

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

16 August 2007

**H1 INTERIM REPORT 2007
Totalcredit A/S
(1 January – 30 June 2007)**

H1 – IN BRIEF

- Core income up by DKK 143m to DKK 599m
- Operating costs grew by DKK 30m to DKK 150m
- The investment portfolio generated a loss of DKK 10m against a loss of DKK 17m in 2006
- Profit before tax increased by DKK 119m to DKK 438m
- Gross new lending of DKK 46bn compared with DKK 49bn in 2006
- Nominal Danish mortgage lending increased by DKK 26bn to DKK 338bn
- Totalcredit's market share within private residential mortgages now totals 28.8%

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Financial highlights

DKK MILLION

	H1/ 2007	H1/ 2006	FY 2006
CORE EARNINGS AND PROFIT FOR THE PERIOD			
Core income from			
Business operations	459	411	859
Securities	140	45	144
Total	599	456	1,003
Operating costs, depreciation and amortisation	150	120	219
Core earnings before impairment losses	449	336	784
Impairment losses on loans and advances	1	0	2
Core earnings after impairment losses	448	336	782
Investment portfolio income	(10)	(17)	42
Profit before tax	438	319	824
Tax	121	88	229
Profit for the period	317	231	595
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.06.2007	30.06.2006	31.12.2006
ASSETS			
Receivables from credit institutions and central banks	10,774	8,121	11,972
Mortgage loans	323,277	276,936	306,239
Bonds and equities	8,159	5,044	48,462
Other assets	225	131	1,142
Total assets	342,435	290,232	367,815
LIABILITIES AND EQUITY			
Mortgage loan funding through Nykredit Realkredit A/S	163,862	84,606	166,063
Issued bonds	159,705	192,818	183,891
Supplementary capital	4,588	4,090	4,090
Other liabilities	4,488	3,107	5,796
Equity	9,792	5,611	7,975
Total liabilities and equity	342,435	290,232	367,815
FINANCIAL RATIOS			
Profit for the period as a % of average equity (pa)	3.6	8.4	8.9
Core earnings after impairment losses as a % of average equity (pa)	10.1	12.2	11.7
Costs as a % of core income	25.0	26.3	21.8
Impairment losses for the period, %	0.0	0.0	0.0
Capital adequacy ratio, % *	10.8	8.5	9.7
Core capital ratio, % *	7.3	4.8	6.4
Average number of full-time staff	109	100	103
*) From H1/2007 the capital adequacy and core capital ratios include profit for the period.			

H1 Interim Report 2007

For H1/2007 Totalkredit recorded a profit before tax of DKK 438m compared with DKK 319m in the same period the year before.

Totalkredit has seen massive lending growth in recent years, and this trend has continued in 2007.

Totalkredit's market share within private residential mortgages today totals 28.8%.

Core earnings

Core income from business operations came to DKK 459m compared with DKK 411m.

Core income from securities was DKK 140m compared with DKK 45m. The improvement can be ascribed to the capital increase in 2006 and a rise in short-term money market rates.

Operating costs, depreciation and amortisation amounted to DKK 150m against DKK 120m. The rise mainly relates to higher IT expenses for the ongoing restructuring of Totalkredit's systems and increased marketing activities.

Impairment losses on loans and advances have been recognised at DKK 1m.

Investment portfolio

The investment portfolio generated a loss of DKK 10m against a loss of DKK 17m.

Loans and advances

Totalkredit's gross new lending in H1/2007 came to DKK 46bn against DKK 49bn in the same period the year before – a decrease of 7%.

The slowdown in mortgage lending activities that began in 2006 following extraordinarily high levels in 2005 thus continues in 2007.

Balance sheet

At end-H1/2007 the balance sheet stood at DKK 342bn compared with DKK 368bn at end-2006.

This decrease was mainly a result of advance issuance of bonds at end-2006 for the refinancing of existing loans, which caused the balance sheet total to increase by approximately DKK 40bn.

Mortgage loans at fair value increased in H1/2007 to DKK 323bn against DKK 306bn at the beginning of the year.

