

To the Copenhagen Stock Exchange
and the press

16 August 2007

INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2007–30 JUNE 2007

- The Group recorded a profit before tax of DKK 2,274m against DKK 1,346m in the same period the year before
- The results increase was chiefly an effect of growth in the banking activities, rising investment income and falling mortgage lending costs
- Value adjustment of strategic equities against equity totalled a negative DKK 87m after tax
- Group net new mortgage lending totalled DKK 84bn against DKK 91bn in 2006
- Bank lending went up by just over DKK 6bn to DKK 35bn
- The Group is doing business with one million Danes
- Nykredit is not directly exposed to US subprime

FINANCIAL HIGHLIGHTS

- Group core income from business operations went up by DKK 333m to DKK 3,163m
- Core income from banking and insurance operations accounted for 33% of core income from business operations
- Core income from securities rose by DKK 432m to DKK 929m
- Operating costs, depreciation and amortisation went up by DKK 123m to DKK 2,143m. Adjusted for the consolidation of JN Data, the increase amounted to DKK 15m
- Total impairment losses translated into a net income of DKK 72m
- The investment portfolio generated income of DKK 253m against a loss of DKK 44m in 2006
- After inclusion of profit for the period, Group equity stood at DKK 53.7bn
- The Group's core capital ratio was 10.9%, including profit for the period

2007 – OUTLOOK

The annual pre-tax profit of the Nykredit Realkredit Group has been adjusted upwards by DKK 800m to DKK 4.4-4.7bn.

- Results are satisfactory. The positive development reflects continued growth in our banking, insurance and pension activities which account for a constantly increasing share of Group earnings. We are also very pleased to note that in H1/2007 we did business with one million Danes in the Nykredit Group, says Peter Engberg Jensen, Group Chief Executive.

ABOUT THE NYKREDIT GROUP

Further information about the Nykredit Group is available at nykredit.com.

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Financial highlights

The Nykredit Realkredit Group
DKK million

H1/
2007

H1/
2006

FY
2006

CORE EARNINGS AND PROFIT FOR THE PERIOD

Core income from

Business operations

3,163

2,830

5,992

Securities

929

497

1,260

Total

4,092

3,327

7,252

Operating costs, depreciation and amortisation

2,143

2,020

4,038

Core earnings before impairment losses

1,949

1,307

3,214

Impairment losses on loans and advances

(72)

(83)

(369)

Core earnings after impairment losses

2,021

1,390

3,583

Investment portfolio income

253

(44)

870

Profit before tax

2,274

1,346

4,453

Tax

472

327

1,126

Profit for the period

1,802

1,019

3,327

Profit for the period excludes value adjustment of strategic equities against equity

(87)

601

1,419

30.06.2007

30.06.2006

31.12.2006

SUMMARY BALANCE SHEET, END OF PERIOD

Assets

Receivables from credit institutions and central banks

37,768

36,771

57,516

Mortgage loans

775,098

709,854

758,132

Bank loans – excluding reverse transactions

34,827

25,020

28,983

Bonds and equities

61,001

58,303

89,005

Other assets

29,013

30,556

23,528

Total assets

937,707

860,504

957,164

Liabilities and equity

Payables to credit institutions and central banks

90,873

80,846

84,512

Deposits

23,136

21,730

22,165

Issued bonds

721,377

662,955

751,560

Hybrid core capital

3,577

3,705

3,730

Supplementary capital

4,978

4,986

4,985

Other liabilities

40,055

35,974

38,225

Equity

53,711

50,308

51,987

Total liabilities and equity

937,707

860,504

957,164

FINANCIAL RATIOS

Profit for the period as a % of average equity pa

6.8

4.1

6.6

Core earnings before impairment losses as a % of average equity pa

7.4

5.3

6.4

Core earnings after impairment losses as a % of average equity pa

7.6

5.6

7.1

Costs as a % of core income

52.4

60.7

55.7

Total impairment provisions

333

703

406

Impairment losses for the period, %

(0.0)

(0.0)

(0.0)

Capital adequacy ratio, %*

11.9

11.7

11.8

Core capital ratio, including hybrid core capital, %*

10.9

10.8

11.0

Core capital ratio, excluding hybrid core capital, %*

10.2

10.0

10.2

Average number of full-time staff

3,608

3,390

3,559

*) From H1/2007 the capital adequacy and core capital ratios include profit for the period.

H1 Interim Report 2007

THE NYKREDIT REALKREDIT GROUP RESULTS

The Group recorded a profit before tax of DKK 2,274m for H1/2007 against DKK 1,346m in the same period the year before.

Profit after tax was DKK 1,802m against DKK 1,019m in H1/2006. Including the value adjustment of strategic equities against equity, profit after tax came to DKK 1,715m against DKK 1,620m in H1/2006.

Core earnings

Group core earnings after impairment losses were DKK 2,021m against DKK 1,390m in the same period the year before.

Group core earnings outperformed expectations and reflect continued growth in the banking activities, increased core income from securities and decreasing mortgage lending costs.

Group core income from business operations was DKK 3,163m against DKK 2,830m in H1/2006.

Core income from mortgage lending operations was DKK 1,926m against DKK 1,955m in H1/2006 and should be viewed in the context of a decrease in gross new lending from DKK 91bn to DKK 84bn. Group mortgage lending at nominal value rose by DKK 38bn to DKK 804bn against DKK 766bn at the beginning of the year.

In terms of gross new lending, the Nykredit Group held a market share of 44.1% in the first six months of the year.

Core income from banking operations came to DKK 896m against DKK 650m in the same period the year before. The improvement derived from both Markets & Asset Management and Commercial Customers which reported increased core income of DKK 137m and DKK 112m, respectively.

Core income from insurance operations went up by DKK 21m to DKK 158m.

Core income from securities was DKK 929m against DKK 497m in the same period the year before. Core income from securities is calculated on the basis of short-term money market rates averaging 3.9% in H1/2007.

Operating costs, depreciation and amortisation went up by DKK 123m to DKK 2,143m. Adjusted for proportionate consolidation of JN Data, operating costs, depreciation and amortisation were up by DKK 15m on 2006. In the mortgage lending area, costs fell by DKK 21m.

Group impairment losses on loans and advances netted an income of DKK 72m. Impairment losses on loans and advances reflect an extraordinarily low level of loan arrears and the reversal of provisions for loan impairment within both mortgage banking and banking. Provisions for loan impairment totalled DKK 333m against DKK 406m at the beginning of the year. Total impairment losses at end-H1 equalled 0.04% of loans and advances.

Investment portfolio income

The Group's investment portfolio generated income of DKK 253m compared with a loss of DKK 44m in the same period the year before.

