

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

EXECUTIVE BOARD
Klampenborgvej 205
DK-2800 Kgs. Lyngby
Tel: +45 45 93 45 93
Fax +45 45 93 45 22
BRF.dk
E-mail: BRFkredit@brf.dk
Business Reg. No. 13 40 98 38

24 February 2015

PRELIMINARY ANNOUNCEMENT OF FINANCIAL STATEMENTS 2014

-
- Pre-tax profit or loss: DKK -348m (2013: DKK 413m)
 - Since the merger on 1 May 2014, BRFkredit delivered a pre-tax profit of DKK 457m to the Jyske Bank Group
 - Pre-tax profit or loss corresponded to an annualised return of -3.2% on average equity (2013: 4.0% p.a.)
 - Loan impairment charges and provisions for guarantees: DKK 1,069m (2013: DKK 505m)
 - Mortgage loans: DKK 220.3bn (2013: DKK 205.8bn)
 - Capital ratio: 17.7% (2013: 16.6%), of which the Common Equity Tier 1 capital ratio was 17.5% (2013: 17.2%)
 - Individual solvency requirement: 10.8% (2013: 10.5%)
-

COMMENTS BY MANAGEMENT

In connection with the presentation of the Annual Report 2014, Carsten Tirsbæk Madsen, Chief Executive Officer, states:

'The year was affected by BRFkredit's merger with Jyske Bank, including adjustments of impairment charges and the organisation. The post-tax profit or loss was extraordinarily affected by the considerable impairment charges in the first quarter of 2014.

BRFkredit's proportion of gross new loans increased within all business areas, and in 2014 the portfolio increased by just above DKK 12.2bn due to joint funding cooperation and BRFkredit's own distribution.

In the period after the merger on 1 May 2014, BRFkredit delivered a pre-tax profit of DKK 457m to the Jyske Bank Group.

Core income and core profit before loan impairment charges increased relative to 2013. Costs and expenses developed as expected and cost of capital still showed a falling trend.

At end-2014, BRFkredit's capital base and surplus amounted to DKK 10.9bn and DKK 3.9bn, respectively. In the second quarter of 2014, the share capital was increased due to a cash injection of DKK 1bn from the parent company Jyske Bank. It is assessed that BRFkredit's business operations will over the coming years be able to generate equity sufficient to comply with the future capital adequacy rules to be implemented over the period until 2019.

For 2015, continuing improvement of the core income is expected due to the significant portfolio growth following the merger with Jyske Bank as well as an expected high refinancing activity. The overall result will also depend on the level of losses as well as the development of the securities markets,' concludes Carsten Tirsbæk Madsen.

SUMMARY OF INCOME STATEMENT	2014	2013	Index	2012	2011	2010
DKKm			14/13			
Net interest income	2,116	1,986	107	1,653	1,685	1,644
Net fee and commission income	185	105	176	30	-73	-45
Value adjustments, etc. (- is an expense)	-632	-229	276	-30	-101	-259
Other income	15	8	188	2	5	9
Income	1,684	1,870	90	1,655	1,516	1,349
Expenses	963	953	101	910	930	857
Profit before loan impairment charges and provisions for guarantees	721	918	79	745	586	492
Loan impairment charges and provisions for guarantees	1,069	505	212	493	459	471
Pre-tax profit	-348	413	-84	252	127	21
Tax (- is income)	-72	110	-65	66	33	7
Post-tax profit or loss	-276	302	-91	185	95	14

SUMMARY OF BALANCE SHEET, END OF PERIOD	2014	2013	Index	2012	2011	2010
DKKm			14/13			
Bank loans and advances	2,801	3,271	86	3,516	3,489	4,588
Mortgage loans	220,301	205,748	107	204,114	201,980	208,388
Bonds and shares, etc.	27,768	20,870	133	15,848	5,231	9,870
Total assets	261,300	233,770	112	229,219	220,870	231,430
Due to credit institutions and central banks	12,036	12,441	97	6,157	5,211	11,401
Bank deposits	4,990	5,343	93	5,250	5,150	5,448
Issued bonds at amortised cost	5,203	8,820	59	7,362	4,499	4,497
Issued bonds at fair value ¹⁾	223,826	193,147	116	196,511	189,888	193,886
Equity	11,084	10,362	107	10,048	9,859	9,742

¹⁾ In 2014 and in 2013, the holding of own mortgage bonds in the amount of DKK 66bn and DKK 61bn, respectively, was offset against issued bonds.

