

12 May 2011

To NASDAQ OMX Copenhagen A/S
and the press

Q1 INTERIM REPORT 2011
Totalkredit A/S
(1 January – 31 March 2011)

Q1 – IN BRIEF

- Core earnings before impairment losses were DKK 245m compared with DKK 265m in Q1/2010
- Operating costs decreased by DKK 15m to DKK 97m
- Impairment losses on loans and advances were DKK 50m against an income of DKK 20m in the same period in 2010
- Investment portfolio income was DKK 8m against DKK 103m in Q1/2010
- Profit before tax came to DKK 203m against DKK 388m in Q1/2010
- Lending activity for the sector as a whole dropped sharply compared with the same quarter in 2010 – Totalkredit thus witnessed a heavy decline but strengthened its market share of Danish residential mortgage lending to 33.3%
- At end-Q1/2010, the loan portfolio totalled DKK 459bn against DKK 455bn at the beginning of the year.

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Financial highlights

DKK MILLION

| | Q1/2011 | Q1/2010 | FY 2010 |
|---|----------------|----------------|----------------|
| CORE EARNINGS AND PROFIT FOR THE PERIOD | | | |
| Core income from | | | |
| Business operations | 310 | 346 | 1,403 |
| Securities | 32 | 31 | 123 |
| Total | 342 | 377 | 1,526 |
| Operating costs, depreciation and amortisation | 97 | 112 | 420 |
| Core earnings before impairment losses | 245 | 265 | 1,106 |
| Impairment losses on loans and advances | 50 | (20) | 158 |
| Core earnings after impairment losses | 195 | 285 | 948 |
| Investment portfolio income | 8 | 103 | 237 |
| Profit before tax | 203 | 388 | 1,185 |
| Tax | 51 | 97 | 298 |
| Profit for the period | 152 | 291 | 887 |
| SUMMARY BALANCE SHEET, END OF PERIOD | 31.03.2011 | 31.03.2010 | 31.12.2010 |
| ASSETS | | | |
| Receivables from credit institutions | 11,239 | 16,521 | 18,111 |
| Mortgage loans | 454,276 | 439,094 | 456,043 |
| Bonds and equities | 61,965 | 50,366 | 81,540 |
| Other assets | 3,602 | 2,787 | 4,697 |
| Total assets | 531,082 | 508,768 | 560,391 |
| LIABILITIES AND EQUITY | | | |
| Payables to credit institutions | 422,776 | 383,918 | 443,630 |
| Issued bonds | 83,109 | 100,933 | 90,193 |
| Supplementary capital | 2,600 | 2,600 | 2,600 |
| Other liabilities | 9,189 | 8,657 | 10,712 |
| Equity | 13,408 | 12,660 | 13,256 |
| Total liabilities and equity | 531,082 | 508,768 | 560,391 |
| FINANCIAL RATIOS | | | |
| Profit for the period as % of average equity, pa | 4.6 | 9.3 | 6.9 |
| Core earnings after impairment losses as % of average equity, pa | 5.9 | 9.1 | 7.4 |
| Costs as % of core income | 28.4 | 29.7 | 27.5 |
| Impairment losses for the period | 0.01 | (0.00) | 0.03 |
| Capital adequacy ratio, % | 24.0 | 26.1 | 22.9 |
| Core capital ratio, % | 20.2 | 21.7 | 19.3 |
| Internal capital adequacy requirement (ICAAP), % | 12.6 | 11.1 | 12.1 |



Q1 Interim Report 2011

TotalCredit recorded a profit before tax of DKK 203m against DKK 388m for the same period the year before.

Compared with Q1/2010, earnings from customer-oriented business dropped as a result of generally very low residential mortgage lending activity. Impairment losses on loans and advances were higher than in the same period the year before but lower than in Q4/2010.

Investment portfolio income declined on the same quarter in 2010 in which it was exceptionally high.

At end-Q1/2011, the loan portfolio totalled DKK 459bn against DKK 455bn at the beginning of the year.

Core earnings before impairment losses

Core income from business operations was DKK 310m against DKK 346m in the same period in 2010.

