

Interim Report First half of 2002

REALKREDIT
Danmark

Realkredit Danmark Group

CORE EARNINGS AND NET PROFIT FOR THE PERIOD

(DKr m)	1st half 2002	1st half 2001	Indeks 02/01	Full year 2001
Contribution income	1,033	972	106	1,973
Net interest income, exclusive of earnings from investment portfolios	525	627	84	1,342
Fee and commission income, net	87	31	281	132
Trading income	82	78	105	187
Other core income	64	80	80	165
Total core income	1,791	1,788	100	3,799
Operating expenses and depreciation	649	645	101	1,315
Core earnings before provisions	1,142	1,143	100	2,484
Provisions for bad and doubtful debts	-44	-38	116	-33
Core earnings	1,186	1,181	100	2,517
Earnings from investment portfolios	57	42	136	146
Merger costs	17	87	20	115
Profit on ordinary operations before tax	1,226	1,136	108	2,548
Tax	308	280	110	621
Net profit for the period	918	856	107	1,927

BALANCE SHEET

(DKr m)

Assets

Due from credit institutions, etc.	35,510	28,686	124	35,786
Lending	458,460	431,101	106	448,547
Bonds and shares, etc.	15,573	16,602	94	106,976
Other assets	1,832	1,737	105	7,334
Total assets	511,375	478,126	107	598,643

Liabilities

Due to credit institutions, etc.	4,022	1,119	359	22,222
Issued bonds	473,089	444,881	106	536,352
Other liabilities	10,088	9,941	101	16,815
Shareholders' equity	24,176	22,185	109	23,254
Total liabilities	511,375	478,126	107	598,643

RATIOS AND KEY FIGURES

Net profit for the period as % p.a. of avg. shareh. equity	7.7	7.9		8.6
Core earnings as % p.a. of avg. shareholders' equity	10.0	10.9		11.3
Cost/core income ratio, %	36.2	36.1		34.6
Solvency ratio, % (excl. net profit for the period)	9.9	9.8		10.1
Core (tier 1) capital ratio (excl. net profit for the period)	9.7	9.7		9.9
Number of full-time employees at June 30	1,048	964		933
Rating of bonds - Moody's	Aaa	Aa1		Aaa

The accounting policies applied are the same as those applied in 2001.

REPORT

Summary of performance in the first half of 2002

The performance of the Realkredit Danmark Group in the first half of 2002 may be summed up as follows:

- The Realkredit Danmark Group recorded a profit after tax of Dkr918m for the first half of 2002, against Dkr856m for the first half of 2001.
- Mortgage lending showed continued growth and totalled Dkr458bn at June 30, 2002, against Dkr448bn at January 1, 2002.
- At June 30, 2002, the solvency ratio was 9.9%, against the statutory minimum requirement of 8.0%.

Results

For the first half of 2002, core earnings amounted to Dkr1,186m, against Dkr1,181m for the same period of 2001.

An increase in contribution income and fee and commission income triggered by the growing loan portfolio had a positive effect on core earnings. Net interest income, exclusive of earnings from investment portfolios, showed a fall compared with the first half of 2001 as a result of the low level of interest rates in 2002 compared with the first half of 2001.

Operating expenses, including depreciation, totalled Dkr649m in the first half of 2002, against Dkr645m in 2001. For the first half of 2002, the cost/core income ratio was 36.2%, which is largely the same as for the first half of 2001. For the full year 2001, the percentage was 34.6.

With effect from January 1, 2002, all of the Danske Bank Group's administrative functions relating to mortgage loans were gathered at Realkredit Danmark. In this connection, approximately 200 employees working with the administration of mortgage loans arranged by Danske Bank were transferred from Danske Bank to Realkredit Danmark. Realkredit Danmark still pays an amount of fees to Danske Bank to cover, among other things, the costs of this administration, and Danske Bank therefore reimburses Realkredit Danmark for these costs, which for the first half of 2002 amounted to Dkr57m. This reimbursement is consequently set off against the costs.

Provisions for bad and doubtful debts contributed Dkr44m to income in the first half of 2002, against Dkr38m for the year-earlier period. This item is positive because of the recovery of debts previously written off. Income during 2002 includes a significant amount of dividend received in connection with the final winding up of a large bankruptcy estate. The amount of arrears continues to be very low. However, the slow-down in the housing market means that it takes longer to sell real property, which in turn causes a slight rise in the portfolio of foreclosed properties.

