Kalvebod PLC

Directors' report and Financial Statements

For the year ended 31 July 2008

Registered number 409286

Kalvebod PLC

Directors' report and financial statements

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Directors and other information

Directors	Brian Brady (Irish) Paul McNaughton (Irish) Michael Whelan (Irish)
Registered office	5 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Paying Agent, Agent Bank, Swap Counterparty and Custodian	Deutsche Bank AG London Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Administrator & Company Secretary	Deutsche International Corporate Services (Ireland) Limited 5 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
Independent Auditor	KPMG Chartered Accountants and Registered Auditor 1 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
Solicitors	Matheson Ormsby Prentice 70 Sir John Rogerson's Quay Dublin 2 Ireland Gide Loyrette Nouel MNP Citypoint One Ropemaker Street London EC2Y 9HT United Kingdom

The Directors present their annual report together with the audited financial statements of Kalvebod Plc (the "Company") for the year ended 31 July 2008.

Principal activities

The Company has established a EUR 10,000,000,000 Secured Notes Programme (the "Programme") to issue secured notes (the "Notes") and/or other secured limited recourse indebtedness (the "Alternative Investments"). The net proceeds from each issue of Notes or Alternative Investments are used to purchase the Collateral comprised in the Mortgaged Property in respect of the relevant Notes or Alternative Investments, to pay for or enter into any Credit Support Document or Swap Agreement in connection with such Notes or Alternative Investments and to pay expenses in connection with the administration of the Issuer or the issue of the Notes or Alternative Investments.

Notes earn interest at a fixed, floating or zero percentage Rate. The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information were set out in the relevant Prospectus.

Issuer has entered into Swap Agreements with Swap counterparties and any swap or repurchase entered into in connection with Notes of any Series by the Issuer are limited recourse obligation of the Issuer and the terms are set out in the relevant Prospectus.

Business Review

These are the Company's first financial statements under International Financial Reporting Standards as adopted by the European Union (IFRS) and IFRS 1 have been applied. The transition to IFRS had no effect on prior year figures

During the year,

- the Company's profit was Nil (2007: DKK 418);
- the Company did not issue any new series;
- net expenses from derivative financial instruments amounted to DKK 35,754,575 (2007: DKK 92,849,994);
- total nominal value of the reference entities was DKK 3,640,000,000 (2007: DKK 3,640,000.000)

As at 31 July 2008:

- there were no credit events that affected the Company;
- the Company's total indebtedness was DKK 3,159,939,678 (2007: DKK 3,693,997,013)
- the Company had the following Notes in issue:

Series 1	DKK 850,000,000 Fixed/Floating Rate Secured Notes due 2013
Series 2	DKK 928,450,000 Fixed/Floating Rate Secured Notes due 2106
Series 3	DKK 1,074,130,000 Fixed/Floating Rate Secured Notes due 2014
Series 4	EUR 82,875,680 Class A Floating Rate Secured Senior Notes due 2015
	DKK 463,165,120 Class B Fixed/Floating Rate Secured Mezzanine Notes due 2015
	DKK 154,388,370 Class C Fixed/Floating Rate Secured Junior Notes due 2015

The company paid DKK 105,454,849 (2007: DKK 65,748,002) as interest on the Notes issued and received DKK 211,309,967 (2007: DKK 137,457,968) as interest on the Collaterals.

Future Developments
The Directors expect the current level of activity to continue in the foreseeable future.

Results and dividends for the period
The results for the period are set out on page 7. No dividends are recommended by the directors.

Directors, secretary and their interests
The directors who held office on 31 July 2008 did not hold any share in the Company at that date, or during the year. There were no contracts of any significance in relation to the business of the company in which the directors had any interest, as defined in the Companies Act 1990, at any time during the year.

Risk and Uncertainties
The Company is subject to various risks. The key risks facing the Company are outlined in Note 22 to the Financial Statements.

Post balance sheet events
The turbulence during the year within the sub prime segment of the US Residential Mortgages market has continued after 31 July 2008. Highly publicised losses and bankruptcies within the mortgage industry reflect a significant deterioration in credit and underwriting standards, as a result of excess capacity building up within the industry over the recent year. This has caused further decrease in the fair value of collateral and consequential decrease in the fair value of the debt securities issued post year end.

On the 3rd November 2008, investments made to Roskilde Bank were made default and consequently the Notes in respect of the Bond Collateral will be reduced by the default nominal amount.

The following collateral of the Notes would be directly affected.

- Series 1 Notes: DKK 100,000,000 of Roskilde Bank Subordinated Bonds due 1 November 2013
- Series 2 Notes: DKK 100,000,000 of Roskilde Bank Perpetual Subordinated Bonds due 1 May 2016
- Series 4 Notes: DKK 100,000,000 of Roskilde Bank Subordinated Bonds due 1 May 2015

Accounting records
The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to the books of account by employing accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at 5 Harbourmaster Place, IFSC, Dublin 1.

