

18 August 2011

To NASDAQ OMX Copenhagen A/S
and the press

H1 INTERIM REPORT 2011
Totalkredit A/S
(1 January – 30 June 2011)

H1 – IN BRIEF

- Totalkredit's market share of Danish private residential mortgage lending strengthened to 33.4% in H1/2011
- At nominal value, the loan portfolio totalled DKK 463bn against DKK 455bn at the beginning of the year
- Lending activity generally fell by about 52% across the sector compared with the same period last year – Totalkredit recorded an activity downturn of 48%, which had an adverse impact on core income from business operations
- Core earnings before impairment losses came to DKK 489m against DKK 519m in H1/2010
- Operating costs fell by DKK 37m to DKK 186m compared with H1/2010
- Impairment losses on loans and advances amounted to DKK 139m, equal to 0.03% of lending
- Investment portfolio income was DKK 21m against DKK 177m in the same period the year before
- Profit before tax was DKK 371m against DKK 640m in H1/2010.

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Financial highlights

DKK MILLION

	H1/2011	H1/2010	FY 2010
CORE EARNINGS AND PROFIT FOR THE PERIOD			
Core income from			
Business operations	604	681	1,403
Securities	71	61	123
Total	675	742	1,526
Operating costs, depreciation and amortisation	186	223	420
Core earnings before impairment losses	489	519	1,106
Impairment losses on loans and advances	139	56	158
Core earnings after impairment losses	350	463	948
Investment portfolio income	21	177	237
Profit before tax	371	640	1,185
Tax	93	160	298
Profit for the period	278	480	887
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.06.2011	30.06.2010	31.12.2010
ASSETS			
Receivables from credit institutions	8,871	14,201	18,111
Mortgage loans at fair value	459,243	450,279	456,043
Bonds and equities	26,220	29,740	81,540
Other assets	4,060	3,677	4,697
Total assets	498,394	497,897	560,391
LIABILITIES AND EQUITY			
Payables to credit institutions	392,783	373,845	443,630
Issued bonds at fair value	80,735	99,296	90,193
Supplementary capital	2,600	2,600	2,600
Other liabilities	8,742	9,307	10,712
Equity	13,534	12,849	13,256
Total liabilities and equity	498,394	497,897	560,391
FINANCIAL RATIOS			
Profit for the period as % of average equity, pa	4.1	7.6	6.9
Core earnings after impairment losses as % of average equity, pa	5.2	7.3	7.4
Costs as % of core income	27.6	30.1	27.5
Impairment losses for the period, %	0.03	0.01	0.03
Capital adequacy ratio, %	22.8	25.5	22.9
Core capital ratio, %	19.3	21.3	19.3
Internal capital adequacy requirement (ICAAP), %	10.9	12.3	12.1



H1 Interim Report 2011

Totalkredit recorded a profit before tax of DKK 371 m against DKK 640m for the same period the year before.

Profit for H1/2011 was adversely affected by generally low lending activity and rising loan losses.

Totalkredit's market position strengthened in H1/2011. Totalkredit increased its share of the Danish mortgage sector's gross and net new private residential lending, and its market share went up to 33.4% against 33.1% at the beginning of the year.

Core earnings before impairment losses

Core income from business operations was DKK 604m against DKK 681m in the same period of 2010. The decline should be seen in the context of the low activity level, which has caused a drop in activity-driven income of approximately DKK 54m relative to H1/2010.

Core income from securities amounted to DKK 71m against DKK 61m in H1/2010.

Operating costs decreased by DKK 37m to DKK 186m.

Core earnings before impairment losses came to DKK 489m against DKK 519m in H1/2010.

Impairment losses on loans and advances

In H1/2011 impairment losses on loans and advances amounted to DKK 139m, or 0.03% of the loan portfolio.

The partner banks cover part of the recognised losses by way of set-off against the commission payable by Totalkredit to the banks. The amount offset came to DKK 82m in H1/2011 equal to 43% of recognised losses.

At end-H1/2011, impairment provisions totalled DKK 545m against DKK 562m at the same time in 2010 and DKK 523m at end-December 2010. Total impairment provisions equalled approximately 0.12% of the loan portfolio.

