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H1 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2009 – 30 JUNE 2009

RESULTS (excluding Forstædernes Bank)

- The Group, excluding Forstædernes Bank, recorded a profit before tax of DKK 3,174m against DKK 389m in H1/2008
- Robust growth in customer-oriented business
 - Core income from customer-oriented business increased by DKK 655m or 20% relative to H1/2008
 - In H1/2009 mortgage lending in nominal terms and bank lending grew by a total of DKK 32bn to DKK 1,000bn
 - Costs as a percentage of core income from business operations declined from 72.1% in H1/2008 to 65.7% in H1/2009
 - Operating costs, depreciation and amortisation excluding special value adjustments went up by DKK 215m or 9%
 - The cost increase was primarily due to staff additions in 2008. In H1/2009 the number of permanent staff has been slightly declining
- Impairment losses on loans and advances came to DKK 847m against DKK 82m in H1/2008
 - Impairment losses on mortgage lending were DKK 381m, equal to 0.04% of lending
 - Nykredit Bank's impairment losses on loans and advances amounted to DKK 352m, excluding the government guarantee scheme, equal to 0.4% of lending
- Core income from securities amounted to DKK 533m compared with DKK 1,041m in H1/2008
- The investment portfolio generated an income of DKK 2,349m against a loss of DKK 1,271m in H1/2008
 - The reason was falling interest rates and a yield spread tightening between mortgage and government bonds.

RESULTS (including Forstædernes Bank)

- The Group, including Forstædernes Bank, recorded a profit before tax of DKK 2,201m and a profit after tax of DKK 1,634m.

CAPITAL STRUCTURE

- The core capital ratio was 15.5% at end-H1/2009
- The Group's individual capital need/required capital base amounts to 10.5% or DKK 33.8bn
- The Group's equity amounts to DKK 52.5bn.

2009 – OUTLOOK

Nykredit's core earnings before impairment losses are unchanged compared with the forecast in the Q1 Interim Report 2009 and are still expected to be in the range of DKK 2,400m-3,000m for 2009.

Peter Engberg Jensen, Group Chief Executive, says:

Nykredit continues its business growth and maintains a sound credit policy. In H1/2009, the Nykredit Group's lending (excluding Forstædernes Bank) grew by DKK 32bn, and the Group attained 20% growth in customer-oriented business compared with H1/2008. There is an upward trend in arrears and impairment losses on loans and advances, but it is far from alarming. Impairment losses on mortgage lending were less than 0.1% pa and in Nykredit Bank less than 1.0% pa. Including handsome investment portfolio income, profit before tax came to DKK 3.2bn, excluding Forstædernes Bank, and DKK 2.2bn, including Forstædernes Bank.

INFORMATION ABOUT THE NYKREDIT GROUP

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

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Financial highlights

Forstædernes Bank has been included as from 17 October 2008

DKK million	The Nykredit Realkredit Group		
	H1/2009	H1/2008	FY 2008
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
Business operations	4,409	3,307	7,411
Own trading positions, Nykredit Bank ¹	77	(184)	(753)
Securities	530	1,041	2,239
Total	5,016	4,164	8,897
Operating costs, depreciation and amortisation, excluding special value adjustments	2,958	2,386	5,104
Operating costs, depreciation and amortisation – special value adjustments ²	375	36	305
Core earnings before impairment losses	1,683	1,742	3,488
Impairment losses on loans and advances, mortgage lending	381	(3)	416
Impairment losses on loans and advances – the Nykredit Bank Group	352	85	718
Impairment losses on loans and advances – Forstædernes Bank	935	-	246
Impairment losses on loans and advances – the government guarantee scheme	163	-	63
Core earnings after impairment losses	(148)	1,660	2,045
Investment portfolio income	2,349	(1,271)	(2,925)
Profit (loss) before tax	2,201	389	(880)
Tax	567	41	(185)
Profit (loss) for the period	1,634	348	(695)
Profit (loss) for the period excludes value adjustment of strategic equities against equity, totalling	455	(958)	(2,847)
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.06.2009	30.06.2008	31.12.2008
Assets			
Receivables from credit institutions and central banks	48,010	63,912	73,400
Mortgage loans at fair value	942,634	843,957	895,463
Bank loans – excluding reverse transactions	65,802	49,040	72,734
Bonds and equities	112,220	81,050	103,433
Other assets	72,848	45,572	73,097
Total assets	1,241,514	1,083,531	1,218,127
Liabilities and equity			
Payables to credit institutions and central banks	132,244	118,274	162,549
Deposits and other payables	60,557	32,471	61,177
Issued bonds at fair value	883,736	795,142	836,081
Subordinate loan capital			
– Hybrid core capital	4,183	3,548	4,119
– Supplementary capital	4,771	3,723	4,860
Other liabilities	103,554	77,030	98,964
Equity	52,469	53,343	50,377
Total liabilities and equity	1,241,514	1,083,531	1,218,127
FINANCIAL HIGHLIGHTS			
Profit (loss) for the period as % of average equity pa	6.4	1.3	(1.3)
Core earnings before impairment losses as % of average equity pa	6.5	6.6	6.7
Core earnings after impairment losses as % of average equity pa	(0.6)	6.2	3.9
Costs as % of core income from business operations	67.1	72.1	68.9
Provisions for loan impairment and guarantees – excluding Forstædernes Bank	1,970	438	1,235
Provisions for loan impairment and guarantees – Forstædernes Bank	3,052	-	1,712
Impairment losses for the period, % – mortgage lending	0.04	0.00	0.02
Impairment losses for the period, % – Nykredit Bank ³	0.4	0.1	0.8
Impairment losses for the period, % – Forstædernes Bank ³	5.6	-	5.5
Capital adequacy ratio, %	16.7	17.2	14.7
Core capital ratio, %	15.5	16.4	13.5
Average number of full-time staff	4,618	3,837	4,507

¹ Includes net income from Proprietary Trading and value adjustment of the portfolio of subordinate loan capital in Danish banks.

² Special value adjustments include value adjustment of staff benefits and owner-occupied dwellings as well as commission payable under the government guarantee scheme.

³ Excluding the government guarantee scheme.

H1 Interim Report 2009

THE NYKREDIT REALKREDIT GROUP RESULTS

The Group, excluding Forstædernes Bank, recorded a profit before tax of DKK 3,174m against DKK 389m in H1/2008. Including Forstædernes Bank, profit before tax came to DKK 2,201m.

Results reflect significant business growth, rising impairment losses on loans and advances and very high investment portfolio income.

Growth in core income from customer-oriented business, excluding Forstædernes Bank, rose by almost 20% relative to H1/2008.

Excluding Forstædernes Bank, the Group's cost:income ratio dropped from 72.1% in H1/2008 to 65.7% in H1/2009.

Measured at nominal value, group mortgage lending and bank lending, excluding Forstædernes Bank, rose by a total of just over DKK 32bn or 3.2% to DKK 1,000bn compared

with the beginning of the year. Growth was significant within both Retail Customers (DKK 21bn) and Commercial Customers (DKK 11bn).

Group impairment losses on loans and advances, excluding Forstædernes Bank, came to DKK 733m at end-H1/2009. To this come provisions of DKK 114m relating to the government guarantee scheme. Impairment losses on commercial and retail lending amounted to DKK 442m and DKK 291m, respectively. Impairment losses on loans and advances in Forstædernes Bank amounted to DKK 984m in the Consolidated Financial Statements.

Core income from securities, excluding Forstædernes Bank, was significantly lower due to the fall in Danmarks Nationalbank's repo rate. Investment portfolio income picked up DKK 3,620m relative to the same period the year before and had a positive effect of DKK 2,349m on group results.

Profit after tax, excluding Forstædernes Bank, was DKK 2,375m against DKK 348m in the

same period the year before. Including Forstædernes Bank, profit after tax came to DKK 1,634m.

Value adjustment of strategic equities, mainly in banks, against equity came to DKK 455m compared with a loss of DKK 958m in H1/2008.

The earnings review below does not include Forstædernes Bank, which was acquired at 17 October 2008.

Core earnings

Core income from business operations

The Group's core income from customer-oriented business was DKK 3,962m against DKK 3,307m in the same period the year before – up DKK 655m or 19.8%.

Core income from mortgage operations gained DKK 258m to DKK 2,353m. Gross new lending amounted to DKK 112bn in H1/2009 against DKK 92bn in the same period the year before. Measured at nominal value, group mortgage lending was DKK 954bn at end-H1/2009 against DKK 916bn at the beginning of the year, up DKK 38bn.

The Nykredit Realkredit Group

Core earnings and investment portfolio income

DKK million	H1/2009		H1/2008 ³
	Incl	Excl	
	Forstædernes Bank	Forstædernes Bank	
Core income from			
- Business operations	4,409	3,962	3,307
- Own trading positions, Nykredit Bank ¹	77	77	(184)
- Securities	530	533	1,041
Total core income	5,016	4,572	4,164
Operating costs, depreciation and amortisation – excluding special value adjustments	2,958	2,601	2,386
Operating costs, depreciation and amortisation – special value adjustments ²	375	299	36
Core earnings before impairment losses	1,683	1,672	1,742
Impairment losses on loans and advances, mortgage lending	381	381	(3)
Impairment losses on loans and advances – the Nykredit Bank Group	352	352	85
Impairment losses on loans and advances – Forstædernes Bank	935	-	-
Impairment losses on loans and advances – the government guarantee scheme	163	114	-
Core earnings after impairment losses	(148)	825	1,660
Investment portfolio income	2,349	2,349	(1,271)
Profit before tax	2,201	3,174	389
Tax	567	799	41
Profit for the period	1,634	2,375	348

¹ Includes net income from Proprietary Trading and value adjustment of the portfolio of subordinate loan capital in Danish banks.

² Special value adjustments include value adjustment of staff benefits and owner-occupied properties as well as commission payable under the government guarantee scheme.

³ Forstædernes Bank has been included in the Group's financial statements as from 17 October 2008.

Nykredit Bank's customer-oriented business went up by DKK 358m in H1/2009 to DKK 1,290m, equal to 38%. Business growth was broad-based with growth in Retail Customers and Markets & Asset Management in particular. Nykredit Bank's lending fell in the period by DKK 6bn to DKK 47bn on account of lower demand for commercial loans and to some extent the refinancing of commercial loans into mortgage loans. Retail lending went up almost DKK 1bn. Deposits fell by just over DKK 2bn to DKK 44bn, which was primarily attributable to Markets & Asset Management activities.

Come income from insurance operations increased by DKK 58m to DKK 204m, mainly as a result of lower claims expenses. The combined ratio was 88.4%.

Own positions, Nykredit Bank

In H1/2009 Nykredit Bank's own position-taking and portfolio of Kalvebod bonds generated DKK 77m against a loss of DKK 184m in H1/2008. The rise was mainly attributable to own position-taking where income increased by approximately DKK 186m on H1/2008.

Core income from securities

Core income from securities amounted to DKK 533m compared with DKK 1,041m in H1/2008. The decline was mainly owing to lower average money market rates at 2.4% against 4.3% in H1/2008.

Core income from securities equals the return which the Group would have obtained by placing its investment portfolios at a risk-free interest rate – Danmarks Nationalbank's repo rate. In addition, core income from securities includes net interest expenses relating to subordinate loan capital and the acquisition of Totalkredit – determined in relation to risk-free interest.

Operating costs, depreciation and amortisation, excl special value adjustments

The Group's costs excl value adjustments and commission payable under the government guarantee scheme came to DKK 2,601m. Costs as a percentage of core income from business operations declined from 72.1% in H1/2008 to 65.7% in H1/2009.

Group operating costs, depreciation and amortisation, excluding special value adjustments, rose by DKK 215m or 9% compared with H1/2008. Group core income from customer-oriented business increased by DKK 655m or 19.8% in the same period.

Rising business activity, particularly in the banking area, over the past year was underpinned by staff growth in Commercial Customers, Markets & Asset Management and the IT area. The number of permanent staff increased by 265 in H2/2008, while H1/2009 saw a minor drop in the number of staff.

Operating costs, depreciation and amortisation – special value adjustments

Under the IFRS rules, net value adjustment of assets and liabilities relating to Nykredit's pension settlement funds and certain staff schemes, etc must be carried under costs.

Value adjustment of special staff benefits and owner-occupied properties came to a loss of DKK 123m compared with a loss of DKK 36m in the same period the year before. Of the increase, almost DKK 70m was attributable to impairment losses on the Company's properties and increased staff obligations in connection with the Group's senior staff scheme, as staff from Forstædernes Bank joined the scheme.

Nykredit Bank's commission under the government guarantee scheme totalled DKK 176m in H1/2009.

Impairment losses on loans and advances

The Group's impairment losses on loans and advances came to DKK 847m against DKK 82m in H1/2008. Of the impairment losses for the period, DKK 184m was provided for guarantees relating to the government guarantee scheme and impairment losses on facilities extended to the EBH Group. To this should be added an increase of collective impairment provisions of DKK 140m. Group impairment losses on other loans and advances then came to DKK 523m, of which just over half was attributable to bank lending.

In H1/2009 the Group's recognised losses on mortgage and bank lending continued to be moderate and came to DKK 64m and DKK 17m, respectively, compared with a total loss of DKK 21m in the same period the year before.

Impairment losses on loans and advances of Nykredit Realkredit were DKK 227m, equal to 0.04% of lending. Recognised losses for the period amounted to DKK 62m.

Impairment losses on loans and advances in Totalkredit stood at DKK 144m, equal to 0.03% of lending, against DKK 3m in H1/2008, which mainly reflected the weakened economic trends causing rising arrears. Of the impairment losses on loans and advances for the period, DKK 77m was attributable to an increase in individual impairment provisions and DKK 59m to collective impairment provisions.

Under the Totalkredit concept, recognised losses on loans may subsequently be offset against future commission payments to the banks. In H1/2009 DKK 5m was offset. If impairments for the period are recognised as losses, about 85% is expected to be offset against commission payable to the banks within the next 1-2 years.

