

Annual Report 2009





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Management and company information

BOARD OF DIRECTORS

Søren Holm, Chairman

Group Managing Director,
Nykredit Realkredit A/S
Managing Director, Nykredit Holding A/S
Director of:
Ejendomsselskabet Kalvebod A/S
Forstædernes Bank A/S
JN Data A/S
Nykredit Administration V A/S
Nykredit Bank A/S
Nykredit Forsikring A/S
Nykredit Mægler A/S

Bent Naur, Deputy Chairman

CEO, Ringkjøbing Landbobank A/S
Director of:
Nykredit Holding A/S
PRAS A/S (Chairman)

Kim Duus

Group Managing Director,
Nykredit Realkredit A/S
Managing Director, Nykredit Holding A/S
Director of:
Nykredit Bank A/S
Nykredit Forsikring A/S
Nykredit Portefølje Administration A/S

Karen Frøsig

Managing Director, Sydbank A/S
Director of:
Ejendomsselskabet af 1. juni 1986 A/S

Lars Holst

Executive Vice President, Nykredit Realkredit A/S
Director of Ejendomsselskabet Kalvebod A/S

Gert Jonassen

Chief Executive, Arbejdernes Landsbank A/S
Director of:
AL Finans A/S
Nordisk Finans IT P/S
Komplementarselskabet NFIT A/S
Letpension Holding A/S
Letpension IT A/S
Letpension Livs- og Pensionsforsikringselskab A/S
LR Realkredit A/S
Multidata A/S
Multidata Holding A/S

PBS A/S

PBS Holding A/S

Frank Kristensen

CEO, vestjyskBANK A/S
Director of:
ATRIUM fondsmæglerselskab A/S
e-nettet A/S
e-nettet Holding A/S
Multidata A/S
Multidata Holding A/S
PBS A/S
PBS Holding A/S
PRAS A/S
VP Securities A/S

Jette Alsig Bargholz *

Consultant

Jari Loch Jensen *

Team Manager

Merete Nilausen *

Consultant

* Staff-elected members

EXECUTIVE BOARD

Troels Bülow-Olsen, Managing Director

Director of:

Nykredit Mægler A/S

Hans Henrik Andersen, Managing Director

Company information

Totalkredit A/S

Helgeshøj Allé 53

DK-2630 Taastrup

Tel: +45 44 55 54 00

CVR no 21 83 22 78

AUDITORS

Deloitte

Statsautoriseret Revisionsaktieselskab

Weidekampsgade 6

DK-2300 Copenhagen S

STOCK EXCHANGE ANNOUNCEMENTS

Stock exchange announcements, etc are available at totalkredit.dk and at nykredit.com



Financial highlights

DKK MILLION

	2009	2008	2007	2006	2005
CORE EARNINGS AND PROFIT FOR THE YEAR					
Core income from					
Business operations	1,378	1,141	999	859	864
Securities	181	461	344	165	75
Total	1,559	1,602	1,343	1,024	939
Operating costs, depreciation and amortisation	374	375	314	219	200
Core earnings before impairment losses	1,185	1,227	1,029	805	739
Impairment losses on loans and advances	515	55	1	2	1
Core earnings after impairment losses	670	1,172	1,028	803	738
Investment portfolio income	420	(72)	(24)	21	36
Profit before tax	1,090	1,100	1,004	824	774
Tax	273	277	250	229	216
Profit for the year	817	823	754	595	558
BALANCE SHEET, YEAR-END					
ASSETS					
Receivables from credit institutions	16,112	16,283	11,647	11,972	19,149
Mortgage loans	430,710	390,451	349,278	306,239	259,249
Bonds and equities	87,311	52,437	47,156	48,462	21,138
Other assets	3,762	2,167	1,833	1,142	618
Total assets	537,895	461,338	409,914	367,815	300,154
LIABILITIES AND EQUITY					
Payables to credit institutions	406,899	315,349	242,623	166,063	63,453
Issued bonds	104,789	121,243	145,401	183,891	221,950
Supplementary capital	2,600	3,600	3,600	4,090	5,209
Other liabilities	11,238	9,594	7,561	5,796	4,162
Equity	12,369	11,552	10,729	7,975	5,380
Total liabilities and equity	537,895	461,338	409,914	367,815	300,154
FINANCIAL RATIOS					
Profit for the year as % of average equity	6.8	7.4	8.1	8.9	10.9
Core earnings after impairment losses as % of average equity	5.6	10.5	11.1	12.0	14.5
Costs as % of core income	24.0	23.4	23.4	21.4	21.3
Capital adequacy ratio, %*	20.2	26.7	9.5	9.7	10.1
Core capital ratio, %*	16.7	20.5	7.1	6.4	5.1
Capital need	11.1	13.6	-	-	-

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

Management's Review

SUMMARY AND FINANCIAL HIGHLIGHTS

Totalkredit realised a profit before tax of DKK 1,090m against DKK 1,100m in 2008.

Profit for 2009 reflects growth in earnings from customer-oriented business, a rise in loan impairment losses, a drop in core income from securities and high investment portfolio income.

In 2009 Totalkredit's loan portfolio continued previous years' growth, up DKK 31bn to DKK 431bn in nominal terms.

Profit before tax exceeded expectations at the time of the presentation of the Annual Report 2008 and was up by around DKK 200m relative to the forecast in the Q1-Q3 Interim Report 2009. The positive performance is attributable to an increase in core earnings before impairment losses and higher investment portfolio income.

Profit after tax was DKK 817m against DKK 823m the year before.

Totalkredit's strategic position and business concept

Totalkredit is a wholly-owned subsidiary of Nykredit Realkredit A/S. Totalkredit arranges private residential lending through its partner banks – Danish local and regional banks.

Lending is financed through the issue of bonds by means of intercompany funding between Totalkredit A/S and Nykredit Realkredit A/S.

The bonds have been assigned the highest ratings, Aaa and AAA, by the international credit rating agencies Moody's Investors Service and Standard & Poor's, respectively.

Totalkredit's business concept is based on partner banks being responsible for customer services and for managing the credit risk relating to the loan portfolio.

Risk hedging takes place through the partner banks, whereby realised losses corresponding to the part of a loan exceeding 60% of the LTV when a loan is issued are offset against future commission payments from Totalkredit to the partner banks.

In all material respects, the part of the loan portfolio originally arranged by partner banks that no longer offer Totalkredit loans has been hedged through guarantees or according to the above-mentioned principle of set-off through agreements with the banks assuming the exposures from the borrower's former bank.

The partner banks receive fees for sales and credit risk management on an ongoing basis. In 2009 the fees totalled DKK 1,301m against DKK 1,062m in 2008.

Continued growth in market share and loan portfolio

Short-term interest rates dropped by more than 3 percentage points in 2009 resulting in high refinancing activity.

Gross new lending was DKK 125bn compared with DKK 87bn in 2008.