Core income from securities amounted to DKK 32m which was unchanged compared with Q1/2010.

Operating costs decreased by DKK 15m to DKK 97m.

Core earnings before impairment losses came to DKK 245m compared with DKK 265m in Q1/2010.

Impairment losses on loans and advances

In Q1/2011 impairment losses on loans and advances were DKK 50m against DKK 80m in the previous quarter and an income of DKK 20m in Q1/2010.

Individual impairment provisions totalled DKK 301m at end-Q1/2011 against DKK 278m at the beginning of the year.

Collective impairment provisions amounted to DKK 234m at end-Q1/2011 against DKK 245m at the beginning of the year.

Total impairment provisions were DKK 535m, equal to 0.12% of lending.

The arrears ratio calculated 75 days after the last due date was decreasing. At the December 2010 settlement date, the arrears ratio amounted to 0.32% against 0.50% at the same time last year.

In Q1/2011 20 properties were acquired at forced sales while 18 properties were sold. The number of repossessed properties was 55 at end-Q1/2011 against 53 at the beginning of the year.

Investment portfolio income

Investment portfolio income was DKK 8m against DKK 103m in Q1/2010.

Lending

In Q1/2011 private residential mortgage lending fell significantly. Gross new lending for the sector as a whole in Q1/2011 came to just 48%, and 52% for TotalCredit, of average quarterly lending in 2010.

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

Measured at nominal value, TotalCredit's loan portfolio rose to DKK 459bn against DKK 455bn at the beginning of the year.

TotalCredit's market share of Danish residential mortgage lending rose to 33.3% from 33.1% at the beginning of the year.

Gross new lending was DKK 14bn against DKK 28bn in Q1/2010. Net new lending was DKK 5bn compared with DKK 6bn in Q1/2010.

Balance sheet

At end-Q1/2011, the balance sheet stood at DKK 531bn against DKK 560bn at the beginning of the year.

Mortgage lending at fair value totalled DKK 454bn against DKK 456bn at the beginning of the year.

Payables to the parent company in connection with funding of mortgage lending came to DKK 413bn, and TotalCredit had DKK 83bn-worth of self-issued bonds.

Equity including profit for the period came to DKK 13.4bn at end-Q1/2011.

CAPITAL BASE AND CAPITAL ADEQUACY

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

At end Q1/2011 the capital base was DKK 15.7bn, corresponding to a capital adequacy ratio of 24.0%. The core capital ratio stood at 20.2%.

Under the Basel II rules, the capital requirement is subject to a minimum limit. The capital requirement in 2011 may thus not



decrease by more than 20% compared with the former capital adequacy rules.

The capital requirement amounted to DKK 5.2bn and DKK 14.6bn before and after the transitional rule, respectively, corresponding to a capital adequacy ratio of 22.3%.

The internal capital adequacy requirement (ICAAP) amounted to 12.6% at end-Q1/2011.

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

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

Pillar I

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

Pillar II

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

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

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

RATINGS

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 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 2010.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the Q1 Interim Report 2011.

OUTLOOK FOR 2011

Q1/2011 recorded a decline in lending activity compared with forecast lending which formed the basis of the earnings guidance for 2011 in the Annual Report for 2010.

Due to revised estimates of lending activity for 2010 as a whole, the forecast core earnings before impairment losses were adjusted downwards by DKK 100m to 900m-1,000m from previously DKK 1,000m-1,100m.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

No material events have occurred in the period up to the presentation of the Q1 Interim Report 2011.

ACCOUNTING POLICIES

The Interim Report for 1 January to 31 March 2011 has been prepared in accordance with the Danish Financial Business Act and the Executive Order of the Danish Financial Supervisory Authority on Financial Reports for Credit Institutions and Investment Companies, etc.

All figures in the Q1 Interim Report 2011 are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to the rounding-off, the sum of individual figures and the stated totals may differ slightly.

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

The Q1 Interim Report 2011 has not been audited or reviewed.



Statement by the Board of Directors and the Executive Board on the Interim Report

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January – 31 March 2011 of Totalkredit A/S.

