Nykredit

Translations
To the Copenhagen Stock Exchange

16 August 2007

Nykredit Realkredit A/S publishes addendum to prospectus for the offering of mortgage bonds

Nykredit Realkredit A/S publishes addendum to prospectus for the offering of mortgage bonds in connection with the presentation of the H1 Financial Statements 2007 and in accordance with the Executive Order on the issuance of bonds, balance principle and risk management (the "Executive Order").

Pursuant to section 2 of the Executive Order, Danish mortgage banks are subject to new requirements with respect to the choice of balance principle governing the issuance of mortgage bonds which implies that the balance principle applied up to now with respect to Nykredit's Capital Centre D must be revised to comply with legislation.

The prospectus for the offering of mortgage bonds in Nykredit's capital centre will therefore be amended to show that in future the issuance of mortgage bonds out of Nykredit's Capital Centre D will comply with part 2 of the Executive Order (the general balance principle). The amendment takes effect from 1 October 2007.

In practice, applying the general balance principle does not imply significant changes relative to previous announcements concerning Nykredit's lending activities out of Capital Centre D. In consequence, Nykredit has not assumed any significant further financial risk in relation to the lending and funding thereof through Nykredit's Capital Centre D.

The change of balance principle to the general balance principle also applies to other mortgage bonds issued by Nykredit.

Note particularly in relation to the presentation of the H1 Financial Statements 2007 that the forecast of profit for the year has been adjusted upwards by DKK 800m to DKK 4.4-4.7bn.

The addendum is available for download at nykredit.com.

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Yours sincerely
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Nykredit

Addendum to prospectus of 30 June 2005 for the offering of mortgage bonds in Nykredit Realkredit A/S

In connection with the publication of a new Executive Order on the issuance of bonds (the "Executive Order") and the H1 Financial Statements 2007, an addendum to the prospectus for the offering of mortgage bonds in Nykredit Realkredit A/S is published.

Referring to the stock exchange announcement dated 16 August 2007, Part II of the prospectus is amended as follows as at 1 October 2007:

Item 5.2 Bond issuance

The following text is inserted as a new paragraph:
"Bonds may also be issued as pre-issuance for the purpose of fixed-price agreements or as block issues based on a projected level of lending activity, cf the provisions of the Executive Order."

Item 6 Balance principle

The following is deleted:
"The Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and the executive order on mortgage bonds issued in pursuance hereof require mortgage banks to observe a balance principle as specified in the executive order.

The executive order on mortgage bonds provides limits as to the size of the differences between the payments from borrowers (interest and principal payments), financial instruments and excess funds under the executive order on mortgage bonds, s. 2 (2), on the one hand, and payments to the holders of the mortgage bonds issued (interest and principal payments), other securities and financial instruments on the other. Furthermore, the executive order defines limits as to the interest rate risk that follows from such imbalances. The executive order also contains a number of other provisions concerning financial risk limits.

The balance principle is applicable to the individual capital centres.

The balance principle consists of two main items:

1. Mortgage loans must be funded through the issuance of mortgage bonds and other securities.

2. The proceeds of the issued mortgage bonds and other securities must be applied to fund loans granted against registered mortgages on real property.

However, there are a line of technical factors that may temporarily lead to derogations from the general principles:

- The refinancing of adjustable-rate mortgages, the disbursement of new loans and refinancing or prepayment of existing loans will lead to an outstanding amount of mortgage bonds for which Nykredit has not yet obtained mortgages on real property (disbursements and refinancing) or awaits redemption of outstanding bonds (refinancing and prepayment). This temporary excess bond issuance is secured on particularly secure securities, deposits in or guarantees by banks in zone A countries as defined in the executive order on mortgage bonds, s. 2 (2).

- In connection with the prepayment of loans up to 2% of the issued mortgage bonds may instead be secured on other particularly secure assets such as government or mortgage bonds. The bonds applied in connection with the prepayment must have approximately the same cash flow as the loans prepaid.

