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To NASDAQ OMX København A/S

Today, the Board of Directors of DLR Kredit A/S approved the Annual Report for 2009.

We enclose the Annual Report and Financial Statements for DLR Kredit A/S for the period 1 January - 31 December 2009.

Yours sincerely

DLR Kredit A/S

Bent Andersen
Managing Director and CEO

B. Dyreborg-Carlsen
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As from today, DLR Kredit's Annual Report 2009 can be downloaded from our website in PDF format.

Financial Statements 2009

Financial Summary for the period 2005-2009

DKKm	2009	2008	2007	2006	2005
Net interest income	1,047.2	963.1	869.2	773.8	723.7
Net fee income etc.	(239.8)	(204.4)	(182.5)	(171.4)	(144.5)
Value adjustments	(14.1)	1.5	(74.5)	(52.0)	(31.9)
Other operating income	18.6	17.6	18.1	19.2	16.4
Staff costs and administrative expenses	(183.5)	(173.1)	(169.2)	(159.3)	(157.6)
Depreciation on fixed assets	(7.3)	(7.2)	(7.1)	(6.3)	(5.6)
Other operating expenses	(12.5)	0.0	0.0	0.0	(0.1)
Provisions for loan and receivable impairment etc.	(158.7)	13.8	36.6	174.4	(2.8)
Profit before tax	449.9	611.3	490.6	578.4	397.6
Profit after tax	336.9	457.9	373.0	416.9	287.7
Balance sheet total	149,329.5	137,581.2	134,899.9	104,567.2	94,148.0
Equity					
Share capital	431.2	385.5	335.5	335.5	335.5
Other reserves and transfers to reserves	6,102.7	5,223.3	4,316.1	3,943.0	3,526.4
Total equity	6,533.9	5,608.8	4,651.6	4,278.5	3,861.9
Subordinated debt	5,587.4	3,733.8	3,676.8	3,693.1	3,733.2
Capital base	12,121.3	9,342.6	8,328.4	7,971.6	7,595.1
Solvency ratio incl. profit for the year	11.7	9.7	9.5	11.3	11.7
Solvency requirement	8.0	8.0	8.0	8.0	8.0
Core capital ratio	11.6	6.6	6.1	7.0	6.8
Profit before tax in pc of equity	7.4	11.9	11.0	14.2	11.2
Profit after tax in pc of equity	5.5	8.9	8.4	10.2	8.1
Loss and impairment ratio for the year	0.12	(0.01)	(0.03)	(0.19)	0.00
Costs in pc of loan portfolio	0.15	0.15	0.17	0.18	0.20

The year in headlines

- **Satisfactory activity level**
- **Net lending amounted to DKK 7.9bn**
- **Satisfactory financial results**
- **Improvement in core earnings by nearly 4 pc**
- **Raising of government hybrid core capital DKK 4,829.1 m**
- **Individual solvency requirement determined at 8 pc**

Lending activities in 2009

In 2009 gross lending amounted to DKK 23.9bn, which is a decrease of approximately 20 pc compared to 2008.

In 2009, net lending amounted to DKK 7.9bn against DKK 15.9bn in 2008. Net lending was distributed with 76 pc on agricultural properties and 24 pc on urban trade and co-operative housing properties.

At the end of 2009, DLR's total outstanding mortgage loan volume amounted to DKK 130.6bn. At the end of 2009, agricultural properties, including residential farms, accounted for 70 pc of DLR's lending portfolio, whereas loans to urban trade properties and cooperative housing properties accounted for 30 pc.

Profit and loss account

In 2009, DLR generated a pre-tax profit of DKK 449.9m against DKK 611.3m in 2008. The profit for the year is calculated at DKK 336.9m against DKK 457.9m in 2008. Tax on the profit for 2009 has been calculated at DKK 113.0m.

The fall in profit is primarily due to the item 'Provisions for loans and receivable impairment, etc.'

Net interest income rose from DKK 963.1m in 2008 to DKK 1,047.2m in 2009, whereas fee and commission income (net) showed expenses of DKK 239.8m in 2009 compared with expenses of DKK 204.4m in 2008.

The increase in net interest income is primarily attributable to increasing administration fee income, which have offset a fall in net interest income. This is primarily attributable to the fall in interest rates throughout 2009 in combination with considerable interest expenses in regard to the government hybrid core capital.

The increased net expenses to fees and commissions are primarily due to an increase in commissions to loan-providing financial institutions as compensation for an increasing number of loans being covered by loss guarantees.

Staff costs and administrative expenses showed an increase in 2009 compared to 2008 and came to DKK 183.5m (2008: DKK 173.1m). In addition, commission has been paid to the Government amounting to DKK 12.5m regarding the raising of government hybrid core capital. For 2009, depreciation amounted to DKK 7.3m.

DLR experienced a negative value adjustment of DKK 14.1m against an income of DKK 1.5m in 2008.

Losses ascertained on claims, including adjustments from previous years, are calculated

at DKK 19.5m for 2009. Since the provisions have at the same time been increased by DKK 139.2m, the item 'Provisions for loans and receivable impairment etc.' has a negative influence of DKK 158.7m on the financial statements. Aggregate individual provisions then total DKK 257.0m, whereas group-based provisions have been calculated at DKK 44.9m at the end of 2009.

Most recently, in the interim report for Q1-Q3 2009, DLR expressed its expectations for the profit (core earnings) for 2009 as a whole at DKK 500-550m before value adjustment, impairment losses and tax. When the profit before these items reached DKK 622.7m, it is primarily due to circumstances surrounding the refunding of ARM loans, in connection with which the sale of ARM bonds took place in December 2009. The investment of the proceeds from the bond sale until the remortgaging in early 2010 led to an increase in net interest income, but at the same time to a negative market value adjustment, which is not reflected in core earnings. In addition, the level of activity in December 2009 was higher than expected.