The Interim Financial Statements 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. Furthermore, 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 Interim Financial Statements give a fair presentation of the Company's assets, liabilities, equity and financial position at 31 March 2011 and of the results of the Company's operations as well as cash flows for the financial period 1 January – 31 March 2011.

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

Taastrup, 12 May 2011

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



Income statement for 1 January – 31 March

DKK MILLION

| | Note | Q1/2011 | Q1/2010 |
|--|------|------------|------------|
| Interest income | 1 | 4,736 | 4,908 |
| Interest expenses | 2 | 4,054 | 4,203 |
| Net interest income | | 682 | 705 |
| Fee and commission income | 3 | 71 | 121 |
| Fee and commission expenses | 4 | 348 | 359 |
| Net interest and fee income | | 405 | 467 |
| Value adjustments | 5 | (55) | 13 |
| Other operating income | | 0 | 0 |
| Staff and administrative expenses | 6 | 97 | 112 |
| Depreciation and impairment losses for property, plant and equipment | | 0 | 0 |
| Impairment losses on loans, advances and receivables | 7 | 50 | (20) |
| Profit before tax | | 203 | 388 |
| Tax | | 51 | 97 |
| Profit for the period | | 152 | 291 |



Balance sheet, end of period

DKK MILLION

| | Note | 31.03.2011 | 31.12.2010 |
|---|------|----------------|----------------|
| ASSETS | | | |
| Cash balance and demand deposits with central banks | | 0 | 0 |
| Receivables from credit institutions and central banks | 8 | 11,239 | 18,112 |
| Loans, advances and other receivables at fair value | 9 | 454,208 | 455,957 |
| Loans, advances and other receivables at amortised cost | 9 | 52 | 54 |
| Bonds at fair value | 10 | 61,965 | 81,540 |
| Other property, plant and equipment | | 1 | 1 |
| Deferred tax assets | | 1 | 1 |
| Assets in temporary possession | 11 | 36 | 39 |
| Other assets | 12 | 3,568 | 4,682 |
| Prepayments | | 12 | 6 |
| Total assets | | 531,082 | 560,391 |
| LIABILITIES AND EQUITY | | | |
| Payables to credit institutions | 13 | 422,776 | 443,630 |
| Issued bonds at fair value | 14 | 83,109 | 90,193 |
| Current tax liabilities | | 28 | 10 |
| Other liabilities | 15 | 9,157 | 10,698 |
| Total payables | | 515,070 | 544,531 |
| Provisions for liabilities | | 4 | 4 |
| Subordinated debt | 16 | 2,600 | 2,600 |
| Equity: | | | |
| Share capital | | 799 | 799 |
| Reserves: | | | |
| Series reserves | | 1,634 | 1,634 |
| Other reserves | | 10,823 | 10,823 |
| Retained earnings for the period | | 152 | - |
| Total equity | | 13,408 | 13,256 |
| Total liabilities and equity | | 531,082 | 560,391 |
| OFF-BALANCE SHEET ITEMS | | | |
| Guarantees | 17 | 0 | 0 |
| Other commitments | | 12 | 12 |
| Total off-balance sheet items | | 12 | 12 |



Statement of changes in equity

DKK MILLION

| | Share capital | Series reserves | Other reserves | Total |
|--|----------------------|------------------------|-----------------------|---------------|
| Equity, 1 January 2011 | 799 | 1,634 | 10,823 | 13,256 |
| Profit for the period | | | 152 | 152 |
| Comprehensive income for the period | | | 152 | 152 |
| Equity, end of period | 799 | 1,634 | 10,408 | 13,408 |
| Equity, 1 January 2010 | 799 | 1,616 | 9,954 | 12,369 |
| Profit for the period | | 18 | 869 | 887 |
| Comprehensive income for the period | | 18 | 869 | 887 |
| Equity, end of period | 799 | 1,634 | 10,823 | 13,256 |

