937</b>	<b>499</b>	<b>3,436</b>	<b>2,458</b>	<b>335</b>	<b>2,793</b>
Premium income, net of reinsurance	549	0	549	600	0	600
Value adjustments	216	333	549	207	307	514
Other operating income	83	0	83	85	1	86
Claims incurred, net of reinsurance	509	0	509	490	0	490
Staff costs and administrative expenses	1,539	0	1,539	1,461	0	1,461
Depreciation, amortisation and write-downs on property, plant and equipment and intangible assets	245	0	245	249	0	249
Other operating costs	1	0	1	1	0	1
Provisions for loan impairment	(74)	0	(74)	(108)	0	(108)
Profit from equity investments	0	0	0	0	39	39
<b>Profit before tax</b>	<b>1,565</b>	<b>832</b>	<b>2,397</b>	<b>1,257</b>	<b>682</b>	<b>1,939</b>

## Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2004 H1	2005 H1		2005 H1	2004 H1
		<b>1. INTEREST INCOME</b>		
283	377	Receivables from credit institutions and central banks	468	373
10,184	9,860	Loans, advances and other receivables	14,807	14,564
1,069	1,055	Administration margin (income)	1,570	1,484
506	319	Bonds	660	1,043
		Derivative financial instruments		-
(1)	35	- Foreign exchange contracts	15	(2)
(27)	103	- Interest rate contracts	62	(106)
0	0	- Share contracts	0	-
0	0	- Other contracts	0	-
54	49	Other interest income	39	48
<b>12,068</b>	<b>11,798</b>	<b>Total</b>	<b>17,621</b>	<b>17,404</b>
		<b>Of which interest income from genuine purchase and resale transactions entered as:</b>		
68	89	Receivables from credit institutions and central banks	144	167
0	0	Loans, advances and other receivables	57	44
		<b>2. INTEREST EXPENSE</b>		
152	205	Credit institutions and central banks	535	419
0	0	Deposits and other payables	236	223
10,168	9,668	Issued bonds	13,752	14,113
0	92	Subordinate loan capital	130	41
103	95	Other interest expense	97	99
<b>10,423</b>	<b>10,060</b>	<b>Total</b>	<b>14,750</b>	<b>14,895</b>
		<b>Of which interest expense for genuine sale and repurchase transactions entered as:</b>		
135	118	Payables to credit institutions and central banks	220	232
0	0	Deposits	0	22
		<b>3. VALUE ADJUSTMENTS</b>		
-	13,250	Mortgage lending	16,153	-
-	2	Other loans, advances and receivables at fair value	13	-
13	486	Bonds	644	96
412	1,064	Shares	276	418
14	(13)	Foreign exchange	(257)	(58)
30	(245)	Foreign exchange, interest rate and other contracts incl derivative financial instruments	(160)	26
1	0	Other assets	33	32
-	(13,250)	Issued bonds	(16,153)	-
-	0	Other liabilities	0	-
<b>470</b>	<b>1,294</b>	<b>Total</b>	<b>549</b>	<b>514</b>

## Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2004 H1	2005 H1		2005 H1	2004 H1
		<b>4. STAFF COSTS AND ADMINISTRATIVE EXPENSES</b>		
		<b>Salaries and remuneration to the Board of Directors and Executive Board</b>		
11	12	Executive Board	12	11
1	1	Board of Directors	1	1
<b>12</b>	<b>13</b>	<b>Total</b>	<b>13</b>	<b>12</b>
		Pension obligations to the Executive Board amounted to DKK 19m at 30 June 2005.		
		<b>Staff costs</b>		
465	466	Wages	749	698
66	59	Pensions	84	82
43	52	Social security costs	79	67
422	460	Other administrative expenses	696	685
<b>1,008</b>	<b>1,050</b>	<b>Total</b>	<b>1,621</b>	<b>1,544</b>
-	-	Expenses transferred to the item - Claims incurred	(82)	(83)
<b>1,008</b>	<b>1,050</b>	<b>Total</b>	<b>1,539</b>	<b>1,461</b>
		<b>Number of staff</b>		
2,340	2,303	Average number of staff for the period, full-time equivalent	3,227	3,232
		<b>5. PROVISIONS FOR LOAN IMPAIRMENT</b>		
		<b>Itemisation of provisions for loan impairment and guarantees</b>		
		<b>Provisions, beginning of period</b>		
1,829	932		1,145	2,122
159	80	- Provisions for the year	104	223
(270)	(135)	- Reversal of provisions	(162)	(309)
0	0	- Other additions/disposals	0	0
(38)	(24)	- Provisions recognised as lost	(42)	(123)
<b>1,680</b>	<b>853</b>	<b>Provisions, end of period</b>	<b>1,045</b>	<b>1,913</b>
		Of which		
-	749	- Individual provisions	909	-
-	104	- Provisions by groups	136	-
		<b>Effect on results</b>		
(149)	(79)	Movement in provisions for loan impairment and guarantees	(100)	(209)
37	25	Losses recognised for the period, net	47	123
(22)	(19)	Received on claims previously written off	(21)	(23)
<b>(134)</b>	<b>(73)</b>	<b>Provisions for loan impairment and guarantees</b>	<b>(74)</b>	<b>(109)</b>
<b>0</b>	<b>0</b>	<b>Provisions for other items</b>	<b>0</b>	<b>1</b>
<b>(134)</b>	<b>(73)</b>	<b>Total</b>	<b>(74)</b>	<b>(108)</b>
-	(81)	Of which individual provisions	(83)	-
-	8	Of which provisions by groups	9	-
		Comparative figures for 2004 have been stated on the basis of previous accounting policies. The figures are therefore not directly comparable.		

## Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2004 30.06	2005 30.06		2005 30.06	2004 30.06
		<b>6. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES</b>		
39	0	Profit from investments in associates	0	39
456	666	Profit from investments in group enterprises	-	-
<b>495</b>	<b>666</b>	<b>Total</b>	<b>0</b>	<b>39</b>



## Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2005 Beginning	2005 30.06		2005 30.06	2005 Beginning
		<b>7. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>		
9,104	30,031	Receivables at call from central banks	31,158	12,349
32,700	25,969	Receivables from credit institutions	40,582	40,736
<b>41,804</b>	<b>56,000</b>	<b>Total</b>	<b>71,740</b>	<b>53,085</b>
6,953	24,149	Of which prepaid funds, including prepayments at par and proceeds from the issuance of fixed-price agreements	24,149	6,953
		<b>8. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE</b>		
435,625	443,344	Mortgage lending at fair value	674,425	632,482
192	210	Arrears and execution amounts	247	221
0	0	Other loans and advances	7,931	5,242
<b>435,817</b>	<b>443,554</b>	<b>Total</b>	<b>682,603</b>	<b>637,945</b>
		<b>Mortgage lending</b>		
<b>425,945</b>	<b>428,128</b>	<b>Balance, beginning of period - nominal value</b>	<b>622,803</b>	<b>587,991</b>
103,174	93,479	New loans	171,982	182,105
898	611	Indexation	611	898
(15)	(155)	Currency translation adjustment	(155)	(15)
(14,214)	(6,749)	Ordinary principal payments	(8,580)	(17,723)
(87,660)	(83,189)	Prepayments and extraordinary principal payments	(126,358)	(130,453)
<b>428,128</b>	<b>432,125</b>	<b>Balance, end of period - nominal value</b>	<b>660,303</b>	<b>622,803</b>
(45)	(7)	Loans excluded on temporary foreclosure of the property	(7)	(45)
269	272	Loans excluded on assumption by the Danish Financial Administration Agency	272	269
<b>428,352</b>	<b>432,390</b>	<b>Mortgage lending, nominal value</b>	<b>660,568</b>	<b>623,027</b>
8,010	11,637	Adjustment for interest rate risk	14,541	10,191
		<b>Adjustment for credit risk</b>		
(641)	(579)	Individual adjustments	(580)	(640)
(96)	(104)	Adjustments by groups	(104)	(96)
<b>435,625</b>	<b>443,344</b>	<b>Balance, end of period - fair value</b>	<b>674,425</b>	<b>632,482</b>

## Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2005 Beginning	2005 30.06		2005 30.06	2005 Beginning
		<b>9. BONDS</b>		
103,496	23,745	Own mortgage bonds	54,939	153,953
43,853	14,101	Other mortgage bonds	16,979	53,760
6,969	18,504	Government bonds	27,123	8,777
842	1,922	Other bonds	5,477	5,075
<b>155,160</b>	<b>58,272</b>	<b>Total</b>	<b>104,518</b>	<b>221,565</b>
(103,496)	(23,745)	Own mortgage bonds set off against the item "Issued bonds" - note 11	(54,939)	(153,953)
<b>51,664</b>	<b>34,527</b>	<b>Total</b>	<b>49,579</b>	<b>67,612</b>
		<b>10. OTHER ASSETS</b>		
1,411	4,294	Interest and commissions receivable	6,248	4,279
697	847	Positive market value of derivative financial instruments	5,136	3,838
1,077	1,336	Other assets	474	580
<b>3,185</b>	<b>6,477</b>	<b>Total</b>	<b>11,858</b>	<b>8,697</b>
		<b>11. ISSUED BONDS</b>		
469,563	465,030	Mortgage bonds	679,338	651,598
0	0	Other securities	670	315
<b>469,563</b>	<b>465,030</b>	<b>Total</b>	<b>680,008</b>	<b>651,913</b>
		<b>Mortgage bonds</b>		
<b>505,663</b>	<b>541,590</b>	<b>Balance, beginning of period - nominal value</b>	<b>771,900</b>	<b>673,705</b>
198,818	92,543	Additions	171,112	303,824
(60)	135	Currency translation adjustment	135	(60)
(140,308)	(169,338)	Bonds drawn and prepaid	(225,901)	(164,879)
(22,523)	(11,009)	Prepayments and extraordinary principal payments	(20,726)	(40,690)
<b>541,590</b>	<b>453,921</b>	<b>Total</b>	<b>696,520</b>	<b>771,900</b>
23,330	23,097	Indexation	23,096	23,330
<b>564,920</b>	<b>477,018</b>	<b>Balance, end of period - nominal value</b>	<b>719,616</b>	<b>795,230</b>
8,139	11,757	Value adjustment at fair value	14,661	10,321
<b>573,059</b>	<b>488,775</b>	<b>Balance, end of period - fair value</b>	<b>734,277</b>	<b>805,551</b>
(103,496)	(23,745)	Own mortgage bonds transferred from the item "Bonds" - note 9	(54,939)	(153,953)
469,563	465,030	Total	679,338	651,598
		<b>12. OTHER LIABILITIES</b>		
85	35	Various creditors	23	85
259	1,033	Negative market value of derivative financial instruments	5,003	5,615
10,843	7,058	Interest and commission expense	11,880	16,643
1,980	2,013	Debt related to the acquisition of Totalkredit shares	2,013	1,980
393	2,623	Other liabilities	3,039	779
<b>13,560</b>	<b>12,762</b>	<b>Total</b>	<b>21,958</b>	<b>25,102</b>

