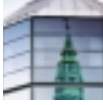


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Management

Board of directors

Kjeld Jørgensen

Deputy Chairman of the Executive Board of Danske Bank A/S, Chairman

Sven Lystbæk

Member of the Executive Committee of Danske Bank A/S, Deputy Chairman

Morten Balling**

Professor of Economics

Kent Christoffersen*

Customer Adviser

Steen Hansen

Senior Vice President

Søren Hermansen*

Sales Manager

Jørgen Lund

Alderman

Bent Maribo

Farmer

Jørgen Mejlgård

General Manager

Jesper Ovesen

Chief Financial Officer and Member of the Executive Committee of Danske Bank A/S

Peder J. Pedersen

Professor, Ph.D., M.A. (Econ)

Bent Peetz*

Customer Adviser

* Elected by the employees

** Appointed by the Minister of Economic Affairs

Executive board

Sven Holm

Chairman of the Executive Board and Chief Executive Officer

Mogens Holm

Member of the Executive Board

Realkredit Danmark

Realkredit Danmark's profile is established through a business concept, a mission and five core values:

Business concept

- Realkredit Danmark is the Danske Bank Group's mortgage finance specialist available to all customers on the Danish mortgage credit market
- Realkredit Danmark wants to be market leader and the customers' first choice as provider of safe and easy mortgage finance
- From its business activities, Realkredit Danmark will create value for shareholders, customers and employees

Mission

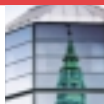
- Realkredit Danmark's core business is mortgage lending based on issuance of bonds
- Realkredit Danmark ensures that the Danske Bank Group offers expert advisory services and sells competitive mortgage finance products and services tailored to the individual customers and their property
- Realkredit Danmark will offer additional products and services, mainly from the Danske Bank Group. Development of combination products will be carried out in cooperation with other business areas of the Danske Bank Group
- Products and services are marketed through Realkredit Danmark's own distribution channels as well as the sales network of the Danske Bank Group. Customers have a choice between personal advisory services and sophisticated electronic solutions

- Realkredit Danmark is participating actively in attracting customers to the whole of the Danske Bank Group

Core values

All activities build on the Group's five core values:

- Integrity
 - in business conduct and in dealings with the community at large
- Accessibility
 - electronic and physical – in business and communications
- Value creation
 - for shareholders, customers and employees
- Expertise
 - through high quality standards and professionalism
- Commitment
 - to customers' financial affairs



Financial highlights

Realkredit Danmark Group

	2001	Pro forma 2000	2000	1999	1998	1997
Profit and loss account (DKr m)						
Net interest income	3,417	3,116	2,554	2,739	2,796	2,591
Dividends from shares, etc.	18	14	14	16	13	8
Fee and commission income, net	132	21	125	216	280	271
Net interest and fee income	3,567	3,151	2,693	2,971	3,089	2,870
Securities and foreign exchange income	194	169	137	-373	162	534
Other operating income	165	123	123	140	117	105
Staff costs and administrative expenses	1,412	1,329	1,270	1,300	1,172	913
Amortisation and depreciation	21	111	111	55	156	74
Other operating expenses, etc.	1	1	1	10	2	190
Provisions for bad and doubtful debts	-33	-62	-62	-79	-99	-103
Income from associated and subsidiary undertakings	23	14	12	149	17	5
Profit before tax	2,548	2,078	1,645	1,601	2,154	2,440
Tax	621	618	507	427	662	714
Minority interests	-	-	-	3	-	-
Net profit for the year	1,927	1,460	1,138	1,171	1,492	1,726
Balance sheet (DKr m)						
Assets						
Due from credit institutions, etc.	35,786	10,820	8,531	19,492	19,243	17,463
Lending	448,547	421,266	342,069	334,077	318,071	305,018
Bonds and shares, etc.	106,976	77,587	70,593	34,188	36,956	27,511
Other assets	7,334	2,457	2,326	1,996	2,231	1,936
Total assets	598,643	512,130	423,519	389,753	376,501	351,928
Liabilities						
Due to credit institutions, etc.	22,222	6,312	6,233	1,693	6,548	1,229
Issued bonds	536,352	471,209	388,114	359,657	338,890	321,856
Other liabilities	16,815	10,280	8,852	9,184	12,386	9,526
Subordinated debt	-	3,000	3,000	3,000	3,368	3,000
Shareholders' equity	23,254	21,329	17,320	16,219	15,309	16,317
Total liabilities	598,643	512,130	423,519	389,753	376,501	351,928
Ratios						
Solvency ratio, %	10.1	11.2	11.3	11.1	12.0	13.2
Core (tier 1) capital ratio, %	9.9	9.7	9.4	9.0	9.2	10.0
Return on equity before tax, %	11.4	10.1	9.8	10.2	13.6	15.8
Return on equity after tax, %	8.6	7.1	6.8	7.4	9.4	11.2
Income/cost ratio, DKr	2.8	2.5	2.3	2.2	2.8	3.3
Foreign exchange position, %	12.5	5.2	5.8	0.5	0.1	0.2
Accumulated provisioning ratio, %	0.1	0.1	0.2	0.2	0.3	0.3
Write-off and provisioning ratio for the year, %	0.0	0.0	0.0	0.0	0.0	0.0
Annual growth in lending, %	6.5	3.6	2.4	5.0	4.3	3.4
Gearing of lending (factor)	19.3	19.8	19.8	20.6	20.8	18.7
Number of full-time employees at Dec. 31	933	1,024	937	1,089	1,396	1,360
Rating of bonds - Moody's	Aaa	Aa3	Aa3	Aa3	Aa3	Aa3

The ratios are defined in the Executive Order of the Danish Financial Supervisory Authority on the Presentation of Accounts by Mortgage Credit Institutions.

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. In the statement, which has been prepared in accordance with the rules of the Danish Financial Supervisory Authority, the comparative figures of 2000 and earlier for the Realkredit Danmark Group have not been restated as a result of the merger, apart from the column "Pro forma 2000".

Financial review

Group results

In 2001, the Realkredit Danmark Group's core earnings before provisions for bad and doubtful debts amounted to DKr2,484m, against DKr1,625m in the pro forma figures for 2000, which was an increase of DKr859m. Core earnings are in line with expectations at the publication of the quarterly report for the first nine months of 2001.

Earnings from investment portfolios were down by DKr357m to DKr146m.

Profit before tax amounted to DKr2,548m, compared with DKr2,078m in 2000. After merger costs and tax, the net profit for the year was DKr1,927m in 2001. The pro forma net profit for 2000 was DKr1,460m. After tax,

the return on equity was 8.6% in 2001, against 7.1% in 2000.

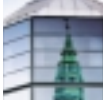
Mortgage lending showed continued growth and totalled DKr448.3bn at year-end, against DKr420.4bn at the end of 2000. For the year as a whole, the total market share of net new lending was 31.2%, against 33.1% in 2000. The market share from the fourth quarter of 2000 to the fourth quarter of 2001 showed, however, an increase from 26.6% to 32.3%.

At December 31, 2001, the solvency ratio of the Realkredit Danmark Group was 10.1% against the statutory minimum solvency requirement of 8.0%.

The rating of Realkredit Danmark's bonds was upgraded by Moody's Investors Service

At January 1, 2001, Realkredit Danmark A/S merged with its sister company Danske Kredit Realkreditaktieselskab, and its subsidiary BG Kredit A/S, with Realkredit Danmark A/S as the continuing company. In this financial review, comparative figures for 2000 include BG Kredit A/S and a pro forma consolidation of Danske Kredit Realkreditaktieselskab. 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.

Core earnings and earnings from investment portfolios	2001	Pro forma 2000	Change %
(DKr m)			
Contribution income	1,973	1,894	
Net interest income, exclusive of earnings from investment portfolios	1,342	879	
Fee and commission income, net	132	21	
Trading income	187	18	
Other core income	165	123	
Total core income	3,799	2,935	29
Operating expenses and depreciation	1,315	1,310	
Core earnings before provisions	2,484	1,625	53
Provisions for bad and doubtful debts	-33	-62	
Core earnings	2,517	1,687	49
Earnings from investment portfolios	146	503	
Merger costs, etc.	115	112	
Profit on ordinary operations before tax	2,548	2,078	23
Tax	621	618	
Net profit for the year	1,927	1,460	32
Mortgage lending	448,281	420,439	7
Total assets	598,643	512,130	17
Shareholders' equity	23,254	21,329	9
Ratios			
Profit for the year as % of average shareholders' equity	8.6	7.1	
Core earnings as % of average shareholders' equity	11.3	8.2	
Cost/core income ratio, %	34.6	44.6	



three times in 2001, most recently in September from Aa1 to the highest obtainable rating of Aaa – the same rating as applies to Danish government bonds.

The increase in core earnings to Dkr2,517m from Dkr1,687m in 2000 is attributable to higher contribution income resulting from the growing loan portfolio and higher refinancing activity, notably in the fourth quarter. Moreover, net interest income grew because of the redemption in April 2001 of Dkr3bn subordinated debt, which carried interest at 10.2% p.a. Finally, the adjustment of the core earnings model resulted in a rise in core earnings for 2001 and a corresponding reduction in earnings from investment portfolios.

Despite growing activity, operating expenses were kept at the same level as the year before, which contributed to the higher core earnings. Operating expenses, inclusive of depreciation, totalled Dkr1,315m in 2001, against Dkr1,310m in 2000. As a result of this favourable trend, the cost/core income ratio fell from 44.6% in 2000 to 34.6% in 2001.

Provisions for bad and doubtful debts contributed Dkr33m to income, against Dkr62m in 2000. In both years, the income was a result of recovery of debt previously written off. The need for provisions did not increase over the year, partly because loans in arrears are still at a very low level.

Earnings from investment portfolios, which comprise the profits on the proprietary investment portfolios (the part of the investment portfolio not relating to lending activities), was Dkr146m, against Dkr503m in 2000. The decline is explained mainly by the large gains on equities last year, but is also attributable to the adjustment of the core earnings model.

In 2001, merger costs amounted to Dkr115m, most of which represented severance payments.

Total securities income carried under core earnings and earnings from investment portfo-

lios corresponded to 5.9% in 2001, which was satisfactory in view of the chosen risk.

Securities income includes market value adjustments of Dkr217m, against Dkr183m in 2000. The proportion of equities has been reduced and represented Dkr4m at year-end.

In 2001, the subsidiaries consolidated in the accounts of the parent company, Realkredit Danmark, contributed a loss of Dkr27m before tax. The loss mainly relates to the real-estate agency chain home a/s whose results were reduced by merger costs of Dkr40m. Before merger costs, "home" had a sound increase in profits compared with the year before.

As from 2001, Realkredit Danmark is taxed jointly with Danske Bank. As a result of the current joint taxation rules on allocation of Danish tax payable by the companies in the Danske Bank Group, Realkredit Danmark's effective tax rate in 2001 is expected to be about 25%. The present tax rate is 30%. The tax charge for 2001 is estimated at Dkr621m, comprising current tax, deferred taxes and tax on provisions for bad and doubtful debts.

Total assets, solvency and shareholders' equity

Total assets of the consolidated Group were Dkr599bn at the end of 2001, against the pro forma figure of Dkr512bn a year earlier. Growth of assets was mainly generated by an increase in mortgage lending of Dkr28bn, while the securities portfolio grew by Dkr29bn. The most significant increase in liabilities was Dkr65bn worth of issued bonds.

The fact that the issued bonds figure was about Dkr88bn higher than lending is basically the result of a pre-issue of bonds.

The trend in the capital base and solvency ratio can be illustrated as follows:

Capital base and solvency ratio (DKr m)	Pro forma	
	Dec. 31, 2001	Dec. 31, 2000
Core capital, less statutory deductions	23,055	21,168
Supplementary capital, less statutory deductions	352	3,477
Capital base	23,407	24,645
Total weighted items	232,771	219,301
Core (tier 1) capital ratio, %	9.9	9.7
Solvency ratio, %	10.1	11.2

At December 31, 2001, the Realkredit Danmark Group's capital base stood at DKr23,407m. The solvency ratio was 10.1%, thus exceeding the statutory minimum solvency requirement of 8.0% by DKr4,785m.

Subordinated debt of DKr3bn raised in 1992 was redeemed in April 2001. The solvency ratio is now at the same level as the core (tier 1) capital ratio.

The Danske Bank Group evaluates continually the capital requirements of group companies and also the capital requirements of Realkredit Danmark.

At end-2000, the shareholders' equity of Realkredit Danmark was DKr17,320m and increased in connection with the merger with Danske Kredit by DKr4,009m to DKr21,329m. During 2001, shareholders' equity rose by DKr1,925m, totalling DKr23,254m at year-end. The increase consists of the net profit for the year of DKr1,927m less goodwill of DKr2m acquired during the year by "home" and charged to shareholders' equity.

Transactions with related parties

Realkredit Danmark is a wholly owned subsidiary of Danske Bank A/S. Realkredit Danmark has its own subsidiaries. Inter-company transactions and services within the Danske Bank Group are settled on market

terms or on a cost reimbursement basis. The same principles apply to transactions with associated undertakings.

No unusual transactions were made in 2001 with subsidiary or associated undertakings.

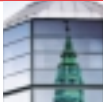
Outlook for 2002

Since the merger, a large number of opportunities have emerged due to the closer ties between Danske Bank and Realkredit Danmark. 2002 will see fewer mortgage credit offices, increased use of the Contact Centre, and mortgage credit offices and banking branches will be located closer to each other. These structural changes are expected to increase the synergy effects and trigger growth in lending as well as a continued large market share in 2002.

Prices of private residential property are expected to be stable and sales to go down slightly. Consequently, a general decline is foreseen in the demand from home buyers for new loans. However, there is much to indicate that Danish homeowners will capitalise equity in their properties and that additional mortgages are on the way up. Refinancing of mortgages is likely to decline because of the stable interest rate level, and a growing number of customers are expected to choose FlexLån® (interest reset loans).

In the corporate market, investment in new construction of urban trade properties – mainly industrial property – is expected to show a small decline because of the international economic slowdown, whereas investment in office space construction in the Copenhagen area is expected to remain high. Agriculture is generally expected to continue its large-scale borrowing – for investment in pig facilities in particular. In 2002, the residential rental property segment is expected to continue the large-scale property improvement and maintenance activities.

The rising volume of business will generate



larger income in 2002, and costs are forecast to remain unchanged. Earnings from refinancing activities are expected to be lower. In the current economic climate, provisions for bad and doubtful debts are expected to continue to be at a low level.

