

To OMX Nordic Exchange Copenhagen
and the press

14 August 2008

H1 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2008 – 30 JUNE 2008

- Core earnings after impairment losses on loans and advances were DKK 1,669m against DKK 2,021m in H1/2007
 - Core income amounted to DKK 4,122m compared with DKK 4,072m in H1/2007
 - Core income from customer-oriented activities showed growth of some 7%, which was offset by declining income from Markets & Asset Management's own trading activities
 - Core income from securities amounted to DKK 998m compared with DKK 929m in H1/2007
 - Operating costs, depreciation and amortisation of DKK 2,422m against DKK 2,123m in H1/2007
 - Impairment losses on loans and advances were DKK 31m against a net income of DKK 72m in H1/2007
- The investment portfolio generated a loss of DKK 1,227m compared with an income of DKK 253m in H1/2007
 - The investment portfolio generated a loss of DKK 750m in Q1/2008. The main reason for this loss was the financial market turmoil, chiefly the widening yield spreads between Denmark and Germany and between government bonds and AAA-rated mortgage bonds, etc. In Q2/2008, the investment portfolio generated a loss of DKK 477m, primarily due to the general increase in interest rate levels of just under 1 percentage point
- Profit before tax was DKK 442m against DKK 2,274m in H1/2007.

OTHER FINANCIAL HIGHLIGHTS

- The Group's gross new mortgage lending totalled DKK 91bn against DKK 84bn in H1/2007
- Bank lending went up by DKK 9bn to DKK 49bn in H1/2008
- Value adjustment of strategic equities against equity resulted in a loss of DKK 958m
- Including profit for the period the Group's equity was DKK 53.4bn
- The Group's capital adequacy ratio was 17.2% inclusive of profit for the period against a minimum capital adequacy ratio of 13.4% under the Basel II transitional rules.

2008 – OUTLOOK

The forecast of core earnings after impairment losses on loans and advances of DKK 4,200-4,400m is reduced to DKK 3,500m-3,800m. The reasons are reduced earnings in Markets & Asset Management as well as expectations of low activity in the private residential mortgage market in H2. The forecast impairment losses on loans and advances remain unchanged.

Peter Engberg Jensen, Group Chief Executive, has the following comments on the H1 Interim Report 2008:

– Nykredit maintained the steady growth in customer-oriented activities in H1/2008 and continues to record very low losses and arrears. Many Danish homeowners have historically high equity levels, and due to the low unemployment the number of forced sales is low. Housing market trends and rising interest rates are expected to reduce lending in H2. Subdued lending and lower earnings in Markets & Asset Management have caused the forecast total core earnings of DKK 4,200m-4,400m to be reduced to DKK 3,500m-3,800m. Nykredit's investment portfolio income has been adversely affected by the financial crisis. The balance principle ensures that funding is largely unaffected.

INFORMATION ABOUT THE NYKREDIT GROUP

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

Contacts

Peter Engberg Jensen, Group Chief Executive – Nels Petersen, Head of Corporate Communications,
tel +45 44 55 14 70 or +45 20 22 22 72

Nykredit Realkredit A/S
Kalvebod Brygge 1-3
DK-1780 Copenhagen V
Tel +45 44 55 10 00

CVR no 12 71 92 80

Financial highlights

DKK million	The Nykredit Realkredit Group		
	H1/2008	H1/2007	FY 2007
CORE EARNINGS AND PROFIT FOR THE PERIOD			
Core income from			
Business operations	3,124	3,143	6,534
Securities	998	929	1,988
Total	4,122	4,072	8,522
Operating costs, depreciation and amortisation	2,422	2,123	4,352
Core earnings before impairment losses	1,700	1,949	4,170
Impairment losses on loans and advances	31	(72)	(67)
Core earnings after impairment losses	1,669	2,021	4,237
Investment portfolio income	(1,227)	253	158
Profit before tax	442	2,274	4,395
Tax	55	472	1,032
Profit for the period	387	1,802	3,363
Profit for the period excludes value adjustment of strategic equities against equity	(958)	(87)	(465)
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.06.2008	30.06.2007	31.12.2007
Assets			
Receivables from credit institutions and central banks	63,912	37,767	82,645
Mortgage loans	843,957	775,098	823,228
Bank loans – excluding reverse transactions	49,092	34,827	39,660
Bonds and equities	81,050	61,001	98,589
Other assets	45,572	29,015	30,937
Total assets	1,083,583	937,707	1,075,058
Liabilities and equity			
Payables to credit institutions and central banks	118,274	90,873	115,875
Deposits and other payables	32,471	23,136	31,581
Issued bonds at fair value	795,142	721,377	796,403
Subordinate loan capital			
– Hybrid core capital	3,548	3,577	3,622
– Supplementary capital	3,723	4,978	3,722
Other liabilities	77,042	40,054	69,410
Equity	53,382	53,711	54,447
Total liabilities and equity	1,083,583	937,707	1,075,058
FINANCIAL RATIOS			
Core earnings before impairment losses as % of average equity (pa)	6.3	7.4	7.8
Core earnings after impairment losses as % of average equity (pa)	6.2	7.6	8.0
Profit for the period as % of average equity (pa)	1.4	6.8	6.3
Costs as % of core income	58.8	52.4	51.1
Total impairment provisions	386	333	349
Impairment losses for the period, %	0.0	(0.0)	(0.0)
Capital adequacy ratio, %*	17.2	11.9	10.3
Core capital ratio, %*	16.4	10.9	9.7
Capital adequacy requirement (%) during a mild recession	9.9	-	-
Average number of full-time staff	3,837	3,608	3,672

*) As from H1/2007, the capital adequacy and core capital ratios include the profit for the period, and as from 1 January 2008, the ratios are determined in accordance with Basel II.

H1 Interim Report 2008

DEVELOPMENTS IN H1/2008

In H1/2008, the Nykredit Group maintained the stable growth in customer-oriented activities.

Credit quality is high, which is reflected in the continued low impairment losses on loans and advances, arrears, recognised losses and properties in possession.

During the past 1 to 2 years, the Danish property market has been characterised by declining prices of owner-occupied dwellings in the Copenhagen area, especially flats. Prices have declined in the areas which previously saw the strongest price increases.

Nykredit's low impairment losses on loans and advances – despite declining housing prices in the Copenhagen area – should be seen in the context of LTV limits for mortgage lending and the fact that only 9% of mortgage lending to retail customers exceeds 60% of the current value of the property. Also Nykredit's commercial loan portfolio has a low-risk profile.

In addition, the low Danish unemployment levels contribute to reducing the current loss risk by minimising the number of forced sales in the housing market.

In Q1/2008, the international credit and liquidity crisis caused a marked widening of yield spreads between Denmark and Germany and between government and mortgage bonds, etc. Further, equity prices declined – with financials taking the brunt.

Q2/2008 saw considerable fluctuations in yield spreads and continued declining equity prices. Furthermore, interest rate levels generally increased by just under 1 percentage point.

The impact of the crisis on Nykredit's funding was insignificant due to Nykredit's use of the balance principle and an efficient Danish bond market.

In Q1/2008, Nykredit's investment portfolio income and Nykredit Bank's core earnings from own positions in Markets & Asset Management were adversely affected by the widening yield spreads and falling equity prices. The investment portfolio loss in Q1 mainly concerned Nykredit's portfolio of mortgage

bonds and other AAA-rated bonds. Nykredit seeks to neutralise the interest rate risk of the bond portfolio through the sale of European government bonds.

In Q2/2008 the investment portfolio also generated a loss, which was mainly attributable to the general rise in interest rate levels.

Nykredit's portfolios of strategic equities, which are value adjusted against equity, were adversely affected by the declining equity prices of financials in both quarters.

THE NYKREDIT REALKREDIT GROUP RESULTS

The Group's core earnings after impairment losses on loans and advances were DKK 1,669m against DKK 2,021m in H1/2007.

Core earnings reflect growth in earnings from customer lending business of DKK 213m to DKK 3,173m, but a loss deriving from the Proprietary Trading activities of Markets & Asset Management. In addition, operating costs, depreciation and amortisation went up, as expected.

The Group's investment portfolio generated a loss of DKK 1,227m against an income of DKK 253m in H1/2007, primarily due to a rise in interest rate levels of 1 percentage point as well as widening yield spreads between mortgage bonds, etc and government bonds.