Independent auditor
In accordance with Section 160(2) of the Companies Act, 1963, KPMG, Chartered Accountants and Registered Auditor has expressed their willingness to continue in office.

On behalf of the board

Michael Whelan
Director

Brian Brady
Director

Date: 30 January 2009

Statement of directors' responsibilities in respect of the directors report and financial statements

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The Company's financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Company. The Companies Acts, 1963 to 2006 provide in relation to such financial statements that references in the relevant parts of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulation 2007 and the Transparency Rules of the Irish Financial Services Regulatory Authority to include a Directors' report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company.

The Directors confirm that, to the best of their knowledge and belief:

- they have complied with the above requirements in preparing the financial statements;
- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view, of the state of the assets, liabilities, financial position and of its profit/loss of the issuer for the year then ended; and
- the Directors' report includes a fair review of the development and performance of the business and the financial of the issuer, together with a description of the principal risks and uncertainties that they face.

On behalf of the board

Michael Whelan
Director

Brian Brady
Director

Date: 30 January 2009

KPMG

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Independent auditor's report to the members of Kalvebod Plc

We have audited the financial statements of Kalvebod Plc ("the Company") for the year ended 31 July 2008 which comprise Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work is undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and independent auditor

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and International Financial Reporting Standards as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility, as independent auditor, is to audit the financial statements in accordance with relevant legal and regulatory requirements and International standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts 1963 to 2006. We also report to you our opinion as to whether:

- the Company has kept proper books of account;
- the Directors' Report is consistent with the financial statements;
- at the balance sheet date a financial situation existed that may require the Company to hold an extraordinary general meeting, on the grounds that the net assets of the Company, as shown in the financial statements, are less than half of its share capital.

In addition, we state whether we have obtained all the information and explanations we require for our audit, whether the Company's financial statements are in agreement with the books of account.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' Report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

KPMG

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the EU of the state of the Company's affairs as at 31 July 2008 and of its results for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2006.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion the information given in the directors' report on pages 2 and 3 is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 July 2008 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

KPMG

KPMG
Chartered Accountants
Registered Auditor
Dublin

Date: 30 January 2009

Kalvebod PLC

Income Statement
For the year ended 31 July 2008

	Notes	Year ended 31-Jul-08 DKK	Year ended 31-Jul-07 DKK
Operating income - Continuing operations			
Net (expense) / income from investment securities designated at fair value	4	(338,001,643)	147,068,813
Net finance income / (expense) on debt securities issued designated at fair value	5	373,756,218	(54,218,819)
Net expense from derivatives held for risk management purposes designated at fair value	6	(35,754,575)	(92,849,994)
Operating loss		-	-
Gain / (Loss) on foreign exchange movements	7	440	(1,071)
Other income	8	606,476	868,329
Other expenses	9	(606,916)	(866,700)
Operating profit on ordinary activities before taxation		-	558
Tax on profit on ordinary activities	10	-	(140)
Profit for the financial year		-	418

All items dealt with in arriving at the result for the year ended 31 July 2008 related to continuing operations.

The notes on pages 11 to 26 form an integral part of these financial statements.

On behalf of the board

Micheal Whelan
Director

Brian Brady
Director

Kalvebod PLC

Balance Sheet
as at 31 July 2008

	Notes	31-Jul-08 DKK	31-Jul-07 DKK
Assets			
Cash and cash equivalents	11	290,588	357,307
Investment securities designated at fair value through profit or loss	12	3,090,688,390	3,640,000,000
Derivatives assets held for risk management purposes	15	5,946,495	-
Other assets	13	63,329,955	53,955,456
Total assets		3,160,255,428	3,694,312,763
Liabilities			
Bank overdraft	11	-	(133,080)
Creditors - amounts falling due within one year	14	(55,204,898)	(45,764,038)
Derivatives liabilities held for risk management purposes	15	(87,078,751)	(151,232,799)
Debt securities issued designated at fair value through profit or loss	16	(3,017,656,029)	(3,496,867,096)
Total liabilities		(3,159,939,678)	(3,693,997,013)
Equity			
Shareholders' fund - equity	17	(298,528)	(298,528)
Profit and loss account	18	(17,222)	(17,222)
Shareholders funds – equity		(315,750)	(315,750)
Total liabilities and equity		(3,160,255,428)	(3,694,312,763)

The notes on pages 11 to 26 form an integral part of these financial statements.