Against this background, core earnings are expected at about the same level as in 2001.

Earnings from investment portfolios in 2002 will much depend on the level of securities prices at the end of the year.

No events have occurred from between December 31, 2001 and the date of the review and approval of the annual accounts which in the opinion of the management will materially affect the financial position of the company.

Financial reports for 2002

Financial reports for 2002 are expected to be released as follows:

- First-quarter report: May 7, 2002
- Half-year report: August 22, 2002
- Nine-month report: October 29, 2002

Realkredit Danmark as part of the Danske Bank Group

Merger

As at January 1, 2001, Realkredit Danmark A/S merged with BG Kredit A/S and Danske Kredit Realkreditaktieselskab.

In connection with the merger a number of measures were planned to adjust the business activities of Realkredit Danmark to the new organisation. The first stage of the restructuring plan was implemented in the spring – aiming at the sales activities. The next stage was centralisation of the processing and administration of loans, which was implemented in the autumn.

After the launch of new computer systems in BG Bank at the end of August, all branches of Danske Bank and BG Bank now share the same IT platform for serving personal customers. Hence, all banking branches now offer most of Realkredit Danmark's products to personal customers.

In the autumn, a number of system changes were also implemented to ensure a higher degree of system integration. This work will continue in 2002 and will result in a new mortgage credit system that is fully integrated with Danske Bank's IT platform in 2003.

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

The realisation of synergies in 2001 was satisfactory and amounted to about Dkr60m, mainly attributable to a reduction in staff numbers of just under 100 in 2001.

Within the next few years, Realkredit Danmark considers it realistic to bring down the cost/core income ratio to about 30%.

Realkredit Danmark's role in the Danske Bank Group

Realkredit Danmark is the Danske Bank Group's mortgage lending specialist.

It is the Group's provider of mortgage lending products based on issuance of bonds.

Realkredit Danmark also ensures that all mortgage customers of the Group have access to quality advisory services.

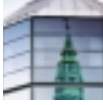
Realkredit Danmark markets its products through the branch networks of Danske Bank and BG Bank. Moreover, Realkredit Danmark has its own distribution channels organised as four geographical regions with local mortgage credit offices, the Contact Centre and the Internet. Through its subsidiary home a/s, Realkredit Danmark distributes its products to customers of the real-estate agency chain "home".

Moreover, Realkredit Danmark undertakes property valuations for the whole of the Danske Bank Group.

Operations performed by Danske Bank

As part of rational administration, Danske Bank performs a number of tasks for Realkredit Danmark. The main tasks are IT operations and development, property administration, management of the proprietary investment portfolio (the part of the investment portfolio not relating to lending activities), human resources and purchasing and logistics.

As a result of the reorganisation of development activities in the Danske Bank Group, all product and IT systems development will be centralised with Danske Bank at the beginning of 2002. Consequently, about 25 employees will be transferred from Realkredit Danmark to Development & Organisation. The purpose is to strengthen this area with business expertise to speed up drive and enhance quality.



The property market

The economic situation

The situation internationally as well as in Denmark was marked by a general economic slowdown throughout 2001. The stagnation was reinforced by the terrorist attacks on the United States on September 11. To head off uncertainty among investors in the international capital markets and to set the economy in motion, the central banks – first the Federal Reserve in the United States and later the European Central Bank, the ECB – cut interest rates several times in 2001. Danmarks Nationalbank has generally followed the ECB in its interest rate cuts. At the end of the year, Danmarks Nationalbank's lending rate was down at 3.6%.

The repeated interest rate cuts from the central banks have affected the bond market. The yield on one-year bonds used for financing certain types of FlexLån® in Danish kroner has fallen by almost 1.4 percentage points since January 1, 2001. The yield on similar bonds

for FlexLån® in euros declined by 1.5 percentage points.

At the beginning of 2001, the 30-year effective mortgage rate was 6.6% (based on 6% bonds) and it changed very little in the first half of the year. In the second half, the effective mortgage rate fell until November, but then increased to 6.5% at year-end.

Refinancing activity

As a result of falling yields on short- and long-term bonds in 2001, a very large number of customers chose to refinance their mortgage loans in the autumn of 2001.

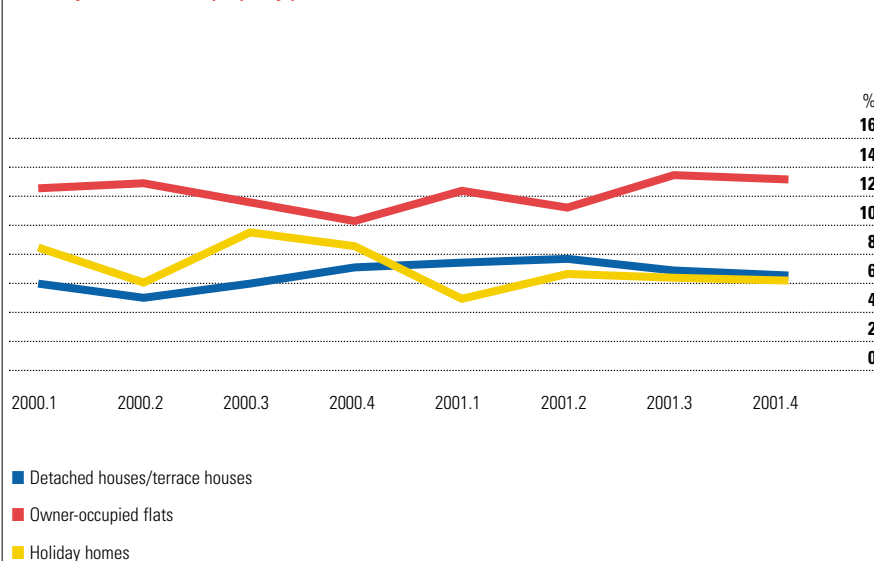
The dramatically lower yields on short-term bonds made it generally very attractive for borrowers to choose FlexLån® during most of 2001.

Property prices and property sales

The trend of property prices is important for the trend of mortgage lending. Also in 2001, Danish housing prices were generally rising. The Copenhagen area and large provincial towns saw the most significant increases, whereas the rest of the country recorded only modest increases. This tendency intensified throughout 2001.

Total property sales in the housing market edged down in 2001.

Annual growth rates of property prices



Lending

Total lending

Realkredit Danmark is the largest mortgage credit institution in Denmark with mortgage lending totalling Dkr448bn at the end of 2001, or 36.8% of the total mortgage loan portfolio.

The possibility of selling mortgage loans through the domestic branch networks of Danske Bank and BG Bank has significantly increased Realkredit Danmark's distribution capacity. Already from the start of the year, Realkredit Danmark received a large number of loan applications. Sales through banking branches also provide an opportunity to offer customers an even wider range of financial products.

In 2001, Realkredit Danmark's market share of total gross mortgage lending reached 32.9% and that of net new lending 31.2%. Compared with 2000, this was a reduction of just under 2 percentage points. On an annual basis, this reduction was attributable to the private market and explained by the fact that at the beginning of 2000 market shares were considerably larger than in the second half of the year because of stronger competition among providers of interest reset loans. In the calculation of net new lending, repayments with or without refinancing have been subtracted from gross lending.

Market shares	Gross lending			Net new lending		
	Pro forma		Change % points	Pro forma		Change % points
	2001	2000		2001	2000	
%						
Private	35.0	38.7	-3.7	30.5	37.5	-7.0
Corporate:						
Urban trades	41.4	30.6	10.8	46.6	29.3	17.3
Agriculture	15.5	16.0	-0.5	14.4	12.5	1.9
Residential rental property	33.5	38.4	-4.9	30.9	34.8	-3.9
Total corporate	29.1	29.0	0.1	32.1	26.8	5.3
Total market share	32.9	34.8	-1.9	31.2	33.1	-1.9

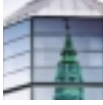
The market share of net new lending was increasing throughout 2001.

Market shares					Pro forma
	Q4	Q3	Q2	Q1	Q4
	2001	2001	2001	2001	2000
%					
Gross lending	32.4	33.5	32.8	33.4	32.6
Net new lending	32.3	30.7	31.2	30.0	26.6

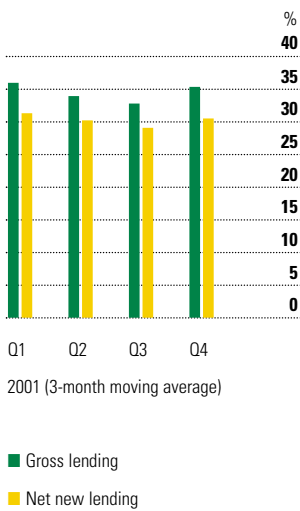
The annual growth in lending was Dkr28bn, and the loan portfolio is divided almost

unchanged into a private market share of 62% and a corporate market share of 38%.

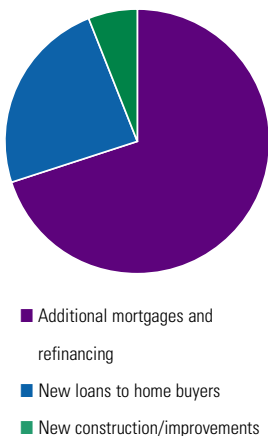
Loan portfolio	2001		Pro forma 2000		Change DKr m
	DKr m	%	DKr m	%	
	Private market	275,923	62	258,461	61
Corporate market	172,358	38	161,978	39	10,380
Total loan portfolio	448,281	100	420,439	100	27,842



Private: Market shares of gross and net new lending in 2001



Purpose of loans to the private market in 2001



The trend of the private market was stable during the first half of the year, and Realkredit Danmark met its lending target. The plummeting yields following in the wake of the terrorist attacks on the United States in September gave homeowners the opportunity to obtain large savings, and October and November witnessed one of the strongest refinancing waves ever seen in Denmark.

In 2001, corporate loans showed strong growth compared with the year before, net new lending being 75% higher than in 2000. Moreover, also in this segment the falling yields triggered fairly large refinancing activity towards the end of the year. Realkredit Danmark's market share of net new lending to the corporate market rose from 26.8% to 32.1%.

In 2001, the share of loans issued as FlexLån® was 56%. FlexLån® accounted for 25% of the mortgage loan portfolio.

Lending broken down by business area

The private market

The private market comprises loans for owner-occupied housing and holiday homes. With 62% of the total loan portfolio and 68% of total gross lending in 2001, the private market is the largest business area of Realkredit Danmark. At year-end, Realkredit Danmark had more than 500,000 private customers.

In 2001, Realkredit Danmark's gross lending to the private market amounted to DKr77.3bn, against DKr43.7bn in 2000. The increase in the loan portfolio amounted to DKr17.5bn. Realkredit Danmark's market share in terms of net new lending fell on an annual basis from 37.5% to 30.5%, but the trend was favourable in the second half of the year.

The trend in private market lending can be illustrated as follows:

Change in private market lending (DKr m)

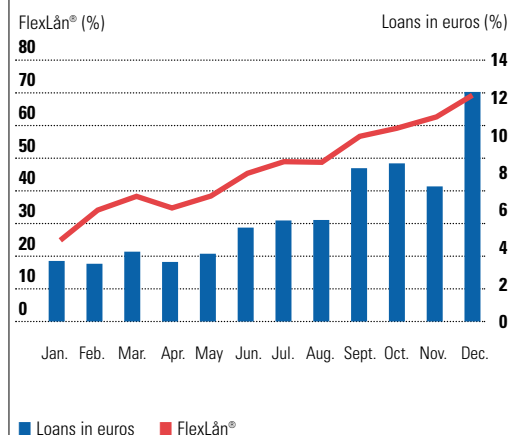
	2001	2000
Gross lending	77,295	43,677
Redemptions with refinancing	-34,817	-10,406
New lending	42,478	33,271
Redemptions without refinancing	-17,954	-15,375
Net new lending	24,524	17,896
Repayments, etc.	-7,062	-6,684
Change in loan portfolio	17,462	11,212

In 2001, gross lending to the private market was distributed by loan purpose as shown in the chart. The share of loan refinancing must be seen in the context of the remortgaging activities.

2001 was also characterised by steadily growing demand for FlexLån® – both in Danish kroner and in euros. Of loans provided to private customers, 52% were FlexLån® instead of fixed-rate loans.

Customer demand for loans in euros is also on its way up. In 2001, Realkredit Danmark issued a total of DKr5.4bn euro-denominated loans, or 7.1% of total loans in 2001 to the private market. Almost all loans in euros were FlexLån®.

FlexLån® and loans in euros issued in 2001



The corporate market

The corporate market comprises loans to urban trades, agriculture and residential rental property.

The distribution of the total loan portfolio was as follows:

Loan portfolio, corporate market	2001		Pro forma 2000	
	DKr m	%	DKr m	%
Urban trades	53,690	31.2	47,649	29.4
Agriculture	21,384	12.4	20,097	12.4
Residential rental property	97,284	56.4	94,232	58.2
Total loan portfolio	172,358	100.0	161,978	100.0

Over the year, the corporate loan portfolio increased by DKr10.4bn.

Urban trades

Urban trades comprise industry, skilled trades and service trades.

Lending to urban trades was as follows:

Change in lending to urban trades (DKr m)	Pro forma	
	2001	2000
Gross lending	16,435	6,353
Redemptions with refinancing	-4,707	-1,710
New loans	11,728	4,643
Redemptions without refinancing	-3,043	-1,775
Net new lending	8,685	2,868
Repayments, etc.	-2,644	-2,802
Change in loan portfolio	6,041	66

In 2001, Realkredit Danmark's gross lending to urban trades amounted to DKr16.4bn, against DKr6.4bn in 2000. The increase in the loan portfolio amounted to DKr6.0bn, and the market share in terms of net new lending rose from 29.3% to 46.6%. The strong growth in Realkredit Danmark's lending to this area is

partly attributable to Danske Bank's market position and distribution capacity. In addition to the larger market share, the growth in gross lending was triggered by a generally greater demand for finance – total net new lending to this segment – and the refinancing activities following in the wake of the interest rate fall towards the end of the year.

The increase in lending to service trades – properties for offices and shops, training and other service activities – was particularly strong, and total net new lending to this segment rose from DKr2.1bn in 2000 to DKr6.6bn in 2001, or a trebling.

