

To NASDAQ OMX Copenhagen A/S
and the press

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H1 INTERIM REPORT – THE NYKREDIT REALKREDIT GROUP 1 JANUARY 2010 – 30 JUNE 2010

RESULTS

- The Group, excluding Nykredit Forsikring, recorded a profit before tax of DKK 1,680m against DKK 2,052m in H1/2009
- Continued growth in customer-oriented business
 - Core income from customer-oriented business improved by 12.3% to DKK 4,650m relative to H1/2009
 - Mortgage lending in nominal terms and bank lending grew by a total of DKK 26bn to DKK 1,072bn in H1/2010
- Operating costs, depreciation and amortisation excluding special value adjustments declined by DKK 25m to DKK 2,722m
 - Costs as a percentage of core income from business operations declined from 66.4% in H1/2009 to 58.5% in H1/2010
 - Special value adjustments came to DKK 273m of which commission under the government guarantee scheme was DKK 247m
- Impairment losses on loans and advances were DKK 1,246m compared with DKK 1,831m in H1/2009
 - Impairment losses on mortgage lending were DKK 498m, equal to 0.05% of lending
 - Impairment losses on bank lending came to DKK 634m, equal to 0.64% of lending
 - Impairment losses relating to the government guarantee scheme totalled DKK 114m
- Core income from securities amounted to DKK 226m compared with DKK 527m in H1/2009
 - Money market rates averaged 1.06% against 2.36% in H1/2009
- Investment portfolio income came to DKK 1,312m against DKK 2,325m in H1/2009
- Cost of capital in the form of net interest on hybrid core capital amounted to DKK 223m
- The sale of Nykredit Forsikring resulted in a gain of DKK 1,512m in H1/2010.

CAPITAL STRUCTURE

- The core capital and capital adequacy ratios were 17.2% and 18.4%, respectively, at end-H1/2010
- The individual capital need stood at 9.6%
- The Group's equity amounted to DKK 53.9bn.

OUTLOOK FOR 2010

Nykredit's core earnings before impairment losses are still expected to be in the region of DKK 3,500m-4,000m. The development in impairment losses on loans and advances and investment portfolio income has exceeded our forecast made at the beginning of the year. Therefore, the forecast for profit before tax for the full year has been revised upwards to DKK 1.5bn-2.5bn excluding the gain from the sale of Nykredit Forsikring of about DKK 1.5bn. Profit before tax will depend on impairment losses on loans and advances as well as financial market trends in general.

Peter Engberg Jensen, Group Chief Executive, has the following comments on the results:

The first six months of 2010 have been characterised by satisfactory progress. Total lending has grown by DKK 26bn, and income has increased 12%. Further, costs have declined, and impairment losses on bank lending have fallen significantly. This development has prompted us to increase our forecast of profit before tax to DKK 1.5bn-2.5bn. In addition to the good financial performance, the merger between Forstædernes Bank and Nykredit Bank and the divestment of Nykredit Forsikring have been completed successfully.

Contacts

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Financial highlights

	The Nykredit Realkredit Group		
DKK million	H1/2010	H1/2009	FY 2009
CORE EARNINGS AND RESULTS FOR THE PERIOD			
Core income from			
- Business operations	4,650	4,140	8,640
- Junior covered bonds	(37)	(28)	(67)
- Kalvebod issues ¹	(7)	52	139
- Securities	226	527	829
Total	4,832	4,691	9,541
Operating costs, depreciation and amortisation, excluding special value adjustments	2,722	2,747	5,395
Operating costs, depreciation and amortisation – special value adjustments ²	26	122	396
Commission – government guarantee scheme	247	252	500
Core earnings before impairment losses	1,837	1,570	3,250
Impairment losses on loans and advances – mortgage lending	498	381	1,755
Impairment losses on loans and advances – banking	634	1,287	5,847
Impairment losses on loans and advances – government guarantee scheme	114	163	318
Core earnings after impairment losses	591	(261)	(4,670)
Investment portfolio income	1,312	2,325	4,620
Profit (loss) before cost of capital	1,903	2,064	(50)
Net interest on hybrid core capital	(223)	(12)	(95)
Profit (loss) before tax on continuing operations	1,680	2,052	(145)
Tax	439	530	(29)
Profit on discontinuing insurance operations	1,512	111	245
Profit for the period	2,753	1,633	129
Profit for the period excludes value adjustment of strategic equities against equity totalling	(133)	455	751
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.06.2010	30.06.2009	31.12.2009
Assets			
Receivables from credit institutions and central banks	51,781	47,999	62,909
Mortgage loans at fair value	1,022,068	942,634	981,227
Bank loans – excluding reverse transactions	61,344	65,802	60,908
Bonds and equities	103,123	112,219	86,620
Other assets	77,407	72,811	55,521
Total assets	1,315,723	1,241,465	1,247,185
Liabilities and equity			
Payables to credit institutions and central banks	142,828	132,244	119,313
Deposits and other payables	57,225	60,557	64,483
Issued bonds at fair value	925,137	883,736	889,899
Subordinated debt – hybrid core capital	11,224	4,183	10,805
Subordinated debt – supplementary capital	4,556	4,771	4,568
Other liabilities	120,892	103,505	106,876
Equity	53,861	52,469	51,241
Total liabilities and equity	1,315,723	1,241,465	1,247,185
FINANCIAL RATIOS			
Profit for the period as % of average equity pa	10.5	6.3	0.3
Core earnings before impairment losses as % of average equity pa	7.0	6.1	6.4
Core earnings after impairment losses as % of average equity pa	2.2	(1.0)	(9.2)
Costs as % of core income from business operations	58.5	66.4	62.4
Total provisions for loan impairment – mortgage lending	2,194	750	1,942
Total provisions for loan impairment and guarantees – banking	7,844	4,272	8,422
Impairment losses for the period, % – mortgage lending	0.05	0.04	0.18
Impairment losses for the period, % – banking ³	0.64	1.58	6.07
Capital adequacy ratio, %	18.4	16.7	17.8
Core capital ratio, %	17.2	15.5	16.7
Average number of full-time staff	4,037	4,141	4,135

¹ Includes value adjustment of subordinate capital in Danish banks.

² Special value adjustments include value adjustment of certain staff benefits and owner-occupied properties as well as costs of winding up Dansk Pantebevrsbors in bankruptcy.

³ Excluding provisions under the government guarantee scheme.

H1 Interim Report 2010

NYKREDIT REALKREDIT GROUP RESULTS

The Group, excluding Nykredit Forsikring, recorded a profit before tax of DKK 1,680m against DKK 2,052m in H1/2009.

Results reflect growth in core income from customer-oriented business, lower core income from securities due to the continuing decline in short-term interest rates and a lower loan impairment level than forecast. Further, investment portfolio income came to DKK 1,312m.

Core income from customer-oriented business rose by 12% relative to H1/2009. The improvement in customer-oriented business was broad-based within banking and mortgage lending.

The Group's mortgage lending at nominal value and bank lending rose by just over DKK 26bn or 2.5% to DKK 1,072bn compared with the beginning of the year. Of this rise, retail lending accounted for DKK 6bn and commercial lending for DKK 20bn.

At group level, costs as a percentage of core income from business operations declined from 66.4% in H1/2009 to 58.5%. This should be seen in the context of a reduction in the average staff number of 98 in H1/2010. The staff number decreased as a result of synergies generated by the new organisation and the merger between Forstædernes Bank and Nykredit Bank. For FY 2009, costs as a percentage of core income from business operations were 62.4%.

The Group's impairment losses on loans and advances amounted to DKK 1,132m in H1/2010, and provisions for guarantees under the government guarantee scheme came to DKK 114m. Impairment losses on retail and commercial lending came to DKK 285m and DKK 847m, respectively.

Core income from securities was significantly lower due to the fall in short-term interest rates. Investment portfolio income made a positive contribution to group results of DKK 1,312m.

Cost of capital in the form of net interest on hybrid core capital amounted to DKK 223m against DKK 12m in H1/2009.

In March Nykredit entered into a strategic insurance alliance with Gjensidige Forsikring,

which acquired Nykredit Forsikring A/S at a price of DKK 2.5bn, of which goodwill amounted to about DKK 1.5bn.

The transfer was completed at end-April 2010. In the H1 Interim Report 2010, profit after tax from the insurance business is presented as profit on discontinuing insurance operations. Comparative figures have been restated.

The Group recorded a loss after tax of DKK 80m on discontinuing insurance operations against a profit of DKK 111m in H1/2009. Further, profit from the sale of Nykredit Forsikring amounted to DKK 1,592m. The sale of Nykredit Forsikring had a total earnings impact on the H1/2010 results of DKK 1,512m.

Profit after tax inclusive of profit from the sale of Nykredit Forsikring was DKK 2,753m against DKK 1,633m for the same period in 2009.

Strategic equities, chiefly in banks, which are value adjusted against equity, generated a capital loss after tax of DKK 133m against a capital gain of DKK 455m in H1/2009.

Core earnings

Core income from business operations

The Group's core income from customer-oriented business was DKK 4,650m against DKK 4,140m in the same period the year before – up DKK 510m or 12.3%.

Core income from mortgage operations rose by DKK 273m to DKK 2,626m. Gross new lending amounted to DKK 96bn in H1/2010 against DKK 112bn in the same period the year before. The downturn in gross new lending was due to a reduction in the number of loans being refinanced. In nominal terms, group mortgage lending went up by DKK 25bn to DKK 1,010bn at end-H1/2010.

Core income from banking operations rose by 11.4% or DKK 198m to DKK 1,934m in H1/2010.

Nykredit Markets & Asset Management recorded an upturn in earnings from customer-oriented business of 21.9% to DKK 912m.

The other banking operations of the Group, excluding Kalvebod issues, generated DKK 1,022m, ie the same level as in H1/2009.

The Group's bank lending totalled DKK 61.3bn against DKK 60.9bn at the beginning of the year. Deposits decreased by DKK 7.3bn to DKK 57.2bn in the same period.

Junior covered bonds

The Group has issued DKK 17.4bn of junior covered bonds for supplementary collateral in respect of covered bonds. Net interest expenses relating to junior covered bonds came to DKK 37m against DKK 28m in H1/2009.

Core income from Kalvebod issues

The Group recorded a loss of DKK 7m on its portfolio of Kalvebod issues against a gain of DKK 52m in H1/2009.

Core income from securities

Core income from securities amounted to DKK 226m compared with DKK 527m in H1/2009. This was mainly due to lower average repo rates of 1.06% against 2.36% in the same period the year before.

Core income from securities equals the return which the Group could have obtained by placing its investment portfolios at risk-free interest rates. In addition, core income from securities includes net interest expenses relating to supplementary capital and the acquisition of Totalkredit – determined in relation to risk-free interest rates.

Operating costs, depreciation and amortisation, excl special value adjustments
Group operating costs, depreciation and amortisation, excluding special value adjustments and commission payable under the government guarantee scheme, were DKK 2,722m or DKK 25m lower than for H1/2009. The development in costs mirrored a lower number of permanent staff. Costs as a percentage of core income from business operations came to 58.5% against 66.4% in H1/2009.

Operating costs, depreciation and amortisation – special value adjustments

Special value adjustments, which comprise net value adjustment of assets and liabilities relating to Nykredit's pension schemes in run-off, certain staff schemes and value adjustment of owner-occupied properties, came to a loss of DKK 26m against a loss of DKK 122m for H1/2009.

Impairment losses on loans and advances

The Group's impairment losses on loans and advances came to DKK 1,132m against DKK 1,668m for H1/2009. Further, provisions under the government guarantee scheme amounted to DKK 114m compared with DKK 163m for the same period the year before.

The Group's impairment losses on mortgage lending came to DKK 491m, equal to 0.05% of lending. Retail customers represented DKK 131m of impairment losses. The commercial segment accounted for DKK 360m.

Group impairment losses on bank lending excluding terminated exposures from Forstæderne Bank came to DKK 249m, corresponding to 0.28% of lending. Retail customers represented DKK 147m of impairment losses. Impairment losses on lending to commercial customers amounted to DKK 102m.

Impairment losses on terminated exposures came to DKK 385m against DKK 748m in H1/2009.

Impairment losses in Nykredit Mægler (estate agency business) amounted to DKK 7m.

In Q2/2010 the Group's recognised losses on mortgage and bank lending rose significantly to DKK 221m and DKK 1,334m, respectively, compared with total recognised losses of DKK 143m for H1/2009.

Of the recognised losses on banking exposures totalling DKK 1,334m, DKK 928m related to special exposures from the former Forstæderne Bank.

Investment portfolio income

Group investment portfolio income amounted to DKK 1,312m compared with DKK 2,325m for the same period the year before. Further, value adjustment of strategic equities against equity generated a loss of DKK 133m after tax compared with a gain of DKK 455m in H1/2009.

Investment portfolio income for H1/2010 was positively affected by declining interest rates and tighter spreads between mortgage and corporate bonds on the one hand and government bonds on the other.

Investment portfolio income is the excess income obtained from investing in equities, bonds and derivative financial instruments in addition to risk-free interest rates. Price spreads and interest margins relating to the mortgage lending of Nykredit Realkredit and

Totalkredit as well as the trading activities of Nykredit Markets have been included not as investment portfolio income, but as core income from business operations.

Nykredit's securities portfolio consists mainly of Danish and European mortgage bonds.

The interest rate risk of the portfolio has been widely reduced by offsetting sales of government bonds or through interest rate derivatives.

Investment portfolio income from bonds, liquidity and interest rate instruments stood at DKK 1,275m.

The Nykredit Group has invested DKK 4,995m in equities, of which strategic equities value adjusted against equity accounted for DKK 2,869m. In H1/2010, investment portfolio income from equities and equity instruments value adjusted through profit or loss amounted to DKK 37m.

Net interest on hybrid core capital

The Group has raised hybrid core capital totalling DKK 11,224m against DKK 4,183m at end-H1/2009.

The results were affected by net interest expenses of DKK 223m against DKK 12m in H1/2009.

Tax

Tax on profit for the period is estimated at DKK 439m exclusive of Nykredit Forsikring A/S.

Financial risk

At 30 June 2010 group Value-at-Risk stood at DKK 170m in terms of a 99% confidence interval over one day.

The Group's interest rate exposure in the event of a general interest rate change of 1 percentage point was DKK 802m. The equity price exposure in case of a general price decline of 10% was DKK 446.5m.

Subsidiaries*Totalkredit*

Totalkredit recorded a profit before tax of DKK 640m compared with DKK 655m in the same period the year before. Reference is made to Totalkredit's H1 Interim Report 2010.

