

To NASDAQ OMX Copenhagen
and the press

6 November 2008

Q1-Q3 INTERIM REPORT 2008
Totalcredit A/S
(1 January – 30 September 2008)

Q1-Q3 – IN BRIEF

- Profit before tax was DKK 711m – on a level with profit for the same period in 2007.
- Core income was DKK 1,148m – up 20%.
- Core earnings after impairment losses were DKK 847m – up 19%.
- The investment portfolio generated a loss of DKK 136m against a loss of DKK 4m in the same period the year before.
- Nominal mortgage lending increased by DKK 30bn to DKK 393bn.
- Due to negative investment portfolio income, the forecast profit before tax for the year is revised downwards by DKK 100m to DKK 900m.
- Standard & Poor's assigned AAA rating to covered bonds issued out of Capital Centre C.

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Financial highlights

DKK MILLION

	Q1-Q3/2008	Q1-Q3/2007	FY 2007
CORE EARNINGS AND PROFIT FOR THE PERIOD			
Core income from			
Business operations	832	722	999
Securities	316	238	322
Total	1,148	960	1,321
Operating costs, depreciation and amortisation	291	246	314
Core earnings before impairment losses	857	714	1,007
Impairment losses on loans and advances	10	1	1
Core earnings after impairment losses	847	713	1,006
Investment portfolio income	(136)	(4)	(2)
Profit before tax	711	709	1,004
Tax	179	176	250
Profit for the period	532	533	754
SUMMARY BALANCE SHEET, END OF PERIOD			
	30.09.2008	30.09.2007	31.12.2007
ASSETS			
Receivables from credit institutions	9,306	10,603	11,647
Mortgage loans	367,766	337,703	349,278
Bonds and equities	13,721	9,275	47,156
Other assets	726	279	1,833
Total assets	391,519	357,860	409,914
LIABILITIES AND EQUITY			
Payables to credit institutions	248,785	186,301	242,623
Issued bonds	120,982	151,376	145,401
Supplementary capital	3,600	4,591	3,600
Other liabilities	6,891	5,584	7,561
Equity	11,261	10,008	10,729
Total liabilities and equity	391,519	357,860	409,914
FINANCIAL RATIOS			
Profit for the period as % of average equity (pa)	6.5	7.9	8.1
Core earnings after impairment losses as % of average equity (pa)	10.3	10.6	10.8
Costs as % of core income	25.3	25.6	23.8
Impairment losses for the period, %	0.0	0.0	0.0
Capital adequacy ratio, %*	27.1	10.1	9.5
Core capital ratio, %*	20.7	6.9	7.1
Average number of full-time staff	107	108	109
*) As from 2008, the capital adequacy ratio and core capital ratio are determined in accordance with CRD			



Q1-Q3 Interim Report 2008

Totalcredit recorded a profit before tax of DKK 711m, which is on a level with profit for the same period the year before. The profit reflects an increase in core income of 19% and a loss on the investment portfolio of DKK 136m.

In Q1-Q3/2008, Totalcredit's lending grew by a nominal DKK 30bn to DKK 393bn.

Core earnings

Totalcredit's core earnings after impairment losses were DKK 847m against DKK 712m in the same period the year before, up 19%.

Core income from business operations was DKK 832m against DKK 722m in the same period in 2007.

Core income from securities amounted to DKK 316m compared with DKK 238m in Q1-Q3/2007.

Operating costs, depreciation and amortisation amounted to DKK 291m against DKK 246m in the same period the year before. The cost development is in line with the budget, and the rise relates to increased IT costs incurred in connection with the launch of the business partner web portal, which is a newly developed advisory and production system that is key to the banks' housing advisory services and sale of Totalcredit loans.

Investment portfolio income

In Q3/2008, interest rate markets continued to develop very adversely, and the investment portfolio loss increased from DKK 62m at end-H1 to DKK 136m at end-Q3/2008. In the same period the year before, the investment portfolio generated a loss of DKK 4m.