Totalkredit's arrears ratio 105 days after the due date of 31 March 2011 was 0.25%.

The number of properties repossessed increased by 12 properties in H1/2011. The rise was the result of the addition of 47 properties and the disposal of 35 properties.

Investment portfolio income

Investment portfolio income amounted to DKK 21m against DKK 177m in H1/2010.

Lending

Housing market activity was very low in H1/2011. The Danish mortgage sector's gross private residential lending was halved relative to H1/2010, and Totalkredit recorded a decrease of 48%.

Part of the reason was homeowners' uncertainty about their future financial leeway and a decline in refinancing activity, as many loans had already been refinanced into loans with lower interest rates.

Gross lending was DKK 27bn against DKK 52bn in H1/2010. Net new lending was DKK 11bn against DKK 15bn in H1/2010.

Measured at nominal value, Totalkredit's loan portfolio rose to DKK 463bn against DKK 455bn at the beginning of the year.

Totalkredit's market share of Danish residential mortgage lending rose to 33.4% from 33.1% at the beginning of the year.

Balance sheet

At end-H1/2011, the balance sheet stood at DKK 498bn against DKK 560bn at the beginning of the year.

Mortgage lending at fair value totalled DKK 459bn against DKK 456bn at the beginning of the year.

Payables to the parent company in connection with funding of mortgage lending came to DKK 382bn, and Totalkredit had DKK 81bn-worth of self-issued bonds.

Equity including profit for the period came to DKK 13.5bn at end-H1/2011.

CAPITAL BASE AND CAPITAL ADEQUACY

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

At end-H1/2011, the capital base was DKK 15.7bn, corresponding to a capital adequacy ratio of 22.8%. The core capital ratio stood at 19.3%.

Under the Basel II rules, the capital requirement is subject to a minimum limit. The capital requirement in 2011 may thus not decrease by more than 20% compared with the former capital adequacy rules.

The capital requirement not subject to the transitional rule amounted to DKK 5.5bn and the capital requirement subject to

the transitional rule DKK 14.6bn, corresponding to a capital adequacy ratio of 21.3%.

The internal capital adequacy requirement (ICAAP) amounted to 10.9% at end-H1/2011.

The ICAAP is calculated as the required capital base as a percentage of risk-weighted items.

Totalkredit's required capital base consists of Pillar I and Pillar II capital.

Pillar I

Pillar I capital covers credit, market and operational risk as well as risk relating to own properties.

Pillar II

Pillar II comprises capital to cover other risks as well as an increased capital requirement during an economic downturn. The capital requirement during an economic downturn is determined by means of stress tests.

Totalkredit applies various models to calculate the capital requirements under both Pillar I and Pillar II.

Under Pillar II, a capital charge is included that reflects the uncertainty of the models used. Generally, the charge applied corresponds to 10% of the risks calculated.

RATINGS

Covered bonds issued out of Totalkredit's Capital Centre C are rated AAA by Standard & Poor's and Aaa by Moody's. The Capital Centre is not open for new lending. New lending is based on joint funding with Nykredit Realkredit A/S out of Capital Centre E. Covered bonds in the form of SDOs (særligt dækkede obligationer) are issued out of the Capital Centre, which is rated AAA by Standard & Poor's and Aaa by Moody's. Totalkredit and Nykredit Realkredit A/S also have joint funding activities in Capital Centre D, which issues conventional covered bonds (ROs). Capital Centre D is rated AAA by Standard & Poor's. At end-June, Moody's downgraded the rating of ROs issued out of Capital Centre D from Aaa to Aa1.

Totalkredit will open a new Capital Centre H at end-August in which lending will be based on joint funding with Nykredit Realkredit A/S. SDOs will be issued out of the capital centre for the purpose of funding loans subject to interest rate adjustment. Standard & Poor's and Moody's have been asked to rate the issues. It is still uncertain when these ratings will be available.

OTHER

Uncertainty as to 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 2010.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the H1 Interim Report 2011.

OUTLOOK FOR 2011

H1/2011 recorded a decline in lending activity compared with budgeted lending which formed the basis of the earnings guidance for 2011 in the Annual Report for 2010.

