

11 November 2010

To NASDAQ OMX Copenhagen A/S  
and the press

**Q1-Q3 INTERIM REPORT 2010**  
**Totalkredit A/S**  
**(1 January – 30 September 2010)**

**Q1-Q3 – IN BRIEF**

- Profit before tax was DKK 931m against DKK 803m in Q1-Q3/2009
- Core income from business operations rose by DKK 37m to DKK 1,034m
- Core income from securities declined by DKK 52m to DKK 92m
- Impairment losses on loans and advances were DKK 78m against DKK 425m in Q1-Q3/2009
- Investment portfolio income was recorded at DKK 211m against DKK 367m in the same period the year before
- Gross new lending came to DKK 85bn compared with DKK 92bn in Q1-Q3/2009
- The loan portfolio rose by DKK 19bn to DKK 450bn, equal to a market share of 32.9%.

Contacts:

Søren Holm, Group Managing Director, Nykredit, tel +45 44 55 10 10  
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

	Q1-Q3/2010	Q1-Q3/2009	FY 2009
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>			
<b>Core income from</b>			
Business operations	1,034	997	1,378
Securities	92	144	181
<b>Total</b>	<b>1,126</b>	<b>1,141</b>	<b>1,559</b>
Operating costs, depreciation and amortisation	328	280	374
<b>Core earnings before impairment losses</b>	<b>798</b>	<b>861</b>	<b>1,185</b>
Impairment losses on loans and advances	78	425	515
<b>Core earnings after impairment losses</b>	<b>720</b>	<b>436</b>	<b>670</b>
Investment portfolio income	211	367	420
<b>Profit before tax</b>	<b>931</b>	<b>803</b>	<b>1,090</b>
Tax	233	201	273
<b>Profit for the period</b>	<b>698</b>	<b>602</b>	<b>817</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>			
	30.09.2010	30.09.2009	31.12.2009
<b>ASSETS</b>			
Receivables from credit institutions	16,003	14,056	16,112
Mortgage loans	458,179	424,056	430,710
Bonds and equities	73,079	42,162	87,311
Other assets	5,571	3,880	3,762
<b>Total assets</b>	<b>552,832</b>	<b>484,154</b>	<b>537,895</b>
<b>LIABILITIES AND EQUITY</b>			
Payables to credit institutions	428,458	348,079	406,899
Issued bonds	96,122	109,662	104,789
Supplementary capital	2,600	2,600	2,600
Other liabilities	12,585	11,659	11,238
Equity	13,067	12,154	12,369
<b>Total liabilities and equity</b>	<b>552,832</b>	<b>484,154</b>	<b>537,895</b>
<b>FINANCIAL RATIOS</b>			
Profit for the period as % of average equity, pa	9.3	6.8	6.8
Core earnings after impairment losses as % of average equity, pa	7.3	4.9	5.6
Costs as % of core income	29.1	24.5	24.0
Impairment losses for the period, %	0.0	0.1	0.1
Capital adequacy ratio, %	23.5	21.9	20.2
Core capital ratio, %	19.7	18.1	16.7
Capital need, %	11.1	12.4	11.1



## Q1-Q3 Interim Report 2010

Totalkredit recorded a profit before tax of DKK 931m against DKK 803m for the same period the year before.

Results reflect growth in earnings from customer-oriented business, lower core income from securities due to a decline in short-term money market rates, a significant drop in impairment losses on loans and advances and reduced investment portfolio income relative to Q1-Q3/2009.

In Q1-Q3/2010, Totalkredit strengthened its market position with loan portfolio growth of DKK 19bn to a total of DKK 450bn.

### **Core earnings before impairment losses**

Core income from business operations rose by DKK 37m to DKK 1,034m. The rise was mainly due to continued loan portfolio growth.

Core income from securities amounted to DKK 92m compared with DKK 144m in Q1-Q3/2009.

Operating costs were DKK 328m against DKK 280m in 2009 – a 17% increase primarily owing to intensified marketing efforts and costs related to the handling of arrears.

### **Impairment losses on loans and advances**

Impairment losses on loans and advances came to DKK 78m against DKK 425m in Q1-Q3/2009. Individual impairment provisions came to DKK 14m and collective impairment provisions were DKK 12m. Recognised losses came to DKK 105m of which DKK 53m was offset against commission payments to partner banks.