Impairment losses on loans and advances

Impairment losses on loans and advances amounted to DKK 10m, of which less than DKK 0.5m was recognised losses. The increased impairment losses reflect the transition from the guarantee model to the set-off model, according to which any loss on the part of a loan exceeding 60% of the mortgageable value is set off against future commission payments to the banks after recognition of the loss.

Loans and advances

In Q1-Q3, Totalcredit's gross new lending came to DKK 64bn against DKK 73bn in the same period the year before.

Balance sheet

Mortgage lending at fair value increased in the period to DKK 368bn against DKK 349bn at the beginning of the year.

Mortgage loans are funded through the issuance of bonds via the Parent Company, Nykredit Realkredit A/S, and bonds issued by Totalcredit A/S. At end-Q3/2008, payables to the Parent Company at fair value amounted to DKK 249bn. Totalcredit had issued DKK 121bn of own bonds.

Equity including profit for the period was DKK 11.3bn at end-Q3/2008 against DKK 10.7bn at the beginning of the year.

At end-Q3/2008, the balance sheet stood at DKK 392bn compared with DKK 410bn at end-2007.

This decrease was mainly a result of the issuance of bonds worth approximately DKK 37bn for the refinancing of loans at end-2007 and a reduction of the balance sheet by approximately DKK 26bn as a result of fair value adjustment in 2008.

CAPITAL ADEQUACY

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

As from 1 January 2008, the capital charge for credit risk is calculated on the basis of the most advanced IRB approaches.

At end-September 2008, the capital base amounted to DKK 14.5bn, and the capital requirement was DKK 4.3bn pursuant to the new principles, corresponding to a capital adequacy ratio of 27.1%.

Under the transitional rules, the capital requirement must constitute at least 90% and 80% in 2008 and 2009, respectively, of the requirement calculated according to the previous rules.



In pursuance of these transitional rules, the capital requirement amounted to DKK 12.6bn at end-Q3, equal to a capital adequacy ratio of 23.5%.

RATING

In early November, rating agency Standard & Poor's assigned the rating AAA to covered bonds issued out of Totalkredit's Capital Centre C. Today, all new lending in 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 about recognition and measurement

The measurement of certain assets and liabilities is based on accounting estimates made by the Company Management.

The areas in which assumptions and estimates material to the financial statements have been made comprise provisions for loan and receivable impairment as well as other provisions, cf the mention in the Annual Report for 2007.

In Management's opinion, the uncertainty related to the above-mentioned matters is insignificant to the Q1-Q3 Interim Report 2008.

Business partners

As described in the Annual Report for 2007, a new partnership agreement with the banks had been entered into according to which each bank could choose between the existing guarantee structure and a set-off model under which any losses incurred on the loans arranged by the banks are offset against future commission payments from Totalkredit.

In March 2008, Nykredit/Totalkredit offered its business partners a new and broader partnership agreement extending the agreement from 2003 when Nykredit acquired Totalkredit.

The business partners have adopted the new partnership agreement, and all guaranteed loans have been included under the set-off model.

OUTLOOK FOR 2008

The loan portfolio and core earnings developed satisfactorily in Q1-Q3/2008. Investment portfolio income declined by an additional DKK 74m in Q3 due to adverse financial market trends. In consequence, the forecast profit before tax for the year is revised from DKK 1,000m as stated in the H1 Interim Report 2008 to DKK 900m on the assumption that financial markets do not deteriorate further during the last months of 2008.

In the H1 Interim Report 2008, the forecast profit before tax was revised downwards from the original DKK 1,100m to DKK 1,000m due to investment portfolio losses.

Losses and provisions are expected to increase slightly but remain modest.

EVENTS OCCURRED AFTER THE END OF THE FINANCIAL PERIOD

In the period up to the presentation of the Q1-Q3 Interim Report 2008, no significant events have occurred.