Value adjustment of strategic equities, mainly of banks, which are value adjusted against equity, produced a loss of DKK 958m compared with a loss of DKK 87m in H1/2007.

The Group reported a profit before tax of DKK 442m for H1/2008 against DKK 2,274m for the same period in 2007. Profit after tax was DKK 387m against DKK 1,802m.

Core earnings

The Group's core income from business operations was DKK 3,124m against DKK 3,143m in the same period the year before.

Core income from mortgage lending operations came to DKK 2,095m, up by DKK 169m compared with H1/2007. Gross new lending was DKK 91bn against DKK 84bn in the same period the year before. Measured at nominal

value, the Group's mortgage lending rose by DKK 42bn to DKK 891bn in H1/2008.

In terms of gross new lending, the Nykredit Group held a market share of 41.8% in H1/2008.

Core income from banking operations came to DKK 749m against DKK 896m in H1/2007.

The decline chiefly derived from Markets & Asset Management, which recorded a fall in core earnings of DKK 207m to DKK 312m, attributable to the Bank's own position-taking, which generated a loss of DKK 161m against an income of DKK 65m in H1/2007.

Core income from insurance operations declined by DKK 11m to DKK 146m.

Core income from securities amounted to DKK 998m compared with DKK 929m in H1/2007. Core income from securities is calculated on the basis of short-term money market rates averaging 4.1% in H1/2008.

Operating costs, depreciation and amortisation went up by DKK 299m to DKK 2,422m. The increase was due to focused strategic initiatives in the areas of Commercial Customers, Markets & Asset Management and IT. The rise mainly concerned in the number of staff. Add to this value adjustments of DKK 55m relative to H1/2007 concerning Nykredit's pension settlement funds.

The Group's impairment losses on loans and advances were DKK 31m against a net income of DKK 72m in the same period the year before. Recognised losses contributed DKK 21m to impairment losses compared with DKK 25m in the same period the year before.

At the settlement date in March, the Group's 75-day mortgage loan arrears as a percentage of total mortgage payments due was 0.21% against 0.16% at the settlement date in March 2007.

For further details on the development in loan arrears and impairments, see "Lending" on page 6.

Investment portfolio income

The Group recorded a loss on its investment portfolio of DKK 1,227m against an income of DKK 253m in H1/2007.

The forecast impairment losses on loans and advances remain unchanged.

The investment portfolio of bonds, liquidity and interest rate instruments generated a loss of DKK 1,043m against a loss of DKK 52m in the same period the year before. Equities and equity instruments generated a loss of DKK 184m against an income of DKK 305m in the same period the year before.

Tax

Tax on profit for the period is calculated at DKK 55m for the entire Group.

Financial risk

At 30 June 2008, the Group's Value-at-Risk stood at DKK 204m in terms of a 99% confidence interval over one day.

The Group's interest rate exposure in the event of a general interest rate change of 1 percentage point was DKK 663m. The equity price exposure in case of a general price decline of 10% was DKK 528m.

Subsidiaries

Totalkredit recorded a profit before tax of DKK 479m compared with DKK 438m in the same period the year before. For further information, please refer to Totalkredit's H1 Interim Report 2008.

The Nykredit Bank Group realised a profit before tax of DKK 267m compared with DKK 545m in the same period the year before. For further information, please refer to the Nykredit Bank Group's H1 Interim Report 2008.

Nykredit Forsikring (insurer) posted a profit before tax of DKK 62m against DKK 102m in the same period the year before. The technical profit amounted to DKK 43m against DKK 58m in H1/2007. Nykredit Forsikring's profit was adversely affected by a large fire claim in H1/2008 and reduced investment returns resulting from a dividend distribution of DKK 800m in May 2007.

OUTLOOK FOR 2008

The forecast core earnings after impairment losses on loans and advances of DKK 4,200m-4,400m are reduced to DKK 3,500m-3,800m.

The reasons are reduced earnings from own trading activities in Markets and Asset Management as well as expectations of low activity in the private residential mortgage market in H2/2008.

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 covers activities aimed at retail customers through Nykredit's own distribution channels. Retail Customers realised core earnings before impairment losses of DKK 305m against DKK 352m in 2007. The figure reflects gross new lending of just under DKK 12bn against DKK 15bn in 2007. Bank lending went up by DKK 1.1bn to DKK 8.9bn.

Business Partners is responsible primarily for the sale by business partners of mortgage loans to retail customers of Totalkredit arranged by Danish local and regional banks. Business Partners realised core earnings before impairment losses of DKK 168m against DKK 118m in 2007. Results reflect gross new lending of DKK 42bn against DKK 46bn the year before and include amortisation of DKK 195m relating to capitalised distribution rights.

Commercial Customers serves the agricultural, business and rental housing segments, including housing society dwellings and non-profit housing. Commercial Customers realised core earnings before impairment losses of DKK 792m against DKK 721m in 2007. Gross new

mortgage lending amounted to just under DKK 37bn compared with DKK 23bn in 2007. Bank lending went up by almost DKK 8.3bn to DKK 40.1bn.

Markets & Asset Management handles the activities of the Nykredit Realkredit Group within trading in securities and financial instruments, debt capital, asset management and pension products.

Core earnings in Markets & Asset Management were DKK 2m compared with DKK 257m in H1/2007.

Core income showed a decline of DKK 207m to DKK 312m attributable to the Bank's own position-taking, which produced a decrease in core income of DKK 226m from an income of DKK 65m in H1/2007 to a loss of DKK 161m. Earnings in the Bank's Treasury area were also below the level of 2007.

Customer-oriented activities matched expectations, generating total earnings above the level of H1/2007.

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

H1/2008 results by business area

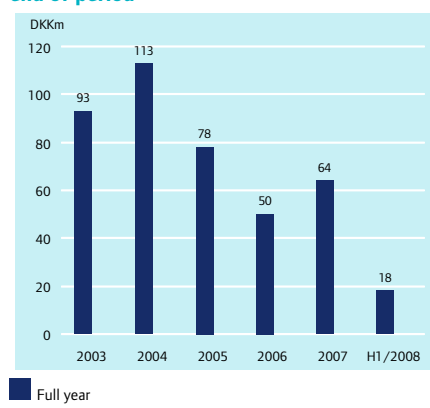
DKK million	Retail Customers		Business Partners		Commercial Customers		Markets & Asset Management		Group items and eliminations		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Core income from business operations	962	989	581	488	1,157	1,029	312	519	112 ³	118 ³	3,124	3,143
- Of which Proprietary Trading	-	-	-	-	-	-	(161)	65	-	-	(161)	65
Core income from securities									998	929	998	929
Direct operating costs	649	628	217	170	364	308	309	262	591	490	2,130	1,858
Depreciation on property, plant and equipment and amortisation of intangible assets	8	9	196	200	1	-	1		86	56	292	265
Core earnings before impairment losses	305	352	168	118	792	721	2	257	433	501	1,700	1,949
Impairment losses on loans and advances	(24)	(33)	3	1	52	(40)	-	-	-	-	31	(72)
Core earnings after impairment losses	329	385	165	117	740	761	2	257	433	501	1,669	2,021
Investment portfolio income ¹	-	-	-	-	-	-	-	-	(1,227)	253	(1,227)	253
Profit before tax	329	385	165	117	740	761	2	257	(794)	754	442	2,274
Return												
Avg business capital, DKK million ²	3,568	3,775	6,217	4,697	13,061	10,386	1,617	1,557	-	-	27,649	24,574
Core earnings after impairment losses as % of avg business capital	18.6	20.6	5.4	5.0	11.4	14.8	0.2	33.3	-	-	12.2	16.6

¹ Investment portfolio income includes profit from investments in associates of DKK 123m in 2008 against DKK 17m in 2007.

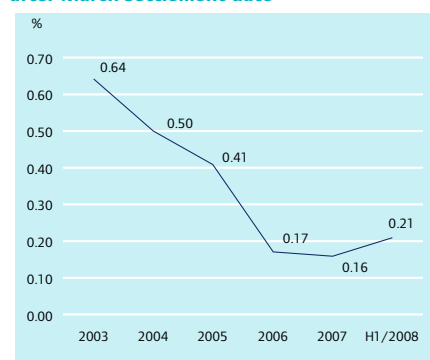
² The business capital has been determined according to the Basel II principles based on the method applied to determine the required capital base.

³ Of which DKK 90m relating to the proportionate consolidation of JN Data (DKK 89m in 2007).