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

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



Capital base and capital adequacy

DKK MILLION

| | 31.03.2011 | 31.12.2010 |
|---|---------------|---------------|
| Capital base | | |
| Core capital | | |
| - Equity, end of period | 13,408 | 13,256 |
| - Capitalised tax assets | (2) | (1) |
| - Other statutory deductions from core capital | (145) | (87) |
| Core capital after statutory deductions | 13,261 | 13,168 |
| Total supplementary capital | 2,600 | 2,600 |
| Statutory deductions from capital base | (145) | (87) |
| Total capital base after statutory deductions | 15,716 | 15,681 |
| Capital adequacy | | |
| Credit risk | 4,648 | 4,853 |
| Market risk | 335 | 375 |
| Operational risk | 263 | 241 |
| Total capital requirement before transitional rule | 5,246 | 5,469 |
| Total capital requirement after transitional rule | 14,625 | 14,390 |
| Capital base | 15,716 | 15,681 |
| Total weighted items | 65,579 | 68,367 |
| Core capital ratio, % | 20.2 | 19.3 |
| Capital adequacy ratio, % | 24.0 | 22.9 |
| Capital adequacy requirement (SREP) (before transitional rule), % | 8.0 | 8.0 |
| Required capital adequacy ratio (after transitional rule), % | 22.3 | 21.0 |
| Required capital base and capital adequacy requirement | | |
| Pillar I – primary risk | | |
| Credit risk | 6,010 | 5,814 |
| Market risk | 235 | 218 |
| Operational risk | 180 | 155 |
| Total Pillar I | 6,425 | 6,187 |
| Pillar II – other risk | | |
| Weaker economic climate | 1,069 | 1,362 |
| Other | 750 | 755 |
| Total Pillar II | 1,819 | 2,117 |
| Total required capital base | 8,244 | 8,305 |
| Total weighted items | 65,579 | 68,367 |
| Internal capital adequacy requirement (ICAAP), % | 12.6 | 12.1 |



Notes

DKK MILLION

| | Q1/2011 | Q1/2010 |
|---|--------------|--------------|
| 1. INTEREST INCOME | | |
| Receivables from credit institutions | 11 | 13 |
| Loans, advances and other receivables | 3,983 | 4,143 |
| Administrative margin income | 555 | 524 |
| Bonds: | | |
| - Self-issued mortgage bonds | 1 | 7 |
| - Other mortgage bonds | 193 | 217 |
| - Government bonds | 0 | 15 |
| Derivative financial instruments: | | |
| - Interest rate contracts | (6) | (4) |
| Total | 4,737 | 4,915 |
| Interest from self-issued mortgage bonds has been offset against interest expenses – note 2 | (1) | (7) |
| Total | 4,736 | 4,908 |
| 2. INTEREST EXPENSES | | |
| Mortgage loan funding through Nykredit Realkredit A/S | 3,294 | 3,284 |
| Issued bonds | 685 | 874 |
| Other payables to Nykredit Realkredit A/S | 65 | 39 |
| Subordinated debt | 11 | 13 |
| Other interest expenses | 0 | 0 |
| Total | 4,055 | 4,210 |
| Set-off of interest from self-issued mortgage bonds – note 1 | (1) | (7) |
| Total | 4,054 | 4,203 |
| 3. FEE AND COMMISSION INCOME | | |
| Loan fees, new lending | 43 | 64 |
| Commission and other fees | 28 | 57 |
| Total | 71 | 121 |
| 4. FEE AND COMMISSION EXPENSES | | |
| Loan arrangement fees | 34 | 46 |
| Commission to loan arrangers | 269 | 244 |
| Commission and other fees | 45 | 69 |
| Total | 348 | 359 |