ACCOUNTING POLICIES

The Q1-Q3 Interim Report 2008 has been prepared in accordance with the Danish Financial Business Act and the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

All figures in the Q1-Q3 Interim Report 2008 are presented in DKK million. The totals stated are calculated on the basis of actual figures. Due to rounding to the nearest whole million DKK, minor differences between the sum of individual figures and the stated totals may occur.

The accounting policies are unchanged compared with the Annual Report for 2007. For a description, please refer to the Annual Report for 2007 at totalkredit.dk.

The Q1-Q3 Interim Report has not been audited or reviewed.



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

The Board of Directors and the Executive Board have today reviewed and approved the Interim Report for the period 1 January – 30 September 2008 of Totalkredit A/S.

The Q1-Q3 Interim Report was prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. Further, the Q1-Q3 Interim Report was prepared in accordance with additional Danish disclosure requirements for interim reports of issuers of listed bonds.

Taastrup, 6 November 2008

EXECUTIVE BOARD

Troels Bülow-Olsen

Hans Henrik Andersen

Per Nykjær

In our opinion, the Q1-Q3 Interim Report gives a fair review of the development in the activities and financial circumstances of the Company as well as a satisfactory description of the material risk and uncertainty factors affecting the Company.

In our opinion, the Interim Report also gives a fair presentation of the Company's assets, liabilities, equity and financial position at 30 September 2008 and of the results of the Company's activities and cash flows for the financial period 1 January – 30 September 2008.

BOARD OF DIRECTORS

Niels Tørslev,
Chairman

Bent Naur,
Deputy Chairman

Johnna Bechsøft

Karen Frøsig

Søren Holm

Jari Loch Jensen

Gert R. Jonassen

Frank Kristensen

Merete Nilausen



Income statement for 1 January – 30 September

DKK MILLION

	Note	Q1-Q3/2008	Q1-Q3/2007
Interest income	1	15,504	12,602
Interest expenses	2	13,758	11,131
Net interest income		1,746	1,471
Dividend on equities		2	2
Fee and commission income	3	225	226
Fee and commission expenses	4	816	756
Net interest and fee income		1,156	943
Value adjustments	5	(145)	12
Other operating income		1	1
Staff and administrative expenses	6	290	245
Depreciation and impairment losses for property, plant and equipment		1	1
Impairment losses on loans, advances and receivables		10	1
Profit before tax		711	709
Tax		179	176
Profit for the period		532	533



Balance sheet, end of period

DKK MILLION

	Note	30.09.2008	31.12.2007
ASSETS			
Cash balance and demand deposits with central banks		0	0
Receivables from credit institutions and central banks	7	9,306	11,647
Loans, advances and other receivables at fair value	8	367,877	349,342
Bonds at fair value	9	13,704	47,135
Equities	10	17	21
Other property, plant and equipment		1	2
Current tax assets		20	20
Deferred tax assets		1	1
Assets in temporary possession		1	0
Other assets	11	586	1,741
Prepayments		6	5
Total assets		391,519	409,914
LIABILITIES AND EQUITY			
Payables to credit institutions	12	248,785	242,702
Issued bonds at fair value	13	120,982	145,401
Current tax liabilities		142	0
Other liabilities	14	6,741	7,476
Provisions for pensions and similar obligations		8	6
Subordinate loan capital	15	3,600	3,600
Equity:	16		
Share capital		799	799
Reserves:			
Series reserves		1,543	1,543
Other reserves		8,387	8,387
Retained earnings for the period		532	
Total equity		11,261	10,729
Total liabilities and equity		391,519	409,914
OFF-BALANCE SHEET ITEMS			
Guarantees	17	0	0
Other commitments		16	24
Total off-balance sheet items		16	24