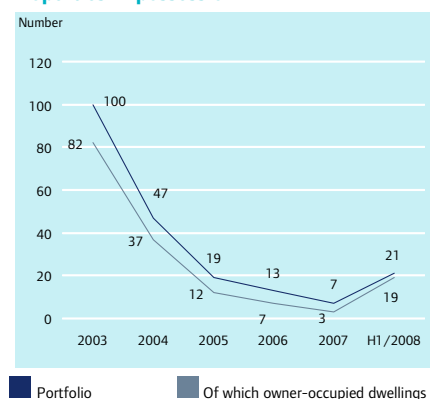
The Nykredit Realkredit Group
Recognised mortgage loan losses,
end of period



The Nykredit Realkredit Group
Arrears ratio, mortgage loans – 75 days
after March settlement date



The Nykredit Realkredit Group
Properties in possession



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

Balance sheet
 The Group's balance sheet totalled DKK 1,084bn against DKK 1,075bn at the beginning of the year.

Group mortgage lending at fair value totalled DKK 844bn against DKK 823bn at the beginning of the year. Measured at nominal value, mortgage lending rose by DKK 42bn to DKK 891bn.

Bank lending excluding reverse transactions amounted to just over DKK 49bn at end-H1/2008 – up by DKK 9bn.

LENDING

Mortgage lending

The LTV ratios of mortgage loans are shown in the table below with individual loans relative to estimated values of the individual properties at end-H1/2008.

As appears, the security behind the mortgage loan portfolio is substantial. Furthermore, mortgage loans granted via Totalkredit are typically covered by set-off agreements, which means that Totalkredit can offset mortgage loan losses against future commission payments to a bank.

The Group's loan impairments and arrears are still very low.

At end-H1/2008, impairment provisions for mortgage loans totalled DKK 263m against DKK 254m at the beginning of the year, of which individual impairment provisions for mortgage loans amounted to DKK 93m at end-H1/2008.

Recognised losses for the period amounted to DKK 18m against DKK 16m in the same period the year before.

At the March settlement date, the Group's mortgage loan arrears as a percentage of total mortgage payments due was 0.21% against 0.16% at the settlement date in March 2007.

The Group's portfolio of properties in possession increased slightly in H1/2008 as the Group repossessed 26 and sold 12 properties. At end-H1/2008, the property portfolio stood at 21 against 7 at the beginning of the year. Of the 21 properties, 19 were owner-occupied dwellings.

Bank lending

Bank lending (excluding reverse transactions) rose by DKK 9bn to DKK 49bn in H1/2008.

Relative to end-2007, impairment provisions for loans and advances increased by DKK 27m to DKK 122m. The rise was attributable to Commercial Customers.

The Bank's loan impairments for H1/2008 were not affected by the declining property prices, and there was no evidence of a significant deterioration of customers' ability to pay.

Impairment provisions as a percentage of total loans, advances and guarantees remained low compared with previous years, ie 0.17% against 0.16% at the beginning of the year.

The breakdown of loans and guarantees by sector and industry is also unchanged compared with previous years. The Nykredit Bank Group's exposure to the property market was 24% of total loans, advances and guarantees at end-H1/2008. Part of the exposure consisted of land registration guarantees and bridge financing preceding mortgage financing.

For further information, please refer to the Nykredit Bank Group's H1 Interim Report 2008.

The Nykredit Realkredit Group
Mortgage debt outstanding relative to estimated property value
Debt outstanding distributed continuously by LTV range up to the top LTV bracket

%	LTV (loan-to-value)				Total
	0-40	40-60	60-80	Over 80	
Owner-occupied dwellings	70	21	8	1	100
Private rental housing	70	19	11	0	100
Trades and industry	78	17	2	2	100
Office and retail	80	17	3	0	100
Agriculture	86	12	2	0	100
Non-profit housing	84	13	3	0	100
Other	82	18	1	0	100

LIQUIDITY**Mortgage banking**

Nykredit Realkredit funds its mortgage lending by daily issuance of covered bonds ("Særligt Dækkede Obligationer" – SDOs) and mortgage bonds. All mortgage loans are based on the traditional balance principle, ie each loan is linked to a specific bond issue under which bond payments and coupon principles, etc match loan payments and interest rate principles, etc. In connection with the refinancing of ARMs, the basic interest rates of the mortgages are adjusted to exactly reflect the funding rate.

Consequently, the funding of mortgage loans does not involve any liquidity risk.

In addition, the Group's mortgage banks have substantial liquidity as 60% or more of the statutory capital requirement must be placed in government bonds, SDOs, etc.

On the strength of the balance principle and general mortgage lending regulation, Danish SDOs and mortgage bonds are very secure papers. The daily issuance of new bonds and the refinancing of ARMs have been smooth in H1/2008.

Commercial banking

Nykredit Bank uses a wide range of funding sources, including an international EMTN programme. At end-H1/2008, notes worth DKK 6.7bn had been issued under the EMTN programme. Issuance took place at satisfactory rates relative to swaps.

The Bank's liquidity is managed on a daily basis according to assessments of future liquidity levels, including assessments of different scenarios and stress tests, etc.

Nykredit Bank's liquidity, determined according to the principles laid down in "Bank Financial Strength Ratings: Global Methodology" issued by the rating agency Moody's, is positive over a 12-month period. Nykredit Bank can therefore withstand a 12-month lack of access to the funding market.

For further information, please refer to the Nykredit Bank Group's H1 Interim Report 2008.

Equity and dividend

Group equity including recognition of profit for the period stood at DKK 53.4bn at end-H1 compared with DKK 54.4bn at the beginning of the year.

As part of a 3-year dividend plan, Nykredit Realkredit A/S distributed ordinary dividends of DKK 500m on 1 April 2008.

In accordance with IAS 39, Nykredit has classified the Group's strategic equity investments as "available for sale" in its Consolidated Financial Statements.

The strategic equity investments include equities in a number of Danish local and regional

banks. These equities are value adjusted against equity on a continuous basis. At end-H1, the value adjustment against equity in the Consolidated Financial Statements came to a loss of DKK 958m. The value of equities classified as available for sale totalled DKK 4,002m.

Capital adequacy

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

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

values (EVs).

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

According to the transitional rules, the capital charge amounts to DKK 41.2bn equal to a capital adequacy ratio of at least 13.4%.

Required capital base and capital need

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

Nykredit's calculation of the required capital base is based on the model calculations used in the determination of the capital charge. However, a statistical level of security of 99.97% is applied, equal to a Aa2-Aa3 rating.

The required capital base consists of Pillar I and Pillar II capital.

Pillar I capital covers credit risk, market risk, operational risk, insurance risk and risk relating to own properties. Pillar I is calculated based on a statistical level of security, etc in accordance with the rules of the Danish Executive Order on Capital Adequacy.

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

At end-H1/2008, the required capital base was DKK 30.5bn, of which DKK 24.6bn concerned Pillar I and DKK 5.9bn Pillar II.

Consequently, the capital need is 9.9%, corresponding to the required capital base as a percentage of weighted assets.

The Nykredit Realkredit Group

Changes in equity

DKK million	30.06.2008	30.06.2007	31.12.2007
Equity, beginning of period	54,447	51,987	51,987
Extraordinary dividend	-	-	(500)
Profit for the period	387	1,802	3,363
Fair value adjustment of equities – available for sale	(958)	(87)	(465)
Dividends distributed	(500)		
Other adjustments	6	9	62
Equity, end of period	53,382	53,711	54,447
Dividends proposed	-	-	(500)
Equity after dividend distribution	53,382	53,711	53,947

The Nykredit Realkredit Group

Capital base and capital need

DKK million	Basel II 30.06.2008	Basel I 30.06.2007	Basel I 31.12.2007
Credit risk	21,131	37,340	41,098
Market risk	2,210	1,416	2,014
Operational risk	1,283	-	-
Pillar I capital requirement	24,624	38,756	43,112
Pillar II capital requirement	5,924	-	-
Required capital base – capital adequacy	30,548	-	-
Weighted items	307,802	484,455	538,898
Core capital	50,587	52,848	52,313
Capital base	53,091	57,724	55,340
Core capital ratio, %	16.4	10.9	9.7
Capital adequacy ratio, %	17.2	11.9	10.3
Capital need (%) during a mild recession	9.9	-	-
Basel II transitional rules			
Capital requirement under the transitional rules ¹	41,222	-	-
Minimum capital adequacy ratio under the transitional rules ²	13.4	-	-

¹ In accordance with the Danish Executive Order on Capital Adequacy, the capital requirement under the transitional rules has been determined as 90% of the capital requirement under Basel I.