The investment portfolio of bonds, liquidity and interest rate instruments generated a loss of DKK 52m against a loss of DKK 173m in H1/2006. Correspondingly, equities and equity instruments amounted to DKK 305m against DKK 129m in H1/2006. To this, negative value adjustment of DKK 87m after tax adjusted against equity should be added.

Tax

Tax on profit for the period has been calculated at DKK 472m for the Group as a whole equal to an effective tax rate of 20.8%.

Financial risk

At 30 June 2007 Group Value-at-Risk stood at DKK 161m in terms of a 99% confidence interval over one day.

Group interest rate risk was DKK 809m in case of a general interest rate change of 1 percentage point. The equity price exposure in case of a general price decline of 10% was DKK 723m.

Subsidiaries

Totalkredit recorded a profit before tax of DKK 438m compared with DKK 319m in the same period the year before. For further information, please refer to Totalkredit's H1 Interim Report 2007.

The Nykredit Bank Group realised a profit before tax of DKK 545m compared with DKK 361m in the same period the year before. For further information, please refer to the Nykredit Bank Group's H1 Interim Report 2007.

Nykredit Forsikring (insurance) generated a profit before tax of DKK 102m against DKK 84m in the same period the year before.

OUTLOOK FOR 2007

In H1 Group core earnings surpassed expectations.

Core earnings reflect lower mortgage lending than in 2006. This was outweighed by significant growth in banking activities.

Impairment losses and investment income also developed more favourably than expected.

The Nykredit Group has therefore adjusted upwards its forecast of profit before tax by DKK 800m to around DKK 4,400-4,700m.

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.

Retail Customers comprises activities aimed at retail customers through Nykredit's own distribution channels. Retail Customers realised core earnings before impairment losses of DKK 376m against DKK 405m in 2006. Results reflect gross new lending of just over DKK 15bn against DKK 19bn in 2006. Bank lending went up by just under DKK 1bn to DKK 7bn.

Business Partners is primarily responsible 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 impairment losses of DKK 118m against DKK 104m in 2006. Results reflect gross new lending of DKK 46bn against DKK 49bn the year before. Results include amortisation of DKK 199m relating to distribution rights.

Commercial Customers serves agricultural, business and rental housing customers, including housing society and non-profit housing customers. Commercial Customers realised core earnings before impairment losses of DKK 730m against DKK 650m in 2006. Gross new mortgage lending amounted to DKK 23bn compared with DKK 21bn in 2006. Bank lending went up by nearly DKK 5bn to just under DKK 28bn.

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. Markets & Asset Management realised core earnings of DKK 257m against DKK 176m in 2006. Core income increased by DKK 137m to DKK 519m. In H1 all business areas developed in a positive direction, thereby maintaining recent quarters' high activity levels.

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

H1 results by business area

	Retail Customers		Business Partners		Commercial Customers		Markets & Asset Management		Group items and eliminations		Total	
DKK million	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Core income from business operations	989	1,013	467	422	1,029	952	519	382	159 ³	61	3,163	2,830
Core income from securities	-	-	-	-	-	-	-	-	929	497	929	497
Direct operating costs	604	598	149	118	299	302	262	206	564	543	1,878	1,767
Depreciation on property, plant and equipment and amortisation of intangible assets	9	10	200	200	-	-	-	-	56	43	265	253
Core earnings before impairment losses	376	405	118	104	730	650	257	176	468	(28)	1,949	1,307
Impairment losses on loans and advances	(33)	(58)	1	-	(40)	(25)	-	-	-	-	(72)	(83)
Core earnings after impairment losses	409	463	117	104	770	675	257	176	468	(28)	2,021	1,390
Investment portfolio income ¹	-	-	-	-	-	-	-	-	253	(44)	253	(44)
Profit before tax	409	463	117	104	770	675	257	176	721	(72)	2,274	1,346
Return												
Avg business capital, DKKm ²	8,430	7,724	9,954	8,079	17,110	16,215	874	786	-	-	38,493	34,643
Core earnings after impairment losses as a % of average business capital	9.8	12.1	2.4	2.6	9.1	8.3	59.1	44.8	-	-	10.6	8.0

¹ Investment portfolio income includes profit from investments in associates of DKK 17m in 2007 against DKK 2m in 2006

² Statutory capital requirement

³ Of which DKK 109m concerns proportionate consolidation of JN Data

GROUP BALANCE SHEET, EQUITY AND CAPITAL ADEQUACY

Balance sheet

The Group's balance sheet totalled DKK 938bn against DKK 957bn at the beginning of the year.

Group mortgage lending at fair value totalled DKK 775bn against DKK 758bn at the beginning of the year. Measured at nominal value, mortgage lending rose by DKK 38bn to DKK 804bn.

Bank lending, excluding reverse transactions, amounted to nearly DKK 35bn at end-H1 – up DKK 6bn.

Equity

Group equity including recognition of profit for the period stood at DKK 53.7bn at end-H1 compared with DKK 52.0bn 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 some Danish regional banks. The equities are value adjusted against equity on a continuous basis. The value adjustment against equity in the Consolidated Financial Statements was a negative DKK 87m after tax. The value of equities classified as available-for-sale totalled DKK 5,205m.

Capital base and capital adequacy

At the end of the period, the Group's capital base stood at DKK 57.7bn equal to a capital adequacy ratio of 11.9%. The Group's core capital ratio was 10.9% and, excluding hybrid core capital, 10.2%.

Effective from and including H1/2007, results for the period will be included in the determination of the core capital and the capital adequacy ratio, etc.

Capital requirement and capital structure

The Nykredit Group must maintain a capital structure which secures its ability to offer mortgage loans and other financial solutions during periods with high as well as low business activity. Nykredit's capital resources

should also provide a basis for newly issued mortgage bonds to obtain an attractive rating, enabling Nykredit to charge the lowest possible mortgage rates.

Nykredit divides its equity of DKK 53.7bn into three elements:

Business capital of DKK 42.9bn equal to the statutory capital requirement. The capital requirement comprises 8% of risk-weighted items equal to DKK 38.8bn, the statutory capital deductions relating to intangible assets of DKK 3.9bn and insurance business of DKK 0.2bn.

Buffer capital of DKK 4.8bn equal to 1% of risk-weighted items. The buffer capital is maintained to ensure that Nykredit – even after unexpected impairment losses on loans or securities portfolios – continues to have adequate capital resources to continue lending activities and obtain a high rating of the issued bonds.

Strategic capital of DKK 6.0bn constitutes the remainder of equity. The strategic capital is the capital which the Group may use for strategic initiatives and acquisitions and for periods with high business growth.

