

To NASDAQ OMX Copenhagen A/S  
The Luxembourg Stock Exchange  
The press

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# BRFKREDIT INTERIM FINANCIAL REPORT FIRST HALF OF 2014

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## SUMMARY OF FIRST HALF 2014

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### Improvement in core earnings before impairment charges of 44% over first half 2013

The second quarter of 2014 was characterised by a positive trend in core earnings before loan impairment charges and by expanding market shares.

Viewed in isolation, profit before tax was DKK 85 million for the second quarter of 2014. The improvement over the January-to-March quarter of 2014 was mainly attributable to a growing portfolio, increasing margins and the fact that impairment charges returned to normal in the second quarter of 2014.

As mentioned at the time of the presentation of the Interim Report for Q1 2014, BRFkredit's first-half financial performance was negatively affected by the Danish Financial Supervisory Authority's guidelines on individual impairment charges and provisions, which were published in March 2014. The adjustment to new regulatory requirements increased the need for loan impairment charges to a total of DKK 1,026 million in the first half of 2014, of which DKK 965 million related to the first quarter and DKK 61 could be ascribed to the second quarter.

Cost of capital to meet the issuer and rating requirements for covered bonds declined to DKK 84 million, down by DKK 65 million from the first six months of 2013.

Expenses totalled DKK 511 million (DKK 491 million in first half 2013) while the loan portfolio (nominally) was up to DKK 203.1 billion (DKK 200.5 billion at end-2013).

Given a 44% increase in core earnings before loan impairment charges etc. to DKK 250 million in the first half of 2014 (DKK 174 million in first half 2013), the positive trend in BRFkredit's core business continues.

BRFkredit's market share of gross new lending grew from 7.3% in the first quarter to 11.2% in the second quarter of 2014. The increase was seen in the markets for both private and corporate customers.

In June 2014, following the merger with Jyske Bank, organisational adjustments were implemented, which mainly affected staff functions. At BRFkredit, this has resulted in the elimination of 47 staff positions.

On 16 June 2014, BRFkredit's share capital was increased by DKK 1.0 billion in order to support plans of business volume growth and, at the same time, meeting statutory and internal capital requirements. After recognition of the net loss for the first six months of the year, the capital ratio was 17.4% at 30 June 2014.

**Chief Executive Officer  
Carsten Tirsbæk Madsen says:**

'During the first half of 2014, BRFkredit increased core earnings before loan impairment charges from the level of first half 2013, and expenses developed in line with expectations. The Group's impairment charges returned to normal in the second quarter, and cost of capital declined. The full-year forecast is for a positive trend in core income and in core earnings before loan impairment charges etc. Net profit will be affected extraordinarily by the considerable impairment charges in the January-to-March period of 2014.'

## FINANCIAL SUMMARY FOR FIRST HALF 2014

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- Net loss for the period, DKK 591 million (first half 2013: net profit of DKK 51 million)
- Core income DKK 761 million (first half 2013: DKK 665 million)
- Expenses DKK 511 million (first half 2013: DKK 491 million)
- Loan impairment charges etc. DKK 1,026 million (first half 2013: DKK 223 million)
- Portfolio DKK 203.1 billion (31 December 2013: DKK 200.5 billion)
- Earnings from investment portfolios DKK 24 million (first half 2013: DKK 123 million)
- Capital ratio 17.4% (31 December 2013: 16.6%)
- Individual solvency requirement 10.0% (31 December 2013: 10.5%)

## FINANCIAL AND OPERATING DATA FOR THE BRFKREDIT GROUP\*

SUMMARY INCOME STATEMENT	1 <sup>st</sup> half 2014	1 <sup>st</sup> half 2013	Index 14/13	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Full-year 2013
DKK million									
Net interest income	1,052	955	110	530	522	515	516	474	1,986
Net fees, charges and commission income	33	-22	-150	17	16	88	39	-3	105
Value adjustments etc.	-302	-147	205	-142	-160	83	-165	-30	-229
Other income	2	2	100	1	1	3	3	1	8
<b>Income</b>	<b>785</b>	<b>788</b>	<b>100</b>	<b>406</b>	<b>379</b>	<b>689</b>	<b>393</b>	<b>442</b>	<b>1,870</b>
Expenses	511	491	104	260	251	249	212	250	952
<b>Profit or loss before loan impairment charges etc.</b>	<b>274</b>	<b>297</b>	<b>92</b>	<b>146</b>	<b>128</b>	<b>440</b>	<b>181</b>	<b>192</b>	<b>918</b>
Loan impairment charges etc.	1,026	223	460	61	965	213	69	140	505
<b>Profit or loss before tax</b>	<b>-752</b>	<b>74</b>	<b>-1,016</b>	<b>85</b>	<b>-837</b>	<b>227</b>	<b>112</b>	<b>52</b>	<b>413</b>
Tax	-161	23	-700	23	-184	61	27	3	111
<b>Net profit or loss for the period</b>	<b>-591</b>	<b>51</b>	<b>-1,159</b>	<b>62</b>	<b>-653</b>	<b>166</b>	<b>85</b>	<b>49</b>	<b>302</b>

SUMMARY BALANCE SHEET, END OF PERIOD	1 <sup>st</sup> half 2014	1 <sup>st</sup> half 2013	Index 14/13	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Full-year 2013
DKK million									
Bank loans	3,077	3,298	93	3,077	3,073	3,270	3,342	3,298	3,270
Mortgage loans	210,489	205,079	103	210,489	207,842	205,842	203,812	205,079	205,748
Bonds and shares etc.	26,965	13,269	203	26,965	26,524	20,870	18,176	13,269	20,870
Total assets	245,650	224,235	110	245,650	240,517	233,770	227,812	224,235	233,770
Payables to credit institutions and central banks	16,128	10,501	154	16,128	16,524	12,441	13,252	10,501	12,441
Bank deposits	5,248	5,230	100	5,248	5,097	5,343	5,261	5,230	5,343
Issued bonds at amortised cost	5,876	10,123	58	5,876	7,059	8,820	8,818	10,123	8,820
Issued bonds at fair value <sup>1)</sup>	204,496	185,527	110	204,496	199,877	193,147	186,999	185,527	193,147
Equity	10,760	10,098	107	10,760	9,711	10,362	10,181	10,098	10,362

<sup>1)</sup> In the first half of 2014 and the first half of 2013, the portfolio of own mortgage bonds, representing an amount of DKK 18.6 billion and DKK 26.1 billion, respectively, was set off against issued bonds.

SELECTED KEY FIGURES AND RATIOS	1 <sup>st</sup> half 2014	1 <sup>st</sup> half 2013	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Full-year 2013
Profit or loss before tax as % of average equity	-7.1	0.7	0.8	-8.3	2.2	1.1	0.5	4.0
Net profit or loss for the period as % of average equity	-5.6	0.5	0.6	-6.5	1.6	0.8	0.5	3.0
Gross income-cost ratio, DKK	0.5	1.1	1.3	0.3	1.5	1.4	1.1	1.3
Accumulated impairment charge ratio	1.2	0.8	1.2	1.3	0.9	0.8	0.8	0.9
Impairment charge ratio for the period	0.5	0.1	0.0	0.5	0.1	0.0	0.1	0.2
Capital ratio	17.4	16.6	17.4	15.6	16.6	16.5	16.6	16.6
Common Equity Tier 1 ratio (CET1 %)	16.9	16.6	16.9	15.0	16.6	16.5	16.6	16.6
Individual solvency requirement (%)	10.0	10.5	10.0	10.4	10.5	10.5	10.5	10.5
Capital base, DKK million	10,659	9,583	10,659	9,694	9,815	9,617	9,583	9,815
Total weighted risk exposure	61,384	57,757	61,384	62,155	59,227	58,371	57,757	59,227
Number of full-time employees at end of period	842	837	842	870	870	857	837	870

Key figures and ratios are based on the Danish Financial Supervisory Authority's definitions and guidelines. From 2014, capital and CET1 ratios have been calculated according to CRD IV/CRR.

