

The Copenhagen Stock Exchange  
Nikolaj Plads 6  
DK-1067 Copenhagen K

18 May 2004

## **Totalcredit A/S**

### **Quarterly Report for the period 1 January – 31 March 2004**

The Board of Directors of Totalcredit A/S has today approved the accounts for the period 1 January – 31 March 2004.

Realised results and the development in the loan portfolio were satisfactory.

- *Totalcredit's results before tax were a profit of DKK 148m against a profit of DKK 136m in the same period last year.*
- *Core earnings were DKK 104m against DKK 114m in Q1/2003.*
- *Investment portfolio income amounted to DKK 44m against DKK 22m in the same period last year.*
- *Gross lending for the period went up from DKK 15bn in Q4/2003 to DKK 21bn in Q1/2004.*
- *In Q1 the loan portfolio grew to DKK 171bn from DKK 162bn at the beginning of the year.*

#### **Financial results**

Core income from lending came to DKK 137m against DKK 136m the year before. Core income from securities was DKK 33m against DKK 37m in 2003.

Total costs amounted to DKK 45m against DKK 33m in the same period last year.

Interest payable on supplementary capital amounted to DKK 21m against DKK 26m in the same period last year.

For Q1/2004 core earnings subsequently posted DKK 104m relative to DKK 114m in 2003.

Investment portfolio income was DKK 44m against DKK 22m in 2003.

Profit on ordinary activities before tax was DKK 148m, and after estimated tax, profit for the period amounted to DKK 104m compared with DKK 96m in 2003.

### **Lending**

In Q1/2004 gross lending amounted to DKK 21.3bn against DKK 26.3bn in Q1/2003 when refinancing activity was particularly high. Totalkredit started offering interest-only mortgages in November 2003, and these loan types are in great demand. In Q1/2004 interest-only mortgages in fact accounted for 48% of gross lending.

At the end of the quarter Totalkredit's total lending amounted to DKK 171bn of which nearly 10% was interest-only mortgages.

### **Losses**

Totalkredit has not recorded any losses.

### **Capital and capital adequacy**

Excluding quarterly results, the capital adequacy ratio stood at 8.9 at end-March compared with 9.4 at the beginning of the year.

On 1 April 2004 Totalkredit A/S made a capital increase of DKK 1.0bn after which capital and reserves totalled DKK 4,469m excluding quarterly results. After the capital increase, the capital adequacy ratio was 10.3 at the beginning of April.

**Outlook for 2004**

Results for Q1/2004 were positively affected by a high level of activity. However, as a result of the uncertainty related to especially investment portfolio income, the previously announced expectations for annual results are maintained.

Yours sincerely  
Totalcredit A/S

Mogens Munk Rasmussen  
Chairman of the Board

Niels Tørslev

*For further information about Totalcredit's financial results, please contact Mr Mogens Munk Rasmussen, Group Chief Executive, tel +45 33 92 10 00 or Mr Niels Tørslev, Group Managing Director, tel +45 43 32 67 01 or mobile +45 29 99 07 01.*

## Totalkredit A/S - Financial highlights Quarterly Report - Q1/2004

DKKm	Q1 2004	Q1 2003	FY 2003
<b>CORE EARNINGS AND NET PROFIT FOR THE PERIOD</b>			
Core income from:			
- Lending	137	136	506
- Securities	33	37	130
<b>Total</b>	<b>170</b>	<b>173</b>	<b>636</b>
Operating costs, depreciation and amortisation	45	33	165
<b>Core earnings before write-offs and interest payable on subordinate loan capital</b>	<b>125</b>	<b>140</b>	<b>471</b>
Write-offs and provisions for bad and doubtful debts	0	0	1
Interest payable on subordinate loan capital	21	26	92
<b>Core earnings</b>	<b>104</b>	<b>114</b>	<b>378</b>
Investment portfolio income	44	22	95
<b>Profit on ordinary activities before tax</b>	<b>148</b>	<b>136</b>	<b>473</b>
Tax	44	40	132
<b>Net profit for the period</b>	<b>104</b>	<b>96</b>	<b>341</b>

DKKm	Q1 2004	Q1 2003	FY 2003
<b>SUMMARY BALANCE SHEET</b>			
Mortgage loans	170,644	141,200	162,045
Deposits in banks	11,117	17,370	8,072
Bonds and shares	5,630	5,755	6,118
Total assets	187,614	164,601	176,376
Issued bonds	179,016	156,490	168,042
Subordinate loan capital	2,602	2,594	2,601
Capital and reserves incl net profit for the period	3,573	3,225	3,469

KEY RATIOS	Q1 2004	Q1 2003	FY 2003
Percentages have been annualised			
Profit on ordinary activities before tax as a % of average capital and reserves	16.9%	17.1%	14.3%
Core earnings before write-offs and interest on subordinate loan capital as a % of average capital and reserves	14.2%	17.6%	14.3%
Costs as a % of core income	26.5%	19.1%	25.9%
Capital adequacy ratio	8.9%	10.2%	9.4%
Core capital ratio	5.1%	5.6%	5.4%

DKKm	Q1 2004	Q1 2003	FY 2003
<b>PROFIT AND LOSS ACCOUNT (Danish FSA format)</b>			
Net interest receivable	240	216	896
Dividend on equity investments	0	1	2
Fees and commissions receivable	83	86	265
Fees and commissions paid	176	149	590
<b>Net income from interest and fees</b>	<b>147</b>	<b>154</b>	<b>573</b>
Value adjustments	46	15	65
Costs	45	33	165
Write-offs and provisions for bad and doubtful debts	0	0	1
<b>Profit on ordinary activities before tax</b>	<b>148</b>	<b>136</b>	<b>473</b>
Tax	44	40	132
<b>Net profit for the period</b>	<b>104</b>	<b>96</b>	<b>341</b>

The accounting policies are unchanged. The accounts have not been audited.