
Interim Report – First Half 2008

Management's report	
Financial highlights - Realkredit Danmark Group	3
Financial review	4
Results for the first half of 2008	4
Balance sheet	4
Capital and solvency	5
Mortgage credit market	5
Outlook for 2008	5
Accounts – Realkredit Danmark Group	
Income statement	6
Balance sheet	7
Capital	8
Cash flow statement	9
Notes	10
Accounts – Realkredit Danmark A/S	13
Statement by the management	19
Additional information	20

Interim Report – First Half 2008 is a translation of the original report in the Danish language (Delårsrapport – 1. halvår 2008). In case of discrepancies, the Danish version prevails.

Financial highlights - Realkredit Danmark Group

NET PROFIT FOR THE PERIOD DKr m	First half 2008	First half 2007	Index 08/07	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Full year 2007
Administration margin	1,464	1,399	105	736	728	721	713	704	2,833
Net interest income	869	799	109	438	431	482	459	404	1,740
Net fees	-220	-167	132	-113	-107	-81	-92	-87	-340
Net trading income	-37	7	-	-168	131	134	96	-3	237
Other income	92	88	105	38	54	34	38	46	160
Total income	2,168	2,126	102	931	1,237	1,290	1,214	1,064	4,630
Operating expenses	496	600	83	247	249	310	284	304	1,194
Profit before credit loss expenses	1,672	1,526	110	684	988	980	930	760	3,436
Credit loss expenses	9	-6	-	12	-3	-21	17	8	-10
Profit before tax	1,663	1,532	109	672	991	1,001	913	752	3,446
Tax	421	393	107	177	244	239	222	174	854
Net profit for the period	1,242	1,139	109	495	747	762	691	578	2,592

BALANCE SHEET END OF PERIOD DKr m

Due from credit institutions etc.	13,253	20,923	63	13,253	13,731	23,178	16,178	20,923	23,178
Mortgage loans	635,184	600,337	106	635,184	642,586	627,809	614,033	600,337	627,809
Bonds and shares	3,024	7,055	43	3,024	5,426	40,059	11,206	7,055	40,059
Other assets	1,510	1,819	83	1,510	1,867	3,157	2,365	1,819	3,157
Total assets	652,971	630,134	104	652,971	663,610	694,203	643,782	630,134	694,203
Due to credit institutions etc.	3,171	5,707	56	3,171	7,928	11,918	5,704	5,707	11,918
Issued mortgage bonds	602,219	580,310	104	602,219	611,061	630,844	591,261	580,310	630,844
Other liabilities	10,581	9,812	108	10,581	8,116	15,683	11,821	9,812	15,683
Shareholders' equity	37,000	34,305	108	37,000	36,505	35,758	34,996	34,305	35,758
Total liabilities and equity	652,971	630,134	104	652,971	663,610	694,203	643,782	630,134	694,203

RATIOS AND KEY FIGURES

Net profit for the period as % p.a. of avg. shareholders' equity	6.8	6.8		5.4	8.3	8.6	8.0	6.8	7.5
Cost/income ratio, %	22.9	28.2		26.5	20.1	24.0	23.4	28.6	25.8
Solvency ratio	62.8	10.4		62.8	64.4	10.5	10.4	10.4	10.5
Core (tier 1) capital ratio	62.7	10.4		62.7	64.4	10.5	10.3	10.4	10.5
Full-time-equivalent staff, end of period	521	720		521	513	519	717	720	519

As of 2008, the solvency and core capital ratios are calculated in accordance with the CRD.

Financial review

- The Realkredit Danmark Group recorded a profit of DKr1,242m in the first half of 2008 compared with DKr1,139m in the first half of 2007. The result for the period is in line with expectations.
- Since the end of 2007, the outstanding nominal bond debt on mortgage lending has climbed 3% to DKr670m.
- In the first six months of 2008, the market share of net new lending grew 2.2 percentage points from 25.1% in 2007 to 27.3%. The market share of the loan portfolio was 31.5% at the end of the first half of 2008, against 31.8% at the end of 2007.
- At June 30, 2008, the solvency ratio was 62.8%.
- The outlook for the pre-tax profit for 2008 is unchanged relative to the expectations announced in the interim report for first quarter of 2008.

