
Interim Report – First Quarter 2011

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Interim Report – First Quarter 2011 is a translation of the original report in the Danish language (Delårsrapport – 1. Kvartal 2011).
 In case of discrepancies, the Danish version prevails.

Financial highlights – Realkredit Danmark Group

NET PROFIT FOR THE PERIOD (DKK millions)	Q1 2011	Q1 2010	Index 11/10	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Full year 2010
Administration margin	878	842	104	878	873	863	845	842	3,423
Net interest income	87	147	59	87	198	156	113	147	614
Net fee income	-116	-120	97	-116	-129	-132	-120	-120	-501
Net trading income	-55	234	-	-55	-132	151	210	234	463
Other income	30	58	52	30	31	30	49	58	168
Total income	824	1,161	71	824	841	1,068	1,097	1,161	4,167
Expenses	244	213	115	244	237	214	233	213	897
Profit before loan impairment charges	580	948	61	580	604	854	864	948	3,270
Loan impairment charges	197	319	62	197	168	221	268	319	976
Profit before tax	383	629	61	383	436	633	596	629	2,294
Tax	96	157	61	96	110	159	147	157	573
Net profit for the period	287	472	61	287	326	474	449	472	1,721

BALANCE SHEET (END OF PERIOD)

(DKK millions)

Due from credit institutions etc.	5,464	41,006	13	5,464	28,889	53,526	53,456	41,006	28,889
Mortgage loans	693,617	697,938	99	693,617	704,449	710,537	706,659	697,938	704,449
Bonds and shares	5,415	1,703	318	5,415	21,688	10,881	1,806	1,703	21,688
Other assets	2,693	2,258	119	2,693	2,595	3,683	2,745	2,258	2,595
Total assets	707,189	742,905	95	707,189	757,621	778,627	764,666	742,905	757,621
Due to credit institutions etc.	18,650	24,121	77	18,650	27,408	41,290	35,786	24,121	27,408
Issued mortgage bonds	636,199	668,154	95	636,199	671,644	680,527	675,195	668,154	671,644
Other liabilities	7,126	6,934	103	7,126	13,625	12,187	9,528	6,934	13,625
Subordinated debt	2,044	2,062	99	2,044	2,061	2,066	2,074	2,062	2,061
Shareholders' equity	43,170	41,634	104	43,170	42,883	42,557	42,083	41,634	42,883
Total liabilities and equity	707,189	742,905	95	707,189	757,621	778,627	764,666	742,905	757,621

RATIOS AND KEY FIGURES

Net profit for the period as % p.a. of average shareholders' equity (%)	2.7	4.6		2.7	3.1	4.5	4.3	4.6	4.1
Cost/income ratio (%)	29.6	18.3		29.6	28.2	20.0	21.2	18.3	21.5
Total capital ratio (%)	35.9	45.8		35.9	39.4	41.7	45.5	45.8	39.4
Tier 1 capital ratio (%)	35.5	45.2		35.5	38.8	41.1	44.9	45.2	38.8
Full-time-equivalent staff (end of period)	304	302		304	320	316	311	302	320

Overview, first quarter

- The Realkredit Danmark Group recorded a net profit of DKK 287 million in the first quarter of 2011, against DKK 472 million in the first quarter of 2010. The profit was in line with expectations but did not reflect the true earnings potential of Realkredit Danmark. The decline was due to a lower return on the bond portfolio.
- Realkredit Danmark has taken a number of steps to strengthen the Group's position in the Danish property market. In collaboration with Danske Bank and the home chain of estate agents, the Group intends to streamline its sales processes to offer a better customer experience. Realkredit Danmark aims to become the best choice for homes and property.
- Realkredit Danmark has changed the refinancing date for new FlexLån® to 1 April. By spreading the refinancing dates across the year, Realkredit Danmark minimises the risk of isolated negative financial events causing problems for the homeowners, the financial sector and the Danish economy as a whole.
- There was subdued activity in the Danish property market with gross lending amounting to DKK 14 billion in the first quarter of 2011, down from DKK 28 billion in the year-earlier period.
- The profit expectations for the full year 2011 are unchanged.

