

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

**BRFKREDIT**  
**INTERIM FINANCIAL REPORT**  
**FIRST QUARTER 2015**

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## SUMMARY FIRST QUARTER 2015

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- Pre-tax profit for the period: DKK 244m (Q1 2014: DKK -837m).
  - The net profit or loss for the period, before tax, corresponded to an annualised return of 8.8 % on average equity (End-2014: -3.2 % p.a.).
  - Loan impairment charges and provisions for guarantees: DKK 76m (Q1 2014: DKK 965m).
  - Mortgage loans: DKK 230.6bn (End-2014: DKK 220.3bn).
  - Capital ratio: 18.2% (end-2014: 17.7%), of which the Common Equity Tier 1 capital ratio was 18.0% (end-2014: 17.5%)
  - Individual solvency requirement: 10.3% (End-2014: 10.8%).
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### COMMENTS BY MANAGEMENT

In connection with the presentation of the Interim Financial Report for the first quarter of 2015, Carsten Tirsbæk Madsen, Chief Executive Officer, states:

'BRFkredit's pre-tax profit for the first quarter of 2015 amounted to DKK 244m against a loss of DKK 837m for the same period in 2014. The profit shows a satisfactory development. The first quarter of 2015 was characterised by a high level of refinancing, resulting in rising core income. Costs and expenses developed as expected, and cost of capital increased moderately. Loan impairment charges and provisions for guarantees amounted to DKK 76m.

In the first quarter of 2015, the portfolio increased by DKK 8.0bn. The increase can chiefly be attributed to the personal client area.

At the end of the first quarter of 2015, the capital ratio was 18.2% and the Common Equity Tier 1 capital ratio 18.0% against 17.7% and 17.5%, respectively, at end-2014. The individual solvency requirement was calculated at 10.3%.

For the full year, positive growth in the portfolio is expected as well as a considerably better profit than that for 2014 with rising core income and core profit before impairment charges. The profit will depend on the development on loan impairment charges and provisions for guarantees as well as the investment result,' concludes Carsten Tirsbæk Madsen.

# THE BRFKREDIT GROUP\*

## SUMMARY OF INCOME STATEMENT

	Q1	Q1	Index	Q1	Q4	Q3	Q2	Q1	The year
DKKm	2015	2014	15/14	2015	2014	2014	2014	2014	2014
Net interest income	508	522	97	508	525	539	530	522	2,116
Net fee and commission income	61	15	388	61	117	35	17	15	185
Value adjustments, etc.	-25	-159	15	-25	-156	-174	-142	-159	-632
Other income	5	1	500	5	5	8	1	1	15
Income	550	379	145	550	491	408	406	379	1,684
Expenses	231	251	92	231	248	204	260	251	963
Profit before loan impairment charges and provisions for guarantees	319	128	250	319	243	204	146	128	721
Loan impairment charges and provisions for guarantees	76	965	8	76	59	-16	61	965	1,069
Pre-tax profit	244	-837	-29	244	184	220	85	-837	-348
Tax (- = income)	56	-184	-30	56	38	51	23	-184	-72
Net profit or loss for the period	187	-653	-29	187	146	169	62	-653	-276

## SUMMARY OF BALANCE SHEET, END OF PERIOD

	Q1	Q1	Index	Q1	Q4	Q3	Q2	Q1	The year
DKKm	2015	2014	15/14	2015	2014	2014	2014	2014	2014
Bank loans and advances	2,668	3,073	87	2,668	2,801	3,019	3,077	3,073	2,801
Mortgage loans	230,614	207,842	111	230,614	220,301	217,590	210,489	207,842	220,301
Bonds and shares, etc.	27,135	26,524	102	27,135	27,768	28,237	26,965	26,524	27,768
Total assets	267,954	240,517	111	267,954	261,300	253,654	245,650	240,517	261,300
Due to credit institutions and central banks	6,204	16,524	38	6,204	12,036	16,602	16,128	16,524	12,036
Bank deposits	4,554	5,097	89	4,554	4,990	5,041	5,248	5,097	4,990
Issued bonds at amortised cost	5,178	7,059	73	5,178	5,203	5,372	5,876	7,059	5,203
Issued bonds at fair value <sup>1)</sup>	237,555	199,877	119	237,555	223,826	211,545	204,496	199,877	223,826
Equity	11,269	9,711	116	11,269	11,084	10,931	10,760	9,711	11,084

<sup>1)</sup> In the first quarter of 2015 and in the first quarter of 2014, the holding of own mortgage bonds in the amount of DKK 25bn and DKKK 19bn, respectively, was offset against issued bonds.

## SELECTED KEY FIGURES

	Q1	Q1	Index	Q1	Q4	Q3	Q2	Q1	The year
	2015	2014	15/14	2015	2014	2014	2014	2014	2014
Pre-tax profit as a percentage of average equity	2.2	-8.3	-	2.2	1.7	2.0	0.8	-8.3	-3.2
Net profit or loss for the period after tax as a pct. of av. equity	1.7	-6.5	-	1.7	1.3	1.6	0.6	-6.5	-2.6
Gross income/cost ratio	1.8	0.3	-	1.8	1.6	2.2	1.3	0.3	0.8
Accumulated impairment ratio (%)	1.0	1.3	-	1.0	1.1	1.1	1.2	1.3	1.1
Impairment ratio for the period (%)	0.0	0.5	-	0.0	0.0	-0.0	0.0	0.5	0.5
Capital ratio (%)	18.2	15.6	-	18.2	17.7	17.6	17.4	15.6	17.7
Core Tier 1 capital ratio (CET1%)	18.0	15.0	-	18.0	17.5	17.5	16.9	15.0	17.5
Individual solvency requirement (%)	10.3	10.4	-	10.3	10.8	10.7	10.0	10.4	10.8
Capital base (DKKm)	11,161	9,694	-	11,161	10,929	10,716	10,659	9,694	10,929
Total risk exposure	61,236	62,155	-	61,236	61,845	60,715	61,384	62,155	61,845
No. of full-time employees at end-period	767	868	-	767	793	816	842	868	793

\* In the following the BRFKredit Group will be referred to BRFKredit.

## FIRST QUARTER OF 2015

### CORE PROFIT BEFORE LOAN IMPAIRMENT CHARGES AND PROVISIONS FOR GUARANTEES

Core income rose by 37% from DKK 360m in the first quarter of 2014 to DKK 494m in the first quarter of 2015. The increase can be attributed to rising contribution income, rising fee income, etc.

Contribution income amounted to DKK 385m in the first quarter of 2015 against DKK 356m in the first quarter of 2014. The increase was primarily caused by higher contribution rates. In addition, rising interest income from jointly funded loans was recognised at DKK 14m. Due to the higher level of refinancing activity compared to the same period of 2014, net fee and commission income, etc. increased by DKK 46m and amounted to DKK 61m in the first quarter of 2015 against DKK 15m in the first quarter of 2014.

Cost of capital relating, among other things, to covered bond (SDO) and rating requirements increased by DKK 9m and amounted (net) to DKK 58m in the first quarter of 2015 against DKK 49m in the first quarter of 2014. The increase can chiefly be attributed to value adjustments of hedging swaps in connection with senior loans.