Results for the first half of 2008

For the first half of 2008, the Realkredit Danmark Group's profit after tax was DKr1,242m, against DKr1,139m for the same period of 2007. The result was 9% up on the first half of 2007, partly as a result of a higher administration margin caused by an increase in the volume of lending. The result matched the level forecast at the publication of the interim report for the first quarter of 2008.

Total income rose DKr42m, or 2%, relative to the first half of 2007. The administration margin was up DKr65m on the year-earlier period as a result of a larger loan portfolio, and net interest income climbed DKr70m, primarily on account of the larger capital.

In line with expectations, net fee expenses rose to DKr220m in the first half of 2008 because the activity and portfolio-based fees paid to Danske Bank for mortgage loans arranged through them in 2008 comprised a larger proportion of the loans in the private market.

Net trading income amounted to a net negative entry of DKr37m, against a net positive entry of DKr7m in the same period of last year. Net trading income consists of value adjustments and the yield on the proprietary investment portfolio after deduction of funding costs – calculated on the basis of short-term money market rates. Rising bond yields and the resulting capital losses caused the decline in the second quarter of 2008.

Operating expenses declined 17% to DKr496m. The decline was expected since a number of employees transferred to Danske Bank in connection with the organisational change at the end of 2007. The lower expenses should be seen in light of the increase in net fee expenses because the activity and portfolio-based fees paid to Danske Bank, as mentioned above, now comprise a larger proportion of the loans in the private market.

Credit loss expenses amounted to DKr9m for the first half of 2008, against an income of DKr6m in the first half of 2007. Credit quality remains strong and the delinquency rate remains very low, although economic developments have triggered a slight increase. Most private-market customers have loans with 12 payment dates, which typically have lower delinquency rates than loans with two or four payment dates.

Following several years of price increases, the Danish property market has witnessed actual price decreases during the past year. Prices of owner-occupied flats have dropped almost 9% over the past year. The single-family housing market in the Copenhagen area has experienced a noticeable decline in prices, and at national level prices in the single-family housing market have fallen by around 4% during the past 12 months. Realkredit Danmark's loans remain strongly secured against the mortgaged properties. This is reflected in Realkredit Danmark's average loan-to-value (LTV) ratio – calculated on the basis of the last krone lent for every property – which stayed unchanged at 53% at the end of June 2008 relative to the end of 2007 and the end of June 2007. The low LTV ratio means that Realkredit Danmark is well protected against losses if customers default on their obligations.

The total tax charge for the first half of 2008 amounted to DKr421m, corresponding to an effective tax rate of 25%.

Balance sheet

Mortgage lending at fair value rose DKr7bn to DKr635bn relative to the end of 2007, while the nominal outstanding bond debt rose DKr22bn to DKK 670bn after gross lending of DKr59bn in first half of 2008.

Issued mortgage bonds declined DKr29bn to DKr602bn compared with the end of 2007. The nominal value of issued bonds declined DKr15bn to DKr637bn. The amounts are exclusive of the holding of own bonds.

Capital and solvency

At the end of June 2008, shareholders' equity stood at Dkr37,000m, and the solvency ratio calculated according to the CRD was 62.8%. At the beginning of 2008, the corresponding figures were Dkr35,758m and 64.3%. The movements in shareholders' equity were attributable exclusively to retained earnings.

As from January 1, 2008, the Realkredit Danmark Group has applied the advanced internal ratings-based (IRB) approach to calculate risk-weighted assets concerning credit risks. This has resulted in a significant reduction of the capital requirement. However, in accordance with the CRD transition rules the capital requirement for 2008 must as a minimum amount to 90% of the requirement calculated under the previous rules, corresponding to Dkr25,221m and a solvency ratio of 43.7%.

Mortgage credit market

Financial unrest and a general decline in property prices characterised the mortgage credit market in Denmark during the first six months of 2008. The recent financial turmoil and inflationary pressure has caused uncertainty in respect of interest rate developments and, by extension, uncertainty as regards future monthly mortgage payments on interest-reset loans.

Furthermore, monetary policy in the eurozone is expected to be tightened, which will drastically push up interest rates on floating-rate loans. The interest rate on FlexLån®F1 has climbed 0.6 of a percentage point since the end of 2007.