Comparative figures have not been restated.

\* The BRFKredit Group will be referred to as BRFKredit below

## FIRST HALF 2014

### CORE EARNINGS

Core income was up from DKK 665 million in the first half of 2013 to DKK 761 million in the first half of 2014. The 14% rise was attributable to increasing margin income, higher fees and charges and a decrease in cost of capital.

Margin income came to DKK 715 million in the first half of 2014, against DKK 668 million in the year-earlier period. The rise can mainly be ascribed to a higher margin rate. As a result of higher activity at BRFkredit compared to the same period of 2013, net fees and charges increased by DKK 33 million to DKK 39 million in the first half of 2014, against DKK 6 million in first half 2013.

Cost of capital to meet the issuer and rating requirements for covered bonds, among other purposes, fell by DKK 65 million to (net) DKK 84 million in the first half of 2014, against DKK 149 million in first half 2013. The fall was mainly attributable to a lower average portfolio of senior secured bonds in the January-to-June period of 2014 compared to the same period of 2013 as a result of a reduction in Standard & Poor's requirement for additional collateral for BRFkredit's capital centres.

Core expenses amounted to DKK 511 million in the first half of 2014, against DKK 491 million in the first six months of 2013. On 16 June 2014, 47 staff positions were eliminated at BRFkredit. Non-recurring expenses of DKK 17 million were incurred in that connection.

Core earnings before loan impairment charges etc. were up by 44% to DKK 250 million, from DKK 174 million in the first half of 2013.

CORE EARNINGS AND NET PROFIT OR LOSS FOR THE PERIOD DKK million	1 <sup>st</sup> half 2014	1 <sup>st</sup> half 2013	Index 14/13	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Full-year 2013
<b>Core business</b>									
Net interest income <sup>1)</sup>	743	619	120	376	366	348	381	330	1,348
Net fees, charges and commission income etc.	39	6	650	21	18	88	43	3	136
Value adjustments	-23	38	-61	3	-25	28	-17	29	50
Other income	2	2	100	1	1	3	3	1	8
<b>Core income</b>	<b>761</b>	<b>665</b>	<b>114</b>	<b>401</b>	<b>360</b>	<b>467</b>	<b>410</b>	<b>363</b>	<b>1,542</b>
Core expenses	511	491	104	260	251	249	212	250	952
<b>Core earnings before loan impairment charges etc.</b>	<b>250</b>	<b>174</b>	<b>144</b>	<b>141</b>	<b>109</b>	<b>218</b>	<b>198</b>	<b>113</b>	<b>590</b>
Loan impairment charges etc.	1,026	223	460	61	965	213	69	140	505
<b>Core earnings</b>	<b>-776</b>	<b>-49</b>	<b>1,584</b>	<b>80</b>	<b>-856</b>	<b>5</b>	<b>129</b>	<b>-27</b>	<b>85</b>
Earnings from investment portfolios	24	123	20	5	19	222	-17	79	328
<b>Profit or loss before tax</b>	<b>-752</b>	<b>74</b>	<b>-1,016</b>	<b>85</b>	<b>-837</b>	<b>227</b>	<b>112</b>	<b>52</b>	<b>413</b>
Tax	-161	23	-700	23	-184	61	27	3	111
<b>Net profit or loss for the period</b>	<b>-591</b>	<b>51</b>	<b>-1,159</b>	<b>62</b>	<b>-653</b>	<b>166</b>	<b>85</b>	<b>49</b>	<b>302</b>
<sup>1)</sup> Of which cost of capital	84	149		35	49	59	42	63	250

### LOAN IMPAIRMENT CHARGES ETC.

The overall impact on the financial statements for the first six months of 2014 was negative, reducing earnings by DKK 1,026 million. Loan impairment charges etc. were negatively affected by the Danish Financial Supervisory Authority's guidelines on individual impairment charges and provisions, which were published in March 2014. BRFkredit interpreted and implemented the new guidelines in the first quarter of 2014, which - combined with a reassessment and alignment of accounting estimates in the Jyske Bank Group - increased the need for loan impairment charges by DKK 882 million to a total of DKK 965 million for the first quarter of 2014. The impact on earnings in the second quarter of 2014 was DKK 61 million and can primarily be ascribed to the private customer area.

LOANS, ADVANCES AND GUARANTEES DKK million	1 <sup>st</sup> half 2014	1 <sup>st</sup> half 2013	Index 14/13	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Full-year 2013
Loans, advances and guarantees	214,130	208,972	102	214,130	211,462	209,531	207,681	208,972	209,531
Loans in arrears for 90 days	1,332	1,830	73	1,332	1,308	1,655	1,855	1,830	1,655
Individually assessed loans:									
Loans with OEI before impairment charges	6,244	4,942	126	6,244	5,231	5,497	5,125	4,942	5,497
Impairment charges	1,890	1,378	137	1,890	1,443	1,374	1,294	1,378	1,374
Loans with OEI after impairment charges	4,354	3,564	122	4,354	3,788	4,123	3,831	3,563	4,123
Balance of loan impairment charges and provisions for guarantees	2,677	1,783	150	2,677	2,725	1,873	1,774	1,783	1,873
Individual impairment charges etc.	1,890	1,378	137	1,890	1,443	1,374	1,294	1,378	1,374
Collective impairment charges etc.	787	405	194	787	1,282	499	480	405	499
Loan impairment charges etc. (impact on earnings)	1,026	223	460	61	965	213	69	140	505

The impact on earnings accounted for 0.5% of total lending in the first half of 2014, against 0.1% in the same period of 2013. DKK 768 million of the total impact on earnings related to BRFkredit a/s, while the remaining DKK 258 million related to BRFkredit Bank a/s. The impact amount was derived from an expense of DKK 161 million in the private customer area and an expense of DKK 865 million in the corporate customer area.

The total balance of loan impairment charges and provisions for guarantees amounted to DKK 2,677 million at 30 June 2014, corresponding to 1.2% of total lending. DKK 787 million of this amount was accounted for by collective impairment charges, against DKK 499 million at the close of 2013.

#### ARREARS RATES

Repayment dates	June 2014	March 2014	December 2013	September 2013	June 2013	March 2013
Arrears rate after 90 days	-	0.5	0.5	0.6	0.6	0.7
Arrears rate after 15 days	1.4	1.5	1.4	1.9	1.5	1.9

The arrears rate measured 90 days after the March 2014 repayment date was 0.5%, which was 0.2%points down from the same period of 2013. The arrears rate measured 15 days after the June 2014 repayment date was 1.4%, against 1.5% at the same stage of 2013.

