

**To the Copenhagen Stock Exchange
and the press**

17 August 2006

**H1 INTERIM REPORT
Totalcredit A/S
(1 January – 30 June 2006)**

H1 – IN BRIEF

- Lower – but still high activity within private residential mortgage lending
- Profit before tax of DKK 319m
- Core earnings of DKK 336m against DKK 339m in 2005
- Investment portfolio income of a negative DKK 17m against a positive DKK 38m in 2005
- Gross new lending of a nominal DKK 50bn
- Loan portfolio increased by a nominal DKK 27bn to DKK 287bn

Contacts:

Mogens Munk-Rasmussen, Group Chief Executive, Nykredit, tel +45 33 42 14 70
Niels Tørslev, Managing Director, Totalcredit, tel +45 43 32 67 00

Totalcredit A/S
Helgeshøj Allé 53
DK-2630 Taastrup
Tel +45 43 32 67 00
CVR no 21 83 22 78

Financial highlights

DKK MILLION

	H1/ 2006	H1/ 2005	FY 2005
CORE EARNINGS AND PROFIT			
Core income from:			
- Business operations	411	410	864
- Securities	45	35	65
Total	456	445	929
Operating costs, depreciation and amortisation	120	106	200
Core earnings before provisions	336	339	729
Provisions for credit risk related to lending	0	1	1
Core earnings after provisions	336	338	728
Investment portfolio income	(17)	38	46
Profit before tax	319	376	774
Tax	88	105	216
Profit for the period	231	271	558
SUMMARY BALANCE SHEET	30.06.2006	30.06.2005	31.12.2005
Assets			
Mortgage loans	276,936	231,080	259,249
Bonds and equities	5,044	3,400	21,138
Other assets	8,252	16,455	19,767
Total assets	290,232	250,935	300,154
Liabilities and equity			
Mortgage loan funding through Nykredit Realkredit A/S	84,606	-	63,453
Issued mortgage bonds	192,818	237,550	221,950
Subordinate loan capital	4,090	5,205	5,209
Other liabilities	3,107	3,086	4,162
Equity	5,611	5,094	5,380
Total liabilities and equity	290,232	250,935	300,154
Financial ratios			
Profit for the period as a % of average equity (pa)	8.4	10.9	10.9
Core earnings after losses as a % of average equity (pa)	12.2	13.6	14.3
Costs as a % of core income	26.3	23.8	21.5
Capital adequacy ratio, %	8.5	10.6	10.1
Core capital ratio, %	4.8	5.3	5.1
Average number of full-time staff	100	83	87

H1 Interim Report 2006

For H1/2006 Totalkredit recorded a profit before tax of DKK 319m compared with DKK 376m in the same period last year.

The change in results can essentially be explained by lower investment portfolio income resulting from a rise in interest rates.

CORE EARNINGS

Totalkredit's core earnings after provisions came to DKK 336m against DKK 338m in the same period the year before.

Core income from business operations totalled DKK 411m corresponding to the 2005 level.

Core income from securities amounted to DKK 45m against DKK 35m in the same period the year before.

Operating costs, depreciation and amortisation amounted to DKK 120m against DKK 106m in H1/2005. The increase is attributable to higher marketing costs and growth in the number of staff.

INVESTMENT PORTFOLIO INCOME

Totalkredit recorded investment portfolio income of a negative DKK 17m against a positive DKK 38m in the same period the year before.

PROVISIONS FOR LOAN IMPAIRMENT

Provisions for loan impairment have been recognised at DKK 0.

LOANS AND ADVANCES

Gross new lending came to DKK 49bn in H1/2006 against DKK 78bn in 2005. The change in lending activity must be seen in the context of the extraordinarily high lending activity in 2005 partly due to low interest rates and an expanded product range.

Net new lending amounted to DKK 28bn against DKK 34bn in the same period of 2005.

BALANCE SHEET

Totalkredit's balance sheet totalled DKK 290bn at end-H1/2006 against DKK 251bn at end-H1/2005.

In H1/2006 the loan portfolio measured at nominal value grew by approx DKK 27bn to DKK 287bn. Measured at fair value, the loan portfolio was DKK 276bn at end-H1/2006.

