

REALKREDIT **Danmark**

Interim Report First half of 2001

Realkredit Danmark A/S
Jarmers Plads 2
DK-1590 Copenhagen V
Tel. +45 70 12 53 00
Fax +45 33 39 31 71

www.rd.dk

CVR No. 13399174

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Realkredit Danmark Group

Core earnings and net profit for the period (DKr m)	First half 2001	Pro forma		
		First half 2000	Index 01/00	Full year 2000
Contribution income	972	937	104	1,894
Net interest income, excl. earnings from investment portfolios	627	456	138	879
Fee and commission income (net)	31	19	163	21
Trading income	78	-13	-	18
Other core income	80	56	143	123
Total core income	1,788	1,455	123	2,935
Operating expenses and depreciation	645	648	100	1,310
Core earnings before provisions	1,143	807	142	1,625
Provisions for bad and doubtful debts	-38	-13	292	-62
Core earnings	1,181	820	144	1,687
Earnings from investment portfolios	42	70	60	503
Merger costs, etc.	87	4	-	112
Profit on ordinary operations before tax	1,136	886	128	2,078
Tax	280	280	100	618
Net profit for the period	856	606	141	1,460

Balance sheet (DKr m)

Assets:				
Due from credit institutions, etc.	28,686	14,902	192	10,820
Lending	431,101	415,758	104	421,266
Bonds and shares, etc.	16,602	27,185	61	77,587
Other assets	1,737	2,066	84	2,457
Total assets	478,126	459,911	104	512,130
Liabilities:				
Due to credit institutions, etc.	1,119	1,586	71	6,312
Issued bonds	444,881	425,334	105	471,209
Other liabilities	9,941	9,531	104	10,280
Subordinated debt	-	3,000	-	3,000
Shareholders' equity	22,185	20,460	108	21,329
Total liabilities	478,126	459,911	104	512,130

Ratios and key figures

Net profit for the period as % p.a. of average shareholders' equity	7.9	6.0	7.1
Core earnings as % p.a. of average shareholders' equity	10.9	8.1	8.2
Cost/core income ratio, %	36.1	44.5	44.6
Solvency ratio, % (excl. net profit for the period)	9.8	10.7	11.2
Core (tier 1) capital ratio, % (excl. net profit for the period)	9.7	9.2	9.7
Number of full-time employees, end of period	964	1,128	1,024
Bond rating – Moody's (long-term)	Aa1	Aa3	Aa3

At January 1, 2001, Realkredit Danmark A/S merged with Danske Kredit Realkreditaktieselskab and BG Kredit A/S with Realkredit Danmark A/S as the continuing company. The above amounts for periods before January 1, 2001, are pro forma statements for the merged companies and their subsidiaries. – At January 1, 2001, Realkredit Danmark A/S' subsidiary home a/s merged with Danske Bo A/S, a subsidiary of Danske Bank A/S, with home a/s as the continuing company. Figures for Danske Bo A/S are not included in the above pro forma statement for 2000.

The stated pro forma P/L items for 2000 have been adjusted to the core earnings model applied to date by the parent company, Danske Bank. As of 2001, an adjustment of the calculation and distribution method for core earnings and earnings from investment portfolios has been made, which for the first half of 2001 implies a rise in core earnings and a corresponding reduction in earnings from investment portfolios.

The accounting policies applied are the same as those for the annual accounts ended December 31, 2000.

REPORT

Performance in the first half of 2001

The performance of the merged unit, the Realkredit Danmark Group, in the first half of 2001 may be summed up as follows:

- The Realkredit Danmark Group recorded a profit after tax of Dkr856m for the first six months of 2001, against a pro forma profit of Dkr606m for the same period in 2000.
- Core earnings rose by Dkr361m to Dkr1,181m.
- Earnings from investment portfolios fell by Dkr28m to Dkr42m.
- Profit was affected by merger costs of Dkr87m (mainly severance payments).