Due to revised estimates of lending activity for 2011 as a whole, forecast core earnings before impairment losses have been adjusted downwards by DKK 100m to 900m-1,000m from previously DKK 1,000m-1,100m.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

No material events have occurred in the period up to the presentation of the H1 Interim Report.

ACCOUNTING POLICIES

The H1 Interim Report 2011 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.

Furthermore, the H1 Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

All figures in the H1 Interim Report are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

The accounting policies are unchanged compared with the Annual Report for 2010. For a description, please refer to the Annual Report for 2010.

The H1 Interim Report 2011 has not been audited or reviewed.



Statement by the Board of Directors and the 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 2011 of Totalkredit A/S.

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

Furthermore, the H1 Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

Taastrup, 18 August 2011

EXECUTIVE BOARD

Troels Bülow-Olsen

Hans Henrik Andersen

In our opinion, the Interim Financial Statements give a fair presentation of the Company's assets, liabilities, equity and financial position at 30 June 2011 and of the results of the Company's operations as well as cash flows for the financial period 1 January – 30 June 2011.

We are furthermore of the opinion that the Management's Review gives a fair review of the development in the operations and financial circumstances of the Company as well as a description of material risk and uncertainty factors which may affect the Company.

BOARD OF DIRECTORS

Søren Holm
Chairman

Bent Naur
Deputy Chairman

Jette Alsig Bargholz

Kim Duus

Karen Frøsig

Lars Holst

Jari Loch Jensen

Gert Jonassen

Frank Kristensen

Merete Nilausen



Income statement for 1 January – 30 June

DKK MILLION

	Note	H1/2011	H1/2010
Interest income	1	9,453	9,782
Interest expenses	2	8,107	8,376
Net interest income		1,346	1,406
Fee and commission income	3	135	226
Fee and commission expenses	4	688	696
Net interest and fee income		793	936
Value adjustments	5	(97)	(18)
Other operating income		0	1
Staff and administrative expenses	6	186	223
Depreciation and impairment losses for property, plant and equipment		0	0
Impairment losses on loans, advances and receivables	7	139	56
Profit before tax		371	640
Tax		93	160
Profit for the period		278	480



Balance sheet, end of period

DKK MILLION

	Note	30.06.2011	31.12.2010
ASSETS			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	8	8,871	18,112
Loans, advances and other receivables at fair value	9	459,132	455,957
Loans, advances and other receivables at amortised cost	9	52	54
Bonds at fair value	10	26,220	81,540
Other property, plant and equipment		0	1
Deferred tax assets		1	1
Assets in temporary possession	11	39	39
Other assets	12	4,071	4,682
Deferred income		8	6
Total assets		498,394	560,391
LIABILITIES AND EQUITY			
Payables to credit institutions	13	392,783	443,630
Issued bonds at fair value	14	80,735	90,193
Current tax liabilities		70	10
Other liabilities	15	8,668	10,698
Total payables		482,256	544,531
Provisions		4	4
Subordinated debt	16	2,600	2,600
Equity			
Share capital		799	799
Reserves			
Series reserves		1,634	1,634
Other reserves		10,823	10,823
Retained earnings for the period		278	-
Total equity		13,534	13,256
Total liabilities and equity		498,394	560,391
OFF-BALANCE SHEET ITEMS			
Guarantees	17	0	0
Other commitments		12	12
Total		12	12



Statement of changes in equity

DKK MILLION

	Share capital	Series reserves	Other reserves	Total
Equity at 1 January 2011	799	1,634	10,823	13,256
Profit for the period			278	278
Comprehensive income for the period			278	278
Equity at 30 June 2011	799	1,634	11,101	13,534
Equity at 1 January 2010	799	1,616	9,954	12,369
Profit for the period		18	869	887
Comprehensive income for the year		18	869	887
Equity at 31 December 2010	799	1,634	10,823	13,256

The share capital consists of 7,987,391 shares of DKK 100. There is only one share class. Nykredit Realkredit A/S owns the total share capital.

Series reserves consist of an undistributable reserve fund established pursuant to section 220 of the Danish Financial Business Act in connection with the Company's conversion into a public limited company in 2000. Capital is used to cover statutory capital requirements and may otherwise only be used to cover losses not covered by amounts that may be used as dividend in the public limited company.