Notes

DKK MILLION

	Q1-Q3/2008	Q1-Q3/2007
1. INTEREST INCOME		
Receivables from credit institutions	136	141
Loans, advances and other receivables	13,614	11,040
Administrative margin	1,350	1,182
Bonds:		
- Own mortgage bonds	20	63
- Other mortgage bonds	397	235
- Government bonds	6	4
Derivative financial instruments:		
- Interest rate contracts	1	0
Total	15,524	12,665
Interest from own mortgage bonds has been offset against interest expenses – note 2	(20)	(63)
Total	15,504	12,602
2. INTEREST EXPENSES		
Mortgage loan funding through Nykredit Realkredit A/S	9,286	5,817
Issued bonds	4,341	5,233
Subordinate loan capital	151	154
Other interest expenses	0	0
Total	13,778	11,194
Set-off of interest from own mortgage bonds – note 1	(20)	(63)
Total	13,758	11,131
3. FEE AND COMMISSION INCOME		
Loan fees, new lending	131	141
Commission and other fees	93	85
Total	224	226
4. FEE AND COMMISSION EXPENSES		
Loan arrangement fee	93	150
Commissions to loan arrangers	636	533
Trading commission and other fees	87	73
Total	816	756

Notes

DKK MILLION

	Q1-Q3/2008	Q1-Q3/2007
5. VALUE ADJUSTMENTS		
Mortgage loans	(11,715)	(7,013)
Bonds	(104)	10
Equities	(4)	5
Foreign exchange, interest rate and other contracts as well as derivative financial instruments	(37)	(3)
Issued bonds, including bonds issued by Nykredit Realkredit A/S in connection with the funding of mortgage loans granted by Totalkredit A/S	11,715	7,013
Total	(145)	12
6. STAFF AND ADMINISTRATIVE EXPENSES		
Remuneration of Board of Directors and Executive Board	6	6
Staff expenses	47	46
Administrative expenses	237	193
Total	290	245
Remuneration of Board of Directors and Executive Board		
Board of Directors:		
Remuneration	1	1
Executive Board:		
Salaries	5	5
Other social security expenses and charges	0	0
Total	6	6
<p>The terms and conditions governing pensions and retirement in relation to the Executive Board have not changed since the Annual Report for 2007.</p>		
Staff expenses:		
Wages and salaries	39	36
Pensions	4	6
Other social security expenses and charges	4	4
Total	47	46
Number of staff		
Average number of staff, full-time equivalents	107	108

Notes

DKK MILLION

	30.09.2008	31.12.2007
7. RECEIVABLES FROM CREDIT INSTITUTIONS AND CENTRAL BANKS		
Receivables from credit institutions	9,306	11,647
Of which prepaid funds, including immediate prepayments at par	236	2,467
8. LOANS, ADVANCES AND OTHER RECEIVABLES AT FAIR VALUE		
Mortgage loans at fair value	367,766	349,278
Arrears and outlays	111	64
Other loans and advances	0	0
Total	367,877	349,342
Mortgage loans		
Balance, beginning of period, nominal value	363,175	312,196
New loans	65,447	100,329
Ordinary principal payments	(3,715)	(4,739)
Prepayments and extraordinary principal payments	(31,523)	(44,611)
Balance, end of period, nominal value	393,384	363,175
Loans transferred relating to properties in temporary possession	(1)	0
Fair value adjustment	(25,611)	(13,896)
Adjustment for credit risk		
Individual impairment provisions	(6)	(1)
Collective impairment provisions		
Balance, end of period, fair value	367,766	349,278
Arrears and outlays		
Arrears before impairment provisions	116	66
Outlays before impairment provisions	(1)	(1)
Provisions for arrears and outlays	(4)	(1)
Total	111	64
Mortgage loan bank guarantees:		
Supplementary guarantees in addition to mortgages on real property	4,689	42,366
Statutory interim loan guarantees	19,505	25,088
Guarantees for loans disbursed before obtaining a registered mortgage	29,392	32,364
Total	53,586	99,818

