

To NASDAQ OMX Copenhagen  
The press

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*NB! Please observe that the Danish version of this announcement prevails.*

# Interim Report

## 2009

**3RF** kredit

# Financial and operating data for the BRFkredit Group (BRFkredit)

## Core earnings/earnings from investment portfolios and profits or losses for the period

	1 <sup>st</sup> half of 2009	1 <sup>st</sup> half of 2008	2008 (full year)
Core income from lending operations etc.	609	548	1,122
Core income from securities	254	242	488
<b>Total core income</b>	<b>862</b>	<b>790</b>	<b>1,610</b>
Operating expenses, depreciation and amortisation	462	453	917
<b>Core earnings before impairment</b>	<b>400</b>	<b>337</b>	<b>693</b>
Loan losses and impairment charges	1,442	78	647
<b>Core earnings</b>	<b>-1,042</b>	<b>259</b>	<b>46</b>
Earnings from investment portfolios	295	-300	-621
<b>Profit or loss before tax</b>	<b>-747</b>	<b>-41</b>	<b>-575</b>
Tax (- signifies an income)	-197	-1	-75
<b>Net profit or loss for the period</b>	<b>-550</b>	<b>-40</b>	<b>-500</b>

## Summary balance sheet

	1 <sup>st</sup> half of 2009	1 <sup>st</sup> half of 2008	2008 (full year)
Lending	221,382	201,132	213,909
Bonds and shares etc.	10,482	5,752	11,253
Other assets	8,803	7,197	8,676
<b>Total assets</b>	<b>240,667</b>	<b>214,081</b>	<b>233,838</b>
Issued bonds	201,354	190,934	186,979
Other liabilities	29,485	12,189	36,469
Equity	9,829	10,958	10,390
<b>Total liabilities and equity</b>	<b>240,667</b>	<b>214,081</b>	<b>233,838</b>

## Selected key figures and ratios

	1 <sup>st</sup> half of 2009	1 <sup>st</sup> half of 2008	2008 (full year)
Earnings per unit of cost (DKK)	0.61	0.92	0.64
Growth in lending during the period	2.3	6.0	9.2
Loan-to-equity ratio	22.5	18.4	20.6
Gross new lending (outstanding bond loans), DKK million	24,123	19,085	38,348
Number of new loans	13,400	8,800	17,600
Arrears percentage at end of period	2.46	0.34	1.85
Impairment ratio for the period	0.6	0.0	0.3
Administrative expenses, depreciation and amortisation as % of average loan portfolio	0.42	0,44	0.44
Solvency ratio	11.5	11.8	12.3
Core capital ratio	11.3	10.2	12.3
Return on equity before tax	-7.4	-0.4	-5.4
Return on equity after tax	-5.4	-0.4	-4.7
Series reserve funds, DKK million	8,091	8,716	8,091
Share capital and other reserves, DKK million	1,738	2,242	2,299
Equity, DKK million	9,829	10,958	10,390
Own funds (tier 1 + tier 2), DKK million	9,682	12,446	10,085
Foreign exchange position, %	2.9	1.1	3.8

## Management's review

On 27 August 2009, the Supervisory Board approved the interim financial statements of the BRFkredit Group (BRFkredit) for the six months ended 30 June 2009.

BRFkredit came out of the six-month period with a net loss of DKK 550 million, against a first-half net loss of DKK 40 million in 2008. BRFkredit generated a loss before tax for the first half of 2009 of DKK 747 million, against a pre-tax loss of DKK 41 million for the corresponding period of 2008. After inclusion of interim net loss, the solvency ratio at 30 June 2009 was 11.5%. If computed exclusively on the basis of core (tier 1) capital, the solvency ratio at end-June 2009 was 11.3%.

The six-month period showed rising core income and satisfactory portfolio perfor-

mance, but was mainly characterised by massive impairment charges as a consequence of the financial crisis. In addition, the housing and property market was hit was a general slowdown in activity. Given these circumstances, BRFkredit has launched a wide range of initiatives aimed at adjusting resources to match the level of activity, improving the Group's earnings capacity and limiting loan losses. Increased attention has thus been focused on credit quality, risk-adjusted pricing, balance sheet management based on capital requirements and improved profitability. Improved profitability will be achieved through increases in commissions in the corporate segment, increases in fees and charges and reductions in costs and expenses of about 10%. The adjustment of resources involves a plan, among other initiatives, to reduce the number of employees by about 80. The total annual

effect of the initiatives to boost profitability will be in the order of DKK 400 million. Moreover, it has been decided to stop providing subsequent financing and construction loans to corporate customers of BRFbank.

A continued impairment requirement is assumed to exist in the second half of 2009, albeit at a lower level than in the first half of the year. In the light of the ongoing initiatives and a strong capital base, BRFkredit is well positioned to resist the economic downturn.

At the end of June 2009, BRFkredit a/s applied to the Danish government for the injection of hybrid core capital and, in these circumstances, expects a capital contribution of DKK 2.2 billion. The loan will raise the Group's core capital ratio to 13.9% and its solvency ratio to 14.1%.

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### SUMMARY FINANCIAL PERFORMANCE FOR FIRST HALF OF 2009

- Portfolio growth of DKK 6.8 billion to DKK 219.0 billion from the close of 2008
- Stable market shares.
- Core income up by DKK 72 million to DKK 862 million, against DKK 790 million for the first half of 2008. This figure is mainly influenced by increasing commissions as a result of a larger portfolio, coupled with income from refinancing activities in the spring of 2009.
- Costs and expenses up from DKK 453 million in the first half of 2008 to DKK 462 million in the first half of 2009. The rise can primarily be ascribed to the higher activity level in connection with refinanced loans.
- Earnings from investment portfolios were positive at DKK 295 million, against negative returns of DKK 300 million in the first six months of 2008.
- Loan losses and impairment charges trimmed profits by DKK 1,442 million, equivalent to 0.6% of total lending. This broke down into realised losses of DKK 205 million, impairment charges on individually assessed loans of DKK 1,076 million and impairment charges on groups of loans of DKK 160 million
- Out of total loan losses and impairment charges, BRFkredit a/s and BRFbank accounted for DKK 778 million and DKK 664 million, respectively. DKK 323 million of impairment charges were accounted for by the private customer area and DKK 1,107 million by the corporate customer area. In addition, the financial statements include impairment charges of DKK 12 million concerning BRFbank's participation in Denmark's Bank Rescue Package 1. Total expenses for Bank Rescue Package 1 were DKK 29 million in the first half of 2009.
- The balance of total impairment charges at 30 June 2009 was DKK 2,014 million, equivalent to 0.9% of total lending. DKK 349 million of this amount was accounted for by impairment charges on groups of loans.

