



Interim Report 30 June 2008  
**Nordea Kredit Realkreditaktieselskab**  
Business registration number 15134275

- First half profit of DKK 566m before tax
- Cost/income ratio remains low at 14.3%
- Positive loan losses
- Satisfactory lending growth of almost DKK 13bn
- Total lending DKK 264bn
- Market shares continue to increase
- New sector organisation

## Results

Nordea Kredit posted a profit of DKK 566m before tax for the first six months of 2008 compared to DKK 521m in the same period last year. The profit is satisfactory in light of the dampened activity in the mortgage market in the first half of 2008.

For the first six months of 2008 the cost/income ratio remained low, in line with the level in the first half of 2007, at 14.3% compared to 14.9%.

Loan losses were positive at DKK 1.3m compared to a positive DKK 0.7m in the first half of 2007. In the first six months Nordea Kredit repossessed seven properties and sold two properties. At 30 June 2008 the portfolio of repossessed properties comprised seven properties, booked at DKK 6m. In light of the slowdown in the housing market and the size of the lending portfolio the number of repossessed properties is modest.

## Lending

In the first half-year lending increased by DKK 12.8bn

measured at nominal value and total lending amounted to DKK 264.3bn at 30 June 2008, also measured at nominal value.

Loans for residential properties and holiday homes totalled DKK 195.6bn (nominal value) at 30 June 2008 compared to DKK 179.9bn a year ago. Loans for agricultural properties increased from DKK 27.7bn a year ago to DKK 32.7bn at 30 June 2008. Other commercial property lending was DKK 36.1bn – an increase of DKK 8.8bn during the past year.

Nordea Kredit's share of the mortgage market continues to increase. Hence, total lending by Nordea Kredit accounted for 12.4% of total mortgage lending in Denmark at the end of the first quarter of 2008 compared to 12.0% in the same period last year. Progress was made in all property types, but the market share has increased in particular within lending to corporate customers. Sector figures for the second quarter of 2008 are not yet available, but Nordea Kredit's market share is also expected to have increased in the second quarter.

## Nordea Kredit – financial summary

	2004 Jan- June	2005 Jan- June	2006 Jan- June	2007 Jan- June	2007 July- Dec	2008 Jan- June
<b>Income statement (DKKm)</b>						
Net interest and fee income	367	475	494	596	663	664
Securities and foreign exchange income	-5	-30	-3	-2	36	-4
Staff costs and administrative expenses	73	87	89	88	91	91
Amortisation, depreciation and impairment charges of intangible and tangible assets	1	0	1	4	4	4
Loan losses	1	0	4	-1	-	-1
Profit on shares in associated and group undertakings	-	-	-	19	-	0
Profit for the period before tax	288	358	397	521	605	566
Profit for the period after tax	288	358	286	392	455	424
<b>Balance sheet, end of period (DKKm)</b>						
Total assets	174,086	210,499	217,365	244,258	254,745	266,756
Total loans	149,994	175,638	198,139	221,901	240,200	245,693
Mortgage loans at nominal value	149,844	173,192	207,358	234,738	251,501	264,348
Shareholders' equity	8,573	9,259	10,512	12,250	12,706	13,130
<b>Ratios and key figures</b>						
Total capital ratio, excluding profit for the period (%)	10.3	9.8	9.5	10.5	9.9	10.0
Tier 1 capital ratio, excluding profit for the period (%)	10.3	9.8	9.5	10.5	10.0	10.2
Pre-tax return on equity for the period (%)	3.6	3.9	3.8	4.3	4.8	4.4
Post-tax return on equity for the period (%)	3.6	3.9	2.8	3.3	3.6	3.3
Income/cost ratio for the period	4.89	5.16	5.23	6.69	6.05	7.01
Cost/income ratio (%)	20.3	19.4	19.1	14.9	13.5	14.3
Foreign exchange exposure as % of tier 1 capital	0.1	0.1	0.2	0.2	0.2	0.2
Loans/shareholders' equity	17.5	19.0	18.8	18.1	18.9	18.7
Lending growth for the period (%)	7.6	9.4	8.7	5.8	7.1	5.1
Impairment ratio for the period (%)	0.0	0.0	0.0	0.0	0.0	0.0
Average number of employees	123	129	132	127	126	129

Ratios and key figures have been computed in accordance with the Danish Financial Supervisory Authority's definitions.

