
INTERIM REPORT – FIRST QUARTER OF 2008

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This Interim report for the first quarter of 2008 is a translation of the original report in the Danish language (Delårsrapport – 1. kvartal 2008). In case of discrepancies, the Danish version prevails.

Financial highlights - Realkredit Danmark Group

NET PROFIT FOR THE PERIOD DKr m	Q1 2008	Q1 2007	Index 08/07	Full year 2007
Administration margin	728	695	105	2,833
Net interest income	431	395	109	1,740
Net fees	-107	-80	134	-340
Net trading income	131	10	-	237
Other income	54	42	129	160
Total income	1,237	1,062	116	4,630
Operating expenses	249	296	84	1,194
Profit before credit loss expenses	988	766	129	3,436
Credit loss expenses	-3	-14	-	-10
Profit before tax	991	780	127	3,446
Tax	244	219	111	854
Net profit for the period	747	561	133	2,592

BALANCE SHEET (AT MARCH 31, 2008)

DKr m				
Due from credit institutions etc.	13,731	18,691	73	23,178
Mortgage loans	642,586	607,725	106	627,809
Bonds and shares	5,426	4,388	124	40,059
Other assets	1,867	1,889	99	3,157
Total assets	663,610	632,693	105	694,203
Due to credit institutions etc.	7,928	6,930	114	11,918
Issued mortgage bonds	611,061	585,083	104	630,844
Other liabilities	8,116	6,953	117	15,683
Shareholders' equity	36,505	33,727	108	35,758
Total liabilities and equity	663,610	632,693	105	694,203

RATIOS AND KEY FIGURES

Net profit for the period as % p.a. of avg. shareholders' equity	8.3	6.7	7.5
Cost/income ratio, %	20.1	27.9	25.8
Solvency ratio (incl. net profit for the period), %	64.4	10.2	10.5
Core (tier 1) capital ratio (incl. net profit for the period), %	64.4	10.2	10.5
Full-time-equivalent staff, end of period	513	736	519

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

Financial review

- The Realkredit Danmark Group recorded a profit of DKr747m in the first quarter of 2008 compared with DKr561m in the first quarter of 2007. The result for the period matched the level forecast at the publication of the annual report for 2007.
- Since the end of March 2007, the outstanding nominal bond debt on mortgage lending was up 7% to DKr660m.
- The market share of net new lending rose 4.0 percentage points from 25.1% in 2007 to 29.1% in the first quarter of 2008. The market share of the loan portfolio was 31.7 % at the end of first quarter of 2008, against 31.8% at the end of 2007.
- At March 31, 2008, the solvency ratio was 64.4.
- The outlook for the pre-tax profit for 2008 is unchanged relative to the expectations announced in the annual report for 2007.

Results for the first quarter of 2008

For the first quarter of 2008, the Realkredit Danmark Group's profit after tax was DKr747m, against DKr561m for the same period of 2007. The result was 33% up on the first quarter of 2007, primarily as a result of higher trading income. The result matched the level forecast at the publication of the annual report for 2007.

Total income rose DKr175m, or 16%, relative to the first quarter of 2007. The administration margin was up DKr33m on the year-earlier period as a result of a larger loan portfolio, and net interest income climbed DKr36m, primarily on account of the larger capital.

In line with expectations, net fee expenses rose to DKr107m in the first quarter of 2008 because the activity and portfolio-based fees paid to Danske Bank for mortgage loans arranged through them in 2008 comprised a larger proportion of the loans in the private market.

Net trading income amounted to DKr131m, up from DKr10m in the same period of last year. The increase was triggered by falling interest rates in the first quarter of 2008, which resulted in a positive DKr105m value adjustment of the proprietary investment portfolio.

Operating expenses declined as expected by 16% to DKr249m because a number of employees were transferred to Danske Bank in connection with the organisational change at the end of 2007. The lower expenses should be seen in connection with the increase in net fee expenses because the activity and portfolio-based fees paid to Danske Bank, as mentioned above, now comprise a larger proportion of the loans in the private market.

Credit loss expenses represented a net income of DKr3m in the first quarter of 2008. Credit quality

remained strong, and the arrear rate continued to be at a very low level.