Core expenses amounted to DKK 231m in the first quarter of 2015 against DKK 251m in the first quarter of 2014. The 8% decline can materially be attributed to a decline in payroll costs due to the reduced number of employees.

Core profit before loan impairment charges and provisions for guarantees increased by DKK 154m to DKK 263m against DKK 109m in the first quarter of 2014.

### CORE PROFIT AND NET PROFIT FOR THE PERIOD

	Q1 2015	Q1 2014	Index 15/14	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	The year 2014
DKKm									
Core operations									
Net interest income, etc. <sup>1)</sup>	414	369	112	414	444	383	379	369	1,575
Net fee and commission income	61	15	407	61	116	35	18	15	184
Value adjustments	13	-25	-52	13	-3	-36	3	-25	-61
Other income	5	1	500	5	5	8	1	1	15
Core income	494	360	137	494	562	390	401	360	1,713
Core expenses	231	251	92	231	247	204	260	251	963
Core profit before loan impairment charges and provisions for guarantees	263	109	241	263	315	186	141	109	751
Loan impairment charges and provisions for guarantees	76	965	8	76	59	-16	61	965	1,069
Core profit	187	-856	-22	187	256	202	80	-856	-318
Earnings from investment portfolios	56	19	295	56	-72	18	5	19	-30
Pre-tax profit	244	-837	-29	244	184	220	85	-837	-348
Tax (- = income)	56	-184	-30	56	38	51	23	-184	-72
Net profit or loss for the period	187	-653	-29	187	146	169	62	-653	-276
<sup>1)</sup> Of which cost of capital	58	49	118	58	26	27	35	49	137

## LOAN IMPAIRMENT CHARGES AND PROVISIONS FOR GUARANTEES

### LOANS, ADVANCES AND GUARANTEES

DKK m	Q1 2015	Q1 2014	Index 15/14	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	The year 2014
Loans, advances and guarantees	233,848	211,462	111	233,848	223,609	221,129	214,130	211,462	223,609
Past due mortgage loans	1,224	1,308	94	1,224	1,602	1,233	1,332	1,308	1,602
Loans and advances assessed individually:									
Loans and advances with OEI	20,196	20,308	99	20,196	20,419	21,559	21,435	20,308	20,419
Impairment charges	2,037	1,443	141	2,037	2,138	2,026	1,890	1,443	2,138
Loans and advances with OEI after loan impairment charges	18,159	18,865	96	18,159	18,281	19,473	19,545	18,865	18,281
Balance of loan impairment charges and provisions for guarantees	2,432	2,725	89	2,432	2,516	2,551	2,677	2,725	2,516
Individual impairment charges and provisions for guarantees	2,037	1,443	141	2,037	2,138	2,026	1,890	1,443	2,138
Collective impairment charges and provisions for guarantees <sup>1)</sup>	395	1,282	31	395	379	525	787	1,282	379
Loan impairment charges and provisions for guarantees (effect on income statement)	76	965	8	76	59	-16	63	965	1,069

<sup>1)</sup> The implementation of the FSA's new guidelines on individual impairment charges and provisions together with the reassessment and alignment of the accounting estimates in the Jyske Bank Group caused impairment charges to increase by DKK 822m in the first quarter of 2014. The impairment charges were initially recognised as collective impairment charges in the first quarter of 2014 and subsequently individualised in the second and third quarters of 2014.

Total loan impairment charges and provisions for guarantees for the first quarter of 2015 constituted an expense of DKK 76m against DKK 965m in the first quarter of 2014. Impairment charges are practically in line with the expected average loss level over an economic cycle. In the first quarter of 2014, loan impairment charges and provisions for guarantees were extraordinarily affected by the FSA's new guidelines on individual impairment charges and provisions together with a reassessment and alignment of the accounting estimates in the Jyske Bank Group.

Relative to total loans, the effect from the impairment charges on the income statement amounted to 0.0% in the first quarter of 2015 against 0.5% in the same period of 2014. Of the total effect on the income statement, an expense of DKK 84m related to BRFkredit a/s and an income of DKK 8m to BRFkredit Bank a/s.

The effect on the income statement was distributed with an expense of DKK 46m on personal clients and an expense of DKK 30m on corporate clients.

BRFkredit's holding of assets held temporarily amounted to DKK 532m at the end of the first quarter of 2015 against DKK 230m at end-2014. The increase can chiefly be attributed to foreclosure on one property. Assets held temporarily are in the financial statements recognised at market value, cf. accounting policies.

The total balance of loan impairment charges and provisions for guarantees amounted to DKK 2,432m at the end of the first quarter of 2015, corresponding to 1.0% of total loans. Of this, collective impairment charges amounted to DKK 395m against DKK 1,282m at end-2014.

For many years, BRFkredit has not granted loans to agriculture, forestry and market gardening. The individual impairment charges amounted to DKK 0m for this loan segment. The total portfolio of loans for agriculture, etc. was unchanged relative to end-2014 and amounted to DKK 54m at the end of the first quarter of 2015.

The arrears rate measured 90 days after the December repayment date amounted to 0.4% in 2014, against 0.5% in for the corresponding repayment date in 2014. The arrears rate measured 15 days after the March 2015 repayment date amounted to 1.2% against 1.5% after the March repayment date in 2014.

#### ARREARS RATE

Repayment dates	March 2015	Dec. 2014	Sept. 2014	June 2014	March 2014	Dec. 2013
After 90 days	-	0.4	0.5	0.4	0.5	0.5
After 15 days	1.2	1.4	1.4	1.4	1.5	1.4

## EARNINGS FROM INVESTMENT PORTFOLIOS

DKKm	Q1 2015	Q1 2014	Index 15/14	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	The year 2014
Net interest income	43	140	31	43	105	138	131	140	514
Value adjustments	13	-121	-11	13	-177	-120	-126	-121	-544
Earnings from investment portfolios	56	19	295	56	-72	18	5	19	-30

The earnings from investment portfolios included the return on the securities holding less a risk-free return that were attributed to the core profit.

The securities portfolio, which predominantly consisted of interest-bearing instruments, was mainly placed in mortgage bonds as well as financial instruments for risk hedging.

Earnings from investment portfolios amounted in the first quarter of 2015 to an income of DKK 56m against an income of DKK 19m in the first quarter of 2014. The result for the first quarter of 2015 was affected by the above-normal demand

for Danish kroner, which set the stage for the positive investment portfolio earnings.

Assessed on the basis of the risk profile chosen and the currently low interest-rate level, investment portfolio earnings were satisfactory.

### CORE EARNINGS AND EARNINGS FROM INVESTMENT PORTFOLIOS

The pre-tax profit for the first quarter of 2015 and the first quarter of 2014 broken down by core earnings and earnings on investment portfolios is stated below.