Nykredit Bank

The Nykredit Bank Group recorded a profit before tax of DKK 157m compared with a loss of DKK 1,184m for the same period in 2009.

At 1 April 2010, Forstæderne Bank and Nykredit Bank merged, effective from 1 January 2010 for accounting purposes. Reference is made to the Nykredit Bank Group's H1 Interim Report 2010.

Nykredit Forsikring

Nykredit has entered into an agreement with Gjensidige Forsikring on the sale of the shares in Nykredit Forsikring A/S, and the transfer was implemented at end-April 2010.

Nykredit Forsikring posted a loss before tax of DKK 107m for the period 1 January – 29 April 2010 against a profit of DKK 149m for H1/2009.

OUTLOOK FOR 2010

Nykredit's core earnings before impairment losses are still expected to be in the region of DKK 3,500m-4,000m.

The development in losses on loans and advances and investment portfolio income has exceeded our forecast made at the beginning of the year. Therefore, the forecast for profit before tax for the full year has been revised upwards to DKK 1.5bn-2.5bn excluding the gain from the sale of Nykredit Forsikring of about DKK 1.5bn.

Profit before tax will depend on impairment losses on loans and advances as well as financial market trends in general.

BUSINESS AREAS

The segment financial statements have in 2010 been affected by the merger between Nykredit Bank and Forstædernes Bank and general reorganisation. Comparative figures have been restated to the widest extent possible, and some income statement and balance sheet items have been allocated to the business areas based on an estimate.

The Nykredit Realkredit Group is organised into the business areas Retail Customers, Totalkredit, Commercial Customers, Markets & Asset Management, Other Activities and group items.

Group core earnings before impairment losses totalled DKK 1,837m against DKK 1,570m in H1/2009.

In nominal terms, mortgage lending rose from DKK 985bn at the beginning of the year to DKK 1,010bn at end-H1/2010. The Nykredit Group recorded gross new lending of DKK 96bn against DKK 112bn in H1/2009.

The Group's market share was 46.1% for gross new mortgage lending and 41.8% in respect of the mortgage loan stock compared with 46.2% and 41.0% for the same period the year before.

Gross new lending for owner-occupied dwellings amounted to DKK 68.1bn against DKK 82.9bn in the same period the year before.

Gross new lending to Commercial Customers amounted to DKK 27.7bn against DKK 29.0bn in the same period the year before.

Bank lending mounted from DKK 60.9bn at the beginning of the year to DKK 61.3bn at end-H1/2010. Deposits decreased from DKK 64.5bn to DKK 57.2bn in the same period.

Nykredit Mægler saw a 30.1% rise in turnover from 5,244 properties sold in H1/2009 to 6,821 properties.

Results by business area¹⁾

DKK million	Retail Customers	Totalkredit	Commercial Customers	Markets & Asset Management	Other Activities	Group items and eliminations	Total
H1/2010							
Core income from							
- Business operations	1,160	698	1,743	912	111	(11)	4,613
- Kalvebod issues	-	-	-	(7)	-	-	(7)
Total	1,160	698	1,743	905	111	(11)	4,606
Core income from securities	-	-	-	-	-	226	226
Operating costs	850	222	570	415	115	178	2,350
Commission payable under the government guarantee scheme	35	-	120	61	31	-	247
Depreciation of property, plant and equipment and amortisation of intangible assets	-	231	2	9	62	94	398
Core earnings before impairment losses	275	245	1,051	420	(97)	(57)	1,837
Impairment losses on loans and advances	222	56	461	1	392	114 ⁴	1,246
Core earnings after impairment losses	53	189	590	419	(489)	(171)	591
Investment portfolio income ²	-	-	-	-	-	1,312	1,312
Profit (loss) before cost of capital	53	189	590	419	(489)	1,141	1,903
Net interest on hybrid core capital	-	-	-	-	-	(223)	(223)
Profit (loss) before tax on continuing operations	53	189	590	419	(489)	918	1,680
Return							
Average business capital, DKKm ³	4,082	6,844	11,769	2,214	1,879	3,721	30,509
Core earnings after impairment losses as % of average business capital pa	2.6	5.5	10.1	38.2	-	-	3.9
H1/2009							
Core earnings after impairment losses	58	94	167	388	(860)	(108)	(261)
Return							
Average business capital, DKKm ³	3,779	7,114	13,669	2,341	576	4,146	31,625
Core earnings after impairment losses as % of average business capital pa	3.1	2.7	2.5	33.4	-	-	(1.07)

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

² Investment portfolio income includes a profit from investments in associates of DKK 3m (2009: a loss of DKK 2m).

³ Business capital is determined as required capital base, corresponding to Pillar I and Pillar II.

⁴ Provisions under the government guarantee scheme.

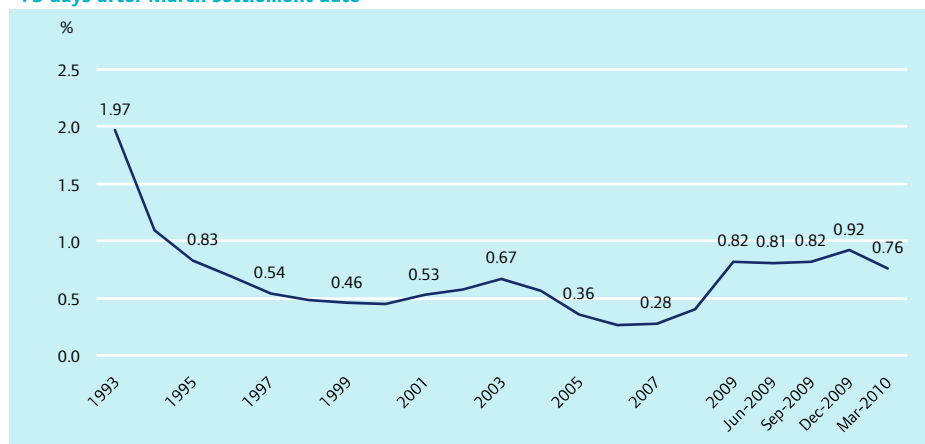
Results – Retail Customers

DKK million	H1/2010	H1/2009
Core income from business operations	1,160	1,165
Operating costs	850	854
Commission under the government guarantee scheme	35	28
Depreciation of property, plant and equipment and amortisation of intangible assets	-	17
Core earnings before impairment losses	275	266
Impairment losses on loans and advances – mortgage lending	75	115
Impairment losses on loans and advances – banking	147	93
Core earnings after impairment losses	53	58

Activity

DKK million	2010	2009
Mortgage lending		
Gross new lending, H1*	15,694	20,995
Net new lending, H1*	3,278	5,181
Portfolio at nominal value, end of period	181,537	185,669
Impairment losses as % of loans and advances*	0.04	0.06
Total impairment provisions, end of period		
- Individual impairment provisions	136	151
- Collective impairment provisions	67	56
Total impairment provisions as % of loans and advances	0.11	0.11
Portfolio of properties repossessed (number), end of period	137	99
Banking		
Loans and advances, end of period	15,244	16,647
Deposits, end of period	19,468	19,465
Impairment losses as % of loans and advances*	0.90	0.81
Total impairment provisions, end of period		
- Individual impairment provisions	544	438
- Collective impairment provisions	55	29
Total impairment provisions as % of loans and advances	3.78	2.73
Guarantees, end of period ¹	8,794	8,801
Provisions for guarantees, end of period ¹	11	7

¹ Excluding the government guarantee scheme.
* For H1/2010 and H1/2009.
Other data determined at end-H1/2010 and end-2009.

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 customers with part-time farming businesses and retail customers owning properties in France, Spain and Germany financed by Danish mortgage loans.

Activity

Total mortgage lending at nominal value decreased by DKK 4.1bn to DKK 182bn at end-H1/2010. Gross new lending was DKK 15.7bn against DKK 21.0bn in H1/2009.

Bank lending went down by DKK 1.4bn to DKK 15.2bn at end-H1/2010. Bank deposits were DKK 19.5bn in H1/2010 and remained unchanged compared with the beginning of the year.

Results

Core earnings before impairment losses came to DKK 275m against DKK 266m in H1/2009.

Core income from business operations was DKK 1,160m against DKK 1,165m in H1/2009.

Operating costs amounted to DKK 850m and were unchanged on H1/2009. Commission payable under the government guarantee scheme came to DKK 35m against DKK 28m in H1/2009.

Impairment losses on loans and advances amounted to DKK 75m and DKK 147m for mortgage and bank lending, respectively, against a total of DKK 208m in H1/2009. Impairment losses as a percentage of loans and advances amounted to 0.04% and 0.90% of mortgage and bank lending, respectively. Recognised losses on mortgage lending were DKK 84m compared with DKK 38m in H1/2009.

At end-H1/2010 total impairment provisions were DKK 802m against DKK 674m at the beginning of the year. For mortgage and bank loans, total impairment provisions came to DKK 203m and DKK 599m, respectively.

At the March settlement date, 75-day mortgage arrears as a percentage of mortgage payments due came to 0.76% against 0.92% at the December settlement date.

Since the beginning of the year, the Group has repossessed 127 properties and sold 89. The portfolio of properties repossessed counted 137 at end-H1/2010 against 99 at the beginning of the year.

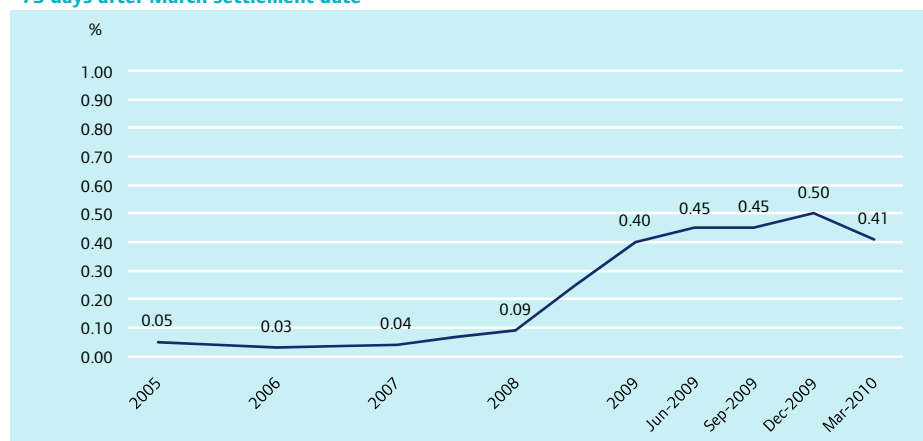
Results – Totalkredit

DKK million	H1/2010	H1/2009
Core income from business operations	698	657
Operating costs	222	196
Depreciation of property, plant and equipment and amortisation of intangible assets	231	223
Core earnings before impairment losses	245	238
Impairment losses on loans and advances	56	144
Core earnings after impairment losses	189	94

Activity

DKK million	2010	2009
Mortgage lending		
Gross new lending, H1*	52,412	61,911
Net new lending, H1*	14,798	20,063
Portfolio at nominal value, end of period	443,216	431,303
Impairment losses as % of loans and advances*	0.01	0.03
Total impairment provisions, end of period		
- Individual impairment provisions	378	336
- Collective impairment provisions	184	199
Total impairment provisions as % of loans and advances	0.13	0.12
Portfolio of properties repossessed (number), end of period	27	22

* For H1/2010 and H1/2009.
Other data determined at end-H1/2010 and end-2009.

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

Totalkredit is responsible for the distribution of mortgage loans to retail customers under the Totalkredit brand through nearly 100 Danish local and regional banks having more than 1,000 branches.

Activity

Nominal mortgage lending rose by DKK 11.9bn to DKK 443bn at end-H1/2010. Gross new lending was DKK 52.4bn against DKK 61.9bn in H1/2009. The lower gross new lending mainly derived from lower refinancing activity.

Results

Core earnings before impairment losses came to DKK 245m against DKK 238m in H1/2009.

Core income from business operations was DKK 698m against DKK 657m in H1/2009.

Operating costs rose to DKK 222m from DKK 196m in H1/2009. The main reasons were greater marketing efforts and costs of arrears administration.

Depreciation of property, plant and equipment and amortisation of intangible assets amounted to DKK 231m, which mainly related to distribution rights obtained in connection with Nykredit's acquisition of Totalkredit.

Impairment losses on loans and advances came to DKK 56m net, chiefly due to growth in individual impairment provisions. Recognised losses for the period netted DKK 11m after set-off against commission payable to partner banks totalling DKK 12m.

At end-H1/2010 total impairment provisions stood at DKK 562m against DKK 535m at the beginning of the year.

At the March settlement date, 75-day mortgage arrears as a percentage of mortgage payments due came to 0.41% against 0.50% at the December settlement date.

At the beginning of 2010, Totalkredit entered into an agreement with its partner banks under which arrears etc are to be handled by the partner banks which have direct customer contact. Thanks to this agreement, arrears are now collected earlier and more efficiently. Therefore properties repossessed can be kept at a low level, and losses and arrears continue to be lower than the sector average.

The portfolio of properties repossessed totalled 27 at end-H1/2010 against 22 at the beginning of the year.

Results – Commercial Customers

DKK million	H1/2010	H1/2009
Core income from business operations	1,743	1,419
Operating costs	570	565
Commission under the government guarantee scheme	120	115
Depreciation of property, plant and equipment and amortisation of intangible assets	2	13
Core earnings before impairment losses	1,051	726
Impairment losses on loans and advances – mortgage lending	360	112
Impairment losses on loans and advances – banking	101	447
Core earnings after impairment losses	590	167

Activity

DKK million	2010	2009
Mortgage lending		
Gross new lending, H1*	27,663	28,985
Net new lending, H1*	16,941	20,805
Portfolio at nominal value, end of period	384,217	366,700
Impairment losses as % of loans and advances	0.09	0.03
Total impairment provisions, end of period		
- Individual impairment provisions		
- Collective impairment provisions	1,067	902
Total impairment provisions as % of loans and advances	361	298
Portfolio of properties repossessed, end of period (number)	0.37	0.33
	63	42
Banking		
Loans and advances, end of period	41,883	39,181
Deposits, end of period	30,141	33,619
Impairment losses as % of loans and advances*	0.19	1.02
Total impairment provisions, end of period		
- Individual impairment provisions	2,195	2,476
- Collective impairment provisions	202	225
Total impairment provisions as % of loans and advances	5.41	6.45
Guarantees, end of period ¹	5,690	11,281
Provisions for guarantees, end of period ¹	31	12

¹ Excluding the government guarantee scheme.

* For H1/ 2010 and H1/2009.

