

To OMX Nordic Exchange Copenhagen
and the press

14 August 2008

H1 INTERIM REPORT 2008
Totalkredit A/S
(1 January – 30 June 2008)

H1 – IN BRIEF

- Profit growth relative to H1/2007
- Core income was DKK 745m – an increase of 24%
- Core earnings after impairment losses were DKK 541m – up 21%
- The investment portfolio generated a loss of DKK 62m against a loss of DKK 10m in the same period the year before
- Nominal Danish mortgage lending increased by DKK 22bn to DKK 385bn
- Totalkredit's market share within private residential mortgages now totals 30.6%
- Due to negative investment portfolio income, the forecast profit before tax for the year is changed from DKK 1,100m to DKK 1,000m

Contacts:

Niels Tørslev, Group Managing Director, Nykredit, tel +45 44 55 10 20
Troels Bülow-Olsen, Managing Director, Totalkredit, tel +45 44 55 54 00

Totalkredit A/S
Helgeshøj Allé 53
DK-2630 Taastrup
Tel +45 44 55 54 00
CVR no 21 83 22 78



Financial highlights

DKK MILLION

	H1 / 2008	H1 / 2007	FY 2007
CORE EARNINGS AND PROFIT FOR THE PERIOD			
Core income from			
Business operations	542	459	999
Securities	203	140	322
Total	745	599	1,321
Operating costs, depreciation and amortisation	201	150	314
Core earnings before impairment losses	544	449	1,007
Impairment losses on loans and advances	3	1	1
Core earnings after impairment losses	541	448	1,006
Investment portfolio income	(62)	(10)	(2)
Profit before tax	479	438	1,004
Tax	120	121	250
Profit for the period	359	317	754
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.06.2008	30.06.2007	31.12.2007
ASSETS			
Receivables from credit institutions	9,401	10,774	11,647
Mortgage loans	358,446	323,277	349,278
Bonds and equities	12,545	8,159	47,156
Other assets	577	225	1,833
Total assets	380,969	342,435	409,914
LIABILITIES AND EQUITY			
Payables to credit institutions	233,883	163,862	242,623
Issued bonds	126,404	159,705	145,401
Supplementary capital	3,600	4,588	3,600
Other liabilities	5,994	4,488	7,561
Equity	11,088	9,792	10,729
Total liabilities and equity	380,969	342,435	409,914
FINANCIAL RATIOS			
Profit for the period as % of average equity (pa)	6.6	7.1	8.1
Core earnings after impairment losses as % of average equity (pa)	9.9	10.1	10.8
Costs as % of core income	27.0	25.0	23.8
Impairment losses for the period, %	0.0	0.0	0.0
Capital adequacy ratio, %*	28.4	10.8	9.5
Core capital ratio, %*	21.5	7.3	7.1
Average number of full-time staff	104	109	109
*) As from 2008, the capital adequacy ratio and core capital ratio are determined in accordance with CRD			



H1 Interim Report 2008

Totalcredit recorded a profit before tax of DKK 479m compared with DKK 438m in the same period the year before, up 9%.

In H1/2008, Totalcredit's lending grew by a nominal DKK 22bn to DKK 385bn.

Totalcredit's market share of private residential mortgages now totals 30.6%.

Core earnings

Totalcredit's core earnings after impairment losses were DKK 541m against DKK 448m in the same period the year before, up 21%.

Core income from business operations came to DKK 542m compared with DKK 459m.

Core income from securities amounted to DKK 203m compared with DKK 140m in H1/2007.

Operating costs, depreciation and amortisation amounted to DKK 201m against DKK 150m in the same period the year before. The cost development is in line with the budget, and the rise relates to increased IT costs incurred in connection with the launch of the business partner web portal, which is a newly developed advisory and production system that is key to the banks' housing advisory services and sale of Totalcredit loans.

Investment portfolio income

Interest rate markets developed quite adversely in Q2/2008, reducing investment portfolio income from DKK 11m at end-Q1/2008 to a loss of DKK 62m at end-H1. For the same period the year before, Totalcredit recorded a loss of DKK 10m.

Impairment losses on loans and advances

Impairment losses on loans and advances remain low, amounting to DKK 3.0m against DKK 1.0m in H1/2007.

Loans and advances

In H1/2008, gross new private residential mortgage lending generally declined by approximately DKK 11.6bn relative to the same period the year before, down by approximately 10%.