On behalf of the board

Micheal Whelan
Director

Brian Brady
Director

Kalvebod PLC

Statement of changes in equity
For the year ended 31 July 2008

	Share capital DKK	Retained earnings DKK	Total DKK
Balance as at 01 August 2006	298,528	16,804	315,332
Transition adjustment at 01 August 2006 arising from adoption of IAS 39:			
- Cumulative adjustment to fair value on derivatives	-	(71,655,094)	(71,655,094)
- Cumulative adjustment to fair value on debt securities issued	-	63,555,199	63,555,199
- Reversal of deferred income and deferred finance cost	-	16,796,420	16,796,420
- Reversal of deferred final exchange	-	(8,696,525)	(8,696,525)
Result for the financial year	-	418	418
Balance as at 31 July 2007	298,528	17,222	315,750
Result for the financial year	-	-	-
Balance as at 31 July 2008	298,528	17,222	315,750

The notes on pages 11 to 26 form an integral part of these financial statements.

On behalf of the board

Micheal Whelan
Director

Brian Brady
Director

Kalvebod PLC

Cash flow statement
For the year ended 31 July 2008

	Year ended 31-Jul-08 DKK	Year ended 31-Jul-07 DKK
Operating profit	-	418
Items not involving movement of cash		
- Fair value changes in derivatives	(70,100,543)	21,140,028
- Fair value changes in debt securities issued	(479,211,067)	(11,529,183)
- Fair value changes in investment securities	549,311,610	(9,610,845)
Change in operating assets		
Increase in debtors	(9,374,499)	(79,522,593)
Increase in creditors	9,440,860	79,458,824
Net cash inflow / (outflow) from operating activities	66,361	(63,351)
Cash flows from investing activities		
Purchase of investment securities	-	(1,161,372,944)
Payment to swap counterparty	-	(4,591,333)
Net cash outflow from investing activities	-	(1,165,964,277)
Cash flows from financing activities		
Debt securities issued	-	1,165,964,277
Net cash inflow from financing activities	-	1,165,964,277
Net increase / (decrease) in cash and cash equivalents	66,361	(63,351)
Cash and cash equivalents at start of the year	224,227	287,578
Cash and cash equivalents at end of the year	290,588	224,227
Cash and cash equivalent consist of:		
Cash at bank	290,588	357,307
Bank Overdraft	-	(133,080)
	290,588	224,227

The notes on pages 11 to 26 form an integral part of these financial statements.

1. General Information

Kalvebod PLC is a special purpose company incorporated and registered in Ireland with limited liability on 12 October 2005 under registered number 409286. The Company has established a EUR 10,000,000,000 Secured Notes Programme (the "Programme") to issue secured notes (the "Notes") and/or other secured limited recourse indebtedness (the "Alternative Investments"). The net proceeds from each issue of Notes or Alternative Investments are used to purchase the Collateral comprised in the Mortgaged Property in respect of the relevant Notes or Alternative Investments, to pay for or enter into any Credit Support Document or Swap Agreement in connection with such Notes or Alternative Investments and to pay expenses in connection with the administration of the Issuer or the issue of the Notes or Alternative Investments.

Notes earn interest at a fixed, floating or zero percentage Rate. The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information were set out in the relevant Prospectus.

Issuer has entered into Swap Agreements with Swap counterparties and any swap or repurchase entered into in connection with Notes of any Series by the Issuer are limited recourse obligation of the Issuer and the terms are set out in the relevant Prospectus.

The Company has no direct employees.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations as adopted by the European Union (IFRS). These are the Company's first financial statements under IFRS and IFRS 1 has been applied. The transition to IFRS has no effect on comparative figures.

Due to the nature of the Company's business and the type of transaction the Company is engaged in, the Directors have adapted the income statement to suit the circumstances of the business in accordance with Section 4(13) of the Companies (Amendment) Act, 1986. The format and certain wording of the financial statements have been adapted from those contained in the Companies (Amendment) Act, 1986 and IAS 1 "Presentation of Financial Statements" so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business. In the opinion of the Directors, the financial statements with the noted changes provide the information required by the Companies Acts, 1963 to 2006.The accounting policies have been applied throughout the period.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:
- Derivative financial instruments are measured at fair value
- Investment securities designated at fair value through profit or loss are measured at fair value.
- Debt securities designated at fair value through profit or loss are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Danish Kroner (DKK) which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. Debt securities and investment securities of the Company are primarily denominated in DKK and the Directors of the Company believe that DKK most faithfully represents the economic effects of the underlying transactions, events and conditions.

2. **Basis of preparation (continued)**

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 22.

(e) New standards and interpretations not yet adopted

The IFRS applied by the Company in the preparation of these financial statements are those that were effective for accounting periods ending on or before 31 July 2008. A brief outline of the likely impact on future financial statements of relevant IFRS which are issued by the IASB and endorsed by the EU but not yet effective and have not been early adopted in these financial statements is as follows:

IFRS 8 Operating Segments is effective for periods beginning 1 January 2009. This standard replaces IAS 14 Segmental Reporting and puts emphasis on the "management approach" to reporting on operating segments and will not have any impact on the financial statements.