Impairment losses on bank lending amounted to DKK 352m, equal to 0.4% of lending, against DKK 85m in H1/2008. The increase was mainly attributable to a rise in impairment losses on commercial lending of DKK 247m. To this come additional provisions of DKK 114m for the government guarantee scheme.

Impairment losses in Nykredit Mægler (estate agency business) came to DKK 10m in 2009.

Investment portfolio income

Group investment portfolio income amounted to DKK 2,349m compared with a loss of DKK 1,271m in the same period the year before.

The sizeable investment portfolio income in H1/2009 was an effect of declining interest rates and particularly a yield spread tightening between mortgage bonds and government bonds during the period. Nykredit has generally maintained its investment positions throughout 2008 and 2009.

Investment portfolio income is the excess income obtained from investing in equities, bonds and derivative financial instruments in addition to the risk-free interest. Price spreads and interest margins relating to the mortgage lending of Nykredit Realkredit and Totalkredit as well as the trading activities of Markets & Asset Management have not been included in the investment portfolio income, but as core income from business operations.

Nykredit's securities portfolio consists mainly of Danish and European mortgage bonds. Nykredit has also invested DKK 4.4bn in high-rated bank bonds. Most of the interest rate risk pertaining to the portfolio has been hedged through an offsetting sale of government bonds or by entering into interest rate swaps. Nykredit is thus exposed to the development in yield spreads between government bonds and primarily mortgage bonds as well as to general interest rate trends.

Owing to market trends, the investment portfolio income from bonds, liquidity and interest rate instruments was DKK 2,436m.

A fairly large share of Nykredit's securities portfolio consists of bank equities, of which the majority are strategic investments that are value adjusted against equity. In H1/2009 equities and equity instruments were value adjusted against profit or loss by a negative figure of DKK 87m, while value adjustment of equities against equity totalled DKK 455m.

Tax

Tax on results for the period was calculated at DKK 799m.

Financial risk

At 30 June 2009 group Value-at-Risk stood at DKK 203m based on 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 1,144m. The equity

price exposure in case of a general price decline of 10% was DKK 400m.

Subsidiaries

Totalkredit

Totalkredit recorded a profit before tax of DKK 655m compared with DKK 479m in the same period the year before. For further information, please refer to Totalkredit's H1 Interim Report 2009.

Nykredit Bank

The Nykredit Bank Group recorded a profit before tax of DKK 191m compared with DKK 215m in the same period the year before. For further information, please refer to the Nykredit Bank Group's H1 Interim Report 2009.

Forstædernes Bank

Forstædernes Bank recorded a loss before tax of DKK 963m in H1/2009. Results were adversely affected by impairment losses of DKK 984m in the period after adjustment of provisions for loan impairment of DKK 406m made in the opening balance sheet on Nykredit's acquisition of the bank.

Provisions for loan impairment in Forstædernes Bank continue to be concentrated on a few large exposures.

In connection with the acquisition of Forstædernes Bank, provisions of DKK 1.5bn were made for expected future losses on a few, but large risk exposures. The losses on these few exposures have subsequently turned out to be higher than expected. The reason is that these exposures are based on security in properties or equities, the values of which have declined significantly since October 2008.

The bank's operating costs were affected by guarantee commission of DKK 76m payable under the government guarantee scheme.

For further information, please refer to Forstædernes Bank's H1 Interim Report 2009.

Nykredit Forsikring (Insurer)

Nykredit Forsikring recorded a profit before tax of DKK 149m against DKK 62m in the same period the year before. Results were affected by lower gross claims, which totalled DKK 431m against DKK 522m in H1/2008.

The combined ratio, which is the sum of the gross claims ratio, the rate of costs and the net reinsurance ratio, came to 88.4%, equal to an improvement of 7.5% relative to H1/2008.

OUTLOOK FOR 2009

It is highly difficult to predict economic trends in 2009. However, Nykredit still expects core earnings before impairment losses to land in the range of DKK 2,400m-3,000m.

BUSINESS AREAS

Nykredit is organised into the business areas Retail Customers, Business Partners, Commercial Customers, Markets & Asset Management and, since 17 October 2008, Forstædernes Bank.

Group core earnings before impairment losses totalled DKK 1,683m against DKK 1,742m in H1/2008.

In H1/2009 mortgage lending rose from DKK 916bn to DKK 954bn in nominal terms. The Nykredit Group realised gross new lending of DKK 112bn against DKK 92bn in H1/2008.

The Group's market share of gross new mortgage lending was 46.2% in H1/2009 against 41.8% in H1/2008.

Gross new private residential lending came to DKK 83bn against DKK 54bn in H1/2008, equal to a market share of 50.4% compared with 47.5% in H1/2008. Gross new commercial lending was DKK 29bn against DKK 38bn in H1/2008.

Nykredit Bank's lending decreased by DKK 5bn to DKK 46bn in H1/2009. Commercial lending accounts for a decline of DKK 6bn, which was attributable to lower demand for loans and to some extent the refinancing of bank loans into mortgage loans. Retail lending went up by almost DKK 1bn. Deposits totalled DKK 44bn against DKK 46bn at the beginning of the year.

Forstædernes Bank's lending totalled DKK 20bn compared with DKK 22bn at the beginning of the year. Deposits totalled DKK 17bn against DKK 15bn at the beginning of the year.

Nykredit Forsikring's insurance portfolio of DKK 1,398m was largely unchanged compared with the beginning of the year.

Nykredit Mægler saw a 37% decline in turnover from 8,320 properties sold in H1/2008 to 5,244 properties in H1/2009.

Results by business area ¹⁾

DKK million	Retail Customers	Business Partners	Commercial Customers	Markets & Asset Management	Forstædernes Bank	Group items and eliminations	Total
H1/2009							
Core income from business operations							
- Mortgage lending activities	717	689	909	-	-	-	2,315
- Banking and insurance activities	379	-	379	867	446	100 ²⁾	2,171
Total	1,096	689	1,288	867	446	100	4,486
Core income from securities	-	-	-	-	-	530	530
Operating costs	790	220	471	399	322	472	2,674
Commission under the government guarantee scheme	18	-	100	58	76	-	252
Depreciation on property, plant and equipment and amortisation of intangible assets	7	223	3	1	34	139	407
Core earnings before impairment losses	281	246	714	409	14	19	1,683
Impairment losses on loans and advances	147	144	441	1	935	163 ⁵⁾	1,831
Core earnings after impairment losses	134	102	273	408	(921)	(144)	(148)
Investment portfolio income ³⁾	-	-	-	-	-	2,349	2,349
Profit (loss) before tax for the period	134	102	273	408	(921)	2,205	2,201
Return							
Average business capital, DKKm ⁴⁾	3,927	7,317	12,291	2,378	2,576	4,019	32,508
Core earnings after impairment losses as % of average business capital	6.9	2.8	4.5	34.8	(72.5)	-	(0.9)
H1/2008							
Core earnings after impairment losses	204	155	644	2	-	655	1,660
Return							
Average business capital, DKKm ⁴⁾	3,568	6,217	13,061	1,617	-	3,186	27,649
Core earnings after impairment losses as % of average business capital	11.6	5.1	10.0	0.3	-	-	12.2

¹⁾ Reference is made to note 2 in the H1 financial statements for complete business area statements with comparative figures.

²⁾ Of which DKK 92m concerns the proportionate consolidation of JN Data (DKK 90m in 2008).

³⁾ Investment portfolio income includes a loss from investments in associates of DKK 2m in 2009 against a profit of DKK 122m in 2008.

⁴⁾ Statutory capital requirement (Pillar I and Pillar II) according to Basel II.

⁵⁾ Provisions for guarantees relating to the government guarantee scheme.

Results – Retail Customers

DKK million	H1/2009	H1/2008
Core income from business operations		
- Mortgage lending activities	717	615
- Banking and insurance activities	379	347
Total	1,096	962
Operating costs	790	772
Commission under the government guarantee scheme	18	-
Depreciation on property, plant and equipment and amortisation of intangible assets	7	8
Core earnings before impairment losses	281	182
Impairment losses on loans and advances	147	(22)
Core earnings after impairment losses	134	204

Business activities

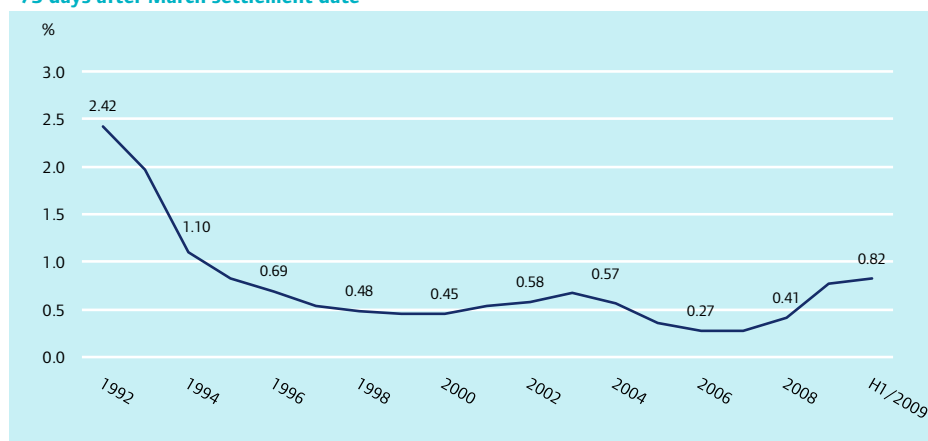
DKK million	2009	2008
Mortgage lending		
Gross new lending, H1*	20,514	12,056
Net new lending, H1*	4,800	2,590
Portfolio at nominal value, end of period	180,927	178,239
Impairment losses as % of lending for the period	0.06	(0.00)
Impairment provisions, end of period		
- Individual impairment provisions	80	13
- Collective impairment provisions	38	36
Accumulated impairment provisions, %, end of period	0.07	0.02
Portfolio of properties repossessed, end of period (properties)	54	47
Banking		
Loans and advances, end of period	11,124	10,360
Deposits, end of period	12,258	10,512
Impairment losses as % of lending for the period	0.14	0.02
Impairment provisions, end of period		
- Individual impairment provisions	46	27
- Collective impairment provisions	4	3
Accumulated impairment provisions, %	0.45	0.29
Guarantees, end of period	4,771	4,285
Provisions for guarantees, end of period	-	-
Insurance		
New policies written, H1*	108	119
Insurance portfolio, end of period	940	922

* For H1/2009 and H1/2008.

Other data determined at end-H1/2009 and end-2008.

Arrears ratio, mortgage lending

– 75 days after March settlement date



Retail Customers

The business area Retail Customers covers activities aimed at retail customers through Nykredit's own distribution channels. Retail Customers also serves the Group's part-time farming customers.

Activities

Mortgage lending in nominal terms rose by DKK 2.7bn to DKK 180.9bn at end-H1/2009. Gross new lending was DKK 20.5bn against DKK 12.1bn in H1/2008.

Bank lending went up by DKK 0.8bn to DKK 11.1bn at end-H1/2009. Compared with end-2008, bank deposits went up by DKK 1.7bn to DKK 12.3bn.

In H1/2009 Nykredit gained nearly 14,000 new customers.

The insurance portfolio grew by DKK 18m in H1/2009 to DKK 940m.

Results

Core earnings before impairment losses came to DKK 281m against DKK 182m in H1/2008.

Core income from business operations was DKK 1,096m against DKK 962m in H1/2008.

Operating costs were DKK 790m against DKK 772m in H1/2008. In addition, commission under the government guarantee scheme came to DKK 18m in 2009.

Impairment losses on loans and advances increased, but remained relatively low at DKK 147m against a net income of DKK 22m in H1/2008. Impairment losses for the period stood at 0.06% of mortgage lending and 0.14% of bank lending. Recognised losses on mortgage lending for the period amounted to DKK 38m.

At end-H1/2009 impairment provisions totalled DKK 168m against DKK 79m at the beginning of the year. For mortgage loans and bank loans, impairment provisions came to DKK 118m and DKK 50m, respectively.

At the March settlement date, 75-day mortgage arrears as a percentage of mortgage payments due came to 0.82% against 0.77% at the December settlement date.

Properties repossessed went up but remained low. Since the beginning of the year, the Group has repossessed 65 properties and sold 58 properties. The property portfolio counted 54 properties at end-H1/2009.

Business Partners

The business area Business Partners is responsible for further developing the Group's partnerships.

Business Partners coordinates the distribution of mortgage loans to retail customers under the Totalkredit brand through just below 100 Danish local and regional banks having more than 1,000 branches. To this should be added mortgage loans to retail customers abroad.

Activities

Measured at nominal value, mortgage lending rose by DKK 17.4bn to DKK 421.5bn. Gross new lending was DKK 62.4bn against DKK 42.4bn in H1/2008.

Results

Core earnings before impairment losses came to DKK 246m against DKK 157m in H1/2008.

Core income from business operations was DKK 689m against DKK 581m in H1/2008.

Operating costs were DKK 220m against DKK 228m in H1/2008.

Depreciation on property, plant and equipment and amortisation of intangible assets amounted to DKK 223m, of which DKK 222m related to distribution rights obtained in connection with Nykredit's acquisition of Totalkredit.

Impairment losses on loans and advances stood at DKK 144m in H1/2009, of which DKK 59m was an increase in collective impairment provisions. H1/2009 impairments accounted for 0.03% of lending. Recognised losses for the period amounted to DKK 2m.

Impairment losses in Totalkredit are subject to an agreement with the partnership banks implying that recognised losses will be offset against future commission payments from Totalkredit. In H1/2009 DKK 5m was offset. If impairments are recognised as losses, about 85% is expected to be offset against commission payable to the banks within the next 1-2 years.

Impairment provisions totalled DKK 190m at end-H1/2009, of which collective impairment provisions accounted for DKK 91m.

At the March settlement date, 75-day mortgage arrears as a percentage of total mortgage payments due came to 0.4%. The increase in arrears in Totalkredit does not only reflect changes in customers' financial position, but also the fact that banks and Totalkredit have taken a new approach to handling arrears and potential arrears.

