

To NASDAQ OMX Copenhagen A/S
and the press

5 November 2009

Q1-Q3 INTERIM REPORT 2009
Totalkredit A/S
(1 January – 30 September 2009)

Q1-Q3 – IN BRIEF

- Profit before tax was DKK 803m against DKK 711m in the same period the year before.
- Core income from customer-oriented business rose by DKK 165m or 20%.
- Impairment losses on loans and advances came to DKK 425m against DKK 10m in the same period in 2008.
- Core income from securities amounted to DKK 144m compared with DKK 336m in Q1-Q3/2008.
- The investment portfolio generated an income of DKK 367m against a loss of DKK 156m in Q1-Q3/2008.
- Due to high loan refinancing activity, gross new lending rose to DKK 92bn compared with DKK 64bn the year before.
- Nominal mortgage lending increased by DKK 23bn to DKK 424bn.

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Financial highlights

DKK MILLION

	Q1-Q3/2009	Q1-Q3/2008	FY 2008
CORE EARNINGS AND PROFIT FOR THE PERIOD			
Core income from			
Business operations	997	832	1,141
Securities	144	336	461
Total	1,141	1,168	1,602
Operating costs, depreciation and amortisation	280	291	375
Core earnings before impairment losses	861	877	1,227
Impairment losses on loans and advances	425	10	55
Core earnings after impairment losses	436	867	1,172
Investment portfolio income	367	(156)	(72)
Profit before tax	803	711	1,100
Tax	201	179	277
Profit for the period	602	532	823
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.09.2009	30.09.2008	31.12.2008
ASSETS			
Receivables from credit institutions	14,056	9,306	16,283
Mortgage loans	424,056	367,766	390,451
Bonds and equities	42,162	13,721	52,437
Other assets	3,880	726	2,167
Total assets	484,154	391,519	461,338
LIABILITIES AND EQUITY			
Payables to credit institutions	348,079	248,785	315,349
Issued bonds	109,662	120,982	121,243
Supplementary capital	2,600	3,600	3,600
Other liabilities	11,659	6,891	9,594
Equity	12,154	11,261	11,552
Total liabilities and equity	484,154	391,519	461,338
FINANCIAL RATIOS			
Profit for the period as % of average equity (pa)	6.8	6.5	7.4
Core earnings after impairment losses as % of average equity (pa)	4.9	10.3	10.5
Costs as % of core income	24.5	25.3	23.4
Impairment losses for the period, %	0.1	0.0	0.0
Capital adequacy ratio, %*	21.9	27.1	26.7
Core capital ratio, %*	18.1	20.7	20.5
Average number of full-time staff	117	107	109

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



Q1-Q3 Interim Report 2009

Totalkredit recorded a profit before tax of DKK 803m compared with DKK 711m in the same period the year before.

The profit reflects growth in earnings from customer-oriented business, a sharp rise in impairment losses on loans and advances, a drop in core income from securities and very high investment portfolio income.

Core earnings before impairment losses

Totalkredit's core earnings before impairment losses were DKK 861m against DKK 877m for the same period in 2008.

Core income from business operations stood at DKK 997m against DKK 832m in the same period the year before – up DKK 165m or 20%. The rise was attributable to high loan refinancing activity and increased lending.

Core income from securities declined by DKK 192m to DKK 144m. The decline was mainly due to lower average money market rates at 1.45% compared with 4.59% in Q1-Q3/2008.

Operating costs, depreciation and amortisation amounted to DKK 280m against DKK 291m in the same period the year before.

Investment portfolio income

The investment portfolio generated an income of DKK 367m against a loss of DKK 156m in the same period the year before. The sizeable rise in investment portfolio income was an effect of declining interest rates and yield spread tightening between mortgage bonds and government bonds during the period.

Impairment losses on loans and advances

Impairment losses on loans and advances came to DKK 425m, equal to 0.1% of lending, against DKK 10m in the same period the year before.

The greater need for loan loss provisions reflected the continued deterioration of the business climate causing higher unemployment and plunging property prices.

In Q1-Q3/2009, individual impairment provisions came to DKK 301m, and collective impairment provisions totalled DKK 120m. Recognised losses

amounted to DKK 13m, of which DKK 9m was offset against commission payable to partner banks.

Under the Totalkredit concept, realised losses corresponding to the part of a loan exceeding 60% of the LTV at the time of granting the loan are offset against future commission payments from Totalkredit to the partner banks. If impairments are recognised as losses, about 50-75% is expected to be offset against commission within the next 1-2 years.