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

CAPITAL POLICY

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

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

- *Business capital* of DKK 30.5bn equal to the required Pillar I and Pillar II capital base.
- *Cyclical buffer* of DKK 12.8bn covering the expected rise in the capital base requirement should the economic climate change from mild to severe recession. The calculation of the cyclical buffer is based on the same thorough stress test as under Pillar II
- *Statutory capital deductions* relating to intangible assets of DKK 4.6bn
- *Strategic capital* of DKK 5.5bn, the long-term capital maintained for strategic initiatives.

OTHER

Strengthened Totalkredit partnership

In H1/2008 the Totalkredit partnership strengthened with a number of new members: Alm. Brand Bank, Lån & Spar Bank, Hunstrup-Østerild Sparekasse and Boddum-Ydby Sparekasse.

The agreement gives the new members access to Totalkredit's IT system, the Xportal, which enables advisers and customers to complete housing loans immediately without having to contact the mortgage bank first.

The Totalkredit partnership includes around 100 commercial banks, savings banks and cooperative savings banks with more than 1,200 branches throughout the country.

Tax case

Nykredit Realkredit is party to a pending tax case which the Danish tax authorities have appealed to the Danish High Court. If the High Court finds for Nykredit, deferred tax of DKK 177m will be recognised as income.

Uncertainty about recognition and measurement

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

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

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

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

In connection with Danmarks Nationalbank's provision of a liquidity guarantee to Roskilde Bank in July, a private association under the Danish Bankers Association established for the purpose of maintaining financial resources to wind up distressed banks (Det Private Beredskab til Afvikling af Nødlidende Banker, Sparekasser og Andelskasser) issued a guarantee of DKK 750m to Danmarks Nationalbank, of which the Nykredit Holding Group extraordinarily guaranteed DKK 200m.

The guarantee only becomes effective if Roskilde Bank does not meet its obligations to Danmarks Nationalbank.

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

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

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January – 30 June 2008 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

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

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

In our opinion, the H1 Interim Report gives a fair review of the development in the activities and financial circumstances of the Group and the Parent Company as well as a satisfactory description of the material risk and uncertainty factors affecting the Group and the Parent Company.

We are furthermore of the opinion that the Interim Report gives a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2008 and the results of the Group's and the Parent Company's activities as well as the Group's cash flows for the financial period 1 January – 30 June 2008.

Copenhagen, 14 August 2008

Executive Board

Peter Engberg Jensen
Group Chief Executive

Søren Holm
Group Managing Director

Karsten Knudsen
Group Managing Director

Per Ladegaard
Group Managing Director

Bente Overgaard
Group Managing Director

Niels Tørslev
Group Managing Director

Board of Directors

Steen E. Christensen
Chairman

Hans Bang-Hansen
Deputy Chairman

K.E. Borup
Deputy Chairman

Kristian Bengaard

Michael Demsitz

John Finderup

Anette R. Fischer

Lisbeth Grimm

Steffen Kragh

Allan Kristiansen

Nina Smith

Jens Thomsen

Jens Erik Udsen

Leif Vinther

Income statements for 1 January – 30 June

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
H1/2007	H1/2008		Note	H1/2008	H1/2007
15,400	19,895	Interest income	2	26,316	20,964
13,755	18,092	Interest expenses	3	22,668	17,871
1,645	1,803	NET INTEREST INCOME		3,647	3,093
133	92	Dividend on equities		98	138
364	372	Fee and commission income		641	641
99	96	Fee and commission expenses		609	580
2,044	2,171	NET INTEREST AND FEE INCOME		3,778	3,291
-	-	Net premiums earned		633	611
158	(2,182)	Value adjustments	4	(1,328)	644
2	32	Other operating income		173	213
-	-	Claims incurred, net of reinsurance		481	451
1,106	1,249	Staff and administrative expenses	5	2,128	1,857
225	249	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	6	292	265
0	4	Other operating expenses		5	1
(77)	(5)	Impairment losses on loans, advances and receivables	7	31	(72)
1,186	960	Profit from investments in associates and group enterprises	8	123	17
2,136	(515)	PROFIT/LOSS BEFORE TAX		442	2,274
421	56	Tax	9	55	473
1,715	(571)	PROFIT/LOSS FOR THE PERIOD		387	1,802

Balance sheets at 30 June

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2007	30.06.2008		Note	30.06.2008	31.12.2007
		ASSETS			
32	167	Cash balance and demand deposits with central banks		274	135
79,937	54,964	Receivables from credit institutions and central banks	10	63,638	82,510
474,062	485,639	Loans, advances and other receivables at fair value	11	855,680	828,954
242,622	233,880	Totalkredit mortgage loan funding	12	-	-
649	636	Loans, advances and other receivables at amortised cost	13	50,028	40,608
62,548	45,424	Bonds at fair value	14	75,154	90,935
		Equities			
7,344	5,615	Equities measured at fair value through profit or loss		1,893	2,694
-	-	Equities available for sale		4,002	4,960
7,344	5,615	Total		5,896	7,653
188	302	Investments in associates		255	137
18,774	19,407	Investments in group enterprises		-	-
3,957	4,495	Intangible assets	15	4,565	3,999
		Land and buildings			
-	-	Investment properties		71	71
360	367	Owner-occupied properties		1,713	1,617
360	367	Total		1,784	1,688
156	192	Other property, plant and equipment		304	276
59	99	Current tax assets		127	95
258	435	Deferred tax assets		518	313
5	15	Assets in temporary possession		15	5
10,942	10,607	Other assets	16	25,133	17,596
121	187	Prepayments		213	152
902,014	862,429	TOTAL ASSETS		1,083,583	1,075,058

Balance sheets at 30 June

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2007	30.06.2008		Note	30.06.2008	31.12.2007
		LIABILITIES AND EQUITY			
63,210	52,514	Payables to credit institutions and central banks	17	118,274	115,875
-	-	Deposits and other payables	18	32,471	31,581
724,746	702,809	Issued bonds at fair value	19	795,142	796,403
27	42	Issued bonds at amortised cost	20	6,844	1,589
30,560	26,774	Other non-derivative financial liabilities at fair value		30,273	33,444
-	-	Current tax liabilities		160	15
19,876	17,171	Other liabilities	21	35,387	30,775
-	-	Deferred income		15	11
838,420	799,311	Total payables		1,018,566	1,009,693
		Provisions			
179	186	Provisions for pensions and similar obligations		205	197
748	483	Provisions for deferred tax		533	797
-	-	Insurance liabilities		1,828	1,702
110	109	Repayable reserves funded by pre-1972 series		109	110
767	1,688	Other provisions		1,691	769
1,804	2,466	Total provisions		4,365	3,575
7,343	7,271	Subordinate loan capital	22	7,271	7,343
		Equity			
1,182	1,182	Share capital		1,182	1,182
		Accumulated changes in value			
89	89	- Revaluation reserves		247	247
15	25	- Accumulated foreign currency translation adjustment of foreign entities		25	15
-	-	- Value adjustment of equities available for sale		1,215	2,173
		Other reserves			
3,435	4,071	- Statutory reserves		-	-
24,258	24,258	- Series reserves		24,258	24,258
24,969	23,757	Retained earnings		26,455	26,072
500	-	Proposed dividend		-	500
54,447	53,382	Total equity		53,382	54,447
902,014	862,429	TOTAL LIABILITIES AND EQUITY		1,083,583	1,075,058
		OFF-BALANCE SHEET ITEMS	23		
-	-	Guarantees		4,599	4,242
1,641	1,615	Other contingent liabilities		10,398	9,427
1,641	1,615	TOTAL		14,997	13,670
		Related party transactions and balances	24		
		Financial highlights – five years	25		
		Financial highlights – six quarters	26		
		Group structure	27		