CAPITAL AND CAPITAL ADEQUACY

At end-H1/2006 Totalkredit's equity stood at DKK 5,380m excluding profit for the period. Subordinate loan capital came to DKK 4,090m after the repayment of subordinate capital of DKK 1,120m in May. At end-H1/2006 the capital base was DKK 9,470m.

The capital adequacy ratio was 8.5% of which core capital accounted for 4.8%.

At end-August Totalkredit will effect a capital increase of DKK 2.0bn subscribed for by Nykredit Realkredit A/S.

OUTLOOK FOR 2006

In H1 growth in the loan portfolio and core earnings was more significant than expected, whereas investment portfolio income was lower than forecast. The development in investment portfolio income for the full year will naturally depend on the development in financial markets and, assuming that interest rates remain at current levels, the forecast of a profit before tax of between DKK 700-750m for 2006 is maintained.

ACCOUNTING POLICIES

The H1 Interim Report 2006 has been prepared in accordance with the Executive Order on the presentation of financial statements of credit institutions issued by the Danish Financial Supervisory Authority.

The accounting policies are unchanged relative to the Annual Report for 2005.

The H1/2006 Interim Report has not been audited.

Taastrup, 17 August 2006

The Board of Directors of Totalkredit A/S

DKK MILLION

	Note	H1/2006	H1/2005
Interest income	1	5,696	5,109
Interest expense	2	4,945	4,465
Net interest income		751	644
Dividend on equity investments		1	1
Fee and commission income		157	283
Fee and commission expense		449	479
Net interest and fee income		460	449
Value adjustments	3	(21)	34
Other operating income		0	0
Staff and administrative expenses	4	118	105
Depreciation and impairment losses for property, plant and equipment		2	1
Provisions for loan impairment		0	1
Profit before tax		319	376
Tax	5	88	105
Profit for the period		231	271

Balance sheet

DKK MILLION

	Note	2006 30.06.	2006 Beginning
ASSETS			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	6	8,121	19,149
Loans, advances and other receivables at fair value	7	276,976	259,287
Bonds at fair value	8	5,028	21,126
Equities at fair value		16	12
Other property, plant and equipment		3	3
Deferred tax assets		0	0
Other assets	9	85	574
Prepayments		3	3
Total assets		290,232	300,154
LIABILITIES AND EQUITY			
Mortgage loan funding through Nykredit Realkredit A/S	10	84,606	63,453
Issued bonds	11	192,818	221,950
Current tax liabilities		64	8
Other liabilities	12	3,037	4,148
Provisions for liabilities		6	6
Subordinate loan capital	13	4,090	5,209
Equity	14		
Share capital		536	536
Other reserves		4,844	4,844
Profit year-to-date after tax		231	-
Total equity		5,611	5,380
Total liabilities and equity		290,232	300,154
Off-balance sheet items	15		
Guarantees		0	0
Other commitments		39	38
Total off-balance sheet items		39	38

Notes

DKK MILLION

	2006 H1	2005 H1
1. INTEREST INCOME		
Receivables from credit institutions	59	75
Loans, advances and other receivables	4,899	4,484
Administration margin income	653	514
Bonds	131	127
Derivative financial instruments		
– interest rate contracts	0	1
Total	5,742	5,201
Interest from own issued bonds has been offset against interest expense from outstanding bonds – note 2	46	92
Total	5,696	5,109
2. INTEREST EXPENSE		
Mortgage loan funding through Nykredit Realkredit A/S	1,227	-
Issued bonds	3,681	4,515
Subordinate loan capital	83	42
Other interest expense	0	0
Total	4,991	4,557
Set-off of interest from own mortgage bonds – note 1	46	92
Total	4,945	4,465
3. VALUE ADJUSTMENTS		
Mortgage loans	(9,158)	2,904
Bonds	(112)	30
Equities	4	1
Foreign exchange, interest rate and other contracts as well as financial instruments	87	2
Issued bonds, including bonds issued by Nykredit Realkredit in connection with the funding of mortgage loans granted by Totalkredit	9,158	(2,903)
Total	(21)	34