Net new lending matched expectations at around DKK 40bn against DKK 43bn in 2008.

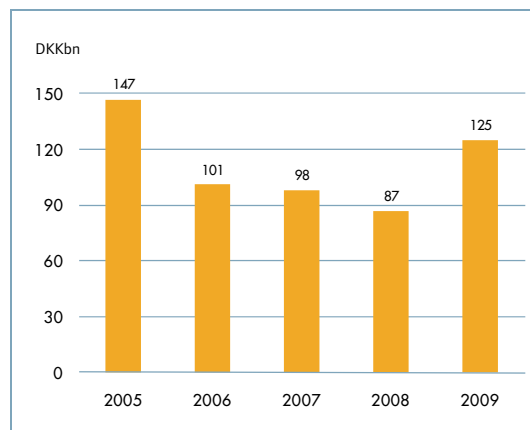
In 2009 the loan portfolio increased by a nominal DKK 31bn to a total of DKK 431bn.

Totalkredit's market share of Danish residential mortgage lending rose to 32.3% against 31.3% at the beginning of the year.

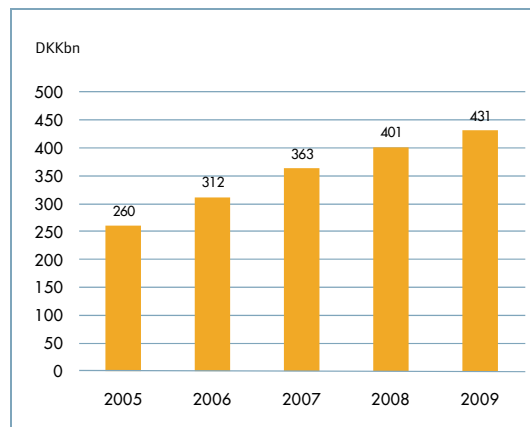
Profit from operating activities

Totalkredit posted a profit before tax of DKK 1,090m against DKK 1,100m in 2008. Results are satisfactory and reflect growth in earnings from customer-oriented business due to a growing loan portfolio and high refinancing activity. Interest rate developments in 2009 led to a decline in core income from securities, whereas investment portfolio income rose. In total, financial income was up on 2008. Aggravated economic conditions with rising unemployment and a significant drop in property prices resulted in higher impairment losses on loans and advances relative to previous years. Operating costs remained unchanged compared with 2008.

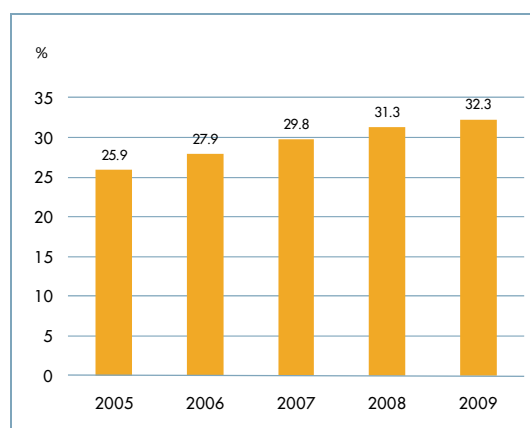
Gross new lending



Mortgage lending, year-end, nom value



Share of Danish mortgage lending



Core earnings

Totalkredit's core earnings before impairment losses amounted to DKK 1,185m against DKK 1,227m in 2008.

Core income from business operations rose by 21% in 2009 to DKK 1,378m against DKK 1,141m the year before.

Core income from securities amounted to DKK 181m compared with DKK 461m in 2008.

Operating costs, depreciation and amortisation came to DKK 374m against DKK 375m in 2008.

Totalkredit's distribution concept is mainly IT-based, and IT costs account for around 46% of total costs.

Impairment losses on loans and advances

In 2009 Totalkredit recorded an increase in the number of loans with non-timely repayments. The arrears ratio measured by the September settlement date 75 days after the last timely payment date was 0.45% in 2009 against 0.16% in 2008.

Impairment losses on mortgage lending were DKK 515m equal to 0.12% of nominal lending at end-2009. Recognised losses represented DKK 10m of impairment losses.

Collective impairment provisions totalled DKK 199m at end-2009 against DKK 32m at the beginning of the year.

Individual impairment provisions totalled DKK 336m against DKK 22m in early 2009.

The set-off concept implies that around 60-70% of calculated individual impairment provisions recognised as losses may be offset against commission payments to the banks over the next few years.

In 2009 42 properties were assumed by way of a forced sale, and at end-2009 the number of repossessed properties was 22 against 4 at end-2008.

Investment portfolio income

The investment portfolio generated an income of DKK 420m against a loss of DKK 72m in 2008. The increased investment portfolio income was brought about by a decline in short interest rates and a yield spread tightening between government bonds and mortgage bonds.



Collateral for covered bonds ("særligt dækkede obligationer" – SDOs)

At end-2009 Totalkredit A/S raised a loan in the amount of DKK 7.5bn with the Parent Company, Nykredit Realkredit A/S, to be used as supplementary security for loans funded by SDOs.

Capital adequacy

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

At end-2009, the capital base amounted to DKK 14.9bn and the capital adequacy ratio to 20.2%, of which the core capital ratio accounted for 16.7%.

The individual capital need was 11.1% at end-2009 and the required capital base amounts to DKK 8.1bn. For further details on capital adequacy, please refer to Nykredit's publication Risk and Capital Management 2009.

Transitional capital adequacy rules applied in 2009 imply that the capital requirement was not to decrease by more than 20% compared with the previous rules. The transitional rules have been prolonged throughout 2010.

Under the transitional rules, the capital requirement amounted to DKK 13.1bn equal to a capital adequacy ratio of 17.8%.

Management changes

At the Annual General Meeting held in March 2009, Johnna Bechsøft was succeeded by Jette Alsig Bargholz as a staff-elected member of the Board of Directors.

At the Extraordinary General Meeting held in August 2009, Niels Tørslev, Chairman, Group Managing Director, retired from the Board of Directors. Kim Duus, Group Managing Director, and Lars Holst, Executive Vice President, were elected to the Board of Directors. Søren Holm, Group Managing Director, is the new Chairman of the Board of Directors. For further information concerning directorships and executive positions, please refer to page 1 of the Annual Report.

Uncertainty about recognition and measurement

The measurement of certain assets is based on accounting estimates made by Management in ac-

cordance with current accounting rules and based on past experience and, in Management's opinion, reasonable and realistic assumptions.

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, of the accounting policies.

In Management's opinion, the uncertainty relating to the above matters is insignificant to the Annual Report for 2009.

Internal control and risk management systems for the external financial reporting process

The Board of Directors and the Executive Board of Totalkredit A/S are responsible for the control and risk management systems of the Company. The rules of procedure for the Board of Directors and the Executive Board delineate their responsibilities.