3. **Significant accounting policies**

(a) Net income from investment securities designated at fair value through profit or loss

Net income from investment securities designated at fair value through profit or loss relates to investments in corporate bonds and includes all realised and unrealised fair value changes, interest, and foreign exchange differences.

(b) Net gains / (loss) from derivatives held for risk management purposes

Net gains / (loss) from derivatives held for risk management relates to the swaps held by the Company, payments made for the Swap and the accrual of any payments due to be made on settlement.

(c) Net finance expense on debt securities issued designated at fair value through profit or loss

Net finance expense on debt securities issued designated at fair value relates to debt securities issued and includes all realised and unrealised fair value changes, coupon payments and foreign exchange differences.

(d) Taxation

Income tax expense comprises current tax. Income tax expense is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates applicable to the Company's activities enacted or substantially enacted at the balance sheet date, and adjustments to tax payable in respect of previous years.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

3. **Significant accounting policies (continued)**

(f) Financial instruments

The financial instruments held by the Company include the following

- Investment securities
- Debt securities issued
- Derivative held for risk management purposes
- Other debtors
- Other liabilities

Classification
The Company has designated all the financial assets and liabilities of the Company stated above as well as the derivative financial instruments outstanding at fair value through profit or loss.

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss upon initial recognition.

Investment securities
All investment securities held by the Company are designated as at fair value through profit and loss.

Derivatives held for risk management purposes
Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. When a derivative is not held for trading and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss as a component of net income on derivative financial instruments carried at fair value.

Debt securities issued
The debt securities issued are initially measured at fair value and are designated as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch or contains an embedded derivative that significantly modify the cash flows that would otherwise be required under the contract.

Recognition
The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded in the profit and loss account.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting
Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

3. **Significant accounting policies (continued)**

(f) Financial instruments (continued)

Fair Value Measurement Principles
The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments, fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like interest rate swaps and interest rate caps. For these financial instruments, inputs into models are market observable.

For more complex instruments, the Company uses proprietary models, which usually are developed from recognised valuation models. Some or all of the inputs into these models may not be market observable, and are derived from market prices or rates or are estimated based on assumptions. When entering into a transaction, the financial instrument is recognised initially at the transaction price, which is the best indicator of fair value, although the value obtained from the valuation model may differ from the transaction price. This initial difference, usually an increase, in fair value indicated by valuation techniques is recognised in income depending upon the individual facts and circumstances of each transaction and not later than when the market data becomes observable.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction.

(j) Foreign currency transaction
Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss account and is included under net gain/(losses) from investment securities, derivatives held for risk management and debt securities issued respectively.

(k) Operating income and expenses
All income and expenses are accounted for on an accruals basis.

4. **Net (expense)/income from investment securities designated at fair value through profit or loss**

	Year ended 31-Jul-08 DKK	**Year ended 31-Jul-07 DKK**
Coupon income including accruals	211,309,967	137,457,968
Net changes in fair value on investment securities during the year due to market risk	(549,311,610)	9,610,845
	(338,001,643)	147,068,813

5. **Net finance income/(expense) on debt securities issued designated at fair value through profit or loss**

	Year ended 31-Jul-08 DKK	**Year ended 31-Jul-07 DKK**
Coupon expenses including accruals	(105,454,849)	(65,748,002)
Net changes in fair value of debt securities issued during the year due to market risk	479,211,067	11,529,183
	373,756,218	(54,218,819)

Kalvebod PLC

Notes to the financial statements (continued)
For the year ended 31 July 2008

6. Net expense from derivatives held for risk management purposes

	Year ended 31-Jul-08 DKK	Year ended 31-Jul-07 DKK
Net swap expense	(105,855,118)	(71,709,966)
Net changes in fair value of derivatives due to market risk	70,100,543	(21,140,028)
	(35,754,575)	(92,849,994)

7. Gain/(loss) on foreign exchange movements

	Year ended 31-Jul-08 DKK	Year ended 31-Jul-07 DKK
Unrealised foreign exchange gain/(loss) on bank	540	(1,071)
Realised foreign exchange loss on expenses	(100)	-
	440	(1,071)

8. Other income

	Year ended 31-Jul-08 DKK	Year ended 31-Jul-07 DKK
Other income -expense funding	605,728	867,771
Bank interest received	748	-
Other income - corporate benefit	-	558
	606,476	868,329

9. Other expenses

	Year ended 31-Jul-08 DKK	Year ended 31-Jul-07 DKK
Administration expenses	(182,597)	(104,173)
Audit fees	(134,316)	(133,936)
Tax fees	(111,930)	-
Directors fees	(104,468)	(108,513)
Custody fees	(64,020)	(481,841)
Trustees fees	(9,526)	(20,048)
Bank Charges	(59)	-
Transaction fees	-	(11,161)
Booking fees	-	(4,767)
Bank interest paid	-	(2,261)
	(606,916)	(866,700)

The Company is administered by Deutsche International Corporate Services (Ireland) Limited and has no employees.