The total tax charge for the first quarter of 2008 amounted to DKr244m, corresponding to an effective tax rate of 25%.

Balance sheet

Mortgage lending rose by DKr35bn to DKr643bn relative to the first quarter of 2007, while the nominal outstanding bond debt rose by DKr44bn to DKK 660bn.

Issued mortgage bonds rose DKr26bn to DKr611bn compared with the end of March 2007. In nominal value, issued bonds rose by DKr35bn to DKr628bn.

Capital and solvency

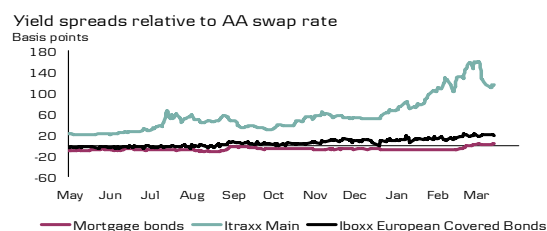
At the end of March 2008, shareholders' equity stood at DKr36,505m, and the solvency ratio according to the CRD was 64.4. At the beginning of 2008, the corresponding figures were DKr35,758m and 64.3. The movements in shareholders' equity were attributable exclusively to retained earnings.

As from January 1, 2008, the Realkredit Danmark Group has applied the advanced internal ratings-based (IRB) approach to calculate risk-weighted assets concerning credit risks. This resulted in a significant reduction of the capital requirement. However, in accordance with the CRD transition rules the capital requirement for 2008 should as a minimum amount to 90% of the requirement calculated under the previous rules, corresponding to DKr25,433m and a solvency ratio of 45.6.

Mortgage credit market

Volatility continued to characterise the capital markets during the first quarter. However, the Danish mortgage

credit market remained well-functioning, outperforming the European covered bond market by a wide margin.



The primary mortgage credit market proceeded without problems, while the secondary market was briefly suspended at the beginning of March 2008. Nevertheless, investors retained their strong confidence in the security of Danish mortgage bonds.

The interest rate on Realkredit Danmark's loans declined or remained unchanged during the first quarter of 2008.

Effective rate of interest %	Mar. 31 2008	Dec. 31 2007
FlexLån [®] F1	4.5	4.7
4% 30-year fixed-rate loan	5.1	5.2
6% 30-year fixed-rate loan	6.2	6.3
Rentedyk [™]	6.5	6.6
FlexGaranti [®] 5M	5.4	5.4
RD Cibor6 [®]	4.9	4.9

In the first quarter of 2008, gross lending in the Danish mortgage credit market rose 6.3% relative to the same period of 2007. Lending to the corporate market was up and did more than offset the decline in the private market triggered by the lower level of activity in the housing market.

Realkredit Danmark's market share of net new lending was 29.1% and rose subsequently 4 percentage points compared to 2007.

Relative to the fourth quarter of 2007 Realkredit Danmark's market share of net new lending rose 1.9 percentage points to 29.1%. The improvement was primarily attributable to lending to the private market, since lending to the corporate market decline somewhat.

Market share, all markets %	Q1 2008	Full year 2007
Gross lending	27.0	25.4
Net new lending	29.1	25.1
Loan portfolio	31.7	31.8

Changes to the Board of Directors

At the company's Annual General Meeting held on March 3, 2008, the composition of the Board of Directors was changed, as Jakob Brogaard, Chairman, was replaced by Henrik Normann. Immediately after the general meeting, the Board of Directors elected Sven Lystbæk as Chairman and Henrik Normann as Vice Chairman of the Board of Directors.

Outlook for 2008

Activity in the mortgage credit market in 2008 is expected to be slightly weaker than in 2007. Due to the expected slight fall in interest rates in 2008, the level of interest rate-driven refinancing is forecast to be relatively low.

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

In the corporate market, investments in new developments are expected to decline in 2008. Consequently, loans to the corporate market in 2008 are expected to be slightly lower than in 2007.