Effective rate of interest %	June 30, 2008	Dec. 31, 2007
FlexLån® F1	5.3	4.7
6% 30-year fixed-rate loan	6.6	6.3
Rentedyk TM	7.0	6.6
FlexGaranti® 5M	6.3	5.4
RD Cibor6®	5.5	4.9

In the first half of 2008, gross lending in the Danish mortgage credit market rose 5.4% relative to the same period of 2007. As activity in the owner-occupied housing market was weak the increase was attributable exclusively to lending to the corporate market, with lending to the urban trade segment representing the bulk of the improvement.

Relative to the full year 2007, Realkredit Danmark's market share of net new lending rose 2.2 percentage points to 27.3%. The improvement was attributable to rising market shares in the corporate market, with the market share of net new lending in the first half of 2008 rising to 30.7% from 26.2% in the same period of last year.

Market share, all markets %	First half 2008	Full year 2007
Gross lending	28.5	25.4
Net new lending	27.3	25.1
Loan portfolio	31.5	31.8

Outlook for 2008

Realkredit Danmark still expects activity in the mortgage credit market in 2008 to be slightly weaker than in 2007. However, as a result of the rising interest rates in the first half of 2008, the opportunities for refinancing to a higher coupon have become attractive for borrowers holding 4% and 5% fixed-rate loans. Accordingly, slightly stronger activity is forecast for interest-driven refinancing in the second half of 2008.

The private market is likely to see unchanged to slightly falling property prices and unchanged property sales. Consequently, Realkredit Danmark expects demand for mortgage loans to finance changes of ownership to be at the same level as in 2007.

In the corporate market, investments in new developments are likely to decline in 2008. In turn, this will cause a slight fall in lending to the corporate market in 2008 compared with 2007.

The increase in the volume of lending will boost the administration margin in 2008. Net interest income is forecast to rise as a result of the rise in shareholders' equity. Net fee expenses will go up because the activity and portfolio-based fees paid to Danske Bank for mortgage loans arranged through them in 2008 will also comprise a larger proportion of the loans in the private market. Net trading income will depend largely on the level of securities prices at the end of the year.

Operating expenses will decline because a number of employees transferred to Danske Bank in connection with the organisational change.

Assuming that the economic climate remains unchanged, credit loss expenses are expected to remain low.

The pre-tax profit for 2008 will depend largely on trends in the financial markets, including the level of securities prices at the end of the year. At an unchanged level of interest rates, the pre-tax profit is likely to be 4-9% higher than in 2007 - unchanged relative to the expectations announced in the interim report for the first quarter of 2008.

The Group estimates that its effective tax rate will be 25%.

Income statement - Realkredit Danmark Group

DKr m	First half 2008	First half 2007	Q2 2008	Q2 2007
Interest income	16,465	14,879	8,323	7,574
Interest expense	14,150	12,666	7,153	6,466
Net interest income	2,315	2,213	1,170	1,108
Dividends from shares	12	15	12	15
Fee and commission income	225	217	128	110
Fee and commission expense	445	384	241	197
Net fee and commission income	2,107	2,061	1,069	1,036
Value adjustments	-32	-30	-176	-25
Other operating income	92	88	38	46
Staff costs and administrative expenses	492	596	245	302
Impairment, amortisation and depreciation	4	4	2	2
Credit loss expenses	9	-6	12	8
Income from associated undertakings	1	7	-	7
Profit before tax	1,663	1,532	672	752
Tax	421	393	177	174
Net profit for the period	1,242	1,139	495	578

Balance sheet - Realkredit Danmark Group

DKr m	June 30, 2008	Dec. 31, 2007
ASSETS		
Cash in hand and demand deposits with central banks	45	25
Due from credit institutions and central banks	13,208	23,153
Bonds at fair value	2,950	39,987
Mortgage loans at fair value	635,184	627,809
Loans and other amounts due at amortised cost	486	333
Shares	62	62
Holdings in associated undertakings	12	10
Land and buildings	95	124
Domicile property	95	124
Other tangible assets	16	17
Deferred tax assets	18	28
Other assets	879	2,643
Prepayments	16	12
Total assets	652,971	694,203
LIABILITIES AND EQUITY		
LIABILITIES		
Due to credit institutions and central banks	3,171	11,918
Issued mortgage bonds at fair value	602,219	630,844
Current tax liabilities	187	4
Other liabilities	10,370	15,671
Deferred income	24	8
Total liabilities	615,971	658,445
SHAREHOLDERS' EQUITY		
Share capital	630	630
Other reserves		
Reserves in series	6,334	6,334
Other reserves	30,036	28,794
Total shareholders' equity	37,000	35,758
Total liabilities and equity	652,971	694,203