Totalcredit also experienced a fall in gross new lending, which came to DKK 41.5bn against DKK 45.9bn in 2007 – also down by approximately 10%.

Balance sheet

Mortgage lending at fair value increased in H1/2008 to DKK 358bn against DKK 349bn at the beginning of the year.

Mortgage loans are funded through the issue of bonds via the Parent Company, Nykredit Realkredit A/S, and bonds issued by Totalcredit A/S. At end-H1/2008, payables to the Parent Company at fair value amounted to DKK 234bn. Totalcredit had issued DKK 126bn of own bonds.

Equity including profit for the period was DKK 11.1bn at end-H1/2008 against DKK 10.7bn at the beginning of the year.

At end-H1/2008, the balance sheet stood at DKK 381bn compared with DKK 410bn at end-2007.

This decrease was mainly a result of the issuance of bonds worth approximately DKK 37bn for the refinancing of loans at end-2007 and a reduction of the balance sheet by approximately DKK 12bn as a result of fair value adjustment in 2008.

CAPITAL ADEQUACY

The capital base and capital adequacy are determined using the new capital adequacy rules (Basel II).

As from 1 January 2008, the capital charge for credit risk is calculated on the basis of the most advanced IRB approaches.

At end-June 2008, the capital base amounted to DKK 14.4bn, and the capital requirement was DKK 4.1bn pursuant to the new principles, corresponding to a capital adequacy ratio of 28.4%.

Under the transitional rules, the capital requirement must constitute at least 90% and 80% in 2008 and 2009, respectively, of the requirement calculated according to the previous rules.

In pursuance of these transitional rules, the capital requirement amounted to DKK 12.3bn at end-H1 equal to a capital adequacy ratio of 24.2%.



OTHER

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 2007.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the H1 Interim Report 2008.

Business partners

As described in the Annual Report for 2007, a new partnership agreement with the banks had been entered into according to which each bank could choose between the existing guarantee structure and a set-off model under which any losses incurred on the loans arranged by the banks are offset against future commission payments from Totalkredit.

In March 2008, Nykredit/Totalkredit offered its business partners a new and broader partnership agreement extending the agreement from 2003 when Nykredit acquired Totalkredit.

The business partners have adopted the new partnership agreement, and all guaranteed loans have been included under the set-off model.

In H1/2008, Alm. Brand Bank A/S, Lån & Spar Bank A/S, Boddum-Ydby Sparekasse and Hunstrup-Østerild Sparekasse joined the Totalkredit partnership, thereby gaining access to the business partner web portal, Totalkredit's advisory and production system.

OUTLOOK FOR 2008

Loan portfolio and core earnings developed satisfactorily in H1/2008. Investment portfolio income was negative in H1 due to the development in interest rates. As a consequence, the expected profit before tax for the year has been changed from DKK 1,100m to DKK 1,000m based on the assumption that the development in financial markets will remain stable for the rest of 2008.

Losses and provisions are expected to remain modest.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

In the period up to the presentation of the H1 Interim Report 2008, no significant events have occurred.

ACCOUNTING POLICIES

The H1 Interim Report 2008 has been prepared in accordance with the Danish Financial Business Act and the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

All figures in the H1 Interim Report 2008 are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to rounding to the nearest whole million DKK, minor differences between the sum of individual figures and the stated totals may occur.

The accounting policies are unchanged compared with the Annual Report for 2007. For a description, please refer to the Annual Report for 2007 at totalkredit.dk.

The H1 Interim Report 2008 has not been audited or reviewed.



Statement by the Board of Directors and Executive Board 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 2008 of Totalkredit A/S.

The H1 Interim Report was prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. Further, the H1 Interim Report was prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the H1 Interim Report gives a fair review of the development in the activities and financial circumstances of the Company as well as a satisfactory description of the material risk and uncertainty factors affecting the Company.

In our opinion, the H1 Interim Report also gives a fair presentation of the Company's assets, liabilities, equity and financial position at 30 June 2008 and of the result of the Company's activities and cash flows for the financial period 1 January – 30 June 2008.