Statement of changes in equity 1 January – 30 June

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Statutory reserves *	Series reserves	Retained earnings	Proposed dividend	Total
2008								
Balance, beginning of period	1,182	89	15	3,435	24,258	24,969	500	54,447
Adjustment relating to foreign entities	-	-	10	-	-	-	-	10
Profit/loss for the period	-	-	-	642	-	(1,213)	-	(571)
Total comprehensive income	-	-	10	642	-	(1,213)	-	(561)
Dividend paid	-	-	-	-	-	-	(500)	(500)
Adjustment relating to subsidiaries	-	-	-	(5)	-	1	-	(4)
Total other adjustments	-	-	-	(5)	-	1	(500)	(504)
Balance, end of period	1,182	89	25	4,071	24,258	23,757	-	53,382
2007								
Balance, beginning of year	1,182	91	7	2,439	23,336	24,932	-	51,987
Reclassification	-	(5)	-	-	-	5	-	-
Adjustment relating to owner-occupied properties	-	4	-	-	-	-	-	4
Adjustment relating to foreign entities	-	-	8	-	-	-	-	8
Profit for the year	-	-	-	1,785	-	612	500	2,897
Total comprehensive income	-	(2)	8	1,785	-	617	500	2,909
Extraordinary dividend paid	-	-	-	-	-	(500)	-	(500)
Dividend from subsidiaries	-	-	-	(820)	-	820	-	-
Adjustment pursuant to capital adequacy rules	-	-	-	-	922	(922)	-	-
Transferred from provisions - pre-1972 series	-	-	-	-	-	16	-	16
Adjustment relating to associates	-	-	-	(4)	-	4	-	-
Adjustment relating to subsidiaries	-	-	-	35	-	1	-	36
Total other adjustments	-	-	-	(789)	922	(581)	-	(449)
Balance, year-end	1,182	89	15	3,435	24,258	24,969	500	54,447

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

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

On 1 April 2008, Nykredit Realkredit A/S distributed an extraordinary dividend of DKK 500m to the shareholder Nykredit Holding A/S, equivalent to a dividend per share of DKK 42.3.

The distribution of dividend to Nykredit Realkredit A/S's shareholder has no tax implication for Nykredit Realkredit A/S.

Statement of changes in equity 1 January – 30 June

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	Series reserves	Retained earnings	Proposed dividend	Total
2008								
Balance, beginning of period	1,182	247	15	2,173	24,258	26,072	500	54,447
Adjustment of equities available for sale	-	-	-	(958)	-	-	-	(958)
Adjustment relating to foreign entities	-	-	10	-	-	-	-	10
Profit for the period	-	-	-	-	-	387	-	387
Total comprehensive income	-	-	10	(958)	-	387	-	(561)
Dividend paid	-	-	-	-	-	-	(500)	(500)
Other adjustments	-	-	-	-	-	(4)	-	(4)
Total other adjustments	-	-	-	-	-	(4)	(500)	(504)
Balance, end of period	1,182	247	25	1,215	24,258	26,455	-	53,382
2007								
Balance, beginning of year	1,182	202	7	2,636	23,336	24,624	-	51,987
Reclassification	-	5	-	3	-	(8)	-	-
Adjustment of equities available for sale	-	-	-	(465)	-	-	-	(465)
Adjustment relating to owner-occupied properties	-	39	-	-	-	-	-	39
Adjustment relating to foreign entities	-	-	8	-	-	-	-	8
Profit for the year	-	-	-	-	-	2,863	500	3,363
Total comprehensive income	-	45	8	(462)	-	2,854	500	2,945
Extraordinary dividend paid	-	-	-	-	-	(500)	-	(500)
Adjustment pursuant to capital adequacy rules	-	-	-	-	922	(922)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	-	16	-	16
Total other adjustments	-	-	-	-	922	(1,406)	-	(484)
Balance, year-end	1,182	247	15	2,173	24,258	26,072	500	54,447

Cash flow statement 1 January – 30 June

DKK million

	The Nykredit Realkredit Group	
	H1/2008	H1/2007
Profit after tax for the period	387	1,802
Amortisation and impairment losses for intangible assets	230	212
Depreciation and impairment losses for property, plant and equipment	62	53
Value adjustment of investments	(123)	(17)
Impairment losses on loans, advances and receivables	31	(72)
Prepayments/deferred income, net	(57)	3
Tax calculated on profit for the period	55	473
Other adjustments	(1,452)	(77)
Total	(1,255)	574
Profit/loss for the period adjusted for non-cash operating items	(868)	2,376
Change in working capital		
Loans and advances	(36,175)	(22,553)
Deposits and payables to credit institutions	3,289	7,332
Issued bonds	3,994	(30,630)
Other working capital	(5,249)	(3,859)
Total	(34,141)	(49,711)
Corporation tax paid, net	(213)	(99)
Cash flows from operating activities	(35,223)	(47,434)
Cash flows from investing activities		
Investments	17,544	28,002
Intangible assets	(796)	(62)
Property, plant and equipment	(186)	(94)
Total	16,563	27,846
Cash flows from financing activities		
Subordinate loan capital	(73)	(160)
Total	(73)	(160)
Total cash flows	(18,733)	(19,748)
Cash and cash equivalents, beginning of period		
Cash balance and demand deposits with central banks	135	200
Receivables from credit institutions and central banks	82,510	57,316
Total	82,645	57,516
Cash and cash equivalents, end of period		
Cash balance and demand deposits with central banks	274	39
Receivables from credit institutions and central banks	63,638	37,729
Total	63,912	37,767

Core earnings and investment portfolio income 1 January – 30 June

DKK million

The Nykredit Realkredit Group

	H1/2008			H1/2007		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	3,607	41	3,647	3,203	(110)	3,093
Dividend on equities	3	95	98	-	138	138
Net fee and commission income	47	(14)	32	88	(28)	60
Net interest and fee income	3,656	122	3,778	3,291	-	3,291
Net premiums earned	633	-	633	611	-	611
Value adjustments	140	(1,468)	(1,328)	453	191	644
Other operating income	173	-	173	168	45	213
Claims incurred, net of reinsurance	481	-	481	451	-	451
Staff and administrative expenses	2,128	-	2,128	1,857	-	1,857
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	292	-	292	265	-	265
Other operating expenses	2	3	5	1	-	1
Impairment losses on loans and advances	31	-	31	(72)	-	(72)
Profit from equity investments	-	123	123	-	17	17
Profit/loss before tax	1,669	(1,227)	442	2,021	253	2,274

Notes

1. ACCOUNTING POLICIES

The Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish disclosure requirements for interim reports. Compliance with IAS 34 implies observance of the principles of recognition and measurement of the IFRS and a less detailed presentation relative to the presentation of annual reports.

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

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

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

All figures in the H1 Interim Report 2008 are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to rounding to the nearest whole million DKK, minor differences between the sum of individual figures and the stated totals may occur.

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

The H1 Interim Report 2008 has not been audited or reviewed.

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2007	H1/2008	H1/2008	H1/2007
		2. INTEREST INCOME	
3,945	6,793		
9,817	11,484	1,072	476
1,051	1,111	21,870	17,893
		1,998	1,822
		Bonds	
-	256		
		328	-
503	425	1,210	1,485
294	778	1,426	379
173	(433)	(405)	186
35	130	244	94
		Derivative financial instruments	
13	(76)	(18)	8
19	83	126	75
57	42	27	31
15,905	20,594	27,879	22,451
-	(256)	(328)	-
(503)	(425)	(1,210)	(1,485)
(2)	(17)	(25)	(2)
15,400	19,895	26,316	20,964
		Of which interest income from genuine purchase and resale transactions entered as:	
67	572	827	280
-	-	186	94
		3. INTEREST EXPENSES	
685	1,082	2,719	1,729
-	-	718	450
13,342	17,465	20,537	16,904
168	187	187	200
66	56	70	76
14,260	18,790	24,231	19,358
-	(256)	(328)	-
(503)	(425)	(1,210)	(1,485)
(2)	(17)	(25)	(2)
13,755	18,092	22,668	17,871
		Of which interest expenses from genuine sale and repurchase transactions entered as:	
222	582	865	502
-	-	18	20

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2007	H1/2008	H1/2008	H1/2007
4. VALUE ADJUSTMENTS			
Financial assets measured at fair value through profit or loss			
(11,824)	(8,727)	(20,334)	(20,649)
(4,990)	(7,485)	-	-
-	(12)	(13)	66
(457)	(1,160)	(2,240)	(1,177)
294	(1,353)	(373)	479
-	-	0	-
(18)	(146)	(77)	(130)
250	336	1,212	1,308
-	-	9	8
Financial liabilities measured at fair value through profit or loss			
11,913	8,881	20,488	20,738
4,990	7,485	-	-
158	(2,182)	(1,328)	644
5. STAFF AND ADMINISTRATIVE EXPENSES			
17	17	17	17
615	719	1,216	1,065
474	513	944	819
1,106	1,249	2,177	1,901
-	-	(49)	(44)
1,106	1,249	2,128	1,857
Remuneration of Board of Directors and Executive Board			
Board of Directors			
1	1	1	1
Executive Board			
14	15	15	14
1	1	1	1
17	17	17	17
The terms and conditions governing the pension and retirement of the Executive Board are unchanged relative to the mention in the Annual Report for 2007.			