## First-half performance 2009

### BRFKREDIT'S SEGMENTS

BRFkredit comprises BRFkredit a/s (Parent Company), BRFbank a/s, Ejendoms-selskabet Nørreport 26, 8000 Århus C. A/S and Ejendomsselskabet Nørgaardsvej 37 – 41, 2800 Lyngby A/S.

BRFkredit's business activities fall into two segments:

- 1) Lending operations etc.
- 2) Portfolio management

### LENDING OPERATIONS ETC.

Lending operations etc. comprise financial business activities in the areas of private customers, corporate customers and subsidised housing as well as the activities of BRFbank. The segment also comprises a risk-free return on the proprietary investment portfolio.

Core earnings of 'Lending operations etc.' were negative at DKK 1,042 million for the interim period, against positive earnings of DKK 259 million for the first half of 2008.

Core earnings are made up as follows:

#### Core income from lending operations etc.

Income from lending operations primarily consists of income from commissions and brokerage, fees and charges from mortgage operations as well as income from bank lending.

Income from commissions, positively influenced by the sustained rise in the portfolio, came to DKK 458 million in the first half of 2009, up from DKK 417 million in the year-earlier period. Brokerage, fees and charges (net) totalled DKK 61 million in the first half of 2009, against DKK 39 million in the corresponding period of 2008. The rise in brokerage, fees and charges was mainly attributable to the high level of refinancing activity in the spring of 2009.

### BRFkredit's segmental financial statements for 1st half of 2009

DKK million	Lending operations etc.	Portfolio management	Total
<b>Core income</b>			
Core income from lending operations etc.	609		
Core income from securities	254		
<b>Total core income</b>	<b>862</b>		
Operating expenses, depreciation and amortisation	462		
<b>Core earnings before impairment</b>	<b>400</b>		
Loan losses and impairment charges	1,442		
<b>Core earnings</b>	<b>-1,042</b>		
Earnings from investment portfolios		295	
<b>Profit or loss before tax</b>			<b>-747</b>
Tax (- signifies an income)			-197
<b>Net profit or loss for the period</b>			<b>-550</b>

### Lending operations etc.

DKK million	1 <sup>st</sup> half of 2009	1 <sup>st</sup> half of 2008
<b>Core income</b>		
Core income from lending operations etc.	609	548
Core income from securities	254	242
<b>Total core income</b>	<b>862</b>	<b>790</b>
Operating expenses, depreciation and amortisation	462	453
<b>Core earnings before impairment</b>	<b>400</b>	<b>337</b>
Loan losses and impairment charges	1,442	78
<b>Core earnings</b>	<b>-1,042</b>	<b>259</b>

#### Core income from securities

Core income from securities, which comprises a risk-free return on the proprietary investment portfolio and other interest income, amounted to DKK 254 million for the period under review, up from DKK 242 million in the first half of 2008. Risk-free returns came to DKK 173 million in the first half of 2009, against DKK 216 million in the same period of 2008.

#### Operating expenses, depreciation and amortisation

Operating expenses, including depreciation and amortisation, were up by nearly 2% from DKK 453 million in the first half of 2008 to DKK 462 million in the first half of 2009, mainly as a consequence of higher payroll costs for overtime work and recruitment of temporary staff in

connection with mortgage refinancings.

The increase was less pronounced than expected. The expense ratio edged down from 0.44% in the first half of 2008 to 0.42% in the first half of 2009.

#### Loan losses and impairment charges

Loan losses and impairment charges increased to DKK 1,442 million for the first half of 2009, against DKK 78 million for the first half of 2008. The level of loan impairment charges is still high and reflects the economic recession, including insufficient liquidity and price falls in the property market.

BRFkredit has a relatively large share of the market for lending to the private rental housing segment. This segment

encountered liquidity problems in the early stages of the financial crisis, which was reflected in BRFkredit's impairment charges for the first half of 2009. The requirement for loan impairment charges in the private rental housing segment is expected to decline during the second half of 2009.

The impact on profits from loan losses and impairment charges for the six-month period broke down into impairment

charges on individually assessed loans of DKK 1.076 million, impairment charges on groups of loans of DKK 160 million and realised losses etc. of DKK 205 million. DKK 778 million of the total impact on profits related to BRFkredit, while the remaining DKK 664 million related to BRFbank.

The balance of total impairment charges at 30 June 2009 was DKK 2,014 million, equivalent to 0.9% of total lending. DKK

349 million of this amount was accounted for by impairment charges on groups of loans.

As a consequence of the high level of loan losses and impairment charges, BRFkredit intensified the focus on customers' financial situation and on pricing relative to risk. In the spring of 2009, price increases were thus implemented in the corporate segment and in new lending to private customers.

## PORTFOLIO MANAGEMENT

### Earnings from investment portfolios

DKK million	1 <sup>st</sup> half of 2009	1 <sup>st</sup> half of 2008
<b>Gross investment returns</b>		
Return on fixed-income instruments	394	-74
Return on shares	74	-10
<b>Total investment returns</b>	468	-84
Risk-free returns	173	216
Earnings from investment portfolios	295	-300

Total investment returns were positive to the tune of DKK 468 million in the first half of 2009, against negative returns of DKK 84 million in the first half of 2008. The positive investment returns were partly due to rising share prices, falling interest rates and narrowing yield spreads in the first half of 2009 when the financial markets calmed down in the wake of a highly volatile second half of 2008.

BRFkredit's securities portfolio comprised about DKK 7 billion worth of fixed-income instruments, primarily in the shape of government and mortgage bonds, as well as financial derivatives such as futu-

res, options and swaps for risk-hedging purposes. Interest-rate risk on BRFkredit's fixed-income instruments was in the range of 1% and 2% of BRFkredit's own funds in the first half of 2009. In addition to fixed-income instruments, BRFkredit had DKK 0.8 billion worth of shares, predominantly made up of shares from the C20 Index and other Danish shares listed on NASDAQ OMX Copenhagen.

In common with other financial institutions, BRFkredit presents its portfolio management performance by way of core earnings and earnings from investment portfolios. Core earnings are calculated

as the risk-free returns on the securities portfolio. Risk-free returns, determined on the basis of a short-term, average money-market rate, were DKK 173 million in the first half of 2009.

Earnings from investment portfolios in the first half of 2009 can subsequently be calculated as total investment returns (DKK 468 million) less risk-free returns of DKK 173 million, which amount is transferred to core earnings. Total earnings from investment portfolios in the first half of 2009 were therefore positive at DKK 295 million, against negative returns of DKK 300 million in the year-earlier period.