10. Tax on profit on ordinary activities

	Year ended 31-Jul-08 DKK	Year ended 31-Jul-07 DKK
Profit on ordinary activities before tax	-	558
Current tax at 12.5%		
Effect of:	-	-
Income taxed at higher rates		
Current tax charge	-	140
	-	140

The tax assessed for the period is at standard rate of corporation tax in the Republic of Ireland at a rate of 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

11. Cash and cash equivalents / bank overdraft

	As at 31-Jul-08 DKK	As at 31-Jul-07 DKK
Cash at bank	290,588	357,307
Bank overdraft	-	(133,080)

The cash balances are held with Deutsche Bank Amsterdam and Bank of Ireland.

12. Investment Securities designated at fair value through profit or loss

	As at 31-Jul-08 DKK	As at 31-Jul-07 DKK
Designated as at fair value through profit or loss	3,090,688,390	3,640,000,000
Maturity analysis of investment securities		
Within 1 year		
More than 1 year and less than 2 years	-	-
More than 2 years and less than 5 years	-	-
More than 5 years	1,845,051,955	945,000,000
	1,245,636,435	2,695,000,000
	3,090,688,390	3,640,000,000
Movement in investment securities		
At beginning of year		
Additions during the year	3,640,000,000	2,469,016,211
Net changes in fair value during the year due to market risk	-	1,161,372,944
At end of year	(549,311,610)	9,610,845
	3,090,688,390	3,640,000,000

The carrying value of the assets of the Company represents their maximum exposure to the credit risk. The credit risk is eventually transferred to the swap counterparty or the Noteholders through the credit default swap.

Kalvebod PLC

13. Other assets

	As at 31-Jul-08 DKK	As at 31-Jul-07 DKK
Coupon receivable on investment securities	62,527,177	52,936,830
Other income receivable	776,715	1,003,118
Other debtors	15,507	15,508
Corporation tax receivable	10,556	-
	63,329,955	53,955,456

14. Creditor - amounts falling due within one year

	As at 31-Jul-08 DKK	As at 31-Jul-07 DKK
Interest payable on debt securities issued	(45,935,766)	(41,956,742)
Net swap amounts payable	(8,909,563)	(3,100,605)
Accrued expenses	(359,569)	(700,950)
Corporation tax payable	-	(5,741)
	(55,204,898)	(45,764,038)

15. Derivatives held for risk management purposes

	As at 31-Jul-08 DKK	As at 31-Jul-07 DKK
Derivative assets held for risk management purposes	5,946,495	-
Derivative liablilities held for risk management purposes	(87,078,751)	(151,232,799)

The Company enters into derivative contracts for each series issued to reduce the mismatch between the amount payable in respect of the debt securities and return from the investment securities held as collateral.

The rationale behind entering into these instruments is to provide an asset risk profile which is suited to the needs of the investors (the holders of the debt securities) and provide to them an administrative platform for managing and monitoring the performance of their investments.

Asset swap

The Notes are designed to allow the investors to invest indirectly in a pool of collateral. Through the transaction, the interest rate risk of the underlying collateral pool is hedged in order to give the Noteholders a security which has the same credit risk profile but a different interest rate profile than the underlying collateral.

Under the Swap Agreement, the interest on the collateral is passed to the Swap Counterparty who, in turn, pays the Company interest on the loan.

16. Debt Securities Issued

	As at 31-Jul-08 DKK	As at 31-Jul-07 DKK
Designated at fair value through profit and loss	(3,017,656,029)	(3,496,867,096)

The debt securities are listed on the Irish Stock Exchange.

16. Debt Securities Issued (continued)

The debt securities were issued on Irish Stock Exchange as part of a structured deal to raise finance for the Company. The Company's obligations under the debt securities issued and credit default swaps are secured by investment securities purchased as per Note 10. The investors' recourse per series is limited to the assets of that particular series. In the event that accumulated losses prove not to be recoverable during the life of the Company, then this will reduce the obligation to the holders of the debt securities by an equivalent amount.

The carrying amount of the financial liabilities designated at fair value through profit or loss as at 31 July 2008 was DKK 1,079,095,131 less than contractual amount at maturity.

The carrying amount of the financial liabilities designated at fair value through profit or loss as at 31 July 2007 was DKK 589,960,075 less than contractual amount at maturity.

