
Interim Report – First Quarter 2013

Interim Report – First Quarter 2013 is a translation of the original report in the Danish language (Delårsrapport – 1. kvartal 2013). In case of discrepancies, the Danish version prevails.

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Financial highlights – Realkredit Danmark Group

NET PROFIT FOR THE PERIOD (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Administration margin	1,366	1,090	125	1,366	1,347	1,187	1,100	1,090	4,724
Net interest income	-4	89	-	-4	57	47	42	89	235
Net fee income	-113	-124	91	-113	-119	-109	-117	-124	-469
Income from investment portfolios	233	93	251	233	355	36	378	93	862
Other income	29	29	100	29	26	27	29	29	111
Total income	1,511	1,177	128	1,511	1,666	1,188	1,432	1,177	5,463
Expenses	193	227	85	193	220	205	218	227	870
Profit before loan impairment charges	1,318	950	139	1,318	1,446	983	1,214	950	4,593
Loan impairment charges	454	385	118	454	297	364	273	385	1,319
Profit before tax	864	565	153	864	1,149	619	941	565	3,274
Tax	216	141	153	216	288	154	237	141	820
Net profit for the period	648	424	153	648	861	465	704	424	2,454

BALANCE SHEET (END OF PERIOD)

(DKK millions)

Due from credit institutions etc.	23,257	27,696	84	23,257	18,727	22,763	30,395	27,696	18,727
Mortgage loans	734,161	721,762	102	734,161	735,494	728,659	724,559	721,762	735,494
Bonds and shares	31,934	18,653	171	31,934	35,966	32,706	26,877	18,653	35,966
Other assets	3,317	2,728	122	3,317	3,940	3,517	2,993	2,728	3,940
Total assets	792,669	770,839	103	792,669	794,127	787,645	784,824	770,839	794,127
Due to credit institutions etc.	17,484	13,856	126	17,484	10,079	20,372	24,553	13,856	10,079
Issued mortgage bonds	698,499	695,840	100	698,499	701,373	691,857	687,350	695,840	701,373
Issued senior debt	23,643	7,471	-	23,643	21,687	20,109	20,036	7,471	21,687
Other liabilities	8,055	7,412	109	8,055	14,636	9,911	7,968	7,412	14,636
Subordinated debt	-	2,037	-	-	-	-	-	2,037	-
Shareholders' equity	44,988	44,223	102	44,988	46,352	45,396	44,917	44,223	46,352
Total liabilities and equity	792,669	770,839	103	792,669	794,127	787,645	784,824	770,839	794,127

RATIOS AND KEY FIGURES

Net profit for the period as % p.a. of average shareholders' equity	5.7	3.8		5.7	7.5	4.1	6.3	3.8	5.4
Impairment charges as % of mortgage lending	0.25	0.21		0.25	0.16	0.20	0.15	0.21	0.18
Cost/income ratio (%)	12.8	19.3		12.8	13.2	17.3	15.2	19.3	15.9
Total capital ratio (%)	33.6	35.9		33.6	34.3	35.7	36.3	35.9	34.3
Tier 1 capital ratio (%)	33.0	35.3		33.0	33.7	35.1	35.7	35.3	33.7
Full-time-equivalent staff (end of period)	256	306		256	250	252	309	306	250

Realkredit Danmark Group has implemented changes to IAS 19 "Employee Benefits" effective from 1 January 2013. The comparative figures for 2012 have been restated accordingly.

Overview, first quarter 2013

- Realkredit Danmark Group recorded a net profit of DKK 648 million in the first quarter of 2013, against DKK 424 million in the first quarter of 2012. Realkredit Danmark's financial performance benefited from satisfactory developments in business activity and tight cost control.
- Realkredit Danmark's total capital ratio calculated according to the Capital Requirements Directive (CRD) was 33.6%, against 34.3% at the end of 2012.
- Realkredit Danmark issued senior debt for DKK 2 billion in the first quarter. In April, a further issue of DKK 3.5 billion was made.
- In the first quarter of 2013, customers with loans representing approximately DKK 17 billion switched from annual refinancing to refinancing every three to five years, continuing the trend from the fourth quarter of 2012.
- Realkredit Danmark maintains its expectations for a higher profit in 2013 than in 2012.