In addition to equity, hybrid core capital and part of the supplementary capital are eligible in the determination of capital adequacy. Nykredit has raised hybrid core capital of DKK 3.6bn and supplementary capital of DKK 5.0bn which is eligible in the determination of capital adequacy.

Nykredit's capital structure under CRD

From 1 January 2008, the advanced methods of the EU's new Capital Requirements Directive (CRD) may be applied to determine capital requirements for credit risk. Nykredit expects to obtain permission from the Danish Financial Supervisory Authority to apply the advanced methods before year-end.

The Nykredit Realkredit Group Changes in equity

DKK million	H1/ 2007	H1/ 2006	FY 2006
Equity, beginning of year	51,987	48,692	48,692
Acquisition of minority interests	-	-	(1,553)
Profit for the period	1,802	1,019	3,327
Fair value adjustment of equities – available-for-sale	(87)	601	1,419
Other adjustments	9	(4)	102
Equity, end of period	53,711	50,308	51,987

The Nykredit Realkredit Group Capital base and capital adequacy

DKK million	30 June 2007	30 June 2006	31 December 2006
Core capital, including hybrid core capital	52,848	48,715	51,514
Core capital, excluding hybrid core capital	49,271	45,054	47,874
Capital base	57,724	52,814	55,282
Weighted assets	484,455	449,787	467,992
Capital requirement	38,756	35,983	37,439
Capital adequacy ratio based on the capital base, %	11.9	11.7	11.8
Core capital ratio, including hybrid core capital, %	10.9	10.8	11.0
Core capital ratio, excluding hybrid core capital, %	10.2	10.0	10.2

OTHER

Industriens Realkreditfond

In May 2005 Industriens Realkreditfond (the Industrial Mortgage Fund of Denmark) instituted legal proceedings against Foreningen Nykredit og Nykredit Holding A/S before the High Court of Eastern Denmark, cf the Annual Report for 2006. The Danish High Court of Eastern Denmark will be able to deliver judgment in the case in 2008.

Merger finally adopted

The merger announced in April between Nykredit Bank A/S and its wholly-owned subsidiary Nykredit Portefølje Bank A/S was finally adopted on 11 June. The merger is a vertical merger with Nykredit Bank A/S as the surviving company.

Nykredit Portefølje Administration A/S, which has so far been a subsidiary of the discontinuing company, will in future be a subsidiary owned directly by Nykredit Bank A/S.

Capital increase in Totalkredit

At end-June 2007 Totalkredit raised the company's share capital by issuing a nominal DKK 98,609,600 worth of new shares at a price of DKK 1,521.15 per share of a nominal 100, equal to a market value of DKK 1.5bn.

Totalkredit also raised subordinate loan capital of a nominal DKK 500m.

The capital increase was subscribed for in its entirety by Nykredit Realkredit A/S.

Tax case

Nykredit Realkredit is party to a pending tax case which has been appealed to the Danish High Court, cf the mention in the Annual Report for 2006. Should the Danish High Court find in Nykredit's favour, deferred tax of DKK 166m 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, cf the mention in the Annual Report for 2006.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the H1 Interim Report.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

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

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 compliance with the principles of recognition and measurement of the IFRS and a more limited presentation relative to the presentation of annual reports.

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 of financial companies.

The accounting policies are unchanged relative to the Annual Report for 2006. A description of the Group's and the Parent Company's accounting policies applied in the Annual Report for 2006 is available at nykredit.com.

Financial highlights – six quarters

The Nykredit Realkredit Group DKK million	Q2/ 2007	Q1/ 2007	Q4/ 2006	Q3/ 2006	Q2/ 2006	Q1/ 2006
CORE EARNINGS AND PROFIT FOR THE PERIOD						
Core income from						
Business operations	1,622	1,541	1,781	1,381	1,464	1,366
Securities	493	436	426	337	274	223
Total	2,115	1,977	2,207	1,718	1,738	1,589
Operating costs, depreciation and amortisation	1,078	1,065	1,103	915	1,011	1,009
Core earnings before impairment losses	1,037	912	1,104	803	727	580
Impairment losses on loans and advances	-	(72)	(93)	(193)	(46)	(37)
Core earnings after impairment losses	1,037	984	1,197	996	773	617
Investment portfolio income	89	164	440	474	(162)	118
Profit before tax	1,126	1,148	1,637	1,470	611	735
Tax	173	299	390	409	133	194
Profit for the period	953	849	1,247	1,061	478	541
Profit for the period excludes value adjustment of strategic equities against equity	(387)	300	718	100	(303)	904
	30.06.2007	31.03.2007	31.12.2006	30.09.2006	30.06.2006	31.03.2006
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Receivables from credit institutions and central banks	37,768	32,884	57,516	37,545	36,771	46,312
Mortgage loans	775,098	772,781	758,132	741,198	709,854	701,399
Bank loans – excluding reverse transactions	34,827	34,086	28,983	25,852	25,020	21,950
Bonds and equities	61,001	62,376	89,005	64,331	58,303	58,425
Other assets	29,013	24,710	23,528	26,393	30,556	23,535
Total assets	937,707	926,837	957,164	895,319	860,504	851,621
Liabilities and equity						
Payables to credit institutions and central banks	90,873	90,108	84,512	81,018	80,846	74,281
Deposits	23,136	21,318	22,165	20,593	21,730	23,992
Issued bonds	721,377	719,076	751,560	689,861	662,955	656,340
Hybrid core capital	3,577	3,699	3,730	3,794	3,705	3,788
Supplementary capital	4,978	4,983	4,985	4,986	4,986	6,107
Other liabilities	40,055	34,518	38,225	45,151	35,974	36,982
Equity	53,711	53,135	51,987	49,916	50,308	50,131
Total liabilities and equity	937,707	926,837	957,164	895,319	860,504	851,621
FINANCIAL RATIOS						
Profit for the period as a % of average equity pa	7.1	6.5	9.9	8.5	3.8	4.4
Core earnings before impairment losses as a % of average equity pa	7.8	6.9	8.8	6.4	5.8	4.7
Core earnings after impairment losses as a % of average equity pa	7.8	7.5	9.5	8.0	6.2	5.0
Costs as a % of core income	51.0	53.9	50.0	53.3	58.2	63.5
Total impairment provisions	333	338	406	487	703	739
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Capital adequacy ratio, % *	11.9	11.6	11.8	11.1	11.7	12.3
Core capital ratio including hybrid core capital, % *	10.9	10.9	11.0	10.2	10.8	11.2
Core capital ratio excluding hybrid core capital, % *	10.2	10.1	10.2	9.4	10.0	10.3
Average number of full-time staff	3,608	3,564	3,559	3,393	3,390	3,385
*) From Q2/2007 the capital adequacy and core capital ratios include profit for the period.						