Notes

DKK MILLION

| | Q1/2011 | Q1/2010 |
|---|-------------|------------|
| 5. VALUE ADJUSTMENTS | | |
| Mortgage loans | (5,661) | 3,494 |
| Bonds | (144) | 78 |
| Foreign exchange, interest rate and other contracts as well as derivative financial instruments | 3 | (61) |
| Other liabilities | 87 | (4) |
| Issued bonds, including bonds issued by Nykredit Realkredit A/S in connection with the funding of mortgage loans granted by Totalkredit A/S | 5,660 | (3,494) |
| Total | (55) | 13 |
| 6. STAFF AND ADMINISTRATIVE EXPENSES | | |
| Remuneration of Board of Directors and Executive Board | 1 | 1 |
| Staff expenses | 19 | 19 |
| Administrative expenses | 77 | 92 |
| Total | 97 | 112 |
| Remuneration of Board of Directors and Executive Board | | |
| Board of Directors: | | |
| Remuneration | 0 | 0 |
| Executive Board: | | |
| Salaries | 1 | 1 |
| Pensions | 0 | 0 |
| Other social security expenses and charges | 0 | 0 |
| Total | 1 | 1 |
| The terms and conditions governing pensions and retirement in relation to the Executive Board have not changed since the Annual Report for 2010 | | |
| Staff expenses: | | |
| Wages and salaries | 16 | 16 |
| Pensions | 2 | 2 |
| Other social security expenses and charges | 1 | 1 |
| Total | 19 | 19 |
| Number of staff | | |
| Average number of staff, full-time equivalents | 123 | 122 |



Notes

DKK MILLION

| | Q1/2011 | Q1/2010 |
|--|------------|-------------|
| 7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES | | |
| Changes in provisions for loan impairment, individual | 69 | 45 |
| Changes in provisions for loan impairment, collective | (11) | (54) |
| Recognised losses for the period, net | 7 | 2 |
| Received on claims previously written off | 0 | 0 |
| Total impairment losses on loans, advances and receivables | 65 | (7) |
| Value adjustment of assets in temporary possession | 11 | (2) |
| Losses offset against commission payments to partner banks | (26) | (11) |
| Total | 50 | (20) |
| Specification of provisions for loan impairment | | |
| Individual impairment provisions | 301 | 357 |
| Collective impairment provisions | 234 | 145 |
| Total impairment provisions | 535 | 502 |
| Individual provisions for loan impairment | | |
| Impairment provisions, beginning of period | 278 | 336 |
| Impairment provisions for the period | 119 | 121 |
| Impairment provisions reversed | (50) | (76) |
| Value adjustment of properties repossessed | (10) | (3) |
| Impairment provisions recognised as lost | (36) | (21) |
| Impairment provisions, end of period | 301 | 357 |
| Collective provisions for loan impairment | | |
| Impairment provisions, beginning of period | 245 | 199 |
| Impairment provisions for the period | - | - |
| Impairment provisions reversed | (11) | (54) |
| Impairment provisions, end of period | 234 | 145 |
| Individual impairment provisions for properties repossessed | | |
| Impairment provisions, beginning of period | 60 | 25 |
| Transfer from properties not repossessed | 10 | 3 |
| Impairment provisions for the period | 19 | 5 |
| Impairment provisions reversed | (8) | (7) |
| Impairment provisions recognised as lost | (6) | - |
| Impairment provisions, end of period | 75 | 26 |



Notes

DKK MILLION

| | Q1/2011 | Q1/2010 |
|--|----------------|----------------|
| 7. IMPAIRMENT LOSSES ON LOANS, ADVANCES AND RECEIVABLES (continued) | | |
| Specification of loans and advances | | |
| Loans and advances subject to individual impairment | 1,780 | 2,223 |
| Impairment provisions | (301) | (357) |
| Loans and advances after impairment provisions | 1,479 | 1,866 |
| Loans and advances subject to collective impairment | 457,407 | 433,955 |
| Impairment provisions | (234) | (145) |
| Loans and advances after impairment provisions | 457,173 | 433,810 |