Other data determined at end-H1/2010 and end-2009.

Commercial Customers

Commercial Customers comprises banking and mortgage services aimed at all types of businesses, including the agricultural, leasing and rental housing segments. The rental housing segment includes non-profit housing, housing cooperatives and private rental housing.

Activity

Total mortgage lending at nominal value rose by DKK 17.5bn to DKK 384bn at end-H1/2010. Gross new lending was DKK 27.7bn against DKK 29.0bn in H1/2009.

Bank lending totalled DKK 41.9bn against DKK 39.2bn at the beginning of the year. Bank deposits declined by DKK 3.5bn to DKK 30.1bn at end-H1/2010.

Results

Core earnings before impairment losses came to DKK 1,051m against DKK 726m in H1/2009. Of the DKK 325m rise, DKK 235m was attributed to growth in mortgage business.

Core income from business operations was DKK 1,743m against DKK 1,419m in H1/2009. DKK 264m of this figure stemmed from mortgage activities and more specifically loan portfolio growth and a current upward adjustment of administration margins.

Operating costs were DKK 570m against DKK 565m in H1/2009. Commission payable under the government guarantee scheme came to DKK 120m against DKK 115m in H1/2009.

Impairment losses were DKK 360m and DKK 101m on mortgage and bank lending, respectively, against a total of DKK 559m in H1/2009. Impairment losses as a percentage of loans and advances amounted to 0.09% and 0.19% of mortgage and bank lending, respectively. Recognised losses on mortgage lending were DKK 119m compared with DKK 24m in H1/2009.

Total impairment provisions stood at DKK 3,825m against DKK 3,901m at the beginning of the year. Mortgage and bank lending accounted for DKK 1,428m and DKK 2,397m, respectively, of total impairment provisions.

Of total impairment provisions, DKK 196m derived from the agricultural sector, of which DKK 112m related to mortgage operations.

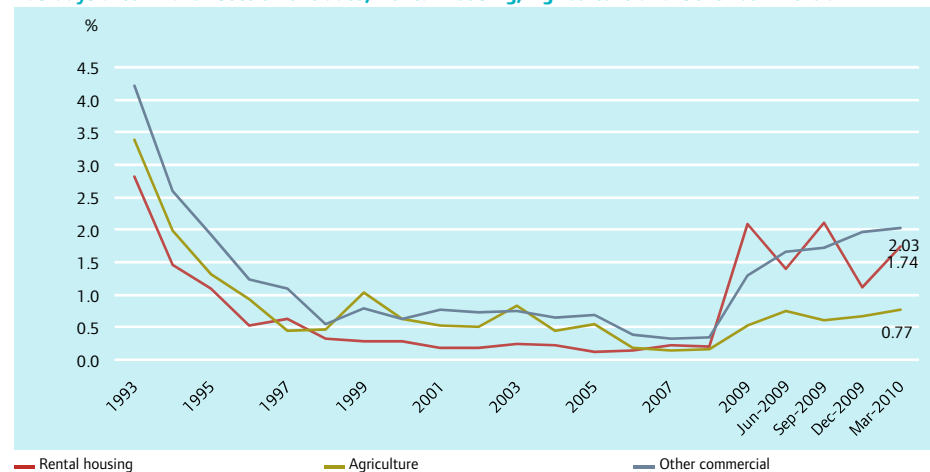
Nykredit's lending to the agricultural sector is characterised by high LTV (loan-to-value) levels. LTV averages 49% at the current prices of agricultural properties.

At the March settlement date, 75-day mortgage arrears as a percentage of mortgage payments due came to 1.63% against 1.28% at the December settlement date. Arrears as a percentage of lending to the agricultural sector amounted to 0.77% at the March settlement date against 0.66% at the December settlement date.

Since the beginning of 2010, the Group has repossessed 58 properties and sold 37. The property portfolio counted 63 at end-H1/2010 against 42 at the beginning of 2010.

Arrears ratio, mortgage lending

– 75 days after March settlement date, Rental housing, Agriculture and Other commercial



Results – Markets & Asset Management

DKK million	H1/2010	H1/2009
Core income from		
- Business operations	912	749
- Kalvebod issues	(7)	52
Total	905	801
Operating costs	415	354
Commission payable under the government guarantee scheme	61	58
Depreciation of property, plant and equipment and amortisation of intangible assets	9	1
Core earnings before impairment losses	420	388
Impairment losses on loans and advances	1	-
Core earnings after impairment losses	419	388

Summary balance sheet, end of period

DKK million	30.06.2010	31.12.2009
Assets		
Receivables from credit institutions	35,198	45,357
Other lending at fair value	13,899	11,962
Bonds and equities	71,237	64,099
Liabilities and equity		
Payables to credit institutions and central banks	65,922	56,842
Deposits and other payables	6,695	10,450
Issued bonds	38,114	44,059

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.

Results

Core earnings before impairment losses came to DKK 420m against DKK 388m in H1/2009.

Core income from business operations was DKK 912m against DKK 749m in H1/2009.

Growth was broad-based across all business areas.

Core income from the portfolio of subordinated debt in Danish banks (Kalvebod issues) equalled a loss of DKK 7m compared with a gain of DKK 52m in H1/2009. This trend notably mirrored a higher credit risk in respect of the underlying issues.

Nykredit Markets recorded handsome earnings growth in some business areas. For instance, derivatives business rose to the level seen in 2009, and equity business also improved.

There was a satisfactory upturn in Asset Management's core income in H1/2010. Total assets under management rose by 15.6% to DKK 79bn, and assets under administration by Nykredit Portefølje went up 10.3% to DKK 252bn.

Operating costs were DKK 415m against DKK 354m in H1/2009. This trend matched expectations. Commission payable under the government guarantee scheme came to DKK 61m against DKK 58m in H1/2009.

Results – Other Activities

DKK million	H1/2010	H1/2009
Core income from business operations	111	106
Operating costs	115	94
Commission payable under the government guarantee scheme	31	51
Depreciation of property, plant and equipment and amortisation of intangible assets	62	64
Core earnings before impairment losses	(97)	(103)
Impairment losses on loans and advances – banking	385	748
Impairment losses on loans and advances – other	7	9
Core earnings after impairment losses	(489)	(860)

Activity

DKK million	2010	2009
Mortgage lending		
Portfolio at nominal value, end of period	1,514	1,544
Banking		
Loans and advances, end of period	4,217	5,081
Deposits, end of period	921	948
Impairment losses as % of loans and advances*	3.79	11.04 ²
Total impairment provisions, end of period		
- Individual impairment provisions	3,924	4,576
- Collective impairment provisions	35	-
Total impairment provisions as % of loans and advances	48.4	47.4
Guarantees, end of period ¹	587	876
Provisions for guarantees, end of period ¹	282	193

¹ Excluding the government guarantee scheme.

² Before adjustment for impairment provisions made in the opening balance sheet (2009: DKK 406m).

* For H1/2010 and H1/2009.

Other data determined at end-H1/2010 and end-2009.

Other Activities

Other Activities mainly comprises a portfolio of terminated exposures relating to corporate customers of the former Forstædernes Bank and mortgage loans granted via a branch in Poland. The area also includes the activities of Nykredit Mægler A/S, Nykredit Ejendomme A/S and Ejendomsselskabet Kalvebod A/S.

Results

Core earnings before impairment losses came to a loss of DKK 97m against a loss of DKK 103m in H1/2009.

Core income from business operations amounted to DKK 111m against DKK 106m in H1/2009.

Operating costs were DKK 115m against DKK 94m in H1/2009. Commission payable under the government guarantee scheme came to DKK 31m against DKK 51m in H1/2009.

Impairment losses on bank lending and provisions for guarantees amounted to DKK 385m and DKK 7m, respectively, compared with a total of DKK 757m in H1/2009.

Total impairment provisions on loans and advances stood at DKK 3,959m against DKK 4,576m at the beginning of the year. This was a decline of DKK 617m compared with end-2009. The decline involved a net increase in impairment provisions of DKK 26m and recognised losses on a number of non-performing loans for which DKK 643m had previously been provided.

The winding up of the mortgage activities in Poland did not give rise to impairment losses in H1/2010.

Ejendomsselskabet Kalvebod A/S still had no activities at end-H1/2010.

Results – group items

DKK million	H1/2010	H1/2009
Core income from		
- Business operations	(11)	17
- Securities	226	527
Total	215	544
Operating costs	178	426
Depreciation of property, plant and equipment and amortisation of intangible assets	94	63
Core earnings before impairment losses	(57)	55
Impairment losses on loans and advances – government guarantee scheme	114	163
Core earnings after impairment losses	(171)	(108)
Investment portfolio income	1,312	2,325
Profit before cost of capital	1,141	2,217

Group items

The segment financial statements contain a number of income statement items that cannot be allocated to the business areas. Such items are included under group Items. Group items includes the Group's total return on the securities portfolio, which is the sum of "Core income from securities" and "Investment portfolio income".

This heading also includes staff function costs and provisions for guarantees under the government guarantee scheme.

Core income from securities

Group core income from securities was DKK 226m against DKK 527m in H1/2009. The decline was mainly due to lower average money market rates of 1.06% against 2.36% in the same period the year before.

Impairment losses on loans and advances – government guarantee scheme

The Group made further provisions of DKK 114m in H1/2010, equal to the Bank's expected loss on Bank Rescue Package I. The provisions subsequently totalled DKK 494m.

Investment portfolio income

The Group recorded investment portfolio income of DKK 1,312m against DKK 2,325m in H1/2009. Investment portfolio income was positively affected by falling interest rates and tightening spreads between mortgage and corporate bonds on the one hand and government bonds on the other.

Lending

The Group's total lending rose to DKK 1,072bn from DKK 1,046bn at the beginning of the year.

Total lending includes mortgage lending at nominal value and bank lending excluding reverse transactions and guarantees.

Group mortgage lending at fair value amounted to DKK 1,022bn against DKK 981bn at the beginning of the year. Group mortgage lending at nominal value, excluding arrears, grew by DKK 25bn to DKK 1,010bn.

The Group's bank lending totalled DKK 61.3bn against DKK 60.9bn at the beginning of the year.

The Group's reverse transactions were DKK 13.9bn, up from DKK 12.0bn at the beginning of the year.

Total impairment provisions for bank and mortgage lending amounted to DKK 9,214m against DKK 9,754m at the beginning of the year. The Group has made no impairment provisions for receivables from credit institutions and central banks or reverse transactions.

The Group's guarantees totalled DKK 17.5bn against DKK 23.4bn at the beginning of the year. At end-H1/2010, provisions for guarantees stood at DKK 823m. Of this figure, provisions relating to the government guarantee scheme made up DKK 494m against DKK 380m at the beginning of the year.

The Nykredit Realkredit Group

Loans, advances and guarantees and impairment losses on loans and advances

DKK million

	Loans, advances and guarantees		Total provisions for loan impairment and guarantees		Impairment losses on loans and advances, earnings impact	
	30.06.2010	31.12.2009	30.06.2010	31.12.2009	H1/2010	FY 2009
Mortgage lending¹						
Nykredit Realkredit	567,778 ²	554,471	1,632	1,407	442	1,240
Totalkredit	443,391	431,511	562	535	56	515
Total	1,011,169	985,982	2,194	1,942	498	1,755
Of which arrears	685	766	-	-	-	-
Bank lending³						
Bank lending	57,127	55,828	3,061	3,236	224	2,374
Terminated FB exposures	4,217	5,081	3,959	4,576	310	3,287
Total	61,344	60,909	7,020	7,812	534	5,661
Reverse transactions	13,899	11,962	-	-	-	-
Guarantees	17,549	23,386	823	610	214	504
Of which government guarantee scheme	824	938	494	380	114	318
Impairment provisioning rates⁴						
Nykredit Realkredit	-	-	0.29	0.25	0.08	0.22
Totalkredit	-	-	0.13	0.12	0.01	0.12
Total			0.22	0.20	0.05	0.18
Bank lending	-	-	5.09	5.47	0.37	4.02
Terminated FB exposures	-	-	48.43	47.39	3.79	38.24 ⁵
Total			10.27	11.37	0.78	8.83⁵

¹ Mortgage lending at nominal value including arrears.

² Excluding intra-group loans and advances (DKK 590m).

³ Bank lending after total impairment provisions.

⁴ Impairment provisioning rates are exclusive of guarantees and reverse transactions.

⁵ Before adjustment for impairment provisions in the opening balance sheet (2009: DKK 406m).

MORTGAGE LENDING

Loan portfolio

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

Guarantees issued by public authorities contribute to reducing the credit risk of mortgage loans mainly for subsidised housing which are included in lending for non-profit housing. Public authority guarantees are guarantees whereby the guarantor assumes primary liability. This means that Nykredit may enforce the guarantee if a loan falls into arrears.

The LTV ratios of the mortgage loan portfolio are shown in the table below with individual loans relative to the estimated values of individual properties at end-H1/2010.

Provisions for mortgage loan impairment

Group credit exposures in terms of mortgage lending at nominal value, including arrears, totalled DKK 1,011bn against DKK 986bn at the beginning of the year.

Provisions for mortgage loan impairment totalled DKK 2,194m at end-H1/2010, equal to a rise of DKK 252m since the beginning of the year. Of this figure, DKK 193m resulted from individual impairment provisions.

Owner-occupied dwellings accounted for DKK 787m at end-H1/2010, while commercial properties etc represented DKK 1,407m.

The Group's total impairment provisions amounted to 0.22% of total mortgage lending.

The Nykredit Realkredit Group

Mortgage debt outstanding relative to estimated property values

DKK million	LTV (loan-to-value)				Total	LTV	LTV
	0-40	40-60	60-80	Over 80		median	avg ¹
						%	%
Owner-occupied dwellings	398,966	139,786	75,751	15,193	629,695	31	67
Private rental housing	61,902	19,353	10,292	1,317	92,864	28	61
Industry and trades	19,301	4,927	1,421	230	25,879	24	54
Office and retail	69,735	19,136	3,973	414	93,258	25	54
Agriculture	79,933	15,181	3,964	1,216	100,295	21	49
Other	11,313	2,033	523	66	13,936	20	47

Note: Debt outstanding has been determined at fair value at 30 June 2010, and the projection of property values is based on data at 30 June 2010 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. As public authority guarantees reduce the credit risk relating to subsidised housing, LTVs of non-profit housing offer no relevant risk data, for which reason they are not included in the table.

¹ Determined as the top part of the debt outstanding relative to estimated property values.