Financial results for the first quarter of 2011

For the first quarter of 2011, the Realkredit Danmark Group's net profit was DKK 287 million, against DKK 472 million for the same period of 2010. In spite of rising administration margins and lower loan impairment charges, the profit for the period was down 39%. The primary reason for the decline was a lower return on bonds in the proprietary portfolio combined with higher funding costs.

As a result of the larger loan portfolio and an increase in average administration margins on business loans, the administration margin increased by DKK 36 million.

Net fee expenses amounted to DKK 116 million, which was in line with the year-earlier figure.

Income from the investment portfolio was negative by DKK 55 million, against a positive income of DKK 234 million in the same period of last year. Income from the investment portfolio included value adjustments of securities and the yield on the proprietary investment portfolio after deduction of funding costs – calculated by reference to short-term money market rates. The decline was primarily due to a lower return on the bond portfolio.

Other income was down DKK 28 million. The decline should be viewed in light of the fact that the first quarter of 2010 benefitted from a refund of excess financial services employer tax paid in the years 2001-2003.

Total income fell 29% relative to the first quarter of 2010.

Expenses climbed DKK 31 million to DKK 244 million. Realkredit Danmark's intensified efforts to

strengthen its brand triggered an increase in marketing costs in the first quarter. Furthermore, IT costs rose owing partly to the implementation of digitalisation projects aimed at facilitating customer service and making it more efficient.

Loan impairment charges amounted to DKK 197 million in the first quarter of 2011. Compared with the same period of last year, charges were down 38%, reflecting a stronger credit quality. The charges corresponded to 0.11% of total mortgage lending, against 0.14% at the end of 2010.

Delinquencies as a percentage of mortgage payments declined throughout 2010. This decline continued into the first quarter of 2011, when the three-month delinquency rate dropped to 0.48%, down from 0.63% at the end of 2010.

The total tax charge for the first quarter of 2011 amounted to DKK 96 million, corresponding to an effective tax rate of 25%.

Balance sheet

There was subdued activity in the mortgage credit market with gross lending amounting to DKK 14 billion in the first quarter of 2011, down from DKK 28 billion in the year-earlier period. Mortgage lending at fair value declined by DKK 10 billion to DKK 694 billion due to lower bond prices. At DKK 700 billion, the nominal outstanding bond debt was largely unchanged during the period.

Realkredit Danmark's average loan-to-value (LTV) ratio calculated on the basis of the last krone lent for every property was 65% at the end of the first quarter of 2011, against 67% at 31 December 2010. The de-

cline was due principally to price developments in the bond market.

Realkredit Danmark had 68 foreclosures and sold 53 properties. The number of foreclosures at 31 March 2011 was 179, against 81 a year earlier. The value of the foreclosures was DKK 313 million.

Issued mortgage bonds declined by DKK 36 billion to DKK 636 billion. In nominal value, issued bonds fell DKK 26 billion to DKK 641 billion. The amounts are exclusive of holdings of own mortgage bonds.

Realkredit Danmark is subject to the specific principle of balance and therefore has very limited exposure to market risks. At the end of the first quarter of 2011, Realkredit Danmark's interest rate risk and foreign exchange risk amounted to DKK 422 million and DKK 0 million, respectively. In addition, Realkredit Danmark's liquidity risk is very limited as it finances lending by issuing bonds.

In March 2010, Realkredit Danmark closed for the disbursement of FlexLån® with interest resetting at 1 January. Going forward, the interest rate for all new FlexLån® will be reset at 1 April. As a result, Realkredit Danmark opened new bond series to fund FlexLån® at 1 April, both in DKK and EUR. The spread across the year should ensure greater financial stability. Isolated negative financial events occurring during an auction period will therefore not to the same extent as previously cause problems for Danish homeowners, the financial sector and the Danish economy as a whole. The total volume of bonds issued in connection with the refinancing at 1 April 2011 was DKK 30 billion.