### BREAKDOWN OF THE NET PROFIT OR LOSS FOR THE PERIOD

DKKm	Q1 2015				Q1 2014			
	Core earnings	Investment portfolio income	Reclassification	Total	Core earnings	Investment portfolio income	Reclassification	Total
Core operations:								
Net interest income, etc.	414	43	51	508	369	140	13	522
Net fee and commission income	61	-	-	61	15	-	-	15
Value adjustments, etc.	13	13	-51	-25	-25	-121	-13	-159
Other income	5	-	-	5	1	-	-	1
Income	494	56	-	550	360	19	-	379
Expenses	231	-	-	231	251	-	-	251
Core earnings before loan impairment charges and provisions for guarantees	263	56	-	319	109	19	-	128
Loan impairment charges and provisions for guarantees	76	-	-	76	965	-	-	965
Pre-tax profit for the period	187	56	-	244	-856	19	-	-837

In BRFkredit's reporting format of core earnings and earnings from investment portfolios, the total interest income, interest expenses and value adjustments relating to the principle of balance are recognised under 'Net interest income, etc.'.

## MARKET RISK

Market risk is the risk of loss following movements in the financial markets (interest rate, equity and foreign-currency risks). The most material market risks relate to BRFkredit's securities portfolio for which the interest-rate risk and the spread risk on the bond portfolio are the most important ones. BRFkredit has practically no exposure to foreign currencies. Market risks that stem from the other part of the balance sheet are modest due to the principle of balance and the close correlation between loans and funding, where loans are matched by bond issues in the relationship one to one.

Interest-rate risk expresses the risk of loss following changes in interest rates corresponding to a parallel shift of the yield curve by 1 percentage point and is measured on a daily basis. BRFkredit's interest-rate instruments, etc. are chiefly placed in bonds with a short time to maturity with a limited interest-rate sensitivity.

At the end of the first quarter of 2015, BRFkredit's interest-rate risk calculated according to the standardised approach of the FSA came to DKK 95m (2014: DKK -4m), which is considerably below the limit defined by the Supervisory Board as well as the statutory limit. After full offsetting between DKK and EUR, the interest rate risk was positive by DKK 16m. (2014: DKK 75m).

BRFkredit's shareholding consists solely of infrastructure shares and strategic shares outside the trading portfolio. If equity prices in general fall by 10%, BRFkredit will suffer an investment loss of DKK 23m.

The currency positions are more modest on BRFkredit's balance sheet. Calculated according to the new capital adequacy rules, the foreign-currency risk amounted to less than 0.0% (2014: 2.2%) of the capital base at the end of the quarter of 2015.

## CAPITAL STRUCTURE

	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	The year 2014
Capital ratio <sup>1)</sup>	18.2	17.7	17.6	17.4	15.6	16.6
Core Tier 1 Capital ratio (%)	18.0	17.5	17.5	16.9	15.0	16.6
Core Tier 1 capital ratio (CET1)	18.0	17.5	17.5	16.9	15.0	17.2

<sup>1)</sup> As of 2014, the capital ratio is being calculated on the basis of the EU's new capital adequacy rules, which means that the calculation method for the Tier 1 capital and capital base has been changed.

## BALANCE SHEET

At the end of the first quarter of 2015, BRFkredit's balance sheet amounted to DKK 268bn (end-2014: DKK 261bn). At the end of the first quarter of 2015, BRFkredit's mortgage loans (inclusive of jointly funded bank mortgage loans) amounted to nominally DKK 221bn. (End-2014: DKK 213bn). BRFkredit's total loans and advances amounted to a carrying amount of DKK 233bn (end-2014: DKK 223bn). Equity was increased by the net profit or loss for the period after tax, etc., and amounted to DKK 11,269m as at 31 March 2015 (end-2014: DKK 11,084m).

## CAPITAL STRUCTURE

The development of BRFkredit's capital and Core Tier 1 capital ratios appear from the table below. At the end of the first quarter of 2015, the capital and Core Tier 1 capital ratios were at a very adequate level relative to the Group's objective.

## CAPITAL BASE

At the end of the first quarter of 2015, the Common Equity Tier 1 capital amounted to 99% of the capital base, an unchanged level relative to end-2014. The high proportion of Common Equity Tier 1 capital in the capital base is in line with BRFkredit's wish to achieve the highest quality possible of its capital base.

## CAPITAL BASE AND OVERALL RISK EXPOSURE

DKKm	Q1 2015	The year 2014
Equity	11,269	11,084
Intangible assets	-7	-9
Cautious valuation	-76	-66
Deferred tax assets	-142	-198
<b>Core capital/Common Equity Tier 1 capital</b>	<b>11,044</b>	<b>10,811</b>
Diff. between expected losses and impairment charges	57	53
Collective impairment under the standard approach	60	65
<b>Capital base</b>	<b>11,161</b>	<b>10,929</b>
<b>Total weighted risk exposure</b>	<b>61,236</b>	<b>61,845</b>

## MINIMUM CAPITAL REQUIREMENT

Determination of the minimum capital requirement expresses the regulatory capital requirements and rests on the risk types credit, market and operational risk. BRFkredit a/s has been approved to apply the advanced internal rating-based approach (AIRB) when determining credit risk, whereas BRFkredit Bank a/s uses the standardised approach. The approval extends to the application of advanced methods for determining the minimum capital requirement for the main part of the Group's credit portfolio.

The minimum capital for market risk and operational risk are determined according to the standardised approach.

### MINIMUM CAPITAL REQUIREMENT BY RISK TYPE

DKKm	Q1 2015	The year 2014
Credit risk	4,371	4,354
Market risk	287	341
Operational risk	241	252
<b>Minimum capital requirement, Pillar I</b>	<b>4,899</b>	<b>4,948</b>
Capital requirement, transitional provisions	2,373	2,102
<b>Total minimum capital requirement</b>	<b>7,272</b>	<b>7,050</b>

## INDIVIDUAL SOLVENCY REQUIREMENT AND CAPITAL BUFFER

At the end of the first quarter 2015, the BRFkredit Group had determined an individual solvency requirement of 10.3% as well as a SIFI requirement of 0.3 percentage point at the end of the first quarter 2015.

The table below shows the contribution from the individual types of risk to the adequate capital base and the individual solvency requirement.

### INDIVIDUAL SOLVENCY REQUIREMENT

DKKm	Q1		The year	
	2015	% of RWA	2014	% of RWA
Credit risk	5,597	9.1	5,772	9.3
Market risk	287	0.5	341	0.6
Operational risk	241	0.4	252	0.4
Other	213	0.3	320	0.5
<b>Total</b>	<b>6,338</b>	<b>10.3</b>	<b>6,685</b>	<b>10.8</b>

The capital buffer plus earnings from operations denote the maximum sustainable loss without the need for additional capital. BRFkredit's large proportion of core capital cements the quality of the total capital.

### CAPITAL BUFFER

DKKm	Q1 2015	% of RWA	The year 2014	% of RWA
Capital base	11,161	18.2	10,929	17.7
a) Core capital	11,044	18.0	10,811	17.5
b) Supplementary capital less deductions	117	0.2	118	0.2
Individual solvency requirement + SIFI requirement	6,522	10.6	6,685	10.8
Capital requirement, transitional provisions	7,272	11.9	7,050	11.4
<b>Capital buffer</b>	<b>3,889</b>	<b>6.4</b>	<b>3,879</b>	<b>6.3</b>

## OUTLOOK 2015

For the full year, positive growth in the portfolio is expected as well as a considerably better profit than that for 2014 with rising core income and core profit before impairment charges. The profit will depend on the development on loan impairment charges and provisions for guarantees as well as the investment result.