## Notes

DKK MILLION

NYKREDIT REALKREDIT A/S			THE NYKREDIT REALKREDIT GROUP	
2005 Beginning	2005 30.06		2005 30.06	2005 Beginning
		<b>13. SUBORDINATE LOAN CAPITAL</b>		
		Subordinate loan capital consists of liabilities which, in case of the Bank's voluntary or compulsory liquidation, in compliance with the terms of the loan, will not be repaid until after the claims of ordinary creditors have been met.		
3,844	4,007	EUR 500m, nominal, of hybrid core capital in accordance with the Danish Financial Business Act, Section 137. The loan is perpetual, but may be repaid at par (100) from 22/9-2014. The loan carries a fixed interest rate of 4.9% up to 22/9-2014 after which it will carry a floating interest rate.	4,007	3,844
		The interest rate risk of a nominal of EUR 500m of subordinate loan capital has been hedged by an interest rate swap with a synthetic principal of a nominal EUR 500m.		
-	-	EUR 200m, nominal, of subordinate debt capital in accordance with the Danish Financial Business Act, Section 136. The loan falls due at par (100) on 17/12-2010 and carries a floating interest rate.	1,261	1,485
-	-	EUR 150m, nominal, in the form of subordinate loan capital in accordance with the Danish Business Act, Section 136. The loan falls due at par (100) on 18/5-2009 and carries a floating interest rate.	1,117	1,115
3,844	4,007	<b>Cost, end of period</b>	6,385	6,444
		<b>14. OFF-BALANCE SHEET ITEMS</b>		
		<b>Guarantees</b>		
0	0	Financial guarantees	1,465	1,761
0	0	Registration and prepayment guarantees	173	0
0	0	Other guarantees	2,550	1,668
0	0	<b>Total</b>	<b>4,188</b>	<b>3,429</b>
		<b>Other commitments</b>		
41	32	Irrevocable credit commitments	2,361	2,294
1,519	1,281	Other commitments	700	1,149
1,560	1,313	<b>Total</b>	<b>3,061</b>	<b>3,443</b>
		<b>15. COLLATERAL SECURITY</b>		
		As collateral security for the Danish central bank, the Danish FUTOP Clearing Centre and foreign clearing centres, bonds have been deposited with a total market value of		
5,625	11,478		28,406	16,172

# Notes

## 16. RELATED-PARTY TRANSACTIONS

Foreningen Nykredit (the Nykredit Association), the Parent Company Nykredit Holding A/S and the associates and group enterprises of Nykredit Realkredit A/S and the Nykredit Realkredit Group are regarded as related parties.

No unusual related-party transactions occurred in H1/2005.

The companies have entered into several agreements as a natural part of the Group's day-to-day operations. The agreements typically comprise finance, insurance, sales commissions, tasks relating to IT operations and support and IT development projects as well as other joint tasks.

Important related-party transactions prevailing/entered into in H1/2005 between the Group's companies include:

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

Principal agreement on the terms for securities transactions.

Agreement on the joint funding of mortgage lending.

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

Agreements between Nykredit Realkredit A/S and Nykredit Mægler A/S involve commissions in connection with the referral of customers.

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

Agreement on the placement of insurance agents in the centres of Nykredit Realkredit A/S.

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

Agreements relating to the cooperation on IT operations and support, etc.

### **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.

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

Agreements between Totalkredit A/S and Nykredit Mægler A/S involve commissions in connection with the referral of customers.