Notes

DKK MILLION

	30.09.2008	31.12.2007
9. BONDS AT FAIR VALUE		
- Own mortgage bonds	519	1,857
- Other mortgage bonds	13,496	46,057
- Government bonds	208	106
- Other bonds	-	972
Total	14,223	48,992
Set-off against Issued bonds – note 13	(519)	(1,857)
Total bonds	13,704	47,135
10. EQUITIES AT FAIR VALUE		
Listed on the NASDAQ OMX	4	7
Unlisted equities	13	14
Total	17	21
11. OTHER ASSETS		
Interest and commission receivable	163	28
Positive market value of derivative financial instruments	3	49
Interest receivable from bonds and credit institutions	292	1,616
Other assets	128	48
Total	586	1,741
12. PAYABLES TO CREDIT INSTITUTIONS		
Payables to credit institutions, other payables	4	80
Mortgage loan funding through Nykredit Realkredit A/S	248,781	242,622
Total	248,785	242,702
Of which mortgage loan funding through Nykredit Realkredit A/S:		
Balance, beginning of period, nominal value	250,569	168,889
Additions	65,456	136,632
Drawings and prepayments	(34,536)	(38,419)
Prepayments and extraordinary principal payments	(17,037)	(16,533)
Balance, end of period, nominal value	264,452	250,569
Fair value adjustment	(15,671)	(7,947)
Total	248,781	242,622

Notes

DKK MILLION

	30.09.2008	31.12.2007
13. ISSUED BONDS		
Mortgage bonds issued against mortgages on real property		
Balance, beginning of period, nominal value	153,207	190,617
Additions	0	24
Drawings and prepayments	(8,227)	(12,990)
Prepayments and extraordinary principal payments	(13,539)	(24,444)
Balance, end of period	131,441	153,207
Set-off, own bonds	(519)	(1,857)
Fair value adjustment	(9,940)	(5,949)
Total	120,982	145,401
Of which pre-issuance	-	-
Bonds drawn for redemption at the next creditor settlement date	695	6,632
14. OTHER LIABILITIES		
Interest and commission payable	6,333	7,413
Negative market value of derivative financial instruments	26	0
Other payables	382	63
Total	6,741	7,476
15. SUBORDINATE LOAN CAPITAL		
Subordinate loan capital consists of debt pursuant to section 136 of the Danish Financial Business Act. Three loans have been raised with Nykredit Realkredit A/S as lender. The loans carry floating interest rates.		
1. Loan in the amount of DKK 2,600m raised in June 2005 with a maximum term of 13 years		
2. Loan in the amount of DKK 500m raised in June 2007 with a maximum term of 8 years		
3. Loan in the amount of DKK 500m raised in December 2007 with a maximum term of 5 years		

Notes

DKK MILLION

	30.09.2008	31.12.2007
16. EQUITY		
Share capital	799	799
Series reserves	1,543	1,543
Other reserves	8,919	8,387
Equity, end of period	11,261	10,729
<p>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.</p>		
17. OFF-BALANCE SHEET ITEMS		
Guarantees:		
Financial guarantees	0	0
Total	0	0
Other commitments:		
Other	16	24
Total off-balance sheet items	16	24