## OTHER DEVELOPMENTS

### RATING

Jyske Bank and BRFkredit's joint issuer rating by Standard & Poor's is A- (neutral outlook), and BRFkredit's bonds issued by Capital Centre E, Capital Centre B and the General Capital Centre were rated AAA (stable). Moreover, Standard & Poor's has assigned its A- rating to BRFkredit's EMTN programme.

### RATINGS

End -March 2015	Rating	Date of assignment/change of rating
CRD-compliant covered bonds		
- issued out of Capital Centre E	AAA	17-10-2011
Mortgage credit 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- <sup>1)</sup>	12-10-2011
Issuer rating (short-term rating)	A-2 <sup>1)</sup>	12-10-2011
BRFkredit's EMTN programme	A-	05-12-2012

<sup>1)</sup> On 17 July 2014, S&P confirmed BRFkredit's issuer rating at A-/ but changed at the same time outlook for BRFkredit's issuer rating from 'negative' to 'neutral'

In December 2014, Standard & Poor's introduced a new "Covered Bonds Criteria". After the implementation of the criteria, BRFkredit is still an extra notch above the AAA rating for BRFkredit's rated bonds, and it is expected that the full effect from the criteria will lead to a lower overall requirement for supplementary security (OC requirements).

Moreover, at the end of March 2015, Standard & Poor's introduced a new criterion for the rating of bonds where the underlying security consists of commercial properties. The final effects from this criterion are not yet known.

## THE DANISH FINANCIAL SUPERVISORY AUTHORITY'S REPORTS

The FSA did not conduct any inspection at BRFkredit in the first quarter of 2015.

The FSA conducted an inspection of BRFkredit Bank, and until now in 2015 BRFkredit Bank received the following reports:

- BRFkredit Bank a/s was ordered not to require that financial data be submitted for loans raised before 1 September 2012 under the authority of the general terms and conditions, clause 11, paragraph f. The inspection resulted in one enforcement order. BRFkredit Bank A/S complies with the order.

The FSA's reports for the above and previous inspections are available at BRFkredit's website [brf.dk](http://brf.dk).

## THE SUPERVISORY DIAMOND FOR MORTGAGE CREDIT INSTITUTIONS

The supervisory diamond defines a number of special risk areas including specified limits that banks should generally not exceed. The supervisory diamond limits applicable to BRFkredit a/s are shown below.

On 31 March 2015, BRFkredit a/s met the supervisory diamond's benchmarks for concentration risk. BRFkredit does not comply with the indicator for lending growth relative to owner-occupied homes and vacation homes for the first quarter as it should be noted the indicator applies on an annual basis. BRFkredit finds that the growth that primarily stems from the client inflow following the merger with Jyske Bank does not pose any problems as loans are primarily granted to clients known to the Group, and it is not cyclical growth. As regards the three indicators mentioned last, the sector as a whole exceeds the mean value. On an on-going basis, BRFkredit reviews the institution's position relative to the indicators and expects to be compliant before they take effect in 2018 and 2020.

## THE SUPERVISORY DIAMOND'S INDICATORS

	Q1 2015	The year 2014
Concentration risk < 100 %	74.6	76.4
Increase in loans and advances < 15 % annually in the segment:		
- Owner-occupied home and vacation homes	17.4	9.1
- Residential rental property	4.8	4.0
- Agriculture	-	-
- Other sectors	-0.4	2.7
Borrower's interest-rate risk < 25 %		
- Residential property	28.2	27.0
Interest-only schemes < 10 %		
- Owner-occupied home and vacation homes	11.3	11.5
Loans with frequent interest-rate fixing:		
- Refinancing (annually) < 25 %	27.5	27.5
- Refinancing (quarterly) < 12.5 %	3.2	19.4

## SUPERVISORY BOARD DECISIONS

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 Supervisory Board during the first quarter of 2015.

## FOR FURTHER INFORMATION

For further information, please see [brf.com](http://brf.com), which website also gives detailed financial information about BRFkredit. At [brf.com](http://brf.com), BRFkredit's Interim Report for the first quarter of 2015 can be downloaded.

## CONTACT

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# STATEMENT BY THE EXECUTIVE AND SUPERVISORY BOARDS

We have today discussed and approved the Interim Financial Report of BRFkredit a/s for the period 1 January to 31 March 2015.

The consolidated Interim Financial Statements were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and the Parent's Interim Financial Statements in accordance with the Danish Financial Business Act. Further, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for interim financial reports of issuers of listed bonds.

The Interim Financial Report is unaudited and has not been reviewed.

Kgs. Lyngby, 29 April 2015

## EXECUTIVE BOARD

Carsten Tirsbæk Madsen  
Chief Executive Officer

Lars Waalen Sandberg  
Executive Vice President

## SUPERVISORY BOARD

Sven A. Blomberg  
Chairman

Per Skovhus  
Deputy Chairman

Jørgen Christensen

Niels Erik Jakobsen

Kim Henriksen  
Elected by employees

Laila Busted  
Elected by employees

Lars Erik Heesche  
Elected by employees

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME**

Note	DKKm	The BRFkredit Group		BRFkredit a/s	
		Q1 2015	Q1 2014	Q1 2015	Q1 2014
<b>INCOME STATEMENT</b>					
4	Interest income	1,968	1,831	1,937	1,784
5	Interest expenses	1,460	1,310	1,453	1,297
	<b>Net interest income</b>	<b>508</b>	<b>522</b>	<b>485</b>	<b>487</b>
	Dividends, etc.	2	1	2	1
6	Fees and commission income	85	39	76	31
	Fees and commission expenses	23	24	24	23
	<b>Net interest and fee income</b>	<b>572</b>	<b>538</b>	<b>539</b>	<b>496</b>
7	Value adjustment (- is an expense)	-26	-160	-28	-154
	Other operating income	5	1	10	7
8	Employee and administrative expenses	224	244	206	223
	Amortisation, depreciation and impairment charges	4	5	4	5
	Other operating expenses	3	3	-	-
9	Loan impairment charges and provisions for guarantees	76	965	84	708
	Profit on investments in associates and group enterprises	-	-	10	-200
	<b>Pre-tax profit</b>	<b>244</b>	<b>-837</b>	<b>238</b>	<b>-787</b>
10	Tax (- is income)	56	-184	53	-135
	<b>Net profit or loss for the period</b>	<b>187</b>	<b>-653</b>	<b>185</b>	<b>-651</b>
	Attributable to:				
	Shareholders of BRFkredit a/s	187	-653		
	<b>Total</b>	<b>187</b>	<b>-653</b>		
<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
	Net profit or loss for the period	187	-653	185	-651
	Other comprehensive income:				
	Items that can be recycled to the income statement:				
	Shares available for sale	-3	1	-	-
	<b>Other comprehensive income after tax</b>	<b>-3</b>	<b>1</b>	<b>-</b>	<b>-</b>
	<b>Comprehensive income for the period</b>	<b>185</b>	<b>-651</b>	<b>185</b>	<b>-651</b>
	Attributable to:				
	Shareholders of BRFkredit a/s	185	-651		
	<b>Total</b>	<b>185</b>	<b>-651</b>		