Core earnings in the first half were up from Dkr820m last year to Dkr1,181m this year. The improvement is owing partly to an increase in contribution income attributable to the growing loan portfolio and an increase in net interest income, partly because of the redemption in mid-April 2001 of Dkr3,000m subordinated debt which carried interest at a rate of 10.2% p.a. Securities and foreign exchange income was also significantly higher this year than in 2000. Finally, an adjustment of the core earnings model resulted in a rise in core earnings in the first half of 2001 and a corresponding reduction in earnings from investment portfolios.

For the first six months of 2001, operating expenses, including depreciation, amounted to Dkr645m, against Dkr648m in the first half of 2000.

Provisions for bad and doubtful debts remained low and contributed a net amount of Dkr38m to income.

As from 2001, Realkredit Danmark is taxed jointly with Danske Bank. As a result of the current joint taxation rules on allocation of the Danish tax payable by the group, Realkredit Danmark's effective tax rate for 2001 is expected to be about 25%.

Capital and solvency ratio

(Exclusive of profit for the period) (DKr m)	First half 2001	<u>Pro forma</u> First half 2000
Core capital, less statutory deductions	21,166	19,856
Supplementary capital, less statutory deductions	339	3,275
Capital base	21,505	23,131
<u>Total weighted items</u>	<u>219,224</u>	<u>216,077</u>
Solvency ratio (%)	9.8	10.7
<u>Core (tier 1) capital ratio (%)</u>	<u>9.7</u>	<u>9.2</u>

Exclusive of the profit for the period, the Realkredit Danmark Group's capital base stood at Dkr21,505m at the end of the first half year. The solvency ratio was 9.8%, thus exceeding the statutory minimum requirement of 8.0% by Dkr3,967m at June 30, 2001.

In April 2001, Realkredit Danmark redeemed a loan of Dkr3bn raised in 1992 as supplementary capital. As shown above, the solvency ratio is now at the same level as the core capital ratio.

Merger follow-up

At the beginning of the year, Realkredit Danmark A/S merged with BG Kredit A/S and Danske Kredit Realkreditaktieselskab and is now a wholly-owned subsidiary of Danske Bank. The merger created Denmark's largest mortgage credit institution. At the end of the first half of 2001, total assets stood at Dkr478bn.

To achieve the expected merger synergies, Realkredit Danmark is now restructuring its organisation. In order to make operations and loan administration more efficient, these activities will be centralised. This step will enable branch and regional offices to focus mainly on advice and sales to customers. The restructuring will be implemented by stages and is expected to be completed by the end of September 2001.

Realkredit Danmark still expects to achieve merger synergies in the region of about Dkr200m a year, chiefly through a reduction in the number of employees. Staff reductions will primarily be realised as the companies in the group are brought onto a joint IT platform, and economies of scale will be achieved through the mentioned centralisation of administration and operations. This process is proceeding according to plan and the related synergies in Realkredit Danmark are being realised as expected.

The mortgage credit market

The activity level in the mortgage credit sector increased during the first six months of 2001, thus continuing the trend from the last part of 2000. The number of loan applications from Realkredit Danmark customers in both the first and second quarters of 2001 almost doubled compared with the fourth quarter of 2000, which was dominated by low activity in the mortgage credit sector.

The growing activity is partly attributable to falling interest rates in the first half of the year. During this period, the 30-year mortgage rate on fixed rate loans went down from 7.3% to 7.2% p.a. or 0.1 of a percentage point. The interest rate on FlexLån® with annual interest reset has fallen slightly more, by around 0.3 of a percentage point. Consequently, the first six months of the year witnessed a widening of the yield spread between fixed rate and interest-reset loans.

In the last part of the first half year, the interest level was fairly stable, and it has thus only to a limited extent been profitable to remortgage fixed rate loans to a lower coupon. This has slightly dampened the activity level, compared with the beginning of the period.