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group		
H1/2007	H1/2008	H1/2008	H1/2007	
5. STAFF AND ADMINISTRATIVE EXPENSES (continued)				
Staff expenses				
502	601	Salaries	982	874
62	63	Pensions	104	101
51	55	Other social security expenses and charges	130	90
615	719	Total	1,216	1,065
Number of staff				
2,363	2,468	Average number of staff for the financial period, full-time equivalents	3,837	3,608
6. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS				
Intangible assets				
207	223	- Amortisation	230	212
Property, plant and equipment				
18	26	- Depreciation	62	53
225	249	Total	292	265
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES				
7.a. Effect on profit/loss				
(49)	1	Change in individual provisions for loan impairment and guarantees	18	(51)
(24)	6	Change in group-based provisions for loan impairment and guarantees	18	(23)
16	17	Losses recognised for the period, net	21	25
(21)	(25)	Received on claims previously written off as impairment losses	(23)	(24)
(78)	(1)	Total provisions for loan impairment and guarantees	35	(74)
0	(3)	Value adjustment of assets in temporary possession	(3)	0
1	(1)	Value adjustment of claims previously written off as impairment losses	(1)	1
(77)	(5)	Total	31	(72)
7.b. Specification of provisions for loan impairment and guarantees				
146	91	Individual impairment provisions	194	172
97	168	Group-based impairment provisions	192	160
244	259	Total impairment provisions	386	333

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2007	H1/2008	H1/2008	H1/2007
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)			
7.c. Individual impairment provisions			
195	91	176	223
16	17	43	22
(54)	(15)	(19)	(57)
(10)	(1)	(6)	(15)
146	91	194	173
7.d. Group-based impairment provisions			
122	162	173	184
-	6	19	1
(24)	-	-	(24)
97	168	192	160
7.e. Specification of loans and advances subject to objective evidence of impairment			
282	181	436	328
146	91	194	172
136	90	242	156
6,726	22,996	23,365	13,222
97	168	192	160
6,629	22,828	23,174	13,061
8. PROFIT FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
18	124	123	17
1,169	837	-	-
1,186	960	123	17
9. TAX			
Tax for the period can be specified as follows:			
128	(155)	55	473
293	211	-	-
421	56	55	473
19.7	-	12.5	20.8
Effective tax rate, %			

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2007	30.06.2008	30.06.2008	31.12.2007
10. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS			
10,764	5,749	5,753	12,160
69,173	49,214	57,886	70,350
79,937	54,964	63,638	82,510
9,652	4,952	5,595	13,792
Of which prepaid funds, including prepayments at par and proceeds from the issuance of fixed-price agreements			
11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE			
473,950	485,511	843,957	823,228
112	128	208	176
-	-	11,515	5,550
474,062	485,639	855,680	828,954
Mortgage loans			
453,813	486,036	849,211	766,011
111,352	50,647	93,326	211,681
687	599	599	687
(297)	(8)	(8)	(297)
(12,578)	(6,177)	(8,658)	(17,318)
(66,942)	(24,568)	(43,267)	(111,554)
486,036	506,529	891,203	849,211
-	(6)	(6)	-
273	275	275	273
486,309	506,798	891,472	849,484
(12,268)	(21,211)	(47,437)	(26,164)
Adjustment for interest rate risk			
Adjustment for credit risk			
(52)	(45)	(47)	(53)
(39)	(31)	(31)	(39)
473,950	485,511	843,957	823,228
22,741	23,092	28,547	65,107
2,670	3,050	24,099	26,325
Arrears and outlays			
270	303	386	336
3	8	7	2
(161)	(183)	(185)	(162)
112	128	208	176

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2007	30.06.2008	30.06.2008	31.12.2007
11. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE (continued)			
Loan impairment by property category			
73	65	69	75
24	29	29	24
54	55	55	54
37	39	39	37
43	36	36	43
8	7	7	8
13	28	28	13
252	259	263	254
12. TOTALKREDIT MORTGAGE LOAN FUNDING			
168,889	250,569	-	-
138,787	42,637	-	-
(1,209)	(825)	-	-
(55,899)	(42,571)	-	-
250,569	249,809	-	-
(7,947)	(15,930)	-	-
242,622	233,880	-	-
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST			
-	-	49,215	39,753
739	732	1,032	1,039
739	732	50,247	40,792
Adjustment for credit risk			
-	-	(102)	(82)
-	-	(22)	(11)
739	732	50,123	40,699
(91)	(95)	(95)	(91)
649	636	50,028	40,608
At end-H1/2008, DKK 24m of the total impairment provisions of DKK 124m was attributable to Retail Customers and DKK 100m to Commercial Customers. Of the impairment provisions attributable to Commercial Customers, DKK 66m relates to leasing activities in the subsidiary Least A/S.			

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2007	30.06.2008	30.06.2008	31.12.2007
14. BONDS AT FAIR VALUE			
16,489	14,790	18,293	46,432
140,845	18,819	49,902	186,503
39,503	33,180	57,306	61,393
11,147	7,775	10,229	11,859
11,899	6,030	9,745	18,025
219,882	80,593	145,474	324,213
(140,845)	(18,819)	(49,902)	(186,503)
(16,489)	(14,790)	(18,293)	(46,432)
-	(1,560)	(1,560)	-
-	-	(566)	(342)
62,548	45,424	75,154	90,935
552	193	337	829
71,086	-	-	71,086
47,756	1,244	1,244	47,756
39,814	27,172	63,679	67,175
15. INTANGIBLE ASSETS			
With effect from 1 April 2008, Nykredit/Totalkredit and Danish local and regional banks entered into a new partnership agreement. The agreement determines the final price of the Totalkredit shares which was originally scheduled to be determined in 2010.			
The back payment amounts to DKK 1,460m after tax payable on 1 October 2012. Nykredit Realkredit provided DKK 750m for such liability in the Annual Report for 2007. The additional excess payment has been included in Q2/2008.			
The excess payment reflects the fact that during the term of the agreement Nykredit obtains a higher value of the distribution right, and it has therefore been classified as a fixed-term right. At end-H1/2008, the fixed-term right totalled DKK 2,388m.			
The fixed-term right will be amortised on a straight-line basis up to 31 December 2013. For the current financial year, total amortisation of the distribution right will amount to DKK 413m.			
16. OTHER ASSETS			
7,832	7,036	9,587	7,123
693	772	-	-
2,035	2,421	13,945	9,710
170	140	140	170
-	-	95	106
212	237	1,366	488
10,942	10,607	25,133	17,596

Notes

DKK million

Nykredit Realkredit A/S				The Nykredit Realkredit Group	
31.12.2007	30.06.2008			30.06.2008	31.12.2007
17. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS					
37,683	26,688	Payables to credit institutions		60,448	66,348
25,527	25,826	Payables to central banks		57,826	49,527
63,210	52,514	Total		118,274	115,875
18. DEPOSITS AND OTHER PAYABLES					
-	-	On demand		12,986	13,198
-	-	At notice		1,539	1,211
-	-	Time deposits		16,981	16,213
-	-	Special deposits		966	959
-	-	Total		32,471	31,581
19. ISSUED BONDS AT FAIR VALUE					
789,937	575,302	Mortgage bonds		702,221	937,195
87,143	152,190	SDOs		152,190	87,143
5,000	10,486	Junior covered bonds		10,486	5,000
882,081	737,978	Total		864,897	1,029,338
(140,845)	(18,819)	Own mortgage bonds transferred from "Bonds at fair value" – note 14		(49,902)	(186,503)
(16,489)	(14,790)	Own SDOs transferred from "Bonds at fair value" – note 14		(18,293)	(46,432)
-	(1,560)	Own junior covered bonds transferred from "Bonds at fair value" – note 14		(1,560)	-
724,746	702,809	Total		795,142	796,403
73,436	1,981	Of which pre-issuance		1,981	73,436
119,132	4,268	Drawn for redemption at the next creditor settlement date		5,047	125,765
-	156,079	Issued SDOs at nominal value		156,079	-
-	10,500	Issued junior covered bonds at nominal value		10,500	-
Mortgage bonds					
712,340	789,113	Balance, beginning of period, nominal value		942,319	902,957
299,725	263	Additions		263	299,749
6	15	Foreign currency translation adjustment		15	6
(161,105)	(125,331)	Bonds drawn and cancelled		(132,779)	(174,095)
(61,854)	(75,477)	Prepayments and extraordinary principal payments		(84,021)	(86,298)
789,113	588,583	Total		725,798	942,319
20,414	19,988	Indexation		19,988	20,414
809,527	608,571	Balance, end of period, nominal value		745,786	962,734
(4,988)	(19,590)	Fair value adjustment, beginning of period		(25,539)	(8,118)
(14,602)	(13,679)	Fair value adjustment		(18,026)	(17,421)
789,937	575,302	Balance, end of period, fair value		702,221	937,195