The number of repossessed properties was 13 at end-Q3/2009 against 4 at the beginning of the year. Since the beginning of the year, Totalkredit has repossessed 23 properties and sold 14 properties.

Lending

For Q1-Q3/2009, Totalkredit recorded gross new lending of DKK 92bn against DKK 64bn for the same period last year.

Net new lending amounted to DKK 29bn compared with DKK 34bn in Q1-Q3/2008.

The loan portfolio increased by a nominal amount of DKK 23bn to DKK 424bn at end-Q3/2009. Totalkredit's market share of Danish residential mortgage lending rose to 32.1% against 31.3% at the beginning of the year.

Balance sheet

At end-Q3/2009, the balance sheet totalled DKK 484bn against DKK 461bn at the beginning of the year.

Mortgage lending measured at fair value increased to DKK 424bn against DKK 390bn at the beginning of the year. In Q1-Q3/2009, fair value adjustment increased the value of lending by approximately DKK 10bn.

Mortgage loans are funded through the issuance of bonds via the Parent Company, Nykredit Realkredit A/S, and bonds issued by Totalkredit A/S. At end-Q3/2009, payables to the Parent Company at fair value amounted to DKK 348bn. Totalkredit had issued DKK 110bn-worth of own bonds.



Equity including profit for the period was DKK 12.2bn at end-Q3/2009 against DKK 11.6bn at the beginning of the year.

CAPITAL ADEQUACY

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

The capital base after statutory deductions amounted to DKK 14.6bn, and the capital adequacy ratio was 21.9%, of which the core capital ratio was 18.1%.

The capital requirement amounted to DKK 13.2bn, equal to a capital adequacy ratio of at least 19.7%.

RATING

Mortgage bonds issued out of Totalcredit's Capital Centre C are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. Today, all new lending is based on joint funding with Nykredit Realkredit A/S. This funding has been assigned the rating AAA by Standard & Poor's and the rating Aaa by Moody's Investors Service.

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 impairment losses on loans, advances and receivables as well as other provisions, cf the mention in the Annual Report for 2008.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the Q1-Q3 Interim Report 2009.

OUTLOOK FOR 2009

At end-Q3/2009, profit before tax surpassed budget expectations. Impairment losses on loans and advances were higher than expected, but were partly offset by higher financial income.

For Q4/2009, impairment losses on loans and advances are expected to be higher, and investment portfolio income at year-end is expected to be at the same level as at end-Q3/2009.

Totalcredit forecasts a profit before tax for 2009 in the range of DKK 800m-900m.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

In the period up to the presentation of the Q1-Q3 Interim Report 2009, no significant events have occurred.

ACCOUNTING POLICIES

The Q1-Q3 Interim Report 2009 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 Q1-Q3 Interim Report 2009 are presented in DKK million. The totals stated have been 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 relative to the Annual Report for 2008 with the exception of Management's decision to apply Danmarks Nationalbank's lending rate (repo rate) as the risk-free interest rate for the calculation of core earnings and investment portfolio income as from 1 January 2009. Previously, the tomorrow/next rate was used as the risk-free interest rate. Comparative figures have been restated accordingly. The change affects the distribution between core income from securities and investment portfolio income. The change has no effect on the balance sheet. For a description of the Company's accounting policies, please refer to the Annual Report for 2008, which is available at totalcredit.dk.

The Q1-Q3 Interim Report 2009 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 September 2009 of Totalkredit A/S.

The Q1-Q3 Interim Report 2009 has been 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 Q1-Q3 Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

Taastrup, 5 November 2009

EXECUTIVE BOARD

Troels Bülow-Olsen

Hans Henrik Andersen

In our opinion, the Q1-Q3 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 Q1-Q3 Interim Report also gives a fair presentation of the Company's assets, liabilities, equity and financial position at 30 September 2009 and of the results of the Company's activities and cash flows for the financial period 1 January – 30 September 2009.