Earnings from investment portfolios, comprising the return on Realkredit Danmark's proprietary investment portfolios after funding and administrative costs (the part of the investment portfolio not relating to lending activities), showed a gain of Dkr57m for the first half of 2002, against Dkr42m for the first half of 2001.

During the first half of 2002, merger costs amounted to Dkr17m, against Dkr87m for the year-earlier period. This expense item represents severance payments.

Realkredit Danmark is taxed jointly with Danske Bank. On the basis of current joint taxation rules on allocation of the Danish tax payable by the Danske Bank Group, Realkredit Danmark's effective tax rate for 2002 is expected to be about 25%.

Capital and solvency

Movements in capital base and solvency ratio appear from the following table:

CAPITAL BASE AND SOLVENCY RATIO

(DKr m)	June 30 2002*	June 30 2001*	Full year 2001
Core capital, less statutory deductions	23,056	21,166	23,055
Supplementary capital, less statutory deductions	285	339	352
Capital base	23,341	21,505	23,407
Total weighted items	236,660	219,224	232,771
Solvency ratio, %	9.9	9.8	10.1
Core (tier1) capital ratio, %	9.7	9.7	9.9

* Exclusive of the net profit for the period.

At June 30, 2002, the capital base of the Realkredit Danmark Group stood at DKr23,341m, corresponding to a solvency ratio of 9.9%, thus exceeding the statutory minimum requirement of 8.0% by DKr4,408m.

During the first half-year of 2002, shareholders' equity increased by DKr918m, equal to the net profit for the period, plus DKr4m related to a deferred tax asset in an associated undertaking. Shareholders' equity subsequently totalled DKr24,176m.

The mortgage credit market

Total gross lending by mortgage credit institutions amounted to DKr143bn in the first half-year of 2002, of which the first quarter accounted for DKr78bn and the second quarter for DKr65bn. Business activity is thus down to approximately half of the level of the fourth quarter of 2001. This is because refinancing activities triggered by the drop in interest rates in the autumn of 2001 ceased in the course of January 2002. During the first half of 2002, the level of activity in the mortgage credit market was closer to normal.

Interest rates were stable during the first half of 2002. At the end of the half-year, the interest rate on a 30-year fixed-interest loan was 6.4%, and the rate on a FlexLån[®] type F1 (annual interest reset for the full loan) was 3.9%.

Competition

The market share of gross lending grew from 33.2% in the first half of 2001 to 34.0% in the first half of 2002, whereas the market share of net new lending fell from 30.9% to 29.6%. In the calculation of net new lending, repayments with or without refinancing have been subtracted from gross lending.

Market share, all markets (%)	1st half 2002	2nd half 2001	1st half 2001
Gross lending	34.0	32.9	33.2
Net new lending	29.6	32.2	30.9

Realkredit Danmark's loan portfolio is growing and totalled DKr458bn at June 30, 2002, against DKr448bn at January 1, 2002. Of this increase, the private market accounted for 59%, residential rental property for 18%, agriculture for 12% and urban trades for 11%.

Since the beginning of 2002, measures have been initiated to reduce the number of mortgage credit offices, increase the use of the Contact Centre, and bring mortgage credit offices and banking branches geographically closer to each other. These initiatives are expected to strengthen customer relations, to enhance synergy effects and to trigger growth in lending.

Funding

Realkredit Danmark finances its loans to borrowers by issuing mortgage bonds listed on the Copenhagen Stock Exchange. At June 30, 2002, Realkredit Danmark's bond issues totalled Dkr473bn, or approximately 23% of all mortgage bond issues and Danish government bonds, etc. listed on the Copenhagen Stock Exchange.

FlexLån[®] accounted for 61% of Realkredit Danmark's gross lending in the first half of 2002, against 56% for the full year 2001. This development in loans has led to corresponding issues of non-callable bonds with maturities of one to ten years. At June 30, 2002, these bonds accounted for about 29% of bonds issued by Realkredit Danmark.

Since September 2001, all of Realkredit Danmark's bonds issued after September 1, 1992, have had the highest possible rating given by Moody's, namely Aaa, the same as the rating for Danish government bonds.

Foreign investors hold an increasing part of the bonds issued by Realkredit Danmark. Thus, at June 30, 2002, 13% of the bonds were held by foreign investors, against 11% at January 1, 2002.

The fact that the international rating agency Moody's Investors Service in May 2002 published a report with very positive comments on the Danish mortgage credit system, concluding that Danish mortgage bonds generally involve only a very low risk, will support sales of Danish mortgage bonds to foreign investors.