Notes

DKK million

Nykredit Realkredit A/S				The Nykredit Realkredit Group	
31.12.2007	30.06.2008			30.06.2008	31.12.2007
		20. ISSUED BONDS AT AMORTISED COST			
-	-	Corporate bonds		7,368	1,904
27	42	Employee bonds		42	27
91	95	Other securities		95	91
118	137	Total		7,505	2,022
-	-	Own other bonds transferred from "Bonds at fair value" – note 14		(566)	(342)
(91)	(95)	Own other bonds transferred from "Loans, advances and other receivables at amortised cost" – note 13		(95)	(91)
27	42	Total		6,844	1,589
		21. OTHER LIABILITIES			
16,270	10,958	Interest and commission payable		19,430	21,025
853	1,200	Negative market value of derivative financial instruments		9,814	6,445
2,128	2,162	Payables relating to the purchase of Totalkredit shares		2,162	2,128
625	2,851	Other payables		3,980	1,178
19,876	17,171	Total		35,387	30,775
		22. SUBORDINATE LOAN CAPITAL			
		Subordinate loan capital consists of financial liabilities which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.			
		EUR 500m (nominal) of hybrid core capital in accordance with section 137 of the Danish Financial Business Act. The loan is perpetual, but may be redeemed at par (100) from 22 September 2014. The loan carries a fixed interest rate of 4.9% up to 22 September 2014 after which date it will carry a floating interest rate.			
3,622	3,548			3,548	3,622
		EUR 500m (nominal) of subordinate loan capital in accordance with section 136 of the Danish Financial Business Act. The loan falls due at par (100) on 20 September 2013 and carries a floating interest rate.			
3,722	3,723			3,723	3,722
7,343	7,271	Total		7,271	7,343
7,343	7,271	Subordinate loan capital to be included in the capital base		7,271	7,343
-	-	Extraordinary principal payments and repayment of subordinate loan capital during the financial period		-	1,485

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2007	30.06.2008	30.06.2008	31.12.2007
23. OFF-BALANCE SHEET ITEMS			
Due to its size and business volume, the Nykredit Realkredit Group is continuously involved in legal proceedings. For a description of significant cases, please refer to the Management's Review. Other pending cases are not expected to have a significant effect on the Nykredit Realkredit Group's financial position.			
Nykredit Realkredit A/S is jointly taxed with all the Danish group enterprises of the Foreningen Nykredit Group. Nykredit Realkredit A/S is solely liable for the part of tax which is attributable to Nykredit Realkredit A/S and which is not settled with Foreningen Nykredit via the scheme for payment of tax on account.			
The companies Nykredit Realkredit A/S, Totalkredit A/S, Nykredit Bank A/S, LeasIT A/S, LeasIT Finans A/S, Nykredit Forsikring A/S and Nykredit Portefølje Adm. A/S are registered jointly for payroll tax and VAT purposes and are jointly and severally liable for the settlement thereof.			
Nykredit Forsikring A/S and the other owners of FDC K/S are liable for obligations entered into by FDC K/S. The obligation has a maximum limit of DKK 70m.			
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).			
Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheet are presented below.			
-	-		
1,641	1,615	4,599	4,242
1,641	1,615	10,398	9,427
Total			
14,997			
13,670			
Guarantees			
-	-		
-	-	2,399	2,651
-	-	2,200	1,591
-	-	4,599	4,242
Total			
Other contingent liabilities			
111	83	8,683	8,014
1,529	1,532	1,715	1,413
1,641	1,615	10,398	9,427
Total			

Notes

The Nykredit Realkredit Group

24. 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 H1/2008.

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

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

Significant related party transactions prevailing/entered into in H1/2008 include:

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

Master agreement on the terms for financial transactions relating to loans and deposits in the securities and money market areas. Nykredit Realkredit A/S has provided Nykredit Bank A/S with subordinate loan capital.

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

Master agreement on the terms applicable to transactions in the securities area. Agreement on joint funding of mortgage loans. Nykredit Realkredit A/S has provided Totalkredit A/S with subordinate loan capital.

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

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

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

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

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

Agreements on joint IT support, etc.

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

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

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

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

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

On specific occasions, Nykredit Holding A/S has issued guarantees or letters of comfort to third parties. Nykredit Holding A/S has issued a guarantee to Nykredit Bank A/S covering pre-fixed loss amounts with respect to some of the Bank's exposures. The guarantee expired on 30 June 2008.

Notes

DKK million

Nycredit Realkredit A/S

H1/2008 H1/2007 H1/2006 H1/2005 H1/2004

25. FIVE-YEAR FINANCIAL HIGHLIGHTS

Net interest income	1,803	1,645	1,575	1,738	1,645
Net fee income	368	399	527	645	422
Net interest and fee income	2,171	2,044	2,102	2,383	2,067
Value adjustments	(2,182)	158	450	1,211	470
Other operating income	32	2	3	1	9
Staff and administrative expenses	1,249	1,106	1,209	1,050	1,008
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	249	225	173	169	228
Impairment losses on loans, advances and receivables	(5)	(77)	(70)	(73)	(134)
Other operating expenses	4	0	-	-	-
Profit from investments in associates and group enterprises	960	1,186	737	666	495
Profit/loss before tax	(515)	2,136	1,980	3,115	1,939
Tax	56	421	360	679	509
Profit/loss for the period	(571)	1,715	1,620	2,436	1,430

SELECTED KEY FIGURES FROM THE BALANCE SHEET

	30.06.2008	30.06.2007	30.06.2006	30.06.2005	30.06.2004
Assets					
Cash balance and receivables from credit institutions and central banks	55,131	27,352	23,952	56,798	38,105
Mortgage loans	485,511	451,821	432,918	443,261	430,206
Funding of mortgage loans - Totalkredit	233,880	163,862	84,606	-	-
Bonds and equities	51,039	36,321	36,545	41,395	51,385
Other assets	36,869	32,523	23,039	20,493	17,503
Total assets	862,429	711,879	601,060	561,947	537,199

Liabilities and equity

Payables to credit institutions and central banks	52,514	35,257	30,289	26,106	17,720
Issued bonds	702,809	595,923	497,727	465,030	461,147
Subordinate loan capital					
- Hybrid core capital	3,548	3,577	3,705	4,007	-
- Supplementary capital	3,723	3,714	3,721	-	-
Other liabilities	46,453	19,698	16,863	21,669	17,784
Equity	53,382	53,711	48,755	45,135	40,548
Total liabilities and equity	862,429	711,879	601,060	561,947	537,199

FINANCIAL RATIOS¹

Capital adequacy ratio, %*	18.4	16.0	15.5	13.9	12.1
Core capital ratio, %*	17.5	14.9	14.6	14.1	12.4
Return on equity before tax	(1.0)	4.0	4.1	7.1	4.9
Return on equity after tax	(1.1)	3.2	3.4	5.5	3.6
Income:cost ratio, DKK	0.66	2.70	2.51	3.72	2.76
Foreign exchange position, %	0.4	0.3	0.9	0.6	0.9
Loans and advances:equity (loan gearing)	9.1	8.4	8.9	9.9	10.7
Growth in loans and advances for the period, %	4.2	2.5	1.3	0.9	1.3
Accumulated impairment losses, %	0.0	0.0	0.0	0.0	0.0
Impairment losses for the period, %	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)

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

* As from H1/2007, the capital adequacy and core capital ratios include profit/loss for the period, and as from 1 January 2008 the ratios are determined in accordance with Basel II.

