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To OMX Nordic Exchange, Copenhagen

Today, the Board of Directors of DLR Kredit A/S approved the Annual Report for 2007.

We enclose the Annual Report and Financial Statements for DLR Kredit A/S for the period 1 January - 31 December 2007.

Yours sincerely

DLR Kredit A/S

Bent Andersen
Managing Director and CEO

B. Dyreborg-Carlsen
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Financial Statements 2007

Financial Summary for the period 2003-2007

DKKm	2003	2004	2005	2006	2007
Net interest income	566.2	603.2	723.7	773.8	869.2
Net fee income etc.	(95.2)	(127.8)	(144.5)	(171.4)	(182.5)
Value adjustments	(17.4)	(20.7)	(31.9)	(52.0)	(74.5)
Other operating income	18.1	18.8	16.4	19.2	18.1
Staff costs and administrative expenses	(150.1)	(145.8)	(157.6)	(159.3)	(169.2)
Depreciation on fixed assets	(3.7)	(4.4)	(5.6)	(6.3)	(7.1)
Other operating expenses	0.0	(9.3)	(0.1)	0.0	0.0
Provisions for loan and receivable impairment etc.	(21.1)	19.8	(2.8)	174.4	36.6
Profit before tax	296.8	333.8	397.6	578.4	490.6
Profit after tax	204.4	236.4	287.7	416.9	373.0
Balance sheet total	80,998.7	111,038.4	94,148.0	104,567.2	134,899.9
Equity					
Share capital	300.0	300.0	335.5	335.5	335.5
Other reserves and transfers to reserves	2,686.1	2,946.7	3,526.4	3,943.0	4,316.1
Total equity	2,986.1	3,246.7	3,861.9	4,278.5	4,651.6
Subordinated debt	787.5	3,773.7	3,733.2	3,693.1	3,676.8
Guarantee capital	634.0	0.0	0.0	0.0	0.0
Capital base	4,407.6	7,020.4	7,595.1	7,971.6	8,328.4
Solvency ratio incl. profit for the year	9.5	11.6	11.7	11.3	9.5
Solvency requirement	8.0	8.0	8.0	8.0	8.0
Core capital ratio	6.4	5.8	6.8	7.0	6.1
Profit before tax in pc of equity	10.3	10.7	11.2	14.2	11.0
Profit after tax in pc of equity	7.1	7.6	8.1	10.2	8.4
Loss and impairment ratio for the year	0.04	(0.03)	0.00	(0.19)	(0.03)
Costs in pc of loan portfolio	0.27	0.23	0.20	0.18	0.17

The year in headlines

- **High activity level**
- **Net lending amounted to DKK 15.6bn**
- **Still very limited losses**
- **Satisfactory financial results**
- **Moderate development in costs**
- **Return on equity before tax at 11.0 pc**

Lending activity in 2007

2007 was characterised by a significantly higher level of activity than 2006. The reason was primarily customers wanting to take out loans based on traditional mortgage bonds before these series were closed to new loans at the end of 2007.

In 2007, net lending amounted to DKK 15.6bn against DKK 9.1bn in 2006. Net lending was distributed with 58 pc on agricultural properties and 42 pc on urban trade and co-operative housing properties.

At the end of 2007, DLR's total outstanding mortgage loan volume amounted to DKK 105.6bn. At the end of 2007, agricultural properties, including residential farms, accounted for 71 pc of DLR's lending portfolio, whereas loans to urban trade properties and co-operative housing properties accounted for 29 pc.

From January 2008 DLR has started offering loans based on issuing of covered bonds (SDOs).

Profit and loss account

In 2007, DLR generated a pre-tax profit of DKK 490.6m against DKK 578.4m in 2006. The decline in the 2007 results is due to the fact that the results for 2006 were to a large extent affected by the reversal of provisions for collective impairment.

Net interest income rose from DKK 773.8m in 2006 to DKK 869.2m in 2007, while fee and commission expenses (net) between the two calendar years rose from DKK 171.4m to DKK 182.5m.

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.

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

DLR's staff costs and administrative expenses etc. rose by 6 pc in 2007. These items, which were affected by a number of extraordinary circumstances, rose from DKK 159.3m in 2006 to DKK 169.2m in 2007. Depreciation and amortisation amounted to DKK 6.3m and DKK 7.1m, respectively.

Value adjustments of securities etc. resulted in expenses of DKK 74.5m in 2007 against expenses of DKK 52.0m in 2006. The capital loss is primarily affected by the generally increasing interest rate level.

Losses ascertained on claims, including adjustments from previous years, are calculated at a negative DKK 0.8m for 2007. And as at the end of 2007 there was a reversal of individual

impairment charges at DKK 35.8m, the item 'Provisions for loan and receivable impairment etc.' contributes positively to the pre-tax profit with DKK 36.6m.

Tax on the profit for 2007 has been calculated at DKK 117.6m, and so the profit for the year is calculated at DKK 373.0m against DKK 416.9m in 2006.