## Balance sheet total, equity and solvency

- BRFkredit had a balance sheet total of DKK 241 billion at 30 June 2009, against DKK 234 billion at 31 December 2008. BRFkredit's mortgage lending rose by a nominal amount of DKK 6.8 billion to DKK 219 billion during the first half of 2009. BRFkredit's total lending measured at carrying amount was DKK 221.4 billion at the interim stage of 2009, up from DKK 213.9 billion at the close of 2008. Equity was reduced by the net loss for the period of DKK 550 million and by the value adjustment of strategic shares a loss of DKK 11 million. Following these reductions, equity at 30 June 2009 was DKK 9,829 million.
- The solvency ratio was 11.5% at 30 June 2009, against 12.3% at end-2008. Own funds (tier 1 + tier 2 capital) thus exceeded the statutory requirement by an amount of DKK 2.9 billion. If computed exclusively on the basis of core (tier 1) capital, the solvency ratio at 30 June 2009 was 11.3%, equalling an amount of DKK 2.7 billion above the statutory requirement. The decline in solvency ratio

### BRFkredit

DKK million	30 June 2009	30 June 2008	31 Dec. 2008
Equity at beginning of period/year	10,390	11,047	11,047
Items recognised directly in equity	-11	-49	-157
Retained profit for the period/year	-550	-40	-500
Equity at end of period/year	9,829	10,958	10,390
Own funds (capital base)	9,682	12,446	10,085
Weighted assets	84,511	105,862	82,301
Solvency ratio	11.5	11.8	12.3
Core capital ratio	11.3	10.2	12.3

can be ascribed partly to the significant lending growth, partly to the net loss for the half-year period, which is deducted from the solvency capital.

- Assessments are continuously carried out to evaluate whether BRFkredit's capital structure is appropriate in relation to BRFkredit's risk profile and, in particular, with the focus on credit risks. Although BRFkredit's own funds are considerably above the capital requirement, BRFkredit - in common with other credit institutions - has applied to the Danish government for

the injection of hybrid core capital. BRFkredit is applying for the injection of DKK 2.2 billion, which will raise the Group's core capital ratio to 13.9% and its solvency ratio to 14.1%.

- The capital requirement for credit risk is calculated by using the advanced Internal Ratings-Based (IRB) approach, subject to the minimum requirements set out in the transitional rules of Danish law. The IRB approach will be fully implemented in 2010.

## Market risks

There have been no material changes in the Group's market risks since the presentation of the financial statements for 2008.

Interest rate risk expresses the risk of a loss arising from an increase or decrease in interest rates equivalent to a parallel

shift in the yield curve by 1%point. Calculated under the standardised approach, interest rate risk was DKK 314 million at 30 June 2009, against DKK 273 million at 31 December 2008.

Equity risk expresses the risk of a loss arising from movements in share prices of 10%points. At 30 June 2009, equity

risk was determined at DKK 81 million, up from DKK 76 million at end-2008.

BRFkredit is exposed to limited foreign exchange risks as practically all lending, securities investment and funding transactions are carried out in Danish kroner.

## Other developments

### MARKET SHARES

Compared with 31 December 2008 and the first half of 2008, BRFkredit experienced enlarged market shares for gross new lending, but a minor decrease in market shares for net new lending and net lending.

### PORTFOLIO GROWTH

BRFkredit's loan portfolio grew by DKK 6.8 billion to a total of DKK 219.0 billion during the first half of 2009, DKK 13.7 billion up from the interim stage of 2008. BRFkredit's share of the total loan portfolio in the mortgage market was 9.7% at 30 June 2009, against 9.6% at 30 June 2008.

### LOAN PORTFOLIO COMPOSITION

At the end of the first half of 2009, the loan portfolio broke down as follows: 51% ARM loans, 29% fixed-rate loans, 14% Guarantee Loans and other floating-rate loans and 8% other types of loan. There is an interest - only option on 50% of the loan portfolio.

### BOND ISSUANCE

In the first half of 2009, BRFkredit issued covered bonds (SDOs) for a nominal amount of DKK 25 billion. That was

### BRFkredit's market shares

Per cent	1 <sup>st</sup> half of 2009	1 <sup>st</sup> half of 2008	2008
Gross new lending <sup>1)</sup>	10.2	9.4	9.3
Net new lending <sup>2)</sup>	11.2	11.4	11.2
Net lending <sup>3)</sup>	10.1	11.7	11.4

<sup>1)</sup> Gross new lending indicates total lending translated into cash value.

<sup>2)</sup> Net new lending equals gross new lending less refinanced loans and extraordinary repayments.

<sup>3)</sup> Net lending equals net new lending less ordinary principal payments.

up from the corresponding period of 2008 when BRFkredit's nominal issue of covered bonds was DKK 19 billion. No mortgage bonds (ROs) were issued in the first half of 2009. BRFkredit also issued junior covered bonds (JCBs) for DKK 1 billion. After 30 June 2009 JCBs have been issued for an additional amount of DKK 2 billion. The proceeds of these bonds are used to provide supplementary collateral for SDOs.

Callable fixed-rate bonds accounted for 7% of all issues during the period, while ARM bonds accounted for 93%.

The volume of circulating bonds issued by BRFkredit represented a nominal value of DKK 227 billion at 30 June 2009 (against DKK 209 billion at 30 June 2008), equivalent to 9.7% of the total volume of bonds listed on NASDAQ OMX Copenhagen.

### GUARANTEED SENIOR DEBT AND JUNIOR COVERED BONDS

The Supervisory Board of BRFkredit has adopted a resolution authorising the company to apply for a government guarantee on future issues of senior debt from BRFbank and junior covered bonds from BRFkredit. The purpose of the government guarantee is to ensure the funding of supplementary collateral to be provided for SDOs in the event that property prices fall to a level where lending limits are exceeded.

### CAPITAL INCREASE IN BRFBANK A/S

A resolution to increase the share capital of BRFbank by DKK 250 million has been adopted.

## Significant events in the first half of 2009

The financial crisis has engendered a credit crisis, which has affected some of BRFkredit's corporate customers, primarily in the private rental housing segment, who are increasingly faced with the challenge of providing cash for the operation and development of properties. After the economic boom of recent years, BRFkredit therefore reported growth in loan losses and impairment charges.

BRFkredit has a relatively large share of the market for lending for commercial properties, including in particular the private rental housing segment. This

segment encountered liquidity problems in the early stages of the financial crisis. Thus, it has become difficult to obtain financing for the purchase, development and operation of commercial properties. The crisis has led to falling properties values and increasing arrears, which resulted in a substantial impairment requirement in the first half of 2009. The requirement for loan impairment charges in the private rental housing segment is expected to decline during the second half of 2009. Also an increasing number of private customer encounter problems making timely payments. In this segment, however,

the rate of increases is more moderate compared with the corporate segment as private customers' arrears are mainly linked to social event, especially trends in unemployment rates.

In the wake of the increase in credit losses, the Group has tightened its credit policy for both private and corporate customers. Moreover, commission rates for the existing portfolio of corporate customers have been raised, while the private customer segment has seen an increase in the commission rate used in connection with new lending.