Results

Realkredit Danmark Group recorded a net profit of DKK 648 million in the first quarter of 2013, against DKK 424 million in the same period of last year. In spite of higher loan impairments, Realkredit Danmark recorded a net profit increase.

The profit improvement was achieved mainly on the back of pricing initiatives implemented in 2012 when administration and refinancing margins were increased.

The administration margin rose DKK 276 million over the first quarter of 2012.

Net interest income in the first quarter of 2013 was adversely affected by net expenses relating to senior debt. In the first quarter of 2012, Realkredit Danmark had no expenses relating to senior debt but had expenses relating to the state hybrid capital of DKK 2 billion.

Income from the investment portfolio amounted to DKK 233 million, against DKK 93 million in the first quarter of 2012. The increase was mainly attributable to the higher refinancing margins.

Total income thus rose 28% over income in the first quarter of 2012.

Expenses were down 15% because of lower costs for marketing and IT systems development.

Impairments totalled DKK 454 million, up from the year-earlier level of DKK 385 million. Impairments on business customers were stable. The rise in total impairments was caused by a collective charge of DKK 100 million made to cover losses on interest-only loans. Impairments equalled 0.25% p.a. of total mortgage lending, against 0.18% p.a. in 2012.

The delinquency rate, calculated as the proportion of due payments remaining unpaid 3½ months after the last due payment date, was 0.57% at 31 March 2013, against 0.58% in the first quarter of 2012.

The tax charge totalled DKK 216 million, corresponding to an effective tax rate of 25%.

Balance sheet

Gross lending amounted to DKK 25 billion, against DKK 32 billion in the first quarter of 2012. Mortgage lending at fair value fell marginally to DKK 734 billion.

At 31 March 2013, the average loan-to-value (LTV) ratio stood at 73%, against 72% at end-2012.

The number of new foreclosures was 42 in the first quarter. At 31 March, the total number of foreclosures was 149, or 7 less than at 1 January. The value of the foreclosures was DKK 228 million.

Issued mortgage bonds declined by DKK 3 billion to DKK 698 billion. The nominal value of issued bonds fell DKK 6 billion to DKK 675 billion. The amounts are exclusive of holdings of own bonds.

Capital and solvency

At the end of March 2013, shareholders' equity stood at DKK 45.0 billion, against DKK 46.4 billion at end-2012. The net profit of DKK 0.6 billion less dividend payments of DKK 2.0 billion accounted for the decline.

Realkredit Danmark's capital base amounted to DKK 45.3 billion, and the total capital ratio calculated in accordance with the Capital Requirements Directive (CRD) was 33.6%. At 31 December 2012, the corresponding figures were DKK 45.1 billion and 34.3%.

Realkredit Danmark uses the advanced internal ratings-based (IRB) approach to calculate risk-weighted assets for credit risks. Risk-weighted assets amounted to DKK 134.7 billion at 31 March 2013, against DKK 131.5 billion at end-2012.

Calculated on the basis of the transitional rules of the CRD, the solvency need for 2012 must, as a minimum, amount to 80% of the requirement calculated under the previous rules, corresponding to DKK 26.3 billion or a solvency need ratio of 19.6%. Realkredit Danmark thus has a capital buffer of DKK 19.0 billion.

Under Danish law, Realkredit Danmark must publish its solvency need on a quarterly basis. The www.rd.dk site provides further information.

Supplementary collateral

Realkredit Danmark issues mortgage-covered bonds. Under Danish law, it must provide supplementary collateral to the bondholders when the LTV ratio exceeds the predefined limits, which are 80% for residential property and 60% for commercial property.

At the end of March 2013, the requirement for supplementary collateral for mortgage-covered bonds was DKK 42.1 billion. At the end of 2012, the requirement was DKK 43.9 billion.

Issuance of senior debt

As a result of stricter rating agency requirements, Realkredit Danmark issued senior debt for DKK 2 billion in March 2013. In April, a further issue of DKK 3.5 billion was made.

Ratings

Realkredit Danmark's mortgage bonds and mortgage-covered bonds issued through capital centres S and T and from the Other reserves series still hold a AAA rating from Standard & Poor's. Furthermore, bonds issued through capital centre S hold a AAA rating from Fitch Ratings, while bonds issued through capital centre T hold a AA+ rating with the same agency.