Movement in debt securities issued	**As at Year ended 31-Jul-08 DKK**	**As at Year ended 31-Jul-07 DKK**
At beginning of year	(3,496,867,096)	(2,405,987,201)
Effect of adoption of IAS 39 at 01 August 2006	-	63,555,199
Adjusted balance at beginning of year	(3,496,867,096)	(2,342,432,002)
Notes issued during the year	-	(1,165,964,277)
Net changes in fair value during the year due to market risk	479,211,067	11,529,183
	(3,017,656,029)	(3,496,867,096)

Debt Securities Issued		**Fair value 31-Jul-08 DKK**	**Fair value 31-Jul-07 DKK**
Series 1 -	Fixed/Floating Rate Secured Notes due 2013	(736,478,114)	(771,420,488)
Series 2 -	Fixed/floating rate secured notes due 2016	(450,539,974)	(665,321,344)
Series 3 -	Fixed/Floating Rate Secured Notes due 2014	(861,191,198)	(923,950,429)
Series 4 -	Class A - Floating Rate Secured Senior Notes due 2015	(485,101,515)	(602,715,147)
Series 4 -	Class B - Fixed/Floating Rate Secured Mezzanine Notes due 2015	(363,258,923)	(404,215,313)
Series 4 -	Class C - Fixed/Floating Rate Secured Junior Notes due 2015	(121,086,305)	(129,244,375)
		(3,017,656,029)	(3,496,867,096)

Maturity analysis of the Notes issued	**31-Jul-08 DKK**	**31-Jul-07 DKK**
Within 1 year	-	-
1 to 2 years	-	-
2 to 5 years	-	-
Greater than 5 years	(3,017,656,029)	(3,496,867,096)
	(3,017,656,030)	(3,496,867,096)

17. Share Capital – equity

	31-Jul-08 DKK	**31-Jul-07 DKK**
Authorised:		
40,000 ordinary shares of €1 each	298,528	298,528
Issued and fully paid:		
40,000 ordinary share of €1 each	298,528	298,528

18. Retained earnings

	31-Jul-08	31-Jul-07
	DKK	DKK
At beginning of the year	17,222	16,804
Transition adjustments at 01 August 2006 arising from adoption of IAS 39:		
- Cumulative adjustment to fair value of the derivatives	-	(71,655,094)
- Cumulative adjustment to fair value of the debt securities issued	-	54,858,674
- Reversal of deferred income and deferred finance cost	-	16,796,420
Result for the financial year	-	418
At end of the year	17,222	17,222

19. Ownership of the Company

The issued shares are held in trust by BADB Charitable Trust Limited, Eurydice Charitable Trust Limited and MEDB Charitable Trust Limited each holding 13,332 shares (the 'Share Trustees') and Mr Anthony Walsh, Mr James Scanlon, Mr Patrick Molloy and Mr Turlough Galvin each holding one share. The Share Trustees hold the issued shares of the Company in trust for charity. The Board of Directors have considered the issue as to who is the Controlling Party. It has been determined that the control of the day to day activities of the Company rests with the Board. The Board comprises of three independent directors.

20. Transactions with Administrator and related parties

Deutsche Bank, AG London, as Arranger for each Series, paid the Company $1,000 per Series and agrees to reimburse the Company for any costs, fees, expenses, or out-goings incurred.

21. Charges

The debt securities issued by the Series are secured by way of mortgage over the collateral purchased in respect of that Series, and by the assignment of a fixed first charge of the Company's rights, title and interest under respective Swap Agreements for each series.

22. Financial risk management

Introduction and overview

The Company has established a EUR 10,000,000,000 Secured Notes Programme (the "Programme") to issue secured notes (the "Notes") and/or other secured limited recourse indebtedness (the "Alternative Investments"). The net proceeds from each issue of Notes or Alternative Investments will be used to purchase the Collateral comprised in the Mortgaged Property in respect of the relevant Notes or Alternative Investments, to pay for or enter into any Credit Support Document or Swap Agreement in connection with such Notes or Alternative Investments and to pay expenses in connection with the administration of the Issuer or the issue of the Notes or Alternative Investments.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities and derivatives held for risk management are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:
(i) Credit risk
(ii) Liquidity risk
(iii) Market risks
(iv) Operational risks

22. Financial risk management (continued)

Risk management framework (continued)
This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating defined in the documentation of the relevant series. The risk of default on these assets is borne by the counterparty of the asset or total return swap if available, or the holders of the debt securities of the relevant series.

The Company has entered into a number of Series in the Programme. Each Series is governed by a separate Supplemental Programme Memorandum. Each Series consists of an investment in collateral from the proceeds of the issuance of debt securities and/or Alternative Investments.