According to the statistics of *Realkreditrådet* (the Association of Danish Mortgage Banks), prices of real property continue their upward trend. At national level, average prices per square metre of single-family and terraced houses were up 2.2% from the fourth quarter of 2000 to the first quarter of 2001 and 2.5% from the first to the second quarter of 2001. In the Copenhagen area, prices have risen significantly more than in the rest of the country. Several large provincial areas have witnessed an actual fall in the prices of single-family and terraced houses. Prices of owner-occupied flats have risen by 3.4%, and prices of holiday homes have gone up by 3.9% from the first to the second quarter of 2001.

Competition

The possibility of marketing mortgage loans through the countrywide branch network of Danske Bank and BG Bank has significantly increased Realkredit Danmark's distribution power. Already in the first half of the year, Realkredit Danmark received a large number of loan applications through the bank. Selling through the bank also opens up for the opportunity of offering customers an even wider range of financial products.

The Group's real-estate agent distribution takes place primarily through "home", now including Danske Bo. The activities of "home", which has 162 outlets, have also increased, partly as a result of its collaboration with the bank's network of branches. Both turnover and market shares have increased in a generally stable housing market, characterised, however, by regional differences in prices and turnover.

Realkredit Danmark's market share has developed positively as regards net new lending. Gross lending has fallen slightly. In the calculation of net new lending, transfers and extraordinary redemptions have been subtracted from gross lending, and net new lending thus gives an idea of the real competitive power of the individual mortgage credit institutions. The trend appears from the table below:

Market share, all markets (%)	Q2 2001	Q1 2001	Q4 2000
Gross lending	32.9	33.5	32.6
Net new lending	31.4	30.3	26.6

The market share of gross lending in the first half of 2001 totals 33.2%, against 33.3% in the second half of 2000. The share of net new lending rose from 29.7% in the second half of 2000 to 30.9% in the first half of 2001.

Realkredit Danmark's loan portfolio is increasing, and growth is generated by the three principal distribution channels, i.e. Realkredit Danmark's own branch offices and corporate centres, the bank's branch network and the real-estate agency chain, "home". Mortgage lending represented around DKr430bn at the end of the first half of 2001, against approx. DKr420bn at December 31, 2000. About 64% of the DKr10bn increase was attributable to the private housing market, 15% to subsidised and private residential rental property, 8% to agriculture and 13% to urban trade.

Of total loans disbursed in the first six months of 2001, FlexLån® accounted for around 45%, and the share of euro-denominated loans has now risen to 7%. On the private market alone, FlexLån® represented some 36% and loans in euros about 4%.

Mortgage bonds

The merger of Realkredit Danmark and Danske Kredit Realkreditaktieselskab offers the possibility in future of issuing bonds in fewer series. This is because, as of the middle of the third quarter of 2001, offers will be made solely on the basis of Realkredit Danmark bonds – leading to larger and thus more liquid series.

Twice in January 2001, Moody's upgraded the rating of Realkredit Danmark's bonds, from Aa3 to Aa2 and then to Aa1. Moody's has announced that Realkredit Danmark's bonds are on the watch list for further upgrading to Aaa.

As a result, foreign investors show increasing interest in Realkredit Danmark's bonds. This supports Realkredit Danmark's objective of increasing bond sales to foreign investors.

Outlook

For the whole year of 2001, total core income is expected to rise relative to 2000. Costs are expected to stay at the 2000 level as a result of more extensive activities combined with the realisation of planned cost cuts as a consequence of the merger. Provisions for bad and doubtful debts are expected to stay at a low level, but will depend on economic trends.

Against this background, core earnings are expected to be somewhat higher in 2001 than in 2000.

The nine-month report is expected to be published on October 25, 2001.