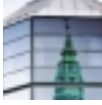
In 2001, FlexLån® were the most frequently used loans for urban trade property, accounting for 68% of lending. Because of the interest rate trend, loans reset to the market rates every year or every five years were in strong demand. Because of the lower mortgage rate on loans funded by euro-denominated bonds, almost one-third of FlexLån® provided were denominated in that currency, usually with rate reset every year or every three years.

Agriculture

Agriculture comprises actual farming operations, forestry and market gardens. Mortgage finance covers real property, including machinery and equipment and livestock.

The trend of loans to agriculture has been as follows:

Change in lending to agriculture (DKr m)	Pro forma	
	2001	2000
Gross lending	7,260	3,766
Redemptions with refinancing	-2,681	-1,128
New lending	4,579	2,638
Redemptions without refinancing	-2,695	-1,483
Net new lending	1,884	1,155
Repayments, etc.	-597	-630
Change in loan portfolio	1,287	525



In 2001, Realkredit Danmark's gross lending to agriculture amounted to Dkr7.3bn, against Dkr3.8bn in 2000. The increase in the loan portfolio was Dkr1.3bn. Realkredit Danmark's market share in terms of net new lending rose from 12.5% to 14.4%.

In general, actual farming operations achieved fair earnings in 2001. Efficient farms in all segments showed good results – but variations were large. The earnings improvement resulted in large-scale investment, for instance in stalls, and earnings variations have stepped up structural changes towards larger production units. Consequently, lending to agriculture saw strong growth compared with 2000. The interest rate fall also triggered substantial refinancing activity towards the end of the year.

Residential rental property

Residential rental property comprises subsidised residential rental property and private residential rental property.

The trend of loans to residential rental property has been as follows:

Change in lending to residential rental property (DKr m)	Pro forma	
	2001	2000
Gross lending	12,249	11,897
Redemptions with refinancing	-4,532	-5,374
New lending	7,717	6,523
Redemptions without refinancing	-1,518	-960
Net new lending	6,199	5,563
Repayments, etc.	-3,147	-2,935
Change in loan portfolio	3,052	2,628

Subsidised residential rental property

This segment comprises loans to subsidised residential rental property and co-operative housing, etc.

In 2001, Realkredit Danmark's gross lending to subsidised residential rental property amounted to Dkr5.3bn, against Dkr7.3bn in 2000. The increase in the loan portfolio was Dkr0.6bn. Realkredit Danmark's market share in terms of net new lending fell from 39.0% to 32.0%.

The volume of lending was influenced by the last stage of the refinancing of subsidised loans initiated by the former Ministry for Housing and Urban Affairs.

Another important financing activity was the so-called purchase exemption. A number of subsidised residential properties were built by housing societies on land held under long-term leases from the Municipality of Copenhagen. In the spring of 2000, it was agreed that the housing societies could buy an exemption from the long-term leases according to detailed guidelines and on condition that part of the exemption payments be financed through mortgage loans. The total mortgage finance package was estimated at about Dkr1.8bn. Together with other mortgage credit institutions, Realkredit Danmark participated in the procurement of the loan amount.

An agreement in June 2001 between the former government and the municipalities on the future financing of subsidised residential rental property (reduction from 2002 in the basic capital contributed by the municipalities from 14% to 7%) probably caused a decline in building starts of subsidised residential rental property in the second half of 2001.

Private residential rental property

This segment comprises private residential rental property and non-subsidised co-operative housing.

In 2001, Realkredit Danmark's gross lending to private residential rental property amounted to Dkr6.9bn, against Dkr4.6bn in 2000. The increase in the loan portfolio was Dkr2.4bn.

Realkredit Danmark's market share in terms of net new lending fell from 30.6% to 30.0%.

Gross lending to private residential rental properties amounted to DKr5.2bn, against DKr3.9bn in 2000. In 2001, FlexLån® were the most frequently used loan type, accounting for about 60% of lending. Particularly FlexLån® denominated in euros were in great demand and accounted for almost one-third of issued FlexLån®.

Realkredit Danmark's gross lending to non-subsidised co-operative housing amounted to DKr1.7bn, against DKr0.7bn in 2000. Fixed-rate cash loans are still the dominant loan type in this market segment, although customers take a growing interest in FlexLån® – especially loans with interest rate adjustment every five years.

Since 2000, it has been possible to build new non-subsidised co-operative housing with a municipal guarantee. This alternative has proved to be a very popular supplement for the co-operative housing market.

Shared housing

In 2001, the demand for shared housing was on the same level as in 2000, which also appears from the interest in Realkredit Danmark's database "Bo-fælles" (shared housing). About 5,000 customers have registered.

The housing type chosen is often newly built private subsidised and non-subsidised co-operative housing and subsidised residential rental property. An increasing number of shared housing projects are realised, creating a demand for loans.

For customers who have registered for the "Bo-fælles" database, Realkredit Danmark publishes newsletters three or four times a year with information on relevant topics on shared housing.

Distribution channels

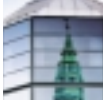
Realkredit Danmark has four distribution channels: own offices and corporate centres (including the Contact Centre), the branch networks of Danske Bank and BG Bank, the real-estate agency chain "home" and the Internet.

Until the autumn of 2001, Realkredit Danmark had four regional offices and 25 branch offices in Denmark. In August 2001, the company opened a local office in Charlottelund (a Copenhagen suburb) on the premises of Danske Bank's finance centre. The opening of the local office has been a success and the close relationship between banking and mortgage finance has been to the benefit of customers of both Danske Bank and Realkredit Danmark.

The branch networks of Danske Bank and BG Bank have significantly increased Realkredit Danmark's distribution capacity to sell mortgage loans, and the company has received a large number of loan applications through these channels. Selling through the banking branches also allows the Danske Bank Group to offer customers an even wider range of financial products.

"home" is the real-estate agency chain of the Danske Bank Group and the chain was merged with Danske Bo at the beginning of the year. "home" is a franchise business, covering 165 real estate agents in Denmark. Over the year, "home" increased its activities, partly as a result of its business relations with Danske Bank and Realkredit Danmark.

During the year, customer visits to the company's web site www.rd.dk have been steadily growing and so has the volume of electronic loan applications. Realkredit Danmark will therefore continue to increase the volume of Internet-based solutions, giving customers even better access to electronic self-service.



Funding

Financing and issuance of bonds

Realkredit Danmark finances its loans to borrowers by issuing mortgage bonds listed on the Copenhagen Stock Exchange.

At the end of the year, Realkredit Danmark's issues of bonds totalled DKr536.4bn, or almost 25% of all issues of mortgage bonds and Danish government bonds listed on the Copenhagen Stock Exchange. Realkredit Danmark is one of the largest non-governmental bond issuers in Europe.

In 2001, the merger of Realkredit Danmark and Danske Kredit allowed the Group to issue fewer bond series. Since the end of August, loan offers and loans have exclusively been made on the basis of bonds issued by Realkredit Danmark, resulting in large-volume bond series and enhanced liquidity potential.

Volume in circulation

The fall in interest rates in 2001 urged many borrowers to take out new loans based on bonds with a lower coupon rate. Consequently, Realkredit Danmark issued new low-coupon bonds, and borrowers repaid loans based on bonds with a higher coupon.

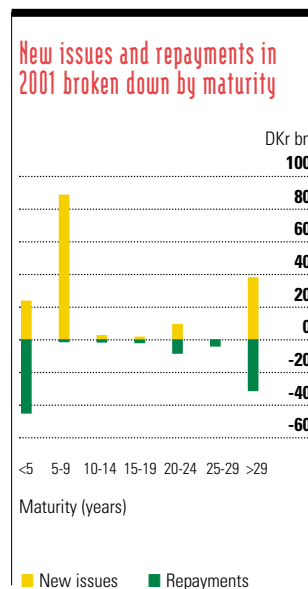
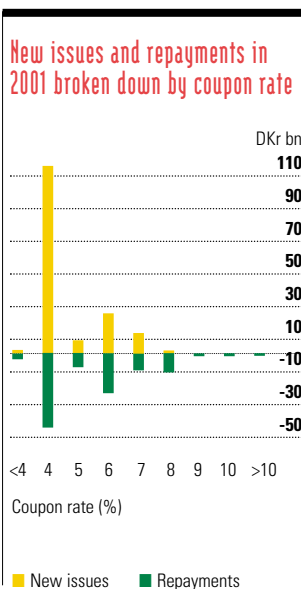
The chart below shows total issues and repayments of bonds in 2001 (including drawings and prepayments). Some 69% of all new issues were bonds with a coupon rate of 4%, primarily as a result of the growing interest in FlexLån® and the considerable volume of bonds issued for the refinancing of FlexLån® in December. Repayments in 2001 generally involved bonds with coupon rates of 6, 7 and 8%. The large share of repaid 6% bonds was attributable to the preference for FlexLån® among borrowers.

In 2001, more borrowers opted for FlexLån®. To fund FlexLån® mortgage credit institutions issue non-callable mortgage bonds with a maturity ranging from 1 to 10 years.

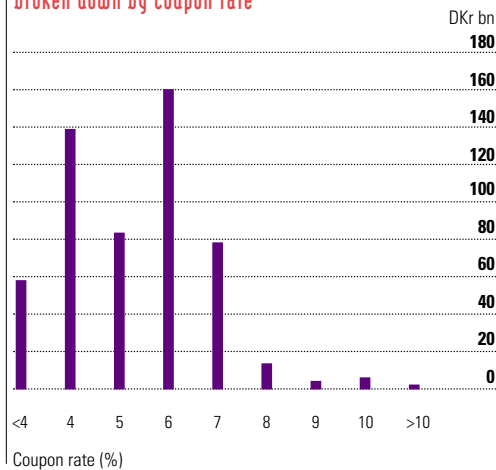
Previously, borrowers of FlexLån® preferred loans funded by 1-year bonds. However, in 2001 bonds with longer maturities were also in demand among borrowers, and therefore new issues of bonds with maturities of three and five years grew.

At the end of 2001, a large proportion of the volume in circulation of bonds issued by Realkredit Danmark had a coupon rate of 4%. The refinancing of loans funded by bonds maturing on January 2, 2002, accounts for part of this significant volume of 4% bonds. Also a considerable share of bonds with a coupon of 5% was issued to meet the demand for FlexLån®. Most callable bonds in circulation have a coupon of 6 or 7%.

Also the trend in new issues of euro-denominated bonds pointed upwards in 2001, because they offered a lower rate of interest compared with krone-denominated bonds. Euro-denominated bonds accounted for 13% of new issues



Volume of bonds in circulation as at December 31, 2001, broken down by coupon rate



in 2001 and 5% of the volume in circulation at the end of the year. At the bond auction held by Realkredit Danmark to refinance FlexLån® maturing on January 2, 2002, 15% of the bonds sold were denominated in euros.

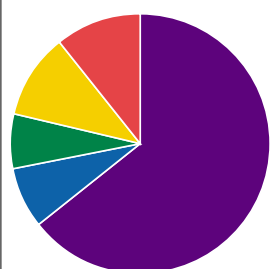
Rating

All bonds issued by Realkredit Danmark after September 1, 1992, have been rated by the credit rating agency Moody's Investors Service. Bonds issued after this date account for 85% of the bonds in circulation issued by Realkredit Danmark.

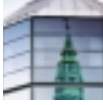
On three occasions in 2001, Moody's Investors Service upgraded the Realkredit Danmark bonds, most recently in September from Aa1 to Aaa, the highest rating possible and the same rating as applies to Danish government bonds.

This rating has stimulated foreign investors' interest in bonds issued by Realkredit Danmark, and the share of bonds in circulation held by foreign investors increased by 3 percentage points in 2001 and now totals 11%. The figure illustrates ownership broken down by investor groups.

Bonds in circulation broken down by investor groups



- Financial institutions
- Households
- Public sector
- Foreign investors
- Other



Resources

Staff

The commercial success of Realkredit Danmark depends on an organisation staffed by employees with the right approach and great professional expertise and personal skills. This approach is found in the staff's day-to-day interaction with and servicing of external and internal customers which is based on the five Group core values: integrity, accessibility, value creation, expertise and commitment. Realkredit Danmark wants to attract, retain and develop persons who find implementing the core values in the day-to-day operations challenging.

At the end of 2001, the number of full-time employees of the Realkredit Danmark Group totalled 933 against 1,024 (pro forma) at the end of 2000. The release of staff over the year thus totalled 91 full-time employees, most of them leaving Realkredit Danmark as part of the severance payment programme established by the Group to achieve synergies from the merger.

In the spring of 2001, an incentive programme for the senior management of the Danske Bank Group and for the rest of its staff was introduced. The programme is based on the value creation of the Group and consists of four elements: share options, conditional shares, cash bonuses and employee shares. The award of bonuses is based on the assessment of the efforts made by the individual employee, the financial results and other value creation targets.

The share option programme and the conditional revolving shares programme will initially run for a period of three years together with the employee share programme.

Share options aim at the senior management of the Group. A small group of executives and specialists are covered by the conditional shares programme, which this year forms part of the bonus for 2001. The shares are deposited at the risk of the employee and will be at his or her disposal after three years provided that the employee is still with the Group. Employee

shares and cash bonuses may be awarded to all staff members in accordance with the rules laid down.

The Danske Bank Group expects to launch a new salary system in 2002 under which all staff of Realkredit Danmark will be paid according to uniform rules based on individual standardised evaluation applying throughout the Group.

Management

In 2001 and 2002, the composition of the board of directors of Realkredit Danmark changed. Steen Hansen, Senior Vice President, and Søren Hermansen, Sales Manager, joined the board of directors, while Thomas Dywremose, Executive Vice President, Carl Erik Heidemann, Customer Adviser, Klaus Modberg, Assistant Vice President, and Per Alling Toubro, Manager, resigned from the board of directors.

On February 1, 2002, the number of members of the executive board was reduced when Bent Fjord resigned.

The Chief Executive Officer is covered by the share option programme of the Group for 2001. Options issued carry the right to purchase shares in Danske Bank within a period from three to seven years from the time the option was awarded, subject to continued employment with the Group. The right of purchase is fixed on the basis of the average price of Danske Bank shares 20 trading days after the publication of the Annual Report plus a premium of 10%.

Operations

In order to realise the synergies of the merger Realkredit Danmark reorganised its operations in 2001. A new unit, Centralised Operations, handling the processing and administration of mortgage loans was established to strengthen the sales organisation.

Centralised Operations and the Contact Centre are located in Hvidovre, a Copenhagen suburb, and Horsens in Jutland. Apart from increasing customer advisers' focus on sales, the centralisation also contributes to a more efficient and flexible processing of loans, which generates economies of scale. Moreover, the efficient and speedy processing of loans is also an advantage to customers.