At 30 September 2010, total provisions for loan impairment amounted to DKK 546m. Individual impairment provisions totalled DKK 335m and collective impairment provisions DKK 211m. Total impairment provisions equalled 0.12% of the loan portfolio.

The arrears ratio calculated 3.5 months after the June settlement date was 0.31% against 0.34% relative to the March 2010 settlement date and 0.38% relative to the June 2009 settlement date.

At end-Q3/2010, the portfolio of properties repossessed included 42 properties against 22 at the beginning of the year.

Q1-Q3/2010 saw repossession of 84 properties, while 64 properties were resold. After impairment provisions, claims against the 42 properties came to around DKK 43m.

At the beginning of the year, Totalkredit entered into an agreement under which arrears collection is handled by the banks which are in direct contact with the customers. Thanks to this agreement, arrears are now collected earlier and more efficiently. Therefore, properties repossessed can be kept at a low number, and losses and arrears continue to be lower than the sector average in general.

### **Lending**

At end-Q3/2010, the loan portfolio totalled DKK 450bn against DKK 431bn in nominal terms at the beginning of the year.

Totalkredit's market share of Danish mortgage lending rose to 32.9% against 32.3% at the beginning of the year.

Gross new lending was DKK 85bn against DKK 92bn in Q1-Q3/2009. The lower gross new lending was prompted by a lower refinancing level.

### **Balance sheet**

The balance sheet totalled DKK 553bn at end-Q3/2010 against DKK 538bn at the beginning of the year.

Mortgage loans at fair value increased by DKK 27bn in Q1-Q3/2010 to DKK 458bn against DKK 431bn at the beginning of the year.

Payables to the parent company in connection with the funding of mortgage lending came to DKK 421bn, and self-issued bonds equalled DKK 96bn.

Equity including profit for the period totalled DKK 13.1bn against DKK 12.4bn at the beginning of the year.

### CAPITAL ADEQUACY

The capital base amounted to DKK 15.5bn, and the capital requirement was DKK 5.3bn corresponding to a capital adequacy ratio of 23.5%. The core capital ratio stood at 19.7%. By comparison, the individual capital need amounted to 11.1%.

The capital base and capital adequacy are determined using the new capital adequacy rules (Basel II). In 2008 and 2009, the capital requirement was subject to a minimum limit under transitional rules. These rules remain in force in 2010 so that the capital requirement must not decline by more than 20% relative to the former rules.

According to the transitional rules, the capital requirement amounted to DKK 13.6bn, equal to a required capital adequacy ratio of at least 20.7%.

### RATING

Mortgage bonds issued out of Totalkredit's Capital Centre C are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. Today, all new lending by Totalkredit A/S 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 Management.

The areas in which assumptions and estimates material to the financial statements have been made comprise provisions for loan and receivable impairment and other provisions, cf the mention in the Annual Report for 2009.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the Q1-Q3 Interim Report 2010.

### OUTLOOK FOR 2010

In the Annual Report for 2009, it was announced that the budget for 2010 included core earnings before impairment losses in the range of DKK 900m-1,000m.

At end-Q3/2010, the forecast of core earnings before impairment losses was adjusted upwards by DKK 100m to around DKK 1,000m-1,100m.

Totalkredit expects a decrease in impairment losses on loans and advances relative to 2009.

### EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

In the period up to the presentation of the Q1-Q3 Interim Report 2010, no material events have occurred.

### ACCOUNTING POLICIES

The Interim Report for the period 1 January – 30 September 2010 has been prepared in accordance with the Danish Financial Business Act and the FSA Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

All figures in the Q1-Q3 Interim Report 2010 are presented in DKK million. The totals stated have been calculated on the basis of actual figures. Due to 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 2009. For a description, please refer to the Annual Report for 2009 and Supplement to the Annual Report 2009 at [totalkredit.dk](http://totalkredit.dk).

The Q1-Q3 Interim Report 2010 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 2010 of Totalkredit A/S.

The Q1-Q3 Interim Report 2010 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 Interim Report has been prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

In our opinion, the Q1-Q3 Interim Report gives a fair presentation of the Company's assets, liabilities, equity and financial position at 30 September 2010 and of the results of the Company's activities and cash flows for the financial period 1 January – 30 September 2010.

In our opinion, the Management's Review also 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.