BRFkredit's portfolio of assets acquired temporarily amounted to DKK 304 million at 30 June 2014, against DKK 301 million at the close of 2013. Assets acquired temporarily are stated at market value in the financial statements, see accounting policies.

Overall, core earnings worked out at a loss of DKK 776 million in the first half of 2014, against a loss of DKK 49 million in first half 2013.

#### EARNINGS FROM INVESTMENT PORTFOLIOS

Earnings from investment portfolios totalled DKK 24 million in the first half of 2014, against DKK 123 million in the corresponding period of 2013. The decline in returns was primarily due to the lower interest rate level.

#### MARKET RISK

At 30 June 2014, BRFkredit's interest rate risk under the standardised approach of the Danish Financial Supervisory Authority was DKK 15 million. After full offsetting between DKK and EUR, interest rate risk was DKK -50 million. BRFkredit's interest rate risk essentially stems from its bond portfolio, which is mainly made up of Danish government bonds and UCITS-compliant mortgage bonds, and from financial instruments which are used to manage overall interest rate risk.

BRFkredit held shares for a total of DKK 287 million, which gives an equity risk of DKK 29 million in case of a price fall of 10%points, equivalent to 0.3% of the capital base.

There is no significant currency risk to BRFkredit. At 30 June 2014, foreign exchange risk accounted for 0.4% of the capital base, calculated in accordance with the new capital adequacy rules.

### BALANCE SHEET AND CAPITAL STRUCTURE

BRFkredit had a balance sheet total of DKK 245.7 billion at 30 June 2014, against DKK 233.8 billion at the close of 2013. BRFkredit's mortgage lending represented a nominal value of DKK 203.1 billion at 30 June 2014, up from DKK 200.5 billion at the end of 2013. BRFkredit's total lending measured at carrying amount was DKK 213.6 billion. Equity was reduced by the net loss for the period of DKK 591 million and by value adjustments of strategic shares of DKK -11 million. Besides, in June 2014 BRFkredit a/s received a share capital injection of DKK 1.0 billion, after which equity amounted to DKK 10,760 million at 30 June 2014.

Capital and CET1 ratios are defined as capital base and core capital, respectively, in percentage terms of the total weighted risk exposure. Capital and CET1 ratios increased to 17.4% and 16.9%, respectively, against 16.6% for both ratios at the close of 2013. The change can mainly be ascribed to an increase in capital base, primarily as a result of the injection of new share capital of DKK 1.0 billion.

	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Full-year 2013
<b>CAPITAL STRUCTURE</b>						
Core capital, DKK million	10,404	9,347	9,815	9,617	9,583	9,815
Capital base, DKK million	10,659	9,694	9,815	9,617	9,583	9,815
Total weighted risk exposure, DKK million	61,384	62,155	59,227	58,371	57,757	59,227
Capital ratio <sup>1)</sup>	17.4	15.6	16.6	16.5	16.6	16.6
CET1 ratio	16.9	15.0	16.6	16.5	16.6	16.6

<sup>1)</sup> From 2014, the capital ratio has been determined in compliance with the EU's new capital adequacy requirements where the method of accounting for core capital and capital base, for instance, is different from before.

The capital requirement for credit risk is calculated by using the advanced IRB approach, subject to the minimum requirements set out in the transitional rules of Danish law. The IRB approach was originally scheduled for full implementation in 2010, but the transitional rules have been extended up to and including 2017. The full effect of the IRB approach has therefore not been achieved, see the capital requirement amounts with and without the application of the transitional rules. The capital requirement in accordance with the transitional rules was DKK 6.9 billion at 30 June 2014, corresponding to a capital need of 11.3%.

As a part of the Jyske Bank Group, BRFkredit has been designated as a systemically important financial institution (SIFI). The designation is important for BRFkredit. The designation as a SIFI institution implies stricter liquidity and capital requirements. The requirements will be announced in the autumn of 2014.

### INDIVIDUAL SOLVENCY REQUIREMENT

The individual solvency requirement is management's assessment of BRFkredit's total risks, including management's assessment of future earnings capacity and risk of losses. The individual solvency requirement is determined as the capital in percent of the total weighted risk exposure that is estimated to be adequate to meet BRFkredit's risks in a stress scenario. For BRFkredit a/s, a capital provision of DKK 4.7 billion has been set aside to meet the general capital requirement, supplemented by capital of DKK 1.1 billion to meet all other risks not considered under the current regime. The adequate capital base was thus determined at DKK 5.8 billion for BRFkredit a/s, equivalent to a solvency requirement of 9.8%. The adequate capital base for the BRFkredit Group was DKK 6.1 billion, equivalent to a solvency requirement of 10.0%.

## OUTLOOK FOR 2014

The full-year forecast is for a positive trend in core income and in core earnings before loan impairment charges and banking operations. Net profit will be affected extraordinarily by the considerable impairment charges made in the January-to-March period of 2014.

## OTHER DEVELOPMENTS

### RATING

BRFkredit's bonds are rated by Standard & Poor's (S&P). BRFkredit's issuer rating is A- (Stable). The outlook for BRFkredit's issuer rating was changed from 'negative' to 'stable' – mainly as a result of the announcement of the merger between BRFkredit and Jyske Bank on 24 February 2014. BRFkredit's issuer rating was also affirmed by S&P on 29 April 2014.

BRFkredit's bonds issued out of Capital Centre E, Capital Centre B and the General Capital Centre, respectively, have all been assigned a triple A (AAA) rating (Stable). Moreover, S&P has assigned its A- rating to BRFkredit's EMTN programme.

RATINGS FROM STANDARD & POOR'S AT 30 JUNE 2014	Rating	Date of assignment/ change of rating
CRD-compliant covered bonds: - issued out of Capital Centre E	AAA	17/10/2011
UCITS-compliant mortgage bonds: - issued out of Capital Centre B	AAA	17/10/2011
- issued out of the General Capital Centre	AAA	27/12/2013
Issuer rating (Long-term rating)	A-	24/02/2014
Issuer rating (Short-term rating)	A-2	24/02/2014
BRFkredit's EMTN programme	A-	05/12/2012

The "Stable" outlook has been assigned to all BRFkredit's ratings

Since 2012, BRFkredit has been working to reduce the capital requirement from S&P, with the effect that Standard & Poor's total over-collateralisation requirement for BRFkredit's capital centres fell from about DKK 20 billion in 2012 to just under DKK 12 billion at 30 June 2014.

### ADDITIONAL INFORMATION

For additional information, reference is made to brf.dk where detailed financial information on BRFkredit is available. The Interim Report of BRFkredit for first half 2014 is downloadable from BRFkredit's website at [www.brf.dk](http://www.brf.dk).

### WHO TO CONTACT

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## RESOLUTIONS BY THE BOARD OF DIRECTORS

No other resolution that falls within the duty of disclosure set out in the "Rules for Issuers of Securities Listed on NASDAQ OMX Copenhagen A/S" was adopted by the Board of Directors during the second quarter of 2014.



## STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

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The Board of Directors and Executive Board have today considered and approved the Interim Report of BRFkredit a/s for the period 1 January to 30 June 2014.

The interim financial statements of the Group are presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and the interim financial statements of the Parent Company are presented in accordance with the Danish Financial Business Act. Moreover, the Interim Report has been prepared in accordance with additional disclosure requirements for interim financial reports of issuers of listed bonds as applied in Denmark.