Capital and solvency need

At the end of March 2011, shareholders' equity stood at DKK 43.2 billion, against DKK 42.9 billion at end-2010. The increase in equity equalled the profit for the period.

The Group's capital base including hybrid capital amounted to DKK 45.5 billion, and the total capital ratio calculated according to the Capital Requirements Directive (CRD) was 35.9%. At 31 December 2010, the corresponding figures were DKK 45.4 billion and 39.4%.

The Realkredit Danmark Group uses the advanced internal ratings-based (IRB) approach to calculate risk-weighted assets for credit risks. Calculated on the basis of the transitional rules of the CRD, the solvency need for 2011 must, as a minimum, amount to 80% of the requirement calculated under the previous rules, corresponding to DKK 24.6 billion or a solvency need ratio of 19.4%.

Under Danish law, the Group must publish its solvency need on a quarterly basis (www.rd.dk provides further information).

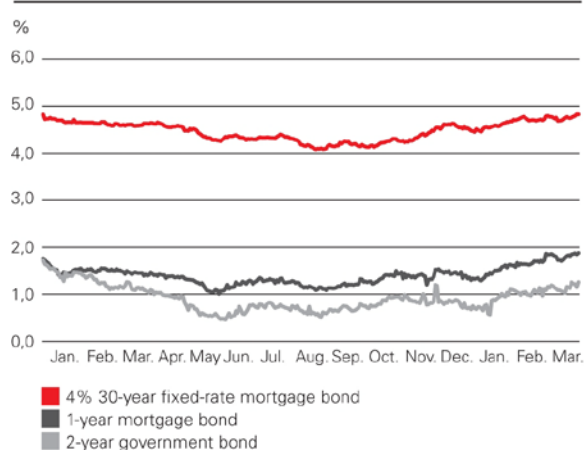
At the end of March 2011, the requirement for supplementary collateral for mortgage-covered bonds was DKK 32.9 billion, which is covered by shareholders' equity and guarantees. At the end of 2010, the requirement was DKK 29.7 billion.

Mortgage credit market

Since the summer of 2009, the Danish economy has experienced a growth increase of 3.4%. The improvement has been driven especially by exports and stronger domestic demand, which has triggered an increase in employment. Accordingly, there has been a decline in unemployment over the past six months. Housing prices remained stable throughout 2010 at national level, but there are still many homes on the market, long turnover times and limited trading activity.

Better growth prospects in the eurozone and relatively high inflation have pushed up interest rates during the past few months, albeit from a very low level. The rate of interest on one-year FlexLån® climbed by about 0.5 of a percentage point from the December auction to the March auction, when the cash lending rate ended at about 2%. Long-term interest rates also rose during the period. Both short- and long-term interest rates are expected to rise during 2011.

Movements in interest rates in 2010-2011



Best choice for homes and property

In 2011, Realkredit Danmark, Danske Bank and home launched a number of new measures to strengthen the Danske Bank Group's position in the Danish property market.

Customers should get the best customer experience, the best home products and the most competent advisory services, including the most flexible processing and case handling.

In collaboration with Danske Bank, the Group will strengthen its distribution channels by opening new Realkredit Danmark units at selected central locations and by recruiting additional home finance advisers in Danske Bank's branch network and the Home hotline.

Employees who work exclusively with Realkredit Danmark personal customers and small business customers will be working in the new Realkredit Danmark units, where they will be dedicated to serving and advising these customer groups.

Realkredit Danmark is marketing its customer promise "Remove your doubts" in the media, and in January, the Group launched a new website based on customer needs.

Realkredit Danmark emphasises having a product range that is realigned to the needs of the market. Similarly, the Group invests in measures to ensure more swift case processing.