Taastrup, 11 November 2010

### **EXECUTIVE BOARD**

Troels Bülow-Olsen

Hans Henrik Andersen

### **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

[illegible]

# Balance sheet, end of period

DKK MILLION

	Note	30.09.2010	31.12.2009
<b>ASSETS</b>			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	8	16,003	16,112
Loans, advances and other receivables at fair value	9	458,045	430,483
Loans, advances and other receivables at amortised cost	9	58	82
Bonds at fair value	10	73,079	87,311
Other property, plant and equipment		1	1
Deferred tax assets		1	1
Assets in temporary possession	11	43	19
Other assets	12	5,596	3,879
Prepayments		7	7
<b>Total assets</b>		<b>552,832</b>	<b>537,895</b>
<b>LIABILITIES AND EQUITY</b>			
Payables to credit institutions	13	428,458	406,899
Issued bonds at fair value	14	96,122	104,789
Current tax liabilities		390	215
Other liabilities	15	12,191	11,019
Provisions for pensions and similar obligations		4	4
Subordinate loan capital	16	2,600	2,600
<b>Equity:</b>			
Share capital		799	799
<b>Reserves:</b>			
Series reserves		1,616	1,616
Other reserves		9,954	9,954
Retained earnings for the period		698	
<b>Total equity</b>		<b>13,067</b>	<b>12,369</b>
<b>Total liabilities and equity</b>		<b>552,832</b>	<b>537,895</b>
<b>OFF-BALANCE SHEET ITEMS</b>			
	17		
Guarantees		0	0
Other commitments		12	15
<b>Total off-balance sheet items</b>		<b>12</b>	<b>15</b>



# Capital structure of TotalCredit

DKK MILLION

	30.09.2010	30.09.2009	FY 2009
<b>Changes in equity</b>			
Share capital, beginning of period	799	799	799
Capital increase	-	-	-
Share capital, end of period	799	799	799
Series reserves, beginning of period	1,616	1,589	1,589
Share of retained earnings	-	-	27
Series reserves, end of period	1,616	1,589	1,616
Other reserves, beginning of period	9,954	9,164	9,164
Retained earnings	698	602	817
Transferred to series reserves	-	-	(27)
Other reserves, end of period	10,652	9,766	9,954
<b>Total equity, end of period</b>	<b>13,067</b>	<b>12,154</b>	<b>12,369</b>
<b>Changes in capital base</b>			
Equity, end of period	13,067	12,154	12,369
Statutory deductions from core capital	(103)	(59)	(32)
<b>Core capital after statutory deductions</b>	<b>12,964</b>	<b>12,095</b>	<b>12,337</b>
<b>Supplementary capital</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>
Statutory deductions from capital base	(103)	(59)	(32)
<b>Capital base after statutory deductions</b>	<b>15,461</b>	<b>14,636</b>	<b>14,905</b>
<b>Capital base and capital adequacy</b>			
Credit risk	4,812	4,906	5,457
Market risk	219	245	243
Operational risk	241	195	195
<b>Total capital requirement before transitional rules</b>	<b>5,272</b>	<b>5,346</b>	<b>5,895</b>
<b>Total capital requirement after transitional rules <sup>1</sup></b>	<b>13,642</b>	<b>13,165</b>	<b>13,116</b>
<b>Capital base</b>	<b>15,461</b>	<b>14,636</b>	<b>14,905</b>
<b>Core capital ratio, % <sup>2</sup></b>	<b>19.7</b>	<b>18.1</b>	<b>16.7</b>
<b>Capital adequacy ratio, %</b>	<b>23.5</b>	<b>21.9</b>	<b>20.2</b>
Minimum capital adequacy ratio before transitional rules, %	8.0	8.0	8.0
Minimum capital adequacy ratio after transitional rules, % <sup>3</sup>	20.7	19.7	17.8
Individual capital need, %	11.1	12.4	11.1
<b>Total weighted items</b>	<b>65,905</b>	<b>66,826</b>	<b>73,683</b>

<sup>1</sup> The capital requirement after transitional rules has been determined pursuant to the transitional rules of the Danish Executive Order on Capital Adequacy. In 2010 the capital requirement must as a minimum constitute 80% of the capital requirement determined under Basel I.

<sup>2</sup> The core capital ratio has been determined on the basis of risk-weighted items of DKK 59,960m.