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

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

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

The pre-tax profit for 2008 will depend largely on trends in the financial markets, including the level of securities prices at the end of the year. At a slight fall in interest rates, pre-tax profit is expected to be 4-9% higher than in 2007.

Tax payable by the Group is expected to be 25% of the pre-tax profit.

Financial highlights - Realkredit Danmark Group

NET PROFIT FOR THE PERIOD DKr m	Q1 2008	Q1 2007	Index 08/07	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Full year 2007
Administration margin	728	695	105	728	721	713	704	695	2,833
Net interest income	431	395	109	431	482	459	404	395	1,740
Net fees	-107	-80	134	-107	-81	-92	-87	-80	-340
Net trading income	131	10	-	131	134	96	-3	10	237
Other income	54	42	129	54	34	38	46	42	160
Total income	1,237	1,062	116	1,237	1,290	1,214	1,064	1,062	4,630
Operating expenses	249	296	84	249	310	284	304	296	1,194
Profit before credit loss expenses	988	766	129	988	980	930	760	766	3,436
Credit loss expenses	-3	-14	-	-3	-21	17	8	-14	-10
Profit before tax	991	780	127	991	1,001	913	752	780	3,446
Tax	244	219	111	244	239	222	174	219	854
Net profit for the period	747	561	133	747	762	691	578	561	2,592

BALANCE SHEET (AT MARCH 31, 2008)									
DKr m									
Due from credit institutions etc.	13,731	18,691	73	13,731	23,178	16,178	20,923	18,691	23,178
Mortgage loans	642,586	607,725	106	642,586	627,809	614,033	600,337	607,725	627,809
Bonds and shares	5,426	4,388	124	5,426	40,059	11,206	7,055	4,388	40,059
Other assets	1,867	1,889	99	1,867	3,157	2,365	1,819	1,889	3,157
Total assets	663,610	632,693	105	663,610	694,203	643,782	630,134	632,693	694,203
Due to credit institutions etc.	7,928	6,930	114	7,928	11,918	5,704	5,707	6,930	11,918
Issued mortgage bonds	611,061	585,083	104	611,061	630,844	591,261	580,310	585,083	630,844
Other liabilities	8,116	6,953	117	8,116	15,683	11,821	9,812	6,953	15,683
Shareholders' equity	36,505	33,727	108	36,505	35,758	34,996	34,305	33,727	35,758
Total liabilities and equity	663,610	632,693	105	663,610	694,203	643,782	630,134	632,693	694,203

RATIOS AND KEY FIGURES									
Net profit for the period as % p.a. of avg. shareholders' equity	8.3	6.7		8.3	8.6	8.0	6.8	6.7	7.5
Cost/income ratio, %	20.1	27.9		20.1	24.0	23.4	28.6	27.9	25.8
Solvency ratio (incl. net profit for the period), %	64.4	10.2		64.4	10.5	10.4	10.4	10.2	10.5
Core (tier 1) capital ratio (incl. net profit for the period)	64.4	10.2		64.4	10.5	10.3	10.4	10.2	10.5
Full-time-equivalent staff, end of period	513	736		513	519	717	720	736	519

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

Income statement - Realkredit Danmark Group

DKr m	Q1 2008	Q1 2007
Interest income	8,142	7,305
Interest expense	6,997	6,200
Net interest income	1,145	1,105
Dividends from shares	-	-
Fee and commission income	97	107
Fee and commission expense	204	187
Net fee and commission income	1,038	1,025
Value adjustments	144	-5
Other operating income	54	42
Staff costs and administrative expenses	247	294
Impairment, amortisation and depreciation	2	2
Credit loss expenses	-3	-14
Income from associated undertakings	1	-
Profit before tax	991	780
Tax	244	219
Net profit for the period	747	561