Balance Sheet

In 2009, DLR's balance sheet rose from DKK 137.6bn to DKK 149.3bn.

The total loan portfolio amounted to DKK 130.6bn at the end of 2009 against DKK 121.9bn at the beginning of the year.

Equity

At the end of the year, DLR's equity amounted to DKK 6,533.9m against DKK 5,608.8m at the end of 2008.

Solvency

At the end of 2009, DLR's capital base amounted to DKK 12,121.3m. The capital base has been calculated at DKK 12,118.7m after deduction of capitalised tax, while the weighted assets have been calculated at DKK 103,853.4m, corresponding to a solvency ratio of 11.7 pc (including profit for the period) at the end of 2009.

The Board of Directors has determined the solvency ratio to be equal to the statutory minimum requirement of 8 pc.

Capital Structure

In 2009, DLR's capital base was considerably strengthened. This strengthening has taken place via the raising of government hybrid core capital DKK 4,829.1m as well as an increase in the share capital. The capital increase subscribed by DLR's shareholder banks contributed cash proceeds of DKK 589.4m to DLR. Last but not least, DLR consolidated by transferring the total profit for 2009 of DKK 336.9m to reserves. With the deduction of the repayment of subordinated loan capital of EUR 400m by mid-2009, DLR's capital base was therefore strengthened by DKK 2,777.8m in 2009.

At the end of 2009, DLR's total subordinated debt amounted to DKK 5,587.4m. This amount consists solely of hybrid core capital (Tier1) distributed on the recently raised government hybrid core capital of DKK 4,829.1m and on a capital injection established in 2005 of EUR 100m (DKK 758.3m.).

The government capital injection was established within the framework of Banking Package II in June 2009. A significant part of the capital injected was used to repay a subordi-

nate loan of EUR 400m. In principle, the government capital injection is perpetual. Three years after the establishment of the capital injection, it will be possible to make a partial or full prepayment of the loan for the first time.

Risk exposure

Risk management is a central element in the daily operations of DLR, even if DLR's exposure to credit risk and financial risk is considered limited. The limited exposure to risk is attributable to detailed legislation and to DLR's internal credit policy procedures. As a supplement, DLR has reduced its risk of loss through loss-mitigating agreements with the banks that hold shares in DLR, i.e. local and regional banks.

At the end of 2009, more than 91 pc of DLR's total loan portfolio was comprised by loan loss guarantees. The bulk of the loans that are not comprised by guarantees usually have a low LTV value.

Outlook for 2010

For 2010, DLR expects a lower level of activity, compared to 2009

On the whole, net interest income is expected to be lower than in 2009. This is due to a reduction in interest income caused by the lower interest rate level as well as to increased interest expenses on the government hybrid core capital.

It is expected that staff and administrative costs will rise in 2010 at a rate that roughly corresponds to the development in wages.

For 2010 as a whole, DLR budgets with core earnings (profit before value adjustments, impairment losses and tax) in the interval DKK 400-450m against realised core earnings of DKK 622.7m in 2009.

As a consequence of the continuing weak economic trends, we expect a largely unchanged level of losses and provisions for impairment for 2010.

Profit and Loss for the period 1 January – 31 December 2009

(DKKm)	2009	2008
Interest income	6,316.1	6,045.2
Interest expenses	(5,268.9)	(5,082.1)
Net interest income	1,047.2	963.1
Dividends from shares etc.	1.1	1.1
Fee and commission income	76.3	66.2
Fee and commission paid	(316.1)	(270.6)
Net interest and fee income	808.5	759.8
Value adjustments	(14.1)	1.5
Other operating income	17.5	16.5
Staff costs and administrative expenses	(183.5)	(173.1)
Depreciation and impairment losses, tangible assets	(7.3)	(7.2)
Other operating expenses	(12.5)	0.0
Provisions for loan and receivable impairment etc.	(158.7)	13.8
Profit before tax	449.9	611.3
Tax	(113.0)	(153.4)
Profit for the period	336.9	457.9

Balance Sheet at 31 December 2009

(DKKm)	31 Dec. 2009	31 Dec. 2008
Assets		
Cash balance	0.0	0.1
Receivables from credit institutions and central banks	8,130.5	9,224.1
Loans, advances and other receivables at fair value	130,609.9	121,922.2
Loans, advances and other receivables at amortised cost	0.8	0.7
Bonds at fair value	9,794.8	5,864.3
Shares etc.	15.7	15.7
Land and buildings, domicile properties	85.1	87.4
Other tangible assets	6.9	10.3
Current tax assets	10.1	0.0
Deferred tax assets	2.6	1.7
Assets temporarily foreclosed	22.0	0.4
Other assets	640.0	447.2
Prepayments	11.1	7.1
Total assets	149,329.5	137,581.2
Liabilities and equity		
Payables to credit institutions and central banks	5,000.0	1,500.0
Issued bonds at fair value	127,029.3	122,444.6
Issued bonds at amortised cost	7.1	5.1
Current tax liabilities	0.0	42.0
Other debt and payables	5,165.0	4,244.1
Deferred income	4.9	0.4
Total debt	137,206.3	128,236.2
Provisions for deferred tax	1.9	2.4
Total provisions	1.9	2.4
Subordinated debt	5,587.4	3,733.8
Share capital	431.2	385.5
Revaluation reserve	24.3	24.3
Undistributable reserve	2,295.4	2,261.7
Retained earnings	3,783.0	2,937.3
Total equity	6,533.9	5,608.8
Total liabilities and equity	149,329.5	137,581.2