Outlook

The outlook for 2002 is unchanged relative to the statements made in the Annual Report for 2001.

The rising volume of business will generate higher income in 2002. Earnings from refinancing activities are expected to decline relative to 2001. Costs are estimated to remain unchanged. In the current economic climate, provisions for bad and doubtful debts are expected to remain at a low level.

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

Earnings from investment portfolios will depend largely on the level of securities prices in 2002.

The quarterly report for the first nine months of 2002 is expected to be published on October 29, 2002.

Copenhagen, August 22, 2002

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Realkredit Danmark Group

CORE EARNINGS AND NET PROFIT FOR THE PERIOD

(DKr m)	Q2 2002	Q1 2002	Q4 2001	Q3 2001	Q2 2001	Full year 2001
Contribution income	518	515	498	503	489	1,973
Net interest income, exclusive of earnings from investment portfolios	277	248	367	348	316	1,342
Fee and commission income, net	28	59	67	34	19	132
Trading income	39	43	64	45	31	187
Other core income	25	39	53	32	36	165
Total core income	887	904	1,049	962	891	3,799
Operating expenses and depreciation	338	311	346	324	336	1,315
Core earnings before provisions	549	593	703	638	555	2,484
Provisions for bad and doubtful debts	10	-54	2	3	-19	-33
Core earnings	539	647	701	635	574	2,517
Earnings from investment portfolios	86	-29	21	83	-35	146
Merger costs	-	17	11	17	29	115
Profit on ordinary operations before tax	625	601	711	701	510	2,548
Tax	157	151	165	176	122	621
Net profit for the period	468	450	546	525	388	1,927

BALANCE SHEET

(DKr m)						
Assets						
Due from credit institutions, etc.	35,510	37,065	35,786	33,737	28,686	35,786
Lending	458,460	453,779	448,547	437,726	431,101	448,547
Bonds and shares, etc.	15,573	13,649	106,976	17,857	16,602	106,976
Other assets	1,832	2,322	7,334	3,207	1,737	7,334
Total assets	511,375	506,815	598,643	492,527	478,126	598,643
Liabilities						
Due to credit institutions, etc.	4,022	2,865	22,222	8,555	1,119	22,222
Issued bonds	473,089	472,348	536,352	450,201	444,881	536,352
Other liabilities	10,088	7,898	16,815	11,063	9,941	16,815
Shareholders' equity	24,176	23,704	23,254	22,708	22,185	23,254
Total liabilities	511,375	506,815	598,643	492,527	478,126	598,643

PROFIT AND LOSS ACCOUNT JANUARY 1 - JUNE 30

Note	DKr m	Realkredit Danmark Group		Realkredit Danmark A/S	
		2002	2001	2002	2001
2	Interest income	14,791	15,012	14,788	15,010
3	Interest expense	13,122	13,376	13,122	13,377
	NET INTEREST INCOME	1,669	1,636	1,666	1,633
	Dividends from shares, etc.	-	18	-	18
	Fee and commission income	294	190	294	190
	Fees and commissions paid	150	159	150	159
	NET INTEREST AND FEE INCOME	1,813	1,685	1,810	1,682
4	Securities and foreign exchange income	23	65	23	65
	Other operating income	64	80	14	22
5	Staff costs and administrative expenses	710	719	674	619
	Amortisation and depreciation	8	14	7	12
	Other operating expenses	7	-	7	-
	Provisions for bad and doubtful debts	-44	-38	-43	-38
6	Income from associated and subsidiary undertakings	7	1	24	-40
1	PROFIT ON ORDINARY OPERATIONS BEFORE TAX	1,226	1,136	1,226	1,136
7	Tax	308	280	308	280
	NET PROFIT FOR THE PERIOD	918	856	918	856