Notes

DKK MILLION

	2006 H1	2005 H1
4. STAFF AND ADMINISTRATIVE EXPENSES		
Salaries and remuneration to the Board of Directors and Executive		
Executive Board	3	3
Board of Directors	0	0
Total	3	3
Staff expenses		
Wages and salaries	23	19
Pensions	2	2
Social security costs	3	2
Total	28	23
Other administrative expenses	87	79
Total	118	105
5. TAX		
Corporation tax has been estimated at 28%. Tax paid on account for the period totals DKK 32.8m.		
	2006 30.06	2006 Beginning
6. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
Receivables from credit institutions	8,121	19,149
Of which prepaid funds incl prepayments at par	2,353	12,025

Notes

DKK MILLION

	2006 30.06.	2006 Beginning
7. LOANS AND ADVANCES		
Mortgage loans at fair value	276,936	259,249
Arrears, loans and advances	38	36
Other loans and advances	2	2
Total	276,976	259,287
Mortgage loans		
Balance, beginning of period, nominal value	260,228	194,675
New loans	50,587	149,196
Ordinary principal payments	(2,518)	(3,839)
Prepayments and extraordinary principal payments	(21,224)	(79,804)
Balance, end of period, nominal value	287,073	260,228
Loans transferred relating to properties temporarily foreclosed	-	-
Fair value adjustment	(10,137)	(979)
Adjustment for credit risk		
Individual adjustments	0	0
Group-based adjustments	-	-
Balance, end of period, fair value	276,936	259,249
8. BONDS		
Own mortgage bonds	2,950	30,626
Other mortgage bonds	4,920	20,515
Government bonds	108	610
Total	7,978	51,751
Set-off against "Issued bonds" – note 11	2,950	30,626
Total	5,028	21,125
9. OTHER ASSETS		
Positive market value of derivative financial instruments	9	4
Interest and commission receivable on loans and advances	13	24
Interest receivable from bonds and credit institutions	57	541
Other assets	6	5
Total	85	574

Notes

DKK MILLION

	2006 30.06.	2006 Beginning
10. MORTGAGE LOAN FUNDING THROUGH NYKREDIT REALKREDIT		
Mortgage bonds issued against mortgages on real property by Nykredit Realkredit A/S		
Balance, beginning of period, nominal value	64,443	0
Additions	29,944	64,500
Bonds drawn and cancelled	(1,376)	0
Prepayments and extraordinary principal payments	(5,064)	57
Balance, end of period, nominal value	87,947	64,443
Fair value adjustment	(3,341)	(990)
Total	84,606	63,453
11. ISSUED BONDS		
Mortgage bonds issued against mortgages on real property by Totalkredit A/S		
Balance, beginning of period, nominal value	252,564	230,310
Additions	20,823	124,896
Bonds drawn and cancelled	(59,692)	(82,396)
Prepayments and extraordinary principal payments	(11,131)	(20,246)
Balance, end of period, nominal value	202,564	252,564
Fair value adjustment	(6,796)	12
Balance, end of period, fair value	195,768	252,576
Own bonds transferred from "Bonds" - note 8	(2,950)	(30,626)
Total	192,818	221,950
12. OTHER LIABILITIES		
Negative market value of derivative financial instruments	3	12
Interest payable on issued mortgage bonds including bonds issued by Nykredit Realkredit A/S for the funding of mortgage loans in Totalkredit A/S	2,936	3,947
Other liabilities	98	189
Total	3,037	4,148

13. SUBORDINATE LOAN CAPITAL

Subordinate loan capital consists of debt which, in case of the Company's voluntary or compulsory liquidation, is not repaid until after the claims of ordinary creditors have been met.

In May 2006 subordinate loan capital in the amount of EUR 150m was repaid. At end-H1/2006 subordinate loan capital consists of the following two loans:

EUR 200m of subordinate loan capital in accordance with s 136 of the Danish Financial Business Act. The loan was raised in 2002 and has a maximum loan term of 8 years. The loan carries a floating interest rate. The foreign exchange risk has been hedged through currency swaps.

DKK 2,600m of subordinate loan capital in accordance with s 136 of the Danish Financial Business Act. The loan was raised in 2005 and matures at par in June 2018. The loan carries a floating interest rate.

14. EQUITY

Totalcredit's share capital consists of 5,357,801 shares of DKK 100. There is only one class of shares. Other reserves of a total of DKK 4,844m consist of an undistributable reserve fund of a total of DKK 1,476m established in connection with the Company's conversion into a limited company and other reserves of DKK 3,368m.

