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DLR Kredit A/S · CVR-nr. 25781309
Nyropsgade 21 · 1780 København V
Tlf. 70 10 00 90 · Fax 33 93 95 00
www.dlr.dk · dlr@dlr.dk

To NASDAQ OMX København A/S

Today, the Board of Directors of DLR Kredit A/S approved the Annual Report for 2008.

We enclose the Annual Report and Financial Statements for DLR Kredit A/S for the period 1 January - 31 December 2008.

Yours sincerely

DLR Kredit A/S

Bent Andersen
Managing Director and CEO

B. Dyreborg-Carlsen
Managing Director

For further information, please contact: Bent Andersen, Managing Director and CEO, phone +45 33 42 07 22, or B. Dyreborg-Carlsen, Managing Director, phone +45 33 42 07 21.

As from today, DLR Kredit's Annual Report 2008 can be downloaded from our website in PDF format.

Financial Statements 2008

Financial Summary for the period 2004-2008

DKKm	2004	2005	2006	2007	2008
Net interest income	603.2	723.7	773.8	869.2	963.1
Net fee income etc.	(127.8)	(144.5)	(171.4)	(182.5)	(204.4)
Value adjustments	(20.7)	(31.9)	(52.0)	(74.5)	1.5
Other operating income	18.8	16.4	19.2	18.1	17.6
Staff costs and administrative expenses	(145.8)	(157.6)	(159.3)	(169.2)	(173.1)
Depreciation on fixed assets	(4.4)	(5.6)	(6.3)	(7.1)	(7.2)
Other operating expenses	(9.3)	(0.1)	0.0	0.0	0.0
Provisions for loan and receivable impairment etc.	19.8	(2.8)	174.4	36.6	13.8
Profit before tax	333.8	397.6	578.4	490.6	611.3
Profit after tax	236.4	287.7	416.9	373.0	457.9
Balance sheet total	111,038.4	94,148.0	104,567.2	134,899.9	137,581.2
Equity					
Share capital	300.0	335.5	335.5	335.5	385.5
Other reserves and transfers to reserves	2,946.7	3,526.4	3,943.0	4,316.1	5,223.3
Total equity	3,246.7	3,861.9	4,278.5	4,651.6	5,608.8
Subordinated debt	3,773.7	3,733.2	3,693.1	3,676.8	3,733.8
Capital base	7,020.4	7,595.1	7,971.6	8,328.4	9,342.6
Solvency ratio incl. profit for the year	11.6	11.7	11.3	9.5	9.7
Solvency requirement	8.0	8.0	8.0	8.0	8.0
Core capital ratio	5.8	6.8	7.0	6.1	6.6
Profit before tax in pc of equity	10.7	11.2	14.2	11.0	11.9
Profit after tax in pc of equity	7.6	8.1	10.2	8.4	8.9
Loss and impairment ratio for the year	(0.03)	0.00	(0.19)	(0.03)	(0.01)
Costs in pc of loan portfolio	0.23	0.20	0.18	0.17	0.15

The year in headlines

- **High activity level**
- **Net lending amounted to DKK 15.9bn**
- **Still very limited losses**
- **Satisfactory financial results**
- **Almost unchanged costs**
- **Return on equity before tax at 11.9 pc**

Lending activity in 2008

Like in 2007, lending in 2008 was characterized by a high activity level.

In 2008, net lending amounted to DKK 15.9bn against DKK 15.6bn in 2007. Net lending was distributed with 61 pc on agricultural properties and 39 pc on urban trade and co-operative housing properties.

At the end of 2008, DLR's total outstanding mortgage loan volume amounted to DKK 121.9bn. At the end of 2008, agricultural properties, including residential farms, accounted for 69 pc of DLR's lending portfolio, whereas loans to urban trade properties and cooperative housing properties accounted for 31 pc.

Profit and loss account

In 2008, DLR generated a pre-tax profit of DKK 611.3m against DKK 490.6m in 2007 or an improvement of DKK 120.7m from 2007 to 2008.

Net interest income rose from DKK 869.2m in 2007 to DKK 963.1m in 2008, while fee and commission expenses (net) between the two calendar years rose from DKK 182.5m to DKK 204.4m.

The increase in net interest income is primarily attributable to increased administration fee income caused by the increasing loan portfolio and the increasing securities portfolio in combination with the increasing interest rate level in the first three quarters of 2008.

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.

DLR's staff costs and administrative expenses etc. rose by 2 pc in 2008. Total costs rose from DKK 169.2m in 2007 to DKK 173.1m in 2008. Depreciation and amortisation amounted to DKK 7.1m and DKK 7.2m, respectively.

DLR experienced a positive value adjustment of DKK 1.5m against a negative adjustment of DKK 74.5m in 2007.

Losses ascertained on claims, including adjustments from previous years, are calculated at a negative DKK 0.9m for 2008. And as at the end of 2008 a reversal of individual impairment charges was recognised at DKK 12.9m, the item 'Provisions for loan and receivable impairment etc.' contributes positively to the pre-tax profit with DKK 13.8m.

Tax on the profit for 2008 has been calculated at DKK 153.4m, and so the profit for the year is calculated at DKK 457.9m against DKK 373.0m in 2007.