BALANCE SHEET AT JUNE 30

Note	DKr m	Realkredit Danmark Group		Realkredit Danmark A/S	
		2002	2001	2002	2001
ASSETS					
	Cash in hand and demand deposits with central banks	4	6	4	6
8	Due from credit institutions and deposits with central banks	35,506	28,680	35,500	28,652
	Lending:				
	Mortgage loans	457,739	430,380	457,739	430,380
	Other loans	721	721	694	700
9	Total lending	458,460	431,101	458,433	431,080
10	Bonds	15,292	16,242	15,292	16,242
	Shares, etc.	25	31	25	31
	Holdings in associated undertakings, etc.	248	320	248	320
	Holdings in subsidiary undertakings	8	9	92	91
	Tangible assets	721	705	721	704
11	Other assets	1,092	993	1,049	926
	Prepayments	19	39	19	38
	TOTAL ASSETS	511,375	478,126	511,383	478,090
LIABILITIES					
	Due to credit institutions and central banks	4,022	1,119	4,022	1,119
12	Issued bonds	473,089	444,881	473,089	444,881
13	Other liabilities	9,190	8,960	9,198	8,924
14	Provisions for obligations	898	981	898	981
15	Shareholders' equity:				
	Share capital	625	625	625	625
	Reserves:				
	Reserves in series	5,279	6,755	5,279	6,755
	Other reserves	17,354	13,949	17,354	13,949
	Net profit for the period	918	856	918	856
	Total shareholders' equity	24,176	22,185	24,176	22,185
	TOTAL LIABILITIES	511,375	478,126	511,383	478,090
OFF-BALANCE-SHEET ITEMS					
16	Guarantees, etc.	85	82	85	82
17	Other commitments	50	251	42	251
	TOTAL OFF-BALANCE-SHEET ITEMS	135	333	127	333

ACCOUNTING POLICIES

The interim report for the six months ended June 30 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 2001.

NOTES TO THE ACCOUNTS

Note DKr m

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

	First half 2002			Total*
	Core earnings	Merger costs and eliminations	Earnings from investment portfolios	
Contribution income	1,033	-	-	1,033
Other net interest income	525	-	111	636
Net interest income	1,558	-	111	1,669
Dividends from shares, etc.	-	-	-	-
Fee and commission income	87	57	-	144
Net interest and fee income	1,645	57	111	1,813
Securities and foreign exchange income	82	-	-59	23
Other operating income	64	-	-	64
Staff costs and administrative expenses	641	74	2	717
Amortisation and depreciation	8	-	-	8
Provisions for bad and doubtful debts	-44	-	-	-44
Income from associated and subsidiary undertakings	-	-	7	7
Profit on ordinary operations before tax	1,186	-17	57	1,226

	First half 2001			Total*
	Core earnings	Merger costs and eliminations	Earnings from investment portfolios	
Contribution income	972	-	-	972
Other net interest income	627	-	37	664
Net interest income	1,599	-	37	1,636
Dividends from shares, etc.	-	-	18	18
Fee and commission income	31	-	-	31
Net interest and fee income	1,630	-	55	1,685
Securities and foreign exchange income	78	-	-13	65
Other operating income	80	-	-	80
Staff costs and administrative expenses	631	87	1	719
Amortisation and depreciation	14	-	-	14
Provisions for bad and doubtful debts	-38	-	-	-38
Income from associated and subsidiary undertakings	-	-	1	1
Profit on ordinary operations before tax	1,181	-87	42	1,136

* The statutory accounting format of the Danish Financial Supervisory Authority.

As of 2002, the business area Mortgage Finance in the Danske Bank Group is identical to the activities carried out by the Realkredit Danmark Group. In Danske Bank's interim report for the first half of 2002, core earnings before provisions for bad and doubtful debts for the business area Mortgage Finance is stated at DKr1,005m, compared with DKr1,142m in Realkredit Danmark. In order to make business areas in the Danske Bank Group comparable, interest income for a business area is calculated on the basis of the area's risk-weighted items. The difference in core earnings of DKr137m between the business area Mortgage Finance and Realkredit Danmark is mainly due to the fact that the calculated basis for return on capital for the business area is lower than Realkredit Danmark's shareholders' equity.