	2006 30.06.	2006 Beginning
15. OFF-BALANCE SHEET ITEMS		
Guarantees		
Financial guarantees	0	0
Total	0	0
Other commitments		
Other commitments	39	38
Total	39	38

Key figures by quarter

DKK MILLION

	Q2/ 2006	Q1/ 2006	Q4/ 2005	Q3/ 2005	Q2/ 2005
CORE EARNINGS AND PROFIT FOR THE PERIOD					
Core income from:					
- Business operations	207	204	232	222	204
- Securities	26	19	14	16	18
Total	233	223	246	238	222
Operating costs, depreciation and amortisation	63	57	45	49	52
Core earnings before provisions	170	166	201	189	170
Provisions for credit risk related to lending	0	0	0	0	1
Core earnings after provisions	170	166	201	189	169
Investment portfolio income	(4)	(13)	5	3	27
Profit before tax	166	153	206	192	196
Tax	46	42	58	53	51
Profit for the period	120	111	148	139	145
SUMMARY BALANCE SHEET					
Assets					
Mortgage loans	276,936	266,398	259,249	246,064	231,080
Bonds and equities	5,044	5,722	21,138	5,415	3,400
Other assets	8,252	10,781	19,767	16,866	16,455
Total assets	290,232	282,901	300,154	268,345	250,935
Liabilities and equity					
Mortgage loan funding through Nykredit Realkredit A/S	84,606	72,755	63,453	4,586	-
Issued bonds	192,818	196,809	221,950	249,579	237,550
Subordinate loan capital	4,090	5,210	5,209	5,210	5,205
Other liabilities	3,107	2,635	4,162	3,737	3,086
Equity incl profit for the period	5,611	5,492	5,380	5,233	5,094
Total liabilities and equity	290,232	282,901	300,154	268,345	250,935

Financial highlights, DFSA format

	2006 30.06.	2005 30.06.	2004 30.06.	2003 30.06.	2002 30.06.
Net interest income	752	645	505	441	337
Net fee income	(292)	(196)	(190)	(134)	(150)
Net interest and fee income	460	449	315	307	187
Value adjustments	(21)	34	30	41	34
Other operating income	0	0	0	0	0
Staff and administrative expenses	118	105	96	69	61
Depreciation and impairment losses for property, plant and equipment	2	1	1	2	1
Provisions for loan and receivable impairment	0	1	0	0	0
Profit from investments in associates and group enterprises					1
H1 profit before tax	319	376	248	277	160
Tax	88	105	74	77	46
H1 profit after tax	231	271	174	200	114
SUMMARY BALANCE SHEET					
Assets					
Mortgage loans	276,936	231,080	180,378	150,221	116,198
Bonds and equities	5,044	3,400	6,099	6,000	3,843
Other assets	8,252	16,455	13,392	11,663	4,515
Total assets	290,232	250,935	199,869	167,884	124,556
Liabilities and equity					
Mortgage loan funding through Nykredit Realkredit A/S	84,606				
Issued mortgage bonds	192,818	237,550	190,016	159,730	118,722
Subordinate loan capital	4,090	5,205	2,597	2,595	1,113
Other liabilities	3,107	3,086	2,613	2,230	1,753
Equity	5,611	5,094	4,643	3,329	2,968
Total liabilities and equity	290,232	250,935	199,869	167,884	124,556
Balance sheet figures up to and incl 30 June 2004 have not been restated to new accounting policies implemented on 1 January 2005 relating to value adjustment of loans and advances.					
FINANCIAL RATIOS					
Capital adequacy ratio, %	8.5	10.6	9.8	9.7	9.1
Core capital ratio, %	4.8	5.3	6.2	5.3	6.5
Return on equity before tax (pa), %	11.6	15.2	12.3	17.2	11.5
Return on equity after tax (pa), %	8.4	10.9	8.6	12.4	8.2
Income/cost ratio, DKK	3.7	4.5	3.6	4.9	3.6
Growth in loans and advances for the period as a %	6.8	17.4	11.3	15.0	10.7
Loans and advances relative to equity	49.4	45.4	38.9	45.1	39.1
Impairment provisions for H1, %	0	0	0	0	0