- The interest rate risk of a mortgage bank as a result of imbalances between the cash flows of the loans granted, financial instruments and excess funds on the one hand and the cash flows of the mortgage bonds issued, other securities and financial instruments on the other must not exceed an amount equal to 1% of the capital base. The interest rate risk is determined for each currency as the largest decrease in the present value of the cash flows estimated in six different ways in accordance with the executive order on mortgage bonds, s. 11 (2). The interest rate risk of each currency is added up, and no set-off is allowed between the interest rate risk exposures of the different currencies.

- Future liquidity deficits as a result of disbursements exceeding payments received are allowed but limited to a share of the capital base of the mortgage bank. The limit to future liquidity deficits in Danish mortgage banks depends on the expected future timing of the deficits. The accumulated deficit may for example not exceed 25% of the capital base of the mortgage bank if it falls due within less than three years from the balance sheet date.

- The exchange rate exposure of Danish mortgage banks must not exceed an amount equal to 0.1% of the mortgage bank's capital base. The risk is estimated using Exchange Rate Indicator 2, a measure of the maximum loss at a 99% probability within 10 days. Net positions in currencies not part of Exchange Rate Indicator 2 must not exceed DKK 5 million within each currency.

- Danish mortgage banks may not grant index-linked loans on the basis of the issuance of nominal mortgage bonds and other nominal securities or vice versa or index-linked loans on the basis of the issuance of mortgage bonds and other securities indexed against another index than the index applied to the loan granted. This requirement may be derogated from in case the differences between the cash flows have been hedged completely through financial instruments.

- Danish mortgage banks may not grant callable loans on the basis of the issuance of non-callable mortgage bonds or other securities. This requirement may not be departed from by using financial instruments.

- Options and corresponding derivative instruments with asymmetric returns included in the determination of future payment differences within the framework of the balance principle may not have a maturity exceeding 4 years from the time when the agreement is concluded with the borrower.

Despite the risk limits of the balance principle, Nykredit has, in practice, structured its mortgage lending business in a way where the mortgage bank does not assume significant financial risks with respect to the lending and the underlying funding activities.

Nykredit's interest rate and liquidity risk related to lending:

As a % of the capital base	End-2005	End-2006
Liquidity deficit	0.1 %	0.0 %
Interest rate exposure	0.01 %	0.01 %

Note that the balance principle governs the actual issuance of mortgage bonds and other securities. The actual bond issuance does not appear directly from the key figures in the annual and interim reports presented in accordance with the IFRS. This can be ascribed to the fact that the liability "issued bonds" under IAS 39 must be reduced by any holdings Nykredit may have of its own mortgage bonds and other securities.

Correspondingly, investment of funds in secure liquid securities in accordance with the executive order on mortgage bonds will not appear directly under assets. This can be ascribed to the fact that any holdings of own issued mortgage bonds and other securities must be eliminated under the liability "issued bonds" in accordance with the IFRS."

Instead, the following text is inserted:
"The Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and the Executive Order on bond issuance issued in pursuance thereof require mortgage banks to observe a balance principle and a set of risk management rules in connection with the issuance of mortgage bonds and the new covered mortgage bonds (SDROs) and new covered bonds (SDOs) as specified in the said Executive Order.

The Executive Order on bond issuance provides limits to the scope of differences allowed between the payments from borrowers (interest and principal payments) against mortgages on real property, unsecured loans to public authorities or loans to public authorities granted against public authority guarantees, other investments in eligible assets (eg other non-subordinate receivables from and guarantees issued by credit institutions), derivative financial instruments to hedge cash flow differences and investments pursuant to section 4(5) of the Executive Order on bond issuance on the one hand, and payments to the holders of the issued mortgage bonds, SDROs, SDOs (interest and redemptions), other securities issued by mortgage banks conferring a preferential right on the holder and financial instruments to hedge cash flow differences on the other hand.

The Executive Order on bond issuance sets forth loss limits to the interest rate, foreign exchange, option and liquidity risk that follow from cash flow differences in the balance sheet. The Executive Order also contains a number of other provisions limiting financial risks.

For mortgage banks, the balance principle is applicable at the level of the individual capital centres and the institution in general.