The Nykredit Realkredit Group

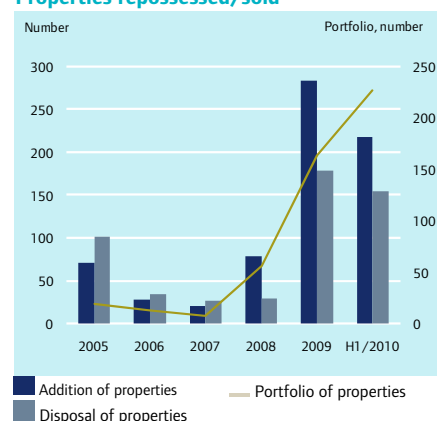
Lending and impairments by property type¹

DKK million	30.06.2010					31.12.2009				
	Lending, end of period	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total earnings impact	Lending, end of period	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total earnings impact
Owner-occupied dwellings	620,994	535	252	787	140	607,671	512	256	768	814
Private rental housing	99,117	776	150	926	181	93,284	687	110	797	776
Industry and trades	26,403	106	27	133	45	26,665	72	36	108	70
Office and retail	87,010	108	101	209	112	81,836	81	67	148	123
Agriculture	100,590	52	60	112	55	99,186	20	38	58	(48)
Non-profit housing	63,199	-	17	17	(3)	64,404	1	21	22	11
Other	13,856	4	6	10	(32)	12,936	15	26	41	9
Total	1,011,169	1,581	613	2,194	498	985,982	1,388	554	1,942	1,755

¹The breakdown by property type is not directly comparable with the Group's business areas.

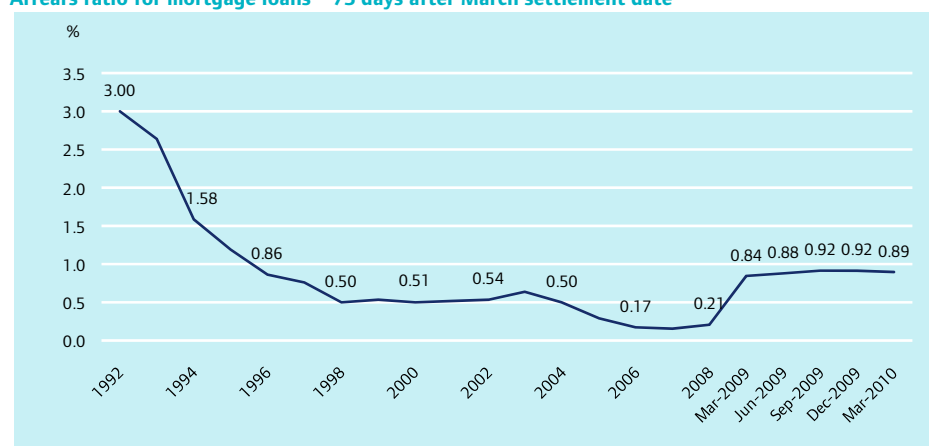
The Nykredit Realkredit Group

Properties repossessed/sold



The Nykredit Realkredit Group

Arrears ratio for mortgage loans – 75 days after March settlement date



Earnings impact

Impairment losses on loans and advances came to DKK 498m against DKK 381m for H1/2009.

Recognised losses on mortgage loans were DKK 214m in H1/2010 against DKK 64m in the same period the year before.

Properties repossessed

During H1/2010 the Group's portfolio of properties repossessed increased. The Group repossessed 218 properties and sold 154. The property portfolio counted 227 at end-H1/2010 against 163 at the beginning of the year. Of the 227 properties, 164 were owner-occupied dwellings.

Arrears

At the March settlement date, group mortgage arrears as a percentage of total mortgage payments due came to 0.89%. By comparison, the arrears ratio was 0.84% at the same time the year before and 0.92% at the December 2009 settlement date.

BANK LENDING

Group credit exposures in terms of bank lending amounted to DKK 92.8bn at end-H1/2010 compared with DKK 96.3bn at the beginning of the year.

Bank lending accounted for DKK 61.3bn of total credit exposures against DKK 60.9bn at the beginning of the year. Bank lending before impairment provisions totalled DKK 68.4bn against DKK 68.7bn at the beginning of 2010.

Total provisions for loan impairment amounted to DKK 7,020m against DKK 7,812m at the beginning of the year, a decrease of DKK 792m. The decrease stemmed from recognised losses on loans and receivables subject to individual impairment provisioning of DKK 1,011m at the beginning of 2010 and a net increase in individual and collective provisions of DKK 179m and DKK 40m, respectively.

Guarantees

The Group issues guarantees on a current basis, including guarantees in favour of mortgage banks.

At end-H1/2010, provisions for guarantees amounted to DKK 823m against DKK 610m at the beginning of the year. Of this amount, provisions relating to the government guarantee scheme, Bank Rescue Package I, made up DKK 494m against DKK 380m at the beginning of the year.

In Management's view, appropriate provisions had been made at 30 June relative to the Bank's share of the total Package, but the charge is inherently very sensitive to a rise in the number of distressed banks in the Financial Stability Company, a governmental winding-up company, including higher losses etc on already distressed banks.

Earnings impact

Impairment losses on loans and advances for the period under review totalled DKK 748m of which DKK 114m concerned provisions under the government guarantee scheme.

The Nykredit Realkredit Group
Loans, advances and guarantees

DKK million	30.06.2010	31.12.2009
Bank lending	57,127	55,828
Terminated FB exposures	4,217	5,081
Reverse transactions	13,899	11,962
Guarantees	17,549	23,386
Total	92,792	96,257

The Nykredit Bank Group**Total provisions for bank loan impairment and guarantees**

DKK million	30.06.2010			31.12.2009	
	Provisions for guarantees	Individual impairment provisions	Collective impairment provisions	Total impairment provisions	Total impairment provisions
Retail	11	846	60	917	762
Other	530	1,952	203	2,685	2,891
Terminated FB exposures	282	3,924	35	4,241	4,769
Total	823	6,722	298	7,843	8,422

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

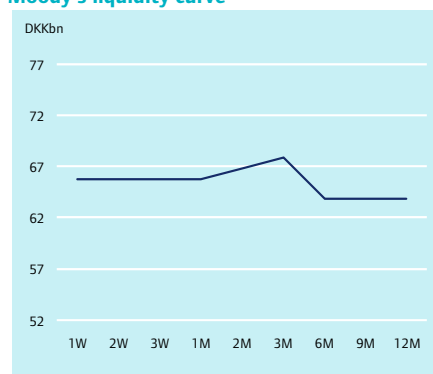
DKK million	30.06.2010					31.12.2009				
	Loans and advances ¹	Guarantees	Prov., indiv. loan imp. and guar.	Collective impairment provisions	Total impairment provisions	Loans and advances	Guarantees	Prov., indiv. loan imp. and guar.	Collective impairment provisions	Total impairment provisions
Public sector	-	674	-	-	-	133	365	113	-	113
Commercial customers										
Agriculture, hunting and forestry	2,163	749	82	2	84	2,084	1,005	84	3	87
Manufacturing industries, extraction of raw materials, utilities	9,352	260	376	31	407	8,087	415	327	38	365
Building and construction	1,086	572	246	8	254	1,320	699	205	14	219
Trade, restaurants and hotels	3,226	531	394	15	409	3,521	633	397	13	410
Transport, mail and telephone	1,850	312	13	8	21	2,251	404	17	4	21
Credit, finance and insurance	16,213	1,169	861	18	879	12,427	1,678	1,637	25	1,662
Property management and trade, business services	16,628	3,602	2,961	107	3,068	16,187	7,315	3,059	70	3,129
Other corporate	9,300	1,247	1,755	49	1,804	10,498	1,638	1,614	40	1,654
Total corporate	59,818	8,442	6,688	238	6,926	56,375	13,787	7,340	207	7,547
Retail	15,425	8,433	857	60	917	16,364	9,234	711	51	762
Total	75,243	17,549	7,545	298	7,843	72,872	23,386	8,164	258	8,422

¹ Loans and advances after total impairment provisions.

Liquidity

Mortgage lending

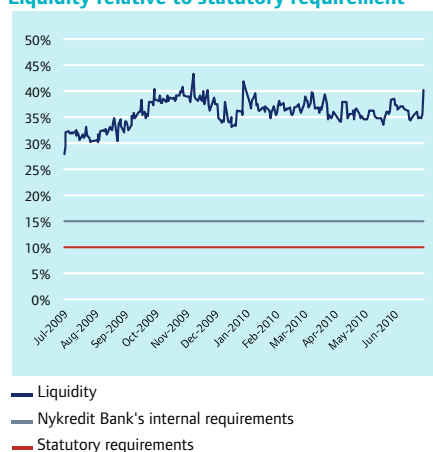
Moody's liquidity curve



Note: Liquidity provided through issuance of junior covered bonds is included until their maturity.

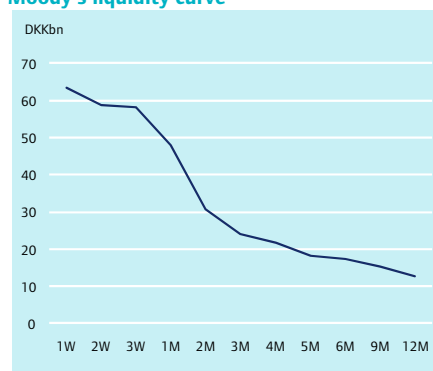
Banking

Liquidity relative to statutory requirement



Banking

Moody's liquidity curve



LIQUIDITY RISK

Liquidity risk is the risk of loss as a result of insufficient liquidity to cover current payment obligations.

Mortgage lending

The greater part of group lending consists of mortgage loans funded by "realkreditobligationer" and SDOs (collectively referred to as covered bonds) according to the match-funding principle.

Mortgage lending and the funding thereof are therefore by and large liquidity neutral. Nykredit's capital resources are placed mainly in a portfolio of listed bonds in addition to portfolio equities, strategic equities and subsidiary equities. By virtue of their large bond portfolios, mortgage banks have plenty of liquidity.

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 obtain the rating "Very Good Liquidity Management", the liquidity curve must be positive 12 months ahead. The liquidity of Nykredit Realkredit and Totalkredit is always positive due to match funding and the investment rules applying to the capital requirement.

The liquidity curves for mortgage lending and banking illustrate that the Nykredit Group is extremely liquid.

In February 2009 a scheme was set up under which Danish mortgage banks may obtain an individual government guarantee for issues of unsubordinated unsecured debt and junior covered bonds. Mortgage banks may apply for guarantees of up to three years until end-2010.

In H2/2009 the Danish central bank expanded the range of assets eligible as permanent collateral for the loans of commercial and mortgage banks with the Danish central bank (monetary policy loans and intraday credits) to include junior covered bonds issued by mortgage banks.

Nykredit Realkredit strengthened its liquidity base in Q2/2010 through issuance of about DKK 7bn junior covered bonds with a maturity of six years without the use of the government guarantee scheme.

Nykredit Realkredit expects to launch a Global Medium Term Note (GMTN) programme in Q3/2010 in order to

- increase the sale of bonds to international investors
- increase awareness of Danish mortgage lending
- facilitate funding of loans in currencies other than DKK and EUR.

Banking

Nykredit Bank monitors its balance sheet and liquidity on a day-to-day basis. The management of the Bank's structural liquidity risk is based on an internal model relating to 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 drains on the Bank's liquidity.

The model assumptions are stress tested daily. This includes calculating the effect of a liquidity crisis that would increase the Bank's funding costs and lower the liquidity of assets.

According to the Danish Financial Business Act, a bank's liquidity must total at least 10% of total reduced debt and guarantee obligations. Nykredit Bank uses an internal liquidity requirement of 15%.

At 30 June 2010, the financial ratio "Excess cover:statutory liquidity requirements" was 265% against 324% at end-2009. At 30 June 2010, the liquidity buffer equivalent to the above excess cover amounted to DKK 63.6bn compared with DKK 66.8bn at end-2009. In H1/2010 the liquidity buffer averaged DKK 58.2bn compared with an average of DKK 38.0bn for H1/2009.

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

As part of its liquidity reserves, the Bank raised funding of DKK 1.2bn in Q2/2010 following the latest EMTN issue of DKK 3.7bn in March 2010, both without the use of the government guarantee scheme. The Bank's long-term funding activities progressed according to plan, with EMTN issues without government guarantees maturing after the expiry of Bank Rescue Package I on 30 September 2010.

Further, the Bank has continued its refinancing of short-term ECP issues up to the expiry of Bank Rescue Package I. For the time being, the Bank has issued ECP totalling EUR 455m (DKK 3.4bn) maturing after the expiry of Bank Rescue Package I on 30 September 2010.

The aggregate amount issued under the ECP and EMTN programmes was DKK 38.1bn at 30 June 2010 compared with DKK 41.5bn at end-2009.

EQUITY AND CAPITAL ADEQUACY OF THE NYKREDIT REALKREDIT GROUP

Equity

Group equity, including recognition of profit for the period, stood at DKK 53.9bn at end-H1/2010 compared with DKK 51.2bn 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. The continuous value adjustment of

these equities is recognised in equity. For H1/2010, the value adjustment against equity in the Consolidated Financial Statements came to a loss of DKK 133m. The value of equities classified as available for sale totalled DKK 2,869m.

Capital base and capital adequacy

The Nykredit Realkredit Group

The Group's capital base amounted to DKK 63.0bn and the capital requirement was DKK 27.5bn. The capital adequacy ratio and the core capital ratio came to 18.4% and 17.2%, respectively. In comparison, the capital need was 9.6%.

For the greater part of lending, the capital requirement for credit risk is calculated using the most advanced IRB approaches. Nykredit Bank A/S and Forstædernes Bank A/S merged at 1 April 2010. Accordingly, exposures stemming from Forstædernes Bank are treated in the same way as Nykredit Bank's exposures using the IRB methods.

The capital charge for market risk is determined mainly on the basis of a Value-at-Risk model, and the capital charge for operational risk is determined using the basic indicator approach.

Under transitional rules applicable in 2010, the capital requirement may not decrease by more than 20% compared with the former rules.

According to the transitional rules, the capital requirement amounted to DKK 43.6bn, equal to a capital adequacy ratio of at least 12.7%.

Nykredit Realkredit A/S

Nykredit Realkredit A/S's core capital ratio was 17.7%, while the capital adequacy ratio came to 18.5%. In comparison, the capital need was 9.1%.

According to the transitional rules, the capital requirement amounted to DKK 30.0bn, equal to a capital adequacy ratio of at least 9.0%.