The Interim Report has not been subjected to audit or review.

In our opinion, the interim financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 30 June 2014 and of the results of the Group's and the Parent Company's activities and the Group's cash flows for the period 1 January to 30 June 2014.

We also believe that the management's review provides a fair review of developments in the activities and finances of the Group, the results for the period and the Group's financial position as a whole as well as a presentation of the principal risks and uncertainties that may affect the Group.

Kgs. Lyngby, 19 August 2014

### EXECUTIVE BOARD

Carsten Tirsbæk Madsen  
Chief Executive Officer

Lars Waalen Sandberg  
Executive Vice President

### BOARD OF DIRECTORS

Sven A. Blomberg  
Chairman

Per Skovhus  
Deputy Chairman

Jørgen Christensen

Niels Erik Jakobsen

Laila Busted  
Elected by employees

Jan Frederiksen  
Elected by employees

Anette Lykke Poulsen  
Elected by employees

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME**

Note	DKK m	The BRFkredit Group		BRFkredit	
		H1 2014	H1 2013	H1 2014	H1 2013
<b>INCOME STATEMENT</b>					
4	Interest income	3,710	3,727	3,620	3,633
5	Interest expenses	2,658	2,772	2,651	2,736
	<b>Net interest income</b>	<b>1,052</b>	<b>955</b>	<b>969</b>	<b>897</b>
	Dividends, etc.	3	4	3	4
6	Fees and commission income	80	61	64	51
	Fees and commission expenses	47	83	47	84
	<b>Net interest and fee income</b>	<b>1,088</b>	<b>937</b>	<b>989</b>	<b>868</b>
7	Value adjustments (- signifies an expense)	-305	-151	-299	-138
	Other operating income	2	2	12	10
8	Employee and administrative expenses	495	475	457	439
	Amortisation, depreciation and impairment charges	10	9	9	9
	Other operating expenses	6	7	-	-
9-10	Loan impairment charges	1,026	223	768	172
	Profit/loss on investments in associates and group enterprises	-	-0	-187	-43
	<b>Pre-tax profit</b>	<b>-752</b>	<b>74</b>	<b>-719</b>	<b>77</b>
11	Tax (- signifies an income)	-161	23	-117	28
	<b>Net profit or loss for the period</b>	<b>-591</b>	<b>51</b>	<b>-602</b>	<b>49</b>
	Attributable to:				
	BRFkredit a/s shareholders	-591	51		
	<b>Total</b>	<b>-591</b>	<b>51</b>		

**STATEMENT OF COMPREHENSIVE INCOME**

Net profit or loss for the period	-591	51	-602	49
Other comprehensive income:				
Items that can be recycled to the income statement:				
Shares available for sale	-11	3	-	-
Tax on shares available for sale	-	4	-	-
<b>Other comprehensive income after tax</b>	<b>-11</b>	<b>-1</b>	<b>-</b>	<b>-</b>
<b>Comprehensive income</b>	<b>-602</b>	<b>50</b>	<b>-602</b>	<b>49</b>
Attributable to:				
BRFkredit a/s shareholders	-602	50		
<b>Total</b>	<b>-602</b>	<b>50</b>		

**BALANCE SHEET**

Note	The BRFkredit Group			BRFkredit			
	30 June 2014	31 Dec. 2013	30 June 2013	30 June 2014	31 Dec. 2013	30 June 2013	
	DKKm						
<b>ASSETS</b>							
	Cash, cash equivalents and demand deposits with central banks						
	174	90	257	72	50	27	
12	Due from credit institutions and central banks	3,085	2,099	804	3,103	1,895	1,699
10	Loans at fair value	210,489	200,302	200,265	210,500	200,318	200,281
	Loans at amortised cost	3,077	8,716	8,113	-	5,445	5,115
	Bonds at fair value	26,677	20,570	13,011	24,448	18,155	9,733
	Shares	287	300	258	287	300	258
	Investments in group enterprises	-	-	-	954	1,141	1,001
	Intangible assets	14	16	20	14	16	20
	Land and buildings, total	475	477	471	388	390	387
	of which investment property	4	4	4	4	4	4
	of which owner-occupied properties	471	473	467	384	386	383
	Other property, plant and equipment	9	11	11	9	11	11
	Current tax assets	12	-	-	12	-	-
	Deferred tax assets	290	140	185	107	18	19
	Assets in temporary possession	304	301	413	268	263	352
13	Other assets	724	718	394	640	623	266
	Prepayments	33	30	33	26	28	24
	<b>Total assets</b>	<b>245,650</b>	<b>233,770</b>	<b>224,235</b>	<b>240,828</b>	<b>228,653</b>	<b>219,193</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Debt and payables</b>							
	Due to credit institutions and central banks	16,128	12,441	10,501	15,868	12,176	10,027
	Deposits	5,248	5,343	5,230	-	-	-
14	Issued bonds at fair value	204,496	193,147	185,527	205,278	193,147	185,540
	Issued bond at amortised cost	5,876	8,820	10,123	5,876	9,420	10,923
	Current tax liabilities	-	2	9	-	2	9
	Liabilities relating to assets in temporary possession	11	13	16	11	13	16
15	Other liabilities	3,036	3,431	2,544	2,948	3,325	2,398
	Deferred income	8	2	10	7	2	9
	<b>Total debt and payables</b>	<b>234,803</b>	<b>223,199</b>	<b>213,960</b>	<b>229,988</b>	<b>218,085</b>	<b>208,922</b>
<b>Provisions</b>							
	Other provisions	85	207	174	78	204	170
	<b>Provisions, total</b>	<b>85</b>	<b>207</b>	<b>174</b>	<b>78</b>	<b>204</b>	<b>170</b>
	<b>Subordinated debt</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>Equity</b>							
	Share capital	1,306	306	306	1,306	306	306
	Share premium account	102	102	102	102	102	102
	Revaluation reserve	26	26	18	18	18	13
	Reserves in series	6,068	6,068	7,918	6,068	6,068	7,918
	Retained earnings	3,258	3,860	1,754	3,266	3,868	1,759
	<b>Equity, total</b>	<b>10,760</b>	<b>10,362</b>	<b>10,098</b>	<b>10,760</b>	<b>10,362</b>	<b>10,098</b>
	<b>Equity and liabilities, total</b>	<b>245,650</b>	<b>233,770</b>	<b>224,235</b>	<b>240,828</b>	<b>228,653</b>	<b>219,193</b>

**STATEMENT OF CHANGES IN EQUITY**

DKKm

<b>The BRFkredit Group</b>	Share capital	Share premium account	Reva- luation reserve	Reserves in series	Retained earnings	Total
Equity at 1 January 2014	306	102	26	6,068	3,860	10,362
Net profit or loss for the period	-	-	-	-	-591	-591
Other comprehensive income:						
Shares available for sale	-	-	-	-	-11	-11
Other comprehensive income after tax	-	-	-	-	-11	-11
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-602</b>	<b>-602</b>
Capital injection	1,000	-	-	-	-	1,000
<b>Equity at 30 June 2014</b>	<b>1,306</b>	<b>102</b>	<b>26</b>	<b>6,068</b>	<b>3,258</b>	<b>10,760</b>
Equity at 1 January 2013	306	102	18	7,918	1,704	10,048
Net profit or loss for the period	-	-	-	-	51	51
Other comprehensive income:						
Shares available for sale	-	-	-	-	3	3
Tax on other comprehensive income	-	-	-	-	-4	-4
Other comprehensive income after tax	-	-	-	-	-1	-1
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>50</b>
<b>Equity at 30 June 2013</b>	<b>306</b>	<b>102</b>	<b>18</b>	<b>7,918</b>	<b>1,754</b>	<b>10,098</b>