**New sector organisation**

Nordea Kredit and the mortgage institution Realkredit Danmark have formed a new sector organisation – Realkreditforeningen – sharing the premises of the Danish Bankers Association.

The object of the new sector association is to handle the interests of its members with a view to creating the best possible conditions for property finance in Denmark. The association will handle relations with the Danish parliament, the government and the EU as well as contacts with other national and international organisations.

In May 2007 both Nordea Kredit and Realkredit Danmark decided to withdraw from the Association of Danish Mortgage Banks.

**Management changes**

At an extraordinary general meeting on 2 July 2008 Anders Jensen, Head of Banking Denmark at Nordea, was appointed to the Board of Directors of Nordea Kredit. At the same time Jesper Christiansen, Executive Vice President, retired from the board.

**Outlook for remainder of 2008**

Nordea Kredit expects to see continued growth in lending for all property types and increasing market shares.

Results for the second half-year are expected to be in line with the first half-year.

**Statement by the Board of Directors and the Executive Management**

We have today presented the interim report of Nordea Kredit Realkreditaktieselskab.

The interim report has been presented in accordance with the Danish Financial Business Act. We consider the accounting policies applied appropriate so that the interim report gives a true and fair view of the company's assets and liabilities, financial position at 30 June 2008 and of the results of the company's operations for the half-year ending 30 June 2008.

Copenhagen, 22 July 2008

**Board of Directors**

Michael Rasmussen  
(Chairman)

Peter Lybecker  
(Deputy Chairman)

Jørgen Holm Jensen

Anders Jensen

**Executive Management**

Lars Bank Jørgensen  
(Chairman)

Michael Jensen

## Income statement

DKKm	Note	2007 Jan- June	2008 Jan- June
Interest income	1	6,003	7,116
Interest expenses	2	5,204	6,215
<b>Net interest income</b>		799	901
Dividend income		2	2
Fee and commission income		87	78
Fee and commission expenses	3	293	317
<b>Net interest and fee income</b>		596	664
Securities and foreign exchange income	4	-2	-4
Other operating income		0	0
Staff costs and administrative expenses	5	88	91
Amortisation, depreciation and impairment charges of intangible and tangible assets		4	4
Loan losses		-1	-1
Profit on shares in associated and group undertakings	6	19	0
<b>Profit before tax</b>		521	566
Tax	7	129	142
<b>Profit for the period</b>		392	424

## Balance sheet, end of period

DKKm	Note	30 June 2007	31 Dec 2007	30 June 2008
<b>Assets</b>				
Cash and balances with central banks		3,498	0	0
Balances due from credit institutions and central banks		18,629	9,720	20,898
Loans and receivables at fair value	8,9,10	221,897	240,196	245,690
Loans and receivables at amortised cost		4	4	4
Bonds at fair value		-	4,333	-
Shares etc.		5	8	8
Shares in associated undertakings		19	18	18
Intangible assets		40	43	42
Other tangible assets		5	4	3
Temporarily repossessed assets	11	0	3	6
Other assets	11,12	162	415	88
Prepayments		-	1	-
<b>Total assets</b>		<b>244,258</b>	<b>254,745</b>	<b>266,756</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Balances due to credit institutions and central banks		4,872	26,150	2,280
Mortgage bonds in issue		223,325	211,757	246,998
Current tax liabilities		373	279	420
Other liabilities	13	3,426	3,840	3,915
Deferred income		4	4	5
<b>Total liabilities</b>		<b>232,000</b>	<b>242,030</b>	<b>253,618</b>
<b>Provisions</b>				
Provisions for deferred tax		8	9	9
<b>Total provisions</b>		<b>8</b>	<b>9</b>	<b>9</b>
<b>Equity</b>				
Share capital	14	1,717	1,717	1,717
Statutory reserves	15	18	16	16
Other reserves		-	0	0
Retained earnings		10,123	10,125	10,973
Profit for the period after tax		392	847	424
<b>Total equity</b>		<b>12,250</b>	<b>12,706</b>	<b>13,130</b>
<b>Total liabilities and equity</b>		<b>244,258</b>	<b>254,745</b>	<b>266,756</b>
<b>Off-balance-sheet items</b>				
Contingent liabilities		0	0	0
<b>Total off-balance-sheet items</b>		<b>0</b>	<b>0</b>	<b>0</b>