Changes in equity and capital base

DKK million	The Nykredit Realkredit Group		
	30.06.2010	30.06.2009	FY 2009
Equity, beginning of period	51,241	50,377	50,377
Profit for the period	2,753	1,634	129
Fair value adjustment of equities – available for sale	(133)	455	751
Other adjustments	-	3	(16)
Equity, end of period	53,861	52,469	51,241
Revaluation reserves transferred to supplementary capital	(132)	(141)	(132)
Intangible assets, including goodwill	(4,747)	(5,144)	(4,944)
Capitalised tax assets	(177)	(20)	(220)
Hybrid core capital	11,224	4,183	10,805
Other deductions from core capital	(884)	(1,196)	(1,274)
Core capital incl hybrid core capital after deductions	59,146	50,150	55,476
Supplementary capital	4,706	4,969	4,756
Statutory deductions from capital base	(884)	(1,196)	(1,274)
Total capital base after deductions	62,968	53,923	58,958

Capital base and capital adequacy

DKK million	The Nykredit Realkredit Group			Nykredit Realkredit A/S		
	30.06.2010	30.06.2009	FY 2009	30.06.2010	30.06.2009	FY 2009
Credit risk	24,206	22,531	23,728	24,466	22,459	24,251
Market risk	1,972	2,317	1,846	1,235	1,499	1,201
Operational risk	1,272	978	978	970	787	787
Total capital requirement before transitional rules	27,450	25,825	26,551	26,671	24,744	26,238
Total capital requirement after transitional rules¹	43,590	41,671	42,000	30,047	28,426	29,561
Capital base	62,968	53,923	58,958	61,833	52,745	58,127
Core capital ratio, %²	17.2	15.5	16.7	17.7	16.2	17.0
Capital adequacy ratio, %	18.4	16.7	17.8	18.5	17.1	17.7
Minimum capital adequacy ratio before transitional rules, %	8.0	8.0	8.0	8.0	8.0	8.0
Minimum capital adequacy ratio after transitional rules, % ³	12.7	12.9	12.7	9.0	9.4	9.0
Individual capital need (Pillar I and Pillar II), %	9.6	10.5	9.8	9.1	8.0	9.0
Total weighted items	343,121	322,816	331,891	333,390	309,300	327,980

¹ The capital requirement after transitional rules has been determined pursuant to the transitional rules of the Danish Executive Order on Capital Adequacy. As a minimum, the capital requirement for 2010 must be 80% of the capital requirement determined under Basel I.

² The core capital ratio has been determined on the basis of risk-weighted items of DKK 343,121m for the Nykredit Realkredit Group and DKK 333,390m for Nykredit Realkredit A/S, ie without applying the transitional rules.

³ 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.

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 risks.

The report Risk and Capital Management 2009, available at nykredit.com/reports, contains a detailed description of the determination of the required capital base and the capital need of the Nykredit Group as well as all group companies.

The capital need is calculated as the required capital base as a percentage of risk-weighted items. The Group's individual capital need was 9.6%.

In determining the required capital base, Nykredit applies statistical confidence levels higher than the statutory 99.9%. The Group's required capital base is determined at a confidence level of 99.97% for all exposures out of consideration for Nykredit's commitment to maintain a competitive rating of the issued bonds.

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

Pillar I

Pillar I capital covers credit, market and operational risk as well as risk relating to own properties. In the determination of credit risk, weak exposures are assigned a higher risk weight as calculated by the credit models.

At end-April 2010, Nykredit sold Nykredit Forsikring A/S to Gjensidige Forsikring, and therefore the insurance risk for H1/2010 is nil.

Pillar II

Pillar II comprises capital to cover other risks as well as an increased capital requirement during an economic downturn. The capital requirement during an economic downturn is determined by means of stress tests and scenario analyses.

Weaker economic climate

In its Pillar II assessment, Nykredit assumes that the economic climate will be weaker in 2010-2012, which scenario is in line with the economic forecasts made by a number of recognised institutions.

In a weaker economic climate, the need for capital will grow concurrently with increasing arrears and falling property prices. The calculations also factor in any operating losses due to higher impairment losses, etc.

Other factors

The determination of other factors includes any additional risk relating to own properties and reputation risk, which are determined using internal estimates as well as assessments of control risks, strategic risks, external risks, concentration risks, etc.

Model and calculation uncertainties

Nykredit applies various models to calculate the capital requirements under Pillar I and Pillar II.

The calculated capital requirement depends on the choice of model, model design, level of detail, etc. Under Pillar II, a charge is included

that reflects the uncertainty of the models used. Generally, the charge applied corresponds to 10% of the other risks.

CYCLICAL BUFFER

In addition to the required capital base, Nykredit provides capital to cover the expected rise in the required capital base should the economic climate deteriorate to a severe recession, corresponding to an increase in unemployment of around 10%.

The calculations are based on the assumption that the existing lending volume is maintained in spite of a weaker economic climate.

The cyclical buffer is DKK 13.2bn.

STRESS TESTS AND CAPITAL PROJECTIONS

Nykredit uses stress tests and scenario analyses in connection with the determination by the boards of directors of the required capital base and long-term capital requirement. A special model has been developed for the purpose of this type of analysis.

Scenario: Weaker economic climate in 2010

The calculation of Pillar II capital and the required capital base is based on Nykredit's macroeconomic expectations for 2010 in the form of Nykredit Bank's official forecasts. These expectations are on a level with the macroeconomic expectations of other leading economists in Denmark.

The calculations take account of the fact that customers' ability to pay is only slowly affected by the overall economy. For example, many wage earners will have sufficient financial strength to keep paying their mortgages for a period after having lost their jobs. Such calculations are subject to considerable uncertainty, and the credit risk charge for a weaker economic climate is therefore estimated at DKK 3.0bn-3.5bn. In its capital requirement determination, Nykredit has applied an additional credit risk charge of DKK 3.5bn.

Scenario: Severe recession (cyclical buffer)

The macroeconomic scenario behind the cyclical buffer is much more severe than the one applied for Pillar II capital/required capital base.

The purpose of the cyclical buffer is to secure Nykredit's capital resources, and thereby its lending capacity, during a very severe recession such as in the early 1990s. The calculations also include relatively high interest rates in order to be able to withstand a situation with several co-occurring macroeconomic problems.

The Nykredit Realkredit Group Required capital base and capital need

DKK million	30.06.2010	FY 2009
Credit risk	19,543	20,780
Market risk	3,637	3,226
Operational risk	1,209	989
Insurance risk	-	574
Risk relating to own properties	149	154
Total Pillar I	24,539	25,723
Charge for a weaker economic climate	3,546	2,840
Other factors ¹	1,710	1,191
Charge for model and calculation uncertainty	2,979	2,856
Total Pillar II	8,236	6,888
Total required capital base	32,774	32,611
Total risk-weighted items	343,121	331,891
Individual capital need, %	9.6	9.8

¹ Other factors include assessment of control risk, strategic risk, external risk, concentration risk, liquidity risk, etc.

CAPITAL POLICY

Nykredit has an objective of being able to maintain its lending activities at an unchanged level regardless of economic trends, while keeping a competitive rating. For this reason, Nykredit requires sufficient capital resources to cover an increase in statutory capital requirements during a severe recession.

Against this backdrop, Nykredit divides its equity of DKK 53.9bn into four elements:

- *Business capital* of DKK 32.8bn equal to the statutory required capital base. Nykredit's assessment of the required capital base is partly based on the consequences of further deterioration of economic trends corresponding to an unemployment ratio in the region of 6.5%.
- *Cyclical buffer* of DKK 13.2bn covering the expected rise in the statutory required capital base should the economic climate change from the current recession to a severe recession with employment rates rising to the high levels of the early 1990s corresponding to an unemployment ratio in the region of 10%. The cyclical buffer is determined by means of stress tests.
- *Statutory capital deductions (goodwill etc)* relating to intangible assets of DKK 4.9bn.
- *Strategic capital* of DKK 3.0bn, the long-term capital maintained for strategic initiatives.

In addition to equity, the Nykredit Realkredit Group has raised hybrid core capital of DKK 11.2bn.

NEW REGULATION

The past year has seen several drafts for new legislation to strengthen financial sector regulation after the financial crisis.

In July, the Basel Committee made a number of changes to its initial draft paper from end-2009.

The new proposal further tightens requirements for the short-term liquidity (LCR) of commercial banks and mortgage banks. Covered bonds may not exceed 40% of the liquidity of a mortgage bank. In the initial proposal, covered bonds could constitute up to 50% of liquidity. In addition, only up to 85% of their market value may be recognised, and self-issued bonds may not be recognised at all. In Denmark covered bonds represent more than 70% of the market, while government bonds and other bonds make up 15% and 10%, respectively.

The proposal of the Basel Committee will hardly be realisable in Denmark, which calls for a process that factors in Danish market conditions. We expect that the Basel Committee and the EU Commission will give favourable consideration to such a process. The Basel Committee has expressed willingness to consider adjustments in respect of countries which do not have sufficient government bonds to meet the liquidity requirements.

Under the previous proposal, provisions relating to the long-term liquidity (NSFR) of commercial banks and mortgage banks would put a stop to adjustable-rate mortgages (ARMs) subject to annual refinancing.

The adoption of provisions for long-term liquidity has been postponed until 2018. Meanwhile, the Basel Committee will consider special provisions for mortgage regimes such as the Danish where assets and liabilities are matched.

The Basel Committee is expected to present its final proposal at end-2010.

OTHER

Strategic alliance with Gjensidige Forsikring

In March Nykredit entered into a strategic insurance alliance with Gjensidige Forsikring, which acquired Nykredit Forsikring A/S at a price of DKK 2.5bn, of which goodwill amounted to about DKK 1.5bn.

A core element of the alliance is a distribution agreement according to which Nykredit continues to supply and sell insurance products and services to its customers with Gjensidige Forsikring as supplier. Retail customers will continue to be served under the Nykredit brand, whereas commercial – including agricultural – customers will be served under the Gjensidige brand.

The change of ownership of Nykredit Forsikring A/S will not influence the current insurance relationships, which will continue unchanged.

The new insurance alliance underpins Nykredit's growth ambition as a broad-based financial services business with banking and mortgage lending as core business activities.

The transaction was completed on 29 April 2010.

In April Nykredit sold its office property at Otto Mønsted's Plads 11 in Copenhagen to Gjensidige Forsikring with effect from 1 July 2010.

Higher administration margins and new mortgage price structure

In February 2010, Nykredit announced that it would increase margins on both new and existing mortgage loans to retail customers.

In consequence of Nykredit's undertaking concerning administration margin adjustments in connection with its acquisition of To-talkredit in the autumn of 2003, the Danish competition authorities have temporarily overruled Nykredit's decision to increase administration margins, as intended.

The Nykredit Realkredit Group Capital structure at 30 June 2010

Equity DKK 53.9bn				
Pillar I DKK 24.6bn	Pillar II DKK 8.2bn	Cyclical buffer capital (reserve for severe recession) DKK 13.2bn	Statutory capital deductions DKK 4.9bn	Strategic capital DKK 3.0bn
Business capital DKK 32.8bn				

The competition authorities have nevertheless expressed that, under the circumstances and because of the nature of the undertaking and the time passed since it was made, they will examine whether market and regulatory conditions have changed to such an extent that the undertaking should be cancelled.

Nykredit disagrees with the competition authorities that the announced increase in administration margins conflicts with the undertaking given in the autumn of 2003. Accordingly, Nykredit has brought the matter before the Competition Appeals Tribunal.

Tax case

Nykredit Realkredit is party to a pending tax case, which the Danish Ministry of Taxation has appealed to the Danish High Court. If the High Court finds for Nykredit, deferred tax of DKK 100m 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 2009.

In Management's opinion, the uncertainty relating to the above-mentioned matters is insignificant to the H1 Interim Report 2010.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

Owing to continuing growth in Nykredit Bank's customer-oriented business, it has been decided to strengthen Nykredit Bank's core capital. Nykredit Realkredit will subscribe for new shares totalling a market value of DKK 1.0bn.

Apart from this, no material events have occurred in the period up to the presentation of the H1 interim Report 2010.

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 2010 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 H1 Financial Statements of the Parent Company have been prepared in accordance with the Danish Financial Business Act.

Further, the H1 Interim Report 2010 has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

We are of the opinion that the H1 Financial Statements give a fair presentation of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2010 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 2010.

We are furthermore of the opinion that the Management's Review 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 which may affect the Group and the Parent Company.

Copenhagen, 19 August 2010

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

Board of Directors

Steen E. Christensen
Chairman

Hans Bang-Hansen
Deputy Chairman

Steffen Kragh
Deputy Chairman

Kristian Bengaard

Michael Demsitz

Merete Eldrup

Lisbeth Grimm

Allan Kristiansen

Susanne Møller Nielsen

Anders C. Obel

Erling Beck Poulsen

Nina Smith

Jens Erik Udsen

Leif Vinther

Income statements for 1 January – 30 June

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
H1/2009	H1/2010		Note	H1/2010	H1/2009
21,819	18,216	Interest income	3	21,885	28,660
19,230	15,511	Interest expenses	4	16,353	23,331
2,589	2,705	NET INTEREST INCOME		5,532	5,330
42	37	Dividend on equities		39	59
421	446	Fee and commission income		1,033	982
119	135	Fee and commission expenses		752	719
2,933	3,053	NET INTEREST AND FEE INCOME		5,851	5,652
1,567	(439)	Value adjustments	5	(21)	1,284
39	49	Other operating income		89	70
1,333	1,144	Staff and administrative expenses	6	2,345	2,486
290	324	Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	7	398	381
0	2	Other operating expenses		252	255
227	434	Impairment losses on loans, advances and receivables	8	1,246	1,831
(59)	2,037	Profit (loss) from investments in associates and group enterprises	9	3	(2)
2,629	2,795	PROFIT BEFORE TAX		1,680	2,052
540	175	Tax	10	439	530
2,089	2,620	PROFIT FROM CONTINUING OPERATIONS FOR THE PERIOD		1,241	1,522
-	-	Profit from discontinuing insurance operations	11	1,512	111
2,089	2,620	PROFIT FOR THE PERIOD		2,753	1,634

Statements of comprehensive income for 1 January – 30 June

DKK million

Nykredit Realkredit A/S			The Nykredit Realkredit Group		
H1/2009	H1/2010		Note	H1/2010	H1/2009
2,089	2,620	PROFIT FOR THE PERIOD		2,753	1,634
(15)	-	- Foreign currency translation adjustment of foreign entities		-	(15)
-	-	- Fair value adjustment of equities available for sale		(171)	452
-	-	- Tax on fair value adjustment of equities available for sale		38	4
(1)	-	- Share of comprehensive income in associates and group enterprises		-	(1)
(16)	-	- OTHER COMPREHENSIVE INCOME		(133)	440
2,073	2,620	COMPREHENSIVE INCOME FOR THE PERIOD		2,620	2,073