In a falling housing market, Totalkredit will record more arrears and impairments than previously. The vast majority of Totalkredit's impairment losses are expected to be subsequently offset against the banks' commissions as losses are recognised and determined.

The number of repossessed properties was 12 at end-H1/2009 against 4 at the beginning of the year. Since the beginning of the year, 11 properties have been repossessed and 3 properties sold.

Results – Business Partners

DKK million	H1/2009	H1/2008
Core income from business operations		
- Mortgage lending activities	689	581
Operating costs	220	228
Depreciation on property, plant and equipment and amortisation of intangible assets	223	196
Core earnings before impairment losses	246	157
Impairment losses on loans and advances	144	2
Core earnings after impairment losses	102	155

Business activities

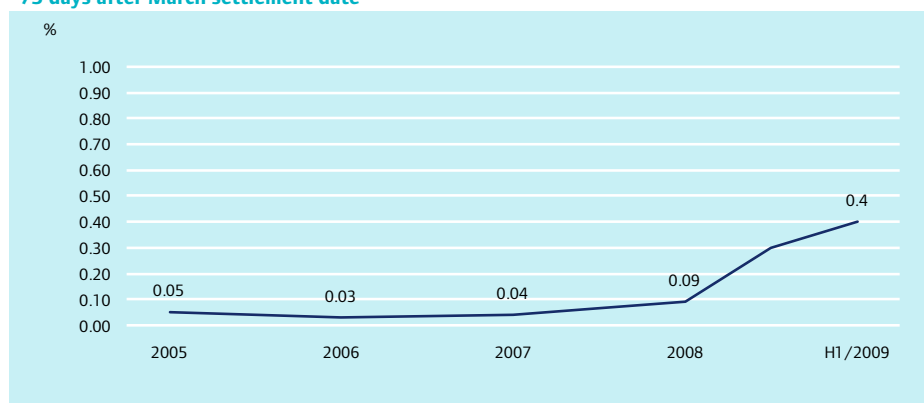
DKK million	2009	2008
Mortgage lending		
- Gross new lending, H1*	62,392	42,385
- Net new lending, H1*	20,443	23,900
Portfolio at nominal value, end of period	421,479	404,090
Impairment losses as % of lending	0.03	0.00
Impairment provisions, end of period		
- Individual impairment provisions	99	22
- Collective impairment provisions	91	32
Accumulated impairment provisions, %, end of period	0.05	0.01
Portfolio of properties repossessed, end of period (properties)	12	4

* For H1/2009 and H1/2008.

Other data determined at end-H1/2009 and end-2008.

Arrears ratio, mortgage lending

– 75 days after March settlement date



Results – Commercial Customers

DKK million	H1/2009	H1/2008
Core income from business operations		
- Mortgage lending activities	909	844
- Banking and insurance activities	379	313
Total	1,288	1,157
Operating costs	471	410
Commission under the government guarantee scheme	100	-
Depreciation on property, plant and equipment and amortisation of intangible assets	3	1
Core earnings before impairment losses	714	746
Impairment losses on loans and advances	441	102
Of which impairment losses relating to the EBH Group	70	-
Core earnings after impairment losses	273	644

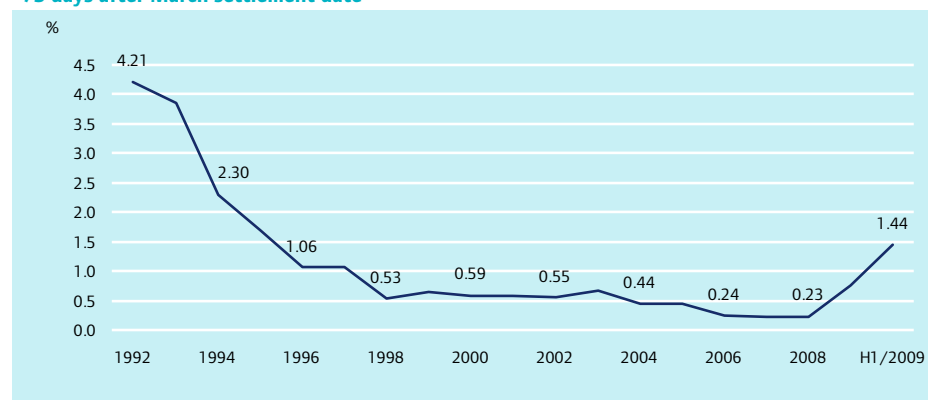
Business activities

DKK million	2009	2008
Mortgage lending		
Gross new lending, H1*	28,985	37,674
Net new lending, H1*	20,805	23,841
Portfolio at nominal value, end of period	351,734	334,254
Impairment losses as % of lending for the period	0.03	0.00
Impairment provisions, end of period		
- Individual impairment provisions	190	168
- Collective impairment provisions	252	194
Accumulated impairment provisions, %, end of period	0.12	0.11
Portfolio of properties repossessed, end of period (properties)	18	6
Banking		
Loans and advances, end of period	34,262	40,536
Deposits, end of period	23,343	24,569
Impairment losses as % of lending for the period	0.81	0.14
Impairment provisions, end of period		
- Individual impairment provisions	861	554
- Collective impairment provisions	139	120
Accumulated impairment provisions, %	2.92	1.64
Guarantees, end of period	4,337	9,362
Provisions for guarantees, end of period	-	-
Insurance		
New policies written, H1*	36	38
Insurance portfolio, end of period	458	459

* For H1/2009 and H1/2008.

Other data determined at end-H1/2009 and end-2008.

Arrears ratio, mortgage lending – 75 days after March settlement date



Commercial Customers

Commercial Customers comprises activities aimed at all types of businesses including the agricultural and rental housing segments. Rental housing includes non-profit housing, housing society dwellings and private rental housing.

Activities

The mortgage loan portfolio grew by DKK 17bn during the year to DKK 352bn at end-H1/2009. Gross new lending was DKK 29bn against DKK 38bn in H1/2008.

Bank lending declined from DKK 40.5bn to DKK 34.3bn at end-H1/2009 due to eg refinancing of bridge loans into mortgage loans. Bank deposits decreased from DKK 24.6bn at end-2008 to DKK 23.3bn at end-H1/2009.

The insurance portfolio was unchanged at DKK 458m at end-H1/2009.

Results

Core earnings before impairment losses came to DKK 714m against DKK 746m in H1/2008.

Core income from business operations was DKK 1,288m against DKK 1,157m in H1/2008.

Operating costs were DKK 471m against DKK 410m in H1/2008. The rise was due to recruitment in 2008 with a view to exploiting Nykredit's growth opportunities in Commercial Customers. Commission under the government guarantee scheme was DKK 100m in 2009.

Impairment losses on loans and advances were DKK 441m, equal to 0.1% of lending, against DKK 102m in H1/2008. Recognised losses on mortgage lending were DKK 24m in H1/2009.

At end-H1/2009 total impairment provisions were DKK 1,442m against DKK 1,036m at the beginning of the year. For mortgage loans and bank loans, impairment provisions came to DKK 442m and DKK 1,000m, respectively.

At the March settlement date, 75-day mortgage arrears as a percentage of total mortgage payments due came to 1.44%. Arrears were affected by one exposure in arrears not expected to involve any loss risk for Nykredit. Adjusted for this exposure, the arrears ratio was 1.00%. By comparison, the arrears ratio was 0.23% at the same time the year before and 0.46% at end-2008.

The property portfolio was 18 at end-H1/2009 against 6 at the beginning of the year.

Results – Markets & Asset Management

DKK million	H1/2009	H1/2008
Core income from		
- Business operations	790	496
- Own trading activities	77	(184)
Total	867	312
Operating costs	400	310
Commission under the government guarantee scheme	58	-
Core earnings before impairment losses	409	2
Impairment losses on loans and advances	1	-
Core earnings after impairment losses	408	2

Markets & Asset Management

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

Markets & Asset Management posted core earnings after impairment losses of DKK 408m for H1/2009 against DKK 2m for H1/2008.

Core income from business operations rose by DKK 555m to DKK 867m.

The rise of DKK 555m was attributable to increased income and business volumes in the majority of the business area's customer-oriented activities, with Nykredit Markets in particular showing steady progress. In addition, income from Nykredit Asset Management and Nykredit Portefølje Administration was just above H1/2008 levels.

Core income from Proprietary Trading and the portfolio of subordinate loan capital in Danish banks – Kalvebod issues – rose markedly from a loss of DKK 184m in H1/2008 to a profit of DKK 77m in 2009. The rise was mainly attributable to Proprietary Trading where income was up DKK 186m on H1/2008.

Operating costs went up by DKK 90m to DKK 400m. In addition, commission under the government guarantee scheme came to DKK 58m.

Results – Forstædernes Bank

DKK million	H1/ 2009	H1/2008
Core income from business operations	446	461
Operating costs, depreciation and amortisation	322	313
Commission under the government guarantee scheme	76	-
Depreciation on property, plant and equipment and amortisation of intangible assets	40	22
- recognised in opening balance sheet	(6)	-
Core earnings before impairment losses	14	126
Impairment losses on loans and advances	1,341 ¹	95
Recognised in opening balance sheet	(406)	-
Core earnings after impairment losses	(921)	31

¹ Excluding provisions of DKK 49m relating to the government guarantee scheme.

Business activities

DKK million	2009	2008
Loans and advances, end of period	20,032	22,260
Deposits, end of period	16,549	14,704
Impairment losses as % of lending	5.60	5.52
Impairment provisions, end of period		
- Individual impairment provisions	2,921	1,598
- Collective impairment provisions	38	64
Accumulated impairment provisions, %	12.87	6.95
Guarantees, end of period	4,356	5,661
Provisions for guarantees, end of period	26	32

At end-H1/2009 and end-2008.

Forstædernes Bank

The bank mainly focuses on commercial customers, investment, pension and asset management services.

Core income from business operations for the period came to DKK 446m against DKK 461m in H1/2008. The development reflects a positive trend in net interest income and a negative trend in trading income.

Operating costs were DKK 322m against DKK 313m in H1/2008. Commission payable under the government guarantee scheme was DKK 76m.

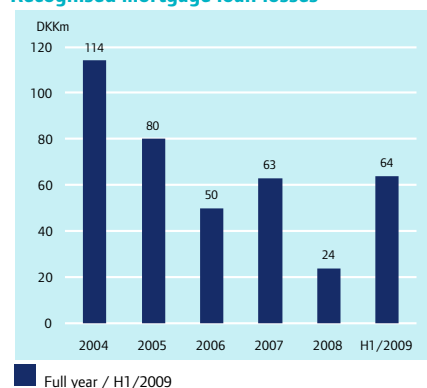
Impairment losses on loans and advances for the period amounted to DKK 935m after adjustment for provisions made in the opening balance sheet of DKK 406m.

Impairment losses in Forstædernes Bank continue to be concentrated on a few large exposures. Impairment losses for the period stood at 5.60% in H1/2009.

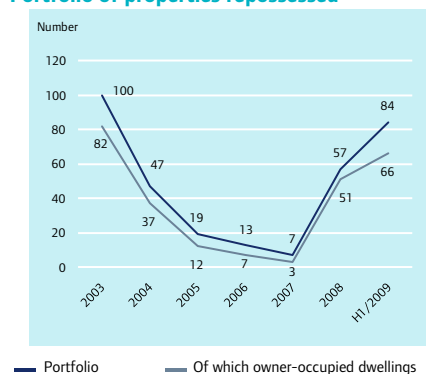
In connection with the acquisition of Forstædernes Bank, provisions of DKK 1.5bn were made for expected future losses on a few, but large risk exposures. The losses on these few exposures have subsequently turned out to be higher than expected. The reason is that these exposures are based on security in properties or equities, the values of which have declined significantly since October 2008.

Lending

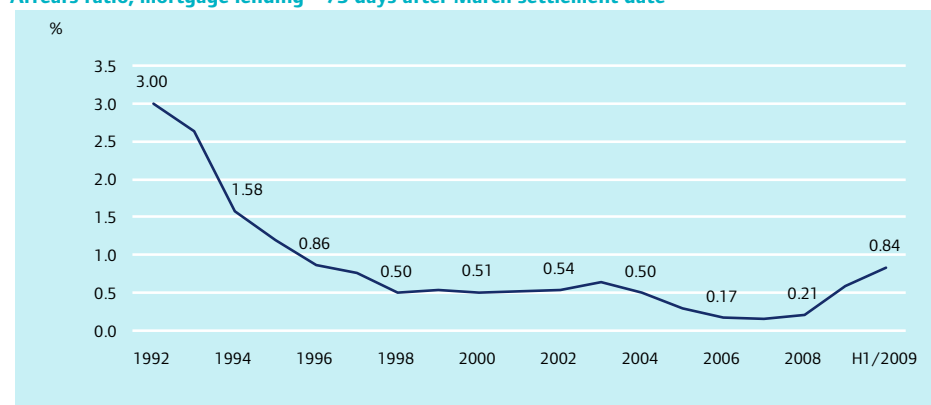
The Nykredit Realkredit Group Recognised mortgage loan losses



The Nykredit Realkredit Group Portfolio of properties repossessed



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



The Nykredit Realkredit Group Provisions for mortgage loan impairment

DKK million	30.06.2009		31.12.2008	
	Individual provisions	Collective provisions	Total provisions	Total provisions
Retail	179	129	308	102
Commercial	190	252	442	363
Total	369	381	750	465

The Nykredit Realkredit Group Mortgage debt outstanding relative to estimated property values

DKK million	LTV (loan-to-value)				Total	LTV, median
	0-40	40-60	60-80	Over 80		
Owner-occupied dwellings	374,858	126,158	65,457	16,480	582,953	30
Private rental housing	56,422	17,367	9,308	482	83,579	27
Industry and trades	20,690	3,544	451	105	24,790	19
Office and retail	60,397	15,596	2,939	157	79,089	23
Agriculture	79,509	12,289	2,018	518	94,334	19
Other	10,358	1,829	440	47	12,674	20

Note: The debts outstanding have been determined at fair value at 31 March 2009 and the projection of property values are based on data at 30 June 2009 supplied by the Association of Danish Mortgage Banks. The table allows for any financed costs. For example, a fully financed owner-occupied dwelling with financed costs of 2% will be placed in the "Over 80" category.