Capital base and capital adequacy

DKK MILLION

	30.06.2011	31.12.2010
Capital base		
Tier 1 ratio		
- Equity, end of period	13,534	13,256
- Capitalised tax assets	(1)	(1)
- The difference between expected losses and impairment losses	(238)	(87)
Core capital after statutory deductions	13,295	13,168
Total supplementary capital	2,600	2,600
- The difference between expected losses and impairment losses	(238)	(87)
Total capital base after statutory deductions	15,657	15,681
Capital adequacy		
Credit risk	4,901	4,853
Market risk	332	375
Operational risk	264	241
Total capital requirement not subject to transitional rule	5,497	5,469
Total capital requirement subject to transitional rule	14,648	14,390
Capital base	15,657	15,681
Total risk-weighted items	68,709	68,367
Core capital ratio, %	19.3	19.3
Capital adequacy ratio, %	22.8	22.9
Minimum capital adequacy ratio not subject to transitional rule		8.0
Minimum solvency ratio subject to transitional rule	21.3	21.0
Required capital base and capital requirement		
Pillar I – Primary risk		
Credit risk	5,451	5,814
Market risk	224	218
Operational risk	180	155
Pillar I, total	5,855	6,187
Pillar II – Other risk		
Weaker economic climate	941	1,362
Other factors	680	755
Pillar II, total	1,621	2,117
Total required capital base	7,476	8,305
Total risk-weighted items	68,709	68,367
Internal capital adequacy requirement (ICAAP), %	10.9	12.1



Notes

DKK MILLION

	H1/2011	H1/2010
1. INTEREST INCOME		
Receivables from credit institutions	22	24
Loans, advances and other receivables	7,959	8,264
Administrative margin income	1,115	1,054
Bonds:		
- Self-issued mortgage bonds	2	10
- Other mortgage bonds	368	424
- Government bonds	0	30
Derivative financial instruments:		
- Interest rate contracts	(11)	(14)
Total	9,455	9,792
Interest from self-issued mortgage bonds has been offset against interest expenses – note 2	2	10
Total	9,453	9,782
2. INTEREST EXPENSES		
Mortgage loan funding through Nykredit Realkredit A/S	6,606	6,570
Issued bonds	1,347	1,714
Other payables to Nykredit Realkredit A/S	133	78
Subordinated debt	23	24
Other interest expenses	0	0
Total	8,109	8,386
Set-off of interest from self-issued mortgage bonds – note 1	2	10
Total	8,107	8,376
3. FEE AND COMMISSION INCOME		
Loan fees, new lending	83	123
Commission and other fees	52	103
Total	135	226
4. FEE AND COMMISSION EXPENSES		
Loan arrangement fees	66	90
Commission to loan arrangers	551	493
Commission and other fees	71	113
Total	688	696



Notes

DKK MILLION

	H1/2011	H1/2010
5. VALUE ADJUSTMENTS		
Mortgage loans	(4,613)	7,802
Bonds	(111)	93
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	(6)	(108)
Other liabilities	20	(4)
Issued bonds, including bonds issued by Nykredit Realkredit A/S in connection with the funding of mortgage loans granted by Totalkredit A/S	4,613	(7,801)
Total	(97)	(18)
6. STAFF AND ADMINISTRATIVE EXPENSES		
Remuneration of Board of Directors and Executive Board	3	3
Staff expenses	39	38
Administrative expenses	144	182
Total	186	223
Remuneration of Board of Directors and Executive Board		
Board of Directors:		
Remuneration	0	0
Executive Board:		
Salaries	2	2
Pensions	0	0
Other social security expenses and charges	0	0
Total	3	2
The terms and conditions governing pensions and retirement in relation to the Executive Board have not changed since the Annual Report for 2010.		
Staff expenses:		
Wages and salaries	33	32
Pensions	3	3
Other social security expenses and charges	3	3
Total	39	38
Number of staff		
Average number of staff, full-time equivalents	121	122