  

<b>BRFkredit</b>	Share capital	Share premium account	Reva- luation reserve	Reserves in series	Retained earnings	Total
Equity at 1 January 2014	306	102	18	6,068	3,868	10,362
Net profit or loss for the period	-	-	-	-	-602	-602
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-602</b>	<b>-602</b>
Capital injection	1,000	-	-	-	-	1,000
<b>Equity at 30 June 2014</b>	<b>1,306</b>	<b>102</b>	<b>18</b>	<b>6,068</b>	<b>3,266</b>	<b>10,760</b>
Equity at 1 January 2013	306	102	13	7,918	1,709	10,048
Net profit or loss for the period	-	-	-	-	50	50
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>50</b>
<b>Equity at 30 June 2013</b>	<b>306</b>	<b>102</b>	<b>13</b>	<b>7,918</b>	<b>1,759</b>	<b>10,098</b>

**CAPITAL STATEMENT**

DKKm	The BRFkredit Group		
	30 June 2014	31 Dec. 2013	30 June 2013
Equity	10,760	10,362	10,098
Revaluation reserve	-	-26	-18
Intangible assets	-14	-16	-20
Deferred tax assets	-290	-140	-185
Cautious valuation	-52	-	-
<b>Common Equity Tier 1 capital</b>	<b>10,404</b>	10,180	9,875
Difference between expected loss and the carrying amount of impairment charges	-	-197	-156
Excess deduction not allowed to be offset against supplementary capital	-	-169	-135
<b>Core capital</b>	<b>10,404</b>	9,815	9,583
Supplementary capital	2	2	3
Revaluation reserve	-	26	18
Difference between expected loss and the carrying amount of impairment charges	253	-197	-156
Offsetting of excess deduction	-	169	135
<b>Capital base</b>	<b>10,659</b>	9,815	9,583
Weighted risk exposure with credit risk etc.	50,689	47,627	47,816
Weighted risk exposure with market risk	7,540	8,775	7,116
Weighted risk exposure with operational risk	3,155	2,825	2,825
<b>Total weighted risk exposure</b>	<b>61,384</b>	59,227	57,757
Capital requirement, Pillar I	4,911	4,738	4,621
Capital requirement, transitional provisions	2,033	2,134	2,128
<b>Capital requirement, total</b>	<b>6,944</b>	6,872	6,749
Capital ratio	17.4	16.6	16.6
Core Tier 1 capital ratio	16.9	16.6	16.6
Common Equity Tier 1 ratio	16.9	17.2	17.1

Over the period 2008-2013, the capital ratios were calculated in accordance with the CRD III (Basel II). With effect from 2014, the capital ratios are calculated in accordance with CRD IV/CRR (Basel III). The new rules result in changes in the calculation of the capital base and the total weighted risk exposure used until now. The comparative figures for 2013 and earlier years have not been adjusted.

Capital requirement, transitional provisions:

As at 30 June 2014, the total weighted risk exposure according to Basel I amounted to DKK 108,499 million for the BRFkredit Group. The capital requirement according to the transitional provisions was for 80% of the capital requirement of 8% of the total weighted risk exposures according to DKK 6,944 million for the BRFkredit Group. At end-2013, the transitional provisions resulted in a capital requirement of DKK 6,872 million for the BRFkredit Group. The transitional rules applying to the total weighted risk exposure will stay apply in the coming years.

For the determination of individual solvency requirement, please see the Solvency need for BRFkredit a/s for Q2 2014 on [www.brf.dk](http://www.brf.dk)

**SUMMARY OF CASH FLOW STATEMENT**

DKKm	The BRFkredit Group	
	H1 2014	H1 2013
<b>Net profit for the period</b>	<b>-591</b>	<b>51</b>
Adjustment for non-cash operating items and charges in working capital	<b>3,576</b>	<b>-5,249</b>
<b>Cash flows from operating activities</b>	<b>2,985</b>	<b>-5,198</b>
Acquisition of property, plant and equipment	<b>-2</b>	<b>-7</b>
Acquisition of intangible assets	<b>-3</b>	<b>-1</b>
Sale of investments assets	<b>10</b>	<b>68</b>
<b>Cash flows from investment activities</b>	<b>5</b>	<b>60</b>
Capital injection	<b>1,000</b>	<b>-</b>
Issuance and redemption of Senior Secured Bonds and Senior Unsecured Bonds	<b>-2,943</b>	<b>2,760</b>
Issuance and repayment of subordinated debt	<b>0</b>	<b>0</b>
<b>Cash flows from financing activities</b>	<b>-1,943</b>	<b>2,760</b>
<b>Cash flows for the period</b>	<b>1,047</b>	<b>-2,378</b>
Cash and cash equivalents, beginning of period	<b>2,065</b>	<b>3,329</b>
<b>Cash and cash equivalents, end of period</b>	<b>3,112</b>	<b>951</b>
Cash and cash equivalents, end of period, comprise:		
Cash in hand, etc.	<b>174</b>	<b>257</b>
Due from credit institutions and central banks	<b>2,938</b>	<b>694</b>
<b>Cash and cash equivalents, end of period</b>	<b>3,112</b>	<b>951</b>

**NOTES**

Note

**1 Accounting Policies**

The Interim Financial Report of BRFkredit a/s for the period 1 January to 30 June 2014 was prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU with regard to the consolidated interim financial statements in accordance with the Danish Financial Business Act with regard to the Parent's interim financial statements.

At 30 April 2014, BRFkredit a/s was acquired by Jyske Bank A/S, and, as a result thereof, the accounting policies have been adjusted to those applied by the Jyske Bank Group. In this connection, the following changes have been implemented:

**Group and Parent Company**

Mortgage loans without a full connection to the underlying bonds are now classified as 'Financial instruments at fair value through the income statement' instead of being recognised as amortised cost, which was previously the case. These mortgage loans (jointly funded loans) comply with the rule of the general balance principle, which is why a close connection exists with the underlying bonds. The fair value is determined on the basis of the closing price of the underlying bonds, adjusted for the probability that the loans will be repaid at face value. The change has not had any effect on net profit for the period or equity as the difference between the cost of the loans and the fair value was previously recognised as a receivable or as a liability vis-à-vis the cooperating banks as these, as agreed, issued a guarantee for fluctuations in the price of the issued bonds.

**Parent Company**

In the income statement, the item profit/loss on investments in associates and group enterprises now contains the profit/loss of group enterprises after tax and not before tax, which was previously the case when the tax in subsidiaries was stated under the income statement item tax. Comparative figures have been restated, causing a change in pre-tax profit of DKK 1 million and in tax of DKK 1 million. Net profit for the period and equity remain unchanged.

Except for the above changes, the accounting policies are consistent with those applied in the Annual Report for 2013, which contains the full description of the accounting policies.