## Outlook for 2009

In the second half of 2009, the housing market is expected to remain under pressure. Even so, there are small signs that the economy is gradually recovering from the setback as a result of lower interest rates, lower home prices and higher incomes. Growing unemployment and a continued low number of property transactions pull in the opposite direction. Many borrowers took advantage of the sharp falls in interest rates to refinance their loans in the first half of 2009, and a

lower activity level is therefore forecast for the second half of the year.

The forecast for 2009 as a whole is an increase in core income and a slight increase in total costs, expenses, depreciation and amortisation from the level of 2008, except for one-off costs associated with reductions in staff numbers. Overall, core earnings before depreciation and amortisation for 2009 are expected to rise.

In connection with the economic setback, a continued need for impairment must be assumed to exist, albeit not at the same level as in the first half of 2009. Earnings performance for the full year of 2009 will depend on developments in the financial markets and the general economic climate, including in particular the trend in unemployment. Full-year earnings performance for 2009 is therefore still subject to uncertainty.

## Resolutions by the Supervisory Board

The Supervisory Board has adopted a resolution authorising BRFkredit to apply for the injection of DKK 2.2 billion of hybrid core capital from the Government of Denmark and to issue government-guaranteed senior debt/junior covered bonds (JDOs).

No other resolution that falls within the duty of disclosure set out in the 'Rules for Issuers of Securities Listed on NASDAQ OMX Copenhagen' was adopted by the Supervisory Board during the first half of 2009.





## Statement by the Supervisory Board and Executive Board

The Supervisory Board and Executive Board have today considered and approved the Interim Report of BRFkredit a/s for the six months ended 30 June 2009, comprising a statement by the Supervisory Board and Executive Board, management's review, income statement, balance sheet, statement of changes in equity and notes for both the Group and the Parent Company and a statement of comprehensive

income and cash flow statement for the Group.

The Interim Report of the BRFkredit Group is presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and the Interim Report of the Parent Company is presented in accordance with the Danish Financial Business Act.

In our opinion, the accounting policies applied are appropriate and the overall presentation of the Interim Report is fully adequate. We also believe that the Interim Report provides a true and fair description of the developments, results and financial position of the Group and the Parent Company as well as a presentation of the principal risks and uncertainty factors that may affect the Group and the Parent Company.

Kgs. Lyngby, 27 August 2009

### Executive Board

Sven A. Blomberg  
*Chief Executive Officer*

Carsten Tirsbæk Madsen  
*Executive Vice President*

### Supervisory Board

Oluf Engell  
*Chairman*

Kurt Bligaard Pedersen  
*Deputy Chairman*

Troels Behr

Laila Busted  
*Elected by employees*

Jan Frederiksen  
*Elected by employees*

Kristian May

Lars Henrik Munch

Aksel Nissen

Thomas Sandelius  
*Elected by employees*

# Internal audit report

We have reviewed the interim financial statements of BRFkredit a/s for the six months ended 30 June 2009.

## Scope of review

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Danish auditing standards and consequently does not enable us to obtain assurance that

we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the interim financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European

Union for the Group and the Danish Financial Business Act for the Parent Company and in accordance with additional disclosure requirements for interim reports of listed financial companies as applied in Denmark.

Kgs. Lyngby, 27 August 2009

Arne List

*Head of Internal Audit Department*

# Independent auditors' report on review of interim financial statements

We have reviewed the interim financial statements of BRFkredit a/s for the six months ended 30 June 2009, comprising a statement by the Supervisory Board and Executive Board, management's review, income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes. The Interim Report of the BRFkredit Group is presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and the Interim Report of the Parent Company is presented in accordance with the Danish Financial Business Act.

The Supervisory Board and Executive Board are responsible for preparing and presenting the Interim Report in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union for the Group and in accordance with the Danish Financial Business Act for the Parent Company. Our responsibility

is to express a conclusion on the interim financial statements based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Danish auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the interim financial statements.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union for the Group and the Danish Financial Business Act for the Parent Company and in accordance with additional disclosure requirements for interim reports of listed financial companies as applied in Denmark.

Hellerup, 27 August 2009

PricewaterhouseCoopers  
*Statsautoriseret Revisionsaktieselskab*

Kim Fücksel  
*State-Authorised  
Public Accountant*

Jesper Edelbo  
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## Additional information

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CVR-no.: 13409838

### RELEVANT LINK

The 2009 Interim Report of BRFkredit is downloadable in pdf format from BRFkredit's website at [www.brf.dk](http://www.brf.dk).

# Income statement

Amount in DKK million

For the six months ended 30 June	BRFkredit Group		BRFkredit a/s		Note
	2009	2008	2009	2008	
Interest income	5,798	5,175	5,649	5,035	4
Interest expenses	4,984	4,474	4,895	4,393	5
<b>Net interest income</b>	<b>814</b>	701	<b>754</b>	643	
Dividends on shares etc.	13	19	13	19	
Fees, charges and commission income	140	99	125	65	
Fees, charges and commissions paid	74	67	71	54	
<b>Net interest income, fees and charges</b>	<b>892</b>	753	<b>821</b>	673	
Securities and foreign exchange income (- signifies a loss)	283	-290	268	-329	6
Other operating income	6	27	11	29	
Staff costs and administrative expenses	454	443	423	417	7
Amortisation, depreciation and impairment of intangible and tangible assets	9	9	8	9	
Other operating expenses	17	0	0	0	
Loan losses and impairment charges etc.	1,442	78	778	55	8
Income from equity investments in associated and subsidiary undertakings	-6	1	-647	19	9
<b>Profit or loss before tax</b>	<b>-747</b>	-41	<b>-758</b>	-90	
Tax (- signifies an income)	-197	-1	-197	-1	
<b>Net profit or loss for the period</b>	<b>-550</b>	-40	<b>-561</b>	-89	
<b>To be distributed as follows:</b>					
Shareholders of BRFkredit a/s	-550	-40	-561	-89	
<b>Total</b>	<b>-550</b>	-40	<b>-561</b>	-89	

# Comprehensive income

Amount in DKK million

For the six months ended 30 June	BRFkredit Group		Note
	2009	2008	
Net profit or loss for the period	-550	-40	
Recognised directly in equity			
Shares available for sale	-11	-49	
Deferred tax on other comprehensive income	-	-	
<b>Comprehensive income for the period</b>	<b>-561</b>	<b>-89</b>	
<b>To be distributed as follows:</b>			
Shareholders of BRFkredit a/s	-561	-89	
<b>Total</b>	<b>-561</b>	<b>-89</b>	