## Financial highlights, DFSA format

DKK MILLION

THE NYKREDIT REALKREDIT GROUP

	2005 H1	2004 H1	2003 H1	2002 H1	2001 H1
Net interest income	2,871	2,509	2,319	2,160	1,972
Net fee income	565	284	521	312	260
<b>Net interest and fee income</b>	<b>3,436</b>	<b>2,793</b>	<b>2,840</b>	<b>2,472</b>	<b>2,232</b>
Premium income, net of reinsurance	549	600	0	0	0
Value adjustments	549	514	751	(258)	115
Other operating income	83	86	74	69	61
Claims incurred, net of reinsurance	509	490	0	0	0
Staff costs and administrative expenses	1,539	1,461	1,254	1,153	1,066
Depreciation, amortisation and write-downs on property, plant and equipment and intangible assets	245	249	31	46	39
Other operating expenses	1	1	4	0	0
Provisions for loan impairment and receivables	(74)	(108)	77	15	(38)
Profit/loss from investments in associates and group enterprises	0	39	133	(39)	20
<b>Profit before tax for the period</b>	<b>2,397</b>	<b>1,939</b>	<b>2,432</b>	<b>1,030</b>	<b>1,361</b>
Tax	679	509	730	293	338
<b>Profit for the period</b>	<b>1,718</b>	<b>1,430</b>	<b>1,702</b>	<b>737</b>	<b>1,023</b>
<b>SUMMARY BALANCE SHEET</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>
<b>Assets</b>					
Mortgage loans	674,425	610,584	421,045	401,391	386,089
Bank loans – excl reverse transactions	18,353	18,784	19,655	19,792	17,719
Bonds and shares	56,916	89,044	73,926	57,382	57,302
Other assets	102,841	82,206	73,253	49,591	44,173
<b>Total assets</b>	<b>852,535</b>	<b>800,618</b>	<b>587,879</b>	<b>528,156</b>	<b>505,283</b>
<b>Liabilities and equity</b>					
Deposits	21,813	20,715	15,910	12,914	9,340
Issued mortgage bonds	679,338	651,488	460,133	415,509	401,573
Subordinate loan capital					
- Hybrid core capital	4,007	0	0	0	0
- Supplementary capital	2,378	2,598	0	0	0
Other liabilities	98,221	82,756	75,537	66,289	62,483
Equity	46,778	43,061	36,299	33,444	31,887
<b>Total liabilities and equity</b>	<b>852,535</b>	<b>800,618</b>	<b>587,879</b>	<b>528,156</b>	<b>505,283</b>
<b>KEY RATIOS</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>
Capital adequacy ratio	11.0	10.2	10.9	10.8	10.9
Core capital ratio	10.6	9.8	11.2	11.1	11.3
Return on equity before tax (%)	5.3	4.6	6.9	3.1	4.3
Return on equity after tax (%)	3.8	3.4	4.8	2.2	3.3
Income/cost ratio DKK	2.40	2.28	2.78	1.85	2.28
Foreign exchange position (%)	1.6	0.7	1.5	1.2	1.4
Loans and advances relative to equity	15.0	14.8	12.3	12.8	12.9
Growth in loans and advances for the period (%)	6.8	4.3	1.9	2.9	3.1
Provisioning ratio for the period	0.0	0.0	0.0	0.0	0.0

Comparative figures for H1/2001 to H1/2003 have not been adjusted in connection with the transition to the IFRS at 1 January 2005.

## Financial highlights, DFSA format

DKK MILLION

NYKREDIT REALKREDIT A/S

	2005 H1	2004 H1	2003 H1	2002 H1	2001 H1
Net interest income	1,738	1,645	1,917	1,890	1,770
Net fee income	645	422	416	275	233
<b>Net interest and fee income</b>	<b>2,383</b>	<b>2,067</b>	<b>2,333</b>	<b>2,165</b>	<b>2,003</b>
Value adjustments	1,294	470	730	(200)	29
Other operating income	1	9	9	12	12
Staff costs and administrative expenses	1,050	1,008	1,022	921	840
Depreciation, amortisation and write-downs on property, plant and equipment and intangible assets	169	228	24	31	29
Provisions for loan impairment and receivables	(73)	(134)	(7)	(12)	(53)
Profit/loss from investments in associates and group enterprises	666	495	399	(7)	133
<b>Profit before tax for the period</b>	<b>3,198</b>	<b>1,939</b>	<b>2,432</b>	<b>1,030</b>	<b>1,361</b>
Tax	702	509	730	293	338
<b>Profit for the period</b>	<b>2,496</b>	<b>1,430</b>	<b>1,702</b>	<b>737</b>	<b>1,023</b>
<b>SUMMARY BALANCE SHEET</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>
<b>Assets</b>					
Mortgage loans	443,344	430,206	421,045	401,391	386,089
Bonds and shares	41,395	51,385	48,273	32,260	33,572
Other assets	77,268	55,608	57,172	35,360	33,944
<b>Total assets</b>	<b>562,007</b>	<b>537,199</b>	<b>526,490</b>	<b>469,011</b>	<b>453,605</b>
<b>Liabilities and equity</b>					
Issued mortgage bonds	465,030	461,147	460,133	415,509	401,573
Subordinate loan capital					
- Hybrid core capital	4,007	0	0	0	0
- Supplementary capital	0	0	0	0	0
Other liabilities	47,745	35,504	30,058	20,058	20,145
Equity	45,225	40,548	36,299	33,444	31,887
<b>Total liabilities and equity</b>	<b>562,007</b>	<b>537,199</b>	<b>526,490</b>	<b>469,011</b>	<b>453,605</b>
<b>KEY RATIOS</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>	<b>30.06</b>
Capital adequacy ratio	13.9	12.1	11.9	12.0	12.0
Core capital ratio	14.2	12.4	12.2	12.3	12.3
Return on equity before tax (%)	7.3	4.9	6.9	3.1	4.3
Return on equity after tax (%)	5.7	3.6	4.8	2.2	3.3
Income/cost ratio DKK	3.79	2.93	3.34	2.10	2.67
Foreign exchange position (%)	0.7	0.9	0.9	0.4	0.2
Loans and advances relative to equity	9.8	10.6	11.6	12.0	12.1
Growth in loans and advances for the period (%)	1.8	1.3	2.3	2.0	1.6
Provisioning ratio for the period	0.0	0.0	0.0	0.0	0.0