No new standards or interpretations of importance to earnings performance and equity have been implemented in 2014. For further information about IAS/IFRS standards and interpretations implemented in this or subsequent periods, reference is made to note 3, page 53, of the Annual Report for 2013.

**2 Material accounting estimates**

Measurement of the carrying amount of certain assets and liabilities require the management's estimate of the influence of future events on the value of such assets and liabilities. Estimates of material importance to the financial are, among other things, based on the impairment of loans and advances, and assets in temporary possession and already made, cf. the detailed statement in the Annual Report 2013. The estimates are based on assumptions which the management finds reasonable, but which are inherently uncertain. Besides, the Group is subject to risks and uncertainties which may cause results to differ from those estimates.

In accordance with IAS 10 (Events after the reporting period), the financial statements reflect adjusting events up to 19 August 2014.

**NOTES**

Note

**3 Financial ratios  
30 June**

<b>BRFkredit</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Capital ratio	<b>18.3</b>	17.6	19.9	18.3	14.4
Core Tier 1 capital ratio	<b>18.0</b>	17.6	19.9	18.3	14.4
Return on equity before tax for the period (%)	<b>-6.8</b>	0.8	1.7	1.5	-2.7
Return on equity after tax for the period (%)	<b>-5.7</b>	0.5	1.3	1.1	-2.1
Income/cost ratio	<b>0.4</b>	1.1	1.3	1.3	0.6
Currency risk (%)	<b>1.8</b>	4.4	3.9	4.6	3.1
Accumulated impairment ratio (%)	<b>0.8</b>	0.5	0.5	0.6	0.6
Impairment ratio for the period (%)	<b>0.4</b>	0.1	0.1	0.0	0.1
Increase in loans and advances for the period (%)	<b>1.3</b>	0.9	-1.3	-2.5	-2.0
Loans and advances in relation to equity	<b>19.6</b>	20.3	20.2	20.7	22.7

**The BRFkredit Group**

Capital ratio	<b>17.4</b>	16.6	18.6	16.8	13.2
Core Tier 1 capital ratio	<b>16.9</b>	16.6	18.6	16.8	13.2
Return on equity before tax for the period (%)	<b>-7.1</b>	0.7	1.7	1.4	-2.6
Return on equity after tax for the period (%)	<b>-5.6</b>	0.5	1.3	1.0	-2.0
Income/cost ratio	<b>0.5</b>	1.1	1.2	1.2	0.7
Currency risk (%)	<b>1.9</b>	4.5	3.9	4.7	3.1
Accumulated impairment ratio (%)	<b>1.2</b>	0.8	0.8	0.9	1.1
Impairment ratio for the period (%)	<b>0.5</b>	0.1	0.1	0.1	0.2
Increase in loans and advances for the period (%)	<b>1.2</b>	0.8	-1.3	-4.5	-2.0
Loans and advances in relation to equity	<b>19.8</b>	20.6	20.5	21.1	23.1

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority. With the effect from 2014, the capital and core capital ratios are calculated in accordance with CRD IV/CRR. Comparative figures have not been restated accordingly.



**NOTES**

Note	The BRFkredit Group		BRFkredit	
	H1 2014	H1 2013	H1 2014	H1 2013
DKK m				
<b>4 Interest income</b>				
Due from credit institutions and central banks 1)	6	3	0	0
Loans and advances	2,743	2,848	2,677	2,789
Margins	715	668	715	668
Bonds	394	373	376	341
Derivatives, total	6	78	6	78
Of which:				
Interest-rate contracts	6	78	6	78
Other	6	7	6	7
Interest income before offsetting of interest against own bonds	3,870	3,977	3,780	3,883
Interest on own bonds, set off against interest on issued bonds	160	250	160	250
<b>Total</b>	<b>3,710</b>	<b>3,727</b>	<b>3,620</b>	<b>3,633</b>
1) of which interest income on genuine reverse carried under				
Due from credit institutions and central banks 1	0	-0	0	0
<b>5 Interest expenses</b>				
Due to credit institutions and central banks 1)	13	5	12	5
Deposits	31	40	0	-
Issued bonds	2,766	2,973	2,792	2,981
Other	8	4	7	0
Interest expenses before offsetting of interest against own bonds	2,818	3,022	2,811	2,986
Interest on own mortgage bonds, set off against interest on issued bonds	160	250	160	250
<b>Total</b>	<b>2,658</b>	<b>2,772</b>	<b>2,651</b>	<b>2,736</b>
1) of which interest income on genuine repo carried under				
Due to credit institutions and central banks	6	2	6	2
<b>6 Fees and commission income</b>				
Securities trading and custody services	35	23	30	22
Money transfers and card payments	1	1	-	-
Loan management fees	38	32	33	28
Guarantee commission	3	2	-	-
Other fees and commissions	3	3	1	1
<b>Total</b>	<b>80</b>	<b>61</b>	<b>64</b>	<b>51</b>
<b>7 Value adjustments (-signifies an income)</b>				
Mortgage lending	2,696	-850	2,696	-850
Other depositis at fair value	8	-1	8	-1
Bonds	-42	-248	-37	-233
Shares	9	11	-2	14
Currency	0	-2	0	-2
Currency, interest-rate, commodity and other contracts as well as other derivatives	-289	-94	-278	-99
Issued bonds	-2,687	1,033	-2,686	1,033
<b>Total</b>	<b>-305</b>	<b>-151</b>	<b>-299</b>	<b>-138</b>

Adjustments of the balance principle for the BRFkredit Group brought a total income of DKK 13 million (2013: DKK + 5 million), resulting from a net value adjustment of the following items: Mortgage loans by DKK + 2,696 million (DKK - 850 million), issued mortgage bonds by DKK - 2,686 million (DKK + 1,014 million) and fixed-rate agreements in connection with loan disbursements, etc. by DKK + 3 million (DKK - 159 million), recognised under financial derivatives, interest-rate contracts.