Capital - Realkredit Danmark Group

CHANGE IN SHAREHOLDER'S EQUITY DKr m	Share capital	Proposed dividend	Other reserves	Total
Shareholders' equity at January 1, 2008	630	-	35,128	35,758
Net profit for the period	-	-	1,242	1,242
Shareholders' equity at June 30, 2008	630	-	36,370	37,000
Shareholders' equity at January 1, 2007	630	-	32,536	33,166
Net profit for the period	-	-	1,139	1,139
Shareholders' equity at June 30, 2007	630	-	33,675	34,305

The share capital is made up of 6,300,000 shares of DKr100 each. The company is wholly-owned by Danske Bank A/S, Copenhagen.

SOLVENCY DKr m	June 30, 2008	Jan. 1, 2008	Dec. 31, 2007
Shareholders' equity	37,000	35,758	35,758
Expected dividend	-484	-	-
Domicile property	57	61	61
Pension obligation	-215	-179	-179
Tax effect	54	45	45
Revaluation reserve	-46	-48	-48
Deferred tax assets	-71	-73	-73
Difference between expected losses and value adjustments	-122	-256	-
Core (tier 1) capital	36,173	35,308	35,564
Reserves in series subject to a reimbursement obligation	96	106	106
Revaluation reserve	46	48	48
Difference between expected losses and value adjustments	-122	-154	-
Capital base	36,193	35,308	35,718
Capital requirements			
Credit risk, IRB approach	3,706	3,470	
Credit risk, standardised approach	1	6	
Counterparty risk	2	-	
Total credit risk	3,709	3,476	26,802
Market risk	381	383	384
Operational risk	524	532	
Capital requirements pillar I	4,614	4,391	
Pillar II and transition rules	20,607	20,077	
Total capital requirements	25,221	24,468	27,186
Total risk-weighted items	57,672	54,892	339,828
Core (tier 1) capital ratio, %	62.72	64.32	10.47
Solvency ratio, %	62.76	64.32	10.51

As of 2008, the solvency and core capital ratios are calculated in accordance with the CRD. Solvency for 2007 is calculated in accordance with the rules of the Danish FSA in force at that time.

In accordance with the CRD transition rules, the minimum requirement for the solvency ratio at June 30, 2008 is 43.7%.

Cash flow statement - Realkredit Danmark Group

DKr m	First half 2008	First half 2007
Cash flow from operating activities		
Net profit for the period	1,242	1,139
Adjustment for non-liquid items in the income statement	-2,493	-3,025
Cash flow from operating capital	-8,717	4,255
Total	-9,968	2,369
Cash flow from investing activities		
Acquisition/sale of tangible assets	43	-
Total	43	-
Cash and cash equivalents at January 1	23,178	18,554
Change during the period	-9,925	2,369
Cash and cash equivalents at June 30	13,253	20,923

Notes - Realkredit Danmark Group

Note

1 **Significant accounting policies**

The Group's interim report for the first half of 2008 has been prepared in accordance with IAS 34 Interim Financial Reporting and additional Danish disclosure requirements for interim financial reports of issuers of listed bonds.

The accounting policies are consistent with those of the annual report for 2007. See the annual report for a full description of significant accounting policies applied.

For a detailed description of the Group's significant risks and external conditions that may affect the Group, see Annual Report 2007.

The interim report has not been reviewed or audited.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of international financial reporting standards, and the International Financial Interpretations Committee (IFRIC) has issued a number of interpretations that have not yet come into force.

None of these is expected to materially affect the financial reporting of the Group.