Taastrup, 14 August 2008

EXECUTIVE BOARD

Troels Bülow-Olsen

Hans Henrik Andersen

Per Nykjær

BOARD OF DIRECTORS

Niels Tørslev,
Chairman

Bent Naur,
Deputy Chairman

Johnna Bechsofft

Karen Frøsig

Søren Holm

Jari Loch Jensen

Gert R. Jonassen

Frank Kristensen

Merete Nilausen

Income statement for 1 January – 30 June

DKK MILLION

	Note	H1/2008	H1/2007
Interest income	1	10,113	8,079
Interest expenses	2	8,974	7,138
Net interest income		1,139	941
Dividend on equities		2	2
Fee and commission income	3	145	141
Fee and commission expenses	4	531	491
Net interest and fee income		755	593
Value adjustments	5	(73)	(4)
Other operating income		1	1
Staff and administrative expenses	6	200	149
Depreciation and impairment losses for property, plant and equipment		1	2
Impairment losses on loans, advances and receivables		3	1
Profit before tax		479	438
Tax		120	121
Profit for the period		359	317



Balance sheet, end of period

DKK MILLION

	Note	30.06.2008	31.12.2007
ASSETS			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	7	9,401	11,647
Loans, advances and other receivables at fair value	8	358,525	349,342
Bonds at fair value	9	12,524	47,135
Equities	10	21	21
Other property, plant and equipment		2	2
Current tax assets		20	20
Deferred tax assets		1	1
Assets in temporary possession		1	0
Other assets	11	468	1,741
Prepayments		6	5
Total assets		380,969	409,914
LIABILITIES AND EQUITY			
Payables to credit institutions	12	233,883	242,702
Issued bonds at fair value	13	126,404	145,401
Current tax liabilities		83	0
Other liabilities	14	5,904	7,476
Provisions for pensions and similar obligations		7	6
Subordinate loan capital	15	3,600	3,600
Equity:	16		
Share capital		799	799
Reserves:			
Series reserves		1,543	1,543
Other reserves		8,387	8,387
Retained earnings for the period		359	
Total equity		11,088	10,729
Total liabilities and equity		380,969	409,914
OFF-BALANCE SHEET ITEMS			
Guarantees	17	0	0
Other commitments		16	24
Total off-balance sheet items		16	24

Notes

DKK MILLION

	H1/2008	H1/2007
1. INTEREST INCOME		
Receivables from credit institutions	95	81
Loans, advances and other receivables	8,883	7,085
Administrative margin	887	771
Bonds:		
- Own mortgage bonds	13	41
- Other mortgage bonds	243	140
- Government bonds	4	2
Derivative financial instruments:		
- Interest rate contracts	1	0
Total	10,126	8,120
Interest from own mortgage bonds has been offset against interest expenses – note 2	(13)	(41)
Total	10,113	8,079
2. INTEREST EXPENSES		
Mortgage loan funding through Nykredit Realkredit A/S	5,892	3,555
Issued bonds	2,997	3,529
Subordinate loan capital	98	95
Other interest expenses	0	0
Total	8,987	7,179
Set-off of interest from own mortgage bonds – note 1	(13)	(41)
Total	8,974	7,138
3. FEE AND COMMISSION INCOME		
Loan fees, new lending	85	89
Commission and other fees	60	52
Total	145	141
4. FEE AND COMMISSION EXPENSES		
Loan arrangement fee	61	92
Commissions to loan arrangers	414	353
Commission and other fees	56	46
Total	531	491

Notes

DKK MILLION

	H1/2008	H1/2007
5. VALUE ADJUSTMENTS		
Mortgage loans	(11,608)	(8,824)
Bonds	(172)	(27)
Equities	0	4
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	99	21
Issued bonds, including bonds issued by Nykredit Realkredit A/S in connection with the funding of mortgage loans granted by Totalkredit A/S	11,608	8,824
Total	(73)	(4)
6. STAFF AND ADMINISTRATIVE EXPENSES		
Remuneration of Board of Directors and Executive Board	3	4
Staff expenses	32	32
Administrative expenses	166	113
Total	200	149
Remuneration of Board of Directors and Executive Board		
Board of Directors:		
Remuneration	0	0
Executive Board:		
Salaries	3	4
Other social security expenses and charges	0	0
Total	3	4
<p>The terms and conditions governing pensions and retirement in relation to the Executive Board have not changed since the Annual Report for 2007.</p>		
Staff expenses:		
Wages and salaries	26	24
Pensions	3	5
Other social security expenses and charges	3	3
Total	32	32
Number of staff		
Average number of staff, full-time equivalents	104	109