Totalkredit's internal controls and risk management relating to external financial reporting are designed to efficiently manage rather than eliminate the risk of omissions and errors in connection with the presentation of financial statements.

The Board of Directors and the Executive Board assess material risk and internal controls on an ongoing basis in connection with Totalkredit's activities and their potential effect on the external financial reporting process.

Over the past few years, the Parent Company Nykredit Realkredit A/S has expanded and improved its current monitoring and managing of risk in areas where internal models are the core of Totalkredit's day-to-day risk management. Risk is reported to Totalkredit's Management on a continuous basis in important areas such as credit risk, market risk and capital structure.

For further information on risk and capital management, please refer to Nykredit's publication Risk and Capital Management 2009.

External financial reporting process

The financial reporting process is based on internal control and risk management systems which together ensure that all relevant financial transactions are correctly reflected for accounting purposes and in financial statements.

The finance function of Totalcredit contributes to the Group's financial control and reporting. The function is responsible for ensuring that Totalcredit's financial reporting complies with current legislation and the Group's accounting policies. Financial data and Management's comments on financial and business developments are reported monthly to the finance area of the Parent Company.

Control environment

Business procedures are laid down and controls are implemented for all material risk areas, including areas of significance to the financial reporting process.

The Executive Board is responsible for risk delineation, management and monitoring. The Executive Board's powers and duties are provided in:

- The Board of Directors' rules of procedure
- The Executive Board's rules of procedure
- Instructions for the granting of loans and other exposures
- Instructions on market risk limits

Furthermore, the Parent Company has provided a number of policies and instructions, which have been implemented into Totalcredit's business management.

Risk assessment

The Board of Directors' and the Executive Board's risk management relating to the external financial reporting process may generally be summarised as follows:

- Periodical review of risk and financial reporting, including IT systems, general procedures and business procedures
- Review of the areas which include assumptions and estimates material to the financial statements
- Review of business and financial developments
- Review and approval of budgets and forecasts
- Review of interim and annual financial reports and other accounting data
- Annual assessment of the risk of fraud

Controls

The purpose of the controls is to ensure that policies, manuals and procedures, etc laid down by the Executive Board are observed and to ensure timely prevention, detection and correction of any errors, deviations or omissions.

The controls comprise manual and physical controls as well as general IT controls and automatic

application controls in IT systems etc applied.

Furthermore, in connection with the preparation of financial statements, a number of fixed procedures and internal controls ensure a fair presentation of the financial statements and compliance with current legislation.

The controls are supported by central areas of the Parent Company, eg Risk Management, Compliance and IT Security as well as internal and external auditors.

Monitoring

The Parent Company, Nykredit Realkredit A/S, has set up an Audit Committee which also acts as an audit committee for Totalcredit A/S. The Audit Committee monitors the financial reporting process and ensures that the Company's internal control system, internal audit and risk management system are effective. For further details on the Audit Committee, please refer to the Annual Report 2009 of the Nykredit Realkredit Group.

Events occurred after the end of the financial year

No significant events have occurred in the period up to the presentation of the Annual Report.

OUTLOOK FOR 2010

The budget for 2010 includes gross and net new lending below the level realised in 2009.

Totalcredit's loan portfolio will continue to grow, but at a slower rate than in 2009.

Operating costs are expected to increase due to improved marketing efforts and higher IT investments as well as rising expenses in connection with reviews on loans in arrears.

Financial income is expected to be lower than the level for 2009.

Impairment losses are expected to be lower than in 2009.

The decrease in the value of the properties financed by SDOs results in a higher capital need for bond collateral and consequently increased interest expenses.

Totalcredit forecasts core earnings before impairment losses in the range of DKK 900m-1,000m.



Management statement and audit reports

The Board of Directors and the Executive Board have today reviewed and approved the Annual Report for 2009 of Totalkredit A/S.

The Annual Report 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 Annual Report has been prepared in accordance with additional Danish disclosure requirements for annual reports of issuers of listed bonds.

Taastrup, 11 February 2010

EXECUTIVE BOARD

Troels Bülow-Olsen

Hans Henrik Andersen

In our opinion, the Annual Report gives a fair representation of the Company's assets, liabilities, equity and financial position at 31 December 2009 and of the results of the Company's activities and cash flows for the financial year 1 January – 31 December 2009.

We are furthermore of the opinion that the Management's Review gives a fair review of the development in the activities and financial circumstances of the Company as well as a satisfactory description of material risk and uncertainty factors affecting the company.

The Annual Report is recommended for approval by the General Meeting.

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

INTERNAL AUDITORS' REPORT

We have audited the Financial Statements and the Management's Review of Totalkredit A/S for the financial year 1 January – 31 December 2009. The Financial Statements and the Management's Review have been prepared in accordance with the Danish statutory requirements for the presentation of financial statements.

Basis of opinion

We conducted our audit in accordance with the Executive Order of the Danish Financial Supervisory Authority on Auditing Financial Undertakings etc. as well as Financial Groups and the Danish and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Financial Statements and the Management's Review are free from material misstatement.

The audit has been performed in accordance with the division of work agreed with the external auditors and has included an assessment of business procedures and internal controls established, including the risk management organised by Management relevant to the entity's reporting processes and significant business risks. Based on materiality and risk, we have examined, on a test basis, the basis of amounts and other disclosures in the Financial Statements and the Management's Review, including evidence supporting amounts and disclosures. Furthermore, the audit has included evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements and the Management's Review.

We have participated in the audit of risk and other material areas and believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the business procedures and internal controls established, including the risk management organised by Management and relevant to the entity's reporting processes and significant business risks, are working satisfactorily.

We are furthermore of the opinion that the Financial Statements give a fair presentation of the entity's assets, liabilities, equity and financial position at 31 December 2009 and of the results of the entity's activities and cash flows for the financial year 1 January – 31 December 2009 in accordance with Danish statutory requirements for the presentation of financial statements. Further in our opinion, the Management's Review gives a fair review in accordance with Danish statutory requirements for the presentation of financial statements.

Taastrup, 11 February 2010

Claus Okholm
Chief Audit Executive

Kim Stormly Hansen
Deputy Chief Audit Executive



INDEPENDENT AUDITORS' REPORT

To the shareholder of Totalkredit A/S

We have audited the Financial Statements of Totalkredit A/S for the financial year 1 January – 31 December 2009, which comprise the accounting policies, the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the Financial Statements, as well as the Management's Review. The Financial Statements and the Management's Review have been prepared in accordance with the Danish statutory requirements for the presentation of financial statements.

Management's responsibility for the Financial Statements and the Management's Review

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with the Danish statutory requirements for the presentation of financial statements, and for the preparation of a Management's Review that gives a fair review in accordance with Danish statutory requirements for the presentation of financial statements. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of financial statements and management's reviews that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the Financial Statements and the Management's Review based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the Financial Statements and the Management's Review are free from material misstatement.