New guarantee agreement

By mutual agreement, the cooperation agreement between the banks and Totalkredit has been amended as at end-H1/2007 to the effect that the individual banks may choose between the existing guarantee structure or a new partnership model.

The aim of the new model is not to change the allocation of tasks or risk between the banks and Totalkredit, but rather to adapt the cooperation to the new capital adequacy rules.

A number of banks, representing nearly 40% of Totalkredit's loans and advances, have adopted the new partnership model. In the long term, the majority of the banks are expected to change over to the new model.

New share capital

As at end-June 2007 Totalkredit raised the Company's share capital by issuing a nominal DKK 98,609,600 worth of new shares at a price of DKK 1,521.15 per share of a nominal 100, equal to a market value of DKK 1.5bn.

Totalkredit also raised subordinate loan capital of a nominal DKK 500m.

The capital increase was subscribed for in its entirety by Nykredit Realkredit A/S.

Uncertainty about recognition and measurement

The measurement of certain assets and liabilities is based on accounting estimates made by the Company Management.

The areas in which assumptions and estimates material to the financial statements have been made comprise provisions for loan and receivable impairment as well as other provisions, cf the mention in the Annual Report for 2006.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the H1 Interim Report.

**Outlook for 2007**

The loan portfolio and core earnings outperformed forecasts in H1. For this reason, combined with the increase in equity, earnings expectations for 2007 have been revised upwards by DKK 180m to DKK 980m before tax.

Events occurred after the end of the financial period

In the period up to the presentation of the H1 Interim Report 2007, no significant events have occurred.

Accounting policies

The H1 Interim Report 2007 has been prepared in accordance with the Danish Financial Business Act and the DFSA Executive Order on Financial Reports of Credit Institutions and Investment Companies, etc.

The accounting policies are unchanged relative to the Annual Report for 2006. A description of the Company's accounting policies applied in the Annual Report for 2006 is available at totalcredit.dk.

Financial highlights – six quarters

DKK MILLION

CORE EARNINGS AND PROFIT FOR THE PERIOD	Q2/ 2007	Q1/ 2007	Q4/ 2006	Q3/ 2006	Q2/ 2006	Q1/ 2006
Core income from:						
Business operations	236	224	238	210	207	204
Securities	73	67	59	40	26	19
Total	309	291	297	250	233	223
Operating costs, depreciation and amortisation	70	80	47	52	63	57
Core earnings before impairment losses	239	211	250	198	170	166
Impairment losses on loans and advances	1	0	1	1	0	0
Core earnings after impairment losses	238	211	249	197	170	166
Investment portfolio income	(35)	25	24	35	(4)	(13)
Profit before tax	203	236	273	232	166	153
Tax	57	65	76	65	46	42
Profit for the period	146	171	197	167	120	111
SUMMARY BALANCE SHEET	30.06.2007	31.03.2007	31.12.2006	30.09.2006	30.06.2006	31.03.2006
ASSETS						
Receivables from credit institutions	10,744	8,738	11,972	7,843	8,121	10,628
Mortgage loans	323,277	317,928	306,239	293,472	276,936	266,398
Bonds and equities	8,159	7,296	48,462	8,002	5,044	5,722
Other assets	225	166	1,142	176	131	153
Total assets	342,435	334,128	367,815	309,493	290,232	282,901
LIABILITIES AND EQUITY						
Mortgage loan funding through Nykredit Realkredit	163,862	146,712	166,063	101,219	84,606	72,755
Issued bonds	159,705	171,425	183,891	192,566	192,817	196,809
Supplementary capital	4,588	4,089	4,090	4,090	4,090	5,210
Other liabilities	4,488	3,756	5,796	3,840	3,107	2,635
Equity	9,792	8,146	7,975	7,778	5,612	5,492
Total liabilities and equity	342,435	334,128	367,815	309,493	290,232	282,901
FINANCIAL RATIOS						
Profit for the period as a % of average equity (pa)	6.5	8.5	10.0	10.0	8.6	8.2
Core earnings after impairment losses as a % of average equity (pa)	10.6	10.5	12.6	11.8	12.2	12.2
Costs as a % of core income	22.7	27.5	15.8	20.8	27.0	25.6
Impairment losses for the period, %	0.0	0	0	0	0	0
Capital adequacy ratio, % *	10.8	9.3	9.7	9.7	8.5	8.8
Core capital ratio, % *	7.3	6.1	6.4	6.2	4.8	5.0
Average number of full-time staff	109	106	106	104	103	98
*) From H1/2007 the capital adequacy and core capital ratios include profit for the period.						