Notes - Realkredit Danmark Group

Note DKr m

2 Operating activity accounts - Realkredit Danmark Group

First half 2008	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	1,464	-	1,464	-	1,464
Net interest income	869	-18	851	18	869
Dividends from shares	-	12	12	-12	-
Net fees	-220	-	-220	-	-220
Net trading income	-	-	-	-37	-37
Value adjustments	27	-59	-32	32	-
Other income	92	-	92	-	92
Total income	2,232	-65	2,167	1	2,168
Operating expenses	494	2	496	-	496
Profit before credit loss expenses	1,738	-67	1,671	1	1,672
Credit loss expenses	9	-	9	-	9
Income from associated and subsidiary undertakings	-	1	1	-1	-
Profit before tax	1,729	-66	1,663	-	1,663
First half 2007	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	1,399	-	1,399	-	1,399
Net interest income	799	15	814	-15	799
Dividends from shares	-	15	15	-15	-
Net fees	-167	-	-167	-	-167
Net trading income	-	-	-	7	7
Value adjustments	88	-118	-30	30	-
Other income	88	-	88	-	88
Total income	2,207	-88	2,119	7	2,126
Operating expenses	598	2	600	-	600
Profit before credit loss expenses	1,609	-90	1,519	7	1,526
Credit loss expenses	-6	-	-6	-	-6
Income from associated and subsidiary undertakings	-	7	7	-7	-
Profit before tax	1,615	-83	1,532	-	1,532

In addition to the mortgage finance business itself, mortgage finance also includes purchases and sales of real property through the "home" franchise.

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, value adjustments, etc. In the consolidated highlights, this income is reclassified to net trading income.

Notes - Realkredit Danmark Group

Note

3 **Contingent liability**

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

The Group's pension obligations are covered through regular payments to insurance companies, etc. In addition, Realkredit Danmark guarantees the pension obligations of Kreditforeningen Danmark Pensionsafvklingskasse.

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

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

Guarantees and other liabilities DKr m	June 30, 2008	Dec. 31, 2007
Guarantees etc.	4	4
Other liabilities	720	838
Total	724	842

4 **Highlights**

DKr m	First half 2008	First half 2007
Highlights		
1. Net interest and fee income	2,107	2,061
2. Value adjustments	-32	-30
3. Staff costs and administrative expenses	492	596
4. Credit loss expenses	9	-6
5. Income from associated undertakings	1	7
6. Net profit for the period	1,242	1,139
7. Loans	635,670	600,820
8. Shareholders' equity	37,000	34,305
9. Total assets	652,971	630,134
Ratios and key figures		
1. Solvency ratio, %	62.8	10.4
2. Core (tier 1) capital ratio, %	62.7	10.4
3. Half-year return on equity before tax, %	4.6	4.5
4. Half-year return on equity after tax, %	3.4	3.4
5. Income/cost ratio, DKr	4.29	3.58
6. Foreign exchange position, %	2.9	4.6
7. Ratio of lending to shareholders' equity	17.2	17.6
8. Growth in lending for the period, %	3.4	2.6
9. Impairment ratio for the period, %	0.0	0.0

The ratios and key figures are defined in the executive order on financial reports of credit institutions, etc., issued by the Danish FSA.

Accounts - Realkredit Danmark A/S

DKr m

The accounts of the Parent Company, Realkredit Danmark A/S, are presented in accordance with the Danish Financial Business Act, including the Danish FSA's executive order on financial reports presented by credit institutions etc. The principles of the new rules are identical to the Group's valuation principles under IFRS, with the exceptions that domicile property owned by the Parent Company is recognised at its estimated fair value and that the corridor method is not applied to pension obligations. Holdings in subsidiary undertakings are valued using the equity method, which means that the tax payable by subsidiary undertakings is charged to the item Income from associated and subsidiary undertakings.

The table below sets out the difference between the Group's IFRS accounts and its reporting to the Danish FSA with respect to net profit and shareholders' equity.