Financial highlights – five years

	Q1-Q3/ 2008	Q1-Q3/ 2007	Q1-Q3/ 2006	Q1-Q3/ 2005	Q1-Q3/ 2004
INCOME STATEMENT					
Net interest income	1,746	1,471	1,171	1,022	772
Net fee income	(590)	(528)	(459)	(304)	(304)
Net interest and fee income	1,156	943	712	718	468
Value adjustments	(145)	12	12	6	43
Other operating income	1	1	0	0	0
Staff and administrative expenses	290	245	170	154	140
Depreciation and impairment losses for property, plant and equipment	1	1	2	1	2
Impairment losses on loans, advances and receivables	10	1	1	1	0
Profit before tax	711	709	551	568	369
Tax	179	176	153	158	110
Profit for the period	532	533	398	410	259
SUMMARY BALANCE SHEET, END OF PERIOD					
	30.09.2008	30.09.2007	30.09.2006	30.09.2005	30.09.2004
ASSETS					
Receivables from credit institutions	9,306	10,603	7,844	16,644	8,890
Mortgage loans	367,766	337,703	293,472	246,064	188,281
Bonds and equities	13,721	9,275	8,002	5,416	6,030
Other assets	726	279	175	221	146
Total assets	391,519	357,860	309,493	268,345	203,347
LIABILITIES AND EQUITY					
Payables to credit institutions	248,785	186,301	101,219	4,585	0
Issued bonds	120,982	151,376	192,566	249,579	193,027
Supplementary capital	3,600	4,591	4,090	5,210	2,601
Other liabilities	6,891	5,584	3,840	3,738	2,991
Equity	11,261	10,008	7,778	5,233	4,728
Total liabilities and equity	391,519	357,860	309,493	268,345	203,347
FINANCIAL RATIOS					
Profit for the period as % of average equity	4.8	5.9	6.0	8.2	6.3
Profit before tax for the period as % of average equity	6.5	7.9	8.4	11.3	9.0
Loans and advances:equity	32.7	33.7	37.7	47.0	39.8
Growth in loans and advances for the period, %	5.3	10.3	16.0	24.9	16.0
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, %	27.1	10.1	9.7	10.1	9.3
Core capital ratio, %	20.7	6.9	6.2	5.0	5.9
Average number of full-time staff	107	108	104	85	72



Financial highlights – six quarters

	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007
CORE EARNINGS AND PROFIT FOR THE PERIOD						
Core income from						
Business operations	290	269	273	276	263	236
Securities	113	103	100	85	97	73
Total	403	372	373	361	360	309
Operating costs, depreciation and amortisation	90	98	103	68	96	70
Core earnings before impairment losses	313	274	270	293	264	239
Impairment losses on loans and advances	7	2	1	0	0	1
Core earnings after impairment losses	306	272	269	293	264	238
Investment portfolio income	(74)	(73)	11	2	6	(35)
Profit before tax	232	199	280	295	270	203
Tax	59	50	70	74	54	57
Profit for the period	173	149	210	221	216	146
SUMMARY BALANCE SHEET, END OF PERIOD						
	30.09.2008	30.06.2008	31.03.2008	31.12.2007	30.09.2007	30.06.2007
ASSETS						
Receivables from credit institutions	9,306	9,401	9,258	11,647	10,603	10,774
Mortgage loans	367,766	358,446	361,017	349,278	337,703	323,277
Bonds and equities	13,721	12,544	11,492	47,156	9,275	8,159
Other assets	726	578	379	1,833	279	225
Total assets	391,519	380,969	382,146	409,914	357,860	342,435
LIABILITIES AND EQUITY						
Payables to credit institutions	248,785	233,883	225,201	242,623	186,301	163,862
Issued bonds	120,982	126,404	137,348	145,401	151,376	159,705
Supplementary capital	3,600	3,600	3,600	3,600	4,591	4,588
Other liabilities	6,891	5,994	5,058	7,561	5,584	4,488
Equity	11,261	11,088	10,939	10,729	10,008	9,792
Total liabilities and equity	391,519	380,969	382,146	409,914	357,860	342,435
FINANCIAL RATIOS						
Profit for the period as % of average equity (pa)	6.2	5.4	7.8	8.5	8.7	8.5
Core earnings after impairment losses as % of average equity (pa)	11.0	9.9	9.9	11.3	10.7	10.6
Costs as % of core income	22.4	27.0	27.6	18.8	26.6	22.7
Impairment losses for the period, %	0.0	0.0	0.0	0.0	0.0	0.0
Capital adequacy ratio, % *	27.1	28.4	27.4	9.5	10.1	10.6
Core capital ratio, %*	20.7	21.5	20.7	7.1	6.9	7.2
*) As from 2008, the capital adequacy ratio and core capital ratio are determined in accordance with CRD						