The aim is to give customers an even better experience when they use Realkredit Danmark as their mortgage credit institution.

Board changes

At the company's Annual General Meeting held on 8 March 2011, the composition of the Board of Directors was changed, as Sven Lystbæk and Henrik Normann stepped down and Henrik Ramlau-Hansen was elected as new member. Immediately after the general meeting, the Board of Directors elected Tonny Thierry Andersen Chairman and Per Skovhus Vice Chairman of the Board of Directors.

Outlook for 2011

The global economic recovery is expected to continue in 2011, although the outlook is for a period of moderate growth. GDP growth in Denmark in 2011 is expected to be approximately 2.1%.

The labour market showed clear signs of improvement in 2010. The slight fall in unemployment is expected to continue in 2011.

Interest rates are expected to remain low. However, the European Central Bank has started to normalise interest rates. In April, the ECB rate was hiked from 1% to 1.25%, and additional rate hikes are expected during the year so that interest rates in Europe will reach 1.75% by the end of the year. The slightly rising interest rates are expected to lead to a modest fall in property prices in 2011.

The level of loan impairment charges is likely to remain high in 2011, although lower than in 2010.

The profit forecast for 2011 continues to depend extensively on a sustainable stabilisation of macroeconomic trends.

Income statement – Realkredit Danmark Group

Note	(DKK millions)	Q1 2011	Q1 2010
	Interest income	6,571	7,234
	Interest expense	5,475	6,109
	Net interest income	1,096	1,125
	Dividends from shares	-	-
	Fee and commission income	84	129
	Fee and commission expense	200	249
	Net fee and commission income	980	1,005
	Value adjustments	-186	97
	Other operating income	30	59
	Staff costs and administrative expenses	243	212
	Impairment, depreciation and amortisation charges	1	1
3	Loan impairment charges	197	319
	Income from associated undertakings	-	1
	Profit before tax	383	629
	Tax	96	157
	Net profit for the period	287	472
	Comprehensive income		
	Net profit for the period	287	472
	Other comprehensive income	-	-
	Total comprehensive income	287	472

Balance sheet – Realkredit Danmark Group

Note	(DKK millions)	31 Mar. 2011	31 Dec. 2010	31 Mar. 2010
ASSETS				
	Cash in hand and demand deposits with central banks	2	4	32
	Due from credit institutions and central banks	5,462	28,885	40,974
	Bonds at fair value	5,405	21,679	1,639
4	Mortgage loans at fair value	693,617	704,449	697,938
4	Loans and other amounts due at amortised cost	890	893	779
	Shares	2	1	54
	Holdings in associated undertakings	8	8	10
	Land and buildings	93	93	94
	Domicile property	93	93	94
	Other tangible assets	12	10	11
	Current tax assets	26	26	-
	Deferred tax assets	-	-	-
	Assets temporarily taken over	313	282	167
4	Other assets	1,335	1,259	1,171
	Prepayments	24	32	36
Total assets		707,189	757,621	742,905
LIABILITIES AND EQUITY				
AMOUNTS DUE				
	Due to credit institutions and central banks	18,650	27,408	24,121
	Issued mortgage bonds at fair value	636,199	671,644	668,154
	Current tax liabilities	87	-	288
	Deferred tax liabilities	56	47	21
	Other liabilities	6,914	13,576	6,625
	Deferred income	69	2	-
Total amounts due		661,975	712,677	699,209
SUBORDINATED DEBT				
	Subordinated debt	2,044	2,061	2,062
Total liabilities		664,019	714,738	701,271
SHAREHOLDERS' EQUITY				
	Share capital	630	630	630
	Other reserves			
	Reserves in series	31,182	31,182	15,587
	Other reserves	11,358	11,071	25,417
Total shareholders' equity		43,170	42,883	41,634
Total liabilities and equity		707,189	757,621	742,905