An audit involves performing procedures to obtain audit evidence for the amounts and disclosures in the Financial Statements and the Management's Review. The procedures selected depend on the auditors' judgement, including the assessment of

the risks of material misstatement of the Financial Statements and the Management's Review, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of Financial Statements and for the preparation of a Management's Review that gives a fair review in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements and the Management's Review.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a fair presentation of the entity's assets, liabilities, equity and financial position at 31 December 2009 and of the results of the entity's activities and cash flows for the financial year 1 January – 31 December 2009 in accordance with Danish statutory requirements for the presentation of financial statements. Further in our opinion, the Management's Review gives a fair review in accordance with Danish statutory requirements for the presentation of financial statements.

Copenhagen, 11 February 2010

Deloitte
Statsautoriseret Revisionsaktieselskab

Erik Holst Jørgensen
State-Authorised Public Accountant

Henrik Wellejus
State-Authorised Public Accountant

Accounting policies

General

The Financial Statements and the Management's Review have 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 Financial Statements and the Management's Review have been prepared in accordance with additional Danish disclosure requirements relating to the presentation of financial statements by listed financial companies.

The accounting policies applied are consistent with those applied in 2008 except for the 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 2009. Previously, the tomorrow/next rate was used. Comparative figures have been restated. The change affects the allocation between core income from securities and investment portfolio income.

Recognition and measurement

Assets have been recognised in the balance sheet if it has been probable that future economic benefits will flow to Totalkredit, and if the value of the asset can be measured reliably.

Liabilities have been recognised in the balance sheet if it has been probable that future economic benefits will flow from Totalkredit, and if the value of the liability can be measured reliably.

On initial recognition, assets and liabilities have been measured at cost. Subsequent measurement has taken place as described below under each item, but as a principal rule, balance sheet items have been measured at fair value.

Recognition and measurement allow for predictable risks and losses arising before the presentation of the Annual Report and confirming or disproving conditions prevailing at the balance sheet date.

Financial instruments are recognised on the settlement date, and changes in the fair value of instruments purchased or sold in the period between the trade date and the settlement date are recognised as financial assets or liabilities.

Income has been recognised in the income statement as earned, whereas costs have been recognised at the amounts attributable to the financial year.

INCOME STATEMENT

According to the above-mentioned Executive Order, net interest and fee income and value adjustments must be disclosed by activity and geographical market where these differ. Totalkredit has one single activity in one single geographical market for which reason such information has been omitted.

Core earnings and investment portfolio income

Core earnings comprise core earnings from lending and core earnings from securities.

Core earnings from lending include profit/loss from customer-oriented activities. Core earnings from securities include returns on own portfolios at risk-free money market rates.

Investment portfolio income includes gains/losses on own securities portfolios exceeding risk-free interest. Gains/losses have been recognised after trading and administrative costs concerning the management of own portfolios.

Interest and administration margin

Interest includes interest due as well as computed interest and forward premium of securities and foreign exchange transactions. Interest has therefore been computed from the last due date to the balance sheet date.

Front-end commission and fees received have been recognised in the income statement at the date of acquisition. Administration margin income has been accrued, and the administration margin income for this financial year has been recognised in the income statement.

Provisions for loan and receivable impairment

Totalkredit performs continuous individual reviews and risk assessment of all significant loans with a view to uncovering objective evidence of impairment. In case of objective evidence of impairment where the event(s) concerned is (are) believed to have a reliably measurable effect on the size of expected future payments from the loan, provisions have been made for loan impairment at the differ-



ence between the carrying amount before impairment and the present value of expected future payments from the loan. Objective evidence is deemed to be present when borrowers do not fulfil their payment obligations under the loan terms and conditions.

At each balance sheet date, collective assessments are made of loans and advances for which no individual impairment provisions have been made and, where objective evidence of impairment is identified in one or more groups, collective provisions for loan impairment are made. Calculations are made according to a so-called rating model using adjusted Basel parameters for the loss flow calculation. Having been adjusted to the accounting rules, the Basel parameters are based on events occurred, cash flows until expiry of loan terms and a discounting of loss flows to present value.

In addition to the rating model, collective impairment provisions are also calculated on the basis of a segmentation model adjusting the rating model for events occurred which, due to sudden economic developments, have not yet been included in the rating model.

If the present value of the loss flow calculations exceeds the loss calculated on the granting of the loan, impairment is calculated as the difference between the present value of the loss flow calculation and the expected loss on the granting of the loan.

Where events occur showing a partial or complete reduction of an impairment loss following individual or collective provisioning, impairment provisions have been reversed accordingly.

Impairments have been deducted from the asset items concerned.

Tax

Calculated tax has been charged to the income statement at the current tax rate payable on taxable income for the year as well as adjustment of deferred tax and tax assessed for prior years. Interest receivable under the scheme for payment of tax on account has been recognised under net interest income.

Provisions have been made for deferred tax as to all timing differences between the carrying amounts and profit for tax purposes. Deferred tax has been recognised in the balance sheet under "Current tax liabilities" or "Deferred tax assets". Changes for the year in deferred tax have been recognised as income or expenses in the income statement.

Foreign currency translation

Income and expenses in foreign currency have been translated into DKK at the prices prevailing at the time of recognition.

Portfolios and balances as well as off-balance sheet items in foreign currency have been recognised at the exchange rates quoted by Danmarks Nationalbank at year-end.

Derivative financial instruments

Forward foreign exchange and securities contracts have been recognised at market value at year-end. Value adjustment following changes in interest or exchange rates has been recognised under "Value adjustments". Interest rate and currency swaps have been recognised at market value at year-end.

All unrealised and realised capital gains/losses have been recognised in the income statement. Unrealised gains and losses have been offset against "Other assets" or "Other liabilities".

ASSETS

Mortgage lending

Mortgage loans including amortisation accounts issued against mortgage bonds have been measured at fair value and recognised in the balance sheet. The item has been reduced by provisions for loan impairment as well as own loans transferred to repossessed properties.

Other loans and advances

Other loans and advances have been measured at amortised cost, which generally equals the nominal value less provisions for loan impairment.

Balances from loans secured on non-repossessed properties

Balances on such loans include mortgage payments due, but not paid, less provisions for loan impairment.

Equities and bonds

Equities and bonds have generally been recognised at fair value at the transaction date. They have subsequently been measured at fair value equal to an estimated fair value determined on the basis of market data and recognised measurement methods. Changes in fair value have been recognised on a current basis in the income statement under value adjustments.

Totalcredit's own portfolio of own issued bonds has been offset against issued bonds (the liability), and interest receivable relating to own bonds has been offset against interest payable.

Intangible assets

Intangible assets, except goodwill, have been measured at cost less accumulative amortisation and impairment losses. Intangible assets are amortised over their expected useful lives, however, not exceeding 20 years. Development costs have been recognised under assets where a connection exists between the costs incurred and future earnings.