Centralised Operations was established in mid-September 2001 – a time when Realkredit Danmark recorded a surge in the number of loan applications. Despite the extraordinary workload, the Centralised Operations unit operated satisfactorily.

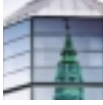
IT systems

As far as IT systems are concerned, Realkredit Danmark adheres to the One Group – One System strategy formulated by the Danske Bank Group.

In the wake of the merger, Realkredit Danmark implemented the telephone system and IT platform of the Danske Bank Group.

The former BG Kredit system was merged with the former Danske Kredit system in August 2001. At the same time the former Danske Kredit system was redesigned and it now allows Danske Bank and BG Bank branches to process FlexLån® and loans with monthly payments.

In 2002, the Group will continue the development of a new joint Group mortgage system with the intention to create “the best mortgage system”, offering better advisory services and loan offer facilities to Internet customers. This system is scheduled for launching throughout the Group in the middle of 2003.



Management of risk and capital

Raroc

Like the other business areas of the Danske Bank Group, Realkredit Danmark has introduced a Raroc-based risk management and reporting system as a supplement to statutory capital requirements for financial services firms. This system is designed to ensure the best possible ratio between credit risk, capital adequacy and potential earnings.

Raroc is short for risk adjusted return on capital. The Raroc framework enables Realkredit Danmark to quantify the mortgage lending risks undertaken by the company in the ordinary course of business. The system considers three types of risk:

- credit risk
- market risk
- operational risk

The risks are quantified through a combination of historical data and statistical models. This makes it possible to calculate the economic capital – the amount of capital Realkredit Danmark needs to meet the Danske Bank Group's objective of a cautious risk profile.

The second element in the Raroc framework is the calculation of risk-adjusted earnings. To calculate these earnings, Realkredit Danmark deducts the loss expected to arise in the ordinary course of business over a full business cycle from earnings before provisions.

Raroc is the ratio of risk-adjusted earnings to economic capital and therefore expresses the risk-adjusted return on capital usage. The Raroc figure for 2001 shows 46% for Realkredit Danmark's total business area, which is considered satisfactory.

In 2001, Raroc was implemented in the management of Realkredit Danmark's business activities. The Raroc framework should be viewed in the light of preparations for the new capital adequacy rules for financial undertak-

ings, the so-called BIS II rules, which are expected to come into effect in 2005.

The Raroc calculations do not include any assets which, in the light of the Raroc-based capital requirement, are not necessary for Realkredit Danmark's mortgage lending activities.

Credit risk

Lending principles

The conservative credit policy pursued during the past ten years was maintained in 2001. The merger of Realkredit Danmark, Danske Kredit and BG Kredit as at January 1, 2001, has not affected credit policy.

After the merger, Realkredit Danmark continues to develop methods and systems that will strengthen the ongoing management of its portfolio risk.

Regardless of the distribution channel chosen, lending is based on Realkredit Danmark's assessment of a property's long-term value, which means that the location, marketability and the expected price potential of the specific property will be considered. Moreover, the financial standing of the borrower is assessed.

Realkredit Danmark generally provides loans up to the statutory limit on the basis of an assessment of the long-term value of the property. Lending limits are 80% for owner-occupied houses and flats, and rental properties, 70% for agricultural properties and 60% for holiday homes, commercial property and properties for industry and skilled trades.

Loan portfolio

Realkredit Danmark's loan portfolio totals Dkr448bn and is secured by mortgages on the borrowers' properties.

Loan-to-value ratios

Dec. 31, 2001

	DKr bn	Loan to Value %
Private market	272	58
Office and retail	27	47
Trade and industry	12	47
Agriculture	19	43
Residential rental	22	56
Subsidised rental	47	71
Other	49	66
Total	448	59

On average, the loan amounts constitute 59% of the value of the properties.

In addition to the mortgages, Realkredit Danmark has covered a considerable part of its credit risk on a DKr112bn loan portfolio established through the branches of Danske Bank and BG Bank through a loss guarantee provided by Danske Bank. For the private market, the guarantee covers the last 20 percentage points up to the statutory lending limit. For the corporate market, the guarantee percentage

depends on the category of the individual loan. The guarantee is written down in step with repayments on the individual loans and lapses when the outstanding debt falls below the guaranteed percentage points. At the end of 2001, the bank guarantee covered a total loan amount of DKr20bn.

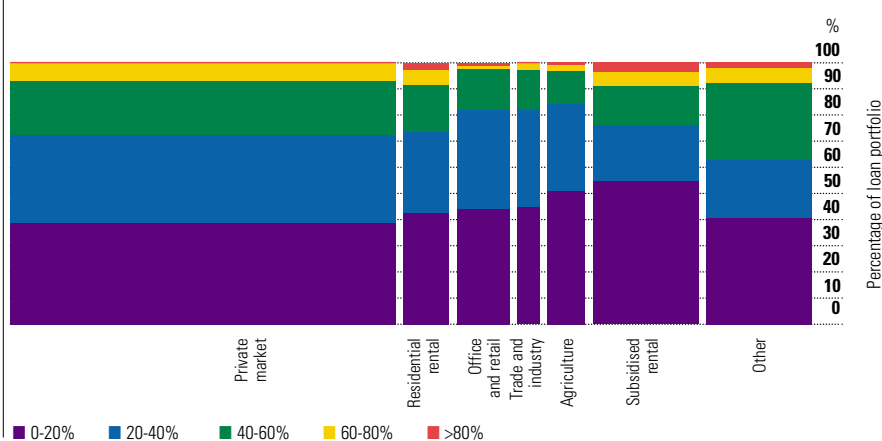
That part of the loan portfolio which is not covered by the loss guarantee provided by Danske Bank also enjoys a very high security because more than 90% of these loans are secured by mortgages within 60% of the property value. This is largely unchanged from last year. The figure below shows the distribution of the loan-to-value ratios. The relative size of the individual segments appears from the width of the segments.

The credit risk of the portfolio also depends on the fact that as much as 80% of the total loan portfolio is secured by mortgages on private market housing. This market is generally less risky than the corporate market.

Realkredit Danmark's lending to the corporate market consists mainly of small and medium-sized loans. The risk of losses on a few large commitments is therefore limited. About 60% of the loans to the corporate market are loans to properties with an outstanding debt below DKr10m.

Distribution of loan portfolio by loan-to-value ratios

(excluding loans guaranteed by Danske Bank)

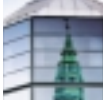


Provisions for bad and doubtful debts

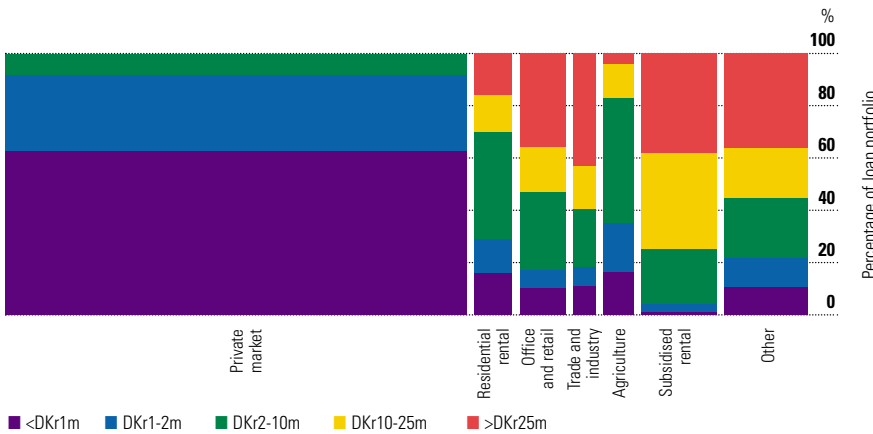
Accumulated provisions for bad and doubtful debts totalled DKr521m at the end of 2001, against DKr556m at the beginning of the year.

For the fifth consecutive year, provisions for bad and doubtful debts showed a net income, for 2001 of DKr33m. The income was attributable to recovery of debt written off in prior years. Moreover, provisions for new bad and doubtful debts continue to be at a very low level.

The portfolio of properties acquired by Realkredit Danmark in the process of prevent-



Distribution of loan portfolio by outstanding bond debt



ing losses is still very low. Fifty-four such properties were held at the end of 2001, compared with 28 at the beginning of the year. This number should be compared with the fact that Realkredit Danmark holds mortgages on more than 550,000 properties.

Arrears rates, which are a good indicator of prospective losses, have gone up slightly in 2001, but are still very low. Three months after the last due date, arrears from the September payment date account for 0.20% of the amounts due, against 0.18% at the same time the year before.

Market risk

Realkredit Danmark's board of directors defines the overall framework for the company's interest rate, equity and exchange rate risks in accordance with the limits of the Danish Mortgage Credit Act. Realkredit Danmark calculates, monitors and reports these risks on a current basis.

According to the Act, there must always be a fine balance between the agreed future payments from the borrowers and the payments to the bond holders. This balance between lending

and financing eliminates the interest rate, foreign exchange and liquidity risks on most of Realkredit Danmark's assets and liabilities.

Interest rate risk

The interest rate risk expresses the maximum loss, measured in net present value, which Realkredit Danmark would incur at a one percentage point change in interest rates.

According to legislation, the difference between payments on mortgage loans and on issued mortgage bonds may not constitute an interest rate risk of more than 1% of Realkredit Danmark's capital base, that is DKr234m. At the end of 2001, this interest rate risk amounted to DKr50m.

The interest rate risk on the other assets and liabilities and on off-balance-sheet items, including in particular the proprietary investment portfolio, may not exceed 8% of the capital base, that is DKr1,873m, according to legislation. At the end of 2001, the interest rate risk on these items amounted to DKr200m.

On the entire balance sheet Realkredit Danmark's total interest rate exposure amounted to DKr250m at the end of 2001, equivalent to 1.1% of shareholders' equity.

Equity risk

The equity risk is calculated as the market value of Realkredit Danmark's equity portfolios. Internal limits have been set for the overall equity risk. In 2001, Realkredit Danmark reduced its equity holdings. At the end of 2001, the market value and hence the equity risk had been reduced to DKr272m. The holding consists exclusively of unlisted shares, etc.

Exchange rate risk

Realkredit Danmark has very small unhedged currency positions. The exchange rate risk is calculated in accordance with the exchange rate

indicator 2 of the Danish Financial Supervisory Authority and may, in accordance with legislation, not exceed 0.1% of the capital base, that is Dkr23m. At the end of 2001, the exchange rate risk amounted to Dkr5m.

Financial instruments

Realkredit Danmark employs financial instruments/derivatives only to hedge risks. In 2001, the company mainly used forward, repo and reverse transactions, and forward rate agreements. The market risks on these instruments are included in the risk calculations mentioned above.

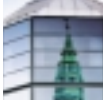
Operational risk

Operational risk covers the risks inherent in mortgage lending.

Business risk represents fluctuations in the net income that are caused by external factors and cannot be ascribed directly to credit or market risk. The identification of these risks is based on experience gained both by Realkredit Danmark and by the entire mortgage lending sector and includes the risk of political intervention and fluctuations in the economy.

Event risk is operational risk which can be attributed to specific, single events that may lead to unforeseen expenses or long-term disruption of business operations for Realkredit Danmark.

At the end of 2001, total operational risk is estimated to be at the same level as the year before.



Signatures

The board of directors and the executive board have today reviewed and approved the annual report for 2001, which will be submitted to the general meeting for approval.

Executive board

Copenhagen, February 21, 2002

Sven Holm

Chairman of the Executive Board
and Chief Executive Officer

Mogens Holm

Member of the Executive Board

Board of directors

Copenhagen, February 21, 2002

Kjeld Jørgensen
Chairman

Sven Lystbæk
Deputy Chairman

Morten Balling

Kent Christoffersen

Steen Hansen

Søren Hermansen

Jørgen Lund

Bent Maribo

Jørgen Mejlgård

Jesper Ovesen

Peder J. Pedersen

Bent Peetz

Audit reports

Internal audit

We have audited the Annual Report of Realkredit Danmark A/S for the year 2001 presented by the board of directors and the executive board.

Basis of opinion

We have conducted our audit on the basis of the executive order of the Danish Financial Supervisory Authority on Auditing Financial Enterprises and Financial Groups and in accordance with generally accepted Danish auditing standards. Based on an evaluation of materiality and risk, we assessed procedures and tested the basis for the amounts and financial disclosures in the Annual Report.

Our audit has not resulted in any qualifications.

Opinion

In our opinion, the Annual Report has been prepared in accordance with the accounting provisions of Danish legislation, and gives a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position and results.

Copenhagen, February 21, 2002

Jens Peter Thomassen
Group Chief Auditor

Poul-Erik Winther Nielsen
Senior Vice President

External audit

We have audited the Annual Report of Realkredit Danmark A/S for the year 2001 presented by the board of directors and the executive board.

Basis of opinion

We planned and conducted our audit in accordance with generally accepted Danish auditing standards to obtain reasonable assurance that the Annual Report is free from material misstatements. Based on an evaluation of materiality and risk, we have during the audit tested the basis and documentation for the amounts and financial disclosures in the Annual Report. Our audit includes an assessment of the accounting policies applied and estimates made by the board of directors and the executive board. In addition, we have evaluated the overall adequacy of the presentation of financial information in the Annual Report.

Our audit has not resulted in any qualifications.

Opinion

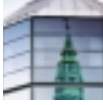
In our opinion, the Annual Report has been prepared in accordance with the accounting provisions of Danish legislation, and gives a true and fair view of the Group's and the Parent Company's assets and liabilities, financial position and results.

Copenhagen, February 21, 2002

Grothen & Perregaard KPMG C.Jespersen
Statsautoriseret
Revisionsaktieselskab

Jørgen Frank Jakobsen Arne Sivertsen

Svend Ørjan Jensen Arne Nielsen
State Authorized State Authorized
Public Accountants Public Accountants



Accounting policies

General

The Annual Report has 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 guidelines for issuers of listed securities and Danish accounting standards, except where otherwise provided by Danish legislation.

The Group has not changed its accounting policies from those followed in the annual accounts for 2000.

Since the end of 2000, Realkredit Danmark A/S has been included as a subsidiary company in the consolidated accounts of Danske Bank A/S, Copenhagen.