Statement of capital – Realkredit Danmark Group

CHANGES IN SHAREHOLDERS' EQUITY (DKK millions)	Share capital	Reserves in series	Other reserves	Total
Shareholders' equity at 1 January 2011	630	31,182	11,071	42,883
Net profit for the period	-	-	287	287
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	287	287
Shareholders' equity at 31 March 2011	630	31,182	11,358	43,170
Shareholders' equity at 1 January 2010	630	15,587	24,945	41,162
Net profit for the period	-	-	472	472
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	472	472
Shareholders' equity at 31 March 2010	630	15,587	25,417	41,634

The share capital is made up of 6,300,000 shares of DKK 100 each. The company is wholly-owned by Danske Bank A/S, Copenhagen.

For as long as the Danish state holds hybrid capital in Realkredit Danmark, Realkredit Danmark may distribute dividends if such dividends can be paid in full out of the net profit.

CAPITAL BASE AND TOTAL CAPITAL RATIO (DKK millions)	31 Mar. 2011	31 Dec. 2010
Shareholders' equity	43,170	42,883
Expected dividends	-	-
Revaluation of domicile property	62	62
Pension obligations at fair value	-277	-241
Tax effect	53	44
Shareholders' equity calculated in accordance with the rules of the Danish FSA	43,008	42,748
Revaluation reserve	-48	-48
Deferred tax assets	-	-
Core tier 1 capital	42,960	42,700
Hybrid capital	2,044	2,061
Difference between expected losses and impairment charges	-	-
Total tier 1 capital	45,004	44,761
Reserves in series subject to a reimbursement obligation	55	58
Revaluation reserve	48	48
Difference between expected losses and impairment charges	381	559
Capital base	45,488	45,426
Total risk-weighted assets	126,833	115,270
Core tier 1 capital ratio (%)	33.9	37.0
Tier 1 capital ratio (%)	35.5	38.8
Total capital ratio (%)	35.9	39.4

The total capital and tier 1 capital ratios are calculated in accordance with the CRD.

In accordance with transitional rules, the minimum requirement for the total capital ratio at 31 March 2011 was 19.4%.

At 31 December 2010, the minimum requirement was 22.0%.

Cash flow statement – Realkredit Danmark Group

(DKK millions)	Q1 2011	Q1 2010
Cash flow from operating activities		
Net profit for the period	287	472
Adjustment for non-cash operating items	-5,889	-8,022
Cash flow from operating capital	-17,823	-410
Total	-23,425	-7,960
Cash flow from investing activities		
Acquisition/sale of tangible assets	-	-
Total	-	-
Cash flow from financing activities		
Change in hybrid capital	-	-
Total	-	-
Cash and cash equivalents, beginning of period	28,889	48,966
Change during the period	-23,425	-7,960
Cash and cash equivalents, end of period	5,464	41,006

Notes – Realkredit Danmark Group

Note

1 Significant accounting policies

The Group presents its interim report for the first quarter of 2011 in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of issuers of listed bonds.

The Group has not changed its significant accounting policies from those followed in Annual Report 2010, which provides a full description of the Group's significant accounting policies. The Group has made changes to note disclosures to comply with IAS 34 as amended by IASB's Improvements to IFRSs 2010.

Critical accounting estimates and assessments

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the Group's consolidated financial statements. The estimates and assumptions that are deemed critical to the consolidated financial statements are

- the fair value measurement of mortgage loans
- the fair value measurement of financial instruments

The estimates and assumptions are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values.

Fair value measurement of mortgage loans

The fair value of mortgage loans is based on the fair value of the underlying mortgage bonds adjusted for changes in the fair value of the credit risk on borrowers. For mortgage loans granted to customers in rating categories 10 and 11 (all loans with objective evidence of impairment), such adjustment equals the difference between the carrying amount and the present value of the expected future cash flow of the asset, including the net realisable value of collateral held. A collective assessment is also made to determine the need for changes to reflect fair value adjustments of the credit risk of the remaining portion of the portfolio.