# Balance sheet

Amount in DKK million

	BRFkredit Group		BRFkredit a/s		Note
	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008	
<b>ASSETS</b>					
Cash balance and demand deposits with central banks	14	19	2	5	
Receivables from credit institutions and central banks	6,767	7,004	7,176	7,069	
Bonds at fair value	9,676	10,497	8,740	10,497	
Current tax assets	102	63	98	59	
Assets acquired temporarily	554	67	489	67	
Other assets etc.	389	741	338	719	
Shares etc.	806	756	806	756	
Deferred tax assets	266	69	81	45	
Loans and other receivables at amortised cost	4,897	5,915	450	600	
Loans and other receivables at fair value	216,485	207,994	216,482	208,015	10, 11
Intangible assets	6	6	6	6	
Investment properties	118	127	118	127	
Owner-occupied properties	505	491	424	410	
Plant and equipment (other tangible assets)	22	23	21	23	
Equity investments in associated undertakings	59	65	59	65	
Equity investments in subsidiaries	-	-	669	1,000	
<b>Total assets</b>	<b>240,667</b>	<b>233,838</b>	<b>235,959</b>	<b>229,462</b>	
<b>LIABILITIES AND EQUITY</b>					
<b>Payables</b>					
Payables to credit institutions and central banks	21,768	28,075	20,933	27,031	
Deposits and other payables	3,575	3,286	-	-	
Other liabilities etc.	4,001	5,009	3,758	4,942	
Issued bonds at fair value	199,253	185,979	199,304	185,979	
Issued bonds at amortised cost	2,101	1,000	2,001	1,000	12
<b>Total payables</b>	<b>230,697</b>	<b>223,349</b>	<b>225,995</b>	<b>218,952</b>	
<b>Subordinated capital</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	
<b>Provisions</b>					
Provisions for losses on guarantees	47	28	-	-	
Other provisions	90	67	131	116	
<b>Total provisions</b>	<b>137</b>	<b>95</b>	<b>131</b>	<b>116</b>	
<b>Equity</b>					
Share capital	306	306	306	306	
Share premium account	102	102	102	102	
Accumulated changes in value	46	46	46	46	
Reserves in series	8,091	8,091	8,091	8,091	
Other reserves	1,834	2,345	1,844	2,417	
Retained profit or loss	-550	-500	-561	-573	
<b>Total equity</b>	<b>9,829</b>	<b>10,390</b>	<b>9,829</b>	<b>10,390</b>	
<b>Total liabilities and equity</b>	<b>240,667</b>	<b>233,838</b>	<b>235,959</b>	<b>229,462</b>	

**Additional notes:**

Contingent liabilities 13  
Interest-bearing assets and liabilities by remaining term to maturity 14

Difference between consolidated financial statements presented under IFRS and consolidated financial statements filed with the Danish Financial Supervisory Authority 15

Financial and operating data at 30 June Consolidated companies

# Equity

Amount in DKK million

BRFkredit Group	Share capital <sup>1)</sup>	Share premium account	Accum. changes in value	Reserves in series <sup>3)</sup>	Other reserves / Shares avail. for sale <sup>4)</sup>	Retained profits	Total
<b>Equity at 31 December 2007</b>	<b>306</b>	<b>102</b>	<b>131</b>	<b>8,716</b>	<b>1,204</b>	<b>588</b>	<b>11,047</b>
Transferred to other reserves	-	-	-	-	588	-588	-
Shares available for sale - equity <sup>2)</sup>	-	-	-	-	-49	-	-49
Deferred tax on other comprehensive income	-	-	-	-	-	-	-
Recognised directly in equity, total	-	-	-	-	-49	-	-49
Net profit or loss for the period	-	-	-	-	-	-40	-40
<b>Equity at 30 June 2008</b>	<b>306</b>	<b>102</b>	<b>131</b>	<b>8,716</b>	<b>1,742</b>	<b>-40</b>	<b>10,958</b>
<b>Equity at 31 December 2008</b>	<b>306</b>	<b>102</b>	<b>46</b>	<b>8,091</b>	<b>2,345</b>	<b>-500</b>	<b>10,390</b>
Transferred to other reserves	-	-	-	-	-500	500	-
Shares available for sale - equity <sup>2)</sup>	-	-	-	-	-11	-	-11
Deferred tax on other comprehensive income	-	-	-	-	-	-	-
Recognised directly in equity, total	-	-	-	-	-11	-	-11
Net profit or loss for the period	-	-	-	-	-	-550	-550
<b>Equity at 30 June 2009</b>	<b>306</b>	<b>102</b>	<b>46</b>	<b>8,091</b>	<b>1,834</b>	<b>-550</b>	<b>9,829</b>

<sup>1)</sup> The share capital is divided into 564,800 'A' shares of DKK 100 each and 2,500,000 'B' shares of DKK 100 each, all of which are fully paid up. The number of shares was unchanged during the financial year. Each 'A' share carries 10 votes, whereas each 'B' share carries one vote at the Annual General Meeting of the Company. Dividend is paid equally to 'A' and 'B' shares. No share options have been issued. All shares are owned by BRFHolding a/s.

<sup>2)</sup> Shares available for sale - equity: The year's value adjustments of shares classified as available for sale are recognised directly in and reversed from equity at a negative DKK 11 million (DKK 49 million).

<sup>3)</sup> Reserves in series: Capital set aside for meeting the capital requirement in 'Series not subject to reimbursement obligation'.

<sup>4)</sup> Other reserves/Shares available for sale: Accumulated increases in the value of shares classified as 'Available for sale' (distributable reserves). Shares available for sale amounted to DKK 227 million (DKK 264 million) at the end of the period.

# Equity and capital

Amount in DKK million

	BRFkredit Group		BRFkredit a/s	
	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008
<b>CORE CAPITAL, OWN FUNDS AND SOLVENCY RATIO</b>				
Core capital (tier 1) after deductions	9,510	10,151	9,695	10,176
Own funds (capital base)	9,682	10,085	9,867	10,109
Weighted items outside trading portfolio, including off-balance sheet items	73,504	70,369	69,423	65,324
Operational risks	2,533	3,269	2,298	2,650
Weighted items with market risk etc.	8,475	8,663	8,393	8,701
Total weighted items	84,511	82,301	80,113	76,675
Core capital ratio	11.3	12.3	12.1	13.3
Solvency ratio	11.5	12.3	12.3	13.2
<b>BRFkredit's capital requirement under s. 124(2) of the Danish Financial Business Act</b>	<b>6,761</b>	6,584	<b>6,409</b>	6,134
<i>Core capital and own funds are derived as follows:</i>				
Equity	9,829	10,390	9,829	10,390
Intangible assets	-6	-6	-6	-6
Deferred tax assets	-266	-69	-81	-45
Accumulated changes in value	-46	-46	-46	-46
Core capital, excluding hybrid core capital	9,510	10,268	9,695	10,293
Hybrid core capital	-	-	-	-
Difference between expected loss and accounting-relating impairment	-	-117	-	-117
Core capital	9,510	10,151	9,695	10,176
Supplementary capital, excluding hybrid core capital	4	4	4	4
Accumulated changes in value	46	46	46	46
Difference between expected loss and accounting-relating impairment	122	-117	122	-117
<b>Own funds (capital base)</b>	<b>9,682</b>	10,085	<b>9,867</b>	10,109