**BALANCE SHEET**

Note	The BRFKredit Group			BRFKredit a/s			
	31 March 2015	31 Dec. 2014	31 March 2014	31 March 2015	31 Dec. 2014	31 March 2014	
	DKKm						
<b>ASSETS</b>							
	Cash, cash equivalents and demand deposits with central banks	126	761	9	102	501	4
	Due from credit institutions and central banks	5,401	7,794	1,129	5,183	7,075	929
11	Loans and advances at fair value	230,614	220,301	202,147	230,614	220,340	202,163
	Loans and advances at amortised cost	2,668	2,801	8,768	-	-	5,695
	Bonds at fair value	26,904	27,533	26,228	24,234	25,557	24,291
	Shares, etc.	231	235	296	231	235	296
	Investments in group enterprises	-	-	-	987	976	941
	Intangible assets	7	9	16	7	9	16
	Land and buildings, total	482	483	476	393	394	389
	of which investment property	4	4	4	4	4	4
	of which owner-occupied properties	478	479	472	389	389	385
	Other property, plant and equipment	6	7	11	6	7	11
	Current tax assets	1	1	15	1	1	16
	Deferred tax assets	142	198	309	-	21	126
	Assets in temporary possession	532	230	268	505	201	231
12	Other assets	807	916	806	733	799	715
	Prepayments	33	31	40	23	30	29
	<b>Total assets</b>	<b>267,954</b>	<b>261,300</b>	<b>240,517</b>	<b>263,019</b>	<b>256,145</b>	<b>235,850</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Liabilities</b>							
	Due to credit institutions and central banks	6,204	12,036	16,524	5,838	11,931	16,445
	Deposits	4,554	4,990	5,097	-	-	-
13	Issued bonds at fair value	237,555	223,826	199,877	237,655	223,925	199,877
	Issued bonds at amortised cost	5,178	5,203	7,059	5,178	5,203	7,659
	Liabilities relating to assets in temporary possession	10	10	11	10	10	11
14	Other liabilities	3,069	4,056	2,144	2,931	3,904	2,059
	Deferred income	28	8	5	28	8	5
	<b>Liabilities, total</b>	<b>256,599</b>	<b>250,129</b>	<b>230,717</b>	<b>251,640</b>	<b>244,981</b>	<b>226,055</b>
<b>Provisions</b>							
	Provisions for deferred tax	-	-	-	32	-	-
	Other provisions	86	87	87	78	80	82
	<b>Provisions, total</b>	<b>86</b>	<b>87</b>	<b>87</b>	<b>111</b>	<b>80</b>	<b>82</b>
	<b>Subordinated debt</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Equity</b>							
	Share capital	1,306	1,306	306	1,306	1,306	306
	Share premium	102	102	102	102	102	102
	Revaluation reserve	35	35	26	25	25	18
	Reserves in series	9,732	9,732	6,068	9,732	9,732	6,068
	Retained profit or loss:	93	-91	3,208	104	-81	3,216
	<b>Equity, total</b>	<b>11,269</b>	<b>11,084</b>	<b>9,711</b>	<b>11,269</b>	<b>11,084</b>	<b>9,711</b>
	<b>Equity and liabilities, total</b>	<b>267,954</b>	<b>261,300</b>	<b>240,517</b>	<b>263,019</b>	<b>256,145</b>	<b>235,850</b>
<b>OFF-BALANCE SHEET ITEMS</b>							
	Guarantees, etc.	566	507	547	38	39	45
	Other contingent liabilities, etc.	15,270	12,420	12,975	15,197	11,597	12,117
15	<b>Total guarantees and other contingent liabilities</b>	<b>15,836</b>	<b>12,927</b>	<b>13,522</b>	<b>15,235</b>	<b>11,636</b>	<b>12,161</b>

**STATEMENT OF CHANGES IN EQUITY**

DKKm

<b>The BRFKredit Group</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Revaluation reserve</b>	<b>Reserves in series</b>	<b>Retained profit or loss:</b>	<b>Total</b>
Equity at 1 January 2015	1,306	102	35	9,732	-91	11,084
Net profit or loss for the period	-	-	-	-	187	187
Other comprehensive income	-	-	-	-	-3	-3
Comprehensive income for the period	-	-	-	-	185	185
<b>Equity at 31 March 2015</b>	<b>1,306</b>	<b>102</b>	<b>35</b>	<b>9,732</b>	<b>93</b>	<b>11,269</b>

Equity at 1 January 2014	306	102	26	6,068	3,860	10,362
Net profit or loss for the period	-	-	-	-	-653	-653
Other comprehensive income	-	-	-	-	1	1
Comprehensive income for the period	-	-	-	-	-651	-651
<b>Equity at 31 March 2014</b>	<b>306</b>	<b>102</b>	<b>26</b>	<b>6,068</b>	<b>3,209</b>	<b>9,711</b>

<b>BRFKredit a/s</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Revaluation reserve</b>	<b>Reserves in series</b>	<b>Retained profit or loss:</b>	<b>Total</b>
Equity at 1 January 2015	1,306	102	25	9,732	-81	11,084
Net profit or loss for the period	-	-	-	-	185	185
Comprehensive income for the period	-	-	-	-	185	185
<b>Equity at 31 March 2015</b>	<b>1,306</b>	<b>102</b>	<b>25</b>	<b>9,732</b>	<b>104</b>	<b>11,269</b>

Equity at 1 January 2014	306	102	18	6,068	3,867	10,362
Net profit or loss for the period	-	-	-	-	-651	-651
Comprehensive income for the period	-	-	-	-	-651	-651
<b>Equity at 31 March 2014</b>	<b>306</b>	<b>102</b>	<b>18</b>	<b>6,068</b>	<b>3,216</b>	<b>9,711</b>

## CAPITAL STATEMENT

DKKm	The BRFKredit Group			BRFKredit a/s		
	31 March 2015	31 Dec. 2014	31 March 2014	31 March 2015	31 Dec. 2014	31 March 2014
Equity	11,269	11,084	9,711	11,269	11,084	9,711
Intangible assets	-7	-9	-16	-7	-9	-16
Deferred tax assets	-142	-198	-309	-	-21	-126
Cautious valuation	-76	-66	-39	-73	-64	-37
<b>Common Equity Tier 1 capital / Core capital</b>	<b>11,044</b>	<b>10,811</b>	<b>9,347</b>	<b>11,189</b>	<b>10,990</b>	<b>9,532</b>
Supplementary capital	-	-	2	-	-	2
Difference between expected loss and the carrying amount of impairment charges	57	53	265	57	53	265
Collective impairment under the standard approach	60	65	80	-	-	-
<b>Capital base</b>	<b>11,161</b>	<b>10,929</b>	<b>9,694</b>	<b>11,246</b>	<b>11,043</b>	<b>9,800</b>
Weighted risk exposure involving credit risk etc.	54,632	54,427	50,570	52,761	52,353	48,079
Weighted risk exposure involving market risk	3,593	4,263	8,430	3,615	3,980	7,610
Weighted risk exposure involving operational risk	3,010	3,155	3,155	2,888	2,996	2,996
<b>Total weighted risk exposure</b>	<b>61,236</b>	<b>61,845</b>	<b>62,155</b>	<b>59,264</b>	<b>59,329</b>	<b>58,685</b>
Capital requirement, Pillar I	4,899	4,948	4,972	4,741	4,746	4,695
Capital requirement, transitional provisions	2,373	2,102	1,899	2,404	2,143	1,955
<b>Capital requirement, total</b>	<b>7,272</b>	<b>7,050</b>	<b>6,872</b>	<b>7,145</b>	<b>6,889</b>	<b>6,650</b>
Capital ratio (%)	18.2	17.7	15.6	19.0	18.6	16.7
Core capital ratio (%)	18.0	17.5	15.0	18.9	18.5	16.2
Common Equity Tier 1 capital ratio (%)	18.0	17.5	15.0	18.9	18.5	16.2