Fair value measurement of financial instruments

Measurements of financial instruments based on prices quoted in an active market or based on generally accepted models employing observable market data are not subject to critical estimates.

Measurements of financial instruments that are only to a limited extent based on observable market data, such as unlisted shares and certain bonds for which there is no active market, are subject to estimates.

Annual Report 2010 provides a detailed description of the Group's significant risks and the external factors that may affect the Group.

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 amendments to international accounting standards that have not yet come into force. Similarly, the International Financial Reporting 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 Group's future financial reporting. The paragraphs below list the standards and interpretations that are likely to affect the Group's financial reporting.

In October 2010, the IASB reissued IFRS 9, Financial Instruments. This version of the standard is the first step to replace the requirements of IAS 39 in 2011. After implementation of phase 1, IFRS 9 deals with classification and measurement of financial instruments and derecognition, while the next phases will address impairment, hedge accounting and offsetting of financial assets and liabilities.

The transitional rules adopted in IFRS 9 (phase 1) imply implementation of the standard by 1 January 2013. A postponement of the implementation deadline is currently under consideration, however. The EU has decided to postpone adoption of IFRS 9 until the details of the remaining phases are known.

The Group does not expect IFRS 9 (phase 1) to materially affect the measurement of its financial instruments. Meaningful classification and measurement of financial instruments are not possible without information about the future content of IFRS 9 to clarify the overall accounting effects of the standard and the time of implementation.

Notes – Realkredit Danmark Group

Note (DKK millions)

2 Profit broken down by activity

Q1 2011	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	878	-	878	-	878
Net interest income	87	131	218	-131	87
Dividends from shares	-	-	-	-	-
Net fee income	-116	-	-116	-	-116
Income from investment portfolios	-	-	-	-55	-55
Value adjustments	43	-229	-186	186	-
Other income	30	-	30	-	30
Total income	922	-98	824	-	824
Expenses	243	1	244	-	244
Profit before loan impairment charges	679	-99	580	-	580
Loan impairment charges	197	-	197	-	197
Income from associated undertakings	-	-	-	-	-
Profit before tax	482	-99	383	-	383
Q1 2010	Mortgage finance	Own holdings	Total	Reclassi- fication	Highlights
Administration margin	842	-	842	-	842
Net interest income	147	136	283	-136	147
Dividends from shares	-	-	-	-	-
Net fee income	-120	-	-120	-	-120
Income from investment portfolios	-	-	-	234	234
Value adjustments	-60	157	97	-97	-
Other income	58	-	58	-	58
Total income	867	293	1,160	1	1,161
Expenses	212	1	213	-	213
Profit before loan impairment charges	655	292	947	1	948
Loan impairment charges	319	-	319	-	319
Income from associated undertakings	-	1	1	-1	-
Profit before tax	336	293	629	-	629

Mortgage finance encompasses property financing services provided in Denmark to personal and business customers. The mediation of property financing services is made through Danske Bank's branch network and finance centres and through Corporate Customers at Realkredit Danmark. The segment also includes mediation of real estate transactions offered through the home real-estate agency chain. 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 income from investment portfolios.

Notes – Realkredit Danmark Group

Note	(DKK millions)	Q1 2011	Q1 2010
3	Loan impairment charges		
	Impairment charges etc.	245	436
	Reversals of impairment charges etc. for previous years	298	180
	Losses incurred	266	83
	Received on claims previously written off	16	20
	Total	197	319

4 Loans etc.

Of the total fair value adjustment for the credit risk on mortgage loans, charges were recognised as an expense of DKK 1,855 million at 31 March 2011, against DKK 1,829 million at the beginning of the year.

Of the total loan impairment charges for the credit risk on loans and other amounts due at amortised cost, charges were recognised as an expense of DKK 357 million at 31 March 2011, against DKK 436 million at the beginning of the year.