Financial highlights – five years

The Nykredit Realkredit Group
DKK million

	H1/ 2007	H1/ 2006	H1/ 2005	H1/ 2004	H1/ 2003
INCOME STATEMENT					
Net interest income	3,093	2,721	2,871	2,509	2,319
Net fee income	198	371	565	284	521
Net interest and fee income	3,291	3,092	3,436	2,793	2,840
Net premiums earned	611	589	549	600	-
Value adjustments	644	(43)	466	514	751
Other operating income	233	88	83	86	74
Claims incurred, net of reinsurance	451	445	509	490	-
Staff and administrative expenses	1,877	1,767	1,539	1,461	1,254
Amortisation, depreciation and impairment losses for property, plant and equipment as well as intangible assets	265	253	245	249	31
Other operating expenses	1	-	1	1	4
Impairment losses on loans and receivables	(72)	(83)	(74)	(108)	77
Profit from investments in associates and group enterprises	17	2	0	39	133
Profit before tax	2,274	1,346	2,314	1,939	2,432
Tax	472	327	656	509	730
Profit for the period	1,802	1,019	1,658	1,430	1,702
	30.06.2007	30.06.2006	30.06.2005	30.06.2004	30.06.2003
SUMMARY BALANCE SHEET, END OF PERIOD					
Assets					
Cash balance and receivables from credit institutions and central banks	37,768	36,771	75,198	59,787	54,082
Mortgage loans	775,098	709,854	674,342	610,584	421,045
Bank loans – excl reverse transactions	34,827	25,020	18,354	18,784	19,655
Bonds and equities	61,001	58,303	56,916	89,044	73,926
Other assets	29,013	30,556	27,665	22,419	19,171
Total assets	937,707	860,504	852,475	800,618	587,879
Liabilities and equity					
Payables to credit institutions and central banks	90,873	80,846	60,005	47,620	49,896
Deposits	23,136	21,730	21,813	20,715	15,910
Issued mortgage bonds	721,377	662,955	679,338	651,488	460,133
Hybrid core capital	3,577	3,705	4,007	-	-
Supplementary capital	4,978	4,986	2,378	2,598	-
Other liabilities	40,055	35,974	38,246	35,136	25,641
Equity	53,711	50,308	46,688	43,061	36,299
Total liabilities and equity	937,707	860,504	852,475	800,618	587,879
FINANCIAL RATIOS ¹					
Profit before tax for the period as a % of average equity	4.0	4.0	6.9	4.6	6.9
Profit for the period as a % of average equity	3.2	3.3	5.4	3.4	4.8
Income:cost ratio, DKK	1.85	1.83	2.40	2.28	2.78
Foreign exchange position, %	1.6	1.2	1.6	0.7	1.5
Loans and advances:equity	15.2	14.8	15.0	14.8	12.3
Growth in loans and advances for the period, %	5.4	5.6	6.4	4.3	1.9
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)	(0.0)	0.0
Capital adequacy ratio, % *	11.9	11.7	11.0	10.2	10.9
Core capital ratio including hybrid core capital, % *	10.9	10.8	10.6	9.8	11.2
Core capital ratio excluding hybrid core capital, % *	10.2	10.3	9.9	10.0	10.9
Average number of full-time staff	3,608	3,390	3,277	3,232	3,092

Comparative figures for 2003 have not been restated on the transition to IFRS at 1 January 2005.

1) 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 core capital ratio at H1/2007 include profit for the period.

Financial highlights - five years

Nykredit Realkredit A/S
DKK million

	H1/ 2007	H1/ 2006	H1/ 2005	H1/ 2004	H1/ 2003
INCOME STATEMENT					
Net interest income	1,645	1,575	1,738	1,645	1,917
Net fee income	399	527	645	422	416
Net interest and fee income	2,044	2,102	2,383	2,067	2,333
Value adjustments	158	450	1,211	470	730
Other operating income	2	3	1	9	9
Staff and administrative expenses	1,106	1,209	1,050	1,008	1,022
Amortisation, depreciation and impairment losses for property, plant and equipment as well as intangible assets	225	173	169	228	24
Other operating expenses	0	-	-	-	-
Impairment losses on loans and receivables	(77)	(70)	(73)	(134)	(7)
Profit from investments in associates and group enterprises	1,186	737	666	495	399
Profit before tax	2,136	1,980	3,115	1,939	2,432
Tax	421	360	679	509	730
Profit for the period	1,715	1,620	2,436	1,430	1,702
	30.06.2007	30.06.2006	30.06.2005	30.06.2004	30.06.2003
SUMMARY BALANCE SHEET, END OF PERIOD					
Assets					
Cash balance and receivables from credit institutions and central banks	27,352	23,952	56,798	38,105	45,065
Mortgage loans	451,821	432,918	443,261	430,206	421,045
Funding mortgage loans - Totalkredit	163,862	84,606	-	-	-
Bonds and equities	36,321	36,545	41,395	51,385	48,273
Other assets	32,523	23,039	20,493	17,503	12,107
Total assets	711,879	601,060	561,947	537,199	526,490
Liabilities and equity					
Payables to credit institutions and central banks	35,257	30,289	26,106	17,720	15,417
Issued mortgage bonds	595,923	497,727	465,030	461,147	460,133
Hybrid core capital	3,577	3,705	4,007	-	-
Supplementary capital	3,714	3,721	-	-	-
Other liabilities	19,697	16,863	21,669	17,784	14,641
Equity	53,711	48,755	45,135	40,548	36,299
Total liabilities and equity	711,879	601,060	561,947	537,199	526,490
FINANCIAL RATIOS ¹					
Profit before tax for the period as a % of average equity	4.0	4.1	7.1	4.9	6.9
Profit for the period as a % of average equity	3.2	3.4	5.5	3.6	4.8
Income:cost ratio, DKK	2.7	2.51	3.72	2.93	3.34
Foreign exchange position, %	0.3	0.9	0.6	0.9	0.9
Loans and advances:equity	8.4	8.9	9.8	10.6	11.6
Growth in loans and advances for the period, %	2.5	1.3	1.0	1.3	2.3
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Capital adequacy ratio, % *	16.0	15.5	13.9	12.1	11.9
Core capital ratio including hybrid core capital, % *	14.9	14.6	14.1	12.4	12.2
Core capital ratio excluding hybrid core capital, % *	13.9	13.5	12.9	12.4	12.2
Average number of full-time staff	2,363	2,384	2,303	2,340	2,301

Comparative figures for 2003 have not been adjusted on the transition to IFRS at 1 January 2005.