Fitch Ratings recently carried out its first annual review of the bonds issued through capital centres S and T, and this did not give rise to any rating adjustments. The rating agencies' overcollateralisation requirements remain covered by Realkredit Danmark's capital base and proceeds from the issued senior debt.

Mortgage credit market

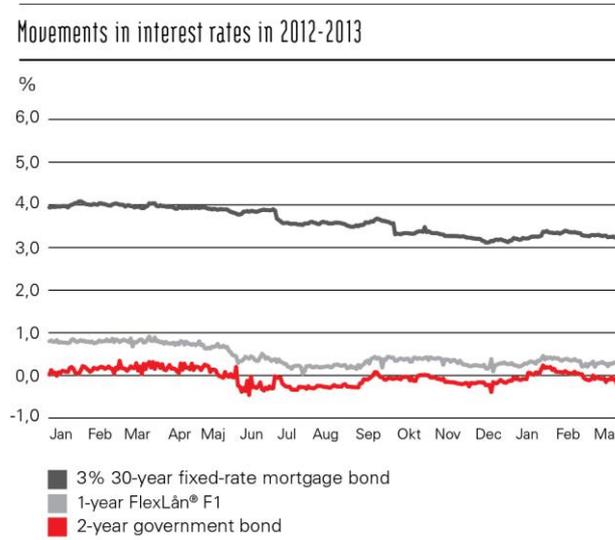
In spite of record-low interest rates and a low housing burden, the housing market is still marked by the sluggish economic climate and low consumer confidence. Fears of a deterioration of personal finances and unemployment make buyers reluctant to purchase property, and that in turn keeps a lid on prices. In 2012, prices in the Danish housing market were largely flat with prospects of only marginal price increases on homes in 2013 spurred by appreciating owner-occupied flats.

In connection with the interest resetting of FlexLån® at 1 January and 1 April, the low level of interest rates once again set new records. Low interest rates have helped consolidate many home owners' personal finances, and the number of foreclosures has been relatively stable in recent years.

As is the case with the personal customer market, activity in the corporate market generally remained

weak. Foreign investors accounted for approximately 40% of investments in 2012, with investor interest focused especially on prime-location properties that provide stable earnings.

Prices of agricultural properties are now at a more stable level, and prices in 2012 were largely unchanged from 2011.



Management

In the first quarter of 2013, Lisbeth Sahlertz Nielsen was elected by the employees as new member of the Board of Directors, replacing Klaus Pedersen, who retired in the spring of 2013.

Outlook for 2013

Realkredit Danmark expects the weak growth in the Danish economy to continue in 2013. Interest rates in Denmark are expected to remain low throughout the year and will contribute to a stable property market.

The administration margin increases in 2012 will lead to higher income in 2013, while higher funding costs and a lower return on the proprietary portfolio will reduce income.

Continued focus on cost control will support the decline in costs.

In 2013, the level of impairments is expected to be the same as in 2012.

Overall, Realkredit Danmark therefore still expects to achieve a higher profit in 2013 than it did in 2012.

Income statement and Comprehensive income – Realkredit Danmark Group

Note	(DKK millions)	Q1 2013	Q1 2012	Full year 2012
	Profit			
	Interest income	6,294	6,637	25,946
	Interest expense	4,449	5,223	19,395
	Net interest income	1,845	1,414	6,551
	Dividends from shares	-	-	-
	Fee and commission income	105	151	593
	Fee and commission expense	218	275	1,062
	Net fee and commission income	1,732	1,290	6,082
	Value adjustments	-250	-142	-732
	Other operating income	29	29	111
	Staff costs and administrative expenses	192	226	866
	Impairment, depreciation and amortisation charges	1	1	4
3	Loan impairment charges	454	385	1,319
	Income from associates	-	-	2
	Profit before tax	864	565	3,274
	Tax	216	141	820
	Net profit for the period	648	424	2,454
	Comprehensive income			
	Net profit for the period	648	424	2,454
	Items that cannot be reclassified to the income statement:			
	Actuarial gains/losses on defined benefit plans	-16	-55	77
	Tax	4	14	-19
	Total comprehensive income for the period	636	383	2,512