Balance sheets at 30 June

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2009	30.06.2010		Note	30.06.2010	31.12.2009
		ASSETS			
1,691	77	Cash balance and demand deposits with central banks		589	1,828
36,301	30,220	Receivables from credit institutions and central banks	12	51,192	61,081
957,350	946,050	Loans, advances and other receivables at fair value	13	1,035,656	992,992
1,103	972	Loans, advances and other receivables at amortised cost	14	62,316	62,011
51,070	63,023	Bonds at fair value	15	98,128	81,871
		Equities			
4,025	4,465	Equities measured at fair value through profit or loss		2,127	1,809
-	-	Equities available for sale		2,869	2,941
4,025	4,465	Total		4,995	4,750
151	147	Investments in associates		149	175
27,240	26,259	Investments in group enterprises		-	-
4,882	4,699	Intangible assets		4,747	4,933
		Land and buildings			
-	-	Investment properties		69	69
25	24	Owner-occupied properties		1,858	1,767
25	24	Total		1,927	1,836
239	294	Other property, plant and equipment		335	334
-	-	Current tax assets		1,326	1,327
790	842	Deferred tax assets		1,088	1,065
159	252	Assets in temporary possession		326	191
16,306	14,501	Other assets	16	52,704	32,605
112	183	Prepayments		246	186
1,101,443	1,092,008	TOTAL ASSETS		1,315,723	1,247,185

Balance sheets at 30 June

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group			
31.12.2009	30.06.2010		Note	30.06.2010	31.12.2009
		LIABILITIES AND EQUITY			
97,339	102,156	Payables to credit institutions and central banks	17	142,828	119,313
-	-	Deposits and other payables	18	57,225	64,483
907,439	891,684	Issued bonds at fair value	19	925,137	889,899
194	195	Issued bonds at amortised cost	20	38,308	44,253
3,812	6,162	Other non-derivative financial liabilities at fair value		14,639	8,902
720	789	Current tax liabilities		1,107	1,008
25,304	21,229	Other liabilities	21	64,508	49,224
-	-	Deferred income		10	14
1,034,809	1,022,215	Total payables		1,243,762	1,177,096
		Provisions			
276	311	Provisions for pensions and similar obligations		316	280
781	842	Provisions for deferred tax		910	849
-	-	Insurance liabilities		-	1,448
107	105	Repayable reserves funded by pre-1972 series		105	107
-	-	Provisions for losses under guarantees		823	610
25	30	Other provisions		165	182
1,190	1,289	Total provisions		2,320	3,476
14,203	14,644	Subordinated debt	22	15,779	15,372
		Equity			
1,182	1,182	Share capital		1,182	1,182
		Accumulated changes in value			
5	5	- Revaluation reserves		132	132
-	-	- Value adjustment of equities available for sale		1,442	1,575
		Other reserves			
-	685	- Statutory reserves		-	-
26,760	26,760	- Series reserves		26,760	26,760
23,294	25,229	Retained earnings		24,345	21,592
51,241	53,861	Total equity		53,861	51,241
1,101,443	1,092,008	TOTAL LIABILITIES AND EQUITY		1,315,723	1,247,185
		OFF-BALANCE SHEET ITEMS	23		
-	-	Contingent liabilities		6,896	8,336
1,468	1,261	Other commitments		8,619	10,852
1,468	1,261	TOTAL		15,515	19,189
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Statement of changes in equity

DKK million

Nykredit Realkredit A/S

	Share capital	Revaluation reserves	Accumulated foreign currency translation adjustment of foreign entities	Statutory reserves*	Series reserves	Retained earnings	Total
2010							
Equity, 1 January	1,182	5	-	-	26,760	23,294	51,241
Profit for the period	-	-	-	685	-	1,935	2,620
Total comprehensive income for the period	-	-	-	685	-	1,935	2,620
Equity, 30 June	1,182	5	-	685	26,760	25,229	53,861
2009							
Equity, 1 January	1,182	5	(3)	2,844	25,778	20,572	50,377
Profit for the year	-	-	-	(2,795)	-	3,675	880
Other comprehensive income							
Foreign currency translation adjustment of foreign entities	-	-	(15)	-	-	-	(15)
Share of comprehensive income in associates and group enterprises	-	-	-	(10)	-	-	(10)
Total other comprehensive income	-	-	(15)	(10)	-	-	(25)
Total comprehensive income for the year	-	-	(15)	(2,805)	-	3,675	855
Dividend from associates	-	-	-	(13)	-	13	-
Adjustment pursuant to capital adequacy rules	-	-	-	-	982	(982)	-
Transferred from provisions – pre-1972 series	-	-	-	-	(0)	9	9
Adjustment relating to foreign entities	-	-	18	-	-	(18)	-
Adjustment relating to subsidiaries	-	-	-	(25)	-	25	-
Equity, 31 December	1,182	5	-	-	26,760	23,294	51,241

* 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 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	Total
2010							
Equity, 1 January	1,182	132	-	1,575	26,760	21,592	51,241
Profit for the period	-	-	-	-	-	2,753	2,753
Other comprehensive income							
Fair value adjustment of equities available for sale	-	-	-	(133)	-	-	(133)
Total other comprehensive income	-	-	-	(133)	-	-	(133)
Total comprehensive income for the period	-	-	-	(133)	-	2,753	2,620
Equity, 30 June	1,182	132	-	1,442	26,760	24,345	53,861
2009							
Equity, 1 January	1,182	141	(3)	(674)	25,778	23,954	50,377
Profit for the year	-	-	-	-	-	129	129
Other comprehensive income							
Foreign currency translation adjustment of foreign entities	-	-	(15)	-	-	-	(15)
Fair value adjustment of owner-occupied properties	-	(9)	-	-	-	-	(9)
Fair value adjustment of equities available for sale	-	-	-	751	-	-	751
Share of comprehensive income in associates	-	-	-	-	-	(1)	(1)
Total other comprehensive income	-	(9)	(15)	751	-	(1)	726
Total comprehensive income for the year	-	(9)	(15)	751	-	128	855
Reclassification of value adjustment of equities available for sale ¹	-	-	-	1,498	-	(1,498)	-
Adjustment pursuant to capital adequacy rules	-	-	-	-	982	(982)	-
Transferred from provisions – pre-1972 series	-	-	-	-	(0)	9	9
Adjustment relating to foreign entities	-	-	18	-	-	(18)	-
Equity, 31 December	1,182	132	-	1,575	26,760	21,592	51,241

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

Core earnings and investment portfolio income 1 January – 30 June

DKK million

The Nykredit Realkredit Group

	H1/2010				H1/2009			
	Core earnings	Invest- ment portfolio income	Costs of capital	Total	Core earnings	Invest- ment portfolio income	Costs of capital	Total
Net interest income	4,131	1,628	(227)	5,532	4,306	1,038	(14)	5,330
Dividend on equities	1	37	-	39	3	56	-	59
Net fee and commission income	316	(35)	-	281	286	(23)	-	263
Net interest and fee income	4,448	1,630	(227)	5,851	4,595	1,071	(14)	5,652
Value adjustments	303	(327)	4	(21)	27	1,256	2	1,284
Other operating income	82	7	-	89	70	-	-	70
Staff and administrative expenses	2,345	-	-	2,345	2,486	-	-	2,486
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	398	-	-	398	381	-	-	381
Other operating expenses	252	-	-	252	255	-	-	255
Impairment losses on loans, advances and other receivables	1,246	-	-	1,246	1,831	-	-	1,831
Profit (loss) from investments in associates	-	3	-	3	-	(2)	-	(2)
Profit (loss) before tax	591	1,312	(223)	1,680	(261)	2,325	(12)	2,052

Cash flow statement 1 January – 30 June

DKK million

	The Nykredit Realkredit Group		
	Note	H1/2010	H1/2009
Profit after tax for the period		2,753	1,634
Amortisation and impairment losses for intangible assets		290	276
Depreciation and impairment losses for property, plant and equipment		109	105
Profit (loss) from investments in associates		(3)	2
Loss from discontinuing insurance operations		(1,512)	(111)
Impairment losses on loans, advances and receivables		1,246	1,831
Prepayments/deferred income, net		(65)	(69)
Tax calculated on profit for the period		439	530
Other adjustments		(133)	458
Total		371	3,020
Profit for the period adjusted for non-cash operating items		3,124	4,654
Change in working capital			
Loans, advances and other receivables		(44,215)	(43,318)
Deposits and payables to credit institutions		16,257	(30,925)
Issued bonds		28,438	66,904
Other working capital		945	(13,564)
Total		1,425	(20,903)
Corporation tax paid, net		(202)	(190)
Cash flows from operating activities		4,347	(16,439)
Cash flows from investing activities			
Sale of Nykredit Forsikring A/S		2,515	-
Investments		(17,723)	(8,958)
Intangible assets		(103)	(90)
Property, plant and equipment		(200)	(153)
Total		(15,511)	(9,201)
Cash flows from financing activities			
Subordinated debt		407	(25)
Total		407	(25)
Cash flows from continuing operations		(10,757)	(25,665)
Cash flows from discontinuing insurance operations	11	(371)	276
Total cash flows		(11,128)	(25,389)
Cash and cash equivalents, beginning of period			
Cash balance and demand deposits with central banks		1,828	323
Receivables from credit institutions and central banks		61,081	73,065
Total		62,909	73,388
Cash and cash equivalents, end of period			
Cash balance and demand deposits with central banks		589	281
Receivables from credit institutions and central banks		51,192	47,718
Total		51,781	47,999

Notes

1. ACCOUNTING POLICIES

General

The Consolidated Financial Statements for H1/2010 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.

The interim 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.

Compared with the Annual Report for 2009, the accounting policies of the Nykredit Realkredit Group are unchanged, except for the areas below:

- Investments in joint ventures have been recognised and measured according to the equity method. Previously, investments in joint ventures were consolidated proportionately. Comparative figures have been restated. The change has no impact on earnings or equity but on a few of the Group's financial ratios.
- Nykredit Forsikring A/S has been recognised in the income statement as discontinuing operations under "Profit (loss) from discontinuing insurance operations". Profit from the sale of Nykredit Forsikring A/S has also been recognised under "Profit (loss) from discontinuing insurance operations". Pursuant to IFRS 5 comparative figures in the income statement and the cash flow statement have been restated, whereas comparative figures in the balance sheet have not been restated. The restatement has no impact on earnings or equity but on a few of the Group's financial ratios.
- The effect of the restatement of comparative figures appears from note 25.

For a full description of the Group's and the Parent Company's accounting policies, please

refer to the Annual Report for 2009, which is available at nykredit.dk.

Compared with the Annual Report for 2009 (note 1), no new reporting standards or interpretations have been issued or approved which would influence the H1 Interim Report 2010 of Nykredit Realkredit A/S and the Nykredit Realkredit Group.

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

The H1 Interim Report 2010 has not been audited or reviewed.

Notes

DKK million

2. RESULTS BY BUSINESS AREA FOR H1¹

	Retail Customers	Totalkredit	Commercial Customers	Markets & Asset Management	Other Activities	Group items and eliminations	Total
2010							
Core income from							
- Business operations	1,160	698	1,743	912	111	(11)	4,613
- Kalvebod issues	-	-	-	(7)	-	-	(7)
Total	1,160	698	1,743	905	111	(11)	4,606
Core income from securities	-	-	-	-	-	226	226
Operating costs	885	222	690	476	146	178	2,597
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	-	231	2	9	62	94	398
Core earnings before impairment losses	275	245	1,051	420	(97)	(57)	1,837
Impairment losses on loans and advances	222	56	461	1	392	114	1,246
Core earnings after impairment losses	53	189	590	419	(489)	(171)	591
Investment portfolio income ²	-	-	-	-	-	1,312	1,312
Profit (loss) before costs of capital	53	189	590	419	(489)	1,141	1,903
Net interest on hybrid core capital	-	-	-	-	-	(223)	(223)
Profit (loss) before tax	53	189	590	419	(489)	918	1,680
Total assets at 30.06.2010	196,729	446,443	426,814	163,813	7,734	74,190	1,315,723
	Retail Customers	Totalkredit	Commercial Customers	Markets & Asset Management	Other Activities	Group items and eliminations	Total
2009							
Core income from							
- Business operations	1,165	657	1,419	749	106	17	4,113
- Kalvebod issues	-	-	-	52	-	-	52
Total	1,165	657	1,419	801	106	17	4,165
Core income from securities	-	-	-	-	-	527	527
Operating costs	882	196	680	412	145	426	2,741
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	17	223	13	1	64	63	381
Core earnings before impairment losses	266	238	726	388	(103)	55	1,570
Impairment losses on loans and advances	208	144	559	-	757	163	1,831
Core earnings after impairment losses	58	94	167	388	(860)	(108)	(261)
Investment portfolio income ²	-	-	-	-	-	2,325	2,325
Profit (loss) before costs of capital	58	94	167	388	(860)	2,217	2,064
Net interest on hybrid core capital	-	-	-	-	-	(12)	(12)
Profit (loss) before tax	58	94	167	388	(860)	2,191	2,052
Total assets at 31.12.2009	202,779	434,264	406,858	142,976	8,590	51,718	1,247,185

¹ In 2010, the segment financial statements are affected by the merger between Nykredit Bank and Forstædernes Bank and general reorganisation. Comparative figures have been restated to the widest extent possible, and certain income statement and balance sheet items have been allocated among the business areas based on estimates.

² Investment portfolio income includes a profit of DKK 3m from investments in associates (2009: a loss of DKK 2m).