At January 1, 2001, Realkredit Danmark A/S merged with its sister company, Danske Kredit Realkreditaktieselskab, and its subsidiary BG Kredit A/S, with Realkredit Danmark A/S as the continuing company. Unless otherwise stated, comparative figures in the consolidated accounts have been calculated in accordance with the Group's principles of consolidation, according to which subsidiaries and companies merged with the Group are included in the consolidated accounts as from the acquisition date.

In the management's report, comparative figures stated for 2000 include BG Kredit A/S and a pro forma consolidation of Danske Kredit Realkreditaktieselskab.

Principles of consolidation

The consolidated accounts comprise the accounts of Realkredit Danmark A/S and of companies in which the Group holds more than 50% of the voting rights. Undertakings acquired in the process of preventing losses are not consolidated.

The consolidated accounts are prepared by consolidating items of the same nature and eliminating intra-group income and expenses, shareholdings and accounts. Consolidated accounts are prepared in accordance with the Group's accounting policies.

Companies acquired are included in the consol-

idated accounts as from the acquisition date. New acquisitions are made up at their net asset value at the date of acquisition in compliance with the Group's accounting policies. If the purchase price exceeds the net asset value, remaining positive differences (goodwill on acquisition) are charged directly against shareholders' equity in the year of acquisition.

The profit or loss of subsidiaries disposed of is included in the profit and loss account until the date of disposal. Any gains or losses on sales of subsidiaries are calculated as the difference between the sales amount and the net value at which they are recorded in the subsidiary undertakings at the date of disposal adjusted for any goodwill on acquisition charged directly against shareholders' equity in the year of acquisition. Any gains or losses calculated are included in the profit and loss account under "Other operating income" or "Other operating expenses".

Translation of foreign currencies

Assets and liabilities in foreign currency are expressed in Danish kroner at the rates of exchange published by Danmarks Nationalbank at the end of the year. Currencies for which Danmarks Nationalbank does not publish rates of exchange are stated at estimated rates of exchange.

Income and expenses in foreign currencies are translated into Danish kroner using the exchange rates prevailing at the time of booking.

Income recognition

Income and expenses are accrued over the lifetime of the transactions and included in the profit and loss account with the amounts relevant to the accounting period. Fees are normally taken to income when received.

Lending and amounts due from other credit institutions

The assets, including mortgage loans, lease assets and derivative financial instruments, are subject to con-

tinuous critical evaluation to identify potential risks. Identified losses, including those relating to payment problems in heavily indebted and politically unstable countries, are charged to expense in the profit and loss account under “Provisions for bad and doubtful debts” either as realised losses or as loss provisions. When a loss is considered to be realised, the corresponding provisions are transferred from the provisions account and the loss is written off.

Mortgage loans

Mortgage loans are booked in the balance sheet under the item “Lending” at nominal value, i.e. inclusive of the amortisation account for cash loans. Index-linked loans are stated on the basis of the December 31 index. Other loans (reserve fund mortgages, etc.) are stated at cost or at an estimated lower value.

Lease assets

Lease assets are included in the balance sheet under “Lending” and are valued at cost less depreciation. Depreciation is computed taking into account the residual useful life of each asset. Thus, the acquisition price less any estimated residual value is written off over the lease period.

Current income from lease assets (lease rentals less depreciation) is stated under “Interest income”. Profits or losses on the sale of lease assets at expiry are booked under “Other operating income”.

Repo and reverse transactions

Securities sold for which a concurrent agreement is made for later repurchase at a certain price (repo transactions) remain in the balance sheet. Interest and value adjustments are taken to the profit and loss account as if the securities were still held. Amounts received are stated as the amount owing to the purchaser under “Due to credit institutions and central banks” or “Deposits”. The agreed interest charge is stated as interest expense on the amount owing.

Securities purchased for which a concurrent

agreement is made for later resale at a certain price (reverse transactions) are not included in the balance sheet as holdings of securities. Amounts paid are stated as loans to the seller backed by the purchased securities under “Due from credit institutions and deposits with central banks” or “Lending”. The agreed interest is stated as interest income on the amount outstanding.

The sale of securities received as collateral for a reverse transaction does not affect the accounting treatment of the reverse transaction but entails an obligation to repurchase the securities before the expiry of the reverse transaction. The repurchase obligation corresponding to the amount received is stated under “Other liabilities”. The interest charge and value adjustment relating to such debt are carried under the profit and loss account item relevant for the type of security sold.

Securities (current investments)

Listed securities, including the Group’s holdings of own bonds, are stated at the market value at the end of the year.

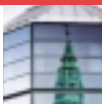
Unlisted securities are stated at the lower of cost or market value at the balance sheet date. Unlisted units of unit trusts are stated at the net asset value calculated by the unit trust.

The calculated market value adjustments are included in the profit and loss account under “Securities and foreign exchange income” and specified in the notes.

Holdings in associated undertakings and other significant holdings

Holdings in associated undertakings comprise shares and other holdings constituting shareholders’ equity in companies where the Group holds not less than 20% and not more than 50% of the voting rights of the company and also has a significant influence on the company’s financial management and operations.

Other significant holdings comprise holdings representing an interest of not less than 20% and not



more than 50% in companies that are not associated undertakings due to limitations on voting rights, etc.

Holdings in associated undertakings and other significant holdings are, as a general rule, valued using the equity method. The proportionate share of the profit after tax of the individual undertakings is taken up under “Income from associated and subsidiary undertakings”. However, some holdings are assessed at a lower value on the basis of a conservative estimate.

Holdings in subsidiary undertakings

Holdings in subsidiary undertakings comprise shares and other holdings constituting shareholders’ equity in companies in which the Group holds more than 50% of the voting rights.

Shares in subsidiary undertakings are valued using the equity method. The proportionate share of the pre-tax profit or loss of the individual undertakings is included under “Income from associated and subsidiary undertakings”. The proportionate tax charge from the undertakings is included under “Tax”.

Intangible and tangible assets

Intangible assets, including lease premiums, franchise rights and leasehold improvements, are charged fully to expense in the year of acquisition. Purchased goodwill is written off directly against shareholders’ equity in the year of acquisition.

Own properties and property improvements are stated at cost less any depreciation and write-downs.

Own properties whose market value, at a conservative estimate, is considerably higher than the cost price are revalued to the higher price if this higher value is considered to be of a permanent nature and does not exceed the public valuation. The revaluation is recorded as a revaluation reserve under shareholders’ equity.

Property is written off using the straight-line method on the basis of the property’s expected

scrap value and its estimated useful life up to a maximum of 75 years.

Foreclosed properties comprise own loans and senior mortgage debt to other mortgagees as well as other cash outlays, etc., regarding the foreclosed properties. Following an individual assessment of the risk of loss on each property, necessary provisions are set off against the assets, and the movement in the provision is stated in the profit and loss account under “Provisions for bad and doubtful debts”.

Machinery and equipment are entered in the balance sheet at cost less depreciation using the straight-line method. Depreciation is based on the estimated useful life of the asset, although only up to a maximum of three years.

Derivative financial instruments

Forward transactions are entered at the forward rates prevailing at the end of the year.

Accruals of premiums on forward securities transactions and forward exchange transactions are stated under the item “Interest income”.

The calculated changes in the market value of forward securities transactions and forward exchange transactions derived from changes in interest rates and foreign exchange rates are included in the profit and loss account under “Securities and foreign exchange income” and specified in the notes.

Interest rate and currency swaps are generally entered at the market values prevailing at the end of the year. Swaps hedging the interest rate risk on fixed rate liabilities, or on a portfolio of fixed rate assets, are not market value adjusted.

The market value adjustment of interest rate and currency swaps is entered in the profit and loss account under “Securities and foreign exchange income”.

Interest relating to interest rate and currency swaps is accrued over the life of each contract and recognised net under “Interest income”.

Forward rate agreements, options and futures are stated at the market values prevailing at the end of the year. The related profit or loss and any interest differences received or paid in respect of settled forward rate agreements are included in the profit and loss account under "Securities and foreign exchange income".

Tax

As from the year 2001, Realkredit Danmark A/S is jointly taxed with the parent company, Danske Bank A/S, and the majority of those of its Danish subsidiaries that have been wholly owned for the full year. For the year 2000, Realkredit Danmark A/S was taxed jointly with the then parent company, RealDanmark A/S, and the majority of this company's Danish subsidiaries.

The calculated Danish tax on the profit for the year is allocated to the jointly-taxed Danish companies in accordance with the full allocation method. The expected tax on the profit for the year is expensed under "Tax".

The jointly taxed companies pay corporation tax under the scheme for payment of tax on account.

Issued bonds

Bonds issued are entered in the balance sheet at nominal value.

Index-linked bonds are stated on the basis of the December 31 index.

Deferred taxes

Deferred taxes resulting from timing differences between the booking of income/charges for tax and for accounting purposes, as the case may be, are posted to the balance sheet and shown as a liability under "Provisions for obligations" or as an asset under "Other assets". Deferred taxes are based on current tax rates. Changes in deferred taxes during the year are expensed or recorded as income, as appropriate, in the profit and loss account.

Pension commitments

The Group's pension commitments are covered by payments made to insurance companies, pension funds, etc. Such payments are expensed when they are made.

Cash flow statement

The cash flow statement shows the cash flow from operating activities, cash flow from investing activities, movements in mortgage loans and other loans, and movements in deposits and other funding.

Moreover, the statement shows cash and cash equivalents at the beginning and at the end of the year.

The cash flow from operating activities is calculated indirectly on the basis of the pre-tax profit for the year adjusted for, among other things, non-cash profit and loss items and tax paid.

The cash flow from investing activities includes purchases and sales of securities, movements in repo and reverse transactions and purchases and sales of tangible and intangible fixed assets.

The net movement in mortgage loans and other loans is made up before provisions for bad and doubtful debts, etc.

The net movement in funding comprises, among other things, issuance, drawing and redemption of mortgage bonds.

Cash and cash equivalents include cash in hand, etc., and balances due from credit institutions and central banks net of outstanding amounts relating to reverse transactions.

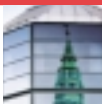
Intra-group transactions

Realkredit Danmark is a member of the Danske Bank Group, which consists of a number of independent legal entities. Intra-group transactions and services are settled on market terms or on a cost reimbursement basis. Except for insignificant transactions, all transactions are based on contracts between the companies.

Balance sheet

at December 31

(DKr m)	Note	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
	Assets				
	Cash in hand and demand deposits with central banks	6	215	6	215
10	Due from credit institutions and deposits with central banks	35,780	8,316	35,775	27,368
	Lending:				
	Mortgage loans	447,997	341,159	447,997	322,937
	Other loans	550	910	525	885
11	Total lending	448,547	342,069	448,522	323,822
12,14	Bonds	106,704	69,540	106,704	67,775
13,14	Shares, etc.	4	522	4	522
15	Holdings in associated undertakings, etc.	260	522	260	522
16	Holdings in subsidiary undertakings	8	9	100	851
17	Intangible assets	-	-	-	-
18	Tangible assets	717	705	716	704
19	Other assets	6,616	1,583	6,570	1,536
	Prepayments	1	38	-	35
	Total assets	598,643	423,519	598,657	423,350
	Liabilities				
20	Due to credit institutions and central banks	22,222	6,222	22,222	6,052
21	Deposits	-	11	-	11
22	Issued bonds	536,352	388,114	536,352	388,114
23	Other liabilities	15,894	7,839	15,908	7,840
	Deferred income	-	24	-	24
24	Provisions for obligations	921	989	921	989
25	Subordinated debt	-	3,000	-	3,000
26	Shareholders' equity:				
	Share capital	625	500	625	500
	Reserves:				
	Reserves in series	7,516	3,555	7,516	3,555
	Other reserves	15,113	13,265	15,113	13,265
	Total shareholders' equity	23,254	17,320	23,254	17,320
27	Total liabilities	598,643	423,519	598,657	423,350
	Off-balance-sheet items				
28	Guarantees, etc.	81	81	81	81
29	Other commitments	42	332	34	333
	Total	123	413	115	414



Cash flow statement

January 1 · December 31

(DKr m)	Realkredit Danmark Group	
	2001	2000
Cash flow from operations		
Profit before tax	2,548	1,645
Adjustment for non-cash items in the profit and loss account:		
Market value adjustment of securities	-193	-239
Depreciation and write-downs, etc.	21	111
Decrease of provisions for bad and doubtful debts	-36	-123
Tax paid	-585	-650
Increase(-)/decrease in outstanding amounts, etc.	-4,470	-499
Decrease(-)/increase in amounts owed, etc.	6,322	682
Total	3,607	927
Cash flow from investing activities		
Purchase(-)/sale of securities	-29,195	-36,165
Change in repo and reverse transactions	12,735	5,826
Increase(-)/decrease in other loans	228	3
Net investment in other fixed assets	-13	4
Total	-16,245	-30,332
Increase(-)/decrease in mortgage loans	-27,832	-7,927
Increase/decrease(-) in funding	65,142	28,456
Cash flow from financing		
Redemption of subordinated debt	-3,000	-
Total	-3,000	-
Movement in cash and cash equivalents	21,672	-8,876
Cash and cash equivalents at January 1	8,531	17,407
Cash and cash equivalents in the merged companies	49	-
Cash and cash equivalents at December 31	30,252	8,531
Cash and cash equivalents at December 31 comprise:		
Cash in hand and at bank, etc.	6	215
Due from credit institutions and deposits with central banks	35,780	8,316
Of which reverse transactions	-5,534	-
Total cash and cash equivalents at December 31	30,252	8,531

The cash flow statement for 2001 has been prepared on the basis of the merger opening balance sheet.