Notes

DKK million

The Nykredit Realkredit Group	H1/2008	H1/2007	H1/2006	H1/2005	H1/2004
25. FIVE-YEAR FINANCIAL HIGHLIGHTS (continued)					
Net interest income	3,647	3,093	2,721	2,871	2,509
Net fee income	130	199	371	565	284
Net interest and fee income	3,778	3,291	3,092	3,436	2,793
Net premiums earned	633	611	589	549	600
Value adjustments	(1,328)	644	(43)	466	514
Other operating income	173	213	88	83	86
Claims incurred, net of reinsurance	481	451	445	509	490
Staff and administrative expenses	2,128	1,857	1,767	1,539	1,461
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	292	265	253	245	249
Other operating expenses	5	1	-	1	1
Impairment losses on loans, advances and receivables	31	(72)	(83)	(74)	(108)
Profit from investments in associates and group enterprises	123	17	2	-	39
Profit before tax	442	2,274	1,346	2,314	1,939
Tax	55	473	327	656	509
Profit for the period	387	1,802	1,019	1,658	1,430
SELECTED KEY FIGURES FROM THE BALANCE SHEET					
	30.06.2008	30.06.2007	30.06.2006	30.06.2005	30.06.2004
Assets					
Cash balance and receivables from credit institutions and central banks	63,912	37,767	36,771	75,198	59,787
Mortgage loans	843,957	775,098	709,854	674,342	610,584
Bank loans excluding reverse transactions	49,092	34,827	25,020	18,354	18,784
Bonds and equities	81,050	61,001	58,303	56,916	89,044
Other assets	45,572	29,015	30,556	27,665	22,419
Total assets	1,083,583	937,707	860,504	852,475	800,618
Liabilities and equity					
Payables to credit institutions and central banks	118,274	90,873	80,846	60,005	47,620
Deposits	32,471	23,136	21,730	21,813	20,715
Issued bonds at fair value	795,142	721,377	662,955	679,338	651,488
Subordinate loan capital					
- Hybrid core capital	3,548	3,577	3,705	4,007	-
- Supplementary capital	3,723	4,978	4,986	2,378	2,598
Other liabilities	77,043	40,054	35,974	38,246	35,136
Equity	53,382	53,711	50,308	46,688	43,061
Total liabilities and equity	1,083,583	937,707	860,504	852,475	800,618
FINANCIAL RATIOS¹					
Capital adequacy ratio, %*	17.2	11.9	11.7	11.0	10.2
Core capital ratio, %*	16.4	10.9	10.8	10.6	9.8
Return on equity before tax	(1.0)	4.0	4.0	6.9	4.7
Return on equity after tax	(1.1)	3.2	3.3	5.4	3.5
Income:cost ratio, DKK	0.82	1.85	1.83	2.40	1.93
Foreign exchange position, %	0.1	1.6	1.2	1.6	0.7
Loans and advances:equity (loan gearing)	17.0	15.2	14.8	15.1	14.8
Growth in loans and advances for the period, %	6.4	5.4	5.6	6.4	4.1
Accumulated impairment losses, %	0.0	0.0	0.0	0.0	0.0
Impairment losses for the period, %	0.0	(0.0)	(0.0)	(0.0)	(0.0)

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

* As from H1/2007, the capital adequacy and core capital ratios include profit/loss for the period, and as from 1 January 2008, the ratios are determined in accordance with Basel II.

Notes

DKK million

The Nykredit Realkredit Group	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
26. SIX-QUARTER FINANCIAL HIGHLIGHTS						
Core income from						
Business operations	1,667	1,457	1,865	1,526	1,614	1,529
Securities	492	506	539	520	493	436
Total	2,159	1,963	2,404	2,046	2,107	1,965
Operating costs, depreciation and amortisation	1,281	1,141	1,284	944	1,070	1,053
Core earnings before impairment losses	877	822	1,119	1,102	1,037	912
Impairment losses on loans and advances	46	(15)	51	(46)	-	(72)
Core earnings after impairment losses	832	837	1,068	1,148	1,037	984
Investment portfolio income	(477)	(750)	(210)	114	89	164
Profit before tax	355	87	859	1,262	1,126	1,148
Tax	17	38	267	293	173	299
Profit for the period	338	49	592	969	953	849
Profit for the period excludes value adjustment of strategic equities against equity	(263)	(695)	(98)	(280)	(387)	300
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Cash balance and receivables from credit institutions and central banks	63,912	74,002	82,645	61,754	37,767	32,884
Mortgage loans	843,957	847,002	823,228	800,558	775,098	772,781
Bank loans excluding reverse transactions	49,092	43,539	39,660	35,618	34,827	34,085
Bonds and equities	81,050	89,460	98,589	70,262	61,001	62,376
Other assets	45,572	34,055	30,937	37,822	29,015	24,710
Total assets	1,083,583	1,088,059	1,075,058	1,006,015	937,707	926,837
Liabilities and equity						
Payables to credit institutions and central banks	118,274	130,219	115,875	106,922	90,873	90,108
Deposits and other payables	32,471	31,572	31,581	29,001	23,136	21,318
Issued bonds at fair value	795,142	791,289	796,403	746,097	721,377	719,076
Subordinate loan capital						
- Hybrid core capital	3,548	3,709	3,622	3,626	3,577	3,699
- Supplementary capital	3,723	3,722	3,722	4,987	4,978	4,983
Other liabilities	77,042	74,243	69,410	60,980	40,054	34,519
Equity	53,382	53,304	54,447	54,400	53,711	53,135
Total liabilities and equity	1,083,583	1,088,059	1,075,058	1,006,015	937,707	926,837
FINANCIAL RATIOS						
Profit for the period as % of average equity pa	2.5	0.4	4.4	7.2	7.1	6.5
Core earnings before impairment losses as % of average equity pa	6.6	6.1	8.2	8.2	7.8	6.9
Core earnings after impairment losses as % of average equity pa	6.2	6.2	7.8	8.5	7.8	7.5
Costs as % of core income	59.3	58.1	53.4	46.1	50.8	53.6
Total impairment provisions	386	349	349	264	333	338
Impairment losses as % for the period	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Capital adequacy ratio, %*	17.2	18.0	10.3	11.0	11.9	11.6
Core capital ratio, %*	16.4	17.2	9.7	10.1	10.9	10.9
Average number of full-time staff	3,837	3,794	3,672	3,633	3,608	3,564

* As from H1/2007, the capital adequacy and core capital ratios include profit for the period, and as from 1 January 2008, the ratios are determined in accordance with Basel II.

Notes

DKK million

The Nykredit Realkredit Group

	Ownership interest as % at 30.06.08	Profit/loss for the period	Equity at 30.06.08	Profit/loss for the year 2007	Equity at 31.12.07
27. GROUP STRUCTURE					
Name and registered office					
Nykredit Realkredit A/S, Copenhagen a)					
Consolidated subsidiaries					
Totalkredit A/S, Taastrup, a)	100	359	11,088	754	10,729
Nykredit Bank A/S, Copenhagen, b)	100	199	6,294	758	6,099
Nykredit Finance plc, Plymouth, i)	100	-	26	-	28
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen, i)	100	-	27	-	27
Nykredit Pantebrevsinvestering A/S, Copenhagen, e)	100	-	11	-	11
Nykredit Portefølje Administration A/S, Copenhagen, k)	100	9	98	17	89
LeasIT A/S, Lyngby-Taarbæk, h) 1)	100	11	118	(20)	111
Nykredit Fixed Income Opportunities Fund Ltd, the Cayman Islands, d)	100	(11)	107	5	118
Nykredit Forsikring A/S, Copenhagen, c)	100	46	1,196	149	1,150
Nykredit Mægler A/S, Århus, f)	100	16	132	35	116
Nykredit Ejendomme A/S, Copenhagen, g)	100	2	542	54	540
Nykredit Adm. V A/S, Copenhagen, i)	100	-	1	-	1
Dene Finanse S.A., under liquidation, Warsaw, j)	100	4	154	6	139
1) Effective for accounting purposes as from 1 January 2008, LeasIT A/S has merged with Nykredit Leasing A/S					
a) Mortgage bank					
b) Bank					
c) Insurance company					
d) Financial enterprise					
e) Mortgage trading company					
f) Estate agency business					
g) Property company					
h) Leasing business					
i) No activity					
j) Under liquidation					
k) Investment management company					
Nykredit Realkredit A/S is consolidated with the Parent Company Nykredit Holding A/S which is consolidated with Foreningen Nykredit.					
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					