Notes

DKK MILLION

	30.06.2008	31.12.2007
7. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
Receivables from credit institutions	9,401	11,647
Of which prepaid funds, including immediate prepayments at par	903	2,467
8. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE		
Mortgage loans at fair value	358,446	349,278
Arrears and outlays	80	64
Other loans and advances	0	0
Total	358,526	349,342
Mortgage loans		
Balance, beginning of period, nominal value	363,175	312,196
New loans	42,679	100,329
Ordinary principal payments	(2,480)	(4,739)
Prepayments and extraordinary principal payments	(18,699)	(44,611)
Balance, end of period, nominal value	384,675	363,175
Loans transferred relating to properties in temporary possession	(1)	0
Fair value adjustment	(26,226)	(13,896)
Adjustment for credit risk		
Individual impairment provisions	(2)	(1)
Group-based impairment provisions	0	0
Balance, end of period, fair value	358,446	349,278
Arrears and outlays		
Arrears before impairment provisions	83	66
Outlays before impairment provisions	(1)	(1)
Provisions for arrears and outlays	(2)	(1)
Total	80	64
Mortgage loan bank guarantees:		
Supplementary guarantees in addition to mortgages on real property	0	42,366
Statutory interim loan guarantees	22,658	25,088
Guarantees for loans disbursed before obtaining a registered mortgage	27,135	32,364
Total	49,793	99,818

Notes

DKK MILLION

	30.06.2008	31.12.2007
9. BONDS AT FAIR VALUE		
- Own mortgage bonds	515	1,857
- Other mortgage bonds	12,136	46,057
- Government bonds	202	106
- Other bonds	186	972
Total	13,039	48,992
Set-off against Issued bonds – note 13	(515)	(1,857)
Total bonds	12,524	47,135
10. EQUITIES AT FAIR VALUE		
Listed on the OMX	6	7
Unlisted equities	15	14
Total	21	21
11. OTHER ASSETS		
Interest and commission receivable	55	28
Positive market value of derivative financial instruments	62	49
Interest receivable from bonds and credit institutions	249	1,616
Other assets	102	48
Total	468	1,741
12. PAYABLES TO CREDIT INSTITUTIONS		
Payables to credit institutions, other payables	4	80
Mortgage loan funding through Nykredit Realkredit A/S	233,879	242,622
Total	233,883	242,702
Of which mortgage loan funding through Nykredit Realkredit A/S:		
Balance, beginning of period, nominal value	250,569	168,889
Additions	42,687	136,632
Drawings and prepayments	(34,004)	(38,419)
Prepayments and extraordinary principal payments	(9,443)	(16,533)
Balance, end of period, nominal value	249,809	250,569
Fair value adjustment	(15,930)	(7,947)
Total	233,879	242,622

Notes

DKK MILLION

	30.06.2008	31.12.2007
13. ISSUED BONDS		
Mortgage bonds issued against mortgages on real property		
Balance, beginning of period, nominal value	153,207	190,617
Additions	0	24
Drawings and prepayments	(7,448)	(12,990)
Prepayments and extraordinary principal payments	(8,543)	(24,444)
Balance, end of period	137,216	153,207
Set-off, own bonds	(515)	(1,857)
Fair value adjustment	(10,297)	(5,949)
Total	126,404	145,401
Of which pre-issuance	-	-
Bonds drawn for redemption at the next creditor settlement date	779	6,632
14. OTHER LIABILITIES		
Interest and commission payable	5,488	7,413
Negative market value of derivative financial instruments	2	0
Other payables	414	63
Total	5,904	7,476
15. SUBORDINATE LOAN CAPITAL		
Subordinate loan capital consists of debt pursuant to section 136 of the Danish Financial Business Act. Three loans have been raised with Nykredit Realkredit A/S as lender. The loans carry floating interest rates.		
<ol style="list-style-type: none"> 1. Loan in the amount of DKK 2,600m raised in June 2005 with a maximum term of 13 years. 2. Loan in the amount of DKK 500m raised in June 2007 with a maximum term of eight years. 3. Loan in the amount of DKK 500m raised in December 2007 with a maximum term of five years. 		