Copenhagen, August 16, 2001

Contact persons at Realkredit Danmark:

Kjeld Jørgensen, Member of the Executive Board of Danske Bank, Chairman of the Board of Directors, tel. +45 33 64 93 00

Sven Holm, Chairman of the Executive Board and Chief Executive Officer, tel. +45 33 39 30 11

Realkredit Danmark Group

Core earnings and net profit for the period (DKr m)	Q2 2001	Q1 2001	Pro forma			Full year 2000
			Q4 2000	Q3 2000	Q2 2000	
Contribution income	489	483	481	476	471	1,894
Net interest income						
excl. earnings from investment portfolios	316	311	244	179	282	879
Fee and commission income, net	19	12	-2	4	11	21
Trading income	31	47	19	12	-15	18
Other core income	36	44	36	31	29	123
Total core income	891	897	778	702	778	2,935
Operating expenses and depreciation	336	309	360	302	357	1,310
Core earnings before provisions	555	588	418	400	421	1,625
Provisions for bad and doubtful debts	-19	-19	-49	-	-15	-62
Core earnings	574	607	467	400	436	1,687
Earnings from investment portfolios	-35	77	80	353	-283	503
Merger costs, etc.	29	58	107	1	3	112
Profit on ordinary operations before tax	510	626	440	752	150	2,078
Tax	122	158	126	212	51	618
Net profit for the period	388	468	314	540	99	1,460

Balance sheet (DKr m)

Assets:						
Due from credit institutions, etc.	28,686	23,621	10,820	12,269	14,902	10,820
Lending	431,101	426,782	421,266	420,480	415,758	421,266
Bonds and shares, etc.	16,602	18,688	77,587	27,102	27,185	77,587
Other assets	1,737	2,463	2,457	2,623	2,066	2,457
Total assets	478,126	471,554	512,130	462,474	459,911	512,130
Liabilities:						
Due to credit institutions, etc.	1,119	1,062	6,312	814	1,586	6,312
Issued bonds	444,881	437,342	471,209	428,103	425,334	471,209
Other liabilities	9,941	8,356	10,280	9,558	9,531	10,280
Subordinated debt	-	3,000	3,000	3,000	3,000	3,000
Shareholders' equity	22,185	21,794	21,329	20,999	20,460	21,329
Total liabilities	478,126	471,554	512,130	462,474	459,911	512,130

At January 1, 2001, Realkredit Danmark A/S merged with Danske Kredit Realkreditaktieselskab and BG Kredit A/S with Realkredit Danmark A/S as the continuing company. The above amounts for periods before January 1, 2001, are pro forma statements for the merged companies and their subsidiaries. – At January 1, 2001, Realkredit Danmark A/S' subsidiary home a/s merged with Danske Bo A/S, a subsidiary of Danske Bank A/S, with home a/s as the continuing company. Figures for Danske Bo A/S are not included in the above pro forma statement for 2000.

The stated pro forma P/L items for 2000 have been adjusted to the core earnings model applied to date by the parent company, Danske Bank. As of 2001, an adjustment of the calculation and distribution method for core earnings and earnings from investment portfolios has been made, which for 2001 implies a rise in core earnings and a corresponding reduction in earnings from investment portfolios.

The accounting policies applied are the same as those for the annual accounts ended December 31, 2000.

ACCOUNTS

Profit and loss account for the six months ended June 30

Note	(DKr m)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
2	Interest income	15,012.1	11,275.2	15,009.9	11,210.9
3	Interest expense	13,375.9	9,994.9	13,376.7	9,995.0
	Net interest income	1,636.2	1,280.3	1,633.2	1,215.9
	Dividends from shares, etc.	17.9	12.9	17.9	12.9
	Fee and commission income	189.6	132.4	189.4	130.5
	Fees and commissions paid	158.8	60.5	158.8	34.9
	Net interest and fee income	1,684.9	1,365.1	1,681.7	1,324.4
4	Securities and foreign exchange income	64.5	-124.8	64.5	-102.9
	Other operating income	79.5	56.9	22.4	25.9
5	Staff costs and administrative expenses	718.9	612.5	618.7	566.0
	Depreciation and write-downs	13.3	18.2	12.3	17.0
	Other operating expenses	-	0.1	-	0.1
	Provisions for bad and doubtful debts	-37.9	-13.4	-38.2	-14.4
6	Income from associated and subsidiary undertakings	1.3	25.8	-39.9	26.9
	Profit before tax	1,135.9	705.6	1,135.9	705.6
7	Tax	279.4	226.5	279.4	226.5
	Net profit	856.5	479.1	856.5	479.1