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2009	H1/2010	H1/2010	H1/2009
3. INTEREST INCOME			
7,370	6,667	93	309
12,101	9,266	18,831	24,103
1,240	1,480	2,534	2,211
Bonds			
987	778	2,212	1,285
295	350	557	821
821	616	212	1,556
(122)	196	279	(38)
171	106	217	380
Derivative financial instruments			
174	73	32	146
66	(212)	(318)	24
-	-	0	-
56	26	19	42
23,160	19,345	24,670	30,837
(987)	(778)	(2,212)	(1,285)
(295)	(350)	(557)	(821)
(58)	(2)	(17)	(71)
21,819	18,216	21,885	28,660
Of which interest income from genuine purchase and resale transactions entered as:			
102	19	53	148
17	-	38	339
4. INTEREST EXPENSES			
814	294	397	1,141
-	-	386	1,269
19,565	16,068	18,071	22,876
138	244	259	178
53	34	26	43
20,571	16,640	19,139	25,507
(987)	(778)	(2,212)	(1,285)
(295)	(350)	(557)	(821)
(58)	(2)	(17)	(71)
19,230	15,511	16,353	23,331
Of which interest expenses from genuine sale and repurchase transactions entered as:			
185	257	289	236
-	-	1	19

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2009	H1/2010	H1/2010	H1/2009
5. VALUE ADJUSTMENTS			
Financial assets measured at fair value through profit or loss			
3,778	8,050	15,852	8,389
3,905	4,974	-	-
0	4	(0)	5
963	736	755	1,112
410	(141)	66	(27)
-	-	(1)	(0)
105	14	189	329
266	(872)	(851)	51
-	-	-	2
Financial liabilities measured at fair value through profit or loss			
(3,957)	(8,230)	(16,031)	(8,567)
(3,905)	(4,974)	-	-
-	-	(0)	(9)
1,567	(439)	(21)	1,284
6. STAFF AND ADMINISTRATIVE EXPENSES			
19	24	24	19
864	893	1,379	1,492
450	227	942	975
1,333	1,144	2,345	2,486
Remuneration of Board of Directors and Executive Board			
Board of Directors			
1	1	1	1
Executive Board			
16	17	17	16
-	5	5	-
1	2	2	1
19	24	24	19
The terms and conditions governing the salaries, pensions and retirement of the Executive Board are unchanged relative to the mention in the Annual Report for 2009.			
Staff expenses			
728	728	1,141	1,264
72	86	123	121
64	80	115	107
864	893	1,379	1,492
Number of staff			
2,582	2,933	4,037	4,141

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2009	H1/2010	H1/2010	H1/2009
7. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES FOR PROPERTY, PLANT AND EQUIPMENT AS WELL AS INTANGIBLE ASSETS			
Intangible assets			
264	285	288	263
-	-	1	13
Property, plant and equipment			
25	39	63	59
-	-	45	45
290	324	398	381
8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES			
8. a. Earnings impact			
90	151	(426)	1,555
60	74	99	114
62	202	1,566	148
(15)	(15)	(22)	(19)
196	412	1,218	1,798
18	28	45	24
13	(5)	(5)	13
-	-	(12)	(5)
227	434	1,246	1,831
8. b. Specification of provisions for loan impairment and guarantee debtors			
270	1,204	9,127	4,459
290	428	910	563
559	1,632	10,038	5,022
Total provisions are offset against the following items:			
367	924	1,108	459
192	708	1,086	291
-	-	7,020	4,020
-	-	823	252
559	1,632	10,038	5,022

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/2009	H1/2010	H1/2010	H1/2009
8. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)			
8. c. Individual provisions for loan impairment and guarantee debtors			
180	1,053	9,553	2,904
144	375	1,261	1,691
-	-	214	146
(26)	(73)	(716)	(199)
(27)	(152)	(1,185)	(82)
270	1,204	9,127	4,459
-	-	823	252
8. d. Collective impairment provisions			
230	354	812	449
136	124	165	216
(76)	(50)	(66)	(102)
290	428	910	563
8. e. Specification of loans and advances subject to objective evidence of impairment			
1,122	5,110	19,547	6,923
270	1,204	8,304	4,207
852	3,907	11,243	2,716
450,694	492,434	1,022,195	926,282
290	428	910	563
450,405	492,006	1,021,285	925,719
9. PROFIT (LOSS) FROM INVESTMENTS IN ASSOCIATES AND GROUP ENTERPRISES			
(2)	3	3	(2)
(57)	443	-	-
-	1,592	-	-
(59)	2,037	3	(2)
10. TAX			
20.6	6.2	26.1	25.8

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
H1/ 2009	H1/2010	H1/2010	H1/2009
		11. PROFIT (LOSS) FROM DISCONTINUING INSURANCE OPERATIONS	
-	-		
	-	(80)	111
	-	1,592	-
	-	1,512	111
		11. a. Profit (loss) from discontinuing insurance operations for the period	
-	-		
	-	13	48
-	-	9	11
-	-	341	644
-	-	383	435
-	-	87	119
	-	(107)	149
-	-		
	-	(27)	38
	-	(80)	111
		Nykredit Forsikring A/S was sold to Gjensidige Forsikring AB subject to closing on 29 April 2010. Profit (loss) for the period from discontinuing insurance operations in 2010 includes four months in operation.	
		11. b. Profit from the sale of Nykredit Forsikring A/S	
-	-		
	-	2,546	-
-	-	31	-
-	-	923	-
	-	1,592	-
		11. c. Cash flows from discontinuing insurance operations	
-	-		
	-	353	90
-	-	(142)	186
-	-	(500)	-
-	-	(82)	-
	-	(371)	276

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
12. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS			
11,636	-	363	12,529
24,665	30,220	50,828	48,552
36,301	30,220	51,192	61,081
2,414	2,850	8,494	5,414
Of which prepaid funds, including immediate prepayments at par and proceeds from the issue of fixed-price agreements			
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE			
550,598	572,456	1,022,068	981,227
(91)	(189)	(312)	(236)
39	-	13,899	12,001
7,496	7,500	-	-
399,307	366,284	-	-
957,350	946,050	1,035,656	992,992
Mortgage loans			
515,906	553,913	985,216	916,582
102,790	42,230	94,137	227,000
926	576	576	926
822	1,224	1,224	822
(12,226)	(5,904)	(8,645)	(18,005)
(54,306)	(24,181)	(62,024)	(142,110)
553,913	567,858	1,010,484	985,216
(129)	(174)	(242)	(129)
273	274	274	273
554,058	567,958	1,010,516	985,361
(2,728)	5,422	12,660	(3,204)
Adjustment for interest rate risk			
Adjustment for credit risk			
(377)	(495)	(495)	(377)
(354)	(428)	(613)	(554)
550,598	572,456	1,022,068	981,227
22,687	22,939	30,622	28,049
2,694	1,768	12,089	13,281
Arrears and outlays			
558	510	685	766
27	9	89	9
(676)	(708)	(1,086)	(1,011)
(91)	(189)	(312)	(236)

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
13. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE (continued)			
Totalkredit mortgage loan funding			
321,411	397,876		
200,218	74,309		
(2,213)	(1,054)		
(121,540)	(111,113)		
397,876	360,018		
1,431	6,265		
399,307	366,284		
14. LOANS, ADVANCES AND OTHER RECEIVABLES AT AMORTISED COST			
-	-	68,364	68,721
82	61	-	-
-	-	61	82
1,077	966	966	1,077
1,159	1,027	69,391	69,879
Adjustment for credit risk			
-	-	(6,722)	(7,554)
-	-	(298)	(258)
1,159	1,027	62,371	62,067
(55)	(55)	(55)	(55)
1,103	972	62,316	62,011

Notes

DKK million

Nykredit Realkredit A/S				The Nykredit Realkredit Group	
31.12.2009	30.06.2010			30.06.2010	31.12.2009
15. BONDS AT FAIR VALUE					
99,401	36,770	Self-issued SDOs		86,197	195,665
91,320	44,111	Self-issued ROs		60,114	117,784
35,418	40,980	Other ROs		67,584	56,427
11,181	15,986	Government bonds		20,725	17,050
4,515	7,219	Other bonds		15,912	10,301
241,835	145,065	Total		250,531	397,227
(91,320)	(44,111)	Set-off of self-issued ROs against "Issued bonds at fair value" – note 19		(60,114)	(117,784)
(99,373)	(36,769)	Set-off of self-issued SDOs against "Issued bonds at fair value" – note 19		(86,196)	(195,638)
(45)	(1,162)	Set-off of self-issued junior covered bonds against "Issued bonds at fair value" – note 19		(2,177)	(1,658)
(28)	(1)	Set-off of self-issued SDOs against "Issued bonds at amortised cost" – note 20		(1)	(28)
-	-	Set-off of other self-issued bonds against "Issued bonds at amortised cost" – note 20		(3,916)	(248)
51,070	63,023	Total		98,128	81,871
Of bonds at fair value before set-off of self-issued bonds:					
935	1,561	Drawn bonds		4,508	7,201
62,109	352	Bond holdings stemming from prepaid funds, including immediate prepayments at par, and proceeds from the issue of fixed-price agreements		4,833	70,364
37,609	8,726	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		23,588	62,636
Collateral security was provided on an arm's length basis.					
16. OTHER ASSETS					
11,808	10,493	Interest and commission receivable		15,368	10,522
1,068	606	Receivables from group enterprises		-	-
2,981	2,890	Positive market value of derivative financial instruments		36,585	21,310
142	162	Defined benefit plans		162	142
-	-	Receivable relating to reinsurance		-	22
306	349	Other assets		589	608
16,306	14,501	Total		52,704	32,605
17. PAYABLES TO CREDIT INSTITUTIONS AND CENTRAL BANKS					
59,813	100,156	Payables to credit institutions		140,347	81,724
37,526	2,000	Payables to central banks		2,481	37,589
97,339	102,156	Total		142,828	119,313

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
18. DEPOSITS AND OTHER PAYABLES			
-	-	33,667	35,495
-	-	4,507	4,705
-	-	16,157	21,035
-	-	2,894	3,249
-	-	57,225	64,483
19. ISSUED BONDS AT FAIR VALUE			
484,020	447,175	547,073	590,822
598,715	509,103	509,103	598,715
15,443	17,448	17,448	15,443
1,098,178	973,726	1,073,624	1,204,979
(190,738)	(82,042)	(148,486)	(315,080)
907,439	891,684	925,137	889,899
19. a. ROs (realkreditobligationer)			
488,785	442,404	541,324	597,493
(4,764)	4,770	5,748	(6,672)
484,020	447,175	547,073	590,822
(91,320)	(44,111)	(60,114)	(117,784)
392,700	403,064	486,959	473,038
308	82	82	308
29,620	12,027	13,962	31,049
19. b. SDOs (særligt dækkede obligationer)			
595,149	502,053	502,053	595,149
3,566	7,050	7,050	3,566
598,715	509,103	509,103	598,715
(99,373)	(36,769)	(86,196)	(195,638)
499,341	472,334	422,907	403,077
850	908	908	850
166,028	4,031	4,031	166,028
19. c. Junior covered bonds			
15,384	17,272	17,272	15,384
59	176	176	59
15,443	17,448	17,448	15,443
(45)	(1,162)	(2,177)	(1,658)
15,397	16,286	15,271	13,784
-	-	-	-

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
20. ISSUED BONDS AT AMORTISED COST			
-	-	42,029	44,278
88	61	61	88
134	135	135	163
55	55	55	55
277	251	42,280	44,585
21. OTHER LIABILITIES			
-	-	(3,916)	(248)
(28)	(1)	(1)	(28)
(55)	(55)	(55)	(55)
194	195	38,308	44,253
18,626	11,885	20,133	24,081
2,107	3,289	35,309	19,303
3,208	3,305	3,234	3,140
1,363	2,750	5,832	2,700
25,304	21,229	64,508	49,224

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
22. SUBORDINATED DEBT			
Subordinated debt 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 after the claims of ordinary creditors have been met.			
Subordinated debt is included in the capital base in accordance with sections 129, 132 and 136 of the Danish Financial Business Act.			
Subordinate loan capital			
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
3,656	3,659	3,659	3,656
3,656	3,659	4,556	4,568
Hybrid core capital			
-	-	-	-
-	-	-	-
3,955	4,066	4,066	3,955
6,592	6,919	6,919	6,592
10,547	10,985	11,224	10,805
14,203	14,644	15,779	15,372
14,202	14,644	15,749	15,370
82	3	3	82
-	-	-	250

Notes

DKK million

Nykredit Realkredit A/S		The Nykredit Realkredit Group	
31.12.2009	30.06.2010	30.06.2010	31.12.2009
23. OFF-BALANCE SHEET ITEMS			
<p>The size and business scope of the Nykredit Realkredit Group continuously involve the Group 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, Nykredit Leasing A/S and Nykredit Portefølje Adm. A/S are registered jointly where payroll tax and VAT are concerned and are jointly and severally liable for the settlement thereof.</p> <p>Nykredit Realkredit A/S is liable for the obligations of the pension funds in run-off 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 sheets are presented below.</p>			
-	-	6,896	8,336
1,468	1,261	8,619	10,852
1,468	1,261	15,515	19,189
Contingent liabilities			
-	-	3,786	4,394
-	-	-	7
-	-	3,110	3,935
-	-	6,896	8,336
"Government guarantee scheme"			
<p>Nykredit Bank A/S participates in the "government guarantee scheme", under which the Danish government has issued a two-year guarantee that covers the Danish banks enrolled on the scheme. The guarantee will remain in force until 30 September 2010.</p> <p>For H1/2010, DKK 247m has been charged to the income statement under "Other operating expenses".</p> <p>Nykredit Bank A/S also participates in a sector guarantee totalling DKK 20bn with a share estimated at DKK 1.3bn, which has been recognised under "Contingent liabilities" (off-balance sheet items). Provisions for the guarantee of DKK 494m have been included under "Provisions for losses under guarantees".</p>			
Other commitments			
48	35	7,336	9,283
1,421	1,225	1,283	1,570
1,468	1,261	8,619	10,852

Notes

24. RELATED PARTY TRANSACTIONS AND BALANCES

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

In H1/2010 no unusual related party transactions occurred.

The companies have entered into agreements as a natural part of the Group's day-to-day operations. The agreements typically involve finance, guarantees, 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 2010 include:

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

Master agreements on facility, credit and risk management, management and organisational development and allocation of staff-related costs.

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 loans to Totalkredit A/S serving as security in Capital Centre E.

Nykredit Realkredit A/S has provided Totalkredit A/S with subordinated debt.

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

Master agreements on facility, credit and risk management, management and organisational development and allocation of staff-related costs.

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

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

Master agreements on facility management, management and organisational development and allocation of staff-related costs.

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

Agreements between Nykredit Realkredit A/S and Nykredit Forsikring A/S (discontinued as of 29 April 2010)

Master agreements on facility and risk management, management and organisational development and allocation of staff-related costs.

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. Nykredit Forsikring A/S has distributed a dividend of DKK 500m to Nykredit Realkredit A/S.

Agreements between the companies of the Nykredit Realkredit Group 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.

Nykredit Ejendomme A/S leases office properties to Nykredit Realkredit A/S.