Notes

DKK MILLION

	H1/2011	H1/2010
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES		
Changes in provisions for loan impairment, individual	161	75
Changes in provisions for loan impairment, collective	25	(15)
Recognised losses for the period, net	10	2
Received on claims previously written off	(1)	0
Total impairment losses on loans, advances and receivables	195	62
Value adjustment of assets in temporary possession	26	6
Losses offset against commission payments to partner banks	(82)	(12)
Total	139	56
Specification of provisions for loan impairment		
Individual impairment provisions	275	378
Collective impairment provisions	270	184
Total impairment provisions	545	562
Individual provisions for loan impairment		
Impairment provisions, beginning of period	278	336
Impairment provisions for the period	242	239
Impairment provisions reversed	(81)	(164)
Value adjustment of properties repossessed	(16)	(11)
Impairment provisions recognised as lost	(149)	(22)
Impairment provisions, end of period	275	378
Collective provisions for loan impairment		
Impairment provisions, beginning of period	245	199
Impairment provisions for the period	25	(15)
Impairment provisions, end of period	270	184
Individual impairment provisions for properties repossessed		
Impairment provisions, beginning of period	60	25
Transfer from properties not repossessed	16	11
Impairment provisions for the period	47	20
Impairment provisions reversed	(21)	(14)
Impairment provisions recognised as lost	(31)	0
Impairment provisions, end of period	71	42



Notes

DKK MILLION

	H1/2011	H1/2010
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued)		
Specification of loans and advances		
Loans and advances subject to individual impairment	1,679	2,100
Impairment provisions	(275)	(378)
Loans and advances after impairment provisions	1,404	1,722
Loans and advances subject to collective impairment	461,579	441,176
Impairment provisions	(270)	(184)
Loans and advances after impairment provisions	461,309	440,992



Notes

DKK MILLION

	30.06.2011	31.12.2010
8. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
Receivables from credit institutions	8,871	18,111
9. LOANS AND ADVANCES		
Loans, advances and other receivables at fair value	459,132	455,957
Loans, advances and other receivables at amortised cost	52	54
Total	459,184	456,011
Loans, advances and other receivables at fair value		
Mortgage loans	459,191	455,989
Receivables from loans secured on properties not repossessed	(59)	(32)
Total	459,132	455,957
Mortgage loans		
Balance, beginning of period, nominal value	455,104	431,357
New loans	27,673	110,927
Ordinary principal payments	(2,449)	(4,417)
Prepayments and extraordinary principal payments	(17,121)	(82,763)
Balance, end of period, nominal value	463,207	455,104
Loans transferred relating to properties in temporary possession	(86)	(89)
Fair value adjustment	(3,660)	1,218
Adjustment for credit risk		
Individual impairment provisions		-
Collective impairment provisions	(270)	(245)
Balance, end of period, fair value	459,191	455,988
Receivables from loans secured on properties not repossessed		
Arrears before impairment provisions	132	155
Outlays before impairment provisions	85	91
Provisions for arrears and outlays	(275)	(278)
Total	(59)	(32)
Loans, advances and other receivables at amortised cost		
Mortgage loans	52	54
Total	52	54
Measured at fair value, the item amounted to DKK 52m at end-H1/2011 and DKK 54m at end-2010.		
Mortgage loan guarantees provided by banks:		
Supplementary guarantees in addition to mortgages on real property	8,033	7,721
Statutory guarantees for interim loans	10,217	11,669
Guarantees for loans disbursed before obtaining a registered mortgage	9,935	36,810
Total	28,185	56,200