1) Financial ratios are based on the definitions and guidelines of the Danish Financial Supervisory Authority.

*) From H1/2007 the capital adequacy and core capital ratios include profit for the period.

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

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January–30 June 2007 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 view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2007 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–30 June 2007.

The H1 Interim Report has not been audited.

Copenhagen, 16 August 2007

Executive Board

Peter Engberg Jensen
Group Chief Executive

Søren Holm
Group Managing Director

Karsten Knudsen
Group Managing Director

Per Ladegaard
Group Managing Director

Henning Kruse Petersen
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

Steffen Kragh

Allan Kristiansen

Henrik Laustsen

Susanne Møller Nielsen

Nina Smith

Jens Thomsen

Jens Erik Udsen

Leif Vinther

Income statements for the period 1 January – 30 June

DKK million

Nykredit Realkredit A/S			Note	The Nykredit Realkredit Group	
H1/2006	H1/2007			H1/2007	H1/2006
11,265	15,400	Interest income	1	20,964	16,608
9,690	13,755	Interest expense	2	17,871	13,887
1,575	1,645	NET INTEREST INCOME		3,093	2,721
206	133	Dividend on equities		138	216
418	364	Fee and commission income		641	679
97	98	Fee and commission expense		581	524
2,102	2,044	NET INTEREST AND FEE INCOME		3,291	3,092
-	-	Net premiums earned		611	589
450	158	Value adjustments	3	644	(43)
3	2	Other operating income		233	88
-	-	Claims incurred, net of reinsurance		451	445
1,209	1,106	Staff and administrative expenses	4	1,877	1,767
173	225	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	5	265	253
-	-	Other operating expenses		1	-
(70)	(77)	Impairment losses on loans and receivables	6	(72)	(83)
737	1,186	Profit on investments in associates and group enterprises	7	17	2
1,980	2,136	PROFIT BEFORE TAX		2,274	1,346
360	421	Tax	8	472	327
1,620	1,715	PROFIT FOR THE PERIOD		1,802	1,019

Balance sheets, end of period

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2006	30.06.2007		Note	30.06.2007	31.12.2006
		ASSETS			
167	7	Cash balance and demand deposits with central banks		39	200
47,401	27,345	Receivables from credit institutions and central banks	9	37,729	57,316
451,924	451,941	Loans, advances and other receivables at fair value	10	779,271	761,638
166,063	163,862	Totalkredit mortgage loan funding	11	-	-
1,117	649	Loans, advances and other receivables at amortised cost	12	35,776	30,784
50,512	27,216	Bonds at fair value	13	51,569	79,371
		Equities			
9,092	9,105	Fair value option		4,227	4,291
-	-	Available-for-sale		5,205	5,343
9,092	9,105	Total		9,432	9,634
142	163	Investments in associates		111	90
14,695	16,855	Investments in group enterprises		-	-
3,968	3,808	Intangible assets		3,851	4,001
		Land and buildings			
-	-	Investment properties		71	72
344	356	Owner-occupied properties		1,573	1,528
344	356	Total		1,644	1,600
144	150	Other property, plant and equipment		257	260
38	0	Current tax assets		5	41
218	263	Deferred tax assets		276	232
6	8	Assets in temporary possession		8	86
8,147	10,033	Other assets	14	17,592	11,766
125	118	Prepayments		147	145
754,103	711,879	TOTAL ASSETS		937,707	957,164

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Statement of changes in equity

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Statutory reserves	Reserves in series	Other reserves	Retained earnings	Total
2007								
Balance, beginning of period	1,182	91	7	2,439	23,336	-	24,932	51,987
Adjustment relating to owner-occupied properties	-	3	-	-	-	-	-	3
Adjustments relating to foreign entities	-	-	2	-	-	-	-	2
Profit for the period	-	-	-	892	-	-	823	1,715
Total comprehensive income	-	3	2	892	-	-	823	1,720
Dividend from subsidiaries	-	-	-	(820)	-	-	820	-
Adjustment relating to subsidiaries	-	-	-	4	-	-	-	4
Total other adjustments	-	-	-	(816)	-	-	820	4
Balance, end of period, 30.06	1,182	94	9	2,515	23,336	-	26,575	53,711
2006								
Balance, beginning of period	1,182	82	6	1,004	22,597	3,632	18,636	47,139
Adjustment relating to owner-occupied properties	-	9	-	-	-	-	-	9
Adjustment relating to foreign entities	-	-	1	-	-	-	-	1
Profit for the year	-	-	-	1,408	-	-	3,338	4,746
Total comprehensive income	-	9	1	1,408	-	-	3,338	4,756
Transferred to retained earnings	-	-	-	-	-	(3,632)	3,632	-
Dividend from Nykredit Mægler A/S	-	-	-	(60)	-	-	60	-
Adjustments pursuant to capital adequacy rules	-	-	-	-	739	-	(739)	-
Transferred from provisions - pre-1972 series	-	-	-	-	-	-	12	12
Adjustment relating to associates	-	-	-	-	-	-	2	2
Adjustment relating to subsidiaries	-	-	-	87	-	-	(9)	78
Total other adjustments	-	-	-	27	739	(3,632)	2,958	92
Balance, end of period, 31.12	1,182	91	7	2,439	23,336	-	24,932	51,987
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

DKK million

The Nykredit Realkredit Group

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Value adjustment of equities available-for-sale	Reserves in series	Other reserves	Retained earnings	Total	Minority interests	Total
2007										
Balance, beginning of period	1,182	202	7	2,636	23,336	-	24,624	51,987	-	51,987
Adjustment of equities available-for-sale	-	-	-	(87)	-	-	-	(87)	-	(87)
Adjustments relating to owner-occupied properties	-	7	-	-	-	-	-	7	-	7
Adjustments relating to foreign entities	-	-	2	-	-	-	-	2	-	2
Profit for the period	-	-	-	-	-	-	1,802	1,802	-	1,802
Total comprehensive income	-	7	2	(87)	-	-	1,802	1,724	-	1,724
Balance, end of period, 30.06	1,182	209	9	2,549	23,336	-	26,426	53,711	-	53,711
2006										
Balance, beginning of period	1,182	115	6	1,217	22,597	3,632	18,390	47,139	1,553	48,692
Adjustment of equities available-for-sale	-	-	-	1,593	-	-	-	1,593	-	1,593
Realised gain relating to equities available-for-sale	-	-	-	(174)	-	-	-	(174)	-	(174)
Adjustment relating to owner-occupied properties	-	87	-	-	-	-	-	87	-	87
Adjustments relating to foreign entities	-	-	1	-	-	-	-	1	-	1
Profit for the year	-	-	-	-	-	-	3,327	3,327	-	3,327
Total comprehensive income	-	87	1	1,419	-	-	3,327	4,834	-	4,834
Acquisition of minority interests	-	-	-	-	-	-	-	-	(1,553)	(1,553)
Transferred to retained earnings	-	-	-	-	-	(3,632)	3,632	-	-	-
Adjustments pursuant to capital adequacy rules	-	-	-	-	739	-	(739)	-	-	-
Transferred from provisions - pre-1972 series	-	-	-	-	-	-	12	12	-	12
Adjustment relating to associates	-	-	-	-	-	-	2	2	-	2
Total other adjustments	-	-	-	-	739	(3,632)	2,907	14	(1,553)	(1,539)
Balance, end of period, 31.12	1,182	202	7	2,636	23,336	-	24,624	51,987	-	51,987