Balance sheet - Realkredit Danmark Group

DKr m	March 31, 2008	December 31, 2007	March 31, 2007
ASSETS			
Cash in hand and demand deposits with central banks	31	25	9
Due from credit institutions and central banks	13,700	23,153	18,682
Bonds at fair value	5,353	39,987	4,278
Mortgage loans at fair value	642,586	627,809	607,725
Loans and other amounts due at amortised cost	518	333	470
Shares	62	62	110
Holdings in associated undertakings	11	10	-
Land and buildings	95	124	125
Domicile property	95	124	125
Other tangible assets	16	17	16
Current tax assets	2	-	9
Deferred tax assets	31	28	66
Other assets	1,186	2,643	1,183
Prepayments	19	12	20
Total assets	663,610	694,203	632,693
LIABILITIES			
Due to credit institutions and central banks	7,928	11,918	6,930
Issued mortgage bonds at fair value	611,061	630,844	585,083
Current tax liabilities	25	4	27
Other liabilities	7,979	15,671	6,821
Deferred income	112	8	105
Total liabilities	627,105	658,445	598,966
SHAREHOLDERS' EQUITY			
Share capital	630	630	630
Other reserves			
Reserves in series	6,334	6,334	1,453
Other reserves	29,541	28,794	31,644
Total shareholders' equity	36,505	35,758	33,727
Total liabilities	663,610	694,203	632,693

Capital - Realkredit Danmark Group

CHANGE IN SHAREHOLDER'S EQUITY DKr m	Share capital	Proposed dividend	Other reserves	Total
Shareholders' equity at January 1, 2008	630	-	35,128	35,758
Net profit for the period	-	-	747	747
Shareholders' equity at March 31, 2008	630	-	35,875	36,505
Shareholders' equity at January 1, 2007	630	-	32,536	33,166
Net profit for the period	-	-	561	561
Shareholders' equity at March 31, 2007	630	-	33,097	33,727

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

SOLVENCY DKr m	March 31, 2008	January 1, 2008	December 31, 2007	March 31, 2007
Shareholders' equity	36,505	35,758	35,758	33,727
Expected dividend	-300	-	-	-223
Domicile property	55	61	61	54
Pension obligation	-167	-179	-179	-160
Tax effect	42	45	45	45
Revaluation reserve	-10	-48	-48	-43
Deferred tax assets	-73	-73	-73	-111
Difference between expected losses and value adjustments	-128	-256	-	-
Core (tier 1) capital	35,924	35,308	35,564	33,289
Reserves in series subject to a reimbursement obligation	96	106	106	133
Revaluation reserve	10	48	48	43
Difference between expected losses and value adjustments	-106	-154	-	-
Capital base	35,924	35,308	35,718	33,465
Risk-weighted items:				
Credit risk, IRB approach	44,141	43,379		
Credit risk, standardised approach	11	72		
Counterparty risk	-	-		
Total credit risk	44,152	43,451	335,030	321,555
Market risk	4,952	4,793	4,798	5,520
Operational risk	6,709	6,648		
Total risk-weighted items	55,813	54,892	339,828	327,075
Capital requirements				
Pillar I	4,465	4,391		
Pillar II and transition rules	20,968	20,077		
Total capital requirements	25,433	24,468	27,186	26,166
Core (tier 1) capital ratio, %	64.36	64.32	10.47	10.18
Solvency ratio, %	64.36	64.32	10.51	10.23

Solvency for 2007 is calculated in accordance with the rules of Danish FSA in force at that time.

In accordance with the CRD transition rules, the minimum requirement for the solvency ratio at March 31, 2008 is 45.6% .

Cash flow statement - Realkredit Danmark Group

DKr m	Q1 2008	Q1 2007
Cash flow from operating activities		
Net profit for the period	747	561
Adjustment for non-liquid items in the income statement	-5,590	-6,079
Cash flow from operating capital	-4,604	5,650
Total	-9,447	132
Cash flow from investing activities		
Acquisition/sale of tangible assets	-	-
Total	-	-
Cash and cash equivalents at January 1	23,178	18,554
Change during the period	-9,447	132
Cash and cash equivalents at March 31	13,731	18,686

Notes - Realkredit Danmark Group

Note DKr m

1 SIGNIFICANT ACCOUNTING POLICIES

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

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

The interim report has not been reviewed or audited.