Comparative figures for H1/2001 to H1/2003 have not been adjusted in connection with the transition to the IFRS at 1 January 2005.

## Group structure

DKK MILLION

Name and registered office	Share capital at 31.12.04	Equity at 31.12.04 *	Ownership, %, at 30.06.05	Profit/loss H1/2005	Equity at 30.06.05
<b>The Foreningen Nykredit Group</b> Foreningen Nykredit, Copenhagen <sup>d)</sup>	0	37,267		2,166	39,435
<b>Consolidated subsidiary: The Nykredit Holding Group</b> Nykredit Holding A/S, Copenhagen <sup>d)</sup>	1,327	42,823		2,497	45,323
<b>Consolidated subsidiary: The Nykredit Realkredit Group</b> Nykredit Realkredit A/S, Copenhagen <sup>a)</sup>	1,182	42,727	100	2,496	45,225
<b>Consolidated subsidiaries:</b> Totalkredit A/S, Taastrup <sup>a)</sup>	536	4,823	74	271	5,094
Nykredit Bank A/S, Copenhagen <sup>b)</sup>	1,400	3,175	100	236	3,411
Nykredit Finance plc, Plymouth <sup>i)</sup>					
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen <sup>e)</sup>					
Nykredit Pantebrevsinvestering A/S, Copenhagen <sup>e)</sup>					
Nykredit Portefølje Bank A/S, Copenhagen <sup>b)</sup>					
Nykredit Portefølje Adm. A/S, Copenhagen <sup>b)</sup>					
Nykredit Leasing A/S, Copenhagen <sup>h)</sup>					
Norswood Properties Limited, Plymouth <sup>i)</sup>					
Nykredit Forsikring A/S, Copenhagen <sup>c)</sup>	500	1,507	100	8	1,515
Nykredit Mægler A/S, Århus <sup>f)</sup>	11	172	100	32	104
Nykredit Ejendomme A/S, Copenhagen <sup>g)</sup>	50	304	100	8	312
Nykredit Adm. V A/S, Copenhagen <sup>i)</sup>	1	1	100	1	1
Nykredit Bank Hipoteczny S.A., Warsaw <sup>b)</sup>	91	103	100	(8)	95
<b>Associates consolidated on a pro rata basis:</b> Dansk Pantebrevsbørs A/S, Copenhagen <sup>e)</sup>	5	21	50	8	29
LeasIT A/S, Lyngby-Taarbæk <sup>h)</sup>	14	61	22	3	64