BOARD OF DIRECTORS

Søren Holm,
Chairman

Bent Naur,
Deputy Chairman

Jette Alsig Bargholz

Karen Frøsig

Kim Duus

Lars Holst

Jari Loch Jensen

Gert R. Jonassen

Frank Kristensen

Merete Nilausen



Income statement for 1 January – 30 September

DKK MILLION

	Note	Q1-Q3/ 2009	Q1-Q3/ 2008
Interest income	1	16,286	15,504
Interest expenses	2	14,330	13,758
Net interest income		1,956	1,746
Dividend on equities		0	2
Fee and commission income	3	361	225
Fee and commission expenses	4	1,010	816
Net interest and fee income		1,307	1,157
Value adjustments	5	201	(145)
Other operating income		0	1
Staff and administrative expenses	6	279	290
Depreciation and impairment losses for property, plant and equipment		1	1
Impairment losses on loans, advances and receivables		425	10
Profit before tax		803	712
Tax		201	179
Profit for the period		602	553



Balance sheet, end of period

DKK MILLION

	Note	30.09.2009	31.12.2008
ASSETS			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	7	14,056	16,283
Loans, advances and other receivables at fair value	8	423,851	390,452
Loans, advances and other receivables at amortised cost	8	79	103
Bonds at fair value	9	42,162	52,424
Equities	10	-	12
Other property, plant and equipment		1	2
Current tax assets		-	0
Deferred tax assets		1	1
Assets in temporary possession		11	2
Other assets	11	3,986	2,052
Prepayments		7	7
Total assets		484,154	461,338
LIABILITIES AND EQUITY			
Payables to credit institutions	12	348,079	315,349
Issued bonds at fair value	13	109,662	121,243
Current tax liabilities		189	46
Other liabilities	14	11,466	9,544
Provisions for pensions and similar obligations		4	4
Subordinate loan capital	15	2,600	3,600
Equity:	16		
Share capital		799	799
Reserves:			
Series reserves		1,589	1,589
Other reserves		9,164	9,164
Retained earnings for the period		602	-
Total equity		12,154	11,552
Total liabilities and equity		484,154	461,338
OFF-BALANCE SHEET ITEMS			
Guarantees	17	0	0
Other commitments		14	16
Total off-balance sheet items		14	16



Notes

DKK MILLION

	Q1-Q3/ 2009	Q1-Q3/ 2008
1. INTEREST INCOME		
Receivables from credit institutions	82	136
Loans, advances and other receivables	14,221	13,614
Administrative margin	1,476	1,350
Bonds:		
- Own mortgage bonds	30	20
- Other mortgage bonds	458	397
- Government bonds	11	6
Derivative financial instruments:		
- Interest rate contracts	38	1
Total	16,316	15,524
Interest from own mortgage bonds has been offset against interest expenses – note 2	(30)	(20)
Total	16,286	15,504
2. INTEREST EXPENSES		
Mortgage loan funding through Nykredit Realkredit A/S	10,402	9,286
Issued bonds	3,866	4,341
Subordinate loan capital	92	151
Other interest expenses	0	0
Total	14,360	13,778
Set-off of interest from own mortgage bonds – note 1	(30)	(20)
Total	14,330	13,758
3. FEE AND COMMISSION INCOME		
Loan fees, new lending	188	131
Commission and other fees	173	94
Total	361	225
4. FEE AND COMMISSION EXPENSES		
Loan arrangement fees	133	93
Commission to loan arrangers	709	636
Trading commission and other fees	168	87
Total	1,010	816

Notes

DKK MILLION

	Q1-Q3/ 2009	Q1-Q3/ 2008
5. VALUE ADJUSTMENTS		
Mortgage loans	9,292	(11,715)
Bonds	233	(104)
Equities	(1)	(4)
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	(31)	(37)
Issued bonds, including bonds issued by Nykredit Realkredit A/S in connection with the funding of mortgage loans granted by Totalkredit A/S	(9,292)	11,715
Total	201	(145)
6. STAFF AND ADMINISTRATIVE EXPENSES		
Remuneration of Board of Directors and Executive Board	4	6
Staff expenses	53	47
Administrative expenses	222	237
Total	279	290
Remuneration of Board of Directors and Executive Board		
Board of Directors:		
Remuneration	1	1
Executive Board:		
Salaries	3	5
Other social security expenses and charges	0	0
Total	4	6
<p>The terms and conditions governing pensions and retirement in relation to the Executive Board have not changed since the Annual Report for 2008.</p>		
Staff expenses:		
Wages and salaries	44	39
Pensions	4	4
Other social security expenses and charges	5	4
Total	53	47
Number of staff		
Average number of staff, full-time equivalents	117	107