<sup>3</sup> The minimum capital adequacy ratio after transitional rules has been determined as the capital requirement after transitional rules as % of risk-weighted items under Basel II. Accordingly, the minimum capital adequacy ratio reflects the capital adequacy requirement as a result of the transitional rules.



## Notes

DKK MILLION

	Q1-Q3/ 2010	Q1-Q3/ 2009
<b>1. INTEREST INCOME</b>		
Receivables from credit institutions	36	82
Loans, advances and other receivables	12,375	14,221
Administrative margin income	1,595	1,476
Bonds:		
- Self-issued mortgage bonds	15	30
- Other mortgage bonds	685	458
- Government bonds	40	11
Derivative financial instruments:		
- Interest rate contracts	(19)	38
<b>Total</b>	<b>14,727</b>	<b>16,316</b>
Interest from self-issued mortgage bonds has been offset against interest expenses – note 2	(15)	(30)
<b>Total</b>	<b>14,712</b>	<b>16,286</b>
<b>2. INTEREST EXPENSES</b>		
Mortgage loan funding through Nykredit Realkredit A/S	10,020	10,402
Issued bonds	2,495	3,866
Subordinated debt	35	92
Other interest expenses	0	0
<b>Total</b>	<b>12,550</b>	<b>14,360</b>
Set-off of interest from self-issued mortgage bonds – note 1	(15)	(30)
<b>Total</b>	<b>12,535</b>	<b>14,330</b>
<b>3. FEE AND COMMISSION INCOME</b>		
Loan fees, new lending	206	188
Commission and other fees	153	173
<b>Total</b>	<b>359</b>	<b>361</b>
<b>4. FEE AND COMMISSION EXPENSES</b>		
Loan arrangement fees	154	133
Commission to loan arrangers	745	709
Trading commission and other fees	173	168
<b>Total</b>	<b>1,073</b>	<b>1,010</b>



## Notes

DKK MILLION

	Q1-Q3/ 2010	Q1-Q3/ 2009
<b>5. VALUE ADJUSTMENTS</b>		
Mortgage loans	8,991	9,292
Bonds	(106)	233
Equities	-	(1)
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	(18)	(31)
Other liabilities	(4)	-
Issued bonds, including bonds issued by Nykredit Realkredit A/S in connection with the funding of mortgage loans granted by Totalkredit A/S	(8,991)	(9,292)
<b>Total</b>	<b>(128)</b>	<b>201</b>
<b>6. STAFF AND ADMINISTRATIVE EXPENSES</b>		
Remuneration of Board of Directors and Executive Board	4	4
Staff expenses	58	53
Administrative expenses	265	222
<b>Total</b>	<b>327</b>	<b>279</b>
<b>Remuneration of Board of Directors and Executive Board</b>		
<b>Board of Directors:</b>		
Remuneration	1	1
<b>Executive Board:</b>		
Salaries	3	3
Pensions	0	0
Other social security expenses and charges	0	0
<b>Total</b>	<b>4</b>	<b>4</b>
The terms and conditions governing pensions and retirement in relation to the Executive Board have not changed since the Annual Report for 2009		
<b>Staff expenses:</b>		
Wages and salaries	49	44
Pensions	5	4
Other social security expenses and charges	4	5
<b>Total</b>	<b>58</b>	<b>53</b>
<b>Number of staff</b>		
Average number of staff, full-time equivalents	124	117

# Notes

DKK MILLION

	Q1-Q3/ 2010	Q1-Q3/ 2009
<b>7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES</b>		
Changes in provisions for loan impairment, individual	0	291
Changes in provisions for loan impairment, collective	12	120
Recognised losses for the period, gross	105	12
Offset against commission payments to partner banks	(53)	(9)
Received on claims previously written off	0	0
<b>Total impairment losses on loans, advances and receivables</b>	<b>64</b>	<b>414</b>
Value adjustment of assets in temporary possession	14	10
<b>Total</b>	<b>78</b>	<b>424</b>
<b>Specification of impairment provisions</b>		
Individual impairment provisions	335	313
Collective impairment provisions	211	152
<b>Total impairment provisions</b>	<b>546</b>	<b>465</b>
<b>Individual provisions for loan impairment</b>		
Impairment provisions, beginning of period	336	22
Impairment provisions for the period	358	388
Impairment provisions reversed	(268)	(92)
Impairment provisions recognised as lost	(91)	(5)
<b>Individual impairment provisions, end of period</b>	<b>335</b>	<b>313</b>
<b>Collective impairment provisions</b>		
Impairment provisions, beginning of period	199	32
Impairment provisions for the period	12	120
<b>Collective impairment provisions, end of period</b>	<b>211</b>	<b>152</b>
	30.09.2010	31.12.2009
<b>8. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS</b>		
Receivables from credit institutions	16,003	16,112