Balance sheet – Realkredit Danmark Group

Note	(DKK millions)	31 March 2013	31 December 2012	31 March 2012
ASSETS				
	Cash in hand and demand deposits with central banks	852	3	8
	Due from credit institutions and central banks	22,405	18,724	27,688
	Bonds at fair value	31,921	35,953	18,643
4	Mortgage loans at fair value	734,161	735,494	721,762
4	Loans and other amounts due at amortised cost	909	846	835
	Shares	2	2	2
	Holdings in associates	11	11	8
	Land and buildings	91	92	93
	Domicile property	91	92	93
	Other tangible assets	11	11	11
	Current tax assets	-	10	-
	Deferred tax assets	-	-	-
	Assets temporarily taken over	228	265	331
4	Other assets	2,061	2,706	1,433
	Prepayments	17	10	25
Total assets		792,669	794,127	770,839
LIABILITIES AND EQUITY				
AMOUNTS DUE				
	Due to credit institutions and central banks	17,484	10,079	13,856
	Issued mortgage bonds at fair value	698,499	701,373	695,840
8	Issued bonds at amortised cost	23,643	21,687	7,471
	Current tax liabilities	205	-	212
	Deferred tax liabilities	41	45	5
	Other liabilities	7,809	14,591	7,194
	Deferred income	-	-	1
Total amounts due		747,681	747,775	724,579
SUBORDINATED DEBT				
	Subordinated debt	-	-	2,037
Total liabilities		747,681	747,775	726,616
SHAREHOLDERS' EQUITY				
	Share capital	630	630	630
	Other reserves			
	Reserves in series	39,453	39,453	33,120
	Other reserves	4,905	4,269	10,473
	Proposed dividends	-	2,000	-
Total shareholders' equity		44,988	46,352	44,223
Total liabilities and equity		792,669	794,127	770,839

Statement of capital – Realkredit Danmark Group

CHANGES IN SHAREHOLDERS' EQUITY (DKK millions)	Share capital	Reserves in series	Other reserves	Proposed dividends	Total
Shareholders' equity at 1 January 2013	630	39,453	4,327	2,000	46,410
Change in recognition of defined benefit plans	-	-	-58	-	-58
Adjusted shareholders' equity at 1 January 2013	630	39,453	4,269	2,000	46,352
Net profit for the period	-	-	648	-	648
Actuarial gains/losses on defined benefit plans	-	-	-16	-	-16
Tax	-	-	4	-	4
Total comprehensive income for the period	-	-	636	-	636
Dividend paid	-	-	-	-2,000	-2,000
Shareholders' equity at 31 March 2013	630	39,453	4,905	-	44,988
Shareholders' equity at 1 January 2012	630	33,120	10,221	786	44,757
Change in recognition of defined benefit plans	-	-	-131	-	-131
Adjusted shareholders' equity at 1 January 2013	630	33,120	10,090	786	44,626
Net profit for the period	-	-	424	-	424
Actuarial gains/losses on defined benefit plans	-	-	-55	-	-55
Tax	-	-	14	-	14
Total comprehensive income for the period	-	-	383	-	383
Dividend paid	-	-	-	-786	-786
Shareholders' equity at 31 March 2012	630	33,120	10,473	-	44,223

The share capital is made up of 6,300,000 shares of DKK 100 each. The company is wholly-owned by Danske Bank A/S, Copenhagen.

CAPITAL BASE AND TOTAL CAPITAL RATIO (DKK millions)	31 March 2013	31 December 2012	31 March 2012
Shareholders' equity	44,988	46,352	44,223
Revaluation of domicile property	44	44	62
Tax effect	-11	-11	-16
Shareholders' equity calculated in accordance with the rules of the Danish FSA	45,021	46,385	44,269
Expected dividends	-500	-2,000	-150
Revaluation reserve	-31	-31	-49
Deferred tax assets	-	-	-
Core tier 1 capital	44,490	44,354	44,070
Hybrid capital	-	-	-
Difference between expected losses and impairment charges	-	-	-
Total tier 1 capital	44,490	44,354	44,070
Reserves in series subject to a reimbursement obligation	45	62	62
Revaluation reserve	31	31	49
Difference between expected losses and impairment charges	687	616	603
Capital base	45,253	45,063	44,784
Total risk-weighted assets	134,667	131,543	124,740
Core tier 1 capital ratio (%)	33.0	33.7	35.3
Tier 1 capital ratio (%)	33.0	33.7	35.3
Total capital ratio (%)	33.6	34.3	35.9

The total capital and tier 1 capital ratios are calculated in accordance with the CRD.