As at On 31 March 2015, the total weighted risk exposure according to Basel I amounted to DKK 113,618m 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 exposure corresponding to DKK 7,272m for the BRFKredit Group. At end-2014, the transitional provisions resulted in a capital requirement of DKK 7,050m for the BRFKredit Group. The transitional rules applying to total weighted risk exposure will still apply in the coming years.

For further information on the individual solvency requirement, see the section in the management's review on 'Individual solvency requirement and capital buffer'.

**SUMMARY OF CASH FLOW STATEMENT**

DKKm	The BRFkredit Group	
	Q1 2015	Q1 2014
<b>Net profit or loss for the period</b>	<b>187</b>	<b>-653</b>
Adjustment for non-cash operating items and change in working capital	<b>-3,301</b>	<b>1,349</b>
<b>Cash flows from operating activities</b>	<b>-3,114</b>	<b>696</b>
Acquisition of property, plant and equipment	<b>-0</b>	<b>-1</b>
Acquisition of intangible assets	<b>-</b>	<b>-2</b>
Sale of investments	<b>0</b>	<b>10</b>
<b>Cash flows from investment activities</b>	<b>-0</b>	<b>7</b>
Addition and redemption of senior secured bonds and senior debt	<b>-26</b>	<b>-1,761</b>
Addition and repayment of subordinated debt	<b>-</b>	<b>-0</b>
<b>Cash flows from financing activities</b>	<b>-26</b>	<b>-1,761</b>
<b>Cash flow for the period</b>	<b>-3,139</b>	<b>-1,057</b>
Cash and cash equivalents, beginning of period	<b>8,382</b>	<b>2,065</b>
<b>Cash and cash equivalents, end of period</b>	<b>5,243</b>	<b>1,009</b>
Cash and cash equivalents, end of period, comprise:		
Cash in hand, etc.	<b>126</b>	<b>9</b>
Due from credit institutions and central banks	<b>5,117</b>	<b>1,000</b>
<b>Cash and cash equivalents, end of period</b>	<b>5,243</b>	<b>1,009</b>

## NOTES

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### Note

#### 1 Accounting Policies

The Interim Financial Report of BRFKredit a/s for the period 1 January to 31 March 2015 was prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU with regard to the consolidated interim financial statements and in accordance with the Danish Financial Business Act with regard to the Parent's interim financial statements.

As at 30 April 2014, BRFKredit a/s was acquired by Jyske Bank A/S, and consequently the accounting policies were adjusted to of the Jyske Bank Group. In this connection, the following changes were 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 did not affect the net profit for the period or equity in the comparative figures 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 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 49m and in 'Tax' of DKK 49m. 'Net profit or loss for the period' and 'Equity' remain unchanged.

The accounting policies are identical to those applied to and described in detail in the Annual Report 2014.

At the time of the presentation of this Interim Financial Report, IASB has published a revised standard for 'Financial instrument', IFRS 9. The standard has not yet been approved by the EU and is expected to take effect on 1 January 2018. The changes in IFRS 9 comprise classification and measurement of financial assets and liabilities. The new principles comprise calculation of impairment charges on loans and receivables that are measured at amortised cost while they are not expected immediately to have any material effect on process and method for valuation of loans and advances that are measured at fair value, including mortgage loans.

At the time of the publication of this Interim Financial Report, IASB has not issued other new accounting standards and interpretations that are expected to have any material effect on the financial reporting of the BRFKredit Group.

#### 2 Material accounting estimates

Measurement of the carrying value of certain assets and liabilities requires 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 reporting are, among other things, based on the impairment of loans and advances and also assets in temporary possession, cf. the detailed statement in the Annual Report 2014. The estimates are based on assumptions which 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 balance sheet date), the financial statements reflect adjusting events up to 29 April 2015.

## NOTES

### Note

#### 3 Financial ratios and key figures at 31 March

<b>The BRFKredit Group</b>	<b>2015</b>	<b>2014</b>
Capital ratio (%)	<b>18.2</b>	15.6
Core capital ratio (%)	<b>18.0</b>	15.0
Return on equity before tax for the period (%)	<b>2.2</b>	-8.3
Return on equity after tax for the period (%)	<b>1.7</b>	-6.5
Income/cost ratio (%)	<b>1.8</b>	0.3
Currency position (%)	<b>2.0</b>	2.2
Accumulated impairment ratio (%)	<b>1.0</b>	1.3
Impairment ratio for the period (%)	<b>0.0</b>	0.5
Increase in loans and advances for the period (%)	<b>3.7</b>	0.4
Loans relative to equity	<b>20.7</b>	21.7
Return on capital employed	<b>0.1</b>	0.0

<b>BRFKredit a/s</b>	<b>2015</b>	<b>2014</b>
Capital ratio (%)	<b>19.0</b>	16.7
Core capital ratio (%)	<b>18.9</b>	16.2
Return on equity before tax for the period (%)	<b>2.1</b>	-8.3
Return on equity after tax for the period (%)	<b>1.7</b>	-6.5
Income/cost ratio (%)	<b>1.8</b>	0.1
Currency position (%)	<b>1.5</b>	2.1
Accumulated impairment ratio (%)	<b>0.7</b>	0.8
Impairment ratio for the period (%)	<b>0.0</b>	0.3
Increase in loans and advances for the period (%)	<b>3.7</b>	0.4
Loans relative to equity	<b>20.5</b>	21.4
Return on capital employed	<b>0.1</b>	0.0

