

BRFkredit a/s

Amounts in DKK million

Profit & loss account	1
Interim report 2001	

Profit and loss account

For the period 1st of January to 30th of June 2001

	Note	BRFkredit Group		BRFkredit a/s	
		2001	2000	2001	2000
Interest income	3	4.515	4.153	4.484	4.132
Interest expenses	4	4.033	3.679	4.024	3.674
Net interest income		482	474	460	458
Dividend on participating interests		15	12	15	12
Fees, charges and commission income		76	55	71	52
Fees and charges surrendered and commission expenditure		24	19	25	20
Net interest income, fees and charges		548	521	521	502
Securities and foreign exchange result (- signifies a loss)	5	-104	23	-103	31
Other operating income		12	12	12	11
Payroll costs and administrative expenses	6	301	303	292	295
Amortisation, depreciation and writedowns, intangible and tangible assets		27	21	27	21
Other operating expenses		0	0	0	0
Losses and writedowns on loans (- signifies an income)		-17	-121	-20	-122
Profit on interests in associated and subsidiary undertakings	7	4	-1	13	2
Profit on ordinary operations before tax		149	353	145	352
Tax (- signifies an income)	8	-17	117	-21	115
Net profit for the period		165	236	165	236

Distribution of net profit

Net profit for the period		165	236
Transferred to reserves in series not subject to reimbursement obligation		-83	-78
Other reserves at beginning of year		6.368	5.742
Total amount available for distribution		6.450	5.900
Retained profits		6.450	5.900
Total dividends and retained profits		6.450	5.900

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Balance	2
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Balance at 30th June

	Note	BRFkredit Group		BRFkredit a/s	
		2001	2000	2001	2000
Assets					
Cash in hand and demand deposits with central banks		18	52	17	28
Amounts owed by credit institutions and central banks		5.858	4.177	5.607	4.018
Loans and advances					
Mortgage loans		125.315	120.302	125.344	120.332
Other loans		1.234	818	486	427
Total		126.550	121.120	125.830	120.759
Bonds		9.427	8.817	9.076	8.474
Shares etc.		1.267	1.174	1.267	1.174
Interests in associated undertakings		97	95	97	95
Interests in subsidiary undertakings		-	-	373	345
Intangible assets		113	124	113	124
Tangible assets	9	326	348	289	312
Other assets	10	394	356	384	347
Prepaid expenses and accrued revenue		10	12	9	10
Total assets		144.059	136.275	143.062	135.686
Liabilities					
Amounts owed to credit institutions and central banks		795	649	645	652
Deposits		540	367	-	-
Bonds in issue		131.048	124.246	131.048	124.246
Other liabilities	11	2.884	2.692	2.577	2.467
Prepaid income and accrued expenses		5	5	4	5
Provisions for commitments	12	115	165	115	165
Subordinated capital	13	919	920	919	920
Shareholders' equity	1, 2				
Share capital		306	306	306	306
Share premium account		102	102	102	102
Reserves					
Reserves in series not subject to reimbursement obligation		896	922	896	922
Other reserves		6.284	5.664	6.284	5.664
Net profit for the period		165	236	165	236
Total		7.345	6.822	7.345	6.822
Total shareholders' equity		7.754	7.231	7.754	7.231
Total liabilities		144.059	136.275	143.062	135.686
Off-balance sheet items					
Guarantees etc.		228	262	16	20
Other commitments		41	105	41	49
Total off-balance sheet items	14	269	367	57	68
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1 Shareholders' equity and movements in capital and reserves	Beginning of period	Other additions	Other disposals	Retained profit for the period	End of period
Share capital	306	-	-	-	306
Share premium account	102	-	-	-	102
Reserves in series not subject to reimbursement obligation	812	83	-	-	896
Other reserves	6.368	-	83	165	6.450
Total reserves	7.180	83	83	165	7.345
Total shareholders' equity	7.588	83	83	165	7.754

The share capital is divided into 564.800 "A" shares of DKK 100 each and 2.500.000 "B" shares of DKK 100 each.
The shares are wholly owned by BRFHolding a/s.