The Programme offers investors the opportunity to invest in a portfolio of investments, the "investment securities", and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

The Debt securities are recorded at the value of the net proceeds received in DKK and is carried at fair value through profit or loss. The ultimate amount repaid to the Note holders will depend on the proceeds from the collateral and any payments the Swap counterparty is obliged to make under the terms of the swap agreement. The Company is obliged to provide for the payment or physical delivery of the deliverable obligations to the Swap counterparty and to the Note holders.

All substantial risks and rewards associated with the investment securities are ultimately borne by the Noteholders.

(a) Market risk

Market risk embodies the potential for both loss and gains and includes interest rate risk, currency risk and price risk.

i) Interest rate risk
The company has entered into Asset Swaps which fully swaps the interest payable on the Notes with the interest receivable on the collateral. Under the terms of the Asset Swap, the interest receivable on the collateral is payable to the Swap Counterparties and the interest payable to the Noteholders is receivable from the Swap Counterparties thereby, eliminating any interest rate risk.

Based on the coupon rates, the interest rate profile of the Company's financial assets and financial liabilities at 31 July 2008 and 31 July 2007 are as follows:

2008

Financial assets	**Floating DKK**	**Fixed DKK**	**Total DKK**
Investment securities	2,615,121,105	475,567,285	3,090,688,390
Weighted average interest rates	6.08%	5.58%	

Financial liabilities	**Floating DKK**	**Fixed DKK**	**Total DKK**
Debt securities	(485,101,515)	(2,532,554,514)	(3,017,656,029)
Weighted average interest rates	5.06%	2.18%	

22. Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Sensitivity analysis
The Company does not bear any interest rate risk as the interest rate risk associated with the debt securities issued by the Company is neutralised by entering into swap agreements whereby the swap counterparty pays the Company amounts equal to the interest payable to the note holders in return for the interest earned by the Company on its financial assets. Therefore any change in the interest rates would not affect the equity or the profit or loss of the Company.

2007

Financial assets	**Floating DKK**	**Fixed DKK**	**Total DKK**
Investment securities	3,005,000,000	635,000,000	3,640,000,000
Weighted average interest rates	5.30%	5.58%	

Financial liabilities	**Floating DKK**	**Fixed DKK**	**Total DKK**
Debt securities	(602,715,147)	(2,894,151,949)	(3,496,867,096)
Weignted average interest rates	4.25%	2.18%	

22. Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk

The Company is exposed to movement in exchange rates between Euro and its functional currency is namely DKK. The risk has been mitigated by entering into swap transactions.

The Company's exposure to foreign currency risk as at 31 July 2008 is as follows:

		2008	
	EUR	**DKK**	**Total**
	DKK	**DKK**	**DKK**
Cash and cash equivalents	290,588	-	290,588
Investment securities	-	3,090,688,390	3,090,688,390
Derivatives assets held for risk management purposes		5,946,495	5,946,495
Other assets	-	63,329,955	63,329,955
	290,588	3,159,964,840	3,160,255,428
Debt securities	(485,101,515)	(2,532,554,514)	(3,017,656,029)
Derivatives liabilities held for risk management purposes	(13,998,293)	(73,080,458)	(87,078,751)
Other liabilities	(359,569)	(54,845,328)	(55,204,898)
	(499,459,377)	(2,660,480,300)	(3,159,939,678)
Net position	(499,168,791)	499,484,541	315,750

		2007	
	EUR	**DKK**	**Total**
	DKK	**DKK**	**DKK**
Cash and cash equivalents	357,307	-	357,307
Investment securities	-	3,640,000,000	3,640,000,000
Other assets	-	53,955,456	53,955,456
	357,307	3,693,955,456	3,694,312,763
Bank Overdraft		(133,080)	(133,080)
Debt securities	(602,715,147)	(2,894,151,949)	(3,496,867,096)
Derivatives liabilities held for risk management purposes	(26,066,275)	(125,166,524)	(151,232,799)
Other liabilities	(700,948)	(45,063,090)	(45,764,038)
	(629,482,370)	(3,064,514,643)	(3,693,997,013)
Net position	(629,125,063)	629,440,813	315,750

Sensitivity analysis

The impact of any change in the exchange rates on the financial assets is passed to the swap counterparty by entering into cross currency swap.

22. Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of investment securities held by the Company will be borne by the swap counterparties and/or Noteholders.

Sensitivity analysis

Any change in the quoted prices or unquoted prices of the corporate bonds held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by the holders of the debt securities issued by the Company.

(b) Credit risk

The company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating defined in the documentation of relevant series. The risk of default of these assets is borne by the counterparty of the asset or the holder of the debt securities of the relevant series.