**NOTES**

Note	The BRFkredit Group		BRFkredit	
	H1 2014	H1 2013	H1 2014	H1 2013
DKK m				
<b>8 Employee and administrative expenses</b>				
<b>Employee expenses</b>				
Wages and salaries, etc.	291	260	267	239
Pensions	28	27	27	25
Social security	34	33	32	31
<b>Total</b>	<b>353</b>	<b>320</b>	<b>326</b>	<b>295</b>
<b>Salaries and remuneration to management bodies and Shareholders' Representatives</b>				
Executive Board	10	6	10	6
Supervisory Board	1	1	1	1
Shareholders' representatives	0	-	0	-
<b>Total</b>	<b>11</b>	<b>7</b>	<b>11</b>	<b>7</b>
<b>Other administrative expenses</b>				
IT	50	54	39	43
Other administrative expenses	81	94	81	94
<b>Total</b>	<b>131</b>	<b>148</b>	<b>120</b>	<b>137</b>
<b>Total</b>	<b>495</b>	<b>475</b>	<b>457</b>	<b>439</b>
<b>9 Loan impairment charges</b>				
<b>Balance of loan impairment charges and provisions, beginning of period</b>	<b>1,873</b>	<b>1,742</b>	<b>1,101</b>	<b>1,036</b>
Loan impairment charges/provisions for the period	836	65	587	21
Recognised as a loss, covered by loan impairment charges/provisions	-32	-24	-23	-18
<b>Balance of loan impairment charges and provisions, end of period</b>	<b>2,677</b>	<b>1,783</b>	<b>1,665</b>	<b>1,039</b>
Mortgage loan impairment charges	1,636	1,015	1,636	1,015
Other loan and deposit charges	1,041	768	29	24
<b>Balance of loan impairment charges and provisions, end of period</b>	<b>2,677</b>	<b>1,783</b>	<b>1,665</b>	<b>1,039</b>
Loan impairment charges/provisions for the period	836	65	587	21
Recognised as a loss, not covered by individual loan impairment charges/provisions 1)	223	185	206	173
Recoveries	-33	-27	-25	-22
<b>Net effect on the income statement</b>	<b>1,026</b>	<b>223</b>	<b>768</b>	<b>172</b>
<b>Individual loan impairment charges, beginning of period</b>	<b>1,374</b>	<b>1,231</b>	<b>670</b>	<b>603</b>
Loan impairment charges for the period	548	171	336	123
Recognised as a loss, covered by loan impairment charges/provisions	-32	-24	-23	-18
<b>Individual loan impairment charges, end of period</b>	<b>1,890</b>	<b>1,378</b>	<b>983</b>	<b>708</b>
<b>Collective loan impairment charges, beginning of period</b>	<b>499</b>	<b>511</b>	<b>431</b>	<b>433</b>
Loan impairment charges for the period	288	-106	251	-102
<b>Collective loan impairment charges, end of period</b>	<b>787</b>	<b>405</b>	<b>682</b>	<b>331</b>

1) "Recognised as a loss, not covered by individual loan impairment charges/provisions" of DKK 223 million in the first half of 2014 mainly relates to loans with collective loan impairment. At the beginning of the period, collective loan impairment charges amounted to DKK 499 million. Of 'Recognised as a loss, not covered by individual loan impairment charges/provisions' for the BRFkredit Group, the value adjustment of properties acquired in prior financial years was DKK - 32 million (2013: DKK + 6 million), and operating profit on properties during the period of foreclosure DKK - 0 million (DKK - 6 million).

**NOTES**

Note	The BRFkredit Group			BRFkredit		
	30 June 2014	31 Dec. 2013	30 June 2013	30 June 2014	31 Dec. 2013	30 June 2013
DKKm						
<b>10 Loans at fair value</b>						
Mortgage lending, nominal value 1)	<b>203,124</b>	195,055	193,379	<b>203,135</b>	195,071	193,395
Adjustment for interest-rate risk etc.	<b>8,363</b>	5,682	7,296	<b>8,363</b>	5,682	7,296
Adjustment for credit risk	<b>-1,636</b>	-1,079	-1,015	<b>-1,636</b>	-1,079	-1,015
Mortgage loans at fair value	<b>209,851</b>	199,658	199,660	<b>209,862</b>	199,674	199,676
Arrears and outlays	<b>147</b>	163	119	<b>147</b>	163	119
Other loans and receivables	<b>491</b>	481	486	<b>491</b>	481	486
<b>Total</b>	<b>210,489</b>	200,302	200,265	<b>210,500</b>	200,318	200,281

1) Mortgage loans without a full connection to the underlying bonds (jointly funded loans) were recognised at amortised cost in 2013. As a result of an adjustment to reflect the accounting policies applied by the Jyske Bank Group, they were recognised at fair value at 30 June 2014. Nominal lending at 31 December 2013 was DKK 195.1 billion (recognised at fair value) plus DKK 5.4 billion (recognised at amortised cost). As nominal lending at 30 June 2014 was DKK 203.1 billion, an increase of DKK 2.6 billion was seen in the first half.

**Mortgage loans at fair value and related impairment charges by class of property**

BRFkredit Group	Mortgage loans at fair value		Balance of loan impairment charges		Impairment charges for the period		Loss for the period	
	30 June 2014	End of 2013	30 June 2014	End of 2013	H1 2014	H1 2013	H1 2014	H1 2013
	Owner-occupied homes	<b>89,941</b>	82,127	<b>325</b>	312	<b>14</b>	-18	<b>131</b>
Vacation homes	<b>5,203</b>	5,123	<b>1</b>	2	<b>-1</b>	1	<b>6</b>	9
Subsidised housing	<b>41,250</b>	40,145	<b>19</b>	16	<b>5</b>	15	-	-
Cooperative housing	<b>14,441</b>	14,407	<b>310</b>	115	<b>203</b>	18	<b>-0</b>	6
Private rental housing	<b>25,541</b>	25,384	<b>528</b>	394	<b>127</b>	-10	<b>36</b>	-5
Industrial properties	<b>2,341</b>	2,438	<b>21</b>	-	<b>21</b>	0	-	-
Office and business properties	<b>28,544</b>	27,482	<b>412</b>	218	<b>197</b>	-2	<b>54</b>	-5
Agricultural properties etc.	<b>31</b>	39	<b>20</b>	21	-	-0	-	2
Properties for social, cultural and educational purposes	<b>2,545</b>	2,515	-	-	-	-	-	-
Other properties	<b>14</b>	14	-	-	-	-	-	-
<b>Total</b>	<b>209,851</b>	199,674	<b>1,636</b>	1,079	<b>566</b>	4	<b>227</b>	173

Note	The BRFkredit Group		BRFkredit	
	H1 2014	H1 2013	H1 2014	H1 2013
DKKm				

**11 Tax (- signifies an income)**
**Tax on profit or loss for the period**

Calculated tax on profit or loss for the period	<b>1</b>	0	-	31
Change in deferred tax	<b>-172</b>	12	<b>-119</b>	-4
Effect of change in deferred tax and readjustment of tax for previous years	<b>10</b>	11	<b>2</b>	1
<b>Total</b>	<b>-161</b>	23	<b>-117</b>	28

**Effective tax rate**

Corporation tax rate in Denmark	<b>24.5</b>	25.0	<b>24.5</b>	25.0
Non-taxable income and non-deductible expenses, etc.	<b>-3.1</b>	6.2	<b>-8.2</b>	11.4
<b>Total</b>	<b>21.4</b>	31.2	<b>16.3</b>	36.4

**NOTES**

Note	The BRFkredit Group			BRFkredit		
	30 June 2014	31 Dec. 2013	30 June 2013	30 June 2014	31 Dec. 2013	30 June 2013
	DKKm					
<b>12 Due from credit institutions and central banks</b>						
Due from credit institutions	3,085	2,099	804	3,103	1,895	1,699
<b>Total</b>	<b>3,085</b>	<b>2,099</b>	<b>804</b>	<b>3,103</b>	<b>1,895</b>	<b>1,699</b>
<b>13 Other assets</b>						
Positive fair value of derivatives, etc.	178	189	219	127	141	125
Interest and commissions receivable	433	318	111	422	287	83
Other	113	211	64	91	195	58
<b>Total</b>	<b>724</b>	<b>718</b>	<b>394</b>	<b>640</b>	<b>623</b>	<b>266</b>
<b>14 Issued bonds at fair value</b>						
Issued mortgage bonds, nominal value	214,662	246,937	204,300	214,662	246,937	204,300
Adjustment to fair value	8,477	6,912	7,310	8,477	6,912	7,310
Own mortgage bonds, fair value	-18,643	-60,702	-26,083	-17,861	-60,702	-26,070
<b>Total</b>	<b>204,496</b>	<b>193,147</b>	<b>185,527</b>	<b>205,278</b>	<b>193,147</b>	<b>185,540</b>
<b>15 Other liabilities</b>						
Negative fair value of derivatives, etc.	222	144	148	165	105	56
Interest and commission payable	2,390	3,016	2,133	2,372	2,992	2,097
Other liabilities	424	271	263	411	228	245
<b>Total</b>	<b>3,036</b>	<b>3,431</b>	<b>2,544</b>	<b>2,948</b>	<b>3,325</b>	<b>2,398</b>
<b>16 Contingent liabilities</b>						
Financial guarantees	493	436	514	-	-	-
Other guarantees	71	76	80	42	46	49
Other contingent liabilities	105	123	109	104	122	109
<b>Total</b>	<b>669</b>	<b>635</b>	<b>703</b>	<b>146</b>	<b>168</b>	<b>158</b>