2 Key figures for BRFkredit a/s First six months	2001	2000	1999	1998	1997
Capital adequacy ratio	12,8%	13,1%	12,7%	11,9%	12,0%
Core capital ratio	11,4%	11,4%	10,8%	9,7%	9,3%
Return on equity before tax (%)	1,9%	4,9%	5,1%	9,8%	8,5%
Return on equity after tax (%)	2,2%	3,3%	4,0%	7,9%	8,5%
Earnings per unit of cost (DKK)	kr 1,48	kr 2,81	kr 2,42	kr 7,69	kr 2,70
Foreign exchange position (%)	0,2%	0,3%	0,6%	0,7%	0,8%
Accumulated writedowns ratio	0,4%	0,6%	0,8%	0,9%	1,2%
Loss and writedowns for the period	0,0%	-0,1%	-0,1%	-0,1%	0,0%
Growth in lending during the period (%)	2,3%	2,0%	1,5%	1,3%	-0,4%
Loan-to-equity ratio	16,2	16,7	17,5	18,4	19,5

3 Interest income	BRFkredit Group		BRFkredit a/s		
	2001	2000	2001	2000	
Amounts owed by credit institutions and central banks		48	24	48	22
Loans and advances		3.931	3.618	3.910	3.609
Commissions		274	265	274	265
Bonds					
Own mortgage bonds		54	102	51	97
Other mortgage bonds		40	43	38	42
Government bonds		154	76	147	73
Other bonds		5	5	5	5
Total bonds		252	226	241	217
Financial derivatives					
Currency contracts		-0	0	0	0
Interest rate contracts		4	10	4	10
Total financial derivatives		4	10	4	10
Other interest income		6	9	6	9
Total		4.515	4.153	4.484	4.132

4 Interest expenses	BRFkredit Group		BRFkredit a/s		
	2001	2000	2001	2000	
Credit institutions and central banks		34	5	34	5
Deposits		9	5	-	-
Bonds in issue		3.944	3.623	3.944	3.623
Subordinated capital		45	45	45	45
Other interest expenses		0	1	0	1
Total		4.033	3.679	4.024	3.674

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5 Securities and foreign exchange result (- signifies a loss)	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Bonds				
Own mortgage bonds	1	-77	1	-72
Other mortgage bonds	0	-17	0	-16
Government bonds	-66	-14	-65	-13
Other bonds	0	-	0	-
Total bonds	-65	-108	-64	-101
Other securities				
Shares etc.	-28	133	-28	133
Fixed-rate loans etc.	-4	-0	-5	1
Currency	0	0	0	0
Financial derivatives				
Currency contracts	-1	-2	-0	-2
Interest rate contracts	-6	-0	-6	-0
Total other securities	-39	131	-39	132
Total	-104	23	-103	31

6 Payroll cost and administrative expenses	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Emoluments and remuneration of Board of Directors				
Board of Management	3	2	3	2
Board of Directors	1	1	1	1
Board of Representatives	0	0	0	0
Total	4	3	4	3
Payroll costs				
Wages and salaries	125	122	118	117
Pensions	11	11	10	10
Social-security costs	12	12	11	12
Total	147	145	140	139
Other administrative expenses	150	155	148	153
Total payroll costs and administrative expenses	301	303	292	295

7 Profit on interest in associated and subsidiary undertakings	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Profit on interest in associated undertakings	4	-1	4	-1
Profit on interest in subsidiary undertakings	-	-	10	3
Total	4	-1	13	2

8 Tax

The Group's effective tax rate at the end of the period is -11%. The difference between this and the current corporation tax rate of 30% is mainly due to the charge-back of deferred tax.

9 Tangible assets

BRFkredit owns Dania Immobilien GmbH., Mohrkirch, Germany (100%). The undertaking has been acquired temporarily for the purpose of settling commitments previously contracted and represents DKK 17m in these accounts.

10 Other assets	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Positive market value of financial derivatives etc.	-	1	-	1
Interest and commissions receivable	291	225	289	219
Outstanding tax	-	59	-	59
Other assets	104	70	94	67
Total	394	356	384	347

11 Other liabilities	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Negative market value of financial derivatives etc.	1	4	1	4
Interest and commissions payable	2.093	1.922	2.086	1.918
Loan applications in process	477	367	200	367
Tax payable on profit for the period	55	57	54	56
Other liabilities	258	341	236	121
Total	2.884	2.692	2.577	2.467

12 Provisions for commitments	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Pensions and similar commitments	-	1	-	1
Deferred tax	71	131	71	131
Provisions for litigation etc.	5	5	5	5
Other provisions	39	28	39	28
Total	115	165	115	165