Property, plant and equipment

Equipment has been measured at cost less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated over their expected useful lives of the individual categories of equipment as follows:

- Computer equipment and machinery 4 years
- Equipment and motor vehicles 4 years

Assets in temporary possession

Assets in temporary possession have been measured at the lower of the carrying amount and fair value less the cost of sale. The item includes Totalcredit's mortgages outstanding secured on such properties transferred from "Mortgage loans". Fur-

thermore, mortgage payments due and expenses defrayed at the time of sale by the order of the court as well as income and expenses arisen after the date of possession have been included.

LIABILITIES AND EQUITY**Issued bonds**

Issued bonds have been measured at fair value. The portfolio of own issued bonds has been offset against "Issued bonds".

Payables to credit institutions

Payables relating to intercompany funding via Nykredit Realkredit A/S have been measured at fair value. Payables to Nykredit Realkredit A/S relating to funds for collateral for SDO-funded loans have been measured at fair value.

Subordinate loan capital

Subordinate loan capital is debt which, in the case of the voluntary or compulsory liquidation of the company, is not repaid until the claims of ordinary creditors have been met. Subordinate loan capital has been included in the capital base pursuant to section 136 of the Danish Financial Business Act.

Cash flow statement

The statement according to the indirect method shows the cash flows for the year from operating, investing and financing activities. Furthermore, the cash flow statement shows the effect on cash and cash equivalents of the cash flows at year-end.

Cash and cash equivalents at year-end consist of "Cash balance and demand deposits with central banks" and "Receivables from credit institutions and central banks".



Income statement for 1 January – 31 December

DKK MILLION

	Note	2009	2008
Interest income	1	21,478	21,062
Interest expenses	2	18,785	18,662
Net interest income		2,693	2,400
Dividend on equities		-	2
Fee and commission income	3	497	307
Fee and commission expenses	4	1,411	1,124
Net interest and fee income		1,779	1,585
Value adjustments	5	200	(57)
Other operating income		0	2
Staff and administrative expenses	6	373	373
Depreciation and impairment losses for property, plant and equipment	13	1	2
Impairment losses on loans, advances and receivables	7	515	55
Profit before tax		1,090	1,100
Tax	8	273	277
Profit for the year		817	823
Proposal for the distribution of profit			
Profit for the year		817	823
Total amount available for distribution		817	823
Transferred to equity		817	823
Total distribution		817	823

Balance sheet at 31 December

DKK MILLION

	Note	2009	2008
ASSETS			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	9	16,112	16,283
Loans, advances and other receivables at fair value	10	430,483	390,452
Loans, advances and other receivables at amortised cost	10	82	103
Bonds at fair value	11	87,311	52,424
Equities	12	-	12
Other property, plant and equipment	13	1	2
Deferred tax assets		1	1
Assets in temporary possession	14	19	2
Other assets	15	3,879	2,052
Prepayments		7	7
Total assets		537,895	461,338
LIABILITIES AND EQUITY			
Payables to credit institutions	16	406,899	315,349
Issued bonds at fair value	17	104,789	121,243
Current tax liabilities		215	46
Other liabilities	18	11,019	9,544
Provisions for liabilities		4	4
Subordinate loan capital	19	2,600	3,600
Equity	20		
Share capital		799	799
Reserves			
Series reserves		1,616	1,589
Other reserves		9,954	9,164
Total equity		12,369	11,552
Total liabilities and equity		537,895	461,338
OFF-BALANCE SHEET ITEMS			
	21		
Guarantees		0	0
Other commitments		15	16
Total off-balance sheet items		15	16

Notes

DKK MILLION

	2009	2008
1. INTEREST INCOME		
Receivables from credit institutions	99	239
Loans and advances	18,661	18,463
Administration margin	1,990	1,821
Bonds:		
- Own mortgage bonds	29	28
- Other mortgage bonds	648	524
- Government bonds	24	8
Derivative financial instruments:		
- Interest rate contracts	57	7
Other interest income	(1)	0
Total	21,507	21,090
Interest from own mortgage bonds has been offset against interest expenses on issued bonds	(29)	(28)
Total	21,478	21,062
2. INTEREST EXPENSES		
Mortgage loan funding through Nykredit Realkredit A/S	13,829	11,962
Issued bonds	4,879	6,522
Set-off of interest from own mortgage bonds	(29)	(28)
Subordinate loan capital	106	206
Other interest expenses	0	0
Total	18,785	18,662
3. FEE AND COMMISSION INCOME		
Loan fees, new lending	261	177
Commission and other fees	236	130
Total	497	307
4. FEE AND COMMISSION EXPENSES		
Loan arrangement fees	182	124
Commissions to loan arrangers	956	865
Commission and other fees	273	135
Total	1,411	1,124

Notes

DKK MILLION

	2009	2008
5. VALUE ADJUSTMENTS		
Mortgage loans	8,525	5,114
Issued bonds, including bonds issued by Nykredit Realkredit in connection with the funding of mortgage loans granted by Totalkredit	(8,525)	(5,114)
Bonds	159	395
Equities	(1)	(8)
Foreign exchange	(1)	(1)
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	39	(443)
Other liabilities	4	-
Total	200	(57)
6. STAFF AND ADMINISTRATIVE EXPENSES		
Remuneration of Board of Directors and Executive Board	6	10
Staff expenses	74	56
Administrative expenses	293	307
Total	373	373
Remuneration of Board of Directors and Executive Board		
Board of Directors:		
Remuneration	1	1
Executive Board:		
Salaries	4	8
Pensions	1	0
Other social security expenses and charges	0	1
Total	5	9
Staff expenses:		
Wages and salaries	63	50
Pensions	5	2
Other social security expenses and charges	6	4
Total	74	56

Terms and conditions applying to the Board of Directors

Members of the Board of Directors receive a fixed remuneration and a refund of any costs incurred in connection with board meetings. No agreements have been made as to pension plans, bonus schemes or special termination benefits for Directors. At end-2009 the annual remuneration amounted to DKK 200,000 for the Chairman, DKK 150,000 for the Deputy Chairman and DKK 100,000 for other Directors. Directors employed with Nykredit Realkredit A/S receive no remuneration.



Notes

DKK MILLION

Terms and conditions applying to the Executive Board

As Totalkredit A/S is wholly owned by Nykredit Realkredit A/S, Management finds specifying individual salaries of the Executive Board Members immaterial to the assessment of the Annual Report. Consequently, the Company has elected to derogate from the recommendation to disclose individual salaries.

Executive Board members receive a fixed salary. No fixed bonus schemes have been established.

The pensionable age for Executive Board members is 70 years, but retirement at the age of 65 years is possible, after which the managing directors are entitled to early retirement benefits for 10 years equal to approximately 20% of their gross salary. The early retirement benefits period will be reduced by one year for each year the employment continues after the age of 65 years.