The balance principle and risk management are based on the following two main points:

1. The statutory requirement for placing the proceeds in eligible assets in connection with the issuance by mortgage banks of mortgage bonds, SDROs or SDOs, other securities issued by mortgage banks conferring a preferential right on the holder.

2. Interest rate, foreign exchange and option risks are only allowed to a limited extent.

However, owing to various technical aspects of a mortgage bank's lending activities, a number of investments are not subject to the statutory limit to unsecured claims against other credit institutions in connection with the issuance of mortgage bonds:

- Placing of funds in connection with the disbursement of new loans and refinancing or prepayment of existing loans which will lead to an outstanding amount of bonds for which the credit institution has not yet obtained a mortgage on real property (disbursements and refinancing) or awaits redemption of outstanding bonds (refinancing and prepayment).
- Guarantees issued as temporary security in connection with lending against mortgages on real property until a clear registered mortgage has been obtained.

- Own issued bonds within the same capital centre (only applicable under the general balance principle).

Pursuant to the Executive Order on bond issuance, mortgage banks may for each capital centre choose between two types of balance principle regardless of whether they issue mortgage bonds, SDROs or SDOs:

1. The general balance principle
2. The specific balance principle

Nykredit has decided to issue mortgage bonds out of Capital Centre D subject to the general balance principle from 1 October 2007.

6.1 Risk limits and management under the general balance principle

The management of interest rate risk, foreign exchange risk and option risk is regulated through stress tests and loss limits. In addition, there are other structural provisions limiting liquidity risks.

Interest rate risk:

Interest rate risk is determined for each currency as the largest decrease in the present value of the cash flow differences based on assumptions of the development in the yield curve in two sets of stress tests – a small and a large stress – in six different scenarios in accordance with section 7(2) and (4) of the Executive Order on bond issuance.

The interest rate exposure of a mortgage bank must not exceed an amount equal to 1% of the capital adequacy requirement + 2% of additional capital in the capital centre according to the small stress test, and 5% of the capital adequacy requirement + 10% of additional capital in the capital centre according to the large stress test.

The interest rate exposure in each currency is added up, and netting of interest rate exposures between the different currencies is generally not allowed – however, interest rate exposures in Danish kroner and euros may be netted by up to 50% of the interest rate exposure in the currency with the numerically lower interest rate exposure.

Foreign exchange risk:

Foreign exchange risk is determined as the largest decrease in the present value of the cash flow differences based on assumptions of the development in exchange rates in four different scenarios according to section 9(2) of the Executive Order on bond issuance.

The foreign exchange exposure of a mortgage bank must not exceed 10% of the capital adequacy requirement + 10% of additional capital in the capital centre determined with respect to euros and 1% of the capital adequacy requirement + 1% of additional capital in the capital centre determined with respect to other currencies.

Option risk:

Option risk is determined for each currency as the largest decrease in the present value of the cash flow differences based on assumptions of the development in the volatility curve in two different scenarios according to section 10(3) of the Executive Order on bond issuance.

The option exposure of a mortgage bank must not exceed an amount equal to 0.5% of the capital requirement + 1% of additional capital in the capital centre.

The option exposure in each currency is added up, and netting of option exposures between the different currencies is generally not allowed – however, option exposures in Danish kroner and euros may be netted by up to 50% of the option exposure in the currency with the numerically lower interest rate exposure.

Liquidity risk:
Interest received must exceed interest payable within a period of 12 consecutive months. Interest payments include any overcollateralisation in the capital centre and investments provided they have been placed in secure and liquid securities, claims against central governments and central banks in zone A countries or deposits with credit institutions in zone A countries. No determination is required for structures with matching lending and funding, including structures in which capital gains/losses are eliminated by means of a compensation or spread on borrowers' interest payments.

The present value of all future amounts receivable must at any time exceed the present value of future payments.

6.2 Comments on Nykredit's compliance with the balance principle
As a supplement to the risk limits of the balance principle, Nykredit has in practice structured its lending business in a way where the mortgage bank does not assume significant financial risks with respect to the lending and the funding thereof.