Core earnings and investment portfolio income

DKK million

The Nykredit Realkredit Group

	H1/2007			H1/2006		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	3,203	(110)	3,093	2,656	65	2,721
Dividend on equities	-	138	138	4	212	216
Fee and commission income, net	88	(28)	60	178	(23)	155
Net interest and fee income	3,291	0	3,291	2,838	254	3,092
Net premiums earned	611	-	611	589	-	589
Value adjustments	453	191	644	257	(300)	(43)
Other operating income	188	45	233	88	-	88
Claims incurred, net of reinsurance	451	-	451	445	-	445
Staff and administrative expenses	1,877	-	1,877	1,767	-	1,767
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	265	-	265	253	-	253
Other operating expenses	1	-	1	0	-	0
Impairment losses on loans and advances	(72)	-	(72)	(83)	-	(83)
Profit on equity investments	-	17	17	-	2	2
Profit before tax	2,021	253	2,274	1,390	(44)	1,346

Cash flow statement

DKK million

	The Nykredit Realkredit Group	
	H1/2007	H1/2006
Profit after tax for the period	1,802	1,019
Adjustment for non-cash operating items, depreciation, amortisation and impairment losses		
Amortisation and impairment losses for intangible assets	212	216
Depreciation and impairment losses for property, plant and equipment	53	37
Value adjustment of investments	(17)	(2)
Impairment losses on loans and receivables	(72)	(83)
Prepayments/deferred income, net	3	(12)
Tax calculated on profit for the period	472	327
Other adjustments	(78)	597
Total	573	1,080
Profit for the period adjusted for non-cash operating items	2,375	2,099
Change in working capital		
Loans and advances	(22,553)	(19,124)
Deposits and payables to credit institutions	7,332	25,446
Issued mortgage bonds	(30,630)	(53,849)
Other working capital	(3,857)	(5,231)
Total	(49,708)	(52,758)
Corporation tax paid, net	(99)	(236)
Cash flows from operating activities	(47,432)	(50,895)
Cash flows from investing activities		
Investments	28,000	21,454
Intangible assets	(62)	(55)
Property, plant and equipment	(94)	(44)
Total	27,844	21,355
Cash flows from financing activities		
Subordinate loan capital	(160)	(1,353)
Total	(160)	(1,353)
Total cash flows	(19,748)	(30,893)
Cash and cash equivalents, beginning of period		
Cash balance and demand deposits with central banks	200	47
Receivables from credit institutions and central banks	57,316	67,617
Total	57,516	67,664
Cash and cash equivalents, end of period		
Cash balance and demand deposits with central banks	39	40
Receivables from credit institutions and central banks	37,729	36,731
Total	37,768	36,771

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
H1/2006	H1/2007		H1/2007	H1/2006
		1. INTEREST INCOME		
1,465	3,945	Receivables from credit institutions and central banks	476	341
8,290	9,817	Loans, advances and other receivables	17,893	13,746
1,039	1,051	Administration margin (income)	1,822	1,692
		Bonds		
421	503	– Own mortgage bonds	1,485	805
286	294	– Other mortgage bonds	379	726
23	173	– Government bonds	186	(15)
66	34	– Other bonds	94	150
		Derivative financial instruments		
43	13	– Foreign exchange contracts	9	22
(2)	18	– Interest rate contracts	75	(99)
55	57	Other interest income	32	45
11,686	15,905	Total	22,451	17,413
(421)	(503)	Interest from own mortgage bonds has been offset against interest expense – note 2	(1,485)	(805)
-	(2)	Interest from own other securities and bonds has been offset against interest expense – note 2	(2)	-
11,265	15,400	TOTAL	20,964	16,608
		Of which interest income from genuine purchase and resale transactions entered as:		
73	67	Receivables from credit institutions and central banks	280	164
-	-	Loans, advances and other receivables	94	69
		2. INTEREST EXPENSE		
391	685	Credit institutions and central banks	1,729	953
-	0	Deposits and other payables	450	288
9,519	13,341	Issued bonds	16,903	13,204
146	168	Subordinate loan capital	200	184
55	66	Other interest expense	76	63
10,111	14,260	Total	19,358	14,692
(421)	(503)	Set-off of interest from own mortgage bonds – note 1	(1,485)	(805)
-	(2)	Set-off of interest from own other securities and bonds – note 1	(2)	-
9,690	13,755	Total	17,871	13,887
		Of which interest expense for genuine sale and repurchase transactions entered as:		
82	222	Payables to credit institutions and central banks	502	229
-	-	Deposits and other payables	20	12

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
H1/2006	H1/2007		H1/2007	H1/2006
		3. VALUE ADJUSTMENTS		
		Financial assets measured at fair value through profit or loss		
(11,840)	(11,824)	Mortgage loans	(20,648)	(20,998)
(2,351)	(4,990)	Totalkredit mortgage loan funding	-	-
0	0	Other loans, advances and receivables at fair value	66	20
(939)	(457)	Bonds	(1,177)	(1,721)
647	294	Equities	479	(40)
41	(18)	Foreign exchange	(130)	270
507	250	Foreign exchange, interest rate and other contracts as well as derivative financial instruments	1,308	1,144
-	-	Other assets	8	(1)
		Financial assets measured at fair value against equity		
-	-	Realised capital gain transferred from equity	-	91
		Financial liabilities measured at fair value through profit or loss		
12,034	11,913	Issued bonds	20,738	21,192
2,351	4,990	Totalkredit mortgage loan funding	-	-
450	158	Total	644	(43)
		4. STAFF AND ADMINISTRATIVE EXPENSES		
17	17	Remuneration of Board of Directors and Executive Board	17	17
662	615	Staff expenses	1,065	1,058
530	474	Administrative expenses	839	739
1,209	1,106	Total	1,921	1,814
-	-	Costs transferred to "Claims incurred, net of reinsurance"	(44)	(47)
1,209	1,106	Total	1,877	1,767
		Remuneration of Board of Directors and Executive Board		
		Board of Directors		
1	1	Remuneration	1	1
		Executive Board		
15	15	Salaries	15	15
1	1	Other social security expenses and charges	1	1
17	17	Total	17	17
		The terms and conditions governing pension and retirement in relation to the Executive Board have not changed since the Annual Report for 2006, to which reference is made.		
		Staff expenses		
547	502	Wages and salaries	874	885
61	62	Pensions	101	90
54	51	Other social security expenses and charges	90	83
662	615	Total	1,065	1,058
		Number of staff		
2,384	2,363	Average number of staff for the financial period, full-time equivalents	3,608	3,390

