

To the Copenhagen Stock Exchange and the press

21 August 2002
Announcement no. 08/2002

Interim Report 2002

1 January to 30 June 2002

of

BRFkredit a/s

and

the BRFkredit Group

Summary

Satisfactory first-half profit

Today, 21 August 2002, the Board of Directors has approved the accounts of BRFkredit and the BRFkredit Group for the first six months of 2002.

- Pre-tax profit of DKK 222m for the first half of 2002, up 53% from DKK 145m for the first half of 2001.
- Net income from mortgage operations improved by DKK 14m to DKK 547m in response to increased activity
- Costs reduced by 10% from DKK 319m to DKK 288m
- Steady market shares
- Portfolio growth of DKK 2.8bn to DKK 132.6bn

Financial highlights

| Profit and loss account (DKK million) | BRFkredit | | | BRFkredit Group | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1st half of 2002 | 1st half of 2001 | 2001 (full year) | 1st half of 2002 | 1st half of 2001 | 2001 (full year) |
| Net income, interest, fees, charges, etc. | 547 | 533 | 1,144 | 579 | 560 | 1,208 |
| <i>Of which commissions, fees, charges, etc.</i> | 374 | 325 | 741 | 381 | 330 | 752 |
| Costs and expenses, including depreciation | -288 | -319 | -643 | -301 | -328 | -665 |
| Operating profit before losses and writeoffs | 259 | 214 | 501 | 278 | 232 | 543 |
| Losses and writeoffs on loans | -7 | 20 | -9 | -23 | 17 | -35 |
| Operating profit | 252 | 234 | 492 | 255 | 249 | 508 |
| Revaluation of securities, including participating interests | -30 | -89 | -189 | -29 | -100 | -200 |
| Profit before tax | 222 | 145 | 304 | 226 | 149 | 308 |
| Tax | -93 | 21 | -55 | -96 | 17 | -59 |
| Net profit for the period/year | 129 | 165 | 249 | 129 | 165 | 249 |

| Balance sheet (DKK million) | BRFkredit | | | BRFkredit Group | | |
|--|----------------|----------------|----------------|-----------------|----------------|----------------|
| | 30/6 2002 | 30/6 2001 | 31/12 2001 | 30/6 2002 | 30/6 2001 | 31/12 2001 |
| Assets: | | | | | | |
| Amounts owed by credit institutions etc. | 6,957 | 5,624 | 11,032 | 6,887 | 5,876 | 10,990 |
| Mortgage loans ¹⁾ | 132,554 | 125,791 | 129,776 | 132,528 | 125,762 | 129,748 |
| Bonds and shares etc. | 8,643 | 10,343 | 17,896 | 9,027 | 10,693 | 18,285 |
| Other assets | 1,207 | 1,304 | 2,042 | 1,971 | 1,728 | 2,732 |
| Total assets | 149,361 | 143,062 | 160,746 | 150,413 | 144,059 | 161,755 |
| Liabilities: | | | | | | |
| Amounts owed to credit institutions etc. | 522 | 645 | 40 | 655 | 795 | 334 |
| Bonds in issue | 137,163 | 131,048 | 148,647 | 137,163 | 131,048 | 148,647 |
| Other liabilities | 2,791 | 2,696 | 3,303 | 3,710 | 3,543 | 4,018 |
| Subordinated capital | 919 | 919 | 919 | 919 | 919 | 919 |
| Shareholders' equity | 7,966 | 7,754 | 7,837 | 7,966 | 7,754 | 7,837 |
| Total liabilities | 149,361 | 143,062 | 160,746 | 150,413 | 144,059 | 161,755 |

1. Before setoff of writeoffs on loans

| Key figures and ratios | BRFkredit | | | BRFkredit Group | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1st half of 2002 | 1st half of 2001 | 2001 (full year) | 1st half of 2002 | 1st half of 2001 | 2001 (full year) |
| Profit before tax as a per annum percentage of average shareholders' equity | 5.6 | 3.8 | 3.9 | 5.7 | 3.9 | 4.0 |
| Writeoffs (corrective account) | 470 | 454 | 473 | 510 | 459 | 500 |
| Loss-and-writeoff ratio | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital adequacy ratio (excluding net profit) | 12.8 | 12.8 | 12.9 | 12.6 | 12.6 | 12.5 |
| Core capital ratio (excluding net profit) | 11.5 | 11.4 | 11.5 | 11.2 | 11.2 | 11.2 |
| Average number of employees (full-time equivalent) | 561 | 542 | 545 | 601 | 572 | 578 |
| Rating – Moody's (long-term) | Aa2 | - | Aa2 | - | - | - |

Chairman's and President's report

The BRFkredit Group comprises BRFkredit a/s (Parent Company), BRFbank a/s and Ejendomsselskabet Nørreport 26, 8000 Århus C A/S.