Most recently in the interim report for Q1-Q3 2007, DLR expressed its expectations for the results for 2007 as a whole at DKK 445-455m before tax. When the final results for 2007 were somewhat higher – DKK 490.6m – this is due to both an extraordinarily high level of activity in Q4 2007 and also an increased reversal of individual provisions for impairment.

Balance sheet

In 2007, DLR's balance sheet rose from DKK 104.6bn to DKK 134.9bn.

The total loan portfolio amounted to DKK 105.6bn at the end of 2007 against DKK 91.2bn at the beginning of the year.

Equity

At the end of the year, DLR's equity amounted to DKK 4,651.6m against DKK 4,278.5m at the end of 2006.

Solvency

At the end of 2007, DLR's capital base amounted to DKK 8,328.4m. The capital base has been calculated at DKK 8,326.9m after deduction of capitalised tax, while the weighted assets have been calculated at DKK 87,668.1m, which corresponds to a solvency ratio of 9.5 pc.

Capital structure

In recent years, DLR's capital base has been considerably strengthened. In 2004 this happened primarily through the raising of a subordinated loan of EUR 400m in the European capital market.

In 2005, this transaction was followed up with the raising of Hybrid Tier I capital at EUR 100m, also in the European capital market. In the same year, DLR's share capital was increased; this increase resulted in proceeds of approximately DKK 300m.

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

At the end of 2007, DLR's total subordinated debt amounted to DKK 3,676.8m. This amount consists of the hybrid core capital amounting to DKK 694.7m (EUR 100m adjusted for the market value of interest rate swaps entered into to secure payment flows on the hybrid core capital) and supplementary capital amounting to DKK 2,982.1m (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 2007, 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.

As a consequence of the new capital requirement rules, DLR has at 1 January 2007 established a credit risk control department. Apart from monitoring the new capital requirement rules, this department is also responsible for monitoring DLR's risk.

At the end of 2007, DLR filed an application with the Danish Financial Supervisory Authorities to become an advanced IRB institution. The application covers DLR's agricultural portfolios, which covers the majority of DLR's loan portfolio.

Outlook for 2008

For 2008, DLR expects a lower level of activity, compared to 2007. At the same time, an additional diversification is expected in DLR's loan portfolio distributed on property categories.

Before tax, DLR budgets with a profit in the range of DKK 490-510m. In the budget we have calculated with an unchanged interest rate level for 2008 compared to the level at the end of 2007.

Since there are no indications at the moment that DLR's losses on mortgages will increase, DLR expects that the modest level of losses of previous years will continue in 2008. These expectations are based on the assumption that in the months ahead, a better balance will be established between pork prices and fodder prices.

With regard to urban trade properties and private cooperative housing properties, DLR expects no losses in 2008.

Profit and Loss Account for the period 1 January - 31 December 2007

(DKKm)	2007	2006
Interest income	5,379.4	4,244.7
Interest expenses	(4,510.2)	(3,470.9)
Net interest income	869.2	773.8
Dividends from shares etc.	1.7	1.6
Fee and commission income	68.3	57.8
Fee and commission paid	(250.8)	(229.2)
Net interest and fee income	688.4	604.0
Value adjustments	(74.5)	(52.0)
Other operating income	16.4	17.6
Staff costs and administrative expenses	(169.2)	(159.3)
Depreciation and impairment losses, tangible assets	(7.1)	(6.3)
Provisions for loan and receivable impairment etc.	36.6	174.4
Profit before tax	490.6	578.4
Tax	(117.6)	(161.5)
Profit for the year	373.0	416.9

Balance at 31 December 2007

(DKKm)	31 Dec. 2007	31 Dec. 2006
Assets		
Cash Balance	0.1	0.1
Receivables from credit institutions and central banks	9,854.7	5,612.3
Loans, advances and other receivables at fair value	105,616.7	91,156.8
Loans, advances and other receivables at amortised cost	0.9	1.9
Bonds at fair value	18,429.6	7,188.7
Shares etc.	15.7	12.5
Land and buildings, domicile properties	89.7	92.0
Other tangible assets	10.7	8.7
Deferred tax assets	1.5	1.4
Assets temporarily foreclosed	0.0	11.6
Other assets	874.1	475.7
Prepayments	6.2	5.5
Total assets	134,899.9	104,567.2
Liabilities and equity		
Issued bonds at fair value	122,344.7	93,638.2
Current tax liabilities	2.6	0.7
Other debt and payables	4,220.4	2,951.7
Deferred income	0.8	0.9
Total debt	126,568.5	96,591.5
Provisions for deferred tax	3.0	4.1
Total provisions	3.0	4.1
Subordinated debt	3,676.8	3,693.1
Share capital	335.5	335.5
Revaluation reserve	24.3	24.3
Undistributable reserve	2,215.9	2,178.6
Retained earnings	2,075.9	1,740.1
Total equity	4,651.6	4,278.5
Total liabilities and equity	134,899.9	104,567.2