Notes

DKK MILLION

| | 31.03.2011 | 31.12.2010 |
|---|----------------|----------------|
| 8. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS | | |
| Receivables from credit institutions | 11,239 | 18,111 |
| 9. LOANS AND ADVANCES | | |
| Loans, advances and other receivables at fair value | 454,208 | 455,957 |
| Loans, advances and other receivables at amortised cost | 52 | 54 |
| Total | 454,260 | 456,011 |
| Loans, advances and other receivables at fair value | | |
| Mortgage loans | 454,224 | 455,989 |
| Receivables from loans secured on properties not repossessed | (16) | (32) |
| Total | 454,208 | 455,957 |
| Mortgage loans | | |
| Balance, beginning of period, nominal value | 455,104 | 431,357 |
| New loans | 14,598 | 110,927 |
| Ordinary principal payments | (804) | (4,417) |
| Prepayments and extraordinary principal payments | (9,763) | (82,763) |
| Balance, end of period, nominal value | 459,135 | 455,104 |
| Loans transferred relating to properties in temporary possession | (82) | (89) |
| Fair value adjustment | (4,596) | 1,218 |
| Adjustment for credit risk | | |
| Individual impairment provisions | - | - |
| Collective impairment provisions | (234) | (245) |
| Balance, end of period, fair value | 454,223 | 455,988 |
| Receivables from loans secured on properties not repossessed | | |
| Arrears before impairment provisions | 148 | 155 |
| Outlays before impairment provisions | 137 | 91 |
| Provisions for arrears and outlays | (301) | (278) |
| Total | (16) | (32) |
| Loans, advances and other receivables at amortised cost | | |
| Mortgage loans | 52 | 54 |
| Total | 52 | 54 |
| Measured at fair value, the item amounted to DKK 52m at end-Q1/2011 and DKK 54m at end-2010. | | |
| Mortgage loan guarantees provided by banks: | | |
| Supplementary guarantees in addition to mortgages on real property | 7,930 | 7,721 |
| Statutory guarantees for interim loans | 10,451 | 11,669 |
| Guarantees for loans disbursed before obtaining a registered mortgage | 14,100 | 36,810 |
| Total | 32,481 | 56,200 |



Notes

DKK MILLION

| | 31.03.2011 | 31.12.2010 |
|---|----------------|----------------|
| 10. BONDS AT FAIR VALUE | | |
| - Self-issued mortgage bonds | 134 | 194 |
| - Other mortgage bonds | 61,965 | 81,540 |
| - Government bonds | 0 | 0 |
| Total | 62,099 | 81,734 |
| Set-off against "Issued bonds at fair value" – note 14 | (134) | (194) |
| Total bonds | 61,965 | 81,500 |
| 11. ASSETS IN TEMPORARY POSSESSION | | |
| Debt outstanding, end of period | 61 | 64 |
| Outlays | 17 | 11 |
| Impairment provisions, end of period | (42) | (36) |
| Total | 36 | 39 |
| 12. OTHER ASSETS | | |
| Interest and commission receivable on loans and advances | 1,854 | 1,991 |
| Positive market value of derivative financial instruments | 1 | 1 |
| Interest receivable from bonds and credit institutions | 1,677 | 2,651 |
| Other | 36 | 39 |
| Total | 3,568 | 4,682 |
| 13. PAYABLES TO CREDIT INSTITUTIONS | | |
| Payables to credit institutions, other payables | 17 | 20 |
| Payables to Nykredit Realkredit A/S concerning supplementary security for SDO-funded mortgage lending | 10,215 | 10,024 |
| Mortgage loan funding through Nykredit Realkredit A/S | 412,544 | 433,586 |
| Total | 422,776 | 443,630 |
| Of which mortgage loan funding through Nykredit Realkredit A/S: | | |
| Balance, beginning of period, nominal value | 432,093 | 397,958 |
| Additions | 48,911 | 211,778 |
| Drawings and prepayments | (61,107) | (159,079) |
| Prepayments and extraordinary principal payments | (4,261) | (18,564) |
| Balance, end of period, nominal value | 415,636 | 432,093 |
| Fair value adjustment | (3,091) | 1,493 |
| Total | 412,545 | 433,586 |