MORTGAGE LENDING

Group mortgage lending at fair value totalled DKK 943bn against DKK 895bn at the beginning of the year. Measured at nominal value, mortgage lending rose by just under DKK 38bn to DKK 954bn.

The security behind the mortgage loan portfolio remains substantial. Furthermore, mortgage loans granted via Totalkredit are covered by set-off agreements, which means that Totalkredit may offset most of the realised mortgage loan losses against future commission payments to the partner banks.

The LTV ratios of mortgage loans are shown in the table below with individual loans relative to the estimated values of individual properties at end-H1/2009.

At end-H1/2009 mortgage impairment provisions totalled DKK 750m against DKK 465m at the beginning of the year. Collective mortgage impairment provisions totalled DKK 381m against DKK 262m at the beginning of the year.

Impairment losses on mortgage loans (through profit or loss) for the period were DKK 371m, equal to 0.04% of total lending, of which recognised losses netted DKK 64m compared with DKK 24m for 2008.

At the March settlement date, group mortgage arrears as a percentage of total mortgage payments due came to 0.84%. Arrears were affected by one commercial exposure in arrears not expected to involve any loss risk to Nykredit. Adjusted for this exposure, group arrears were 0.66%. By comparison, the arrears ratio was 0.21% at the same time the year before. At end-2008 the arrears ratio was 0.34%.

During H1/2009 the Group's portfolio of properties repossessed increased slightly. The Group repossessed 95 and sold 68 properties. The property portfolio counted 84 at end-H1/2009 against 57 at the beginning of the year. Of the 84 properties, 66 were owner-occupied dwellings at end-H1/2009.

BANK LENDING**Nykredit Bank A/S***Loan portfolio*

The Group's total bank exposures in the form of loans, advances and guarantees decreased by DKK 5bn in H1/2009 to DKK 80bn.

Provisions for loan impairment totalled DKK 1,061m at end-H1/2009, equal to a rise of DKK 347m relative to the beginning of the year. Including provisions for guarantees of DKK 159m, total provisions amounted to DKK 1,220m.

Relative to end-2008, individual impairment provisions rose from DKK 591m to DKK 917m. Of the rise, Corporate Banking accounted for DKK 307m and Retail Banking DKK 19m. Within Corporate Banking, the increase could be ascribed to new individual provisions in respect of relatively few customers.

Compared with the beginning of the year, collective impairment provisions increased by DKK 21m to DKK 144m at 30 June 2009, of which DKK 139m was attributable to Corporate Banking.

Provisions for guarantees of DKK 159m at end-H1/2009 related only to the government guarantee scheme.

Relative to total loans, advances and guarantees, provisions amounted to 1.5% compared with the somewhat lower level of 0.9% at end-2008. EBH-fonden and Dansk Pantebrevsbørs A/S accounted for DKK 382m of total provisions. Excluding these exposures, the provisioning rate was 1.0%.

Forstædernes Bank A/S*Loan portfolio*

The bank's total bank exposures in the form of loans, advances and guarantees decreased by DKK 3.8bn in H1/2009 to DKK 23.9bn.

Provisions for loan impairment totalled DKK 2,959m at end-H1/2009, equal to a rise of DKK 1,297m relative to the beginning of the year. Including provisions for guarantees of DKK 93m, total provisions amounted to DKK 3,052m.

Relative to end-2008, individual impairment provisions rose by DKK 1,323m to DKK 2,921m. The rise chiefly stemmed from commercial customers and is concentrated on a few large exposures.

Collective impairment provisions came to DKK 38m at end-H1/2009.

Of total provisions for guarantees of DKK 93m at end-H1/2009, DKK 67m was attributable to the government guarantee scheme.

The Nykredit Bank Group**Loans, advances and guarantees by sector**

DKK million	30.06.2009	31.12.2008
Retail	16,560	15,408
Manufacturing	8,210	8,486
Property management and trade	13,181	18,382
Credit and finance	26,847	28,484
Other corporate	15,575	14,981
Total	80,373	85,741

The Nykredit Bank Group**Provisions for bank loan impairment and guarantees**

DKK million	30.06.2009		31.12.2008	
	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total impairment provisions
Retail	15	46	4	35
Other	144	871	140	735
Total	159	917	144	770

Forstædernes Bank A/S**Loans, advances and guarantees by sector**

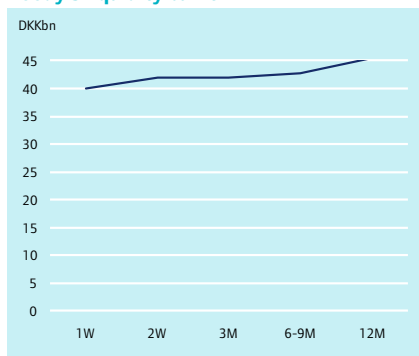
DKK million	30.06.2009	31.12.2008
Retail	5,158	5,798
Manufacturing	633	696
Property management and trade	8,732	10,040
Credit and finance	2,229	2,567
Other corporate	8,035	9,234
Total	24,787	28,335

Forstædernes Bank A/S**Provisions for bank loan impairment and guarantees**

DKK million	30.06.2009		31.12.2008	
	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total impairment provisions
Retail	10	241	4	156
Other	83	2,680	34	1,556
Total	93	2,921	38	1,712

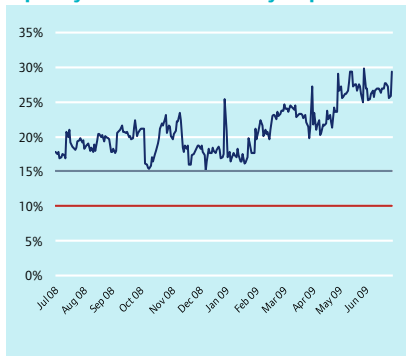
Liquidity

**Nykredit Realkredit A/S and Totalkredit A/S
Moody's liquidity curve**



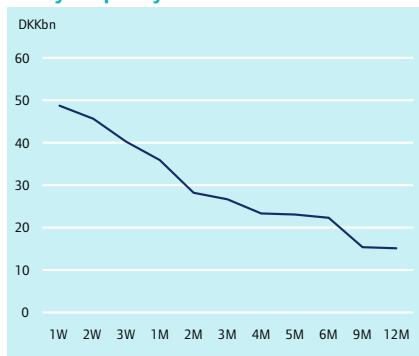
Note: Excluding investments in subsidiaries, subordinate loan capital with subsidiaries and funding by the issuance of junior covered bonds.

**Nykredit Bank A/S
Liquidity relative to statutory requirement**



— Liquidity
— Nykredit Bank's internal requirement
— Statutory requirement

**Nykredit Bank A/S
Moody's liquidity curve**



LIQUIDITY RISK

Mortgage activities, etc

Most of the Group's lending consists of mortgage loans funded by "realkreditobligationer" (ROs) and "særligt dækkede obligationer" (SDOs) (collectively referred to as covered bonds) in accordance with the match-funding principle. Mortgage lending and its funding are therefore liquidity neutral.

Nykredit's capital resources are mainly placed in a portfolio of listed bonds in addition to portfolio equities, strategic equities and subsidiary equities. By virtue of the large bond portfolios, mortgage banks are extremely liquid.

In its "Bank Financial Strength Ratings: Global Methodology" from February 2007, Moody's Investors Service has laid down a number of principles for requirements relating to the liquidity management of banks. In order to achieve the rating "Very Good Liquidity Management", the liquidity curve must be positive for a projected time span of 12 months. The liquidity of Nykredit Realkredit and Totalkredit is always positive due to eg match funding and the investment rules governing the statutory capital requirements.

The liquidity curves of Nykredit Realkredit and Totalkredit, Nykredit Bank and Forstædernes Bank illustrate that the Nykredit Group is extremely liquid.

Since H2/2008 Nykredit Realkredit has opened a number of ISINs through VP Lux to obtain repo-eligibility with the ECB. In H1/2009 the ECB accepted these bonds and future VP Lux bonds as eligible collateral.

Nykredit Bank

Nykredit Bank monitors its balance sheet and liquidity on a day-to-day basis. The Bank manages its balance sheet based on the liquidity of assets and liabilities. Securities not serving as collateral in the trading book constitute a short-term liquidity buffer that may be applied in the case of unforeseen claims on the Bank's liquidity.

The liquidity buffer averaged DKK 34.8bn in H1/2009 against an average of DKK 13.0bn for the full year 2008 and DKK 40.7bn at end-H1/2009. At end-2008 the liquidity buffer stood at DKK 31.2bn.

To strengthen the Bank's liquidity, the Bank had issued notes of about DKK 36.9bn under its EMTN programme at end-H1/2009 against approximately DKK 17.3bn at end-2008.

Issues of DKK 22.8bn and DKK 14.9bn in 2009 have been made under the Bank's ECP and EMTN programmes, respectively, at satisfactory spreads against swaps.

According to the Danish Financial Business Act, a bank's liquidity must be at least 10% of total reduced debt and guarantee obligations. Nykredit Bank uses an internal liquidity requirement of 15%. At end H1/2009 the financial ratio "Excess cover:statutory liquidity requirements" was 200.3% against 146.1% at end-2008 and 57.7% at end-H1/2008.

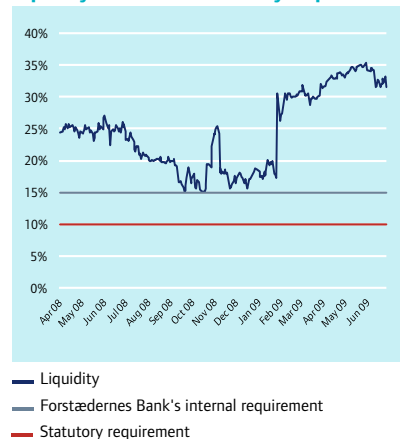
The management of the Bank's structural liquidity risk is based on an internal model.

The model assumptions are stress tested daily. This includes the effect of a liquidity crisis in the market which would increase the Bank's funding costs and reduce the liquidity of its assets.

Stress tests according to the principles of Moody's Investors Service's "Bank Financial Strength Ratings: Global Methodology" show that the Bank can withstand a 12-month lack of access to the funding market.

Forstædernes Bank A/S

Liquidity relative to statutory requirement



Forstædernes Bank

Forstædernes Bank coordinates its daily liquidity management and funding with Nykredit Bank, which is the bank's primary external funding source. The bank's external funding came to DKK 10.1bn at end-H1/2009.

Excess liquidity cover averaged DKK 6.7bn in H1/2009 and DKK 7.3bn at 30 June 2009.

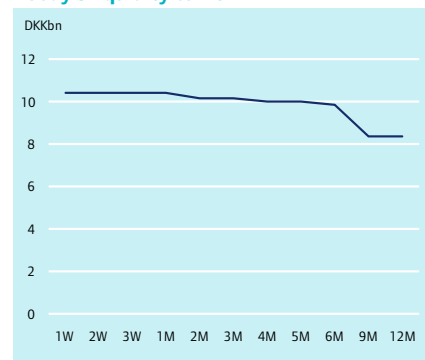
Forstædernes Bank uses an internal liquidity requirement of 15% in line with Nykredit Bank. At end-H1/2009 the financial ratio "Excess cover:statutory liquidity requirements" was 220% against 78% at end-2008 and 158% at end-H1/2008.

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.

Forstædernes 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. Forstædernes Bank can therefore withstand a 12-month lack of access to the funding market.

Forstædernes Bank A/S

Moody's liquidity curve



EQUITY AND CAPITAL ADEQUACY OF THE NYKREDIT REALKREDIT GROUP

Equity

Group equity, including recognition of profit for the period stood at DKK 52.5bn at end-H1/2009 compared with DKK 50.4bn at the beginning of the year.

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

The strategic equity investments include equities in a number of Danish local and regional banks. These equities are value adjusted against equity on a continuous basis. The value adjustment against equity in the Consolidated Financial Statements resulted in a profit of DKK 455m at end-H1/2009. The value of equities classified as available for sale totalled DKK 2,569m.

The Nykredit Realkredit Group Changes in equity

DKK million	30.06.2009	30.06.2008	FY 2008
Equity, beginning of period	50,377	54,447	54,447
Profit (loss) for the period	1,634	348	(695)
Fair value adjustment of equities – available for sale	455	(958)	(2,847)
Paid dividend	-	(500)	(500)
Other adjustments	3	6	(28)
Equity, end of period	52,469	53,343	50,377

The Nykredit Realkredit Group Capital base and capital adequacy

DKK million	Basel II 30.06.2009	Basel II 30.06.2008	Basel II 2008
Credit risk	22,531	21,130	22,475
Market risk	2,317	2,210	4,592
Operational risk	978	1,283	1,284
Total capital requirement before transitional rules	25,825	24,624	28,351
Total capital requirement after transitional rules ¹	42,506	42,506	47,700
Capital base	53,923	53,091	51,963
Core capital ratio, % ³	15.5	16.4	13.5
Capital adequacy ratio, %	16.7	17.2	14.7
Minimum capital adequacy ratio before transitional rules, %	8.0	8.0	8.0
Minimum capital adequacy ratio after transitional rules, % ²	12.9	13.4	13.5
Individual capital need (Pillar I and Pillar II), %	10.5	9.9	9.8
Total weighted items	322,816	307,802	354,385

¹ The capital requirement after transitional rules has been determined pursuant to the transitional rules of the Danish Executive Order on Capital Adequacy for 2008. As a minimum, the capital requirement for 2009 must amount to 80% of the capital requirement determined under Basel I compared with 90% for 2008.

² The minimum capital adequacy ratio after transitional rules has been determined as the capital requirement after transitional rules as % of risk-weighted items under Basel II. Accordingly, the minimum capital adequacy ratio reflects the capital adequacy requirement as a result of the transitional rules.

³ The core capital ratio has been determined on the basis of risk-weighted items of DKK 322,816m, ie not using the transitional rules.