Financial highlights – five years

DKK MILLION

INCOME STATEMENT	H1/ 2007	H1/ 2006	H1/ 2005	H1/ 2004	H1/ 2003
Net interest income	941	751	644	503	441
Net fee income	(348)	(291)	(195)	(188)	(134)
Net interest and fee income	593	460	449	315	307
Value adjustments	(4)	(21)	34	30	41
Other operating income	1	0	0	0	0
Staff and administrative expenses	149	118	105	96	69
Depreciation and impairment losses for property, plant and equipment	1	2	1	1	2
Impairment losses on loans and receivables	1	0	1	0	0
Profit before tax	438	319	376	248	277
Tax	122	88	105	74	77
Profit for the period	317	231	271	174	200
SUMMARY BALANCE SHEET, END OF PERIOD	30.06.2007	30.06.2006	30.06.2005	30.06.2004	30.06.2003
ASSETS					
Receivables from credit institutions	10,774	8,121	16,205	13,222	11,515
Mortgage loans	323,277	276,936	231,120	180,376	150,221
Bonds and equities	8,159	5,044	3,400	6,099	6,000
Other assets	225	131	210	117	148
Total assets	342,435	290,232	250,935	199,869	167,884
LIABILITIES AND EQUITY					
Mortgage loan funding through Nykredit Realkredit	163,862	84,606	0	0	0
Issued bonds	159,705	192,818	237,550	190,016	159,730
Supplementary capital	4,588	4,090	3,086	2,597	2,595
Other liabilities	4,488	3,107	5,205	2,613	2,230
Equity	9,792	5,611	5,094	4,643	3,329
Total liabilities and equity	342,435	290,232	250,935	199,889	167,884
FINANCIAL RATIOS					
Profit for the period as a % of average equity	3.6	4.2	5.5	4.3	6.2
Profit before tax for the period as a % of average equity	4.9	5.8	7.6	6.1	8.5
Loans and advances:equity	33.0	49.4	45.4	38.9	45.1
Growth in loans and advances for the period, %	5.6	6.8	17.4	11.3	15.0
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, % *	10.8	8.5	10.8	9.8	9.7
Core capital ratio, % *	7.3	4.8	5.3	6.2	5.3
Average number of full-time staff	109	100	83	73	62

*) From H1/2007 the capital adequacy and core capital ratios include profit for the period.



Statement by the Executive Board and the Board of Directors on the Interim Report

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January–30 June 2007 of Totalkredit A/S.

The H1 Interim Report 2007 has been prepared in accordance with the Danish Financial Business Act as well as additional Danish disclosure requirements for the presentation of interim reports of issuers of listed bonds.

In our opinion, the H1 Interim Report gives a true and fair view of the Company's assets, liabilities, equity and financial position at 30 June 2007 and of the results of the Company's activities for the financial period 1 January–30 June 2007.

The H1 Interim Report has not been audited.