The maximum exposure to the credit risk at the reporting date was:

	2008 DKK	2007 DKK
Cash and cash equivalent	290,588	224,227
Investment securities	3,090,688,390	3,640,000,000
Other assets	63,329,955	53,955,456
	3,154,308,934	3,694,179,683

At the reporting date, the Company's investment securities comprises bonds which are not publicly rated.

The Noteholders are fully exposed to the credit risk of the underlying collateral and that of the reference entities. Therefore, if the credit defaults occur in the reference entities the value of the Notes will decrease in proportion to the amount of the loss.

(c) Operational risk

Operational risks is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to Deutsche International Corporate Services (Ireland) Limited.

22. Financial risk management (continued)

(d) Accounting classifications and fair values of financial assets and liabilities

The table below shows the estimated fair value and the carrying value for each major category of financial asset and liability in the balance sheet at the balance sheet date. The fair value of the financial instrument is the amount at which it could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced sale or liquidation.

	At amortised cost	Designated at fair value through profit and loss €	Fair value €
31 July 2008			
Cash and cash equivalents	290,588	-	290,588
Investment securities	-	3,090,688,390	3,090,688,390
Derivative assets held for risk management purposes	-	5,946,495	5,946,495
Other assets	63,329,955	-	63,329,955
	63,620,543	3,096,634,885	3,160,255,428
Debt securities issued	-	(3,017,656,029)	(3,017,656,029)
Derivative liabilities held for risk management purposes	-	(87,078,751)	(87,078,751)
Other liabilities	(55,204,898)	-	(55,204,898)
	(55,204,898)	(3,104,734,780)	(3,159,939,678)

	At amortised cost	Designated at fair value through profit and loss €	Fair value €
31 July 2007			
Cash and cash equivalents	357,307	-	357,307
Investment securities	-	3,640,000,000	3,640,000,000
Other assets	53,955,456	-	53,955,456
	54,312,763	3,640,000,000	3,694,312,763
Bank Overdraft	(133,080)	-	(133,080)
Debt securities issued	-	(3,496,867,096)	(3,496,867,096)
Derivative liabilities held for risk management purposes	-	(151,232,799)	(151,232,799)
Other liabilities	(45,764,038)	-	(45,764,038)
	(45,897,118)	(3,648,099,895)	(3,693,997,013)

22 Financial risk management (continued)

(e) Liquidity and cash flow risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring acceptable losses or risking damage to the Company's reputation.

The Company's obligation to the Noteholders of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders and the swap counterparties according to the established priorities.

	Carrying amount DKK	Gross contractual cash flows DKK	Less than one year DKK	Between one to two years DKK	Between two to five years DKK	More than five years DKK
31 July 2008						
Liabilities						
Creditors-amounts falling due within one year	(55,204,898)	(55,204,898)	(55,204,898)	-	-	-
Derivative liabilities	(87,078,751)	(87,078,751)	(87,078,751)	-	-	-
Debt securities issued	(3,017,656,029)	(4,609,029,893)	(79,550,762)	(79,550,762)	(239,307,924)	(4,210,620,446)
	(3,159,939,678)	(4,751,313,542)	(221,834,411)	(79,550,762)	(239,307,924)	(4,210,620,446)
31 July 2007						
Liabilities						
Bank Overdraft	(133,080)	(133,080)	(133,080)	-	-	-
Creditors-amounts falling due within one year	(45,764,038)	(45,764,038)	(45,764,038)	-	-	-
Derivative liabilities	(151,232,799)	(151,232,799)	(151,232,799)	-	-	-
Debt securities issued	(3,496,867,096)	(4,672,879,871)	(79,097,186)	(78,880,481)	(237,291,558)	(4,277,610,645)
	(3,693,997,013)	(4,870,009,788)	(276,227,103)	(78,880,481)	(237,291,558)	(4,277,610,645)

23. Post balance sheet events

The turbulence during the year within the sub prime segment of the US Residential Mortgages market has continued after 31 July 2008. Highly publicised losses and bankruptcies within the mortgage industry reflect a significant deterioration in credit and underwriting standards, as a result of excess capacity building up within the industry over the recent year. This has caused further decrease in the fair value of collateral and consequential decrease in the fair value of the debt securities issued post year end.

On the 3rd November 2008, investments made to Roskilde Bank were made default and consequently the Notes in respect of the Bond Collateral will be reduced by the default nominal amount.

The following collateral of the Notes would be directly affected.

- Series 1 Notes: DKK 100,000,000 of Roskilde Bank Subordinated Bonds due 1 November 2013
- Series 2 Notes: DKK 100,000,000 of Roskilde Bank Perpetual Subordinated Bonds due 1 May 2016
- Series 4 Notes: DKK 100,000,000 of Roskilde Bank Subordinated Bonds due 1 May 2015

24. Approval of financial statements

The Board of Directors approved these financial statements on 30 January 2009.