Balance sheet at June 30

Note	(DKr m)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
Assets					
	Cash in hand and demand deposits with central banks	6.7	8.8	6.7	8.8
8	Due from credit institutions and deposits with central banks	28,679.9	13,000.1	28,652.3	29,815.8
	Lending:				
	Mortgage loans	430,380.3	338,937.9	430,380.3	322,918.8
	Other loans	720.8	989.4	699.6	957.1
9	Total lending	431,101.1	339,927.3	431,079.9	323,875.9
	Bonds	16,242.1	20,075.2	16,242.1	18,548.6
	Shares, etc.	31.1	1,159.0	31.1	1,159.0
	Holdings in associated undertakings, etc.	319.9	742.8	319.9	742.6
	Holdings in subsidiary undertakings	8.5	23.8	90.9	820.2
	Tangible assets	705.2	779.1	703.9	775.5
10	Other assets	993.2	1,067.5	925.5	1,009.4
	Prepayments	38.6	56.7	38.1	53.9
	Total assets	478,126.3	376,840.3	478,090.4	376,809.7
Liabilities					
	Due to credit institutions and central banks	1,118.5	1,360.2	1,118.5	1,347.3
11	Issued bonds	444,880.9	347,587.6	444,880.9	347,587.6
12	Other liabilities	8,960.7	7,199.9	8,924.8	7,182.2
13	Provisions for obligations	980.7	1,046.3	980.7	1,046.3
14	Subordinated debt	-	3,000.0	-	3,000.0
	Shareholders' equity:				
	Share capital	625.0	500.0	625.0	500.0
	Reserves in series	6,754.9	3,742.5	6,754.9	3,742.5
	Other reserves	13,949.1	11,924.7	13,949.1	11,924.7
	Net profit for the period	856.5	479.1	856.5	479.1
15	Total shareholders' equity	22,185.5	16,646.3	22,185.5	16,646.3
	Total liabilities	478,126.3	376,840.3	478,090.4	376,809.7
Off-balance-sheet items					
16	Guarantees, etc.	81.5	81.5	81.5	81.5
17	Other commitments	251.4	325.2	251.4	326.5
	Total	332.9	406.7	332.9	408.0

Accounting policies

On January 1, 2001, Realkredit Danmark A/S merged with Danske Kredit Realkreditaktieselskab and BG Kredit A/S, with Realkredit Danmark A/S as the continuing company. In the statutory presentation on pages 7-14, which has been prepared in compliance with the rules of the Danish Financial Supervisory Authority, the comparative figures for 2000 and earlier for the legal entity Realkredit Danmark A/S and the Group respectively, have not been restated as a result of the merger. However, in the statements on pages 2-6, the comparative figures for core earnings and earnings from investment portfolios, etc., have been restated to pro forma include the merged companies.

The accounts for the six months ended June 30 have been prepared in compliance with the Danish Mortgage Credit Act and the Executive Order on the Presentation of Accounts by Mortgage Credit Institutions as well as the Copenhagen Stock Exchange rules for issuers of listed securities, including Danish accounting standards, except where otherwise provided by Danish legislation.

The accounting policies are unchanged as compared with those of the annual accounts for 2000.

In connection with the preparation of the annual accounts for 2000, adjustments were made as from January 1, 2000, of the accounting policies for the valuation of operating equipment and expenses for leasehold improvements. The comparative figures for 2000 in the half-year accounts have been restated correspondingly. The net profit for the first half of 2000 has been reduced by Dkr3.6m and shareholders' equity at June 30, 2000, by Dkr54.8m.