Notes

DKK MILLION

| | 31.03.2011 | 31.12.2010 |
|---|---------------|---------------|
| 14. ISSUED BONDS AT FAIR VALUE | | |
| Mortgage bonds issued against mortgages on real property | | |
| Balance, beginning of period, nominal value | 90,663 | 108,708 |
| Additions | 0 | 0 |
| Drawings and prepayments | (4,632) | (10,946) |
| Prepayments and extraordinary principal payments | (1,285) | (7,099) |
| Balance, end of period | 84,746 | 90,663 |
| Set-off, self-issued bonds | (134) | (194) |
| Fair value adjustment | (1,503) | (276) |
| Total | 83,109 | 90,193 |
| Of which pre-issuance | - | - |
| Bonds drawn for redemption at the next creditor settlement date | 1,434 | 4,552 |
| 15. OTHER LIABILITIES | | |
| Interest payable on issued mortgage bonds, including bonds issued by Nykredit Realkredit A/S for the funding of mortgage lending by Totalkredit A/S | 7,668 | 9,204 |
| Negative market value of derivative financial instruments | 4 | 50 |
| Other liabilities | 1,485 | 1,444 |
| Total | 9,157 | 10,698 |
| 16. SUBORDINATED DEBT | | |
| Subordinated debt of a total of DKK 2,600m consists of debt pursuant to section 136 of the Danish Financial Business Act. The loan was raised in June 2005 with Nykredit Realkredit A/S as lender. The loan carries a floating rate and has a maximum maturity of 13 years. In connection with prepayment, the loan shall be repaid at par (100) with the addition of accrued interest. There are no costs in relation to prepayment. | | |
| 17. OFF-BALANCE SHEET ITEMS | | |
| Guarantees | | |
| Financial guarantees | 0 | 0 |
| Total guarantees | 0 | 0 |
| Other commitments | | |
| Other | 12 | 12 |
| Total other commitments | 12 | 12 |
| Total off-balance sheet items | 12 | 12 |

18. RELATED PARTY TRANSACTIONS AND BALANCES

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

No unusual transactions have been made with related parties in 2011.

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

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

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

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

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

Agreement on joint funding of mortgage loans.

Agreement on IT development and operations.

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

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

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

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



Financial highlights – five years

| | Q1/2011 | Q1/2010 | Q1/2009 | Q1/2008 | Q1/2007 |
|--|----------------|----------------|----------------|----------------|----------------|
| INCOME STATEMENT | | | | | |
| Net interest income | 681 | 705 | 619 | 559 | 460 |
| Net fee income | (277) | (238) | (211) | (184) | (170) |
| Net interest and fee income | 404 | 467 | 408 | 375 | 290 |
| Value adjustments | (55) | 13 | 89 | 9 | 26 |
| Other operating income | 0 | 0 | 0 | 0 | 0 |
| Staff and administrative expenses | 97 | 112 | 102 | 103 | 79 |
| Depreciation and impairment losses for property, plant and equipment | 0 | 0 | 0 | 0 | 0 |
| Impairment losses on loans, advances and receivables | 50 | (20) | 125 | 1 | 0 |
| Profit before tax | 203 | 388 | 270 | 280 | 236 |
| Tax | 51 | 97 | 68 | 70 | 65 |
| Profit for the period | 152 | 291 | 202 | 210 | 171 |
| SUMMARY BALANCE SHEET, END OF PERIOD | | | | | |
| | 31.03.2011 | 31.03.2010 | 31.03.2009 | 31.03.2008 | 31.03.2007 |
| ASSETS | | | | | |
| Receivables from credit institutions | 11,239 | 16,521 | 9,020 | 9,258 | 8,738 |
| Mortgage loans | 454,276 | 439,094 | 402,345 | 361,017 | 317,928 |
| Bonds and equities | 61,965 | 50,366 | 14,495 | 11,492 | 7,296 |
| Other assets | 3,602 | 2,787 | 794 | 379 | 166 |
| Total assets | 531,082 | 508,768 | 426,654 | 382,146 | 334,128 |
| LIABILITIES AND EQUITY | | | | | |
| Payables to credit institutions | 422,776 | 383,918 | 289,329 | 225,201 | 146,712 |
| Issued bonds | 83,109 | 100,993 | 116,049 | 137,348 | 171,425 |
| Supplementary capital | 2,600 | 2,600 | 3,600 | 3,600 | 4,089 |
| Other liabilities | 9,189 | 8,657 | 5,921 | 5,058 | 3,756 |
| Equity | 13,408 | 12,660 | 11,755 | 10,939 | 8,146 |
| Total liabilities and equity | 531,082 | 508,768 | 426,654 | 382,146 | 334,128 |
| FINANCIAL RATIOS | | | | | |
| Profit for the period as % of average equity | 1.1 | 2.3 | 1.7 | 1.9 | 2.1 |
| Profit before tax for the period as % of average equity | 1.5 | 3.1 | 2.3 | 2.6 | 2.9 |
| Loans and advances:equity | 33.9 | 34.7 | 34.2 | 33.0 | 39.0 |
| Growth in loans and advances for the period, % | 0.9 | 1.1 | 2.2 | 2.5 | 3.6 |
| Impairment losses for the period, % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital adequacy ratio, %* | 24.0 | 26.1 | 26.8 | 27.4 | 9.3 |
| Core capital ratio, %* | 20.2 | 21.7 | 20.7 | 20.7 | 6.1 |
| Average number of full-time staff | 123 | 122 | 117 | 104 | 106 |