Most recently, in the interim report for Q1-Q3 2008, DLR expressed its expectations for the results for 2008 as a whole at DKK 395-415m before tax. When the final results for 2008 were at a significantly higher level, this was due to an extraordinarily high activity level in Q4 2008 and to the decreasing interest rates towards the end of 2008 which means that our former expectations of a quite considerable negative value adjustment of DLR Kredit's securities portfolio was replaced by a modest, positive value adjustment.

Balance sheet

In 2008, DLR's balance sheet rose from DKK 134.9bn to DKK 137.6bn.

The total loan portfolio amounted to DKK 121.9bn at the end of 2008 against DKK 105.6bn at the beginning of the year.

Equity

At the end of the year, DLR's equity amounted to DKK 5,608.8m against DKK 4,651.6m at the end of 2007.

Solvency

At the end of 2008, DLR's capital base amounted to DKK 9,342.6m. The capital base has been calculated at DKK 9,340.9m after deduction of capitalised tax, while the weighted assets have been calculated at DKK 96,522.4m, which corresponds to a solvency ratio of 9.7 pc.

Capital structure

In recent years, DLR's capital base has been considerably strengthened. This strengthening has taken place via an increase in equity through increases in the share capital as well as through the accumulation of profit.

This trend continued throughout 2008. In November 2008 DLR's share capital was raised to a nominal DKK 385.5m. This increase resulted in proceeds of DKK 500m. To this should be added profit after tax of DKK 457.9m, which means that DLR Kredit's equity rose by almost DKK 1.0bn in 2008.

The need for a continued strengthening of DLR's capital base has primarily been caused by DLR's increasing loan portfolio.

At the end of 2008, DLR's total subordinated debt amounted to DKK 3,733.8m. This amount consists of the hybrid core capital amounting to DKK 753.7m (EUR 100m adjusted for the fair value of interest rate swaps entered into to secure payment flows on the hybrid core capital) and supplementary capital amounting to DKK 2,980.1m (EUR 400m).

Risk exposure

DLR's credit risk and financial risk are estimated as limited. This is due to both a solid, legal basis and to DLR's internal credit policy guidelines. To this should be added the guarantee schemes that have been set up for DLR's various lending areas according to agreements with the banks that hold shares in DLR.

At the end of 2008, 93 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 2009

For 2009, DLR expects a lower level of activity, compared to 2008. At the same time, an additional diversification is expected in DLR's loan portfolio distributed on property categories.

On the whole, net interest income is expected to rise in 2008 due to the increased loan portfolio. We expect a reduction in interest income on the securities portfolio and on accounts with banks.

It is expected that staff and administrative costs will rise in 2009 at a rate that roughly corresponds to the development in wages.

For 2009 as a whole, DLR budgets with core earnings (profit before value adjustments, impairment losses and tax) in the interval DKK 500-550m against realised core earnings of DKK 596.0m in 2008.

Due to the weak financial outlook, we expect a moderate increase in DLR's loss rate for 2009.

On 3 February 2009, the Folketing passed an Act on Government Capital Injections in Credit Institutions – 'Bank Package II'. Whether DLR will be making use of a government capital injection will be assessed as part of the deliberations concerning the future capital structure of DLR.

Profit and Loss Account for the period 1 January - 31 December 2008

(DKKm)	2008	2007
Interest income	6,045.2	5,008.1
Interest expenses	(5,082.1)	(4,138.9)
Net interest income	963.1	869.2
Dividends from shares etc.	1.1	1.7
Fee and commission income	66.2	68.3
Fee and commission paid	(270.6)	(250.8)
Net interest and fee income	759.8	688.4
Value adjustments	1.5	(74.5)
Other operating income	16.5	16.4
Staff costs and administrative expenses	(173.1)	(169.2)
Depreciation and impairment losses, tangible assets	(7.2)	(7.1)
Provisions for loan and receivable impairment etc.	13.8	36.6
Profit before tax	611.3	490.6
Tax	(153.4)	(117.6)
Profit for the year	457.9	373.0

Balance at 31 December 2008

(DKKm)	31 Dec. 2008	31 Dec. 2007
Assets		
Cash Balance	0.1	0.1
Receivables from credit institutions and central banks	9,224.1	9,854.7
Loans, advances and other receivables at fair value	121,922.2	105,616.7
Loans, advances and other receivables at amortised cost	0.7	0.9
Bonds at fair value	5,864.3	18,429.6
Shares etc.	15.7	15.7
Land and buildings, domicile properties	87.4	89.7
Other tangible assets	10.3	10.7
Deferred tax assets	1.7	1.5
Assets temporarily foreclosed	0.4	0.0
Other assets	422.7	874.1
Prepayments	7.1	6.2
Total assets	137,581.2	134,899.9
Liabilities and equity		
Payables to credit institutions and central banks	1,500.0	0.0
Issued bonds at fair value	122,444.6	122,344.7
Issued bonds at amortised cost	5.1	3.2
Current tax liabilities	42.0	2.6
Other debt and payables	4,244.1	4,217.2
Deferred income	0.4	0.8
Total debt	128,236.2	126,568.5
Provisions for deferred tax	2.4	3.0
Total provisions	2.4	3.0
Subordinated debt	3,733.8	3,676.8
Share capital	385.5	335.5
Revaluation reserve	24.3	24.3
Undistributable reserve	2,261.7	2,215.9
Retained earnings	2,937.3	2,075.9
Total equity	5,608.8	4,651.6
Total liabilities and equity	137,581.2	134,899.9