CAPITAL ADEQUACY

The Group's core capital ratio was 15.5%, while the capital adequacy ratio came to 16.7%.

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

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

According to the transitional rules, the capital requirement amounted to DKK 42.5bn, equal to a capital adequacy ratio of at least 12.9%.

REQUIRED CAPITAL BASE AND CAPITAL NEED

Pursuant to the Danish Financial Business Act, it is the responsibility of the Board of Directors

and Executive Board to ensure that Nykredit has the required capital base (capital adequacy). The required capital base is the minimum capital required in Management's opinion to cover all significant risk.

The required capital base may not be lower than the capital requirement as determined in accordance with the transitional rules for 2009 of the Danish Executive Order on Capital Adequacy – which is a minimum of 80% of the capital requirement under Basel I.

The capital need is calculated as the required capital base as a percentage of risk-weighted items.

The required capital base mirrors Nykredit's capital need in case of a deterioration of the economic climate in 2009-2010, equal to a slightly pessimistic scenario. A characteristic feature of mortgage banking is that it takes some time before a deterioration in the macroeconomic environment is reflected in higher loan losses and arrears. The determination of the required capital base allows for this time lag.

Nykredit's calculation of the required capital base is based on the model calculations used in the determination of the capital requirement. However, a statistical level of confidence of 99.97% is applied, equal to a Aa2-Aa3 rating. When calculating capital requirement and capital adequacy ratio, only a 99.9% confidence level is used. The confidence level reflects Nykredit's commitment to maintaining a high rating of the bonds issued.

No deductions are made for any diversification effect between the individual types of risk in the determination of the required capital base.

At Nykredit, the required capital base consists of two components, Pillar I and Pillar II.

PILLAR I

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

PILLAR II

Pillar II capital covers other risks, a charge reflecting an elevated capital requirement during a slightly pessimistic economic climate and a charge reflecting model uncertainty.

The determination of other risks includes risk relating to investment properties and reputa-

tion risk, which are determined using own estimates as well as assessments of control risks, strategic risks, external risks, etc.

Capital charge for a slightly pessimistic economic climate

When the economic climate deteriorates, the capital requirement and Pillar I capital will increase as losses and arrears rise and property prices decline. The required capital base factors this in, just as it allows for any operating losses following a rise in loan impairments, etc by means of stress tests and scenario analyses.

As part of its capital policy, Nykredit updates its scenarios on an ongoing basis to ensure that they are up to date in relation to the current economic climate.

The most important macroeconomic assumptions applied to determine the charge for a slightly pessimistic economic climate are listed in the table below. This is not a forecast, but a projection reflecting a pessimistic economic climate.

Property prices and unemployment are the factors with greatest impact on the projection of credit risk. In the scenario, property prices will continue to fall, and unemployment will rise. This will increase Nykredit's credit risk.

Charge for model uncertainty

Nykredit applies various models for calculating the capital requirement under both Pillar I and Pillar II. The capital requirement depends on the models and choice of confidence level. Pillar II therefore includes a charge reflecting a potential need for subsequent model adjustments. The charge represents 10% of the model-based capital requirement.

CYCLICAL BUFFER

In addition to the required capital base, Nykredit's capital structure includes capital covering the expected rise in the capital adequacy requirement should the economic climate change to severe recession. This is called the cyclical buffer.

In line with the capital charge required during a recession under Pillar II, stress tests and scenario analyses are used to determine the cyclical buffer. The macroeconomic scenario applied to a severe recession is considerably more negative than the scenario applied to a recession under Pillar II.

The calculations are based on the assumption that the current lending volume remains unchanged, irrespective of the deteriorated economic climate.

The cyclical buffer amounted to DKK 11.1bn at end-H1/2009.

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 52.5bn into four elements:

- *Business capital* of DKK 33.8bn equal to the required Pillar I and Pillar II capital base. DKK 7.7bn has been reserved under Pillar II, equal to a slightly pessimistic economic climate.
- *Cyclical buffer* of DKK 11.1bn covering the expected rise in the capital adequacy requirement should the economic climate change 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 5.1bn.
- *Strategic capital* of DKK 2.5bn, the long-term capital maintained for strategic initiatives.

The Nykredit Realkredit Group

Required capital base and capital need

DKK million	End-H1/2009	End-2008
Credit risk	19,735	19,985
Market risk	4,589	4,831
Operational risk	989	1,290
Insurance risk	595	631
Risk relating to own properties	142	137
Total Pillar I	26,050	26,874
Other risk	860	708
Charge for a slightly pessimistic economic climate	3,810	4,080
Charge for model uncertainty	3,072	3,166
Total Pillar II	7,742	7,954
Total required capital base	33,792	34,828
Total risk-weighted items	322,816	354,385
Individual capital need	10.5	9.8

Macroeconomic factors of a slightly pessimistic economic climate (Pillar II)

	2008	2009	2010
	Actual	Projected	Projected
GDP, growth, %	(1.1)	(2.9)	0.2
Interest rates ¹ , %	4.1	3.6	3.8
Property prices, growth, %	(7.8)	(12.7)	(4.8)
Unemployment, %	2.2	4.1	5.9

¹ Average of 3-month money market rate and 10-year government bond yield.

OTHER**New strategy to strengthen growth in Nykredit**

In mid-May Nykredit presented a new strategy and organisation. Strategy 2013 will pave the way for significant business development and growth over the next 4-5 years. A new unified organisation, "One new Nykredit", will further develop the current group strategy with commercial and mortgage banking as cornerstones.

The mortgage lending activities based on Nykredit and Totalkredit as the Group's two strong brands will be further developed, but growth will chiefly be generated in the commercial banking area. Sound commercial banking activities are a prerequisite for sound mortgage lending activities and for growing overall group earnings. The Nykredit Group's income from commercial banking activities accounts for 42% of the Group's revenue.

As part of Strategy 2013, it has been decided to merge Forstædernes Bank with Nykredit Bank. As a consequence, Forstædernes Bank as an independent name and brand will be phased out over the next year. The Group's other companies and brands, including Totalkredit, Nybolig and Estate as well as Nykredit's insurance company will continue unchanged.

Denmark will also in future remain the Nykredit Group's core geographic marketplace. Nykredit's own sales channels will be Nykredit's reliable and strategic foundation in coming years, but also the Totalkredit partner channel will be strategically important to Nykredit.

Management changes

At Nykredit Realkredit A/S's Annual General Meeting held on 25 March, Anders Christen Obel, CEO, and Erling Bech Poulsen, Farmer, were elected as new members of the Board of Directors.

Niels Tørslev, Group Managing Director, has given the Board of Directors notice of retirement effective in connection with his 60th birthday next February. At 20 August 2009, Niels Tørslev will retire from the Board of Directors of Totalkredit A/S, which he has chaired since 2007. At an Extraordinary General Meeting, Søren Holm, Group Managing Director, will be nominated as new Chairman.

In connection with Strategy 2013, the Board of Directors appointed Kim Duus, Managing Director of Nykredit Bank, as Group Managing Director of the Nykredit Group at 15 May. Kim

Duus (52) joined Nykredit in 1997. Kim Duus will retire from the Executive Board of Nykredit Bank in connection with the presentation of the Bank's H1 Interim Report.

The Board of Directors of Nykredit Bank has appointed Lars Bo Bertram and Georg Andersen, Executive Vice Presidents, as Managing Directors of Nykredit Bank, and from 20 August 2009 they will make up the Executive Board of the Bank together with Bjørn Damgaard Mortensen, Managing Director.

In Forstædernes Bank Kjeld Mosebo Christensen (62), CEO, retired at end-June, and Gunnar Kobberup, Managing Director, retired in spring. The Executive Board of Forstædernes Bank subsequently consists of Niels Fessel and Bjørn Damgaard Mortensen, both Managing Directors.

Nykredit applies for hybrid core capital

Nykredit's capital policy ensures adequate capital to comply with the capital requirements during a severe recession, corresponding to the situation seen in the early 1990s.

Nykredit's net lending amounted to DKK 16bn in H1/2009. With a view to ensuring adequate capital resources for continued lending growth in an uncertain macroeconomic environment, Nykredit's Board of Directors has decided that Nykredit Realkredit A/S will apply for a government contribution of DKK 9.5bn in the form of hybrid core capital.

The Nykredit Group will not apply for hybrid core capital for Totalkredit, Nykredit Bank or Forstædernes Bank.

Two-tier mortgaging

At end-March, Nykredit introduced two-tier mortgaging for commercial properties. All new loans secured on commercial properties will be a combination of SDO loans and traditional mortgage bond (RO) loans. 0% to 45% of the property value will now be funded by SDOs, while the remaining part will be funded by traditional ROs.

As a result of the SDO legislation, Nykredit has to provide security for loans secured on properties that have suffered considerable price declines. But by using traditional ROs for a small part of customers' loans, the Nykredit Group will be able to offer financing even if the economic climate deteriorates significantly.

Nykredit and Totalkredit have expanded spring and autumn auctions

Since 1 April, customers of Nykredit and Totalkredit have been able to raise loans with interest rate adjustment in spring and autumn. The purpose is to spread the increasing auction volumes in December over the year to obtain the most favourable pricing, ensuring borrowers the lowest interest rates.

Moody's places the Nykredit Group's ratings on review for downgrade

Rating agency Moody's Investors Service has placed Nykredit Realkredit A/S's Aa3 long-term issuer rating and the rating of the Company's supplementary and hybrid capital on review for downgrade. Likewise, Nykredit Bank A/S's C+ bank financial strength rating (BFSR), Aa3 long-term debt and deposit ratings and the rating of supplementary capital have been placed on review for downgrade.

Compulsory redemption of minority shares

The redemption period for shares issued by Forstædernes Bank expired on 2 April 2009, and Nykredit paid the redemption amount in cash into an escrow account immediately afterwards.

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 148m will be recognised as income.

Uncertainty as to 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 2008.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the H1 Interim Report 2009.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

Since end-H1/2009, the Group's investment portfolio income has developed positively due to yield spread tightening and has increased by around DKK 1bn.

As a result of the Group's business growth, not least in the subsidiaries, it has been decided to strengthen the core capital of Nykredit Bank A/S and Forstædernes Bank A/S.

The DKK 2.4bn of subordinate loan capital granted by Nykredit Realkredit A/S in Nykredit Bank A/S will be converted into share capital. Furthermore, Nykredit Realkredit will increase the share capital by another DKK 0.8bn measured at market value.

The Bank's equity will thus strengthen by DKK 3.2bn to DKK 10.4bn.

The DKK 0.35bn of subordinate loan capital granted by Nykredit Realkredit A/S in Forstædernes Bank A/S will be converted into share capital. Nykredit Realkredit will increase the share capital by another DKK 0.8bn measured at market value. Forstædernes Bank's equity will consequently strengthen by DKK 1.15bn to DKK 3.7bn.

Efforts are made to maintain a core capital ratio in subsidiaries of at least 12%, equal to a typical capitalisation of Danish banks following bank rescue package II.

In the period up to the presentation of the H1 Interim Report 2009, no other material events have occurred.

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 2009 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 H1 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 H1 Interim Report gives a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2009 and of 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 2009.

Copenhagen, 20 August 2009

Executive Board

Peter Engberg Jensen
Group Chief Executive

Kim Duus
Group Managing Director

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

Steffen Kragh
Deputy Chairman

Kristian Bengaard

Michael Demsitz

Lisbeth Grimm

Allan Kristiansen

Susanne Møller Nielsen

Anders C. Obel

Erling Beck Poulsen

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		
H1/2008	H1/2009		Note	H1/2009	H1/2008
19,895	21,819	Interest income	3	28,717	26,316
18,092	19,230	Interest expenses	4	23,329	22,668
1,803	2,589	NET INTEREST INCOME		5,388	3,647
92	42	Dividend on equities		59	98
372	421	Fee and commission income		993	641
96	119	Fee and commission expenses		740	609
2,171	2,933	NET INTEREST AND FEE INCOME		5,700	3,778
-	-	Net premiums earned		644	633
(2,182)	1,567	Value adjustments	5	1,296	(1,328)
32	39	Other operating income		162	173
-	-	Claims incurred, net of reinsurance		435	481
1,249	1,333	Staff and administrative expenses	6	2,672	2,128
249	290	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	7	407	292
4	0	Other operating expenses		255	5
(5)	227	Impairment losses on loans, advances and receivables	8	1,831	82
710	(59)	Profit (loss) from investments in associates and group enterprises	9	(2)	122
(766)	2,629	PROFIT (LOSS) BEFORE TAX		2,201	389
(156)	540	Tax	10	567	41
(610)	2,089	PROFIT (LOSS) FOR THE PERIOD		1,634	348

Statement of comprehensive income for 1 January – 30 June

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
H1/2008	H1/2009		Note	H1/2009	H1/2008
(610)	2,089	PROFIT (LOSS) FOR THE PERIOD		1,634	348
10	(15)	Foreign currency translation adjustment of foreign entities		(15)	10
-	18	Accumulated foreign currency translation adjustment transferred to income statements on sale		18	-
-	-	Fair value adjustment of equities available for sale		455	(958)
-	(1)	Share of comprehensive income in associates and group enterprises		(1)	-
10	3	OTHER COMPREHENSIVE INCOME		458	(948)
(600)	2,092	COMPREHENSIVE INCOME FOR THE PERIOD		2,092	(600)

Balance sheets at 30 June

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
31.12.2008	30.06.2009		Note	30.06.2009	31.12.2008
		ASSETS			
78	25	Cash balance and demand deposits with central banks		281	323
58,010	25,027	Receivables from credit institutions and central banks	11	47,729	73,077
820,662	851,095	Loans, advances and other receivables at fair value	12	968,880	920,430
722	690	Loans, advances and other receivables at amortised cost	13	66,792	73,755
65,564	46,840	Bonds at fair value	14	107,995	99,731
		Equities			
2,999	3,607	Equities measured at fair value through profit or loss		1,655	1,585
-	-	Equities available for sale		2,569	2,118
2,999	3,607	Total		4,225	3,702
168	153	Investments in associates		65	81
23,603	23,937	Investments in group enterprises		-	-
5,252	5,073	Intangible assets		5,144	5,332
		Land and buildings			
-	-	Investment properties		70	70
25	25	Owner-occupied properties		1,715	1,646
25	25	Total		1,784	1,716
188	189	Other property, plant and equipment		368	402
116	0	Current tax assets		813	415
818	802	Deferred tax assets		937	1,213
52	78	Assets in temporary possession		107	70
15,607	14,984	Other assets	15	36,123	37,673
144	164	Prepayments		271	207
994,008	972,688	TOTAL ASSETS		1,241,514	1,218,127