Notes to the accounts

(DKr m)

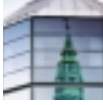
Note

1. **Core earnings and earnings from investment portfolios of the Realkredit Danmark Group**

	2001			Total*
	Core earnings	Merger costs	Earnings from investment portfolios	
Contribution income	1,973	-	-	1,973
Net interest income	1,342	-	102	1,444
Dividends from shares, etc.	-	-	18	18
Fee and commission income	132	-	-	132
Net interest and fee income	3,447	-	120	3,567
Securities and foreign exchange income	187	-	7	194
Other operating income	165	-	-	165
Staff costs and administrative expenses	1,293	115	4	1,412
Amortisation and depreciation	21	-	-	21
Other operating expenses	1	-	-	1
Provisions for bad and doubtful debts	-33	-	-	-33
Income from associated and subsidiary undertakings	-	-	23	23
Profit on ordinary operations before tax	2,517	-115	146	2,548

	2000			Total*
	Core earnings	Merger costs	Earnings from investment portfolios	
Contribution income	1,533	-	-	1,533
Net interest income	663	-	358	1,021
Dividends from shares, etc.	14	-	-	14
Fee and commission income	125	-	-	125
Net interest and fee income	2,335	-	358	2,693
Securities and foreign exchange income	-27	-	164	137
Other operating income	123	-	-	123
Staff costs and administrative expenses	1,223	28	19	1,270
Amortisation and depreciation	27	84	-	111
Other operating expenses	1	-	-	1
Provisions for bad and doubtful debts	-62	-	-	-62
Income from associated and subsidiary undertakings	12	-	-	12
Profit on ordinary operations before tax	1,254	-112	503	1,645

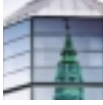
* The statutory accounting format of the Danish Financial Supervisory Authority



Notes to the accounts

(DKr m) Note	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
2. Interest income				
Due from credit institutions and deposits with central banks	807	214	805	1,210
Lending	25,623	19,827	25,621	18,870
Contribution income	1,973	1,533	1,973	1,455
Bonds:				
Own mortgage bonds	1,400	650	1,400	650
Other mortgage bonds	234	349	234	322
Government bonds	432	184	432	118
Other bonds	3	62	3	62
Derivative financial instruments:				
Currency contracts	-	-1	-	-1
Interest rate contracts	14	9	14	9
Other interest income	108	73	108	72
Total	30,594	22,900	30,590	22,767
Of which interest income on reverse transactions recorded under:				
Due from credit institutions and deposits with central banks	105	55	105	55
3. Interest expense				
Due to credit institutions and central banks	149	88	149	87
Issued bonds	26,870	19,947	26,870	19,948
Reimbursement of commitment fees, etc.	57	-2	57	-2
Subordinated debt	89	306	89	306
Other interest expense	12	7	13	8
Total	27,177	20,346	27,178	20,347
Of which interest expense on repo transactions recorded under:				
Due to credit institutions and central banks	132	46	132	46

(DKr m) Note	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
4. Securities and foreign exchange income				
Bonds:				
Own mortgage bonds	122	112	122	112
Other mortgage bonds	-35	-45	-35	-41
Government bonds	-13	-33	-13	-22
Other bonds	-1	-4	-1	-4
Shares, etc.	32	134	32	134
Fixed interest loans, etc.	-2	15	-2	15
Foreign currency	5	4	5	4
Derivative financial instruments:				
Interest rate contracts	86	-47	86	-47
Equity contracts	-	1	-	1
Total	194	137	194	152
5. Staff costs and administrative expenses				
Salaries and remuneration of board of directors, executive board and local councils:				
Executive board	6	5	6	5
Board of directors	1	3	1	3
Local councils	4	3	4	3
Total	11	11	11	11
Staff costs				
Salaries	514	415	448	389
Pension costs	53	53	51	53
Financial services employer tax, etc.	45	41	45	39
Total	612	509	544	481
Other administrative expenses	789	750	727	686
Total staff costs and administrative expenses	1,412	1,270	1,282	1,178
Average number of employees for the accounting year, full-time equivalent:				
Consolidated companies	954	1,034	922	973
Non-consolidated companies	1	1	1	1
Aggregate fees to the external accounting firms which perform the statutory audit	2	3	2	3
Of which in respect of non-audit services	1	1	1	1
In addition to these fees, considerable costs were incurred in operating the company's internal audit department.				

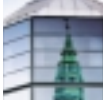


Notes to the accounts

(DKr m)	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
Note				
6.	Provisions for bad and doubtful debts (minus denotes an income)			
Losses with prior provisions	33	88	33	86
Losses without prior provisions	22	20	22	20
Recovery of debt previously written off	53	47	53	47
Movements in provisions:				
Provisions, beginning of year	556	679	554	677
Provisions, end of year	521	556	518	554
Total	-33	-62	-34	-64
Provisions for loans and guarantees as a percentage of loans and guarantees at year-end	0.1%	0.2%	0.1%	0.2%
7.	Income from associated and subsidiary undertakings			
Income from associated undertakings, etc.	23	12	23	12
Income from subsidiary undertakings	-	-	-27	36
Total	23	12	-4	48
8.	Tax (minus denotes an income)			
Estimated tax charge on profit for the year	658	649	658	649
Deferred taxes	-35	-101	-35	-101
Adjustments of prior-year tax charge	-7	-41	-7	-41
Tax on provisions	5	-	5	-
Total	621	507	621	507
The effective tax rate is calculated as follows:				
The current tax rate of the Realkredit Danmark Group	30.0%	32.0%	30.0%	32.0%
Deviation as a result of joint taxation with Danske Bank	-4.2%	-	-4.2%	-
Readjustment of prior-year tax charge	-0.3%	-2.5%	-0.3%	-2.5%
Other	-1.1%	1.4%	-1.1%	1.4%
Effective tax rate	24.4%	30.9%	24.4%	30.9%
9.	Income broken down by country			
Total interest income, dividends on shares, fee and commission income, securities and foreign exchange income and other operating income broken down geographically:				
Denmark	31,465	23,408	31,360	23,222
Other countries	6	14	6	14
Total	31,471	23,422	31,366	23,236

(DKr m)	Note	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
10.	Due from credit institutions and deposits with central banks				
	Deposits at notice with central banks	16,185	-	16,185	-
	Due from credit institutions	19,595	8,316	19,590	27,368
	Total	35,780	8,316	35,775	27,368
	Of which:				
	Reverse transactions	5,534	-	5,534	-
	Funding BG Kredit A/S	-	-	-	18,222
	Subordinated debt due from subsidiary undertakings	-	-	-	750
	Breakdown by term to maturity				
	On demand	11,141	7,167	11,136	7,248
	Up to and including 3 months	23,299	1,004	23,299	2,937
	Over 3 months and up to and including 1 year	1,340	145	1,340	335
	Over 1 year and up to and including 5 years	-	-	-	1,794
	Over 5 years	-	-	-	15,054
	Total	35,780	8,316	35,775	27,368
11.	Lending				
	Mortgage loans	447,997	341,159	447,997	322,937
	Outstanding amounts in respect of non-foreclosures	279	408	279	404
	Other loans	271	502	246	481
	Total	448,547	342,069	448,522	323,822
	Of which reverse transactions	-	6	-	6
	Breakdown by term to maturity				
	On demand	401	413	401	404
	Up to and including 3 months	52,173	38,860	52,171	36,862
	Over 3 months and up to and including 1 year	21,103	16,576	21,097	16,012
	Over 1 year and up to and including 5 years	72,369	53,812	72,355	52,351
	Over 5 years	302,501	232,408	302,498	218,193
	Total	448,547	342,069	448,522	323,822
	Loans, etc., to management				
	Loans, pledges, sureties or guarantees established for members of:				
	Executive board	2	3	2	3
	Board of directors	10	16	10	16

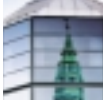
To be continued overleaf



Notes to the accounts

(DKr m)	Note	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
11.	<i>Continued</i>				
	Mortgage loans				
	Balance, beginning of year	341,425	333,479	323,203	320,155
	Additions on merger	79,014	-	97,236	-
	New loans	113,239	50,127	113,239	43,222
	Index adjustment	1,626	1,563	1,626	1,563
	Exchange rate adjustment	-28	17	-28	16
	Ordinary repayments	15,048	12,772	15,048	12,490
	Redemptions and extraordinary repayments	71,947	30,989	71,947	29,263
	Balance, end of year ¹⁾	448,281	341,425	448,281	323,203
	Loans transferred to foreclosed properties	65	19	65	19
	Loan provisions	370	406	370	406
	Loans taken over by the Danish Financial Administration Agency	151	159	151	159
	Total	447,997	341,159	447,997	322,937
	1) Of which amortisation accounts for cash loans	17,092	17,062	17,092	17,045
	Total sum of mortgage deed principals	495,366	377,395	495,366	358,784
	Number of loans	726,511	606,033	726,511	578,540
	Apart from being backed by mortgages on properties, the company's loans are backed by government, municipal and insurance guarantees of	20,490	22,143	20,490	22,143
	Furthermore, passbooks, bonds and guarantees have been lodged as supplementary security in the amount of	42,052	12,079	42,052	10,383
	In addition, a number of non-liquidated indemnities have been lodged				
	Outstanding amounts in respect of non-foreclosures				
	Arrears	290	419	290	415
	Outlays	68	110	68	110
	Loan provisions	79	121	79	121
	Total	279	408	279	404
	In arrears at mid-January	118	110	118	109
	Mortgage loans broken down by property category				
	Owner-occupied dwellings	59%	52%	59%	50%
	Holiday homes	2%	2%	2%	2%
	Subsidised residential rental property	16%	20%	16%	21%
	Private residential rental property	6%	7%	6%	8%
	Industrial and skilled trades property	3%	3%	3%	3%
	Office and retail property	7%	7%	7%	7%
	Agricultural property, etc.	5%	6%	5%	6%
	Property for social, cultural and training activities	2%	2%	2%	2%
	Other property	-	1%	-	1%
	Total	100%	100%	100%	100%

(DKr m) Note	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
12. Bonds				
Own mortgage bonds	80,242	56,549	80,242	56,549
Other mortgage bonds	17,347	7,790	17,347	7,358
Government bonds	9,115	4,416	9,115	3,083
Other bonds	-	785	-	785
Total	106,704	69,540	106,704	67,775
Of which:				
Drawn bonds	42,448	19,610	42,448	19,389
Separated domestic bonds to be used for drawing bonds for redemption at par	7,277	1,031	7,277	1,031
Subordinated claims	-	258	-	258
Security has been provided to Danmarks Nationalbank by way of bonds with a book value of	2,783	8,217	2,783	8,217
Bonds sold in connection with repo transactions	21,993	6,064	21,993	6,064
Unsettled reverse transactions	192	-	192	-
13. Shares, etc.				
Listed on the Copenhagen Stock Exchange	-	498	-	498
Other shares, etc.	4	24	4	24
Total	4	522	4	522
14. Current asset investments				
Current asset investments valued at market value	106,708	70,046	106,708	68,280
Difference between the purchase price of current asset investments valued at market value and the higher market value at the valuation date	295	248	295	225
Current asset investments not valued at market value	-	16	-	16
Difference between the purchase price of current asset investments not valued at market value and the higher market value at the valuation date	-	6	-	6

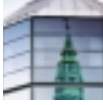


Notes to the accounts

(DKr m) Note	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
15. Holdings in associated undertakings, etc.				
Other undertakings	260	522	260	522
Total	260	522	260	522
Cost, beginning of year	528	678	528	678
Addition on merger	5	-	5	-
Additions	-	20	-	20
Disposals	255	170	255	170
Cost, end of year	278	528	278	528
Revaluation and write-downs, beginning of year	-6	46	-6	47
Addition on merger	1	-	1	-
Result	23	12	23	12
Dividends	3	26	3	26
Reversal of revaluation and write-downs	-33	-38	-33	-39
Revaluation and write-downs, end of year	-18	-6	-18	-6
Book value, end of year	260	522	260	522
16. Holdings in subsidiary undertakings				
Credit institutions	-	-	-	766
Other undertakings	8	9	100	85
Total	8	9	100	851
Cost, beginning of year	14	29	995	995
Additions	-	-	37	-
Disposals	1	15	753	-
Cost, end of year	13	14	279	995
Revaluation and write-downs, beginning of year	-5	-5	-144	-173
Result after tax, net	-	-	-20	31
Other movements in capital	-	-	-2	-2
Reversal of revaluation and write-downs	-	-	-13	-
Revaluation and write-downs, end of year	-5	-5	-179	-144
Book value, end of year	8	9	100	851

(DKr m) Note	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
17. Intangible assets				
Intangible assets solely comprise leasehold improvements				
Cost, beginning of year	-	74	-	72
Additions	-	-	-	-
Disposals	-	74	-	72
Cost, end of year	-	-	-	-
Amortisation and write-downs, beginning of year	-	23	-	22
Amortisation during the year	-	-	-	-
Reversal of amortisation and write-downs	-	23	-	22
Amortisation and write-downs, end of year	-	-	-	-
Book value, end of year	-	-	-	-
Other intangible assets charged to the profit and loss account	6	9	6	8
18. Tangible assets				
Own properties	671	676	671	676
Foreclosed properties	35	15	35	15
Machinery and equipment	11	14	10	13
Total	717	705	716	704
Own properties				
Cost, beginning of year	994	992	994	992
Additions	3	25	3	25
Disposals	4	23	4	23
Cost, end of year	993	994	993	994
Depreciation and write-downs, beginning of year	318	281	318	281
Depreciation during the year	4	4	4	4
Write-downs during the year	-	44	-	44
Reversal of depreciation and write-downs	-	11	-	11
Depreciation and write-downs, end of year	322	318	322	318
Book value, end of year	671	676	671	676
Most recent public property assessment	524	495	524	494

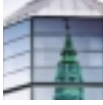
To be continued overleaf



Notes to the accounts

(DKr m) Note	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
18. <i>Continued</i>				
Machinery and equipment				
Cost, beginning of year	95	165	88	87
Addition on merger	3	-	4	-
Additions	4	5	4	5
Disposals	4	75	3	4
Cost, end of year	98	95	93	88
Depreciation and write-downs, beginning of year	81	83	75	29
Addition on merger	1	-	4	-
Depreciation during the year	7	27	6	27
Write-downs during the year	-	24	-	22
Reversal of depreciation and write-downs	2	53	2	3
Depreciation and write-downs, end of year	87	81	83	75
Book value, end of year	11	14	10	13
Machinery and equipment charged to the profit and loss account in the year of acquisition	4	3	3	2
19. Other assets				
Interest, etc., due on mortgage loans	104	54	104	54
Other interest due	4,870	906	4,870	893
Positive market value of financial instruments	192	85	192	85
Deferred taxes	198	161	185	150
Other debtors, etc.	1,252	377	1,219	354
Total	6,616	1,583	6,570	1,536
20. Due to credit institutions and central banks				
Due to credit institutions	22,222	6,222	22,222	6,052
Total	22,222	6,222	22,222	6,052
Of which repo transactions	22,024	6,040	22,024	6,040
Breakdown by term to maturity				
On demand	198	181	198	11
Up to and including 3 months	22,024	6,041	22,024	6,041
Total	22,222	6,222	22,222	6,052
21. Deposits				
Of which repo transactions	-	11	-	11
Breakdown by term to maturity				
At notice: Up to and including 3 months	-	11	-	11
Total	-	11	-	11

(DKr m)	Note	Realkredit Danmark Group		Realkredit Danmark A/S	
		2001	2000	2001	2000
22.	Issued bonds				
	This item solely comprises issued mortgage bonds.				
	Balance, beginning of year	388,114	359,657	388,114	359,657
	Addition on merger	83,096	-	83,096	-
	Additions	158,800	87,043	158,800	87,043
	Index adjustment	1,630	1,570	1,630	1,570
	Exchange rate adjustment	-42	18	-42	18
	Drawings and prepayments	65,091	35,691	65,091	35,691
	Redemptions and extraordinary repayments	30,155	24,483	30,155	24,483
	Balance, end of year	536,352	388,114	536,352	388,114
	Of which pre-issued	45,743	38,065	45,743	38,065
	Drawn on January 2, 2002, or 2001	83,140	44,956	83,140	44,956
	Of which to be re-funded	48,829	37,237	48,829	37,237
	Net drawing	34,311	7,719	34,311	7,719
	Breakdown by term to maturity				
	Up to and including 3 months	83,140	44,956	83,140	44,956
	Over 3 months and up to and including 1 year	34,778	8,842	34,778	8,842
	Over 1 year and up to and including 5 years	139,554	97,134	139,554	97,134
	Over 5 years	278,880	237,182	278,880	237,182
	Total	536,352	388,114	536,352	388,114
23.	Other liabilities				
	Interest due on issued mortgage bonds	13,413	6,895	13,413	6,895
	Other interest due	786	237	786	237
	Negative market value of financial instruments	116	72	116	72
	Tax payable	100	-	100	-
	Other creditors	1,479	635	1,493	636
	Total	15,894	7,839	15,908	7,840
24.	Provisions for obligations				
	Pensions and similar obligations	-	12	-	12
	Reserves in series subject to a reimbursement obligation	921	977	921	977
	Total	921	989	921	989
25.	Subordinated debt				
	At April 2, 1992, a loan of DKr3,000m was raised as subordinated debt. The loan was instalment-free until April 15, 2001, when it was redeemed at par. Until that date, the loan carried interest at 10.2% p.a.				