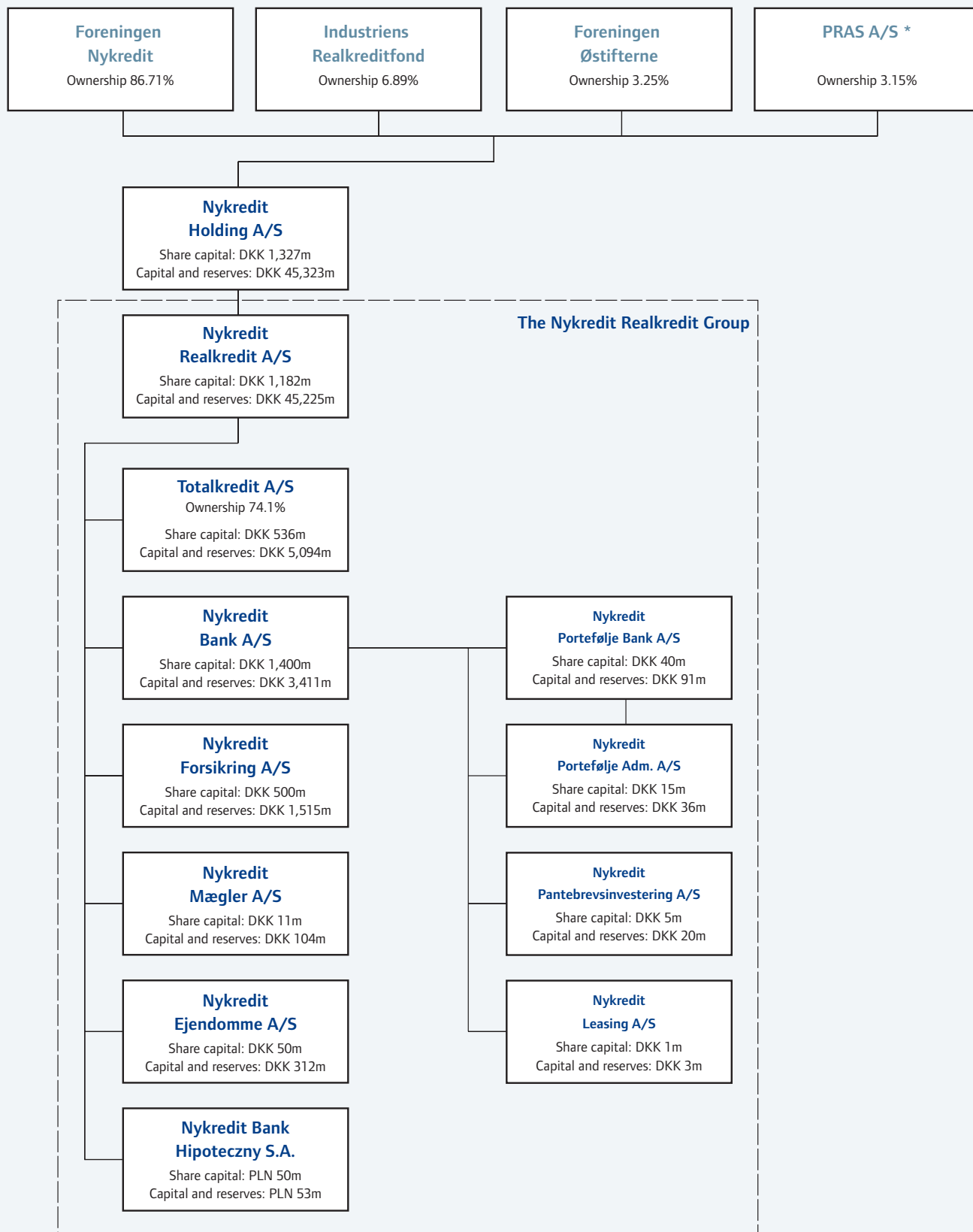
- a) Mortgage bank
- b) Banking
- c) Insurance business
- d) Financial business
- e) Mortgage trading
- f) Estate agency business
- g) Property business
- h) Leasing
- i) No activities

The accounts of Nykredit Realkredit A/S is consolidated with Nykredit Holding A/S and Foreningen Nykredit.

The financial statements of Nykredit Holding A/S and Foreningen Nykredit may be obtained from Nykredit Realkredit A/S  
Kalvebod Brygge 1-3  
DK-1780 Copenhagen V

\*) Adjusted in accordance with new accounting policies, cf opening balance sheet at 1 January 2005

## The Nykredit Group structure at 30 June 2005



\* The former owners of Totalkredit A/S

For a complete Group structure, please refer to page 23