NOTES TO THE ACCOUNTS

Note	DKr m	Realkredit Danmark Group		Realkredit Danmark A/S	
		2002	2001	2002	2001
2	Interest income				
	Due from credit institutions and deposits with central banks	440	372	440	371
	Lending	12,738	13,043	12,735	13,042
	Contribution income	1,033	972	1,033	972
	Bonds:				
	Own mortgage bonds	288	311	288	311
	Other mortgage bonds	10	49	10	49
	Government bonds	220	212	220	212
	Other bonds	-	3	-	3
	Derivative financial instruments:				
	Interest rate contracts	13	9	13	9
	Other interest income	49	41	49	41
	Total	14,791	15,012	14,788	15,010
	Of which interest income on reverse transactions recorded under:				
	Due from credit institutions and deposits with central banks	78	29	78	29
3	Interest expense				
	Due to credit institutions and central banks	80	40	80	40
	Issued bonds	13,009	13,215	13,009	13,215
	Reimbursement of commitment fees, etc.	30	30	30	30
	Subordinated debt	-	89	-	89
	Other interest expense	3	2	3	3
	Total	13,122	13,376	13,122	13,377
	Of which interest expense on repo transactions recorded under:				
	Due to credit institutions and central banks	70	32	70	32
4	Securities and foreign exchange income				
	Bonds:				
	Own mortgage bonds	52	81	52	81
	Other mortgage bonds	16	7	16	7
	Government bonds	-47	-18	-47	-18
	Shares, etc.	3	13	3	13
	Fixed interest loans, etc.	11	-2	11	-2
	Foreign currency	6	-	6	-
	Derivative financial instruments:				
	Interest rate contracts	-18	-16	-18	-16
	Total	23	65	23	65
5	Staff costs and administrative expenses				
	Salaries and remuneration of board of directors, executive board and local councils:				
	Executive board	2	3	2	3
	Board of directors	-	-	-	-
	Local councils	2	2	2	2
	Total	4	5	4	5
	Staff costs:				
	Salaries	256	301	249	235
	Pension costs	27	28	26	28
	Financial services employer tax, etc.	25	23	25	23
	Total	308	352	300	286
	Other administrative expenses	398	362	370	328
	Total staff costs and administrative expenses	710	719	674	619

NOTES TO THE ACCOUNTS

Note	DKr m	Realkredit Danmark Group		Realkredit Danmark A/S	
		2002	2001	2002	2001
6	Income from associated and subsidiary undertakings				
	Income from associated undertakings, etc.	7	1	7	1
	Income from subsidiary undertakings	-	-	17	-41
	Total	7	1	24	-40
7	Tax (minus denotes an income)				
	Estimated tax charge on profit for the year	306	284	306	284
	Adjustments of prior-year tax charge	-	-6	-	-6
	Tax on provisions	2	2	2	2
	Total	308	280	308	280
	The effective tax rate:				
	Current tax rate of the Realkredit Danmark Group	30.0%	30.0%	30.0%	30.0%
	Deviation as a result of joint taxation with Danske Bank	-5.0%	-5.0%	-5.0%	-5.0%
	Re-adjustment of prior-year tax charge	-	-0.6%	-	-0.6%
	Other	0.1%	0.2%	0.1%	0.2%
	Effective tax rate	25.1%	24.6%	25.1%	24.6%
8	Due from credit institutions and deposits with central banks				
	Deposits at notice with central banks	20,849	10,597	20,849	10,597
	Due from credit institutions	14,657	18,083	14,651	18,055
	Total	35,506	28,680	35,500	28,652
	Of which:				
	Reverse transactions	4,046	3,128	4,046	3,128
9	Lending				
	Mortgage loans	457,739	430,380	457,739	430,380
	Outstanding amounts in respect of non-foreclosures	323	334	323	334
	Other loans	398	387	371	366
	Total	458,460	431,101	458,433	431,080
	Mortgage loans				
	Balance at January 1	448,281	341,425	448,281	323,203
	Addition on merger	-	79,014	-	97,236
	New loans	50,058	41,184	50,058	41,184
	Index adjustment	1,030	1,133	1,030	1,133
	Exchange rate adjustment	-13	-16	-13	-16
	Ordinary repayments	7,771	7,251	7,771	7,251
	Redemptions and extraordinary repayments	33,544	24,869	33,544	24,869
	Balance at June 30	458,041	430,620	458,041	430,620
	Loans transferred to foreclosed properties	56	28	56	28
	Loan provisions	402	383	402	383
	Loans taken over by the Danish Financial Administration Agency	156	171	156	171
	Total	457,739	430,380	457,739	430,380
10	Bonds				
	Security has been provided to Danmarks Nationalbank by way of bonds with a book value of	10	248	10	248
11	Other assets				
	Interest, etc. due on mortgage loans	133	103	133	103