## NOTES

Note	The BRFKredit Group		BRFKredit a/s	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014
DKKm				
<b>4 Interest income</b>				
Due from credit institutions and central banks <sup>1)</sup>	-0	3	-0	0
Loans and advances	1,449	1,358	1,422	1,325
Contribution	385	356	385	356
Bonds	190	211	187	199
Derivatives, total	32	1	32	1
Of which:				
Interest-rate contracts	32	1	32	1
Other interest income	4	3	4	3
<b>Interest income before offsetting of interest against own bonds</b>	<b>2,060</b>	<b>1,931</b>	<b>2,029</b>	<b>1,884</b>
<b>Interest on own bonds, set off against interest on issued bonds</b>	<b>92</b>	<b>100</b>	<b>92</b>	<b>100</b>
<b>Total</b>	<b>1,968</b>	<b>1,831</b>	<b>1,937</b>	<b>1,784</b>
<sup>1)</sup> Of which interest income on genuine reverse carried under "Due from credit institutions and central banks"	-0	0	-0	0
<b>5 Interest expenses</b>				
Due to credit institutions and central banks <sup>1)</sup>	0	5	6	5
Deposits	12	15	-	-
Issued bonds	1,494	1,382	1,495	1,385
Other interest expenses	45	8	44	8
<b>Interest expenses before offsetting of interest against own bonds</b>	<b>1,552</b>	<b>1,409</b>	<b>1,545</b>	<b>1,397</b>
<b>Interest on own mortgage bonds, set off against interest on issued bonds</b>	<b>92</b>	<b>100</b>	<b>92</b>	<b>100</b>
<b>Total</b>	<b>1,460</b>	<b>1,310</b>	<b>1,453</b>	<b>1,297</b>
<sup>1)</sup> Of which interest income on genuine repo carried under "Due to credit institutions and central banks"	0	3	0	3
<b>6 Fees and commission income</b>				
Securities trading and custody services	48	20	45	17
Money transfers and card payments	0	1	-	-
Loan management fees	33	16	31	14
Guarantee commission	1	1	-	-
Other fees and commissions	1	1	0	0
<b>Total</b>	<b>85</b>	<b>39</b>	<b>76</b>	<b>31</b>
<b>7 Value adjustment (- is an expense)</b>				
Mortgage loans	2,133	1,985	2,133	1,985
Other loans, advances and receivables at fair value	2	0	2	0
Bonds	133	-3	128	1
Shares, etc.	-1	5	-4	7
Investment properties	-0	-	-0	-
Currency	4	1	2	1
Currency, interest-rate and other contracts as well as other derivatives	-162	-98	-154	-98
Issued bonds	-2,134	-2,050	-2,135	-2,050
<b>Total</b>	<b>-26</b>	<b>-160</b>	<b>-28</b>	<b>-154</b>
Adjustments of the balance principle for the BRFKredit Group brought a total income of DKK 1m (2014: DKK - 1m), resulting from a net value adjustment of the following items: Mortgage loans by DKK + 2,133m (DKK + 1,985m), issued mortgage bonds by DKK - 2,134m (DKK - 2,050m) and fixed-rate agreements in connection with loan disbursements, etc. by DKK + 3m (DKK + 64m), recognised under financial derivatives, interest-rate contracts.				

## NOTES

Note	The BRFKredit Group		BRFKredit a/s	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014
DKK m				
<b>8 Employee and administrative expenses</b>				
<b>Employee expenses</b>				
Wages and salaries, etc.	115	138	105	125
Pensions	14	14	13	13
Social security	17	16	16	15
<b>Total</b>	<b>145</b>	<b>167</b>	<b>134</b>	<b>153</b>
<b>Salaries and remuneration to management bodies</b>				
Executive Board	2	8	2	8
Supervisory Board	0	1	0	1
Shareholders' Representatives	0	0	0	0
<b>Total</b>	<b>2</b>	<b>8</b>	<b>2</b>	<b>8</b>
<b>Other administrative expenses</b>				
IT	37	32	31	26
Rent, lighting, heating, etc.	7	9	8	9
Other administrative expenses	32	27	31	27
<b>Total</b>	<b>77</b>	<b>68</b>	<b>70</b>	<b>62</b>
<b>Total</b>	<b>224</b>	<b>244</b>	<b>206</b>	<b>223</b>
<b>9 Loan impairment charges and provisions for guarantees</b>				
Balance of loan impairment charges and provisions, beginning of period	2,516	1,873	1,585	1,101
Loan impairment charges/provisions for the period	-29	862	-19	614
Recognised as a loss, covered by impairment charges/provisions	-55	-11	-28	-8
<b>Balance of loan impairment charges and provisions, end of period</b>	<b>2,432</b>	<b>2,724</b>	<b>1,537</b>	<b>1,707</b>
Mortgage loan impairment charges	1,461	1,689	1,461	1,689
Impairment charges on other loans and receivables, etc.	970	1,035	76	18
<b>Balance of loan impairment charges and provisions, end of period</b>	<b>2,432</b>	<b>2,724</b>	<b>1,537</b>	<b>1,707</b>
Loan impairment charges/provisions for the period	-29	862	-19	614
Recognised as a loss, not covered by individual loan impairment charges/provisions <sup>1)</sup>	123	114	119	102
Recoveries	-18	-11	-16	-7
<b>Net effect on income statement</b>	<b>76</b>	<b>965</b>	<b>84</b>	<b>708</b>
Individual loan impairment charges, beginning of period	2,138	1,374	1,271	670
Loan impairment charges for the period	-45	79	-41	10
Recognised as a loss, covered by impairment charges/provisions	-55	-11	-28	-8
<b>Individual loan impairment charges, end of period</b>	<b>2,037</b>	<b>1,443</b>	<b>1,202</b>	<b>673</b>
Collective loan impairment charges, beginning of period	379	499	314	431
Loan impairment charges for the period	16	783	22	604
<b>Collective loan impairment charges, end of period</b>	<b>395</b>	<b>1,282</b>	<b>335</b>	<b>1,034</b>
<sup>1)</sup> "Recognised as a loss, not covered by individual loan impairment charges/provisions" of DKK 123m (2014: DKK 114m) relates mainly to loans with collective loan impairment. At the beginning of the year, collective loan impairment charges amounted to DKK 379m (DKK 499m). Of 'Recognised as a loss, not covered by individual loan impairment charges/provisions' in the BRFKredit Group, the value adjustment of properties acquired in previous financial years amounted to DKK -7m (2014: DKK -13m), and operating profit on properties during the period of foreclosure DKK -1m (DKK -0m).				

## NOTES

Note	The BRFkredit Group		BRFkredit a/s	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014
DKKm				
<b>10 Tax (- is income)</b>				
<b>Effective tax rate</b>				
Corporation tax rate in Denmark	23.5	24.5	23.5	24.5
Non-taxable income and non-deductible expenses, etc.	0.3	0.0	-0.4	-5.8
Effect of the change to the corporation tax rate	-0.8	-2.5	-0.8	-1.5
<b>Total</b>	<b>23.0</b>	<b>22.0</b>	<b>22.3</b>	<b>17.2</b>

Note	The BRFkredit Group			BRFkredit a/s		
	31 March 2015	31 Dec. 2014	31 March 2014	31 March 2015	31 Dec. 2014	31 March 2014
DKKm						
<b>11 Loans and advances at fair value</b>						
Mortgage loans, nominal value <sup>1)</sup>	220,732	212,719	195,603	220,732	212,759	195,619
Adjustment for interest-rate risk, etc.	10,687	8,546	7,665	10,687	8,546	7,665
Adjustment for credit risk	-1,461	-1,543	-1,689	-1,461	-1,543	-1,689
Mortgage loans at fair value	229,958	219,722	201,579	229,958	219,761	201,595
Arrears and outlays	113	60	80	113	60	80
Other loans and receivables	543	519	489	543	519	489
<b>Total</b>	<b>230,614</b>	<b>220,301</b>	<b>202,147</b>	<b>230,614</b>	<b>220,340</b>	<b>202,163</b>

<sup>1)</sup> Mortgage loans without a full connection to the underlying bonds (jointly funded loans) were recognised at amortised cost in the first quarter 2014. As a result of an adjustment to reflect the accounting policies applied by the Jyske Bank Group, they were recognised at fair value as of June 2014. Nominal loans as at 31 March 2014 amounted to DKK 195.6bn (recognised at fair value) plus DKK 5.7bn (recognised at amortised cost).