SELECTED KEY FIGURES	2014	2013	2012	2011	2010
Pre-tax profit as a percentage of average equity	-3.2	4.0	2.5	1.3	0.2
Profit for the year as a pct. of av. equity	-2.6	3.0	1.9	1.0	0.1
Income/cost ratio (%)	0.8	1.3	1.2	1.1	1.0
Accumulated impairment ratio (%)	1.1	0.9	0.8	0.8	1.0
Impairment ratio for the year (%)	0.5	0.2	0.2	0.2	0.2
Capital ratio (%)	17.7	16.6	15.2	16.0	13.5
Common Equity Tier 1 capital ratio (CET) (%)	17.5	16.6	15.2	16.0	13.5
Individual solvency requirement (%)	10.8	10.5	10.3	9.5	8.7
Capital base (DKKm)	10,929	9,815	9,297	11,402	11,143
Total risk exposure	61,845	59,227	61,045	71,297	82,840
No. of full-time employees at end-period	793	869	820	799	747

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

SUMMARY OF INCOME STATEMENT DKKm	Q4 2014	Q4 2013	Index 14/13	Q3 2014	Q2 2014	Q1 2014
Net interest income	525	515	102	539	530	522
Net fee and commission income	117	88	133	35	17	16
Value adjustments, etc. (- is an expense)	-156	83	-188	-174	-142	-160
Other income	5	3	167	8	1	1
Income	491	689	71	408	406	379
Expenses	248	249	100	204	260	251
Profit before loan impairment charges and provisions for guarantees	243	440	55	204	146	128
Loan impairment charges and provisions for guarantees	59	213	28	-16	61	965
Pre-tax profit	184	227	81	220	85	-837
Tax (- is income)	38	61	62	51	23	-184
Post-tax profit or loss	146	166	88	169	62	-653

SUMMARY OF BALANCE SHEET, END OF PERIOD DKKm	Q4 2014	Q4 2013	Index 14/13	Q3 2014	Q2 2014	Q1 2014
Bank loans and advances	2,801	3,271	86	3,019	3,077	3,073
Mortgage loans	220,301	205,748	107	217,590	210,489	207,842
Bonds and shares, etc.	27,768	20,870	133	28,237	26,965	26,524
Total assets	261,300	233,770	112	253,654	245,650	240,517
Due to credit institutions and central banks	12,036	12,441	97	16,602	16,128	16,524
Bank deposits	4,990	5,343	93	5,041	5,248	5,097
Issued bonds at amortised cost	5,203	8,820	59	5,372	5,876	7,059
Issued bonds at fair value	223,826	193,147	116	211,545	204,496	199,877
Equity	11,084	10,362	107	10,931	10,760	9,711

CORE EARNINGS DKKm	Q4 2014	Q4 2013	Index 14/13	Q3 2014	Q2 2014	Q1 2014
Net interest income ¹⁾	444	348	128	383	379	369
Net fee and commission income, etc.	116	88	132	35	18	15
Value adjustment (- is an expense)	-3	28	-11	-36	3	-25
Other income	5	3	167	8	1	1
Core income	562	467	120	390	401	360
Core expenses	247	249	99	204	260	251
Core profit before loan impairment charges and provisions for guarantees	315	218	144	186	141	109
Loan impairment charges and provisions for guarantees	59	213	28	-16	61	965
Core profit	256	5	5,120	202	80	-856
Earnings from investment portfolios	-72	222	-32	18	5	19
Pre-tax profit	184	227	81	220	85	-837
Tax (- is income)	38	61	62	51	23	-184
Post-tax profit or loss	146	166	88	169	62	-653