The solvency need calculation is described in more detail on www.rd.dk.

Cash flow statement – Realkredit Danmark Group

(DKK millions)	Q1 2013	Q1 2012	Full year 2012
Cash flow from operating activities			
Profit before tax	864	565	3,274
Tax paid	-	-	-893
Adjustment for non-cash operating items	269	267	405
Cash flow from operating capital	5,397	-4,906	-13,793
Total	6,530	-4,074	-11,007
Cash flow from investing activities			
Acquisition/sale of tangible assets	-	-	-2
Total	-	-	-2
Cash flow from financing activities			
Change in hybrid capital	-	-	-2,034
Dividend	-2,000	-786	-786
Total	-2,000	-786	-2,820
Cash and cash equivalents, beginning of period	18,727	32,556	32,556
Change during the period	4,530	-4,860	-13,829
Cash and cash equivalents, end of period	23,257	27,696	18,727

Notes – Realkredit Danmark Group

Note

1 Significant accounting policies and critical accounting estimates and assessments

Realkredit Danmark's interim report for the first quarter of 2013 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of issuers of listed bonds.

Other than as set out below, Realkredit Danmark has not changed its significant accounting policies from those followed in Annual Report 2012, which provides a full description of Realkredit Danmark's significant accounting policies.

Because of changes to IAS 19, Employee Benefits, Realkredit Danmark has changed its accounting policy for recognition of defined benefit pension plans effective from 1 January 2013. The amended standard eliminates the option of deferring the recognition of actuarial gains and losses on defined benefit pension plans, known as the "corridor method". The present value of pension obligations and the fair value of pension plan assets must be recognised in the balance sheet instead. Realkredit Danmark adopted the standard from the beginning of 2013 with restatement of comparative figures for 2012.

The new requirements have reduced shareholders' equity at 1 January 2012 by DKK 131 million (the amount deferred under the corridor method net of tax). The end-2012 effect is a reduction of the net pension asset of DKK 77 million, a reduction of the deferred tax liability of DKK 19 million and a reduction of shareholders' equity of DKK 58 million. The net profit for 2012 has been increased by DKK 15 million because of reduced pension costs (after tax). Actuarial gains of DKK 58 million after tax have been recognised in Other comprehensive income for 2012.

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of Realkredit Danmark's consolidated financial statements. The estimates and assumptions that are deemed critical to the consolidated financial statements concern the fair value measurement of mortgage loans.

The estimates and assumptions are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur and other parties may arrive at other estimated values.

Fair value measurement of mortgage loans

The fair value of mortgage loans is based on the fair value of the underlying issued mortgage bonds adjusted for changes in the fair value of the credit risk on borrowers. For mortgage loans granted to customers in rating categories 10 and 11 (all loans with objective evidence of impairment), such adjustment equals the difference between the carrying amount and the present value of the expected future cash flow of the asset, including the net realisable value of collateral held.

A collective assessment determines the need for changes to reflect fair value adjustments of the credit risk of the remaining portion of the portfolio. No changes are made if it is possible to raise the administration margin on loans (credit margin) sufficiently to compensate for the higher credit risk and market risk premiums on mortgage loans. If it is not possible to raise the administration margin sufficiently or at all, a collective adjustment is made, which reflects trends in expected losses, unexpected losses (volatility) and the possibility of raising administration margins in the future. The expected future cash flows are discounted at the current market rate with the addition of a risk premium.

Realkredit Danmark's principal risks and external factors that may affect Realkredit Danmark are described in more detail in Annual Report 2012.

The interim report has not been reviewed or audited.