	Net profit First half 2008	Net profit First half 2007	Shareholders' equity June 30, 2008	Shareholders' equity Dec 31, 2007
Group accounts according to IFRS	1,242	1,139	37,000	35,758
Domicile property	-5	-	57	61
Pension obligations	-36	-36	-215	-179
Tax effect	9	9	54	45
Group accounts according to the rules of the Danish FSA	1,210	1,112	36,896	35,685

Income statement - Realkredit Danmark A/S

Note	DKr m	First half 2008	First half 2007
1	Interest income	16,459	14,875
2	Interest expense	14,149	12,666
	Net interest income	2,310	2,209
	Dividends from shares	12	15
	Fee and commission income	225	217
	Fee and commission expense	445	384
	Net interest and fee income	2,102	2,057
3	Value adjustments	-32	-30
	Other operating income	10	1
	Staff costs and administrative expenses	467	573
	Impairment, amortisation and depreciation	2	3
	Credit loss expenses	9	-6
	Income from associated and subsidiary undertakings	15	28
	Profit before tax	1,617	1,486
	Tax	407	374
	Net profit for the period	1,210	1,112

Balance sheet - Realkredit Danmark A/S

Note	DKr m	June 30, 2008	Dec 31, 2007
ASSETS			
	Cash in hand and demand deposits with central banks	45	25
	Due from credit institutions and central banks	12,997	22,956
4	Bonds at fair value	2,950	39,987
5	Mortgage loans at fair value	635,184	627,809
5	Loans and other amounts due at amortised cost	451	294
	Shares	62	62
	Holdings in associated undertakings	12	10
	Holdings in subsidiary undertakings	299	285
	Land and buildings	152	185
	Domicile property	152	185
	Other tangible assets	13	14
	Deferred tax assets	54	55
	Other assets	616	2,423
	Prepayments	14	11
	Total assets	652,849	694,116
LIABILITIES AND EQUITY			
AMOUNTS DUE			
	Due to credit institutions and central banks	3,171	11,918
	Issued mortgage bonds at fair value	602,219	630,844
	Current tax liabilities	186	4
	Other liabilities	10,104	15,389
	Deferred income	23	8
	Total amounts due	615,703	658,163
PROVISIONS FOR LIABILITIES			
	Reserves in early series subject to a reimbursement obligation	250	268
	Total liabilities	615,953	658,431
SHAREHOLDERS' EQUITY			
	Share capital	630	630
	Revaluation reserve	46	48
	Reserve according to the equity method	48	33
	Reserves in series	6,333	6,333
	Other reserves	29,839	28,641
	Total shareholders' equity	36,896	35,685
	Total liabilities and equity	652,849	694,116

Notes - Realkredit Danmark A/S

Note	DKr m	First half 2008	First half 2007
1	Interest income		
	Reverse repo transactions with credit institutions and central banks	123	179
	Due from credit institutions and central banks	34	26
	Loans and other amounts due	14,684	13,121
	Administration margin	1,464	1,399
	Bonds	106	98
	Derivatives:		
	Interest rate contracts	20	27
	Other interest income	28	25
	Total	16,459	14,875
2	Interest expense		
	Repo transactions with credit institutions and central banks	136	78
	Due to credit institutions and central banks	15	6
	Issued mortgage bonds	13,986	12,572
	Reimbursement of origination fees etc.	11	9
	Other interest expense	1	1
	Total	14,149	12,666
3	Value adjustments		
	Mortgage loans	-13,024	-16,925
	Bonds	-86	-103
	Shares	-	32
	Currency	5	1
	Derivatives	6	-102
	Issued mortgage bonds	13,067	17,067
	Total	-32	-30

Notes - Realkredit Danmark A/S

Note	DKr m	June 30, 2008	December 31, 2007
4	Security		
	The following assets have been deposited with Danmarks Nationalbank as security:		
	Bonds at fair value	16,496	22,440
	Portion attributable to bonds issued by Realkredit Danmark	16,496	16,483
	Assets sold under repo transactions:		
	Bonds at fair value	3,171	11,916
	Portion attributable to bonds issued by Realkredit Danmark	1,822	7,071

Pursuant to Danish mortgage credit legislation, issued mortgage bonds, including mortgage-covered bonds, are secured against the underlying mortgage loans.

- 5 Loans etc.**
 At June 30, 2008, total impairment of mortgage loans stood at DKr67m, against DKr62m at the beginning of the year. At 30 June, 2008, impairment of loans at amortised cost stood at DKr29m, against DKr28m at the beginning of the year.