Agreements between Totalkredit A/S and Nykredit 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 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

The Nykredit Realkredit Group	Published H1/2009	Changed recognition of:		Restated H1/2009
		Nykredit Forsikring A/S	JN Data A/S	
25. CHANGE IN COMPARATIVE FIGURES				
Net interest and fee income	5,700	(48)	(0)	5,652
Net premiums earned	644	(644)	-	-
Value adjustments	1,296	(11)	-	1,284
Other operating income	162	-	(92)	70
Claims incurred, net of reinsurance	435	(435)	-	-
Staff and administrative expenses	2,672	(119)	(66)	2,486
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	407	(0)	(26)	381
Other operating expenses	255	-	-	255
Impairment losses on loans, advances and receivables	1,831	-	-	1,831
Loss from investments in associates	(2)	-	(0)	(2)
Profit (loss) before tax	2,201	(149)	-	2,052
Tax	567	(38)	-	530
Profit (loss) from continuing operations for the period	1,634	(111)	-	1,522
Profit from discontinuing insurance operations	-	111	-	111
Profit for the period	1,634	-	-	1,634
SUMMARY BALANCE SHEET, END OF PERIOD				
	31.12.2009	31.12.2009	31.12.2009	31.12.2009
Assets				
Cash balance and receivables from credit institutions and central banks	62,936	-	(26)	62,910
Mortgage loans at fair value	981,227	-	-	981,227
Bank loans – excluding reverse transactions	60,908	-	-	60,908
Bonds and equities	86,620	-	-	86,620
Investments in associates	84	-	91	175
Intangible assets and property, plant and equipment	7,184	-	(81)	7,103
Other assets	48,304	-	(62)	48,242
Total assets	1,247,263	-	(78)	1,247,185
Liabilities and equity				
Payables to credit institutions and central banks	119,313	-	-	119,313
Deposits and other payables	64,483	-	-	64,483
Issued bonds at fair value	889,899	-	-	889,899
Subordinated debt	15,372	-	-	15,372
Other liabilities	106,955	-	(78)	106,877
Equity	51,241	-	-	51,241
Total liabilities and equity	1,247,263	-	(78)	1,247,185
OFF-BALANCE SHEET ITEMS				
Contingent liabilities	8,336	-	-	8,336
Other commitments	10,951	-	(99)	10,852

The restatement has no impact on earnings or equity. The restatement has a smaller effect on the financial ratios "Return on equity before tax, %", "Core earnings before impairment losses as % of average equity pa" and "Core earnings after impairment losses as % of average equity pa".

Notes

DKK million

The Nykredit Realkredit Group	Q2/ 2010	Q1/ 2010	Q4/ 2009	Q3/ 2009	Q2/ 2009	Q1/ 2009
26. SIX-QUARTER FINANCIAL HIGHLIGHTS						
Core income from						
Business operations	2,235	2,371	2,488	2,060	2,181	1,984
Securities	117	109	150	152	196	331
Total	2,352	2,480	2,637	2,212	2,377	2,315
Operating costs, depreciation and amortisation	1,501	1,494	1,589	1,582	1,586	1,536
Core earnings before impairment losses	851	986	1,049	630	791	779
Impairment losses on loans and advances, including the government guarantee scheme	547	699	1,999	4,089	1,163	668
Core earnings after impairment losses	303	288	(951)	(3,459)	(372)	111
Investment portfolio income	354	958	626	1,669	1,715	611
Profit (loss) before costs of capital	657	1,246	(325)	(1,790)	1,343	721
Net interest on hybrid core capital	(108)	(115)	(77)	(6)	(6)	(6)
Profit (loss) before tax	549	1,131	(402)	(1,795)	1,337	716
Tax	108	331	(162)	(396)	339	191
Profit (loss) from discontinuing insurance operations	1,570	(58)	83	52	61	50
Profit (loss) for the period	2,011	742	(157)	(1,348)	1,059	574
Profit (loss) for the period excludes value adjustment of strategic equities against equity	(235)	103	(87)	382	462	(6)
SUMMARY BALANCE SHEET, END OF PERIOD						
	30.06.2010	31.03.2010	31.12.2009	30.09.2009	30.06.2009	31.03.2009
Assets						
Cash balance and receivables from credit institutions and central banks	51,781	51,639	62,909	38,029	47,999	52,688
Mortgage loans at fair value	1,022,068	1,001,492	981,227	972,080	942,634	921,397
Bank loans – excluding reverse transactions	61,344	59,859	60,908	62,333	65,802	67,937
Bonds and equities	103,123	94,442	189,744	88,736	112,219	97,960
Other assets	77,407	67,691	(47,603)	81,010	72,811	78,983
Total assets	1,315,723	1,275,123	1,247,185	1,242,188	1,241,465	1,218,966
Liabilities and equity						
Payables to credit institutions and central banks	142,828	148,457	119,313	115,755	132,244	152,961
Deposits and other payables	57,225	59,450	64,483	63,486	60,557	59,231
Issued bonds at fair value	925,137	882,997	889,899	888,380	883,736	834,419
Hybrid core capital	11,224	11,076	10,805	4,224	4,183	4,233
Supplementary capital	4,556	4,572	4,568	4,777	4,771	4,873
Other liabilities	120,893	116,485	106,877	114,063	103,505	112,319
Equity	53,861	52,085	51,241	51,503	52,469	50,930
Total liabilities and equity	1,315,723	1,275,123	1,247,185	1,242,188	1,241,465	1,218,966
FINANCIAL RATIOS						
Profit for the period as % of average equity pa	15.2	5.7	(1.2)	(10.4)	8.2	4.5
Core earnings before impairment losses as % of average equity pa	6.4	7.6	8.2	4.9	6.1	6.1
Core earnings after impairment losses as % of average equity pa	2.3	2.2	(7.4)	(26.6)	(2.9)	0.9
Provisions for loan impairment and guarantees	10,038	10,930	10,364	8,542	5,022	3,964
Impairment losses for the period, %	0.0	0.1	0.2	0.4	0.1	0.1
Capital adequacy ratio, %*	18.4	18.4	17.8	16.8	16.7	15.8
Core capital ratio, %*	17.2	17.3	16.7	15.5	15.5	14.6
Average number of full-time staff	4,037	4,051	4,135	4,135	4,141	4,174

Notes

DKK million

The Nykredit Realkredit A/S	H1/ 2010	H1/ 2009	H1/ 2008	H1/ 2007	H1/ 2006
27. FIVE-YEAR FINANCIAL HIGHLIGHTS					
Net interest income	2,705	2,589	1,803	1,645	1,575
Net fee income	348	344	368	399	527
Net interest and fee income	3,053	2,933	2,171	2,044	2,102
Value adjustments	(439)	1,567	(2,182)	158	450
Other operating income	49	39	32	2	3
Staff and administrative expenses	1,144	1,333	1,249	1,106	1,209
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	324	290	249	225	173
Other operating expenses	2	0	4	0	-
Impairment losses on loans, advances and receivables	434	227	(5)	(77)	(70)
Profit (loss) from investments in associates and group enterprises	2,037	(59)	710	892	501
Profit (loss) before tax	2,795	2,629	(766)	1,842	1,744
Tax	175	540	(156)	127	124
Profit (loss) for the period	2,620	2,089	(610)	1,715	1,620
BALANCE SHEET SUMMARY					
	30.06.2010	30.06.2009	30.06.2008	30.06.2007	30.06.2006
Assets					
Cash balance and receivables from credit institutions and central banks	30,297	25,052	55,131	27,352	23,952
Mortgage lending at fair value	572,456	530,809	485,511	451,821	432,918
Funding of mortgage lending – Totalkredit	366,284	317,425	233,880	163,862	84,606
Bonds and equities	67,488	50,448	51,039	36,321	36,545
Other assets	55,484	48,955	36,830	32,523	23,039
Total assets	1,092,008	972,688	862,390	711,879	601,060
Liabilities and equity					
Payables to credit institutions and central banks	102,156	70,660	52,514	35,257	30,289
Issued bonds	891,684	812,162	702,809	595,923	497,727
Subordinated debt	14,644	7,645	7,271	7,291	7,426
Other liabilities	29,663	29,753	46,453	19,698	16,863
Equity	53,861	52,469	53,343	53,711	48,755
Total liabilities and equity	1,092,008	972,688	862,390	711,879	601,060
OFF-BALANCE SHEET ITEMS					
Other commitments	1,261	1,629	1,615	1,649	1,048
FINANCIAL RATIOS ¹					
Capital adequacy ratio, %*	18.5	17.1	18.4	16.0	15.5
Core capital ratio, %*	17.7	16.2	17.5	14.9	14.6
Return on equity before tax	5.3	5.1	(1.4)	3.5	3.6
Return on equity after tax	5.0	4.1	(1.1)	3.2	3.4
Income:cost ratio, DKK	2.5	2.42	0.49	2.47	2.33
Foreign exchange position, %	1.4	0.9	0.4	0.3	0.9
Loans and advances:equity (loan gearing)	10.6	10.2	9.1	8.4	8.9
Growth in loans and advances for the period, %	2.5	4.6	4.2	2.5	1.3
Accumulated impairment provisions, %	0.3	0.1	0.1	0.1	0.1
Impairment losses for the period, %	0.1	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 A/S	H1/ 2010	H1/ 2009	H1/ 2008	H1/ 2007	H1/ 2006
27. FIVE-YEAR FINANCIAL HIGHLIGHTS (continued)					
Net interest and fee income	5,851	5,652	3,747	3,248	3,060
Value adjustments	(21)	1,284	(1,309)	644	(41)
Other operating income	89	70	83	104	88
Staff and administrative expenses	2,345	2,486	1,960	1,669	1,677
Depreciation, amortisation and impairment losses for property, plant and equipment as well as intangible assets	398	381	268	244	253
Other operating expenses	252	255	5	1	-
Impairment losses on loans, advances and receivables	1,246	1,831	82	(72)	(83)
Profit (loss) from investments in associates	3	(2)	122	16	2
Profit before tax	1,680	2,052	327	2,171	1,262
Tax	439	530	26	446	305
Profit from continuing operations for the period	1,241	1,522	302	1,725	957
Profit from discontinuing insurance operations	1,512	111	46	76	61
Profit for the period	2,753	1,634	348	1,802	1,019
Profit (loss) for the period excluding value adjustment of strategic equities against equity	(133)	455	(958)	(86)	601
BALANCE SHEET SUMMARY					
	30.06.2010	30.06.2009	30.06.2008	30.06.2007	30.06.2006
Assets					
Cash balance and receivables from credit institutions and central banks	51,781	47,999	63,912	37,761	36,771
Mortgage lending at fair value	1,022,068	942,634	843,957	775,098	709,854
Bank lending – excl reverse transactions	61,344	65,802	49,040	34,827	25,020
Bonds and equities	103,123	112,219	81,050	61,001	58,303
Other assets	77,407	72,811	45,411	28,960	30,556
Total assets	1,315,723	1,241,465	1,083,370	937,647	860,504
Liabilities and equity					
Payables to credit institutions and central banks	142,828	132,244	118,167	90,873	80,846
Deposits and other payables	57,225	60,557	32,471	23,136	21,730
Issued bonds at fair value	925,137	883,736	795,142	721,377	662,955
Subordinated debt	15,779	8,954	7,271	8,555	8,691
Other liabilities	120,893	103,505	76,976	39,995	35,974
Equity	53,861	52,469	53,343	53,711	50,308
Total liabilities and equity	1,315,723	1,241,465	1,083,370	937,647	860,504
OFF-BALANCE SHEET ITEMS					
Contingent liabilities	6,896	8,927	4,599	3,635	3,602
Other commitments	8,619	11,523	10,343	8,862	4,638
FINANCIAL RATIOS ¹					
Capital adequacy ratio, %*	18.4	16.7	17.2	11.9	11.7
Core capital ratio, %*	17.2	15.5	16.4	10.9	10.8
Individual capital need, %	9.6	10.5	9.9	-	-
Return on equity before tax	5.7	5.1	(1.1)	4.0	4.0
Return on equity after tax	5.0	4.1	(1.1)	3.2	3.3
Income:cost ratio, DKK	1.36	1.51	0.73	2.10	2.03
Foreign exchange position, %	1.0	1.8	0.1	1.6	1.2
Loans and advances:equity (loan gearing)	20.4	19.7	17.0	15.2	14.8
Growth in loans and advances for the period, %	2.6	3.1	6.4	5.4	5.6
Accumulated impairment provisions, %	0.9	0.5	0.0	0.0	0.1
Impairment losses for the period, %	0.1	0.2	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 results for the year including value adjustment of strategic equities. When calculating the financial ratio "Return on equity before tax", "Profit (loss) from discontinuing insurance operations" is included in profit (loss) for the period before tax.

* 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 as % at 30.06.2010	Profit (loss) for the period	Equity at 30.06.2010	Profit (loss) for 2009	Equity at 31.12.2009
28. GROUP STRUCTURE					
Name and registered office					
The Nykredit Realkredit Group					
Nykredit Realkredit A/S, Copenhagen a)					
Consolidated subsidiaries					
Totalkredit A/S, Taastrup, a)	100	480	12,849	817	12,369
Nykredit Bank A/S, Copenhagen, b)	100	90	12,463	(77)	10,227
Nykredit Finance plc, Plymouth, i)	100	-	27	2	25
Pantebrevsselskabet af 8/8 1995 A/S, Copenhagen, i)	100	-	28	-	28
Nykredit Pantebrevsinvestering A/S, Copenhagen, e)	100	-	11	-	11
Nykredit Portefølje Administration A/S, Copenhagen, j)	100	13	133	17	120
Nykredit Sirius Ltd., Cayman Islands, d)	100	-	3	(10)	3
Nykredit Leasing A/S, Gladsaxe, h)	100	(2)	146	(29)	148
Forstædernes Bank A/S, Copenhagen, b)	-	-	-	(3,861)	2,147
Nykredit Forsikring A/S, Copenhagen, c)	-	(80)	-	245	1,503
Nykredit Mægler A/S, Århus, f)	100	(3)	109	(5)	113
Nykredit Ejendomme A/S, Copenhagen, g)	100	(45)	586	(56)	631
Ejendomsselskabet Kalvebod A/S, Copenhagen, g)	100	0	251	1	251
Nykredit Adm, V A/S, Copenhagen, i)	100	-	1	-	1
Dene Finanse S.A., Warsaw, k)	-	-	-	2	-

¹ With effect from 1 January 2010, Forstædernes Bank A/S merged with Nykredit Bank A/S, with Nykredit Bank A/S as the surviving company.

² Nykredit Forsikring A/S was sold with closing on 29 April 2010. Profit for the period includes the share of results up to 29 April 2010.

- 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
- k) The company has been liquidated

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