**Financial guarantees** are primarily payment guarantees, and the risk equals that involved in credit facilities

**Other guarantees and contingent liabilities** include other forms of guarantees at varying degrees of risk. The risk involved is deemed to be less than the risk involved in, e.g. credit facilities subject to flexible drawdown.

**17 Related parties**

BRFkredit has balances, including bank accounts etc., with some of its related parties. Transactions between related parties are characterised as ordinary financial transactions and services of an operational nature. Transactions with related parties were executed on an arm's length basis or at cost.

In the second quarter of 2014, BRFkredit a/s received share capital of DKK 1.0 billion, injected by its parent company, Jyske Bank A/S.

Over the period, there were no unusual transactions with related parties. Please see BRFkredit's Annual Report 2013 for a detailed description of transactions with related parties.

**NOTES**

Note	The BRFkredit Group				
DKKm					

**18 Fair value of financial assets and liabilities**

H1 2014	Non-			Fair value	Carrying
FINANCIAL ASSETS	Quoted prices	Observable prices	Observable prices	total	amount
Loans at fair value	-	210,489	-	210,489	210,489
Bonds at fair value	26,000	677	-	26,677	26,677
Shares	50	2	235	287	287
Derivatives	-	178	-	178	178
<b>Total</b>	<b>26,050</b>	<b>211,346</b>	<b>235</b>	<b>237,631</b>	<b>237,631</b>
<b>FINANCIAL LIABILITIES</b>					
Derivatives	1	221	-	222	222
Issued bonds at fair value	181,883	22,613	-	204,496	204,496
<b>Total</b>	<b>181,884</b>	<b>22,834</b>	<b>-</b>	<b>204,718</b>	<b>204,718</b>

**H1 2013**

FINANCIAL ASSETS	Quoted prices	Observable prices	Observable prices	Fair value	Carrying
Loans at fair value	-	200,265	-	200,265	200,265
Bonds at fair value	12,771	240	-	13,011	13,011
Shares	-	2	256	258	258
Derivatives	0	219	-	219	219
<b>Total</b>	<b>12,771</b>	<b>200,726</b>	<b>256</b>	<b>213,753</b>	<b>213,753</b>
<b>FINANCIAL LIABILITIES</b>					
Derivatives	0	148	-	148	148
Issued bonds at fair value	171,156	14,371	-	185,527	185,527
<b>Total</b>	<b>171,156</b>	<b>14,519</b>	<b>-</b>	<b>185,675</b>	<b>185,675</b>

<b>NON-OBSERVABLE PRICES</b>	<b>H1 2014</b>	<b>H1 2013</b>
Fair value, beginning of period	257	255
Realised capital gains and losses for the period, recognised in income statement	-	12
Unrealised capital gains and losses for the period, recognised in income statement	-	-1
Gains or losses for the period, recognised in equity	-11	3
Sales or redemption	-11	-14
Purchases	-	1
Fair value, end of period	<b>235</b>	<b>256</b>

**NOTES**

Note	Net profit or loss		Equity	
	H1 2014	H1 2013	30 June 2014	31 Dec. 2013
DKKm				
<b>19</b>	<b>Difference between consolidated financial statements presented under IFRS and consolidated financial statements filed with the Danish FSA</b>			
	In regard to earnings performance and equity, the difference between the consolidated financial statements presented under IFRS and those filed with the Danish FSA can be specified as follows:			
Group's accounting figures according to financial statements	-591	51	10,760	10,362
Shares available for sale	-11	3	-	-
Tax effect	-	4	-	-
<b>Total</b>	<b>-602</b>	<b>58</b>	<b>10,760</b>	<b>10,362</b>

**NOTES**

Note	The BRFkredit Group		BRFkredit	
	30 June 2014	31 Dec. 2013	30 June 2014	31 Dec. 2013
DKKkm				
<b>20 Liquidity risks by remaining term to maturity</b>				
<b>Due from credit institutions and central banks</b>				
On demand	687	805	608	801
Up to 3 months	2,384	1,277	2,483	1,079
3 months - 1 year	4	4	2	2
1-5 years	9	11	9	11
Over 5 years	1	1	1	1
<b>Total</b>	<b>3,085</b>	<b>2,099</b>	<b>3,103</b>	<b>1,895</b>
<b>Loans 1)</b>				
On demand	-	215	-	-
Up to 3 months	1,530	1,665	1,211	1,119
3 months - 1 year	5,230	3,974	4,570	3,672
1-5 years	27,939	27,885	27,475	27,339
Over 5 years	178,867	175,279	177,244	173,633
<b>Total</b>	<b>213,566</b>	<b>209,018</b>	<b>210,500</b>	<b>205,764</b>
<b>Due to credit institutions and central banks</b>				
On demand	407	140	147	53
Up to 3 months	15,721	12,050	15,721	12,050
3 months - 1 year	-	-	-	73
1-5 years	-	251	-	-
Over 5 years	-	-	-	-
<b>Total</b>	<b>16,128</b>	<b>12,441</b>	<b>15,868</b>	<b>12,176</b>
<b>Deposits</b>				
On demand	3,413	3,404	-	-
Up to 3 months	337	502	-	-
3 months - 1 year	817	856	-	-
1-5 years	629	532	-	-
Over 5 years	52	49	-	-
<b>Total</b>	<b>5,248</b>	<b>5,343</b>	<b>-</b>	<b>-</b>
<b>Issued bonds at fair value 1)</b>				
Up to 3 months	1,196	23,439	1,196	23,439
3 months - 1 year	65,481	19,564	66,263	19,564
1-5 years	72,937	85,970	72,937	85,970
Over 5 years	64,882	64,174	64,882	64,174
<b>Total</b>	<b>204,496</b>	<b>193,147</b>	<b>205,278</b>	<b>193,147</b>
<b>Issued bonds at amortised cost</b>				
Up to 3 months	-	1,000	-	1,000
3 months - 1 year	1,170	2,114	1,170	2,114
1-5 years	4,706	5,706	4,706	6,306
Over 5 years	-	-	-	-
<b>Total</b>	<b>5,876</b>	<b>8,820</b>	<b>5,876</b>	<b>9,420</b>

1) The cash flow imbalance between mortgage lending (the main item of 'loans and other receivables' and issued bonds at fair value is due to the fact that 30-year ARM loans are funding by bonds with maturities of 1-10 years.