Standards and interpretations not yet in force

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

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

Notes - Realkredit Danmark Group

Note DKr m

2 Operating activity accounts - Realkredit Danmark Group

Q1 2008	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	728	-	728	-	728
Net interest income	431	-14	417	14	431
Dividends from shares	-	-	-	-	-
Net fees	-107	-	-107	-	-107
Net trading income	-	-	-	131	131
Value adjustments	39	105	144	-144	-
Other income	54	-	54	-	54
Total income	1,145	91	1,236	1	1,237
Operating expenses	248	1	249	-	249
Profit before credit loss expenses	897	90	987	1	988
Credit loss expenses	-3	-	-3	-	-3
Income from associated and subsidiary undertakings	-	1	1	-1	-
Profit before tax	900	91	991	-	991
Q1 2007	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	695	-	695	-	695
Net interest income	395	15	410	-15	395
Dividends from shares	-	-	-	-	-
Net fees	-80	-	-80	-	-80
Net trading income	-	-	-	10	10
Value adjustments	43	-48	-5	5	-
Other income	42	-	42	-	42
Total income	1,095	-33	1,062	-	1,062
Operating expenses	295	1	296	-	296
Profit before credit loss expenses	800	-34	766	-	766
Credit loss expenses	-14	-	-14	-	-14
Income from associated and subsidiary undertakings	-	-	-	-	-
Profit before tax	814	-34	780	-	780

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

Under the Danish Financial Business Act, at least 60% of the capital base of a mortgage credit institution must be invested in bonds etc. Own holdings comprise the net return on the part of the securities portfolio not relating to the mortgage finance business. Income from trading activities and own holdings is carried in the income statement under net interest income, value adjustments, etc. In the consolidated highlights, this income is reclassified to net trading income.

Notes - Realkredit Danmark Group

Note

3 Contingent liability

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

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

Realkredit Danmark is jointly and severally liable for the prior-year corporation tax charges of the companies jointly taxed with Danske Bank A/S before 2005.

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

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

GUARANTEES AND OTHER LIABILITIES DKr m	March 31, 2008	December 31, 2007	March 31, 2007
Guarantees etc.	4	4	4
Other liabilities	737	838	850
Total	741	842	854

4 Highlights

DKr m	Q1 2008	Q1 2007
HIGHLIGHTS		
1. Net interest and fee income	1,038	1,025
2. Value adjustments	144	-5
3. Staff costs and administrative expenses	247	294
4. Credit loss expenses	-3	-14
5. Income from associated and subsidiary undertakings	1	-
6. Net profit for the period	747	561
7. Loans	643,104	608,195
8. Shareholders' equity	36,505	33,727
9. Total assets	663,610	632,693
RATIOS AND KEY FIGURES		
1. Solvency ratio, %	64.4	10.2
2. Core (tier 1) capital ratio, %	64.4	10.2
3. Return on equity before tax for the period, %	2.7	2.3
4. Return on equity after tax for the period, %	2.1	1.7
5. Income/cost ratio, DKr	5.03	3.77
6. Foreign exchange position, %	2.9	4.6
7. Ratio of lending to shareholders' equity	17.6	18.0
8. Growth in lending for the period, %	1.8	1.2
9. Impairment ratio for the period, %	0.0	0.0

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

Statement by the management

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

The consolidated accounts for the first quarter of 2008 are presented in accordance with IAS 34 Interim Financial Reporting and in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at March 31, 2008 and of the results of the Group's operations and cash flows for the period January 1–March 31, 2008. Moreover, in our opinion, the Management's Report gives a true and fair view of developments in the activities and financial position of the Group and describes significant risk and uncertainty factors that may affect the Group.

Lyngby, April 29, 2008

Executive Board

Sven Holm

Chairman of the Executive Board and
Chief Executive Officer

Carsten Nøddebo Rasmussen

Member of the Executive Board

Board of Directors

Sven Lystbæk

Chairman

Henrik Normann

Vice Chairman

Tonny Thierry Andersen

Per Skovhus

Max Jeppesen

Klaus Pedersen

Additional information

Financial calendar

Realkredit Danmark plans to release its financial reports in 2007 on the following dates:

- Half-year report 2008:
August 7, 2008
- Nine-month report for 2008:
October 28, 2008

Contact person at Realkredit Danmark

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Useful links

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