Note that the balance principle regulates the actual issuance of mortgage bonds, SDROs, SDOs and other securities issued by mortgage banks conferring a preferential right on the holder. The actual bond issuance does not appear directly from the key figures in the annual and interim reports presented in accordance with IFRS. This can be ascribed to the fact that, under IAS 39, the item under liabilities and equity "issued bonds" must be reduced by any holdings Nykredit may have of its own mortgage bonds, SDROs, SDOs and other securities issued by mortgage banks conferring a preferential right on the holder.

Correspondingly, investment of funds in secure liquid securities in accordance with the Executive Order on bond issuance will not appear directly under assets. This can be ascribed to the fact that, under IFRS, any holdings of own issued mortgage bonds, SDROs, SDOs and other securities issued by mortgage banks conferring a preferential right on the holder must be eliminated under the item "issued bonds" under liabilities and equity."

Referring to the stock exchange announcement dated 16 August 2007, Part III "Information about Nykredit" is amended as follows:

Item 3.2. Selected financial information
The following is inserted "Reference is made to the H1 Interim Report 2007. The H1 Interim Report 2007 has not been audited."

Item 7.2.
The following is inserted "Reference is made to the H1 Interim Report 2007. The H1 Interim Report 2007 has not been audited."

13.6. Litigation and arbitration proceedings
In the first paragraph of the item, the text is amended as follows:

The following sentence is added: "Should the court find for Nykredit, deferred tax of DKK 166m will be recognised as income."

In the second paragraph of the item, the text is amended as follows:

The following is inserted: "The Danish High Court of Eastern Denmark will be able to deliver judgment in the case in 2008."

List of documents referred to in Prospectus for the offering of mortgage bonds in Nykredit Realkredit A/S

Appendix 1 has been updated and attached to this addendum.

Declaration

We hereby declare that, to the best of our knowledge and belief, the information contained in this addendum to prospectus is in accordance with the facts and does not omit anything likely to affect the picture which the prospectus is intended to give.

This addendum (including the declaration contained herein) is hereby signed on behalf of Nykredit's Management in accordance with special authorisation from Nykredit's Board of Directors:

Copenhagen, 16 August 2007

_______________________	_______________________
Peter Engberg Jensen	Karsten Knudsen
Group Chief Executive	Group Managing Director

LIST OF DOCUMENTS REFERRED TO IN "PROSPECTUS FOR THE OFFERING OF MORTGAGE BONDS IN NYKREDIT REALKREDIT A/S"

- Q1 Interim Report 2004 of Nykredit and the Nykredit Realkredit Group
- H1 Interim Report 2004 of Nykredit and the Nykredit Realkredit Group
- Q1-Q3 Interim Report 2004 of Nykredit and the Nykredit Realkredit Group
- Annual Report for 2004 of Nykredit and the Nykredit Realkredit Group
- Q1 Interim Report 2005 of Nykredit and the Nykredit Realkredit Group
- H1 Interim Report 2005 of Nykredit and the Nykredit Realkredit Group
- Q1-Q3 Interim Report 2005 of Nykredit and the Nykredit Realkredit Group
- Annual Report for 2005 of Nykredit and the Nykredit Realkredit Group
- Q1 Interim Report 2006 of Nykredit and the Nykredit Group
- H1 Interim Report 2006 of Nykredit and the Nykredit Group
- Q1-Q3 Interim Report 2006 of Nykredit and the Nykredit Group
- Annual Report for 2006 of Nykredit and the Nykredit Realkredit Group
- Q1 Interim Report 2007 of Nykredit and the Nykredit Realkredit Group
- H1 Interim Report 2007 of Nykredit and the Nykredit Group

- Stock exchange announcement dated 18 August 2005 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 17 November 2005 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 9 February 2006 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 11 May 2006 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 17 August 2006 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 9 November 2006 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 7 February 2007 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 7 February 2007 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 10 May 2007 relating to addendum to prospectus for the offering of mortgage bonds
- Stock exchange announcement dated 16 August 2007 relating to addendum to prospectus for the offering of mortgage bonds