## Notes

DKKm		2007 Jan- June	2008 Jan- June
Note 1	<b>Interest income on:</b>		
	Balances due from credit institutions and central banks	439	529
	Loans	5,005	5,969
	Administration fees	552	612
	Total bonds	-	0
	Total derivatives	3	3
	- Foreign exchange derivatives	-	-
	- Interest rate derivatives	3	3
	Other interest income	4	4
	<b>Total</b>	<b>6,003</b>	<b>7,116</b>
	Of which interest income on purchase and resale transactions entered under:		
	Balances due from credit institutions and central banks	280	317
Note 2	<b>Interest expense to:</b>		
	Credit institutions and central banks	195	119
	Mortgage bonds in issue	5,006	6,093
	Other interest expenses	3	3
	<b>Total</b>	<b>5,204</b>	<b>6,215</b>
	Of which interest expense on sale and repurchase transactions entered under:		
	Balances due to credit institutions and central banks	38	33
Note 3	<b>Fee and commission expense:</b>		
	Guarantee commissions etc to Nordea Bank Danmark A/S	240	262
	Brokerage to Nordea Bank Danmark A/S	27	28
	Other fees and commissions	26	27
	<b>Total</b>	<b>293</b>	<b>317</b>
Note 4	<b>Securities and foreign exchange income:</b>		
	Mortgage loans	-5,911	-6,505
	Bonds	-	0
	Shares etc	-2	-
	Currencies	0	0
	Total derivatives	-6	-
	- Foreign exchange derivatives	-	-
	- Interest rate derivatives	-6	-
	Bonds in issue	5,916	6,500
	<b>Total</b>	<b>-2</b>	<b>-4</b>

## Notes

DKKm		2007 Jan- June	2008 Jan- June
Note 5	<b>Staff costs and administrative expenses</b>		
	Salaries and emoluments to the Executive Management and the Board of Directors		
	Executive Management	2	2
	<b>Total</b>	<b>2</b>	<b>2</b>
	<b>Staff costs</b>		
	Salaries	30	32
	Pension costs	3	3
	Social security contributions	5	5
	<b>Total</b>	<b>38</b>	<b>41</b>
	Other administrative expenses	48	50
	<b>Total</b>	<b>88</b>	<b>91</b>
Note 6	<b>Profit on shares in associated and group undertakings</b>		
	Profit on shares in associated and group undertakings	19	0
	<b>Total</b>	<b>19</b>	<b>0</b>
Shares in associated undertakings comprise e-nettet Holding A/S, Copenhagen, which provides services for instance to the mortgage sector. Shareholding: 20%. Shareholders' equity amounted to DKK 91m and the profit amounted to DKK 4m according to the latest annual report for 2007.			
Note 7	<b>Tax</b>		
	Nordea Kredit is taxed jointly with Danish companies and branches etc. of the Nordea Group. Nordea Kredit is jointly and severally liable for that part of the tax of the jointly taxed income concerning Nordea Kredit until payment to the management company in the Nordea Group has taken place.		
		30 June 2007	31 Dec 2007
			30 June 2008
Note 8	<b>Loans and receivables</b>		
	Mortgage loan portfolio, beginning of period		
	– nominal value	221,799	251,508
	New loans (gross new lending)	26,701	27,008
	Currency translation adjustment	-17	2
	Redemptions and prepayments	12,068	12,377
	Net new lending	14,617	14,634
	Scheduled principal payments	1,672	1,789
	Mortgage loan portfolio, end of period - nominal value	234,744	251,508
	Reclassification of loans relating to temporarily repossessed properties	-	-
			-1
	Mortgage loan portfolio – nominal value	234,744	251,508
	Adjustment for interest rate risk etc	-12,883	-11,353
	Adjustment for credit risk	-7	-6
	Mortgage arrears and execution levied against debtors' properties	42	47
			43
	Mortgage loan portfolio – total fair value	221,897	240,196
	Loans at amortised cost	4	4
	<b>Total loans and receivables</b>	<b>221,901</b>	<b>240,200</b>
			245,693