Balance sheets at 30 June

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
31.12.2008	30.06.2009		Note	30.06.2009	31.12.2008
		LIABILITIES AND EQUITY			
100,911	70,660	Payables to credit institutions and central banks	16	132,244	162,549
-	-	Deposits and other payables	17	60,557	61,177
790,326	812,162	Issued bonds at fair value	18	883,736	836,081
138	146	Issued bonds at amortised cost	19	39,839	20,665
19,823	6,303	Other non-derivative financial liabilities at fair value		9,257	21,941
-	224	Current tax liabilities		432	72
23,667	21,860	Other liabilities	20	50,772	53,282
-	-	Deferred income		17	20
934,865	911,355	Total payables		1,176,854	1,155,787
		Provisions			
209	250	Provisions for pensions and similar obligations		271	232
851	844	Provisions for deferred tax		915	922
-	-	Insurance liabilities		1,649	1,594
102	107	Repayable reserves funded by pre-1972 series		107	102
-	-	Provisions for losses under guarantees		252	106
19	18	Other provisions		42	26
1,182	1,219	Total provisions		3,237	2,984
7,584	7,645	Subordinate loan capital	21	8,954	8,979
		Equity			
1,182	1,182	Share capital		1,182	1,182
		Accumulated changes in value			
5	5	- Revaluation reserves		141	141
(3)	-	- Accumulated foreign currency translation adjustment of foreign entities		-	(3)
-	-	- Value adjustment of equities available for sale		1,279	(674)
		Other reserves			
2,844	2,485	- Statutory reserves		-	-
25,778	25,778	- Series reserves		25,778	25,778
20,572	23,019	Retained earnings		24,089	23,954
50,377	52,469	Total equity		52,469	50,377
994,008	972,688	TOTAL LIABILITIES AND EQUITY		1,241,514	1,218,127
		OFF-BALANCE SHEET ITEMS	22		
-	-	Contingent liabilities		8,927	8,905
1,577	1,629	Other commitments		11,523	10,601
1,577	1,629	TOTAL		20,450	19,506
		Related party transactions and balances	23		
		Five-year financial highlights	24		
		Six-quarter financial highlights	25		
		Group structure	26		

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 *	Series reserves	Retained earnings	Proposed dividend	Total
2009								
Equity, 1 January	1,182	5	(3)	2,844	25,778	20,572	-	50,377
Dividend from associates	-	-	-	(13)	-	13	-	-
Adjustment relating to subsidiaries	-	-	-	(25)	-	25	-	-
Comprehensive income	-	-	3	(321)	-	2,409	-	2,092
Equity, 30 June	1,182	5	-	2,485	25,778	23,019	-	52,469
2008								
Equity, 1 January	1,182	89	15	3,435	24,258	24,969	500	54,447
Paid dividend	-	-	-	-	-	-	(500)	(500)
Adjustment pursuant to capital adequacy rules	-	-	-	-	1,520	(1,520)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	-	16	-	16
Adjustment relating to associates	-	-	-	6	-	(6)	-	-
Adjustment relating to subsidiaries	-	-	-	(3)	-	(2)	-	(5)
Reclassification	-	(85)	-	-	-	85	-	-
Comprehensive income	-	1	(18)	(594)	-	(2,970)	-	(3,581)
Equity, 31 December	1,182	5	(3)	2,844	25,778	20,572	-	50,377

* 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 the 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	Accumulated value adjustment of equities available for sale	Series reserves	Retained earnings	Proposed dividend	Total
2009								
Equity, 1 January	1,182	141	(3)	(674)	25,778	23,954	-	50,377
Reclassification of adjustment of equities available for sale ¹	-	-	-	1,498	-	(1,498)	-	-
Comprehensive income	-	-	3	455	-	1,633	-	2,092
Equity, 30 June	1,182	141	-	1,279	25,778	24,089	-	52,469
2008								
Equity, 1 January	1,182	247	15	2,173	24,258	26,072	500	54,447
Paid dividend	-	-	-	-	-	-	(500)	(500)
Adjustment pursuant to capital adequacy rules	-	-	-	-	1,520	(1,520)	-	-
Transferred from provisions – pre-1972 series	-	-	-	-	-	16	-	16
Other adjustments	-	-	-	-	-	(5)	-	(5)
Reclassification	-	(85)	-	-	-	85	-	-
Comprehensive income	-	(21)	(18)	(2,847)	-	(695)	-	(3,581)
Equity, 31 December	1,182	141	(3)	(674)	25,778	23,954	-	50,377

¹ Reclassification includes accumulated value adjustments of strategic equities prior to 1 January 2005

Core earnings and investment portfolio income 1 January – 30 June

DKK million

The Nykredit Realkredit Group

	H1/2009			H1/2008		
	Core earnings	Investment portfolio income	Total	Core earnings	Investment portfolio income	Total
Net interest income	4,122	1,266	5,388	3,650	(2)	3,647
Dividend on equities	3	56	59	3	95	98
Net fee and commission income	267	(14)	253	47	(14)	32
Net interest and fee income	4,392	1,308	5,700	3,699	78	3,778
Net premiums earned	644	-	644	633	-	633
Value adjustments	253	1,043	1,296	140	(1,468)	(1,328)
Other operating income	162	-	162	173	-	173
Claims incurred, net of reinsurance	435	-	435	481	-	481
Staff and administrative expenses	2,672	-	2,672	2,128	-	2,128
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	407	-	407	292	-	292
Other operating expenses	255	-	255	2	3	5
Impairment losses on loans, advances and other receivables	1,831	-	1,831	82	-	82
Profit (loss) from investments in associates	-	(2)	(2)	-	122	122
Profit (loss) before tax	(148)	2,349	2,201	1,660	(1,271)	389

Cash flow statement 1 January – 30 June

DKK million

	The Nykredit Realkredit Group	
	H1/2009	H1/2008
Profit after tax for the period	1,634	348
Amortisation and impairment losses for intangible assets	280	230
Depreciation and impairment losses for property, plant and equipment	126	62
Profit (loss) from investments in associates	2	(122)
Impairment losses on loans, advances and receivables	1,831	82
Prepayments/deferred income, net	(67)	(57)
Tax calculated on profit for the period	567	41
Other adjustments	458	(1,452)
Total	3,198	(1,216)
Profit (loss) for the period adjusted for non-cash operating items	4,831	(868)
Change in working capital		
Loans and advances	(43,318)	(36,175)
Deposits and payables to credit institutions	(30,925)	3,289
Issued bonds	66,828	3,994
Other working capital	(13,567)	(5,248)
Total	(20,981)	(34,140)
Corporation tax paid, net	(190)	(213)
Cash flows from operating activities	(16,340)	(35,222)
Cash flows from investing activities		
Investments	(8,772)	17,543
Intangible assets	(93)	(796)
Property, plant and equipment	(161)	(186)
Total	(9,025)	16,561
Cash flows from financing activities		
Subordinate loan capital	(25)	(73)
Total	(25)	(73)
Total cash flows	(25,390)	(18,733)
Cash and cash equivalents, beginning of period		
Cash balance and demand deposits with central banks	323	135
Receivables from credit institutions and central banks	73,077	82,510
Total	73,400	82,645
Cash and cash equivalents, end of period		
Cash balance and demand deposits with central banks	281	274
Receivables from credit institutions and central banks	47,729	63,638
Total	48,010	63,912

Notes

1. ACCOUNTING POLICIES

General

The Consolidated Financial Statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and further Danish financial reporting and 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.

The accounting policies of both the Nykredit Realkredit Group and Nykredit Realkredit A/S

are unchanged compared with the Annual Report for 2008, except for Management's decision to apply Danmarks Nationalbank's lending rate (repo rate) as the risk-free interest rate for the calculation of core earnings and investment portfolio income as from 1 January 2009. Previously, the tomorrow/next rate was used as the risk-free interest rate. Comparative figures have been restated accordingly. The change affects the allocation between core income from securities and investment portfolio income. The change does not affect the income statements or the balance sheets. A description of the Group's and the Parent Company's accounting policies in the Annual Report for 2008 is available at nykredit.com.

Compared with the Annual Report for 2008 (note 1), no new reporting standards or interpretations have been announced or approved which would influence the Nykredit Realkredit A/S's and the Nykredit Realkredit Group's H1 Interim Report. "IFRS 8 Operating

Segments" and IAS 1 "Presentation of Financial Statements" came into force on 1 January 2009. Consequently, further expenses have been allocated to the business segments, and the presentation has been expanded with information concerning segment assets. Comparative figures have been restated accordingly.

Comprehensive income is specified in a separate statement, cf IAS 1.

All figures in the H1 Interim Report are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

The H1 Interim Report 2009 has not been audited or reviewed.

Notes

DKK million

2. H1 RESULTS BY BUSINESS AREA

	Retail Customers	Business Partners	Commercial Customers	Markets & Asset Management	Forstæder- nes Bank	Group items and eliminations	Total
2009							
Core income from business operations							
- Mortgage lending activities	717	689	909	-	-	-	2,315
- Bank and insurance activities	379	-	379	867	446	100	2,171
Total	1,096	689	1,288	867	446	100¹	4,486
Core income from securities	-	-	-	-	-	530	530
Operating costs	790	220	471	399	322	472	2,674
Commission under the government guarantee scheme	18	-	100	58	76	-	252
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	7	223	3	1	34	139	407
Core earnings before impairment losses	281	246	714	409	14	19	1,683
Impairment losses on loans and advances	147	144	441	1	935	163	1,831
Core earnings after impairment losses	134	102	273	408	(921)	(144)	(148)
Investment portfolio income ²	-	-	-	-	-	2,349	2,349
Profit (loss) before tax	134	102	273	408	(921)	2,205	2,201
Total assets at 30 June 2009	192,198	425,859	387,558	143,105	33,863	58,931	1,241,514

	Retail Customers	Business Partners	Commercial Customers	Markets & Asset Management	Forstæder- nes Bank	Group items and eliminations	Total
2008							
Core income from business operations							
- Mortgage lending activities	615	581	844	-	-	-	2,040
- Bank and insurance activities	347	-	313	312	-	111	1,083
Total	962	581	1,157	312	-	111¹	3,123
Core income from securities	-	-	-	-	-	1,041	1,041
Operating costs	772	228	410	309	-	411	2,130
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	8	196	1	1	-	86	292
Core earnings before impairment losses	182	157	746	2	-	655	1,742
Impairment losses on loans and advances	(22)	2	102	-	-	-	82
Core earnings after impairment losses	204	155	644	2	-	655	1,660
Investment portfolio income ²	-	-	-	-	-	(1,271)	(1,271)
Profit (loss) before tax	204	155	644	2	-	(616)	389
Total assets at 31 December 2008	188,783	408,348	376,637	130,144	32,299	81,916	1,218,127

¹ Of which DKK 92m (2008: DKK 90m) concerns the proportionate consolidation of JN Data.

² Investment portfolio income includes a loss of DKK 2m from investments in associates (2008: a profit of DKK 122m)

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
H1/2008	H1/2009		H1/2009	H1/2008
		3. INTEREST INCOME		
6,793	7,370	Receivables from credit institutions and central banks	312	1,072
11,484	12,101	Loans, advances and other receivables	24,116	21,870
1,111	1,240	Administration margin income	2,211	1,998
		Bonds		
256	987	- Own SDOs (særligt dækkede obligationer)	1,285	328
425	295	- Own ROs (realkreditobligationer)	841	1,210
778	821	- Other ROs	1,596	1,426
(433)	(122)	- Government bonds	(38)	(405)
130	171	- Other bonds	380	244
		Derivative financial instruments		
(76)	174	- Foreign exchange contracts	146	(18)
83	66	- Interest rate contracts	24	126
42	56	Other interest income	42	27
20,594	23,160	Total	30,913	27,879
(256)	(987)	Interest from own SDOs has been offset against interest expenses – note 4	(1,285)	(328)
(425)	(295)	Interest from own ROs has been offset against interest expenses – note 4	(841)	(1,210)
(17)	(58)	Interest from own other securities and bonds has been offset against interest expenses – note 4	(71)	(25)
19,895	21,819	Total	28,717	26,316
		Of which interest income from genuine purchase and resale transactions entered as:		
572	102	Receivables from credit institutions and central banks	148	827
-	17	Loans, advances and other receivables	339	186
		4. INTEREST EXPENSES		
1,082	814	Credit institutions and central banks	1,141	2,719
-	-	Deposits and other payables	1,269	718
17,465	19,565	Issued bonds	22,876	20,537
187	138	Subordinate loan capital	178	187
56	53	Other interest expenses	61	70
18,790	20,571	Total	25,525	24,231
(256)	(987)	Set-off of interest from own SDOs – note 3	(1,285)	(328)
(425)	(295)	Set-off of interest from own ROs – note 3	(841)	(1,210)
(17)	(58)	Set-off of interest from own other securities and bonds – note 3	(71)	(25)
18,092	19,230	Total	23,329	22,668
		Of which interest income from genuine sale and repurchase transactions entered as:		
582	185	Payables to credit institutions and central banks	236	865
-	-	Deposits and other payables	19	18

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2008	H1/2009	H1/2009	H1/2008
5. VALUE ADJUSTMENTS			
Financial assets measured at fair value through profit or loss			
(8,727)	3,778	8,389	(20,334)
(7,485)	3,905	-	-
(12)	0	5	(13)
(1,160)	963	1,125	(2,240)
(1,353)	410	(27)	(373)
-	-	(0)	(0)
(146)	105	329	(77)
336	266	63	1,212
-	-	(11)	9
Financial liabilities measured at fair value through profit or loss			
8,881	(3,957)	(8,567)	20,488
7,485	(3,905)	-	-
-	-	(9)	-
(2,182)	1,567	1,296	(1,328)
6. STAFF AND ADMINISTRATIVE EXPENSES			
17	19	19	17
719	864	1,653	1,216
513	450	1,054	944
1,249	1,333	2,726	2,177
-	-	(55)	(49)
1,249	1,333	2,672	2,128
Remuneration of Board of Directors and Executive Board			
Board of Directors			
1	1	1	1
Executive Board			
15	16	16	15
1	1	1	1
17	19	19	17
The terms and conditions governing the pensions and retirement of the Executive Board are unchanged relative to the mention in the Annual Report for 2008.			