Notes

Note (DKr m)

1 Core earnings and earnings from investment portfolios Realkredit Danmark Group

	First half of 2001			Total
	Core earnings	Earnings from investment portfolios	Merger costs	
Contribution income	972	-	-	972
Net interest income	627	37	-	664
Dividends from shares, etc.	-	18	-	18
Fee and commission income	31	-	-	31
Net interest and fee income	1,630	55	-	1,685
Securities and foreign exchange income	78	-13	-	65
Other operating income	80	-	-	80
Staff costs and administrative expenses	631	1	87	719
Depreciation and write-downs	14	-	-	14
Provisions for bad and doubtful debts	-38	-	-	-38
Income from associated and subsidiary undertakings	-	1	-	1
Profit before tax	1,181	42	87	1,136

Note	(DKr m)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
2	Interest income				
	Due from credit institutions and deposits with central banks	372.0	86.0	371.3	531.5
	Lending	13,043.6	9,801.4	13,042.2	9,371.7
	Contributions	972.1	761.6	972.1	725.8
	Bonds:				
	Own mortgage bonds	311.0	269.9	311.0	269.9
	Other mortgage bonds	49.1	191.8	49.1	173.8
	Government bonds	211.5	86.0	211.5	59.8
	Other bonds	2.9	34.4	2.9	34.4
	Derivative financial instruments:				
	Currency contracts	-	-1.1	-	-1.1
	Interest rate contracts	8.6	7.8	8.6	7.8
	Other interest income	41.3	37.4	41.2	37.3
	Total	15,012.1	11,275.2	15,009.9	11,210.9
	Of which interest income on reverse transactions recorded under:				
	Due from credit institutions and central banks	29.3	31.8	29.3	31.8
	Lending	-	0.2	-	0.2
3	Interest expense				
	Credit institutions and central banks	40.2	34.4	40.2	34.2
	Deposits	-	0.3	-	0.3
	Issued bonds	13,214.6	9,801.7	13,214.6	9,801.7
	Reimbursement of commitment fees, etc.	29.6	2.6	29.6	2.6
	Subordinated debt	89.2	153.0	89.2	153.0
	Other interest expense	2.3	2.9	3.1	3.2
	Total	13,375.9	9,994.9	13,376.7	9,995.0
	Of which interest expense on repo transactions recorded under:				
	Due to credit institutions and central banks	32.2	22.4	32.2	22.4
	Deposits	-	0.3	-	0.3
4	Securities and foreign exchange income				
	Bonds:				
	Own mortgage bonds	80.8	-113.3	80.8	-113.3
	Other mortgage bonds	6.8	-130.8	6.8	-119.3
	Government bonds	-18.0	-68.9	-18.0	-58.4
	Other bonds	-	-2.1	-	-2.1
	Shares, etc.	13.2	142.3	13.2	142.3
	Fixed rate loans, etc.	-2.3	6.8	-2.3	6.8
	Foreign exchange income	0.4	1.1	0.4	1.0
	Derivative financial instruments:				
	Currency contracts	0.3	-	0.3	-
	Interest rate contracts	-16.7	39.4	-16.7	39.4
	Equity contracts	-	0.7	-	0.7
	Total	64.5	-124.8	64.5	-102.9