### Mortgage loans at fair value broken down by property category

Owner-occupied homes	105,015	96,995	82,532	105,015	96,995	82,532
Holiday homes	5,873	5,507	5,137	5,873	5,507	5,137
Subsidised housing	45,242	44,503	42,138	45,242	44,503	42,138
Private rental housing	40,370	39,409	38,262	40,370	39,409	38,262
Industrial properties	1,459	1,451	1,694	1,459	1,451	1,694
Office and business properties	29,333	29,289	29,277	29,333	29,328	29,292
Agricultural properties, etc.	25	29	16	25	29	16
Properties for social, cultural and educational purposes	2,611	2,513	2,510	2,611	2,513	2,510
Other properties	30	25	13	30	25	13
<b>Total</b>	<b>229,958</b>	<b>219,722</b>	<b>201,579</b>	<b>229,958</b>	<b>219,761</b>	<b>201,595</b>

## NOTES

Note	The BRFKredit Group			BRFKredit a/s		
	31 March 2015	31 Dec. 2014	31 March 2014	31 March 2015	31 Dec. 2014	31 March 2014
	DKK m					
<b>12 Other assets</b>						
Positive fair value of derivatives	179	199	198	115	141	148
Interest and commission receivable	388	385	449	381	372	429
Other assets	240	331	159	238	286	138
<b>Total</b>	<b>807</b>	<b>916</b>	<b>806</b>	<b>733</b>	<b>799</b>	<b>715</b>
<b>13 Issued bonds at fair value</b>						
Issued mortgage bonds, nominal value	251,905	280,051	210,968	251,905	280,051	210,968
Adjustment to fair value	10,847	10,311	7,860	10,847	10,311	7,860
Own mortgage bonds, fair value	-25,196	-66,536	-18,951	-25,096	-66,437	-18,951
<b>Total</b>	<b>237,555</b>	<b>223,826</b>	<b>199,877</b>	<b>237,655</b>	<b>223,925</b>	<b>199,877</b>
<b>14 Other liabilities</b>						
Negative fair value of derivatives	514	357	150	419	275	106
Interest and commission payable	1,968	3,346	1,708	1,958	3,327	1,690
Other liabilities	587	353	287	554	302	263
<b>Total</b>	<b>3,069</b>	<b>4,056</b>	<b>2,144</b>	<b>2,931</b>	<b>3,904</b>	<b>2,059</b>
<b>15 Off-balance sheet items</b>						
<b>Guarantees, etc.</b>						
Financial guarantees	499	439	472	-	-	-
Other guarantees	67	68	75	38	39	45
<b>Total</b>	<b>566</b>	<b>507</b>	<b>547</b>	<b>38</b>	<b>39</b>	<b>45</b>
<b>Financial guarantees</b>						
Relate to conveyance and payment guarantees furnished by BRFKredit Bank a/s.						
<b>Other guarantees</b>						
Other guarantees include other forms of guarantees at varying degrees of risk. The risk involved is deemed to be less than the risk involved in credit facilities subject to flexible drawdown.						
<b>Other contingent liabilities, etc.</b>						
Other contingent liabilities	107	115	114	106	113	113
Irrevocable credit commitments	15,162	12,306	12,861	15,091	11,484	12,003
<b>Total</b>	<b>15,270</b>	<b>12,420</b>	<b>12,975</b>	<b>15,197</b>	<b>11,597</b>	<b>12,117</b>
<b>Irrevocable credit commitments</b>						
These relate materially to the obligation to pay out loans according to offers for mortgage loans with a duration of up to six months made by BRFKredit. All offers were made in accordance with BRFKredit's credit policy and constitute a customary part of the process of paying out mortgage loans. However, in the event that a client is subsequently registered with the RKI debtor register, etc., BRFKredit shall not be bound by the loan offer.						
Previously, offers for mortgage loans were not recognised under "Other contingent liabilities, etc.", and therefore the comparative figures have been adjusted.						
<b>16 Related parties</b>						
BRFKredit has debit/credit balances, including bank accounts etc., with a number 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 first quarter of 2015, there were no unusual transactions with related parties. Please see BRFKredit's Annual Report 2014 for a detailed description of transactions with related parties.						

**NOTES**

Note	The BRFKredit Group
DKKm	

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

**Methods for measuring fair value**

Please see note 41 in the Annual report for 2014 for further details on measurement of fair value,

**The BRFKredit Group**

**Q1 2015**

	Quoted prices	Observable prices	Non- observable prices	Fair value, total	Carrying amount
<b>Financial assets</b>					
Loans and advances at fair value	-	230,614	-	230,614	230,614
Bonds at fair value	26,380	523	-	26,904	26,904
Shares, etc.	-	-	231	231	231
Derivative financial instruments	-	179	-	179	179
<b>Total</b>	<b>26,380</b>	<b>231,317</b>	<b>231</b>	<b>257,928</b>	<b>257,928</b>
<b>Financial liabilities</b>					
Derivative financial instruments	2	512	-	514	514
Issued bonds at fair value	218,814	18,741	-	237,555	237,555
<b>Total</b>	<b>218,816</b>	<b>19,253</b>	<b>-</b>	<b>238,070</b>	<b>238,070</b>

**Q4 2014**

<b>Financial assets</b>					
Loans and advances at fair value	-	220,301	-	220,301	220,301
Bonds at fair value	26,862	671	-	27,533	27,533
Shares, etc.	-	-	235	235	235
Derivative financial instruments	49	150	-	199	199
<b>Total</b>	<b>26,912</b>	<b>221,121</b>	<b>235</b>	<b>248,268</b>	<b>248,268</b>
<b>Financial liabilities</b>					
Derivative financial instruments	1	356	-	357	357
Issued bonds at fair value	205,508	18,318	-	223,826	223,826
<b>Total</b>	<b>205,509</b>	<b>18,674</b>	<b>-</b>	<b>224,183</b>	<b>224,183</b>

	Q1 2015	Q1 2014
<b>Non-observable prices</b>		
Fair value, beginning of period	235	257
Capital gain and loss reflected in the income statement	-1	-1
Capital gain and loss, recognised in equity	-3	1
Sales for the period	-0	-10
<b>Fair value, end of period</b>	<b>231</b>	<b>246</b>

## NOTES

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Note	Profit/loss		Equity		
	Q1 2015	Q1 2014	31 March 2015	31 Dec. 2014	
DKKm					
<b>18</b>	<b>Difference between consolidated financial statements prepared according to 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 prepared according to IFRS and those filed with the Danish FSA can be specified as follows:				
	Group's accounting figures according to financial statements	187	-653	11,269	11,084
	Shares available for sale	-3	1	-	-
	<b>Total</b>	<b>185</b>	<b>-651</b>	<b>11,269</b>	<b>11,084</b>