NOTES TO THE ACCOUNTS

Note	DKr m	Realkredit Danmark Group		Realkredit Danmark A/S			
		2002	2001	2002	2001		
12	Issued bonds						
	This item solely comprises issued mortgage bonds.						
	Balance at January 1	536,352	388,114	536,352	388,114		
	Addition on merger	-	83,096	-	83,096		
	Additions	49,816	39,165	49,816	39,165		
	Index adjustment	1,033	1,136	1,033	1,136		
	Exchange rate adjustment	-15	-20	-15	-20		
	Drawings and prepayments	88,306	51,564	88,306	51,564		
	Redemptions and extraordinary repayments	25,791	15,046	25,791	15,046		
	Balance at June 30	473,089	444,881	473,089	444,881		
13	Other liabilities						
	Interest due on issued mortgage bonds	7,886	7,495	7,886	7,495		
14	Provisions for obligations						
	Pensions and similar obligations	-	19	-	19		
	Reserves in early series subject to a reimbursement obligation	898	962	898	962		
	Total	898	981	898	981		
15	Shareholders' equity						
	Realkredit Danmark A/S' share capital of DKr625m comprises 6,250,000 shares of DKr100 each and is wholly owned by Danske Bank A/S.						
	Movements in shareholders' equity:						
		Share capital	Reserves in series	Other reserves	Profit for the period	Total 2002	Total 2001
	Balance at January 1	625	7,516	15,113	-	23,254	17,320
	Addition on merger	-	-	-	-	-	4,009
	Transfer of reserves in C series	-	-2,237	2,237	-	-	-
	Deferred taxes related to associated undertaking	-	-	4	-	4	-
	Net profit for the period	-	-	-	918	918	856
	Balance at June 30	625	5,279	17,354	918	24,176	22,185
16	Guarantees, etc.						
	Other guarantees			85	82	85	82
	Total			85	82	85	82
17	Other commitments						
	Other commitments			50	251	42	251
	Total			50	251	42	251
18	Capital base and solvency						
	Capital base						
	Core (tier 1) capital less statutory deductions			23,056	21,166	23,069	21,178
	Total supplementary capital			285	339	285	339
	Total capital base less statutory deductions			23,341	21,505	23,354	21,517
	Weighted items						
	not included in trading portfolio			234,930	216,936	234,958	217,139
	with market risk included in trading portfolio			1,730	2,288	1,730	2,288
	Total weighted items			236,660	219,224	236,688	219,427
	Core (tier 1) capital ratio, %			9.7	9.7	9.7	9.7
	Solvency ratio, %			9.9	9.8	9.9	9.8
	Statutory minimum solvency requirement, %			8.0	8.0	8.0	8.0

RATIOS FOR THE FIRST HALF YEAR

%	2002	2001	2000	1999	1998
Realkredit Danmark Group					
1. Solvency ratio	9.9	9.8	10.8	10.9	12.6
2. Core (tier1) capital ratio	9.7	9.7	8.9	8.7	9.8
3. Half-year return on equity before tax	5.2	5.2	4.3	5.6	7.7
4. Half-year return on equity after tax	3.9	3.9	2.9	4.0	5.2
5. Income /cost ratio, DKr	2.80	2.64	2.14	2.36	3.15
6. Foreign exchange position	3.3	6.5	4.0	3.0	0.2
7. Accumulated provisioning ratio	0.1	0.1	0.2	0.2	0.3
8. Write-off and provisioning ratio for the half-year	0.0	0.0	0.0	0.0	0.0
9. Growth in lending for the half-year	2.2	2.4	1.7	2.8	2.5
10. Gearing of lending (factor)	19.0	19.4	20.4	20.5	18.2
Realkredit Danmark A/S					
1. Solvency ratio	9.9	9.8	10.9	11.0	12.4
2. Core (tier1) capital ratio	9.7	9.7	9.1	8.8	9.7
3. Half-year return on equity before tax	5.2	5.2	4.3	5.5	7.7
4. Half-year return on equity after tax	3.9	3.9	2.9	4.0	5.2
5. Income /cost ratio, DKr	2.90	2.92	2.25	2.48	3.34
6. Foreign exchange position	3.3	6.5	4.0	2.9	0.2
7. Accumulated provisioning ratio	0.1	0.1	0.2	0.2	0.3
8. Write-off and provisioning ratio for the half-year	0.0	0.0	0.0	0.0	0.0
9. Growth in lending for the half-year	2.2	2.3	1.0	1.1	2.2
10. Gearing of lending (factor)	19.0	19.4	19.5	19.8	18.1

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

GROUP STRUCTURE

	Share capital June 30, 2002 (thousands)	Share capital held by the Group (%)
Realkredit Danmark A/S, Copenhagen	DKK 625,000	
Consolidated subsidiary: home a/s, Copenhagen	DKK 15,000	100
Non-consolidated subsidiaries:		
Omegadane SARL, Paris	EUR 8	100
Skævinge Boligselskab A/S, Copenhagen	DKK 7,000	100