Note	(DKr m)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
5	Staff costs and administrative expenses				
	Salaries and remuneration of board of directors, executive board and local councils:				
	Executive board	3.0	2.6	3.0	2.6
	Board of directors	0.6	1.7	0.6	1.7
	Local councils	1.7	1.8	1.7	1.8
	Total	5.3	6.1	5.3	6.1
	Staff costs:				
	Wages and salaries	300.8	230.2	234.9	218.5
	Pension costs	27.8	35.1	27.7	34.6
	Social security costs	23.7	22.5	23.6	21.9
	Total	352.3	287.8	286.2	275.0
	Other administrative expenses	361.3	318.6	327.2	284.9
	Total	718.9	612.5	618.7	566.0
6	Income from associated and subsidiary undertakings				
	Income from associated undertakings, etc.	1.3	25.8	1.3	25.8
	Income from subsidiary undertakings	-	-	-41.2	1.1
	Total	1.3	25.8	-39.9	26.9
7	Tax				
	Estimated tax charge on the profit for the year	286.1	226.5	286.1	226.5
	Adjustment of prior-year tax charge	-6.7	-	-6.7	-
	Total	279.4	226.5	279.4	226.5
	The effective tax rate is calculated as follows:				
	The current tax rate of Realkredit Danmark	30.0%	32.0%		
	Deviation due to taxation jointly with Danske Bank	-5.0%	-		
	Adjustment of prior-year tax charge	-0.6%	-		
	Other	0.2%	0.1%		
	Effective tax rate	24.6%	32.1%		
8	Due from credit institutions and central banks				
	Balances at notice with central banks	10,597.0	-	10,597.0	-
	Balances with credit institutions	18,082.9	13,000.1	18,055.3	29,815.8
	Total	28,679.9	13,000.1	28,652.3	29,815.8
	Of which:				
	Reverse transactions	3,127.8	1,807.2	3,127.8	1,807.2

Note	(DKr m)	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
9	Lending				
	Mortgage loans	430,380.3	338,937.9	430,380.3	322,918.8
	Outstanding amounts on non-foreclosed properties	333.6	449.8	333.6	445.0
	Other loans	387.2	539.6	366.0	512.1
	Total	431,101.1	339,927.3	431,079.9	323,875.9
	Mortgage loans				
	Balance at January 1	420,438.6	333,479.1	420,438.6	320,155.1
	New loans	41,184.3	27,951.4	41,184.3	24,514.7
	Index adjustment	1,133.3	707.6	1,133.3	707.6
	Exchange rate adjustment	-15.9	9.4	-15.9	9.2
	Ordinary repayments	7,251.3	6,297.9	7,251.3	6,167.2
	Redemptions and extraordinary repayments	24,868.6	16,615.4	24,868.6	16,004.3
	Balance at June 30	430,620.4	339,234.2	430,620.4	323,215.1
	Loans transferred to foreclosed properties	28.1	15.4	28.1	15.4
	Accumulated provisions	382.6	467.8	382.6	467.8
	Loans taken over by the Danish Financial Administration Agency	170.6	186.9	170.6	186.9
	Total	430,380.3	338,937.9	430,380.3	322,918.8
10	Other assets				
	Interest, etc., outstanding on mortgage loans	102.6	86.3	102.6	83.2
11	Issued bonds				
	This item covers issued mortgage bonds only.				
	Balance at January 1	471,209.3	359,657.1	471,209.3	359,657.1
	Additions	39,165.2	28,327.1	39,165.2	28,327.1
	Index adjustment	1,136.3	709.6	1,136.3	709.6
	Exchange rate adjustment	-20.0	9.9	-20.0	9.9
	Drawings and prepayments	51,563.8	27,810.7	51,563.8	27,810.7
	Redemptions and extraordinary repayments	15,046.1	13,305.4	15,046.1	13,305.4
	Balance at June 30	444,880.9	347,587.6	444,880.9	347,587.6
12	Other liabilities				
	Interest due on issued mortgage bonds	7,494.8	5,703.9	7,494.8	5,703.9
13	Provisions for obligations				
	Pensions and similar obligations	18.7	26.8	18.7	26.8
	Reserves in early series subject to a reimbursement obligation	962.0	1,019.5	962.0	1,019.5
	Total	980.7	1,046.3	980.7	1,046.3

14 Subordinated debt

Realkredit Danmark raised a subordinated loan in the amount of DKr3,000m on April 2, 1992. The loan was instalment-free until April 15, 2001, on which date it was redeemed at par. Until then, the loan was subject to interest at a rate of 10.2% p.a.