The members of the Executive Board are subject to a mutual term of notice of 12 months. Upon resignation at Totalkredit A/S's request, they are entitled to termination benefits equal to 12 months' gross salary.

	2009	2008
Loans and advances to the Executive Board and Board of Directors		
Mortgage loans, debt outstanding at the end of the financial year:		
Executive Board	-	0
Board of Directors	5	4
Auditors' fees		
Aggregate fees to the auditors appointed by the Annual General Meeting that perform the statutory audit		
	1	1
Of which services other than audit		
	0	0
Number of staff		
Average number of staff for the financial year, full-time equivalents		
	121	109

Notes

DKK MILLION

	2009	2008
7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES		
Change in individual provisions for loan impairment	314	22
Change in collective provisions for loan impairment	167	31
Losses recognised for the year, gross	28	2
Offset against commission payments to banks	(18)	-
Received on claims previously written off	0	0
Total impairment losses on loans, advances and receivables	491	55
Value adjustment of assets in temporary possession	24	0
Total	515	55
Specification of provisions for loan impairment		
Individual impairment provisions	336	22
Collective impairment provisions	199	32
Total provisions	535	54
Individual provisions for loan impairment		
Impairment provisions, beginning of year	22	1
Impairment provisions for the year	513	23
Impairment provisions reversed	(182)	(1)
Impairment provisions recognised as lost	(17)	(1)
Individual impairment provisions, year-end	336	22
Collective impairment provisions		
Impairment provisions, beginning of year	32	1
Impairment provisions for the year	167	31
Collective impairment provisions, year-end	199	32
Specification of loans and advances		
Loans and advances subject to individual impairment	1,991	118
Impairments	336	22
Loans and advances after impairment	1,665	96
Loans and advances subject to collective impairment	429,400	388,014
Impairments	199	32
Loans and advances after impairment	429,201	387,982



Notes

DKK MILLION

8. TAX		
Tax calculated on profit for the year	273	277
Change in deferred tax	0	0
Adjustment of tax assessed for previous years	0	0
Total	273	277
Current tax rate, %	25.0	25.0
Non-taxable value adjustment relating to equities, %	0.0	(0.1)
Non-deductible costs, %	0.0	0.0
Effective tax rate, %	25.0	25.2
9. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
Receivables from credit institutions	16,112	16,283
Total	16,112	16,283

Notes

DKK MILLION

	2009	2008
10. LOANS AND ADVANCES		
Loans, advances and other receivables at fair value	430,483	390,452
Loans, advances and other receivables at amortised cost	82	103
Total	430,565	390,555
Loans, advances and other receivables at fair value		
Mortgage loans	430,628	390,348
Receivables from loans secured on non-repossessed properties	(145)	104
Total	430,483	390,452
Mortgage loans		
Balance, beginning of year, nominal value	400,679	363,175
New loans	124,210	88,842
Ordinary principal payments	(5,778)	(5,035)
Prepayments and extraordinary principal payments	(87,754)	(46,303)
Balance, year-end, nominal value	431,357	400,679
Loans transferred relating to properties in temporary possession	(54)	(3)
Fair value adjustment	(476)	(10,296)
Adjustment for credit risk		
Individual impairment provisions	-	-
Collective impairment provisions	(199)	(32)
Balance, year-end, fair value	430,628	390,348
Receivables from loans secured on non-repossessed properties		
Arrears before provisions for loan impairment	209	127
Outlays before provisions for loan impairment	(18)	(1)
Provisions for arrears and outlays	(336)	(22)
Total	(145)	104
Loans, advances and other receivables at amortised cost		
Mortgage loans	82	103
Total	82	103

Notes

DKK MILLION

	2009	2008
10. LOANS AND ADVANCES (continued)		
Mortgage loans		
Balance, beginning of year, nominal value	103	-
New loans	9	105
Ordinary principal payments	0	0
Prepayments and extraordinary principal payments	30	2
Balance, year-end, nominal value	82	103
Mortgage loans by property category		
Loans and advances as %, year-end		
Owner-occupied dwellings	96	96
Recreational properties	4	4
Total	100	100
Number of loans, end of financial year	439,186	411,494
Mortgage loan guarantees provided by banks:		
Supplementary guarantees in addition to mortgages on real property	5,362	5,128
Statutory guarantees for interim loans	11,894	18,715
Guarantees for loans disbursed before obtaining a registered mortgage	48,116	34,010
Total	65,372	57,853
11. BONDS AT FAIR VALUE		
- Own mortgage bonds	2,012	594
- Other mortgage bonds	85,779	52,212
- Government bonds	1,532	212
Total	89,323	53,018
Set-off against own issued bonds	(2,012)	(594)
Total bonds	87,311	52,424
12. EQUITIES AT FAIR VALUE		
Listed on NASDAQ OMX Copenhagen A/S	-	2
Unlisted equities	-	10
Total	-	12

Notes

DKK MILLION

	2009	2008
13. OTHER PROPERTY, PLANT AND EQUIPMENT		
Total cost	5	5
Additions	0	1
Disposals	1	1
Total cost, year-end	4	5
Depreciation, beginning of year	3	3
Depreciation for the year	1	1
Reversal of depreciation	1	1
Depreciation, year-end	3	3
Carrying amount, year-end	1	2
Write-off on equipment for the year	0	1
14. ASSETS IN TEMPORARY POSSESSION		
Debt outstanding, year-end	27	3
Outlays	3	0
Impairment provisions, year-end	(11)	(1)
Total	19	2
15. OTHER ASSETS		
Positive market value of derivative financial instruments	36	4
Interest and commission receivable on loans and advances	969	15
Interest receivable from bonds and credit institutions	2,803	1,963
Other assets	71	70
Total	3,879	2,052



Notes

DKK MILLION

	2009	2008
16. PAYABLES TO CREDIT INSTITUTIONS		
Payables to credit institutions, other payables	14	17
Payables to Nykredit Realkredit A/S relating to supplementary security for mortgage loans funded by SDOs	7,496	-
Mortgage loan funding through Nykredit Realkredit A/S	399,389	315,332
Total	406,899	315,349
Of which mortgage loan funding through Nykredit Realkredit A/S:		
Balance, beginning of year, nominal value	321,514	250,569
Additions	196,364	132,176
Drawings and prepayments	(88,286)	(35,007)
Prepayments and extraordinary principal payments	(31,634)	(26,224)
Balance, year-end, nominal value	397,958	321,514
Fair value adjustment	1,431	(6,182)
Total	399,389	315,332
17. ISSUED BONDS		
Mortgage bonds issued against mortgages on real property		
Balance, beginning of year, nominal value	125,951	153,207
Additions	0	0
Drawings and prepayments	(4,658)	(8,921)
Prepayments and extraordinary principal payments	(12,585)	(18,335)
Balance, year-end	108,708	125,951
Set-off, own bonds	(2,012)	(594)
Fair value adjustment	(1,907)	(4,114)
Total	104,789	121,243
Of which pre-issuance	0	0
Bonds drawn for redemption at the next creditor settlement date	1,429	660
18. OTHER LIABILITIES		
Negative market value of derivative financial instruments	15	251
Interest on issued mortgage bonds, including bonds issued by Nykredit Realkredit for Totalkredit mortgage loan funding	9,966	9,128
Other liabilities	1,038	165
Total	11,019	9,544

Notes

DKK MILLION

19. SUBORDINATE LOAN CAPITAL

Subordinate loan capital 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 interest rate and has a maximum term of 13 years.