Taastrup, 16 August 2007

EXECUTIVE BOARD

Niels Tørslev

Hans Henrik Andersen

Per Nykjær

BOARD OF DIRECTORS

Peter Engberg Jensen,
Chairman

Bent Naur,
Deputy Chairman

Johnna Bech Søfft

Preben Lund Hansen

Søren Holm

Gert R. Jonassen

Frank Kristensen

Steen Larsen

Merete Nilausen

DKK MILLION



Balance sheet, end of period

DKK MILLION

	Note	30.06.2007	01.01.2007
ASSETS			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	7	10,774	11,972
Loans, advances and other receivables at fair value	8	323,324	306,282
Bonds at fair value	9	8,138	48,445
Equities	10	21	17
Other property, plant and equipment		2	2
Deferred tax assets		1	1
Assets in temporary possession		0	1
Other assets	11	168	1,092
Prepayments		7	3
Total assets		342,435	367,815
LIABILITIES AND EQUITY			
Mortgage loan funding through Nykredit Realkredit A/S at fair value	12	163,862	166,063
Issued bonds at fair value	13	159,705	183,891
Current tax liabilities		115	12
Other liabilities	14	4,367	5,775
Provisions for pensions and similar obligations		6	9
Subordinate loan capital	15	4,588	4,090
Equity:			
Share capital		766	667
Reserves:			
Reserves in series		1,503	1,503
Other reserves		7,206	5,805
Retained earnings for the period		317	-
Total equity		9,792	7,975
Total liabilities and equity		342,435	367,815
Off-balance sheet items			
Guarantees	16	0	0
Other commitments		24	39
Total off-balance sheet items		24	39



Notes

DKK MILLION

	H1/2007	H1/2006
1. INTEREST INCOME		
Receivables from credit institutions	81	59
Loans, advances and other receivables	7,085	4,899
Administration margin	771	653
Bonds		
– Own mortgage bonds	41	46
– Other mortgage bonds	140	78
– Government bonds	2	7
Derivative financial instruments		
– Interest rate contracts	0	0
Total	8,120	5,742
Interest from own mortgage bonds has been offset against interest expense – note 2	(41)	(46)
Total	8,079	5,696
2. INTEREST EXPENSE		
Mortgage loan funding through Nykredit Realkredit A/S	3,555	1,227
Issued bonds	3,529	3,681
Subordinate loan capital	95	83
Other interest expense	0	0
Total	7,179	4,991
Set-off of interest from own mortgage bonds – note 1	(41)	(46)
Total	7,138	4,945
3. FEE AND COMMISSION INCOME		
Origination fees, new lending	89	95
Commission and other fees	52	62
Total	141	157
4. FEE AND COMMISSION EXPENSE		
Loan arrangement fee	92	106
Commissions to loan arrangers	353	284
Commission and other fees	46	59
Total	491	449

Notes

DKK MILLION

	H1/2007	H1/2006
5. VALUE ADJUSTMENTS		
Mortgage loans	(8,824)	(9,158)
Bonds	(29)	(112)
Equities	4	4
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	21	87
Issued bonds, including bonds issued by Nykredit Realkredit in connection with the funding of mortgage loans granted by Totalkredit	8,824	9,158
Total	(4)	(21)
6. STAFF AND ADMINISTRATIVE EXPENSES		
Remuneration of Board of Directors and Executive Board	4	3
Staff expenses	32	28
Administrative expenses	113	87
Total	149	118
Remuneration of Board of Directors and Executive Board		
Board of Directors		
Remuneration	0	0
Executive Board		
Salaries	4	3
Other social security expenses and charges	0	0
Total	4	3
The terms and conditions governing pension and retirement in relation to the Executive Board have not changed since the Annual Report for 2006, to which reference is made.		
Staff expenses		
Wages and salaries	24	23
Pensions	5	2
Other social security expenses and charges	3	3
Total	32	28
Number of staff		
Average number of staff, full-time equivalents	107	100
7. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
Receivables from credit institutions	10,774	11,972
Of which prepaid funds, including immediate prepayments at par	1,098	7,335