Notes - Realkredit Danmark Group

Note (DKK millions)

2 Profit broken down by activity

Q1 2013	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	1,366	-	1,366	-	1,366
Net interest income	-4	483	479	-483	-4
Dividends from shares	-	-	-	-	-
Net fee income	-113	-	-113	-	-113
Income from investment portfolios	-	-	-	233	233
Value adjustments	163	-413	-250	250	-
Other income	29	-	29	-	29
Total income	1,441	70	1,511	-	1,511
Expenses	192	1	193	-	193
Profit before loan impairment charges	1,249	69	1,318	-	1,318
Loan impairment charges	454	-	454	-	454
Income from associates	-	-	-	-	-
Profit before tax	795	69	864	-	864
Q1 2012	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	1,090	-	1,090	-	1,090
Net interest income	89	235	324	-235	89
Dividends from shares	-	-	-	-	-
Net fee income	-124	-	-124	-	-124
Income from investment portfolios	-	-	-	93	93
Value adjustments	8	-150	-142	142	-
Other income	29	-	29	-	29
Total income	1,092	85	1,177	-	1,177
Expenses	226	1	227	-	227
Profit before loan impairment charges	866	84	950	-	950
Loan impairment charges	385	-	385	-	385
Income from associates	-	-	-	-	-
Profit before tax	481	84	565	-	565

Mortgage finance encompasses property financing services provided in Denmark, Sweden and Norway to personal and business customers. The mediation of property financing services is made through Danske Bank's branch network and finance centres and through Corporate & Institutional Mortgage Finance at Realkredit Danmark. The segment also includes mediation of real estate transactions offered through the real-estate agency chain "home". Under the Danish Financial Business Act, at least 60% of the capital base of a mortgage credit institution must be invested in bonds, etc. Own holdings comprise the net return on the part of the securities portfolio not relating to the mortgage finance business. Income from trading activities and own holdings is carried in the income statement under net interest income and value adjustments, etc. In the consolidated highlights, this income is reclassified to income from investment portfolios.

IFRS require disclosure if 10% or more of the income derives from a single customer. Realkredit Danmark has no such customers.

Notes – Realkredit Danmark Group

Note	(DKK millions)	Q1 2013	Q1 2012
3	Loan impairment charges		
	Impairment charges etc.	488	443
	Reversals of impairment charges etc. for previous years	220	177
	Losses incurred	203	148
	Received on claims previously written off	17	29
	Total	454	385

4 **Loans etc.**

Of the total fair value adjustment for the credit risk on mortgage loans, impairments were recognised as an expense of DKK 2,951 million at 31 March 2013, against DKK 2,673 million at the beginning of the year.

Of total loan impairments for the credit risk on loans and other amounts due at amortised cost, impairments were recognised as an expense of DKK 278 million at 31 March 2013, against DKK 288 million at the beginning of the year.

	Loans, individual impairment	Loans, collective impairment	Total
Impairment charges etc. at 1 January 2012	2,274	285	2,559
Impairment charges etc. for the period	1,139	103	1,242
Reversals of impairment charges etc. for previous years	666	174	840
Impairment charges etc. at 31 December 2012	2,747	214	2,961
Impairment charges etc. for the period	354	134	488
Reversals of impairment charges etc. for previous years	210	10	220
Impairment charges etc. at 31 March 2013	2,891	338	3,229

Value adjustment of assets taken over amounted to DKK -8 million at 31 March 2013, against DKK -1 million at end-2012.

5 **Assets deposited as collateral**

At 31 March 2013, Realkredit Danmark had deposited securities worth DKK 19,248 million (end of 2012: DKK 21,442 million) as collateral with the Danish central bank.

In connection with repo transactions, which involve selling securities to be repurchased at a later date, the securities remain on the balance sheet, and the amounts received are recognised as due to credit institutions and central banks. Repo transaction securities are treated as assets provided as collateral for liabilities. At 31 March 2013, the carrying amount of such securities totalled DKK 17,483 million (end of 2012: DKK 10,077 million). Counterparties are entitled to sell the securities or deposit them as collateral for other loans.

At 31 March 2013, mortgage lending totalling DKK 734,161 million and other assets totalling DKK 42,122 million (end-2011: DKK 735,494 million and DKK 43,873 million) were registered as security for issued mortgage bonds, including mortgage-covered bonds, and issued bonds at amortised cost.