In 2009 two loans with a total debt outstanding of DKK 1,000m were redeemed.

20. EQUITY

	Share capital	Series reserves	Other reserves	Total
Balance, beginning of year	799	1,589	9,164	11,552
Retained earnings 2009	0	27	790	817
Equity, year-end	799	1,616	9,954	12,369

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. Nykredit Realkredit A/S owns the total share capital.

21. OFF-BALANCE SHEET ITEMS

Guarantees

	2009	2008
Financial guarantees	0	0
Total guarantees	0	0
Other commitments		
Other	15	16
Total other commitments	15	16
Total off-balance sheet items	15	16



Notes

DKK MILLION

22. 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.

No unusual related party transactions occurred in 2009.

Intercompany trading in goods and services took place on an arm's length basis.

The following material related party transactions existed/were entered into in 2009:

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

Master agreements on the terms applicable to securities transactions

Agreement on joint funding of mortgage loans

Agreement on a number of administrative tasks, including risk management

Agreement on IT development and IT operations

Framework agreement with Nykredit Realkredit A/S on loan terms, 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.

Series financial statements *

DKK MILLION

	Total- kredit In General	Capital Centre PRL	Capital Centre C	Capital Centre D	Capital Centre E	Capital Centre F	Total
Income statement							
Income from loans and advances	0	0	532	657	699	102	1,990
Interest payable on subordinate loan capital	-	-	-	(57)	(41)	(8)	(106)
Interest, net	0	0	310	364	220	29	923
Administrative expenses	0	0	(404)	(474)	(286)	(38)	(1,202)
Loan losses and provisions for loan impairment	-	-	(387)	(46)	(74)	(8)	(515)
Tax	0	0	(13)	(111)	(130)	(19)	(273)
Profit for the year	0	0	38	333	388	58	817
Balance sheet – assets							
Mortgage loans	70	4	100,916	117,327	192,036	20,212,	430,565
Other assets	17	1	13,834	17,916	72,969	4,621	109,358
Total assets	87	5	114,750	135,243	265,005	4,833	539,923
Balance sheet – liabilities and equity							
Payables to credit institutions	-	-	-	124,634	251,341	23,413	399,388
Issued mortgage bonds	75	4	106,723	(4,989)	-	-	111,791
Other liabilities	2	0	2,907	0	9,937	928	13,774
Subordinate loan capital	-	-	-	1,400	1,000	200	2,600
Equity	10	1	5,120	4,220	2,727	292	12,370
Total liabilities and equity	87	5	114,750	135,243	265,005	4,833	539,923

The difference between the balance sheet of the Annual Report and the series financial statements may be specified as follows:

Assets in the Annual Report	537,895
Assets in the series financial statements	539,923
Difference, specified as follows	(2,028)
Own issued bonds have been offset against the liability item "Issued bonds"	(2,012)
Interest receivable from own issued bonds have been offset against the liability item "Other liabilities"	(16)
Total	(2,028)

* Complete series financial statements at individual series level may be obtained from Totalkredit A/S.



Cash flow statement

DKK MILLION

	2009	2008
Profit after tax for the year	817	823
Adjustment for non-cash operating items, depreciation and impairment losses		
Depreciation and impairment losses for property, plant and equipment	1	1
Impairment losses on loans and advances	505	54
Prepayments, net	0	(3)
Calculated tax on profit for the year	273	277
Other adjustments	(17)	(3)
Total	762	326
Profit for the year adjusted for non-cash operating items	1,579	1,149
Change in working capital		
Loans and advances	(40,514)	(41,268)
Deposits and payables to credit institutions	91,550	72,647
Issued mortgage bonds	(16,454)	(24,157)
Other working capital	(353)	1,757
Total	34,229	8,979
Corporation tax paid, net	(104)	(210)
Cash flows from operating activities	35,704	9,918
Cash flows from investing and financing activities		
Investments	(34,874)	(5,281)
Property, plant and equipment	(1)	(1)
Subordinate loan capital	(1,000)	0
Capital increase	-	-
Total	(35,875)	(5,282)
Total cash flows	(171)	4,636
Cash and cash equivalents, beginning of year	16,283	11,647
Cash and cash equivalents, year-end	16,112	16,283

Credit risk

DKK MILLION

	2009	2008
Totalkredit's maximum credit exposure is comprised of selected balance sheet items and off-balance sheet items.		
Total credit exposure		
Receivables from credit institutions and central banks	16,112	16,283
Loans, advances and other receivables at fair value	430,483	390,452
Loans, advances and other receivables at amortised cost	82	83
Bonds at fair value	87,311	52,424
Other assets	3,879	2,052
Off-balance sheet items	15	16
Total	537,882	461,310

Concentration risk

Pursuant to the Danish Financial Business Act, an exposure with any one customer or group of interconnected customers after statutory deductions must not exceed 25% of the capital base. Furthermore, the sum of the exposures which, after statutory deductions, constitute at least 10% of the capital base must not exceed 800% of the capital base. Totalkredit has not had any exposures exceeding these limits in 2008 or 2009.

Guarantees received

Lending and security are assessed on a current basis. On loan disbursement, the banks provide a guarantee for the loan until a mortgage with a clear title has been registered and Totalkredit has approved the mortgage loan. For further information on guarantees received for loans, please refer to note 10. Subsequent to the mortgage loan approval the loan is hedged, cf the mention in the Annual Report, page 3

Mortgage debt outstanding relative to estimated property values

DKK billion	LTV (loan to value)						Total	LTV*
	0-20	20-40	40-60	60-80	80-100	Over 100		
2009	135.5	124.0	97.7	58.1	13.6	1.7	430.6	33
2008	140.6	122.0	89.9	34.8	2.8	0.3	390.4	29

*Determined as the mid-part of the debt outstanding relative to estimated property values

Mortgage debt outstanding relative to estimated property values

%	LTV (loan to value)						Total
	0-20	20-40	40-60	60-80	80-100	Over 100	
2009	31	29	23	14	3	0	100.0
2008	36	31	23	9	1	0	100.0

For further information on risk, please refer to Nykredit's publication Risk and Capital Management.