## Notes

DKK MILLION

	30.09.2010	31.12.2009
<b>9. LOANS AND ADVANCES</b>		
Loans, advances and other receivables at fair value	458,045	430,483
Loans, advances and other receivables at amortised cost	58	82
<b>Total</b>	<b>458,103</b>	<b>430,565</b>
<b>Loans, advances and other receivables at fair value</b>		
Mortgage loans	458,121	430,628
Receivables from loans secured on non-reposessed properties	(76)	(145)
<b>Total</b>	<b>458,045</b>	<b>430,483</b>
<b>Mortgage loans</b>		
Balance, beginning of period, nominal value	431,357	400,679
New loans	85,128	124,210
Ordinary principal payments	(3,558)	(5,778)
Prepayments and extraordinary principal payments	(62,534)	(87,754)
<b>Balance, end of period, nominal value</b>	<b>450,393</b>	<b>431,357</b>
Loans transferred relating to properties in temporary possession	(83)	(54)
Fair value adjustment	8,023	(476)
<b>Adjustment for credit risk</b>		
Individual impairment provisions	-	-
Collective impairment provisions	(211)	(199)
<b>Balance, end of period, fair value</b>	<b>458,121</b>	<b>430,628</b>
<b>Receivables from loans secured on non-reposessed properties</b>		
Arrears before impairment provisions	176	209
Outlays before impairment provisions	83	(18)
Provisions for arrears and outlays	(335)	(336)
<b>Total</b>	<b>(76)</b>	<b>(145)</b>
<b>Loans, advances and other receivables at amortised cost</b>		
Mortgage loans	58	82
<b>Total</b>	<b>58</b>	<b>82</b>
<b>Mortgage loan guarantees provided by banks:</b>		
Supplementary guarantees in addition to mortgages on real property	7,662	5,362
Statutory guarantees for interim loans	11,798	11,894
Guarantees for loans disbursed before obtaining a registered mortgage	49,836	48,116
<b>Total</b>	<b>69,296</b>	<b>65,372</b>

# Notes

DKK MILLION

	30.09.2010	31.12.2009
<b>10. BONDS AT FAIR VALUE</b>		
- Self-issued mortgage bonds	600	2,012
- Other mortgage bonds	73,079	85,779
- Government bonds		1,532
<b>Total</b>	<b>73,679</b>	<b>89,323</b>
Transferred to set-off against Issued bonds at fair value – note 14	(600)	(2,012)
<b>Total bonds</b>	<b>73,079</b>	<b>87,311</b>
<b>11. ASSETS IN TEMPORARY POSSESSION</b>		
Debt outstanding, end of period	50	27
Outlays	5	3
Impairment provisions, end of period	(12)	(11)
<b>Total</b>	<b>43</b>	<b>19</b>
<b>12. OTHER ASSETS</b>		
Interest and commission receivable from loans	3,161	969
Positive market value of derivative financial instruments	57	36
Interest receivable from bonds and credit institutions	2,347	2,803
Other assets	29	71
<b>Total</b>	<b>5,596</b>	<b>3,879</b>
<b>13. PAYABLES TO CREDIT INSTITUTIONS</b>		
Payables to credit institutions, other payables	18	14
Payables to Nykredit Realkredit A/S concerning supplementary security for SDO-funded mortgage lending	7,500	7,496
Mortgage loan funding through Nykredit Realkredit A/S	420,940	399,389
<b>Total</b>	<b>428,458</b>	<b>406,899</b>
<b>Of which mortgage loan funding through Nykredit Realkredit A/S:</b>		
Balance, beginning of period, nominal value	397,958	321,514
Additions	140,956	196,364
Drawings and prepayments	(109,485)	(88,286)
Prepayments and extraordinary principal payments	(14,829)	(31,634)
<b>Balance, end of period, nominal value</b>	<b>414,600</b>	<b>397,958</b>
Fair value adjustment	6,340	1,431
<b>Total</b>	<b>420,940</b>	<b>399,389</b>



