

To the editor

Communications
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Half-year profit of DKr1,242m

Realkredit Danmark today published its report for the first half of 2008. The report is available at www.rd.dk. Highlights are shown below:

- The Realkredit Danmark Group's profit after tax rose 9% to DKr1,242m, against DKr1,139m in the first half of 2007.
- The administration margin rose 5% on the first half of 2007 owing to an increase in the volume of lending.
- Since the end of 2007, the outstanding nominal bond debt on mortgage lending has climbed 3% to DKr670bn.
- In the first six months of 2008, the market share of net new lending grew 2.2 percentage points from 25.1% in 2007 to 27.3%. The market share of the loan portfolio was 31.5% at the end of first half of 2008, against 31.8% at the end of 2007.
- Credit loss expenses amounted to DKr9m for the first half of 2008, against an income of DKr6m in the first half of 2007.
- The outlook for the pre-tax profit for 2008 is unchanged relative to the expectations announced in the interim report for first quarter of 2008.

Commenting on the results, Realkredit Danmark's chief executive Sven Holm, said:

- Credit quality remains strong and the delinquency rate very low although economic developments have triggered a slight increase. The sum of arrears more than three months past due was DKr20m only. Moreover, Realkredit Danmark's loans are strongly secured on the mortgaged properties. This is expressed by the loan-to-value (LTV) ratio, which is calculated on the basis of the last krone lent for every property. At the end of June of this year, we had an average LTV of 53%, which matches the level recorded at the same time last year. Overall, homeowners still have substantial home equity.

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