Liquidity risk

DKK MILLION

	2009	2008
By time-to-maturity		
Receivables from credit institutions		
Demand deposits	13,112	7,473
Up to 3 months	3,000	8,810
Total	16,112	16,283
Loans and advances		
Up to 3 months	0	1,585
Over 3 months and up to 1 year	3	4,133
Over 1 year and up to 5 years	969	25,345
Over 5 years	429,987	369,685
Total	430,959	400,748
Fair value adjustment	(476)	(10,296)
Total, cf note 10	430,483	390,452
Mortgage loan funding through Nykredit Realkredit A/S		
Up to 3 months	64,517	42,997
Over 3 months and up to 1 year	112,238	2,537
Over 1 year and up to 5 years	71,565	93,431
Over 5 years	149,638	182,549
Total	397,958	321,514
Fair value adjustment	1,431	(6,182)
Total, cf note 16	399,389	315,332
Issued bonds		
Up to 3 months	4,475	2,279
Over 3 months and up to 1 year	1,930	1,866
Over 1 year and up to 5 years	11,537	14,452
Over 5 years	90,766	107,354
Total	108,708	125,951
Fair value adjustment	(1,907)	(4,114)
Set-off of own bonds	(2,012)	(594)
Total, cf note 17	104,789	121,243

Derivative financial instruments

DKK MILLION

By time-to-maturity	Up to 3 months		Over 1 year and up to 5 years		Over 5 years		Total 2009	
	Nominal value	Net market value	Nominal value	Net market value	Nominal value	Net market value	Nominal value	Net market value
Interest rate contracts								
Forwards/futures, purchased	1,368	(1)					1,368	(1)
Forwards/futures, sold	35,429	18					35,429	18
Swap			2,998	1	600	5	3,598	6
Foreign exchange contracts								
Forwards/futures, sold	2,496	1					2,496	1
					Market value of non-guaranteed contracts		Market value	
					Positive	Negative	Positive	Negative
Interest rate contracts								
Forwards/futures, purchased						1		1
Forwards/futures, sold					18		18	
Swap					6		6	
Foreign exchange contracts								
Forwards/futures, sold					1		1	



Capital adequacy and financial highlights

DKK MILLION

	2009	2008			
Capital adequacy					
Core capital after statutory deductions	12,337	11,389			
Capital base	14,905	14,826			
Total weighted items	73,683	55,595			
- Of which weighted items involving market risk	3,035	3,256			
Capital adequacy ratio, % *	20.2	26.7			
Core capital ratio, % *	16.7	20.5			
Individual capital requirement (mild recession), %	11.1	13.6			
* As from 2008, the capital adequacy and core capital ratios are determined in accordance with the CRD					
Financial highlights	2009	2008	2007	2006	2005
Net interest and fee income	1,779	1,585	1,286	939	993
Value adjustments	200	(57)	32	106	(19)
Other operating income	0	2	1	-	1
Staff and administrative expenses	373	373	312	217	197
Depreciation and impairment losses for property, plant and equipment	1	2	2	2	3
Impairment losses on loans, advances and receivables	515	55	1	2	1
Profit for the year	817	823	754	595	558
Mortgage loans at fair value	430,710	390,452	349,278	306,239	259,249
Equity	12,369	11,552	10,729	7,975	5,380
Total assets	537,895	461,338	409,914	367,815	300,154
Financial ratios					
Capital adequacy ratio, %	20.2	26.7	9.5	9.7	10.1
Core capital ratio, %	16.7	20.5	7.1	6.4	5.1
Return on equity before tax, %	9.1	9.9	10.7	12.3	15.2
Return on equity after tax, %	6.8	7.4	8.1	8.9	10.9
Income:cost ratio, DKK	2.2	3.6	4.2	4.7	4.8
Foreign exchange position, %	0.0	0.1	0.3	0.0	0.0
Accumulated provisions rate, %	0.1	0.1	0.0	0.0	0.0
Impairment losses for the year, %	0.1	0.1	0.0	0.0	0.0
Growth in loans and advances for the year, %	10.2	11.8	14.1	18.1	31.7
Loans and advances:equity	34.8	33.8	32.6	38.4	48.2

Loan arranging banks

Alm. Brand Bank	Max Bank A/S	Sparekassen Sjælland
Amagerbanken Aktieselskab	MERKUR, Den Almennyttige Andelskasse	Sparekassen Thy
A/S Arbejdernes Landsbank	Middelfart Sparekasse	Sparekassen Vendsyssel
Bodum-Ydby Sparekasse	A/S Morsø Bank	Sparekassen Østjylland
Borbjerg Sparekasse	Morsø Sparekasse	Svendborg Sparekasse A/S
Broager Sparekasse	A/S Møns Bank	Sydbank A/S
Brørup Sparekasse	A/S Nordfyns Bank	Søby-Skader-Halling Spare- og
Danske Andelskassers Bank	Nordjyske Bank A/S	Laanekasse
Den Jyske Sparekasse	A/S Nørresundby Bank	Sønderhå-Hørsted Sparekasse
DiBa Bank Aktieselskab	Refsnæs Sparekasse	Totalbanken A/S
Djurslands Bank A/S	Ringkjøbing Landbobank A/S	Tved Sparekasse
Dragsholm Sparekasse	Rise Spare- og Lånekasse	Tønder Bank A/S
Dronninglund Sparekasse	Ryslinge Andelskasse	Vestfyns Bank A/S
Fanø Sparekasse	Rønde og Omegns Sparekasse	vestjyskBank A/S
Faster Andelskasse	Salling Bank A/S	A/S Vinderup Bank
Finansbanken A/S	Aktieselskabet Skjern Bank	Vistoft Sparekasse
Flemløse Sparekasse	Skælskør Bank Aktieselskab	Vorbasse-Hejnsvig Sparekasse
Folkesparekassen	Spar Nord Bank A/S	Vordingborg Bank A/S
Forstædernes Bank A/S	Spar Salling Sparekasse	Østjydsk Bank A/S
Fruering-Vitved Sparekasse	Sparbank A/S	Aarhus Lokallbank A/S
Frørup Andelskasse	Sparekassen Balling	
Frøs Herreds Sparekasse	Sparekassen Bredebro	
Frøslev-Møllerup Sparekasse	Sparekassen Djursland	
Fælleskassen	Sparekassen Farsø	
Hals Sparekasse	Sparekassen for Arts Herred	
Handelsbanken	Sparekassen for Nørre Nebel og Omegn	
Hunstrup-Østerild Sparekasse	Sparekassen Faaborg A/S	
Hvidbjerg Bank Aktieselskab	Sparekassen Himmerland	
Jyske Bank A/S	Sparekassen Hobro	
Klim Sparekasse	Sparekassen Hvetbo	
Kongsted Sparekasse	Sparekassen i Skals	
Kreditbanken A/S	Sparekassen Kronjylland	
Langå Sparekasse	Sparekassen Limfjorden	
Lollands Bank A/S	Sparekassen Lolland	
Løkken Sparekasse	Sparekassen Midtdjurs	
Lån og Spar Bank A/S	Sparekassen Midtfjord	