Notes to the accounts

(DKr m)	Share capital	Reserves in series	Other reserves	Total 2001	Total 2000
Note					
26. Shareholders' equity					
Realkredit Danmark A/S' share capital of DKr625m comprises 6,250,000 shares of DKr100 each. The share capital is wholly owned by Danske Bank A/S.					
Movements in shareholders' equity:					
Balance, beginning of year	500	3,555	13,265	17,320	16,219
Addition on merger	125	3,200	684	4,009	-
Amortisation of intangible assets	-	-	-2	-2	-52
Deferred taxes related to intangible assets	-	-	-	-	15
Allocated as per distribution of profit	-	489	1,438	1,927	1,138
Transferred from series with surplus coverage	-	-237	237	-	-
Transferred to series with insufficient coverage	-	509	-509	-	-
Balance, end of year	625	7,516	15,113	23,254	17,320

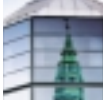
	Realkredit Danmark Group		Realkredit Danmark A/S	
	2001	2000	2001	2000
27. Capital base and solvency				
Capital base				
Core capital, less statutory deductions	23,055	17,159	23,068	17,170
Subordinated debt	-	3,000	-	3,000
Reserves in series subject to a reimbursement obligation	352	355	352	355
Other	-	122	-	122
Total supplementary capital	352	3,477	352	3,477
Total capital base, less statutory deductions	23,407	20,636	23,420	20,647
Weighted items				
not included in trading portfolio	230,085	176,391	230,123	172,925
with market risk included in trading portfolio	2,686	5,742	2,686	5,545
Total weighted items	232,771	182,133	232,809	178,470
Core (tier 1) capital ratio, %	9.91	9.42	9.91	9.62
Solvency ratio, %	10.06	11.33	10.06	11.57
Statutory minimum solvency requirement, %	8.00	8.00	8.00	8.00
28. Guarantees, etc.				
Other guarantees	81	81	81	81
Total	81	81	81	81
29. Other commitments				
Other commitments	42	332	34	333
Total	42	332	34	333

Note

30. **Contingent liabilities**

Realkredit Danmark A/S guarantees the pension fund commitments of Kreditforeningen Danmarks Pensionsafviklingskasse.

The company is jointly and severally liable for the corporation tax of the jointly taxed companies. The company is registered jointly with all major Danish subsidiaries of the Danske Bank Group in relation to financial services employer tax and VAT for which it is jointly and severally liable.



Notes to the accounts

Note

31. Derivative financial instruments

Specified by remaining life

Realkredit Danmark Group (DKr m)	3 months and below		Over 3 months to 1 year		Over 1 year to 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
Currency contracts						
Forwards/futures bought	213	-	-	-	-	-
Forwards/futures sold	2	-	-	-	-	-
Interest rate contracts						
Forwards/futures bought	72,095	58	172	-	-	-
Forwards/futures sold	50,006	5	40	-	-	-
FRAs bought	400	-2	-	-	-	-
FRAs sold	400	1	-	-	-	-

Realkredit Danmark Group (DKr m)	Total 2001		Total 2000		Total 2001		Total 2000	
	Notional value	Net market value	Notional value	Net market value	Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	213	-	67	-	-	-	-	-
Forwards/futures sold	2	-	410	2	-	-	2	-
Interest rate contracts								
Forwards/futures bought	72,267	58	40,386	81	123	65	81	-
Forwards/futures sold	50,046	5	39,481	-69	50	45	-	69
FRAs bought	400	-2	2,450	-2	-	2	-	2
FRAs sold	400	1	850	2	1	-	2	-
Total net market value		62		14	174	112	85	71

Specified by remaining life

Realkredit Danmark A/S (DKr m)	3 months and below		Over 3 months to 1 year		Over 1 year to 5 years	
	Notional amount	Net market value	Notional amount	Net market value	Notional amount	Net market value
Currency contracts						
Forwards/futures bought	213	-	-	-	-	-
Forwards/futures sold	2	-	-	-	-	-
Interest rate contracts						
Forwards/futures bought	72,095	58	172	-	-	-
Forwards/futures sold	50,006	5	40	-	-	-
FRAs bought	400	-2	-	-	-	-
FRAs sold	400	1	-	-	-	-

Realkredit Danmark A/S (DKr m)	Total 2001		Total 2000		Total 2001		Total 2000	
	Notional value	Net market value	Notional value	Net market value	Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	213	-	67	-	-	-	-	-
Forwards/futures sold	2	-	410	2	-	-	2	-
Interest rate contracts								
Forwards/futures bought	72,267	58	40,386	81	123	65	81	-
Forwards/futures sold	50,046	5	39,481	-69	50	45	-	69
FRAs bought	400	-2	2,450	-2	-	2	-	2
FRAs sold	400	1	850	2	1	-	2	-
Total net market value		62		14	174	112	85	71

Note

31. **Derivative financial instruments**

(continued)

Realkredit Danmark Group (DKr m)	2001 Average market value		2000 Average market value		2001 Market value of non- guaranteed contracts		2000 Market value of non- guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	-	-	-	-	-	-	-	-
Forwards/futures sold	-	-	1	2	-	-	2	-
Interest rate contracts								
Forwards/futures bought	70	8	16	16	123	65	81	-
Forwards/futures sold	5	33	6	6	50	45	-	69
FRAs bought	-	6	4	-	-	2	-	2
FRAs sold	2	-	-	11	1	-	2	-
Total net market value	77	47	27	35	174	112	85	71
Total after netting					62		14	

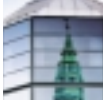
Realkredit Danmark A/S (DKr m)	2001 Average market value		2000 Average market value		2001 Market value of non- guaranteed contracts		2000 Market value of non- guaranteed contracts	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
Currency contracts								
Forwards/futures bought	-	-	-	-	-	-	-	-
Forwards/futures sold	-	-	1	2	-	-	2	-
Interest rate contracts								
Forwards/futures bought	70	8	16	16	123	65	81	-
Forwards/futures sold	5	33	6	6	50	45	-	69
FRAs bought	-	6	4	-	-	2	-	2
FRAs sold	2	-	-	11	1	-	2	-
Total net market value	77	47	27	35	174	112	85	71
Total after netting					62		14	

Average market value is calculated on a daily basis.

Outstanding spot transactions

Realkredit Danmark Group (DKr m)	Notional amount	Market value		Total 2001 Net market value
		Positive	Negative	
Interest rate transactions bought	2,331	3	2	1
Interest rate transactions sold	13,762	15	2	13
Total	16,093	18	4	14
Total 2000	1,460	-	1	-1

Realkredit Danmark A/S (DKr m)	Notional amount	Market value		Total 2001 Net market value
		Positive	Negative	
Interest rate transactions bought	2,331	3	2	1
Interest rate transactions sold	13,762	15	2	13
Total	16,093	18	4	14
Total 2000	1,460	-	1	-1



Notes to the accounts

(DKr m)

Note

32. **Intra-group transactions**

No unusual transactions have taken place with associated and subsidiary undertakings in 2001.

In 2001, Realkredit Danmark A/S had the following major intra-group transactions with companies directly or indirectly linked to the company.

Realkredit Danmark A/S has paid fees, etc., for the arrangement and guarantee of mortgage loans.

The company's IT administration and development, portfolio management and property administration are handled by Danske Bank A/S, which receives a consideration for this.

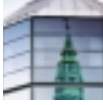
Realkredit Danmark A/S has received and paid interest and fees on outstanding accounts with Danske Bank A/S and it has paid commission to home a/s.

33. **Amounts due from and due to subsidiary and associated undertakings**

Amounts due to Realkredit Danmark A/S from subsidiary and associated undertakings, etc., and amounts due from the company to these undertakings:

	Subsidiary undertakings		Associated undertakings	
	2001	2000	2001	2000
Due from credit institutions	17,239	26,181	-	-
Lending	9	26	2,168	1,263
Bonds	-	165	-	-
Other assets	1	1	-	-
Total	17,249	26,373	2,168	1,263
Due to credit institutions	21,331	3,977	-	-
Issued bonds	-	4,387	-	-
Other liabilities	26	258	-	-
Total	21,357	8,622	-	-

	2001	2000	1999	1998	1997
Note					
34. Financial highlights for the parent company, Realkredit Danmark A/S					
PROFIT AND LOSS ACCOUNT (DKr m)					
Net interest income	3,412	2,420	2,636	2,758	2,577
Dividends from shares, etc.	18	14	16	13	8
Fee and commission income, net	131	175	261	298	270
Net interest and fee income	3,561	2,609	2,913	3,069	2,855
Securities and foreign exchange income	194	152	-339	159	539
Other operating income	65	58	68	44	33
Staff costs and administrative expenses	1,282	1,178	1,214	1,096	872
Amortisation and depreciation	19	107	41	142	59
Other operating expenses, etc.	1	1	10	2	169
Provisions for bad and doubtful debts	-34	-64	-79	-100	-100
Income from associated and subsidiary undertakings	-4	48	142	21	10
Profit before tax	2,548	1,645	1,598	2,153	2,437
Tax	621	507	427	661	711
Net profit for the year	1,927	1,138	1,171	1,492	1,726
BALANCE SHEET (DKr m)					
Assets					
Due from credit institutions, etc.	35,781	27,583	33,583	24,884	17,506
Lending	448,522	323,822	320,741	312,771	304,939
Bonds and shares, etc.	107,068	69,670	33,385	35,768	27,586
Other assets	7,286	2,275	1,908	2,275	1,885
Total assets	598,657	423,350	389,617	375,698	351,916
Liabilities					
Due to credit institutions, etc.	22,222	6,063	1,570	6,499	1,227
Issued bonds	536,352	388,114	359,657	338,890	321,856
Other liabilities	16,829	8,853	9,171	12,000	9,516
Subordinated debt	-	3,000	3,000	3,000	3,000
Shareholders' equity	23,254	17,320	16,219	15,309	16,317
Total liabilities	598,657	423,350	389,617	375,698	351,916
RATIOS					
Solvency ratio, %	10.1	11.6	11.2	11.5	13.3
Core (tier 1) capital ratio, %	9.9	9.6	9.1	9.0	10.0
Return on equity before tax, %	11.4	9.8	10.1	13.6	15.8
Return on equity after tax, %	8.6	6.8	7.4	9.4	11.2
Income/cost ratio, DKr	3.01	2.35	2.35	2.89	3.43
Foreign exchange position, %	12.5	5.8	0.5	0.1	1.3
Accumulated provisioning ratio, %	0.1	0.2	0.2	0.3	0.3
Write-off and provisioning ratio for the year, %	0.0	0.0	0.0	0.0	0.0
Annual growth in lending, %	11.3	1.0	2.5	2.6	3.4
Gearing of lending (factor)	19.3	18.7	19.7	20.4	18.7

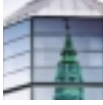


Notes to the accounts

Note	USD		EUR	
	Pro forma		Pro forma	
	2001	2000	2001	2000
35. Financial highlights (USD and EUR) for the Realkredit Danmark Group				
PROFIT AND LOSS ACCOUNT (million)				
Contribution income	235	236	265	254
Net interest income, excl. earnings from investment portfolios	159	110	181	118
Fee and commission income, net	16	3	18	3
Trading income	22	2	25	2
Other core income	20	15	22	16
Total core income	452	366	511	393
Operating expenses and depreciation	156	163	177	175
Core earnings before provisions	296	203	334	218
Provisions for bad and doubtful debts	-4	-7	-4	-8
Core earnings	300	210	338	226
Earnings from investment portfolios	17	63	20	67
Merger costs, etc.	14	14	15	15
Profit on ordinary operations before tax	303	259	343	278
Tax	74	77	84	82
Net profit for the year	229	182	259	196
BALANCE SHEET (million)				
Assets				
Due from credit institutions, etc.	4,255	1,349	4,813	1,450
Lending	53,338	52,524	60,323	56,447
Bonds and shares, etc.	12,721	9,674	14,387	10,396
Other assets	873	306	986	329
Total assets	71,187	63,853	80,509	68,622
Liabilities				
Due to credit institutions, etc.	2,642	787	2,989	846
Issued bonds	63,780	58,751	72,132	63,139
Other liabilities	2,000	1,282	2,261	1,377
Subordinated debt	-	374	-	402
Shareholders' equity	2,765	2,659	3,127	2,858
Total liabilities	71,187	63,853	80,509	68,622
The translation is based on the following exchange rates	8.4095	8.0205	7.4357	7.4631