# Cash flow statement

Amount in DKK million

For the six months ended 30 June	BRFkredit Group	
	2009	2008
<b>Cash flows from operating activities</b>		
Profit or loss before tax for the period	-747	-41
Adjustments for non-cash operating items	1,199	-490
	<b>452</b>	<b>-531</b>
<b>Change in working capital</b>		
Bonds at fair value	48,741	53,931
Loans and other receivables	-8,708	-8,366
Payables to credit institutions and central banks, deposits and other payables	-6,018	2,714
Issued bonds at fair value before set-off	-34,648	-47,894
Adjustment of other working capital	-1,117	-1,229
Corporation tax paid	-39	-33
<b>Total cash flows from operating activities</b>	<b>-1,337</b>	<b>-1,408</b>
<b>Cash flows from investing activities</b>		
Purchases of intangible assets	-2	0
Purchases of tangible fixed assets	-21	-31
Sales of tangible fixed assets	1	1
Purchases of fixed asset investments	-1	-188
Sales of fixed asset investments	2	210
<b>Total cash flows from investing activities</b>	<b>-21</b>	<b>-8</b>
<b>Cash flows from financing activities</b>		
Subordinated capital	0	1
Issued bonds at amortised cost (junior covered bonds)	1,101	-
Dividends paid	-	-
<b>Total cash flows from financing activities</b>	<b>1,100</b>	<b>1</b>
<b>Total change in cash and cash equivalents</b>	<b>-258</b>	<b>-1.416</b>
<b>Cash and cash equivalents at beginning of period</b>		
Cash balance and demand deposits with central banks	19	12
Receivables from credit institutions and central banks	7,004	7,444
Of which receivables not directly available	-59	-47
<b>Total cash and cash equivalents at beginning of period</b>	<b>6,963</b>	<b>7,408</b>
<b>Cash and cash equivalents at end of period</b>		
Cash balance and demand deposits with central banks	14	9
Receivables from credit institutions and central banks	6,767	6,026
Of which receivables not directly available	-76	-43
<b>Total cash and cash equivalents at end of period</b>	<b>6,705</b>	<b>5,992</b>

BRFkredit's cash at bank and in hand is exceptionally high in connection with a repayment date, for instance at the end of the financial year. One of the reasons is extraordinary repayments of mortgage loans where the underlying bonds are drawn for redemption at the repayment date in relation to the bondholders.

# Statement of core earnings and earnings from investment portfolios

Amount in DKK million

For the six months ended 30 June

BRFkredit Group

Segmental financial statements	2009			2008		
	Mortgage lending etc.	Portfolio management	Total	Mortgage lending etc.	Portfolio management	Total
Core income from lending operations etc.	609			548		
Core income from securities	254			242		
<b>Total core income</b>	<b>862</b>			<b>790</b>		
Operating expenses, depreciation and amortisation	462			453		
<b>Core earnings before impairment</b>	<b>400</b>			<b>337</b>		
Loan losses and impairment charges	1,442			78		
<b>Core earnings</b>	<b>-1,042</b>			<b>259</b>		
Earnings from investment portfolios		295			-300	
<b>Profit or loss before tax</b>	<b>-1,042</b>	<b>295</b>	<b>-747</b>	<b>259</b>	<b>-300</b>	<b>-41</b>
Tax			-197			-1
<b>Net profit or loss for the period</b>			<b>-550</b>			<b>-40</b>
<b>Segment balance sheet</b>	<b>30 June 2009</b>			<b>31 December 2008</b>		
Receivables from credit institutions and central banks	6,767	-	6,767	6,915	89	7,004
Bonds at fair value	1,646	8,031	9,676	3,213	7,283	10,497
Shares etc.	-	806	806	-	756	756
Lending	221,382	-	221,382	213,910	-	213,910
Equity investments in associated undertakings	59	-	59	65	-	65
Other assets	1,836	140	1,976	1,521	85	1,606
<b>Total assets</b>	<b>231,690</b>	<b>8,977</b>	<b>240,667</b>	<b>225,624</b>	<b>8,213</b>	<b>233,838</b>
Payables to credit institutions and central banks	19,957	1,811	21,768	27,016	1,060	28,075
Issued bonds at fair value	199,253	-	199,253	185,979	-	185,979
Issued bonds at amortised cost	2,101	-	2,101	1,000	-	1,000
Subordinated capital	4	-	4	4	-	4
Provisions	137	-	137	95	-	95
Other liabilities	7,226	351	7,576	7,978	317	8,295
<b>Total liabilities</b>	<b>228,677</b>	<b>2,161</b>	<b>230,838</b>	<b>222,072</b>	<b>1,376</b>	<b>223,448</b>
Equity			9,829			10,390
<b>Total liabilities and equity</b>			<b>240,667</b>			<b>233,838</b>
For the six months ended 30 June	Earnings from investment portfolio			Earnings from investment portfolio		
<b>Reconciliation to interim report</b>	Core earnings		<b>Total</b>	Core earnings		<b>Total</b>
Net interest income	755	59	814	668	33	701
Dividends on shares etc.	-	13	13	-	19	19
Fees, charges and commission income	140	-	140	99	-	99
Fees, charges and commission paid	74	-	74	67	-	67
<b>Net interest income, fees and charges</b>	<b>820</b>	<b>72</b>	<b>892</b>	<b>701</b>	<b>52</b>	<b>753</b>
Securities and foreign exchange income (- signifies a loss)	60	223	283	62	-352	-290
Other operating income	6	-	6	27	-	27
Staff costs and administrative expenses	454	-	454	443	-	443
Depreciation, amortisation and impairment of tangible and intangible assets	9	-	9	9	-	9
Other operation expenses	17	-	17	0	-	0
Impairment losses on loans etc. (- signifies an income)	1,442	-	1,442	78	-	78
Income from equity investments in associated and subsidiary undertakings	-6	-	-6	1	-	1
<b>Profit or loss before tax</b>	<b>-1,042</b>	<b>295</b>	<b>-747</b>	<b>259</b>	<b>-300</b>	<b>-41</b>

# Note 1, 2 and 3

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## 1 ACCOUNTING POLICIES

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The Interim Report of the *BRFkredit Group* is presented in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and additional financial disclosure requirements as applied in Denmark.

The Interim Report of *BRFkredit a/s* has been prepared in accordance with the Consolidated Danish Financial Business Act and the Executive Order on Financial Reports of Credit Institutions and Brokerage Houses, Etc.

The accounting policies are identical with those applied for the presentation of the Annual

Report for 2008, except for an adjustment to changes in IFRS.

The accounting policies have been adjusted to the changes in IAS 1 relating to information on comprehensive income, which is presented in a separate statement.

Segment information is provided in accordance with IFRS 8, which replaces the former IAS 14.