15 Shareholders' equity

Realkredit Danmark A/S' share capital of DKr625m comprises 6,250,000 shares of DKr100 each and is wholly owned by Danske Bank A/S.

Movements in shareholders' equity:

	Share capital	Reserves in series	Other reserves	Profit for the period	Total June 30, 2001	Total June 30, 2000
Balance at January 1	500.0	3,554.9	13,265.2	-	17,320.1	16,219.4
Merger additions	125.0	3,200.0	683.9	-	4,008.9	-
Write-downs on intangible assets	-	-	-	-	-	-52.2
Retained profit	-	-	-	856.5	856.5	479.1
Balance at June 30	625.0	6,754.9	13,949.1	856.5	22,185.5	16,646.3

	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
16 Guarantees, etc.				
Other guarantees	81.5	81.5	81.5	81.5
Total	81.5	81.5	81.5	81.5
17 Other commitments				
Other commitments	251.4	325.2	251.4	326.5
Total	251.4	325.2	251.4	326.5

Ratios and key figures for the first half year

%	2001	2000	1999	1998	1997
Realkredit Danmark Group					
1. Solvency ratio	9.8	10.8	10.9	12.6	12.4
2. Core (tier 1) capital ratio	9.7	8.9	8.7	9.8	9.1
3. Half-year return on equity before tax	5.2	4.3	5.6	7.7	8.9
4. Half-year return on equity after tax	3.9	2.9	4.0	5.2	6.0
5. Income/cost ratio, DKr	2.64	2.14	2.36	3.15	3.55
6. Foreign exchange position	6.5	4.0	3.0	0.2	0.3
7. Accumulated provisioning ratio	0.1	0.2	0.2	0.3	0.4
8. Write-off and provisioning ratio for the half year	0.0	0.0	0.0	0.0	0.0
9. Growth in lending for the half year	2.4	1.7	2.8	2.5	1.5
10. Gearing of lending (factor)	19.4	20.4	20.5	18.2	19.3
Realkredit Danmark A/S					
1. Solvency ratio	9.8	10.9	11.0	12.4	12.4
2. Core (tier 1) capital ratio	9.7	9.1	8.8	9.7	9.1
3. Half-year return on equity before tax	5.2	4.3	5.5	7.7	8.9
4. Half-year return on equity after tax	3.9	2.9	4.0	5.2	6.0
5. Income/cost ratio, DKr	2.92	2.25	2.48	3.34	3.74
6. Foreign exchange position	6.5	4.0	2.9	0.2	1.5
7. Accumulated provisioning ratio	0.1	0.2	0.2	0.3	0.4
8. Write-off and provisioning ratio for the half year	0.0	0.0	0.0	0.0	0.0
9. Growth in lending for the half year	2.3	1.0	1.1	2.2	1.5
10. Gearing of lending (factor)	19.4	19.5	19.8	18.1	19.3

Ratios and key figures are defined by the Danish Financial Supervisory Authority in its Executive Order on the Presentation of Accounts by Mortgage Credit Institutions.

Group structure

	Share capital June 30, 2001 (thousands)	Share capital held by the Group (%)
Realkredit Danmark A/S, Copenhagen	DKK 625,000	
Consolidated subsidiaries:		
home a/s, Copenhagen	DKK 15,000	100
Mægler-service Danmark A/S, Copenhagen	DKK 1,000	100
ApS RD nr. 3064, Copenhagen	DKK 200	100
ApS RD nr. 3065, Copenhagen	DKK 200	100
A/S RD nr. 3066, Copenhagen	DKK 500	100
A/S RD nr. 3067, Copenhagen	DKK 500	100
Non-consolidated subsidiaries:		
Omegadane SARL, Paris	FRF 50	100
Skævinge Boligselskab A/S, Copenhagen	DKK 7,000	100