Notes

DKK MILLION

	30.06.2008	31.12.2007
16. EQUITY		
Share capital	799	799
Series reserves	1,543	1,543
Other reserves	8,746	8,387
Equity, end of period	11,088	10,729
<p>Series reserves consist of an undistributable reserve fund established in connection with the Company's conversion into a public limited company. The share capital consists of 7,987,391 shares of DKK 100. There is only one share class.</p>		
17. OFF-BALANCE SHEET ITEMS		
Guarantees:		
Financial guarantees	0	0
Total	0	0
Other commitments:		
Other	16	24
Total off-balance sheet items	16	24



Financial highlights – five years

	H1/2008	H1/2007	H1/2006	H1/2005	H1/2004
INCOME STATEMENT					
Net interest income	1,139	941	751	644	503
Net fee income	(384)	(348)	(291)	(195)	(188)
Net interest and fee income	755	593	460	449	315
Value adjustments	(73)	(4)	(21)	34	30
Other operating income	1	1	0	0	0
Staff and administrative expenses	200	149	118	105	96
Depreciation and impairment losses for property, plant and equipment	1	2	2	1	1
Impairment losses on loans, advances and receivables	3	1	0	1	0
Profit before tax	479	438	319	376	248
Tax	120	121	88	105	74
Profit for the period	359	317	231	271	174
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2008	30.06.2007	30.06.2006	30.06.2005	30.06.2004
ASSETS					
Receivables from credit institutions	9,401	10,774	8,121	16,205	13,222
Mortgage loans	358,446	323,277	276,936	231,120	180,378
Bonds and equities	12,544	8,159	5,044	3,400	6,099
Other assets	578	225	131	210	170
Total assets	380,969	342,435	290,232	250,935	199,869
LIABILITIES AND EQUITY					
Payables to credit institutions	233,883	163,862	84,606	0	0
Issued bonds	126,404	159,705	192,818	237,550	190,016
Supplementary capital	3,600	4,588	4,090	3,086	2,597
Other liabilities	5,994	4,488	3,107	5,205	2,613
Equity	11,088	9,792	5,611	5,094	4,643
Total liabilities and equity	380,969	342,435	290,232	250,935	199,869
FINANCIAL RATIOS					
Profit for the period as % of average equity	3.3	3.6	4.2	5.5	4.3
Profit before tax for the period as % of average equity	4.4	4.9	5.8	7.6	6.1
Loans and advances:equity	32.3	33.0	49.4	45.4	38.9
Growth in loans and advances for the period, %	2.6	5.6	6.8	17.4	11.3
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, %	28.4	10.8	8.5	10.8	9.8
Core capital ratio, %	21.5	7.3	4.8	5.3	6.2
Average number of full-time staff	104	109	100	83	73



Financial highlights – six quarters

	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
CORE EARNINGS AND PROFIT FOR THE PERIOD						
Core income from						
Business operations	269	273	276	263	236	224
Securities	103	100	85	97	73	67
Total	372	373	361	360	309	291
Operating costs, depreciation and amortisation	98	103	68	96	70	80
Core earnings before impairment losses	274	270	293	264	239	211
Impairment losses on loans and advances	2	1	0	0	1	0
Core earnings after impairment losses	272	269	293	264	238	211
Investment portfolio income	(73)	11	2	6	(35)	25
Profit before tax	199	280	295	270	203	236
Tax	50	70	74	54	57	65
Profit for the period	149	210	221	216	146	171
SUMMARY BALANCE SHEET, END OF PERIOD						
	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007	31.03.2007
ASSETS						
Receivables from credit institutions	9,401	9,258	11,647	10,603	10,774	8,738
Mortgage loans	358,446	361,017	349,278	337,703	323,277	317,928
Bonds and equities	12,544	11,492	47,156	9,275	8,159	7,296
Other assets	578	379	1,833	279	225	166
Total assets	380,969	382,146	409,914	357,860	342,435	334,128
LIABILITIES AND EQUITY						
Payables to credit institutions	233,883	225,201	242,623	186,301	163,862	146,712
Issued bonds	126,404	137,348	145,401	151,376	159,705	171,425
Supplementary capital	3,600	3,600	3,600	4,591	4,588	4,089
Other liabilities	5,994	5,058	7,561	5,584	4,488	3,756
Equity	11,088	10,939	10,729	10,008	9,792	8,146
Total liabilities and equity	380,969	382,146	409,914	357,860	342,435	334,128
FINANCIAL RATIOS						
Profit for the period as % of average equity (pa)	6.6	7.8	8.5	8.7	6.5	8.5
Core earnings after impairment losses as % of average equity (pa)	9.9	9.9	11.3	10.7	10.6	10.5
Costs as % of core income	27.0	27.6	18.8	26.6	22.7	27.6
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, % *	28.4	27.4	9.5	10.1	10.6	9.3
Core capital ratio, %*	21.5	20.7	7.1	6.9	7.2	6.1
*) As from 2008, the capital adequacy ratio and core capital ratio are determined in accordance with CRD						