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13 Subordinated capital	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Bond loans				
Bond loan in public issue, nom. DKK 500m 1)	500	500	500	500
Bond loan in public issue, nom. DKK 400m 2)	400	400	400	400
Other subordinated capital				
Deposit account, Husejerns Kreditkasse 3)	9	9	9	9
Subordinated capital contributed by BRFholding a/s 4)	11	11	11	11
Total bond loans and other subordinated capital included in own funds	919	920	919	920

1) Interest on the loan in 2001: DKK 26,0 m. The loan carries 10,4% interest up to 15th Dec. 2002. Interest will subsequently be payable at the 6-month CIBOR rate with the addition of 3.5 percentage points p.a. The loan is repayable at par on 15th Dec. 2005 (maturity) unless prepaid in compliance with the terms of the loan.

2) Interest on the loan in 2001: DKK 18,8 m. The loan carries 9,38% interest up to 15th Dec. 2003. Interest will subsequently be payable at the 6-month CIBOR rate with the addition of 4.5 percentage points p.a. The loan is repayable at par on 15th Dec. 2006 (maturity) unless prepaid in compliance with the terms of the loan.

3) The deposit account is written down in connection with the amortisation of the loan portfolio.

4) Interest on the loan in 2001: DKK 0,5 m. The loan carries 10,0% interest p.a. The loan is granted as a bullet loan repayable in 2002.

14 Off-balance sheet items	BRFkredit Group		BRFkredit a/s	
	2001	2000	2001	2000
Guarantees				
Financial guarantees	210	242	-	-
Other guarantees	18	20	16	20
Total guarantees	228	262	16	20
Other commitments				
Irrevocable credit commitments	-	57	-	-
Other commitments	41	49	41	49
Total other commitments	41	105	41	49
Total off-balance sheet items	269	367	57	68

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Additional Notes	7
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15. The Group at a glance	Share capital at end of period *	Share-holders equity at end of period *	Share-holding (%)	Net profit / loss *	Amounts owed to Group	Amounts owed by Group
Name and registered office						
Subsidiary undertakings included in the consolidation:						
BRFbank a/s Kgs. Lyngby	140	357	100	20		
Ejendomsselskabet Nørreport 26, 8000 Aarhus C A/S, Aarhus	5	6	100	1		
Subsidiary undertakings not included in the consolidation:						
Dania Immobilien GmbH., Mohrkirch, D see note 9, tangible assets						
Associated undertakings:						
EDC-partner a/s, Frederiksberg	100	141	50	3	3	7
EKADAN A/S, Copenhagen	31	86	29	3	23	43
Other undertakings in which the Group holds at least 10% or more of the share capital:						
Ejstrupholm & Omegns Industrictr. ApS, Brande	1	0	17	0		
Horsens Grundfinansiering A/S Horsens	8	11	12	0		
Håndværkets Byfornyelsesselskab smba. Copenhagen	14	11	19	-33		
Realkreditnettet A/S, Copenhagen	10	32	18	-7		

* According to latest annual accounts

16. Cash flow statement	BRFkredit Group	
	2001	2000
Period 1st January to 30th June 2001		
Cash flow from operating activities		
Pre-tax profit	149	353
Adjustment for illiquid operating items 1)	114	-179
Change in accrued / deferred interest income and debtors	-434	-102
Change in accrued / deferred interest expenses and creditors	186	523
Tax paid	47	40
Total	-32	555
Cash flow from investing activities		
Intangible assets	-	-51
Tangible assets	-2	-1
Interests in associated undertakings	1	-
Investment in shares etc.	27	-51
Total	26	-103
Cash flow from financing activities		
Bond loans and other subordinated capital	-0	0
Dividends paid to BRHolding a/s	-	-31
Total	-0	-31
Cash flow from lending and funding activities		
Change in mortgage loans	-2.807	-2.314
Change in mortgage bonds in issue	2.584	2.813
Total	-223	499
Net cash inflow / outflow for the period	-229	920
Cash and cash equivalents, including bond portfolio, at beginning of year	14.262	11.218
Revaluation of bonds etc. (- signifies an expense)	-65	-108
Cash and cash equivalents, including bond portfolio, at end of the period	13.968	12.030
1) Adjustment for illiquid operating items		
Depreciation and writedowns, fixed assets	23	20
Revaluation of securities etc.	104	-23
Revaluation of participating interests	-4	1
Change in writedowns for losses	-10	-176
Total	114	-179