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



Financial highlights – six quarters

| | Q1/2011 | Q4/2010 | Q3/2010 | Q2/2010 | Q1/2010 | Q4/2009 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| CORE EARNINGS AND PROFIT FOR THE PERIOD | | | | | | |
| Core income from | | | | | | |
| Business operations | 310 | 369 | 353 | 335 | 346 | 381 |
| Securities | 32 | 30 | 32 | 30 | 31 | 37 |
| Total | 342 | 399 | 385 | 365 | 377 | 418 |
| Operating costs, depreciation and amortisation | 97 | 92 | 105 | 111 | 112 | 94 |
| Core earnings before impairment losses | 245 | 307 | 280 | 254 | 265 | 324 |
| Impairment losses on loans and advances | 50 | 80 | 22 | 76 | (20) | 90 |
| Core earnings after impairment losses | 195 | 227 | 258 | 178 | 285 | 234 |
| Investment portfolio income | 8 | 27 | 33 | 74 | 103 | 53 |
| Profit before tax | 203 | 254 | 291 | 252 | 388 | 287 |
| Tax | 51 | 65 | 73 | 63 | 97 | 72 |
| Profit for the period | 152 | 189 | 218 | 189 | 291 | 215 |
| SUMMARY BALANCE SHEET, END OF PERIOD | 31.03.2011 | 31.12.2010 | 30.09.2010 | 30.06.2010 | 31.03.2010 | 31.12.2009 |
| ASSETS | | | | | | |
| Receivables from credit institutions | 11,239 | 18,111 | 16,003 | 14,201 | 16,521 | 16,112 |
| Mortgage loans | 454,276 | 456,043 | 458,179 | 450,279 | 439,094 | 430,710 |
| Bonds and equities | 61,965 | 81,540 | 73,079 | 29,740 | 50,366 | 87,311 |
| Other assets | 3,602 | 4,697 | 5,571 | 3,677 | 2,787 | 3,762 |
| Total assets | 531,082 | 560,391 | 552,832 | 497,897 | 508,768 | 537,895 |
| LIABILITIES AND EQUITY | | | | | | |
| Payables to credit institutions | 422,776 | 443,630 | 428,458 | 373,845 | 383,918 | 406,899 |
| Issued bonds | 83,109 | 90,193 | 96,122 | 99,296 | 100,933 | 104,789 |
| Supplementary capital | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 |
| Other liabilities | 9,189 | 10,712 | 12,585 | 9,307 | 8,657 | 11,238 |
| Equity | 13,408 | 13,256 | 13,067 | 12,849 | 12,660 | 12,369 |
| Total liabilities and equity | 531,082 | 560,391 | 552,832 | 497,897 | 508,768 | 537,895 |
| FINANCIAL RATIOS | | | | | | |
| Profit for the period as % of average equity, pa | 4.6 | 5.7 | 6.7 | 5.9 | 9.3 | 6.8 |
| Core earnings after impairment losses as % of average equity, pa | 5.9 | 6.9 | 8.0 | 5.6 | 9.1 | 5.6 |
| Costs as % of core income | 28.4 | 27.5 | 27.3 | 30.4 | 29.7 | 24.0 |
| Impairment losses for the period, % | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital adequacy ratio, % | 24.0 | 22.9 | 23.5 | 25.5 | 26.1 | 20.2 |
| Core capital ratio, % | 20.2 | 19.3 | 19.7 | 21.3 | 21.7 | 16.7 |