¹⁾ Of which cost of capital	26	59	44	27	35	49
--	----	----	----	----	----	----

CAPITAL STATEMENT DKKm	The BRFkredit Group		BRFkredit a/s	
	2014	2013	2014	2013
Equity	11,084	10,362	11,084	10,362
Revaluation reserve	-	-26	-	-18
Intangible assets	-9	-16	-9	-16
Cautious valuation	-66	-	-64	-
Deferred tax assets	-198	-140	-21	-18
Common Equity Tier 1 capital	10,811	10,180	10,990	10,310
Difference between expected loss and the carrying amount of impairment charges	-	-197	-	-197
Excess deduction that cannot be offset against supplementary capital	-	-169	-	-176
Core capital	10,811	9,815	10,990	9,937
Supplementary capital	-	2	-	2
Revaluation reserve	-	26	-	18
Difference between expected loss and the carrying amount of impairment charges	53	-197	53	-197
Collective impairment under the standard approach	65	-	-	-
Offsetting of the excess deduction	-	169	-	176
Capital base	10,929	9,815	11,043	9,937
Weighted risk exposure involving credit risk etc.	54,427	47,627	52,353	45,667
Weighted risk exposure involving market risk	4,263	8,775	3,980	8,475
Weighted risk exposure involving operational risk	3,155	2,826	2,996	2,667
Total weighted risk exposure	61,845	59,227	59,329	56,809
Capital requirement, Pillar I	4,948	4,738	4,746	4,545
Capital requirement, transitional provisions	2,102	2,123	2,143	2,161
Capital requirement, total	7,050	6,861	6,889	6,706
Capital ratio (%)	17.7	16.6	16.6	17.5
Core capital ratio (%)	17.5	16.6	18.5	17.5
Common Equity Tier 1 capital ratio (%)	17.5	17.2	18.5	18.1

Over the period 2008-2013, capital ratios were calculated in accordance with the CRD III (Basel II). With effect from 2014, 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. Comparative figures have not been restated accordingly.

MORTGAGE LOANS AT FAIR VALUE BROKEN DOWN BY PROPERTY CATEGORY DKKm	The BRFkredit Group		BRFkredit a/s	
	2014	2013	2014	2013
Owner-occupied homes	96,995	82,127	96,995	82,127
Vacation homes	5,507	5,123	5,507	5,123
Subsidised housing (rental housing)	44,503	40,145	44,503	40,145
Private rental properties (rental housing)	39,409	39,791	39,409	39,791
Industrial properties	1,451	2,438	1,451	2,438
Office and business properties	29,289	27,466	29,328	27,482
Agricultural properties, etc.	29	39	29	39
Properties for social, cultural and educational purposes	2,513	2,515	2,513	2,515
Other properties	25	14	25	14
Other loans and receivables	579	644	579	644
Total	220,301	200,302	220,340	200,318

FINANCIAL CALENDAR 2015

24 February	Announcement of annual report for 2014 The annual report is available at brf.dk
24 March	Annual general meeting of BRFkredit a/s
29 April	Announcement of Interim financial report for the first quarter of 2015
18 August	Announcement of Interim financial report for the first half of 2015
28 October	Announcement of Interim financial report for the nine months of 2015

FOR FURTHER INFORMATION

For further information, please see brf.com, which website also gives detailed financial information about BRFkredit. Please see brf.com for BRFkredit's Annual Report 2014 as well as links to Jyske Bank's Risk and Capital Management 2014, etc. in which capital requirements and adequate capital base for BRFkredit are stated.

CONTACT

Carsten Tirsbæk Madsen, Chief Executive Officer,
tel. +45 45 26 28 71 or mobile +45 40 25 88 74