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2008	H1/2009	H1/2009	H1/2008
6. STAFF AND ADMINISTRATIVE EXPENSES (continued)			
Staff expenses			
601	728	1,401	982
63	72	133	104
55	64	119	130
719	864	1,653	1,216
Number of staff			
2,468	2,582	4,618	3,837
7. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS			
Intangible assets			
223	264	267	230
-	-	13	0
Property, plant and equipment			
26	25	81	62
-	-	45	-
249	290	407	292
8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
8.a. Effect on profit (loss)			
1	90	1,555	22
6	60	114	66
17	62	148	21
(25)	(15)	(19)	(23)
(1)	196	1,798	87
(3)	18	24	(3)
(1)	13	13	(1)
-	-	(5)	-
(5)	227	1,831	82
8.b. Specification of provisions for loan impairment and guarantee debtors			
91	270	4,459	199
168	290	563	240
259	559	5,022	439
Total provisions are offset against the following items/notes			
76	367	459	79
183	192	291	185
-	-	4,020	175
-	-	252	-
259	559	5,022	439

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
H1/2008	H1/2009		H1/2009	H1/2008
8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)				
8.c. Individual provisions for loan impairment and guarantee debtors				
91	180	Provisions, beginning of period	2,904	176
17	144	Provisions for the year	1,836	47
(15)	(26)	Provisions reversed	(199)	(19)
(1)	(27)	Provisions recognised as lost	(82)	(5)
91	270	Provisions, end of period	4,459	199
-	-	Of which provisions for guarantee debtors	252	-
8.d. Collective impairment provisions				
162	230	Impairment provisions, beginning of period	449	173
6	136	Provisions for the year	216	67
-	(76)	Provisions reversed	(102)	(0)
168	290	Impairment provisions, end of period	563	240
8.e. Specification of loans and advances subject to objective evidence of impairment				
181	1,122	Loans and advances subject to individual impairment	6,932	436
91	270	Impairments	4,207	198
90	852	Loans and advances after impairment	2,716	238
22,996	450,694	Loans and advances subject to collective impairment	926,282	23,365
168	290	Impairments	563	240
22,828	450,405	Loans and advances after impairment	925,719	23,126
9. PROFIT (LOSS) FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES				
122	(2)	Profit (loss) from investments in associates	(2)	122
587	(57)	Profit (loss) from investments in group enterprises	-	-
710	(59)	Total	(2)	122
10. TAX				
20.3	20.6	Effective tax rate, %	25.8	10.5

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2008	30.06.2009		30.06.2009	31.12.2008
		11. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
6,896	-	Receivables at call with central banks	6,528	17,212
51,115	25,027	Receivables from credit institutions	41,201	55,865
58,010	25,027	Total	47,729	73,077
13,769	1,426	Of which prepaid funds, including prepayments at par and proceeds from the issue of fixed-price agreements	1,426	14,069
		12. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE		
505,115	530,809	Mortgage loans	942,634	895,463
318	328	Arrears and outlays	394	422
-	2,533	Other loans and advances	25,852	24,545
315,229	317,425	Totalkredit mortgage loan funding	-	-
820,662	851,095	Total	968,880	920,430
		Mortgage loans		
486,036	515,906	Balance, beginning of period, nominal value	916,582	849,211
94,188	50,015	New loans	111,756	183,030
942	900	Indexation	900	942
(2,255)	311	Foreign currency translation adjustment	311	(2,255)
(13,579)	(5,633)	Ordinary principal payments	(8,158)	(18,615)
(49,425)	(24,382)	Prepayments and extraordinary principal payments	(67,252)	(95,731)
515,906	537,119	Balance, end of period, nominal value	954,140	916,582
(31)	(58)	Loans transferred relating to properties in temporary possession	(65)	(31)
274	274	Loans assumed by the Danish Agency for Governmental Management	274	274
516,149	537,335	Total nominal value	954,349	916,826
(10,725)	(6,159)	Adjustment for interest rate risk	(11,256)	(21,021)
		Adjustment for credit risk		
(80)	(78)	Individual impairment provisions	(78)	(80)
(230)	(290)	Collective impairment provisions	(381)	(262)
505,115	530,809	Balance, end of period, fair value	942,634	895,463
22,712	23,177	Other than mortgage on real property, supplementary guarantees for loans received total	23,359	27,840
2,859	2,833	Total interim loan guarantees received	20,156	19,947
		Arrears and outlays		
405	515	Arrears before impairment provisions	680	531
14	5	Outlays before impairment provisions	5	13
(101)	(192)	Individual impairment provisions for arrears and outlays	(291)	(123)
318	328	Total	394	422

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.06.2009	30.06.2009	31.12.2008
12. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE (continued)			
Totalkredit mortgage loan funding			
250,569	321,411	-	-
132,289	62,874	-	-
(1,749)	(965)	-	-
(59,699)	(64,072)	-	-
321,411	319,248	-	-
(6,182)	(1,823)	-	-
315,229	317,425	-	-
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST			
-	-	69,822	75,517
104	83	-	-
-	-	83	103
684	670	970	984
788	753	70,875	76,604
Adjustment for credit risk			
-	-	(3,838)	(2,596)
-	-	(182)	(187)
788	753	66,855	73,821
(66)	(63)	(63)	(66)
722	690	66,792	73,755

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2008	30.06.2009		30.06.2009	31.12.2008
		14. BONDS AT FAIR VALUE		
77,962	48,202	Own SDOs	69,699	129,125
45,118	16,054	Own ROs	34,225	69,847
54,065	35,031	Other ROs	82,144	78,243
6,547	7,942	Government bonds	12,770	8,176
8,670	3,912	Other bonds	14,934	17,877
192,362	111,141	Total	213,773	303,268
(45,118)	(16,054)	Set-off of own ROs against "Issued bonds at fair value" – note 18	(34,225)	(69,847)
(77,911)	(48,163)	Set-off of own SDOs against "Issued bonds at fair value" – note 18	(69,660)	(129,075)
(3,718)	(45)	Set-off of own junior covered bonds against "Issued bonds at fair value" – note 18	(795)	(3,908)
(51)	(39)	Set-off of own SDOs against "Issued bonds at amortised cost" – note 19	(39)	(51)
-	-	Set-off of own other bonds against "Issued bonds at amortised cost" – note 19	(1,059)	(657)
65,564	46,840	Total	107,995	99,731
210	2,485	Of which drawn bonds	2,811	940
48,507	3,997	Bond holdings stemming from prepaid funds, including immediate prepayments at par, and proceeds from the issue of fixed-price agreements	3,997	48,507
76,750	37,384	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	78,573	128,297
		Collateral security was provided on an arm's length basis.		
		15. OTHER ASSETS		
9,701	10,067	Interest and commission receivable	14,416	11,393
872	982	Receivables from group enterprises	-	-
4,638	3,353	Positive market value of derivative financial instruments	20,681	25,380
123	101	Defined benefit plans	101	123
-	-	Receivables relating to reinsurance	45	72
273	482	Other assets	881	705
15,607	14,984	Total	36,123	37,673

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2008	30.06.2009		30.06.2009	31.12.2008
		16. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS		
27,411	36,649	Payables to credit institutions	66,627	48,967
73,500	34,011	Payables to central banks	65,617	113,582
100,911	70,660	Total	132,244	162,549
		17. DEPOSITS AND OTHER PAYABLES		
-	-	On demand	30,624	26,216
-	-	At notice	5,078	4,091
-	-	Time deposits	22,022	28,145
-	-	Special deposits	2,834	2,724
-	-	Total	60,557	61,177
		18. ISSUED BONDS AT FAIR VALUE		
556,134	501,029	ROs	613,021	677,972
348,006	360,044	SDOs	360,044	348,006
12,932	15,351	Junior covered bonds	15,351	12,932
917,073	876,424	Total	988,417	1,038,910
(126,747)	(64,262)	Own bonds transferred from "Bonds at fair value" – note 14	(104,680)	(202,829)
790,326	812,162	Total	883,736	836,081
		18.a. ROs		
570,887	510,981	ROs at nominal value	626,247	696,839
(14,753)	(9,952)	Fair value adjustment	(13,226)	(18,867)
556,134	501,029	ROs at fair value	613,021	677,972
(45,118)	(16,054)	Own ROs transferred from "Bonds at fair value" – note 14	(34,225)	(69,847)
511,016	484,974	Total	578,796	608,124
229	13	Of which pre-issuance	13	229
33,453	9,750	Drawn for redemption at the next creditor settlement date	10,539	35,690

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2008	30.06.2009		30.06.2009	31.12.2008
18. ISSUED BONDS AT FAIR VALUE (continued)				
18.b. SDOs				
350,197	357,946	SDOs at nominal value	357,946	350,197
(2,190)	2,098	Fair value adjustment	2,098	(2,190)
348,006	360,044	SDOs at fair value	360,044	348,006
(77,911)	(48,163)	Own SDOs transferred from "Bonds at fair value" – note 14	(69,660)	(129,075)
270,096	311,881	Total	290,384	218,932
1,307	507	Of which pre-issuance	507	1,307
95,096	11,031	Drawn for redemption at the next creditor settlement date	11,031	95,096
18.c. Junior covered bonds				
13,000	15,384	Junior covered bonds at nominal value	15,384	13,000
(68)	(32)	Fair value adjustment	(32)	(68)
12,932	15,351	Junior covered bonds at fair value	15,351	12,932
(3,718)	(45)	Own junior covered bonds transferred from "Bonds at fair value" – note 14	(795)	(3,908)
9,214	15,307	Total	14,556	9,024
5,000	-	Drawn for redemption at the next creditor settlement date	-	5,000
19. ISSUED BONDS AT AMORTISED COST				
-	-	Corporate bonds	40,722	21,162
103	99	SDOs	99	103
86	86	Employee bonds	115	108
66	63	Other securities	63	66
255	248	Total	40,999	21,439
-	-	Own other bonds transferred from "Bonds at fair value" – note 14	(1,059)	(657)
(51)	(39)	Own SDOs transferred from "Bonds at fair value" – note 14	(39)	(51)
(66)	(63)	Own other bonds transferred from "Loans, advances and other receivables at amortised cost" – note 13	(63)	(66)
138	146	Total	39,839	20,665
20. OTHER LIABILITIES				
17,281	12,788	Interest and commission payable	21,887	26,296
2,213	1,692	Negative market value of derivative financial instruments	18,358	21,877
3,473	3,572	Payables relating to the purchase of Totalkredit shares	3,497	3,411
699	3,807	Other payables	7,030	1,697
23,667	21,860	Total	50,772	53,282

Notes

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group	
31.12.2008	30.06.2009		30.06.2009	31.12.2008
		21. SUBORDINATE LOAN CAPITAL		
		Subordinate loan capital consists of financial liabilities in the form of subordinate loan capital and hybrid core capital which, in case of voluntary or compulsory liquidation, will not be repaid until the claims of ordinary creditors have been met.		
		Subordinate loan capital is included in the capital base in accordance with sections 124, 132 and 136 of the Danish Financial Business Act.		
		Subordinate loan capital		
3,720	3,719	Nom EUR 500m. The loan falls due at par (100) on 20 September 2013 and carries a floating interest rate.	3,719	3,720
-	-	Nom DKK 100m. The loan falls due at par (100) on 24 September 2013 and carries a floating interest rate.	100	100
-	-	Nom DKK 75m. The loan falls due at par (100) on 29 March 2014 and carries a floating interest rate.	75	75
-	-	Nom DKK 100m. The loan falls due at par (100) on 7 April 2012 and carries a fixed interest rate.	-	100
-	-	Nom DKK 150m. The loan falls due at par (100) on 29 October 2012 and carries a floating interest rate.	150	150
-	-	Nom DKK 150m. The loan falls due at par (100) on 6 May 2013 and carries a fixed interest rate.	151	148
-	-	Nom DKK 200m. The loan falls due at par (100) on 1 November 2014 and carries a floating interest rate.	200	200
-	-	Nom DKK 200m. The loan falls due at par (100) on 30 September 2014 and carries a floating interest rate.	200	200
-	-	Nom EUR 10m. The loan falls due at par (100) on 31 October 2015 and carries a floating interest rate.	74	75
-	-	Nom NOK 125m. The loan falls due at par (100) on 29 September 2014 and carries a floating interest rate.	102	94
3,720	3,719	Total subordinate loan capital	4,771	4,860
		Hybrid core capital		
3,864	3,927	Nom EUR 500m. The loan is perpetual but may be prepaid at par (100) from 22 September 2014. The loan carries a fixed interest rate of 4.9% until 22 September 2014, whereafter the rate is floating.	3,927	3,864
-	-	Nom DKK 150m. The loan is perpetual and carries a fixed interest rate.	156	154
-	-	Nom DKK 100m. The loan is perpetual and carries a floating interest rate.	100	100
3,864	3,927	Total hybrid core capital	4,183	4,119
7,584	7,645	Total subordinate loan capital	8,954	8,979
7,584	7,645	Subordinate loan capital to be included in the capital base	8,953	8,977
-	-	Extraordinary principal payments and redemption of subordinate loan capital in the financial period	100	-