Notes

DKK MILLION

	30.09.2009	31.12.2008
7. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
Receivables from credit institutions	14,056	16,283
Of which prepaid funds, including prepayments at par	2,050	4,998
8. LOANS AND ADVANCES		
Loans, advances and other receivables at fair value	423,851	390,452
Loans, advances and other receivables at amortised cost	79	103
Total	423,930	390,555
Loans, advances and other receivables at fair value		
Mortgage loans	423,977	390,348
Receivables from loans secured on non-repossessed properties	(126)	104
Total	423,851	390,452
Mortgage loans		
Balance, beginning of period, nominal value	400,679	363,175
New loans	91,378	88,842
Ordinary principal payments	(3,843)	(5,035)
Prepayments and extraordinary principal payments	(64,028)	(46,303)
Balance, end of period, nominal value	424,186	400,679
Loans transferred relating to properties in temporary possession	(26)	(3)
Fair value adjustment	(32)	(10,296)
Adjustment for credit risk		
Individual impairment provisions	0	0
Collective impairment provisions	(151)	(32)
Balance, end of period, fair value	423,977	390,348
Receivables from loans secured on non-repossessed properties		
Arrears before impairment provisions	190	127
Outlays before impairment provisions	(3)	(1)
Provisions for arrears and outlays	(313)	(22)
Total	(126)	104

	30.09.2009	31.12.2008
8. LOANS AND ADVANCES - continued		
Mortgage loan guarantees provided by banks:		
Supplementary guarantees in addition to mortgages on real property	5,347	5,128
Statutory guarantees for interim loans	12,786	18,715
Guarantees for loans disbursed before obtaining a registered mortgage	31,147	34,010
Total	49,280	57,853
Loans, advances and other receivables at amortised cost		
Mortgage loans	79	103
Total	79	103
9. BONDS AT FAIR VALUE		
- Own mortgage bonds	603	594
- Other mortgage bonds	41,436	52,212
- Government bonds	726	212
- Other bonds	0	0
Total	42,765	53,018
Set-off against Issued bonds – note 13	(603)	(594)
Total bonds	42,162	52,424
10. EQUITIES AT FAIR VALUE		
Listed on NASDAQ OMX Copenhagen A/S	-	2
Unlisted equities	-	10
Total	-	12
11. OTHER ASSETS		
Positive market value of derivative financial instruments	7	4
Interest and commission receivable on loans and advances	2,601	15
Interest receivable from bonds and credit institutions	1,330	1,963
Other assets	48	70
Total	3,986	2,052

Notes

DKK MILLION

	30.09.2009	31.12.2008
12. PAYABLES TO CREDIT INSTITUTIONS		
Payables to credit institutions, other payables	242	17
Mortgage loan funding through Nykredit Realkredit A/S	347,837	315,332
Total	348,079	315,349
Of which mortgage loan funding through Nykredit Realkredit A/S:		
Balance, beginning of period, nominal value	321,514	250,569
Additions	107,593	132,176
Drawings and prepayments	(58,316)	(35,007)
Prepayments and extraordinary principal payments	(24,462)	(26,224)
Balance, end of period, nominal value	346,329	321,514
Fair value adjustment	1,508	(6,182)
Total	347,837	315,332
13. ISSUED BONDS		
Mortgage bonds issued against mortgages on real property		
Balance, beginning of period, nominal value	125,951	153,207
Additions	0	0
Drawings and prepayments	(3,708)	(8,921)
Prepayments and extraordinary principal payments	(10,444)	(18,335)
Balance, end of period	111,799	125,951
Set-off, own bonds	(603)	(594)
Fair value adjustment	(1,534)	(4,114)
Total	109,662	121,243
Of which pre-issuance	-	-
Bonds drawn for redemption at the next creditor settlement date	950	660
14. OTHER LIABILITIES		
Interest and commission payable	8,357	9,128
Negative market value of derivative financial instruments	10	251
Other payables	3,099	165
Total	11,466	9,544

30.09.2009 31.12.2008

15. SUBORDINATE LOAN CAPITAL

Subordinate loan capital consists of debt pursuant to section 136 of the Danish Financial Business Act. In H1/2009 two loans were prepaid at par (100), each with a principal of DKK 500m.

1. Loan in the amount of DKK 2,600m raised in June 2005 with a maximum term of 13 years.

The loan carries a floating interest rate and has Nykredit Realkredit A/S as lender.

16. EQUITY

Share capital	799	799
Series reserves	1,589	1,589
Other reserves	9,766	9,164
Equity, end of period	12,154	11,552

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.