Group structure

(DKr m)	Interest	Share capital	Shareholders' equity	Net profit for the year	Due to Realkredit Danmark Group	Due from Realkredit Danmark Group
Consolidated subsidiaries						
home a/s, Copenhagen	100%	15.0	72	-20		
Mægler-service Danmark A/S, Copenhagen	100%	1.0	3	-		
ApS RD nr. 3064, Copenhagen	100%	0.2	1	-		
ApS RD nr. 3065, Copenhagen	100%	0.2	12	-		
A/S RD nr. 3066, Copenhagen	100%	0.5	1	-		
A/S RD nr. 3067, Copenhagen	100%	0.5	2	-		
Non-consolidated subsidiaries						
Undertakings acquired in the process of preventing losses, total book value DKr8m:						
Omegadane SARL, Paris	100%	0.1	-1	-	1	-
Skævinge Boligselskab A/S, Copenhagen	100%	7.0	8	-	8	-
Associated undertakings						
DADES A/S, Lyngby-Taarbæk	9%	494.6	2,100	200		
Danmarks Transport Center A/S, Vejle	20%	200.0	126	6		
Hercules Estates A/S in the process of being wound up, Copenhagen	25%	200.0	107	5		
Info Kredit A/S in the process of being wound up, Copenhagen	25%	0.6	12	5		
Copenhagen Stock Exchange A/S, Copenhagen	6%	40.0	158	28		
Realkreditnettet A/S, Copenhagen	25%	10.0	32	-7		
Værdipapircentralen A/S, Taastrup	10%	40.0	135	47		
The total amount owed to the Group by associated undertakings is DKr2,168m.						
No amount is owed by the Group to associated undertakings.						
Other significant holdings						
Håndværkets Byfornyelsesselskab Smba., Copenhagen	18%	13.5	11	-		
Undertakings in which the Group holds 10% or more of the share capital						
Ejendomsaktieselskabet Springbanen, Copenhagen	18%	40.0	23	-2		



Series accounts 2001

Pursuant to the Order on the Presentation of Series Accounts by Mortgage Credit Institutions, the annual accounts of Realkredit Danmark A/S are specified for the individual underlying mortgage credit associations as follows:

Note	(DKr m)	Jydsk Grundejer- Kredit- forening	Ny jydsk Kjøbstad- Kredit- forening	Ny Jysk Grundejer- Kredit- forening	Østifternes Kredit- forening	Grund- ejernes Hypotek- forening	Husmands- hypotek- foreningen for Danmark
Profit and loss account							
		4.2	3.9	0.2	9.0	1.2	0.1
		0.0	0.0	0.0	0.0	0.0	0.0
1	Net interest, etc.	13.4	14.6	10.6	35.4	6.8	0.0
1	Administrative expenses, etc.	-11.6	-15.7	-0.5	-44.2	-1.1	-2.0
	Provisions for bad and doubtful debts	0.0	0.0	0.0	-0.1	0.0	0.0
	Tax	-1.8	-0.8	-3.1	0.0	-2.1	0.6
2	Net profit for the year	4.2	2.0	7.2	0.1	4.8	-1.3
Balance sheet - assets							
	Mortgage loans, etc.	1,538.6	1,308.3	31.3	3,469.2	148.1	3.9
	Other assets	326.0	346.2	174.1	922.5	124.1	1.3
	Total assets	1,864.6	1,654.5	205.4	4,391.7	272.2	5.2
Balance sheet - liabilities							
	Issued bonds	1,588.1	1,368.2	34.9	3,704.2	161.2	4.8
	Other liabilities	76.9	68.2	8.5	181.1	11.2	0.2
3	Shareholders' equity	199.6	218.1	162.0	506.4	99.8	0.2
	Total liabilities	1,864.6	1,654.5	205.4	4,391.7	272.2	5.2

1. Distribution policies

Pursuant to section 3 (1) and (2) of the Order on the Presentation of Series Accounts by Mortgage Credit Institutions, a share of net interest, etc., equivalent to the ratio of the series reserve fund to the other series reserve funds has been allocated to each series.

Pursuant to section 3 (3) of the Order on the Presentation of Series Accounts by Mortgage Credit Institutions, the Danish Financial Supervisory Authority has approved that administrative expenses, etc., are allocated to individual associations using a distribution scale by which the number of loans in the association is weighted at 3, and the principal of the loans is weighted at 1. The same distribution scale has been applied for additional allocations to the individual series/series reserve funds. However, allocation to series in pre-1972 associations is made in accordance with the by-laws, etc., of these associations.

Provins- hypotek- foreningen for Danmark	Østifternes Land- Hypotek- forening	Series not subject to reimbursement obligation	Danske Kredit	Other reserves	Total
0.5	0.0	413.2	451.8	1,129.6	2,013.7
0.0	0.0	-29.2	0.0	-60.0	-89.2
1.4	0.1	316.8	223.1	1,168.6	1,790.8
-2.8	-0.4	-286.7	-290.0	-551.0	-1,206.0
0.0	0.0	110.3	0.7	-76.5	34.4
0.3	0.1	-157.4	-115.7	-341.4	-621.3
-0.6	-0.2	367.0	269.9	1,269.3	1,922.4

81.0	1.1	97,700.6	72,342.4	271,832.8	448,457.3
31.6	0.9	16,497.6	16,524.7	115,250.6	150,199.6
112.6	2.0	114,198.2	88,867.1	387,083.4	598,656.9

88.1	1.3	105,406.6	81,999.7	355,388.2	549,745.3
4.6	0.1	4,765.5	3,663.5	15,957.5	24,737.3
19.9	0.6	4,026.1	3,203.9	15,737.7	24,174.3
112.6	2.0	114,198.2	88,867.1	387,083.4	598,656.9

(DKr m)

2001

2. **Profits in series accounts**

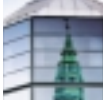
The profits of the series accounts can be reconciled to the annual accounts of Realkredit Danmark A/S as follows:

Net profit, annual accounts	1,927.1
Goodwill written off against shareholders' equity in the year of acquisition	-2.5
Transferred to other reserves, etc.	-2.2
Profits in series accounts	1,922.4

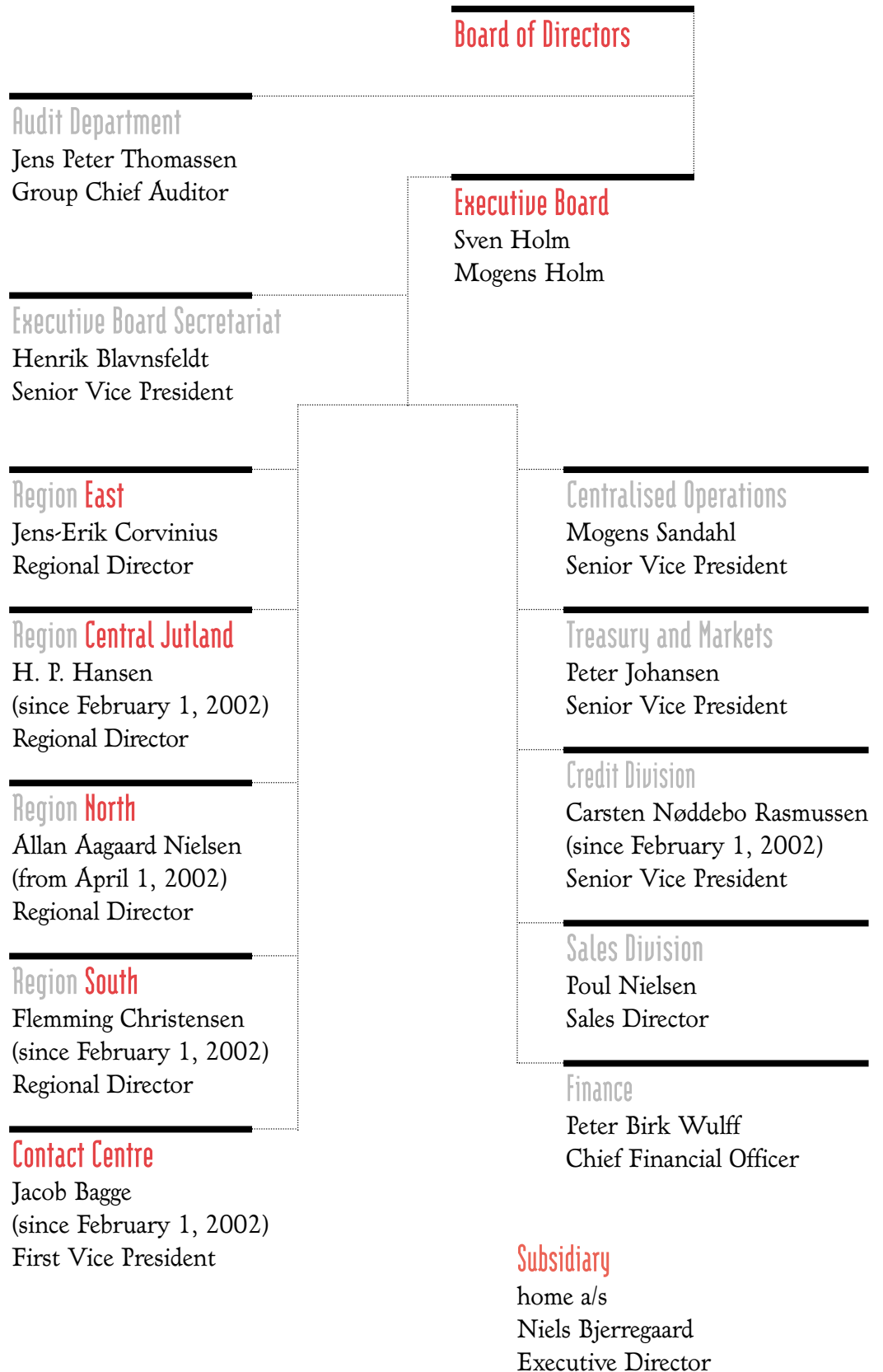
3. **Shareholders' equity in series accounts**

The shareholders' equity in the series accounts can be reconciled to the annual accounts of Realkredit Danmark A/S as follows:

Shareholders' equity, annual accounts	23,253.6
Reserves subject to a reimbursement obligation in pre-1972 series	920.7
Shareholders' equity in series accounts	24,174.3



Organisational structure



Major directorships

The major directorships of the members of the board of directors – including in Danish limited companies – are listed below.

Board of directors

Kjeld Jørgensen, Chairman

Deputy Chairman of the Executive Board of Danske Bank A/S
Born in 1942

Sven Lystbæk, Deputy Chairman

Member of the Executive Committee of Danske Bank A/S
Born in 1951
Other directorships:
Chairman of Værdipapircentralen A/S (Danish Securities Centre)
Deputy Chairman of PBS Holding A/S.

Morten Balling (appointed by the Minister of Economic Affairs)

Professor of Economics
Born in 1938
Other directorships:
Director of C. W. Obel A/S, Den Faberske Fond, COWI-Fonden and Bang-Fonden.

Kent Christoffersen (elected by the employees)

Customer Adviser, Realkredit Danmark A/S
Born in 1951
Other directorships:
Director of Foreningen RealDanmark.

Steen Hansen (since July 1, 2001)

Senior Vice President, Danske Bank A/S
Born in 1949

Søren Hermansen (since January 30, 2002) (elected by the employees)

Sales Manager, Realkredit Danmark A/S
Born in 1956

Jørgen Lund

Alderman
Born in 1935
Other directorships:
Chairman of Rynkeby Maskinfabrik A/S.

Bent Maribo

Farmer
Born in 1939
Other directorships:
Chairman of Steff-Houlberg Slagterierne Amba, Vigo Food I/S, and SEA Avlsdyreksport.
Deputy Chairman of Slagteriernes Gruppeliv.
Director of Danske Slagterier, Nordvest Shipping I/S, Slagteriernes Arbejdsgiverforening, Coffley Links (Holding) Ltd., Dan Bredd USA, DAT SHAUB and August Olsen & Søn A/S.
Member of Danish Agricultural Council, Forretningsudvalget for Sammenslutningen af Landbrugets Arbejdsgiverforeninger, SALA.

Jørgen Mejlgård

General Manager
Born in 1946
Other directorships:
Director of A/S Bolind Handel.

Jesper Ovesen

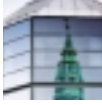
Chief Financial Officer and Member of the Executive Committee of Danske Bank A/S
Born in 1957

Peder J. Pedersen

Professor of Economics, Ph.D., M.A. (Econ)
Born in 1941
Other directorships:
Chairman of Institut for Grænseforskning.
Director of Socialforskningsinstituttet.

Bent Peetz (elected by the employees)

Customer Adviser, Realkredit Danmark A/S
Born in 1953
Other directorships:
Director of Foreningen RealDanmark and Henrik Nielsen A/S, Murer- og Tømrervirksomhed, Hundested. Member of Lejerbo in Frederiksværk (appointed by the Municipality of Frederiksværk).



With effect from March 26, 2001, Carl Emil Heidemann, Customer Adviser, resigned from the board of directors.

With effect from July 1, 2001, Thomas Dywremose, Executive Vice President, resigned from the board of directors.

With effect from January 30, 2002, Klaus Modberg, Assistant Vice President, and Per Alling Toubro, Manager, resigned from the board of directors.

Executive board

Sven Holm

Chairman of the Executive Board and Chief Executive Officer

B. Com. (Business Finance)

Born in 1946

Chairman of the Association of Danish Mortgage Banks, Director of Kreditforeningen Danmarks Pensionsafviklingskasse. Director of Realkreditnettet A/S (since January 10, 2002).

Bent Fjord (until February 1, 2002)

Member of the Executive Board

M.A. (Political Science)

Born in 1953

Chairman of MæglerService Danmark A/S (until January 11, 2002). Director of home a/s (until December 3, 2001). Director of the Association of Danish Mortgage Banks (until November 20, 2001) and of the Danish Securities Council (until December 11, 2001). Deputy Chairman of Realkreditnettet A/S (until January 10, 2002).

Mogens Holm

Member of the Executive Board

B. Com. (Business Finance)

Born in 1953

Director of Værdipapircentralen A/S (Danish Securities Centre). Director of the Association of Danish Mortgage Banks (since November 20, 2001). Director of home a/s (since December 3, 2001). Chairman of MæglerService Danmark A/S (since January 11, 2002).