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## 2 MATERIAL ACCOUNTING ESTIMATES MADE BY MANAGEMENT

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When preparing the Interim Report in accordance with generally accepted accounting principles, the management needs to make estimates and set assumptions affecting the financial reporting.

The most important area where the financial statements involve estimates is in connection with a review for impairment of loans with

an objective indication of impairment. The key factor in connection with the review for impairment is the estimated value of the collateral (the property).

In accordance with IAS 10 (Events After the Reporting Period), the financial statements reflect adjusting events up to 27 August 2009.

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## 3 NEW STANDARDS AND INTERPRETATIONS

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The International Accounting Standards Board (IASB) has issued various accounting standards, and the International Financial Interpretations Committee (IFRIC) has issued various interpretations not yet effective.

BRFkredit expects that none of these standards and interpretations will have a material impact on the Group's future financial reporting.

## Note 4, 5 and 6

Amount in DKK million

For the six months ended 30 June	BRFkredit Group		BRFkredit a/s	
	2009	2008	2009	2008
<b>4 INTEREST INCOME</b>				
Receivables from credit institutions and central banks <sup>1)</sup>	14	54	9	55
Loans and other receivables	5,159	4,586	5,027	4,446
Commissions	458	417	458	417
Bonds	636	548	624	548
Financial derivatives, interest-rate contracts	10	4	10	4
Other interest income	13	13	13	13
<b>Total</b>	<b>6,289</b>	<b>5,623</b>	<b>6,140</b>	<b>5,483</b>
Interest on own mortgage bonds, set off against interest on issued bonds	491	448	491	448
<b>Total interest income</b>	<b>5,798</b>	<b>5,175</b>	<b>5,649</b>	<b>5,035</b>
<sup>1)</sup> Of which interest income on reverse transactions entered under 'Receivables from credit institutions and central banks'	<b>1</b>	<b>5</b>	<b>1</b>	<b>5</b>

	2009	2008	2009	2008
<b>5 INTEREST EXPENSES</b>				
Payables to credit institutions and central banks <sup>1)</sup>	254	85	228	54
Deposits and other payables	63	51	-	-
Issued bonds	5,028	4,743	5,028	4,743
Subordinated capital	-	41	-	41
Other interest expenses	131	3	131	2
<b>Total</b>	<b>5,475</b>	<b>4,922</b>	<b>5,386</b>	<b>4,840</b>
Interest on own mortgage bonds, set off against interest on issued bonds	491	448	491	448
<b>Total interest expenses</b>	<b>4,984</b>	<b>4,474</b>	<b>4,895</b>	<b>4,393</b>
<sup>1)</sup> Of which interest expenses from repo transactions entered under 'Payables to credit institutions and central banks'	<b>12</b>	<b>51</b>	<b>12</b>	<b>51</b>

	2009	2008	2009	2008
<b>6 SECURITIES AND FOREIGN EXCHANGE INCOME</b> (- signifies a loss)				
Mortgage loans	2,456	-3,718	2,455	-3,718
Other loans and receivables at fair value	2	-17	-0	-2
Bonds	293	-212	290	-212
Shares at fair value	61	-78	61	-78
Shares available for sale	-	49	-11	-
Investment properties	-9	-	-9	-
Foreign exchange	1	0	1	0
Financial derivatives, interest-rate contracts	-367	-33	-366	-37
Issued bonds	-2,153	3,718	-2,153	3,718
<b>Total securities and foreign exchange income/loss</b>	<b>283</b>	<b>-290</b>	<b>268</b>	<b>-329</b>

Adjustments of the balance principle gave the BRFkredit Group a total loss of DKK 2 million, resulting from a net value adjustment of the following items: Mortgage loans up by DKK 2,456 million, Issued bonds down by DKK 2,153 million and fixed-price agreements in connection with loan disbursements etc. down by DKK 305 million.

## Note 7, 8 and 9

Amount in DKK million

For the six months ended 30 June	BRFkredit Group		BRFkredit a/s	
	2009	2008	2009	2008
<b>7 STAFF COSTS AND ADMINISTRATIVE EXPENSES</b>				
Emoluments and remuneration of Supervisory Board and Board of Representatives <sup>1)</sup>	1	2	1	2
Wages and salaries	227	208	207	189
Defined-contribution pensions	23	20	22	19
Social security costs	23	20	21	19
Total staff costs	275	249	252	228
Other administrative expenses	179	194	172	189
<b>Total staff costs and administrative expenses</b>	<b>454</b>	<b>443</b>	<b>423</b>	<b>417</b>
Average number of employees (full-time equivalent)	827	799	748	718

<sup>1)</sup> The emoluments of ordinary members of the Supervisory Board were DKK 87,500 for the period. The Deputy Chairman received double this amount, whereas the Chairman received triple this amount.

<b>8 LOAN LOSSES AND IMPAIRMENT CHARGES ETC.</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Net changes in impairment charges on individually assessed loans	1,076	65	536	43
Net changes in impairment charges on groups of loans	160	4	66	4
Net realised losses	224	17	195	17
Recoveries of loan losses previously written off	12	-13	12	-13
Value adjustment of foreclosed properties	-7	4	-7	4
Other changes	-0	1	-0	1
<b>Total loan losses and impairment charges etc.</b>	<b>1,442</b>	<b>78</b>	<b>778</b>	<b>55</b>
<i>Impairment charges on individually assessed loans:</i>				
At beginning of period	590	139	363	82
Impairment charges during the period	1,251	85	630	56
Reversal of prior-year impairment charges	138	19	62	13
Realised losses, not previously provided for impairment	38	-	32	-
Other changes	0	-1	0	-1
<b>At end of period</b>	<b>1,665</b>	<b>204</b>	<b>898</b>	<b>125</b>
<i>Impairment charges on groups of loans:</i>				
At beginning of period	189	15	174	15
Impairment charges during the period	200	19	106	19
Reversal of prior-year impairment charges	40	15	40	15
<b>At end of period</b>	<b>349</b>	<b>19</b>	<b>240</b>	<b>19</b>

<b>9 INCOME FROM EQUITY INVESTMENTS IN ASSOCIATED AND SUBSIDIARY UNDERTAKINGS</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Income from equity investments in associated undertakings	-6	1	-6	1
Income from equity investments in subsidiaries before tax	-	-	-641	18
<b>Total income from equity investments in associated and subsidiary undertakings</b>	<b>-6</b>	<b>1</b>	<b>-647</b>	<b>19</b>

## Note 10, 11, 12 and 13

Amount in DKK million

10 LOANS AND OTHER RECEIVABLES AT FAIR VALUE	BRFkredit Group		BRFkredit a/s	
	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008
Mortgage loans, nominal value	218,421	212,047	218,435	212,065
Adjustment for interest-rate risk etc.	-1,557	-4,012	-1,557	-4,013
Adjustment for credit risk	-1,027	-486	-980	-421
Total mortgage loans at fair value	215,837	207,548	215,897	207,631
Arrears and execution	426	216	426	216
Other loans and receivables	221	230	158	168
<b>Total loans and other receivables at fair value</b>	<b>216,485</b>	<b>207,994</b>	<b>216,482</b>	<b>208,015</b>

11 MORTGAGE LOANS BY CLASS OF PROPERTY, NOMINAL	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008
Owner-occupied homes	44%	44%	44%	44%
Vacation homes	3%	3%	3%	3%
Subsidised housing	16%	16%	16%	16%
Private rental housing	20%	20%	20%	20%
Industrial properties	1%	1%	1%	1%
Office and business properties	15%	14%	15%	14%
Agricultural properties etc.	0%	0%	0%	0%
Properties for social, cultural and educational purposes	2%	2%	2%	2%
Other properties	0%	0%	0%	0%
<b>Total mortgage loans by class of property</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 12 ISSUED BONDS AT AMORTISED COST

In the first half of 2009, BRFkredit a/s issued junior covered bonds for DKK 1.0 billion.