## Notes

DKK MILLION

	30.09.2010	31.12.2009
<b>14. ISSUED BONDS AT FAIR VALUE</b>		
Mortgage bonds issued against mortgages on real property		
Balance, beginning of period, nominal value	108,708	125,951
Additions	0	0
Drawings and prepayments	(8,293)	(4,658)
Prepayments and extraordinary principal payments	(5,375)	(12,585)
<b>Balance, end of period</b>	<b>95,040</b>	<b>108,708</b>
Set-off, self-issued bonds	(600)	(2,012)
Fair value adjustment	1,682	(1,907)
<b>Total</b>	<b>96,122</b>	<b>104,789</b>
Of which pre-issuance	-	-
Bonds drawn for redemption at the next creditor settlement date	2,653	1,429
<b>15. OTHER LIABILITIES</b>		
Interest payable on issued mortgage bonds, including bonds issued by Nykredit		
Realkredit A/S for the funding of mortgage lending by Totalkredit A/S	9,356	9,966
Negative market value of derivative financial instruments	34	15
Other liabilities	2,800	1,038
<b>Total</b>	<b>12,191</b>	<b>11,019</b>
<b>16. SUBORDINATED DEBT</b>		
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.		

## Notes

DKK MILLION

	30.09.2010	31.12.2009
<b>17. OFF-BALANCE SHEET ITEMS</b>		
<b>Contingent liabilities:</b>		
Financial guarantees	0	0
Other commitments	12	15
<b>Total off-balance sheet items</b>	<b>12</b>	<b>15</b>

**18. RELATED PARTY TRANSACTIONS AND BALANCES**

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

No unusual transactions have been made with related parties in 2010.

Intercompany sales of goods and services have been made on an arm's length basis.

Major related party transactions in existence/entered into in 2010:

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

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

Agreement on joint funding of mortgage loans

Agreements on a number of administrative matters, including risk management

Agreement on IT development and operations

Framework agreement with Nykredit Realkredit A/S on the terms of funding, cf section 33 e of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

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

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



## Financial highlights – five years

	Q1-Q3/ 2010	Q1-Q3/ 2009	Q1-Q3/ 2008	Q1-Q3/ 2007	Q1-Q3/ 2006
<b>INCOME STATEMENT</b>					
Net interest income	2,177	1,956	1,746	1,471	1,171
Net fee income	(714)	(649)	(590)	(528)	(459)
<b>Net interest and fee income</b>	<b>1,463</b>	<b>1,307</b>	<b>1,156</b>	<b>943</b>	<b>712</b>
Value adjustments	(128)	201	(145)	12	12
Other operating income	2	0	1	1	0
Staff and administrative expenses	327	279	290	245	170
Depreciation and impairment losses for property, plant and equipment	1	1	1	1	2
Impairment losses on loans, advances and receivables	78	425	10	1	1
<b>Profit before tax</b>	<b>931</b>	<b>803</b>	<b>711</b>	<b>709</b>	<b>551</b>
Tax	233	201	179	176	153
<b>Profit for the period</b>	<b>698</b>	<b>602</b>	<b>532</b>	<b>533</b>	<b>398</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>	30.09.2010	30.09.2009	30.09.2008	30.09.2007	30.09.2006
<b>ASSETS</b>					
Receivables from credit institutions	16,003	14,056	9,306	10,603	7,844
Mortgage loans	458,179	424,056	367,766	337,703	293,472
Bonds and equities	73,079	42,162	13,721	9,275	8,002
Other assets	5,571	3,880	726	279	175
<b>Total assets</b>	<b>552,832</b>	<b>484,154</b>	<b>391,519</b>	<b>357,860</b>	<b>309,493</b>
<b>LIABILITIES AND EQUITY</b>					
Payables to credit institutions	428,458	348,079	248,785	186,301	101,219
Issued bonds	96,122	109,662	120,982	151,376	192,566
Supplementary capital	2,600	2,600	3,600	4,591	4,090
Other liabilities	12,585	11,659	6,891	5,584	3,840
Equity	13,067	12,154	11,261	10,008	7,778
<b>Total liabilities and equity</b>	<b>552,832</b>	<b>484,154</b>	<b>391,519</b>	<b>357,860</b>	<b>309,493</b>
<b>FINANCIAL RATIOS</b>					
Profit for the period as % of average equity	5.5	5.1	4.8	5.9	6.0
Profit before tax for the period as % of average equity	7.3	6.8	6.5	7.9	8.4
Loans and advances:equity	35.1	34.9	32.7	33.7	37.4
Growth in loans and advances for the period, %	6.4	8.6	5.3	10.3	16.0
Impairment losses for the period, %	0.0	0.1	0.0	0.0	0.0
Capital adequacy ratio, %*	23.5	21.9	27.1	10.1	9.7
Core capital ratio, %*	19.7	18.1	20.7	6.9	6.2
Average number of full-time staff	124	117	107	108	104
*) Capital adequacy and core capital ratios are calculated in accordance with the CRD as from 2008					