	Loans etc., individual impairment	Loans etc., collective impairment	Total
Impairment charges etc. at January 1, 2008	69	21	90
Impairment charges during the period	8	10	18
Reversal of impairment charges for previous years	6	6	12
Impairment charges etc. at June 30, 2008	71	25	96
Impairment charges etc. at January 1, 2007	84	24	108
Impairment charges during the year	29	8	37
Reversal of impairment charges for previous years	44	11	55
Impairment charges etc. at December 31, 2007	69	21	90

6 Contingent liabilities

Guarantees and other liabilities DKr m	June 30, 2008	December 31, 2007
Guarantees etc.		
Other guarantees	4	4
Total	4	4
Other contingent liabilities		
Irrevocable loan commitments regarding reverse mortgages	629	732
Other commitments	84	98
Total	713	830

Further contingent liabilities are listed in the consolidated accounts.

Notes - Realkredit Danmark A/S

Note	DKr m	First half 2008	First half 2007
7	Highlights, ratios and key figures		
	Highlights		
1.	Net interest and fee income	2,102	2,057
2.	Value adjustments	-32	-30
3.	Staff costs and administrative expenses	467	573
4.	Credit loss expenses	9	-6
5.	Income from associated and subsidiary undertakings	15	28
6.	Net profit for the period	1,210	1,112
7.	Loans	635,635	600,781
8.	Shareholders' equity	36,896	34,220
9.	Total assets	652,849	630,024
	Ratios and key figures		
1.	Solvency ratio, %	63.0	10.4
2.	Core (tier 1) capital ratio, %	63.0	10.4
3.	Half-year return on equity before tax, %	4.5	4.4
4.	Half-year return on equity after tax, %	3.3	3.3
5.	Income/cost ratio, DKr	4.38	3.61
6.	Foreign exchange position, %	2.9	4.6
7.	Ratio of lending to shareholders' equity	17.2	17.6
8.	Growth in lending for the period, %	3.4	2.6
9.	Impairment ratio for the period, %	0.0	0.0

The ratios and key figures are defined in the executive order on financial reports of credit institutions, etc., issued by the Danish FSA.

Statement by the management

The Board of Directors and the Executive Board (the management) have reviewed and approved the interim report of the Realkredit Danmark Group for the first half of 2008.

The consolidated accounts for the first half of 2008 are presented in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and the interim accounts of the Parent Company are presented in accordance with the Danish Financial Business Act. In addition, the interim report is presented in accordance with additional Danish disclosure requirements for the interim reports of issuers of listed bonds.

In our opinion, the interim report gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at June 30, 2008 and of the results of the Group's and the Parent Company's operations and cash flows for the period January 1–June 30, 2008. Moreover, in our opinion, the Management's Report gives a true and fair view of developments in the activities and financial position of the Group and describes significant risk and uncertainty factors that may affect the Group.

Kgs. Lyngby, August 7, 2008

Executive Board

Sven Holm
Chairman of the Executive Board and
Chief Executive Officer

Carsten Nøddebo Rasmussen
Member of the Executive Board

Board of Directors

Sven Lystbæk
Chairman

Henrik Normann
Vice chairman

Tonny Thierry Andersen

Per Skovhus

Max Jeppesen

Klaus Pedersen

Additional information

Financial calendar

Realkredit Danmark plans to release its financial reports in 2008 and 2009 on the following dates:

- Interim Report – First Nine Months 2008:
October 28, 2008
- Annual Report 2008:
February 5, 2009
- Annual general meeting:
March 3, 2009
- Interim Report – First Quarter 2009:
May 5, 2009
- Interim Report – First Half 2009:
August 11, 2009
- Interim Report – First Nine Months 2009:
November 3, 2009

Contact person at Realkredit Danmark

Sven Holm, Chairman of the Executive Board and
Chief Executive Officer, tel. + 45 45 13 20 81

Address

Realkredit Danmark A/S
Parallelvej 17
DK-2800 Kgs. Lyngby
Tel + 45 70 12 53 00
CVR-nr. 13 39 91 74 – Lyngby-Taarbæk

Useful links

www.rd.dk
www.danskebank.com
www.home.dk