H1 Interim Report 2007 – the Nykredit Realkredit Group

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
H1/2006	H1/2007		H1/2007	H1/2006
		6. IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES, CONTINUED		
		6.e. Specification of loans and advances subject to objective indication of impairment		
1,040	283	Loans and advances subject to individual impairment provisioning	328	1,185
428	147	Impairment provisions	173	522
612	136	Loans and advances after impairment provisions	155	663
4,169	6,726	Loans and advances subject to group-based impairment provisioning	13,222	9,601
122	97	Impairment provisions	160	181
4,047	6,629	Loans and advances after impairment provisions	13,062	9,420
		7. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES		
2	17	Profit before tax from investments in associates	17	2
735	1,169	Profit before tax from investments in group enterprises	-	-
737	1,186	Total	17	2
		8. TAX		
		Tax for the period can be specified as follows		
143	128	Tax on profit for the period	472	327
211	293	Tax on profit in subsidiaries	-	-
6	-	Minority interests	-	-
360	421	Total	472	327
18.2	19.7	Effective tax rate, %	20.8	24.3

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2006	30.06.2007		30.06.2007	31.12.2006
		9. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
19,353	0	Receivables at call with central banks	349	22,327
28,048	27,345	Receivables from credit institutions	37,380	34,989
47,401	27,345	Total	37,729	57,316
11,085	4,783	Of which prepaid funds, including prepayments at par and proceeds from the issuance of fixed-price agreements	5,881	18,420
		10. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE		
451,893	451,821	Mortgage loans	775,098	758,132
31	120	Arrears and outlays	167	73
-	-	Other loans and advances	4,006	3,433
451,924	451,941	Total	779,271	761,638
		Mortgage loans		
434,941	453,813	Balance, beginning of period, nominal value	766,011	695,171
100,892	39,725	New loans	86,654	203,789
844	656	Indexation	656	844
194	(240)	Foreign currency translation adjustment	(240)	194
(13,967)	(6,085)	Ordinary principal payments	(8,463)	(19,014)
(69,091)	(22,324)	Prepayments and extraordinary principal payments	(41,014)	(114,973)
453,813	465,545	Balance, end of period, nominal value	803,604	766,011
(3)	(3)	Loans transferred relating to properties temporarily acquired	(3)	(3)
271	273	Loans assumed by the Danish Agency for Governmental Management	273	271
454,081	465,815	Total, nominal value	803,874	766,279
(2,054)	(13,889)	Adjustment for interest rate risk	(28,670)	(8,011)
		Adjustment for credit risk		
(118)	(95)	Individual impairment provisions	(96)	(119)
(16)	(10)	Group-based impairment provisions	(10)	(17)
451,893	451,821	Balance, end of period, fair value	775,098	758,132
22,340	22,595	Other than mortgages on real property, supplementary guarantees for loans have been received of	70,799	81,259
2,540	2,412	Total advance loan guarantees received	26,505	27,917
		Arrears and outlays		
209	246	Arrears before provisions for loan impairment	295	251
5	13	Outlays before provisions for loan impairment	12	5
(183)	(139)	Provisions for arrears and outlays	(140)	(183)
31	120	Total	167	73

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2006	30.06.2007		30.06.2007	31.12.2006
		11. TOTALKREDIT MORTGAGE LOAN FUNDING		
64,443	168,889	Balance, beginning of period, nominal value		
118,526	48,141	New loans		
(496)	(522)	Ordinary principal payments		
(13,584)	(44,830)	Prepayments and extraordinary principal payments		
168,889	171,678	Balance, end of period, nominal value		
(2,826)	(7,816)	Adjustment for interest rate risk		
166,063	163,862	Balance, end of period, fair value		
		12. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST		
-	-	Bank loans and advances	34,827	28,983
1,229	762	Other loans and advances	1,062	1,913
1,229	762	Total	35,889	30,896
(112)	(113)	Own other securities have been offset against "Issued bonds at amortised cost" - note 18	(113)	(112)
1,117	649	Total	35,776	30,784
		13. BONDS AT FAIR VALUE		
93,901	29,323	Own mortgage bonds	65,374	164,679
37,110	13,310	Other mortgage bonds	25,210	52,354
11,442	11,750	Government bonds	14,931	17,407
1,960	2,156	Other bonds	11,760	9,889
144,413	56,539	Total	117,275	244,329
(93,901)	(29,323)	Set-off of own mortgage bonds against "Issued bonds at fair value" - note 17	(65,374)	(164,679)
-	-	Set-off of own "Other bonds" against "Issued bonds at amortised cost" - note 18	(332)	(279)
50,512	27,216	Total	51,569	79,371
178	116	Of which drawn bonds	299	811
69,437	2,527	Bond holdings stemming from prepaid funds, including prepayments at par and proceeds from the issuance of fixed-price agreements	2,527	80,634
28,848	26,013	As collateral security for the Danish central bank, Danmarks Nationalbank, the Danish FUTOP Clearing Centre and foreign clearing centres, bonds have been deposited of a total market value of Collateral security has been provided on standard industry and market terms.	50,388	54,547