Notes

DKK MILLION

	30.06.2007	01.01.2007
8. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE		
Mortgage loans at fair value	323,276	306,239
Arrears and outlays	48	42
Other loans and advances	0	1
Total	323,324	306,282
Mortgage loans		
Balance, beginning of period, nominal value	312,196	260,228
New loans	46,929	102,897
Ordinary principal payments	(2,378)	(5,047)
Prepayments and extraordinary principal payments	(18,689)	(45,882)
Balance, end of period, nominal value	338,058	312,196
Loans transferred relating to properties in temporary possession	0	(1)
Adjustment for interest rate risk	(14,781)	(5,956)
Adjustment for credit risk		
Individual adjustments	(1)	0
Group-based adjustments	-	-
BALANCE, END OF PERIOD, FAIR VALUE	323,276	306,239
Arrears and outlays		
Arrears before provisions for loan impairment	50	43
Outlays before provisions for loan impairment	(1)	0
Provisions for arrears and outlays	(1)	(1)
Total	48	42
Bank guarantees related to mortgage lending		
Supplementary guarantees in addition to mortgages on real property	48,204	58,919
Statutory guarantees for advance loans	25,288	25,466
Guarantees for loans disbursed before obtaining a registered mortgage	28,027	29,386
Total	101,519	113,771
9. BONDS AT FAIR VALUE		
- Own mortgage bonds	1,800	3,596
- Other mortgage bonds	8,033	48,337
- Government bonds	105	108
Total	9,938	52,041
Transferred to set-off against "issued bonds" – note 14	(1,800)	(3,596)
Total	8,138	48,445



Notes

DKK MILLION

	30.06.2007	01.01.2007
10. EQUITIES AT FAIR VALUE		
Listed on the OMX	8	8
Unlisted equities	13	9
Total	21	17
11. OTHER ASSETS		
Interest and commission receivable	152	1,019
Positive market value of derivative financial instruments	8	39
Other assets	8	34
Total	168	1,092
12. MORTGAGE LOAN FUNDING THROUGH NYKREDIT REALKREDIT		
Balance, beginning of period, nominal value	168,889	64,443
Additions	47,073	117,198
Drawings and prepayments	(37,728)	(1,717)
Prepayments and extraordinary principal payments	(6,555)	(11,035)
Balance, end of period, nominal value	171,679	168,889
Fair value adjustment	(7,817)	(2,826)
Total	163,862	166,063
13. ISSUED BONDS		
Mortgage bonds issued against mortgages on real property		
Balance, beginning of period, nominal value	190,617	252,564
Additions	13	25,395
Drawings and prepayments	(10,926)	(63,376)
Prepayments and extraordinary principal payments	(11,235)	(23,966)
Balance, end of period, nominal value	168,469	190,617
Set-off against own mortgage bonds - note 9	(1,800)	(3,596)
Fair value adjustment	(6,964)	(3,130)
Balance, end of period, nominal value	159,705	183,891
Of which pre-issued	0	7
Bonds drawn at first creditor settling date	1,141	1,411
14. OTHER LIABILITIES		
Interest and commission payable	4,311	5,692
Negative market value of derivative financial instruments	2	21
Other payables	54	62
Total	4,367	5,775

Notes

DKK MILLION

15. 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.

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

DKK 2,600m in the form of subordinate loan capital pursuant to s 136 of the Danish Financial Business Act. The loan was raised in 2005 and falls due for payment at par (100) in June 2018. The loan carries a floating interest rate.

DKK 500m in the form of subordinate loan capital pursuant to s 136 of the Danish Financial Business Act. The loan was raised in 2007 and falls due for payment at par (100) in June 2015. The loan carries a floating interest rate.

16. OFF-BALANCE SHEET ITEMS

Guarantees:

Financial guarantees

30.06.2007

01.01.2007

0

0

Total

0

0

Other commitments:

Other commitments

24

39

Total off-balance sheet items

24

39

17. RELATED PARTY TRANSACTIONS AND BALANCES

The Parent Company Nykredit Realkredit A/S, Copenhagen, as well as group enterprises and associates of Nykredit Realkredit A/S are regarded as related parties.

No unusual related party transactions occurred in the financial period.

Intercompany trade and services took place on an arm's length basis.

Agreements between Totalkredit A/S and Nykredit A/S

Master agreement on the terms applicable to transactions in the securities area

Agreement on joint funding of mortgage loans

Agreement on IT development and IT operation

Agreements between Totalkredit and Nykredit Mægler A/S

Agreement on commission payable in connection with referral of lending business