## Notes

DKKm	30 June 2007	31 Dec 2007	30 June 2008
<b>Note 9 Provisions for individually assessed loans</b>			
Accumulated provisions, beginning of period	8	8	6
Movements during the year:			
-Provisions and value adjustment during the year	-	1	3
-Reversals of provisions made in previous financial years	1	3	6
-Previous provisions now written off	0	0	0
<b>Total</b>	<b>7</b>	<b>6</b>	<b>4</b>
<b>Note 10 Provisions for groups of significant loans</b>			
Accumulated provisions, beginning of period	-	-	-
Movements during the year:			
-Provisions and value adjustment during the year	-	-	-
-Reversals of provisions made in previous financial years	-	-	-
-Previous provisions now written off	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note 11 Provisions for other balances due from credit institutions and other items with credit risk</b>			
Accumulated provisions, beginning of period	0	0	0
Movements during the year:			
-Provisions and value adjustment during the year	-	-	1
-Reversals of provisions made in previous financial years	0	0	0
-Previous provisions now written off	0	0	0
<b>Total</b>	<b>-</b>	<b>0</b>	<b>1</b>
<b>Note 12 Other assets</b>			
Positive market value of derivatives	-	-	-
Interest receivable on mortgage loans etc included in calculation of statutory balance between mortgage loans and mortgage bonds in issue	134	413	58
Interest receivable on bonds etc	26	1	26
Other assets	1	1	4
<b>Total</b>	<b>162</b>	<b>415</b>	<b>88</b>
<b>Note 13 Other liabilities</b>			
Negative market value of derivatives	-	-	-
Interest payable on mortgage bonds in issue included in calculation of statutory balance between mortgage loans and mortgage bonds in issue	3,337	3,322	3,825
Other interest and commissions payable	40	45	43
Other liabilities	49	473	47
<b>Total</b>	<b>3,426</b>	<b>3,840</b>	<b>3,915</b>



## Notes

DKKm	30 June 2007	31 Dec 2007	30 June 2008
<b>Note 14 Equity</b>			
Share capital, beginning of period	1,717	1,717	1,717
Increase of share capital	-	-	-
Share capital, end of period	1,717	1,717	1,717
Other reserves			
Statutory reserves, beginning of period	0	0	16
Additions for the period	17	16	-
Statutory reserves, end of period	18	16	16
Other reserves, beginning of period	-	-	0
Additions for the period	-	0	0
Other reserves, end of period	-	0	0
Retained earnings, beginning of period	10,141	10,141	10,973
Transferred to statutory reserves	-17	-16	-
Profit for the period	392	847	424
Retained earnings, end of period	10,515	10,973	11,397
Total equity, end of period	12,250	12,706	13,130

**Note 15 Share capital**  
The company's share capital consists of 17,172,500 shares of DKK 100 each. Nordea Bank Danmark A/S, PO Box 850, DK-0900 Copenhagen C, holds all shares in the company. The parent company of the Nordea Group is Nordea Bank AB (publ), Hamngatan 10, 105 71 Stockholm, Sweden.

**Note 16 Accounting policies**  
No changes have been made to the accounting policies applied in the most recent annual report of Nordea Kredit.

The interim report of Nordea Kredit has been prepared in accordance with the Danish Financial Business Act, the Executive Order on financial reports for credit institutions and investment companies etc (the Executive Order), the Copenhagen Stock Exchange's rules for issuers and generally accepted accounting principles.

This interim report has not been subject to audit or review by the auditors.