Notes

DKK MILLION

	30.06.2011	31.12.2010
10. BONDS AT FAIR VALUE		
- Self-issued mortgage bonds	134	194
- Other mortgage bonds	26,220	81,540
- Government bonds	0	0
Total	26,354	81,734
Set-off against "Issued bonds at fair value" – note 14	(134)	(194)
Total bonds	26,220	81,540
11. ASSETS IN TEMPORARY POSSESSION		
Debt outstanding, end of period	58	64
Outlays	26	11
Impairment provisions, end of period	(45)	(36)
Total	39	39
12. OTHER ASSETS		
Interest and commission receivable on loans and advances	3,674	1,991
Positive market value of derivative financial instruments	2	1
Interest receivable from bonds and credit institutions	355	2,651
Other	40	39
Total	4,071	4,682
13. PAYABLES TO CREDIT INSTITUTIONS		
Payables to credit institutions, other payables	6	20
Payables to Nykredit Realkredit A/S concerning supplementary security for SDO-funded mortgage lending	10,283	10,024
Mortgage loan funding through Nykredit Realkredit A/S	382,494	433,586
Total	392,783	443,630
Of which mortgage loan funding through Nykredit Realkredit A/S:		
Balance, beginning of period, nominal value	432,093	397,958
Additions	61,997	211,778
Drawings and prepayments	(99,880)	(159,079)
Prepayments and extraordinary principal payments	(9,209)	(18,564)
Balance, end of period, nominal value	385,001	432,093
Fair value adjustment	(2,507)	1,493
Total	382,494	433,586



Notes

DKK MILLION

	30.06.2011	31.12.2010
14. ISSUED BONDS AT FAIR VALUE		
Mortgage bonds issued against mortgages on real property		
Balance, beginning of period, nominal value	90,663	108,708
Additions	0	0
Drawings and prepayments	(6,065)	(10,946)
Prepayments and extraordinary principal payments	(2,576)	(7,099)
Balance, end of period	82,022	90,663
Set-off, self-issued bonds	(134)	(194)
Fair value adjustment	(1,153)	(276)
Total	80,735	90,193
Of which pre-issuance		-
Bonds drawn for redemption at the next creditor settlement date	898	4,552
15. OTHER LIABILITIES		
Interest payable on issued mortgage bonds, including bonds issued by Nykredit		
Realkredit A/S for the funding of mortgage lending by Totalkredit A/S	6,013	9,204
Negative market value of derivative financial instruments	9	50
Other liabilities	2,646	1,444
Total	8,668	10,698
16. SUBORDINATED DEBT		
Subordinated debt of a total of DKK 2,600m consists of debt pursuant to section 136 of the Danish Financial Business Act. The loan was raised in June 2005 with Nykredit Realkredit A/S as lender. The loan carries a floating rate and has a maximum maturity of 13 years. In connection with prepayment, the loan shall be repaid at par (100) with the addition of accrued interest. There are no costs in relation to prepayment.		
17. OFF-BALANCE SHEET ITEMS		
Guarantees		
Financial guarantees	0	0
Total guarantees	0	0
Other commitments		
Other	12	12
Total other commitments	12	12
Total off-balance sheet items	12	12

18. RELATED PARTY TRANSACTIONS AND BALANCES

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

As a natural part of Totalkredit's day-to-day operations, agreements exist between Totalkredit and the Parent Company, Nykredit Realkredit A/S, as well as its group enterprises and associates.

The agreements mainly concern financing, guarantees, referral commission, IT support and IT development projects, wage and staff administration as well as other administrative tasks. Intercompany trading in goods and services took place on an arm's length basis.

No unusual transactions were made with related parties in 2011.

Major related party transactions in existence/entered into in 2011:

Agreements between Totalkredit A/S and Nykredit Realkredit A/S

Master agreements on facility, credit and risk management, management and organisational development and allocation of staff-related costs.

Master agreements on the terms applicable to transactions in the securities area, including portfolio management.

Agreement on joint funding of mortgage loans.

Agreement on IT development and operations.

Totalkredit A/S has raised loans with Nykredit Realkredit A/S for the purpose of providing security in Totalkredit's capital centres.

Totalkredit A/S has raised loans with Nykredit Realkredit A/S in the form of subordinated debt, cf section 136 of the Danish Financial Business Act.

Agreements between Totalkredit A/S and Nykredit Mægler A/S

Agreement on commission payable in connection with referral of lending business.

Agreements between Totalkredit A/S and Nykredit Bank A/S

Agreement on commission payable in connection with referral of lending business.