Notes – Realkredit Danmark Group

Note	(DKK millions)				
6	Financial instruments at fair value				
	31 March 2013	Quoted prices	Observable input	Non-observable input	Total
	Bonds at fair value	31,921	-	-	31,921
	Mortgage loans at fair value	-	734,161	-	734,161
	Shares	-	-	2	2
	Derivatives	-	363	-	363
	Total	31,921	734,524	2	766,447
	Issued mortgage bonds at fair value	698,499	-	-	698,499
	Derivatives	-	102	-	102
	Total	698,499	102	-	698,601
	31 December 2012				
	Bonds at fair value	35,953	-	-	35,953
	Mortgage loans at fair value	-	735,494	-	735,494
	Shares	-	-	2	2
	Derivatives	-	612	-	612
	Total	35,953	736,106	2	772,061
	Issued mortgage bonds at fair value	701,373	-	-	701,373
	Derivatives	-	210	-	210
	Total	701,373	210	-	701,583

Note 37 to Annual Report 2012 provides a description of the valuation techniques used for financial instruments. Financial market developments have not resulted in reclassification of bonds between listed prices and observable input during the first three months of 2013.

7 Contingent liabilities

Owing to its size and business volume, the Realkredit Danmark Group is continually a party to various lawsuits or disputes. Realkredit Danmark does not expect the outcomes of lawsuits or disputes to have any material effect on its financial position.

As the sponsoring employer, Realkredit Danmark is liable for the pension obligations of Kreditforeningen Danmarks Pensionsafvilkingskasse. Kreditforeningen Danmarks Pensionsafvilkingskasse and, by extension, Realkredit Danmark's defined benefit plan has not accepted new business since 1971.

The company is registered jointly with all major Danish subsidiaries of Danske Bank for financial services employer tax and VAT, for which it is jointly and severally liable.

The company is jointly taxed with all Danish companies of Danske Bank and is jointly and severally liable for Danish income tax, withholding tax and other taxes levied on such companies.

The table below shows guarantees and indemnities issued by Realkredit Danmark, irrevocable loan commitments regarding reverse mortgages and other commitments not recognised on the balance sheet.

(DKK millions)	31 March 2013	31 December 2012	31 March 2012
Other contingent liabilities			
Irrevocable loan commitments regarding reverse mortgages	112	179	214
Other commitments	122	123	120
Total	234	302	334

Realkredit Danmark as lessee

Realkredit Danmark is the lessee in a number of operating leases. Under such leases, Realkredit Danmark is entitled to use an asset for a specific period of time against lease payments, but it does not take over the major risks associated with the asset nor does it benefit from any returns. The leases involve mainly cars. The minimum lease payments at 31 March 2013 were DKK 1 million (31 December 2012: DKK 1 million).

Notes – Realkredit Danmark Group

Note	(DKK millions)				
8	Issued bonds at amortised cost				
			31 March 2013	31 December 2012	
	Nominal value of issued bonds		23,500	21,500	
	Fair value hedging of interest rate risk		97	141	
	Premium/discount		46	46	
	Total issued bonds		23,643	21,687	
	Nominal value	1 January 2013	Issued	Redeemed	31 March 2013
	Total issued bonds	21,500	2,000	-	23,500

Issued bonds at amortised cost consist of issued senior debt.

Statement by the management

The Board of Directors and the Executive Board (the management) have considered and approved Interim Report – First Quarter 2013 of the Realkredit Danmark Group.

The consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the consolidated interim financial statements give a true and fair view of the Group's assets, liabilities, shareholders' equity and financial position at 31 March 2013 and of the results of the Group's operations and the consolidated cash flows for the period starting on 1 January 2013 and ending on 31 March 2013. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's operations and financial position and describes the significant risks and uncertainty factors that may affect Realkredit Danmark.

Copenhagen, 2 May 2013

Executive Board

Carsten Nøddebo Rasmussen
Chairman of the Executive Board

Board of Directors

Tonny Thierry Andersen
Chairman

Lars Mørch
Vice Chairman

Kim Andersen

Henrik Ramlau-Hansen

Claus Bundgaard

Lisbeth Sahlertz Nielsen

Supplementary information

Financial calendar

- Interim Report – First Half 2013:
1 August 2013
- Interim Report – First Nine Months 2013:
31 October 2013
- Annual Report 2013:
6 February 2014

Contact

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and Chief Executive Officer
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