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.06.2009	30.06.2009	31.12.2008
22. OFF-BALANCE SHEET ITEMS			
<p>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.</p> <p>Nykredit Realkredit A/S is jointly taxed with all the Danish group enterprises of the Foreningen Nykredit Group. Nykredit Realkredit A/S is solely liable for the part of tax which is attributable to Nykredit Realkredit A/S and which is not settled with Foreningen Nykredit via the scheme for payment of tax on account.</p> <p>The companies Nykredit Realkredit A/S, Totalkredit A/S, Nykredit Bank A/S, Forstædernes Bank A/S, Nykredit Leasing A/S, Nykredit Leasing 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.</p> <p>Nykredit Forsikring A/S and the other owners of FDC K/S are liable for obligations entered into by FDC K/S. The obligation has a maximum limit of DKK 70m.</p> <p>Nykredit Realkredit A/S is liable for the obligations of the pension funds Jyllands Kreditforenings Afviklingspensionskasse (CVR no 24256219) and Den Under Afvikling Værende Pensionskasse i Forenede Kreditforeninger (CVR no 71977714).</p> <p>Guarantees and warranties provided, irrevocable credit commitments and similar obligations not recognised in the balance sheet are presented below.</p>			
-	-	8,927	8,905
1,577	1,629	11,523	10,601
1,577	1,629	20,450	19,506
Contingent liabilities			
-	-	5,316	5,235
-	-	16	8
-	-	3,595	3,663
-	-	8,927	8,905
<p>"Government guarantee scheme"</p> <p>Nykredit Bank and Forstædernes Bank participate in the government guarantee scheme, implying that the Danish government has issued a two-year guarantee that covers the Danish banks enrolled in the scheme.</p> <p>The companies' share of the total guarantee commission is an estimated DKK 475m pa until 30 September 2010. For H1/2009 almost DKK 252m was charged to the income statement (under "Other operating expenses").</p> <p>The companies have also provided a joint sector guarantee totalling DKK 20bn of which the companies' share is estimated at DKK 1.3bn, which has been recognised under "Guarantees" (off-balance sheet items). Under the guarantee obligation, the companies are liable for up to DKK 1.3bn if one or several Danish banks become distressed for reasons covered by the scheme.</p>			

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2008	30.06.2009	30.06.2009	31.12.2008
22. OFF-BALANCE SHEET ITEMS (continued)			
Other commitments			
69	49	9,166	8,091
1,507	1,580	2,357	2,510
1,577	1,629	11,523	10,601

Notes

23. RELATED PARTY TRANSACTIONS AND BALANCES

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

No unusual related party transactions have occurred in 2009.

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 2009 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.

Nykredit Realkredit A/S has granted subordinate loan capital to Totalkredit A/S.

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 granted subordinate loan capital to Nykredit Bank A/S.

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

Nykredit Realkredit A/S has granted subordinate loan capital to Forstædernes Bank A/S.

Agreement on bond trade in connection with settlement of mortgage loans granted by Forstædernes Bank A/S.

Agreement on portfolio management.

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 Forstædernes Bank A/S

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

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

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

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

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

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.

Notes

DKK million

Nykredit Realkredit A/S	H1/2009	H1/2008	H1/2007	H1/2006	H1/2005
24. FIVE-YEAR FINANCIAL HIGHLIGHTS					
Net interest income	2,589	1,803	1,645	1,575	1,738
Net fee income	344	368	399	527	645
Net interest and fee income	2,933	2,171	2,044	2,102	2,383
Value adjustments	1,567	(2,182)	158	450	1,211
Other operating income	39	32	2	3	1
Staff and administrative expenses	1,333	1,249	1,106	1,209	1,050
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	290	249	225	173	169
Other operating expenses	0	4	0	-	-
Impairment losses on loans, advances and receivables	227	(5)	(77)	(70)	(73)
Profit (loss) from investments in associates and group enterprises	(59)	710	892	501	470
Profit (loss) before tax	2,629	(766)	1,842	1,744	2,919
Tax	540	(156)	127	124	483
Profit (loss) for the period	2,089	(610)	1,715	1,620	2,436
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2009	30.06.2008	30.06.2007	30.06.2006	30.06.2005
Assets					
Cash balance and receivables from credit institutions and central banks	25,052	55,131	27,352	23,952	56,798
Mortgage loans	530,809	485,511	451,821	432,918	443,261
Totalkredit mortgage loan funding	317,425	233,880	163,862	84,606	-
Bonds and equities	50,448	51,039	36,321	36,545	41,395
Other assets	48,955	36,830	32,523	23,039	20,493
Total assets	972,688	862,390	711,879	601,060	561,947
Liabilities and equity					
Payables to credit institutions and central banks	70,660	52,514	35,257	30,289	26,106
Issued bonds	812,162	702,809	595,923	497,727	465,030
Subordinate loan capital					
- Hybrid core capital	3,927	3,548	3,577	3,705	4,007
- Supplementary capital	3,719	3,723	3,714	3,721	-
Other liabilities	29,753	46,453	19,698	16,863	21,669
Equity	52,469	53,343	53,711	48,755	45,135
Total liabilities and equity	972,688	862,390	711,879	601,060	561,947
FINANCIAL RATIOS ¹					
Capital adequacy ratio, %*	17.0	18.4	16.0	15.5	13.9
Core capital ratio, %*	16.2	17.5	14.9	14.6	14.1
Return on equity before tax	5.1	(1.4)	3.5	3.6	6.6
Return on equity after tax	4.1	(1.1)	3.2	3.4	5.5
Income:cost ratio, DKK	2.42	0.49	2.47	2.33	3.55
Foreign exchange position, %	0.9	0.4	0.3	0.9	0.6
Loans and advances:equity (loan gearing)	10.2	9.1	8.4	8.9	9.9
Growth in loans and advances for the period, %	4.6	4.2	2.5	1.3	0.9
Accumulated impairment provisions, %	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 1 January 2008, the capital adequacy and core capital ratios are determined in accordance with Basel II.

Notes

DKK million

The Nykredit Realkredit Group	H1/2009	H1/2008	H1/2007	H1/2006	H1/2005
24. FIVE-YEAR FINANCIAL HIGHLIGHTS (continued)					
Net interest income	5,388	3,647	3,093	2,721	2,871
Net fee income	312	130	199	371	565
Net interest and fee income	5,700	3,778	3,291	3,092	3,436
Net premiums earned	644	633	611	589	549
Value adjustments	1,296	(1,328)	644	(43)	466
Other operating income	162	173	213	88	83
Claims incurred, net of reinsurance	435	481	451	445	509
Staff and administrative expenses	2,672	2,128	1,857	1,767	1,539
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	407	292	265	253	245
Other operating expenses	255	5	1	-	1
Impairment losses on loans, advances and receivables	1,831	82	(72)	(83)	(74)
Profit (loss) from investments in associates	(2)	122	16	(0)	4
Profit before tax	2,201	389	2,272	1,344	2,318
Tax	567	41	471	325	660
Profit for the period	1,634	348	1,802	1,019	1,658
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2009	30.06.2008	30.06.2007	30.06.2006	30.06.2005
Assets					
Cash balance and receivables from credit institutions and central banks	48,010	63,912	37,767	36,771	75,198
Mortgage loans	942,634	843,957	775,098	709,854	674,342
Bank loans - excl reverse transactions	65,802	49,040	34,827	25,020	18,354
Bonds and equities	112,219	81,050	61,001	58,303	56,916
Other assets	72,848	45,573	29,015	30,556	27,665
Total assets	1,241,514	1,083,531	937,707	860,504	852,475
Liabilities and equity					
Payables to credit institutions and central banks	132,244	118,274	90,873	80,846	60,005
Deposits and other payables	60,557	32,471	23,136	21,730	21,813
Issued bonds at fair value	883,736	795,142	721,377	662,955	679,338
Subordinate loan capital					
- Hybrid core capital	4,183	3,548	3,577	3,705	4,007
- Supplementary capital	4,771	3,723	4,978	4,986	2,378
Other liabilities	103,554	77,030	40,055	35,974	38,246
Equity	52,469	53,343	53,711	50,308	46,688
Total liabilities and equity	1,241,514	1,083,531	937,707	860,504	852,475
FINANCIAL RATIOS ¹					
Capital adequacy ratio, %*	16.7	17.2	11.9	11.7	11.0
Core capital ratio, %*	15.5	16.4	10.9	10.8	10.6
Return on equity before tax	5.2	(1.1)	4.0	4.0	6.9
Return on equity after tax	4.1	(1.1)	3.2	3.3	5.4
Income:cost ratio, DKK	1.48	0.81	1.85	1.83	2.40
Foreign exchange position, %	1.8	0.1	1.6	1.2	1.6
Loans and advances:equity (loan gearing)	19.7	17.0	15.2	14.8	15.1
Growth in loans and advances for the period, %	3.1	6.4	5.4	5.6	6.4
Accumulated impairment provisions, %	0.5	0.0	0.0	0.0	0.0
Impairment losses for the period, %	0.2	0.0	(0.0)	(0.0)	(0.0)

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

* As from 1 January 2008, the capital adequacy and core capital ratios are determined in accordance with Basel II.

Notes

The Nykredit Realkredit Group	Q2/2009	Q1/2009	Q4/2008	Q3/2008	Q2/2008	Q1/2008
25. SIX-QUARTER FINANCIAL HIGHLIGHTS						
Core income from						
Business operations	2,404	2,081	1,983	1,551	1,667	1,457
Securities	196	334	644	555	515	526
Total	2,600	2,416	2,627	2,106	2,182	1,983
Operating costs, depreciation and amortisation	1,685	1,648	1,791	1,197	1,281	1,141
Core earnings before impairment losses	915	768	836	909	900	843
Impairment losses on loans and advances	1,163	668	1,320	40	97	(15)
Core earnings after impairment losses	(248)	100	(484)	869	803	857
Investment portfolio income	1,667	682	(116)	(1,540)	(498)	(772)
Profit (loss) before tax	1,419	782	(600)	(671)	305	85
Tax	359	208	(78)	(149)	4	37
Profit (loss) for the period	1,059	574	(521)	(521)	299	49
Profit (loss) for the period excluding value adjustment of strategic equities against equity	461	(6)	(1,443)	(446)	(263)	(695)
SUMMARY BALANCE SHEET, END OF PERIOD						
Assets						
Receivables from credit institutions and central banks	48,010	52,710	73,400	66,192	63,912	74,002
Mortgage loans	942,634	921,397	895,463	860,399	843,957	847,002
Bank loans – excluding reverse transactions	65,802	67,937	72,733	50,450	49,040	43,539
Bonds and equities	112,219	97,960	103,434	79,136	81,050	89,460
Other assets	72,848	79,027	73,097	47,425	45,573	34,056
Total assets	1,241,514	1,219,031	1,218,127	1,103,601	1,083,531	1,088,059
Liabilities and equity						
Payables to credit institutions and central banks	132,244	152,961	162,549	112,341	118,274	130,219
Deposits and other payables	60,557	59,222	61,177	34,026	32,471	31,572
Issued bonds at fair value	883,736	834,419	836,081	813,185	795,142	791,289
Hybrid capital	4,183	4,233	4,119	3,642	3,548	3,709
Supplementary capital	4,771	4,873	4,860	3,725	3,723	3,722
Other liabilities	103,554	112,394	98,964	84,309	77,030	74,244
Equity	52,469	50,930	50,377	52,374	53,343	53,304
Total liabilities and equity	1,241,514	1,219,031	1,218,127	1,103,601	1,083,531	1,088,059
FINANCIAL RATIOS						
Profit (loss) for the period as % of average equity pa	8.2	4.5	(4.8)	226.9	2.2	0.4
Core earnings before impairment losses as % of average equity pa	7.1	6.1	6.5	6.9	6.8	6.3
Core earnings after impairment losses as % of average equity pa	(1.9)	0.8	(3.8)	6.6	6.0	6.4
Provisions for loan impairment and guarantees	5,022	3,964	2,947	467	437	349
Impairment losses for the period, %	0.2	0.1	0.1	0.0	0.0	(0.0)
Capital adequacy ratio, %*	16.7	15.8	14.7	17.0	17.2	18.0
Core capital ratio, %*	15.5	14.6	13.5	16.1	16.4	17.2
Average number of full-time staff	4,618	4,644	4,507	3,888	3,837	3,794

* As from 1 January 2008, the capital adequacy and core capital ratios are determined in accordance with Basel II.

Group structure

DKK million

The Nykredit Realkredit Group

	Ownership interest, % at 30 June 2009	Profit (loss) for the period	Equity at 30 June 2009	Profit (loss) for 2008	Equity at 31 December 2008
26. GROUP STRUCTURE					
Name and registered office					
The Nykredit Realkredit Group					
Nykredit Realkredit A/S, Copenhagen, a)					
Consolidated subsidiaries					
Totalkredit A/S, Taastrup, a)	100	491	12,044	823	11,552
Nykredit Bank A/S, Copenhagen, b)	100	138	7,242	(241)	7,104
Nykredit Finance plc, Plymouth, i)	100	0	24	1	21
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen, i)	100	0	28	1	28
Nykredit Pantebrevsinvestering A/S, Copenhagen, e)	100	0	11	0	11
Nykredit Portefølje Administration A/S, Copenhagen, j)	100	7	110	14	103
Nykredit Sirius Ltd., Cayman Islands, d)	100	(9)	69	(39)	78
Nykredit Leasing A/S, Gladsaxe, h)	100	7	128	16	126
Forstædernes Bank A/S, b)	100	(1,041)	2,518	(1,227)	3,055
Nykredit Forsikring A/S, Copenhagen, c)	100	111	1,369	108	1,258
Nykredit Mægler A/S, Aarhus, f)	100	(10)	108	1	118
Nykredit Ejendomme A/S, Copenhagen, g)	100	(40)	656	(125)	695
Nykredit Adm. V A/S, Copenhagen, i)	100	-	1	-	1
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) 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 (in Danish) and Nykredit Holding A/S (in Danish) are available from: Nykredit Realkredit A/S Kalvebod Brygge 1-3 DK-1780 Copenhagen V					