Financial highlights – five years

	H1/2011	H1/2010	H1/2009	H1/2008	H1/2007
INCOME STATEMENT					
Net interest income	1,346	1,406	1,277	1,139	941
Net fee income	(553)	(470)	(422)	(384)	(348)
Net interest and fee income	793	936	855	755	593
Value adjustments	(97)	(18)	141	(73)	(4)
Other operating income	0	1	0	1	1
Staff and administrative expenses	186	223	195	200	149
Depreciation and impairment losses for property, plant and equipment	0	0	1	1	2
Impairment losses on loans, advances and receivables	139	56	144	3	1
Profit before tax	371	640	655	479	438
Tax	93	160	164	120	121
Profit for the period	278	480	491	359	317
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.06.2011	30.06.2010	30.06.2009	30.06.2008	30.06.2007
ASSETS					
Receivables from credit institutions	8,871	14,201	18,301	9,401	10,774
Mortgage loans	459,243	450,279	411,909	358,446	323,277
Bonds and equities	26,220	29,740	20,095	12,544	8,159
Other assets	4,060	3,677	2,306	578	225
Total assets	498,394	497,897	452,611	380,969	342,435
LIABILITIES AND EQUITY					
Payables to credit institutions	392,783	373,845	317,509	233,883	163,862
Issued bonds	80,735	99,296	111,398	126,404	159,705
Supplementary capital	2,600	2,600	2,600	3,600	4,588
Other liabilities	8,742	9,307	9,060	5,994	4,488
Equity	13,534	12,849	12,044	11,088	9,792
Total liabilities and equity	498,394	497,897	452,611	380,969	342,435
FINANCIAL RATIOS					
Profit for the period as % of average equity	2.1	3.8	4.2	3.3	3.6
Profit before tax for the period as % of average equity	2.8	5.1	5.6	4.4	4.9
Loans and advances:equity	33.9	35.0	34.2	32.3	33.0
Growth in loans and advances for the period, %	1.8	4.6	5.5	2.6	5.6
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, %*	22.8	25.5	22.9	28.4	10.8
Core capital ratio, %*	19.3	21.3	19.0	21.5	7.3
Average number of full-time staff	121	122	119	104	109

*) As from 2008, the capital adequacy and core capital ratios are determined in accordance with the CRD



Financial highlights – six quarters

	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
CORE EARNINGS AND PROFIT FOR THE PERIOD						
Core income from						
Business operations	294	310	369	353	335	346
Securities	39	32	30	32	30	31
Total	333	342	399	385	365	377
Operating costs, depreciation and amortisation	89	97	92	105	111	112
Core earnings before impairment losses	244	245	307	280	254	265
Impairment losses on loans and advances	89	50	80	22	76	(20)
Core earnings after impairment losses	155	195	227	258	178	285
Investment portfolio income	13	8	27	33	74	103
Profit before tax	168	203	254	291	252	388
Tax	42	51	65	73	63	97
Profit for the period	126	152	189	218	189	291
SUMMARY BALANCE SHEET, END OF PERIOD	30.06.2011	31.03.2011	31.12.2010	30.09.2010	30.06.2010	31.03.2010
ASSETS						
Receivables from credit institutions	8,871	11,239	18,111	16,003	14,201	16,521
Mortgage loans	459,243	454,276	456,043	458,179	450,279	439,094
Bonds and equities	26,220	61,965	81,540	73,079	29,740	50,366
Other assets	4,060	3,602	4,697	5,571	3,677	2,787
Total assets	498,394	531,082	560,391	552,832	497,897	508,768
LIABILITIES AND EQUITY						
Payables to credit institutions	392,783	422,776	443,630	428,458	373,845	383,918
Issued bonds	80,735	83,109	90,193	96,122	99,296	100,933
Supplementary capital	2,600	2,600	2,600	2,600	2,600	2,600
Other liabilities	8,742	9,189	10,712	12,585	9,307	8,657
Equity	13,534	13,408	13,256	13,067	12,849	12,660
Total liabilities and equity	498,394	531,082	560,391	552,832	497,897	508,768
FINANCIAL RATIOS						
Profit for the period as % of average equity, pa	3.7	4.6	5.7	6.7	5.9	9.3
Core earnings after impairment losses as % of average equity, pa	4.6	5.9	6.9	8.0	5.6	9.1
Costs as % of core income	26.7	28.4	27.5	27.3	30.4	29.7
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, %	22.8	24.0	22.9	23.5	25.5	26.1
Core capital ratio, %	19.3	20.2	19.3	19.7	21.3	21.7