13 CONTINGENT LIABILITIES	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008
<b>Guarantees etc.</b>				
Financial guarantees	919	731	-	-
Other guarantees	136	159	44	36
<b>Total guarantees etc.</b>	<b>1,055</b>	<b>890</b>	<b>44</b>	<b>36</b>
<b>Other contingent liabilities</b>				
Other liabilities	72	71	72	71
<b>Total other contingent liabilities</b>	<b>72</b>	<b>71</b>	<b>72</b>	<b>71</b>
<b>Total contingent liabilities</b>	<b>1,127</b>	<b>960</b>	<b>116</b>	<b>107</b>

## Note 14 and 15

Amount in DKK million

	BRFkredit Group	BRFkredit a/s
14 INTEREST-BEARING ASSETS AND LIABILITIES BY REMAINING TERM TO MATURITY	30 June 2009	30 June 2009
<b>Interest-bearing assets</b>		
Less than 1 month	8,671	8,669
1-3 months	837	93
3-12 months	8,921	6,863
1-5 years	32,534	31,978
Over 5 years	186,877	185,247
<b>Total interest-bearing assets</b>	<b>237,840</b>	<b>232,850</b>
<b>Interest-bearing liabilities</b>		
Less than 1 month	30,115	27,900
1-3 months	477	-
3-12 months	55,048	54,136
1-5 years	45,948	45,093
Over 5 years	95,108	95,108
<b>Total interest-bearing liabilities</b>	<b>226,696</b>	<b>222,237</b>
<b>Non-subordinated liabilities</b>		
Secured	-	-
Unsecured	4	4
<b>Total</b>	<b>4</b>	<b>4</b>

BRFkredit's mortgage loans are funded through the employment of the general balance principle, limiting liquidity risk profoundly. For comparative figures, reference is made to the Annual Report for 2008.

## 15 DIFFERENCE BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PRESENTED UNDER IFRS AND CONSOLIDATED FINANCIAL STATEMENTS FILED WITH THE DANISH FINANCIAL SUPERVISORY AUTHORITY

In terms of profit or loss and equity, the difference between the consolidated financial statements presented under IFRS and the financial statements filed with the Financial Supervisory Authority can be specified as follows:

For the six months ended 30 June	Net profit or loss		Equity	
	2009	2008	30 June 2009	31 June 2008
According to consolidated financial statements	-550	-40	9,829	10,390
Shares available for sale	-11	-49	-	-
Tax effect	-	-	-	-
<b>Group's accounting figures according to the rules of Financial Supervisory Authority</b>	<b>-561</b>	<b>-89</b>	<b>9,829</b>	<b>10,390</b>

In accordance with IFRS, the value adjustment of shares classified as 'available for sale', see accounting policies, is recognised in other comprehensive income until the asset is realised, after which the gain is transferred to the income statement. According to the rules of the Danish Financial Supervisory Authority, the value adjustments during the year are required to be recognised directly in the income statement.

## Note 16

Amount in DKK million

16 FINANCIAL AND OPERATING DATA AT 30 JUNE	2009	2008	2007	2006	2005
<b>BRFkredit a/s</b>					
Solvency ratio	12.3	12.9	14.4	13.0	14.0
Core capital ratio	12.1	11.2	12.6	11.3	12.0
First-half return on equity before tax (Pc)	-7.5	-0.8	3.6	2.0	3.9
First-half return on equity after tax (Pc)	-5.5	-0.8	3.1	1.4	3.3
Earnings per unit of cost (DKK)	0.37	0.81	2.05	1.63	2.18
Foreign exchange position (Pc)	2.9	1.1	1.4	1.7	1.1
Accumulated impairment ratio	0.5	0.1	0.0	0.0	0.1
Impairment ratio for the period	0.4	0.0	0.0	0.0	0.0
Growth in lending during the period (Pc)	2.8	5.4	6.2	6.7	4.2
Loan-to-equity ratio	22.1	17.8	16.8	17.0	16.4
<b>BRFkredit Group</b>					
Solvency ratio	11.5	11.8	13.5	12.4	13.4
Core capital ratio	11.3	10.2	11.7	10.8	11.5
First-half return on equity before tax (Pc)	-7.4	-0.4	3.6	2.0	3.9
First-half return on equity after tax (Pc)	-5.4	-0.4	3.1	1.4	3.3
Earnings per unit of cost (DKK)	0.61	0.92	1.99	1.59	2.11
Foreign exchange position (Pc)	2.9	1.1	1.4	1.7	1.1
Accumulated impairment ratio	0.9	0.1	0.0	0.1	0.1
Impairment ratio for the period	0.6	0.0	0.0	0.0	0.0
Growth in lending during the period (Pc)	2.3	6.0	6.1	7.2	4.0
Loan-to-equity ratio	22.5	18.4	17.1	17.3	16.6

The key financial figures and ratios set out above have been computed in compliance with the guidelines of the Danish Financial Supervisory Authority. For specifications, visit [www.Finanstilsynet.dk](http://www.Finanstilsynet.dk).

## 17 CONSOLIDATED COMPANIES

Name and registered office	Type of business	Ownership interest (Pc)	Company capital end of period <sup>*)</sup>	Equity end of period <sup>*)</sup>	Net profit or loss <sup>*)</sup>
<b>Subsidiaries</b>					
BRFbank a/s, Kgs. Lyngby	Financial services company	100	235	936	-77
Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S, Århus	Property company	100	5	56	1
Ejendomsselskabet Nørgaardsvej 37-41, 2800 Lyngby A/S, Kgs. Lyngby	Property company	100	3	8	-6

<sup>\*)</sup> According to latest published financial statements

### Parent companies preparing consolidated financial statements

BRFkredit a/s is included as a subsidiary of the following companies, which prepare consolidated financial statements:

BRFholding a/s, Kgs. Lyngby

BRFfonden, Kgs. Lyngby