	Loans, individual impairment	Loans, collective impairment	Total
Impairment charges etc. at 1 January 2010	1,544	66	1,610
Impairment charges etc. during the year	1,188	201	1,389
Reversals of impairment charges etc. for previous years	731	3	734
Impairment charges etc. at 31 December 2010	2,001	264	2,265
Impairment charges etc. during the period	243	2	245
Reversals of impairment charges etc. for previous years	248	50	298
Impairment charges etc. at 31 March 2011	1,996	216	2,212

Value adjustment of assets taken over amounted to DKK 13 million at 31 March 2011, against DKK 17 million at end-2010.

Notes – Realkredit Danmark Group

Note	(DKK millions)				
5	Financial instruments at fair value				
	31 March 2011	Quoted prices	Observable input	Non-observable input	Total
	Bonds at fair value	5,405	-	-	5,405
	Mortgage loans at fair value	-	693,617	-	693,617
	Shares	-	-	2	2
	Derivatives	-	106	-	106
	Total	5,405	693,723	2	699,130
	Issued mortgage bonds at fair value	636,199	-	-	636,199
	Derivatives	-	17	-	17
	Total	636,199	17	-	636,216
	31 December 2010				
	Bonds at fair value	21,679	-	-	21,679
	Mortgage loans at fair value	-	704,449	-	704,449
	Shares	-	-	1	1
	Derivatives	-	310	-	310
	Total	21,679	704,759	1	726,439
	Issued mortgage bonds at fair value	671,644	-	-	671,644
	Derivatives	-	87	-	87
	Total	671,644	87	-	671,731

Note 37 of Annual Report 2010 provides a description of the valuation techniques used for financial instruments.

6 Contingent liabilities

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.

As the sponsoring employer, Realkredit Danmark is liable for the pension obligations of Kreditforeningen Danmarks Pensionsafviklingskasse.

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 on the balance sheet.

(DKK millions)	31 Mar. 2011	31 Dec. 2010	31 Mar. 2010
Guarantees etc.			
Other guarantees	4	4	4
Total	4	4	4
Other contingent liabilities			
Irrevocable loan commitments regarding reverse mortgages	316	414	444
Other commitments	107	106	100
Total	423	520	544
Total contingent liabilities	427	524	548

Realkredit Danmark as lessee

Realkredit Danmark is the lessee in a number of operating leases. Under such leases, the Group is entitled to use an asset for a specific period of time against lease payments, but it does not take over the major risks associated with the asset nor does it benefit from any returns.

The leases involve mainly cars. The minimum lease payments at 31 March 2011 were DKK 2 million (31 December 2010: DKK 2 million).

Statement by the management

The Board of Directors and the Executive Board (the management) have considered and approved Interim Report – First Quarter 2011 of the Realkredit Danmark Group.

The consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the consolidated interim financial statements give a true and fair view of the Group's assets, liabilities, shareholders' equity and financial position at 31 March 2011 and of the results of the Group's operations and the consolidated cash flows for the period starting on 1 January 2011 and ending on 31 March 2011. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group.

Kgs. Lyngby, 10 May 2011

Executive Board

Carsten Nøddebo Rasmussen
Chairman of the Executive Board

Jens-Erik Corvinus
Member of the Executive Board

Board of Directors

Tonny Thierry Andersen
Chairman

Per Skovhus
Vice Chairman

Henrik Ramlau-Hansen

Max Jeppesen

Klaus Pedersen

Supplementary information

Financial calendar

- Interim Report – First Half 2011:
9 August 2011
- Interim Report – First Nine Months 2011:
1 November 2011
- Annual Report 2011:
9 February 2012
- Interim Report – First Quarter 2012:
10 May 2012
- Interim Report – First Half 2012:
7 August 2012
- Interim Report – First Nine Months 2012:
30 October 2012

Contact

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and Chief Executive Officer
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Useful links

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