17. OFF-BALANCE SHEET ITEMS

Guarantees:

Financial guarantees	0	0
Total	0	0
Other commitments:		
Other	14	16
Total off-balance sheet items	14	16



Financial highlights – five years

	Q1-Q3/ 2009	Q1-Q3/ 2008	Q1-Q3/ 2007	Q1-Q3/ 2006	Q1-Q3/ 2005
INCOME STATEMENT					
Net interest income	1,956	1,746	1,471	1,171	1,022
Net fee income	(649)	(590)	(528)	(459)	(304)
Net interest and fee income	1,307	1,156	943	712	718
Value adjustments	201	(145)	12	12	6
Other operating income	0	1	1	0	0
Staff and administrative expenses	279	290	245	170	154
Depreciation and impairment losses for property, plant and equipment	1	1	1	2	1
Impairment losses on loans, advances and receivables	425	10	1	1	1
Profit before tax	803	711	709	551	568
Tax	201	179	176	153	158
Profit for the period	602	532	533	398	410
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.09.2009	30.09.2008	30.09.2007	30.09.2006	30.09.2005
ASSETS					
Receivables from credit institutions	14,056	9,306	10,603	7,844	16,644
Mortgage loans	424,056	367,766	337,703	293,472	246,064
Bonds and equities	42,162	13,721	9,275	8,002	5,416
Other assets	3,880	726	279	175	221
Total assets	484,154	391,519	357,860	309,493	268,345
LIABILITIES AND EQUITY					
Payables to credit institutions	348,079	248,785	186,301	101,219	4,585
Issued bonds	109,662	120,982	151,376	192,566	249,579
Supplementary capital	2,600	3,600	4,591	4,090	5,210
Other liabilities	11,659	6,891	5,584	3,840	3,758
Equity	12,154	11,261	10,008	7,778	5,233
Total liabilities and equity	484,154	391,519	357,860	309,493	268,345
FINANCIAL RATIOS					
Profit for the period as % of average equity	5.1	4.8	5.9	6.0	8.2
Profit before tax for the period as % of average equity	6.8	6.5	7.9	8.4	11.3
Loans and advances:equity	34.9	32.7	33.7	37.7	47.0
Growth in loans and advances for the period, %	8.6	5.3	10.3	16.0	24.9
Impairment losses for the period, %	0.1	0.0	0.0	0.0	0.0
Capital adequacy ratio, %	21.9	27.1	10.1	9.7	10.1
Core capital ratio, %	18.1	20.7	6.9	6.2	5.0
Average number of full-time staff	117	107	108	104	85



Financial highlights – six quarters

	Q3/2009	Q2/2009	Q1/2009	Q4/2008	Q3/2008	Q2/2008
CORE EARNINGS AND PROFIT FOR THE PERIOD						
Core income from						
Business operations	356	345	296	309	290	269
Securities	33	46	65	125	121	109
Total	389	391	361	434	411	378
Operating costs, depreciation and amortisation	84	93	103	84	90	98
Core earnings before impairment losses	305	298	258	350	321	280
Impairment losses on loans and advances	281	19	125	45	7	2
Core earnings after impairment losses	24	279	133	305	314	278
Investment portfolio income	124	106	137	84	(82)	(79)
Profit before tax	148	385	270	389	232	199
Tax	37	96	68	98	59	50
Profit for the period	111	289	202	291	173	149
SUMMARY BALANCE SHEET, END OF PERIOD						
	30.09.2009	30.06.2009	31.03.2009	31.12.2008	30.09.2008	30.06.2008
ASSETS						
Receivables from credit institutions	14,056	18,301	9,020	16,283	9,306	9,401
Mortgage loans	424,056	411,909	402,345	390,351	367,776	358,446
Bonds and equities	42,162	20,095	14,495	52,437	13,721	12,544
Other assets	3,880	2,306	794	2,267	726	578
Total assets	484,154	452,611	426,654	461,338	391,519	380,969
LIABILITIES AND EQUITY						
Payables to credit institutions	348,079	317,509	289,329	315,349	248,785	233,883
Issued bonds	109,662	111,398	116,049	121,243	120,982	126,404
Supplementary capital	2,600	2,600	3,600	3,600	3,600	3,600
Other liabilities	11,659	9,040	5,921	9,594	6,891	5,994
Equity	12,154	12,044	11,755	11,552	11,261	11,088
Total liabilities and equity	484,154	452,611	426,654	461,338	391,519	380,969
FINANCIAL RATIOS						
Profit for the period as % of average equity (pa)	3.7	9.8	6.9	10.2	6.2	5.4
Core earnings after impairment losses as % of average equity (pa)	0.8	9.5	4.6	10.7	11.2	10.1
Costs as % of core income	21.6	23.8	28.5	19.4	21.9	25.9
Impairment losses for the period, %	0.1	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, %	21.9	22.9	26.8	26.7	27.1	28.4
Core capital ratio, %	18.1	19.0	20.7	20.5	20.7	21.5