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2006	30.06.2007		30.06.2007	31.12.2006
		14. OTHER ASSETS		
5,266	6,756	Interest and commission receivable	7,453	5,442
945	758	Receivables from group enterprises	-	-
1,726	2,300	Positive market value of derivative financial instruments	9,398	5,823
70	92	Defined benefit plans	92	70
-	-	Receivable relating to reinsurance	105	75
140	127	Other assets	544	356
8,147	10,033	Total	17,592	11,766
		15. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS		
27,915	27,937	Payables to credit institutions	61,244	54,517
10,186	7,320	Payables to central banks	29,629	29,995
38,101	35,257	Total	90,873	84,512
		16. DEPOSITS AND OTHER PAYABLES		
-	-	On demand	12,468	13,557
-	-	At notice	702	0
-	-	Time deposits	9,199	7,871
-	-	Special deposits	767	737
-	-	Total	23,136	22,165
		17. ISSUED BONDS AT FAIR VALUE		
629,545	712,340	Balance, beginning of period, nominal value	902,957	882,111
310,600	92,847	Additions	92,861	335,995
(44)	(134)	Foreign currency translation adjustment	(134)	(45)
(173,457)	(152,862)	Bonds drawn and cancelled	(163,788)	(236,833)
(54,304)	(26,283)	Prepayments and extraordinary principal payments	(37,518)	(78,271)
712,340	625,908	Total	794,378	902,957
21,399	21,257	Indexation	21,257	21,399
733,739	647,165	Balance, end of period, nominal value	815,635	924,356
4,281	(4,988)	Fair value adjustment, beginning of period	(8,118)	4,292
(9,268)	(16,931)	Fair value adjustment	(20,766)	(12,409)
728,752	625,246	Balance, end of period, fair value	786,751	916,239
(93,901)	(29,323)	Own mortgage bonds transferred from "Bonds at fair value" – note 13	(65,374)	(164,679)
634,851	595,923	Total	721,377	751,560
1,086	2,514	Of which pre-issuance	2,514	1,093
146,734	4,668	Drawn for redemption at next creditor settling date	5,809	146,734

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
31.12.2006	30.06.2007		30.06.2007	31.12.2006
		18. ISSUED BONDS AT AMORTISED COST		
-	-	Corporate bonds	1,612	2,020
13	27	Employee bonds	27	13
112	113	Other securities	113	112
125	140	Total	1,752	2,145
-	-	Own other bonds transferred from "Bonds at fair value" – note 13	(332)	(279)
(112)	(113)	Own other bonds transferred from "Loans, advances and other receivables at amortised cost" – note 12	(113)	(112)
13	27	Total	1,307	1,754
		19. OTHER LIABILITIES		
12,945	9,275	Interest and commission payable	14,148	17,275
537	844	Negative market value of derivative financial instruments	6,301	3,393
2,441	2,481	Payables relating to the purchase of Totalkredit shares	2,481	2,441
568	2,934	Other payables	3,331	1,232
16,491	15,534	Total	26,261	24,341
		20. SUBORDINATE LOAN CAPITAL		
		Subordinate loan capital consists of liabilities which, in case of voluntary or compulsory liquidation, will not be repaid until after the claims of ordinary creditors have been met.		
3,730	3,577	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 it will carry a floating interest rate	3,577	3,730
3,720	3,714	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	3,714	3,720
-	-	EUR 200m (nominal) of subordinate loan capital in accordance with section 136 of the Danish Financial Business Act. The loan falls due at par (100) on 17 December 2010 and carries a floating interest rate	1,264	1,265
7,450	7,291	Total	8,555	8,715
7,450	7,291	Subordinate loan capital to be included in the capital base	8,555	8,715
0	0	Extraordinary principal payments and repayment of subordinate loan capital in the financial period	0	1,118

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2006	30.06.2007	30.06.2007	31.12.2006
21. CONTINGENT LIABILITIES			
<p>Owing to its size and business scope, the Nykredit Realkredit Group will be involved in different legal proceedings from time to time. 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 and severally liable for the payment of previous years' corporation tax in the companies subject to joint taxation before 2005. From 2005 all Danish consolidated companies are subject to joint taxation. From 2005 Foreningen Nykredit will act as administration company regarding the joint taxation. The liability relating to corporation tax exclusively concerns the part of the tax directly attributable to Nykredit Realkredit A/S and amounts received from subsidiaries for the purpose of the joint settlement.</p> <p>The companies Nykredit Realkredit A/S, Totalkredit A/S, Nykredit Bank A/S, Nykredit Forsikring A/S and Nykredit Portefølje Administration A/S have been registered jointly where payroll tax and VAT are concerned and are jointly liable for the settlement thereof.</p> <p>Nykredit Forsikring A/S and the rest of the owners of FDC K/S are jointly 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>			
-	-	3,635	2,987
1,965	1,649	8,952	8,001
1,965	1,649	12,587	10,988
Guarantees			
-	-	1,295	947
-	-	2,340	2,040
-	-	3,635	2,987
Other contingent liabilities			
48	47	7,619	6,286
1,917	1,602	1,333	1,715
1,965	1,649	8,952	8,001

Notes

The Nykredit Realkredit Group

22. 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 H1/2007.

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

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

Significant related party transactions prevailing/entered into in H1/2007 include:

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.

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 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 on commission payable in connection with referral of lending business.

Group structure

DKK million

The Nykredit Realkredit Group

GROUP STRUCTURE	Ownership as a % at 30.06.07	Profit for the period H1/2007	Equity at 30.06.07	Profit for the year 2006	Equity at 31.12.06
Name and registered office					
The Nykredit Realkredit Group					
Nykredit Realkredit A/S, Copenhagen a)					
Consolidated subsidiaries					
Totalkredit A/S, Taastrup a)	100	317	9,792	595	7,975
Nykredit Bank A/S, Copenhagen b)	100	408	5,249	627	4,241
Nykredit Finance plc, Plymouth i)	100	0	30	0	30
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen c)	100	0	26	1	26
Nykredit Pantebrevsinvestering A/S, Copenhagen e)	100	0	10	0	10
Nykredit Portefølje Administration A/S, Copenhagen l)	100	8	80	11	72
Nykredit Leasing A/S, Copenhagen h)	100	0	6	1	6
Norswood Properties Limited, Plymouth i)	100	0	0	0	0
Nykredit Fixed Income Opportunities Fund Ltd, Cayman Islands d)	100	3	116	1	113
Nykredit Forsikring A/S, Copenhagen c)	100	76	1,077	170	1,801
Nykredit Mægler A/S, Århus f)	100	20	101	39	101
Nykredit Ejendomme A/S, Copenhagen g)	100	53	506	61	450
Nykredit Adm. V A/S, Copenhagen i)	100	0	1	0	1
Dene Finanse S.A., under liquidation, Warsaw j)	100	2	130	0	126
Associates subject to proportionate consolidation					
Dansk Pantebrevsbørs A/S, Copenhagen e)	50	8	56	27	48
LeasIT A/S, Lyngby-Taarbæk h)	22.7	7	77	(8)	70
JN Data A/S, Silkeborg k)	50	0	103	0	103
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) IT business					
l) Administration					
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					