## Financial highlights – six quarters

	Q3/ 2010	Q2/ 2010	Q1/ 2010	Q4/ 2009	Q3/ 2009	Q2/ 2009
<b>CORE EARNINGS AND PROFIT FOR THE PERIOD</b>						
<b>Core income from</b>						
Business operations	353	335	346	381	356	345
Securities	32	30	31	37	33	46
<b>Total</b>	<b>385</b>	<b>365</b>	<b>377</b>	<b>418</b>	<b>389</b>	<b>391</b>
Operating costs, depreciation and amortisation	105	111	112	94	84	93
<b>Core earnings before impairment losses</b>	<b>280</b>	<b>254</b>	<b>265</b>	<b>324</b>	<b>305</b>	<b>298</b>
Impairment losses on loans and advances	22	76	(20)	90	281	19
<b>Core earnings after impairment losses</b>	<b>258</b>	<b>178</b>	<b>285</b>	<b>234</b>	<b>24</b>	<b>279</b>
Investment portfolio income	33	74	103	53	124	106
<b>Profit before tax</b>	<b>291</b>	<b>252</b>	<b>388</b>	<b>287</b>	<b>148</b>	<b>385</b>
Tax	73	63	97	72	37	96
<b>Profit for the period</b>	<b>218</b>	<b>189</b>	<b>291</b>	<b>215</b>	<b>111</b>	<b>289</b>
<b>SUMMARY BALANCE SHEET, END OF PERIOD</b>						
	30.09.2010	30.06.2010	31.03.2010	31.12.2009	30.09.2009	31.06.2009
<b>ASSETS</b>						
Receivables from credit institutions	16,003	14,201	16,521	16,112	14,056	18,301
Mortgage loans	458,179	450,279	439,094	430,710	424,056	411,909
Bonds and equities	73,079	29,740	50,366	87,311	42,162	20,095
Other assets	5,571	3,677	2,787	3,762	3,880	2,306
<b>Total assets</b>	<b>552,832</b>	<b>497,897</b>	<b>508,768</b>	<b>537,895</b>	<b>484,154</b>	<b>452,611</b>
<b>LIABILITIES AND EQUITY</b>						
Payables to credit institutions	428,458	373,845	383,918	406,899	348,079	317,509
Issued bonds	96,122	99,296	100,933	104,789	109,662	111,398
Supplementary capital	2,600	2,600	2,600	2,600	2,600	2,600
Other liabilities	12,585	9,307	8,657	11,238	11,659	9,040
Equity	13,067	12,849	12,660	12,369	12,154	12,044
<b>Total liabilities and equity</b>	<b>552,832</b>	<b>497,897</b>	<b>508,768</b>	<b>537,895</b>	<b>484,154</b>	<b>452,611</b>
<b>FINANCIAL RATIOS</b>						
Profit for the period as % of average equity, pa	6.9	5.9	9.3	6.8	3.7	9.8
Core earnings after impairment losses as % of average equity, pa	8.1	5.6	9.1	5.6	0.8	9.5
Costs as % of core income	27.3	30.4	29.7	24.0	21.6	23.8
Impairment losses for the period, %	0.1	0.0	0.0	0.0	0.1	0.0
Capital adequacy ratio, %	23.5	25.5	26.1	20.2	21.9	22.9
Core capital ratio, %	19.7	21.3	21.7	16.7	18.1	19.0