As the Parent Company makes up the greater part of the BRFkredit Group, the following comments mainly relate to the interim accounts of the Parent Company:

BRFkredit a/s

BRFkredit reported a pre-tax profit of DKK 222m for the first half of 2002, up 53% from DKK 145m for the first half of 2001. This performance represented a return on equity before tax of 5.6% per annum. Profit after tax was DKK 129m, against DKK 165m for the corresponding period of 2001.

The profit performance was affected by the following factors:

- BRFkredit experienced higher lending activity during the first half of 2002 compared with last year. BRFkredit's gross new lending widened from DKK 12.3bn in the first half of 2001 to DKK 13.1bn in the first half of 2002. The increase was primarily seen in lending to private and corporate customers. The pick-up in activity and recent years' loan portfolio growth contributed to the higher net income of DKK 547m in the first half of 2002, against DKK 533m in the same period of last year.
- Despite a heightened activity level, costs dipped by DKK 31m from the first half of 2001 to DKK 288m in the first half of 2002, equivalent to a 10% reduction. The sharp fall in costs can be ascribed to considerably fewer expenses for IT operations and a productivity increase in the wake of BRFkredit's new production system, implemented a year ago. The average number of people employed by BRFkredit (full-time equivalent) increased in step with the higher activity level by 19 to a total of 561 employees.
- Together, the rising income and a substantial fall in costs improved operating profit before losses and writeoffs markedly from DKK 214m in the first half of 2001 to DKK 259m in the first half of 2002.
- Realised losses were moderate, which – combined with a conservative provisioning policy – trimmed profits by DKK 7m in the first half of 2001, against an income contribution of DKK 20m in the

corresponding period of 2001. As a result, the balance of total writeoffs to provide for losses was DKK 470m at 30 June 2002, equivalent to 0.4% of the total loan portfolio. Operating profit for the first half of 2002 thus came to DKK 252m, up from DKK 234m for the first half of 2001.

- BRFkredit reported a total loss on its securities portfolio, including interests in associated undertakings and subsidiaries, of DKK 30m. This amount was made up of a loss on the share portfolio of DKK 93m and a gain on the bond portfolio of DKK 63m. At the interim stage of 2001, BRFkredit revalued its securities at a total loss of DKK 89m.
- Tax on first-half profit was DKK 93m, against an income of DKK 21m for the first six months of 2001. The overall difference in the estimated tax of DKK 114m can primarily be ascribed to adjustments of the company's deferred tax.

Shareholders' equity and capital adequacy

Movements in shareholders' equity and capital adequacy can be illustrated as follows:

| (DKK million) | BRFkredit | | | BRFkredit Group | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1st half of 2002 | 1st half of 2001 | 2001 (full year) | 1st half of 2002 | 1st half of 2001 | 2001 (full year) |
| Shareholders' equity, beginning of period/year | 7,837 | 7,588 | 7,588 | 7,837 | 7,588 | 7,588 |
| Net profit | 129 | 165 | 249 | 129 | 165 | 249 |
| Shareholders' equity, end of period/year | 7,966 | 7,754 | 7,837 | 7,966 | 7,754 | 7,837 |
| Own funds etc. | 8,666 | 8,388 | 8,651 | 8,666 | 8,388 | 8,651 |
| Weighted assets | 67,556 | 65,292 | 67,269 | 69,052 | 66,549 | 68,992 |
| Capital adequacy ratio | 12.8 | 12.8 | 12.9 | 12.6 | 12.6 | 12.5 |
| Core capital ratio | 11.5 | 11.4 | 11.5 | 11.2 | 11.2 | 11.2 |

Shareholders' equity stood at DKK 7,966m at 30 June 2002. The capital adequacy ratio before inclusion of interim profit was 12.8%, which is comfortably above the statutory 8% minimum. Own funds (tier 1 + tier 2 capital) at 30 June 2002 thus exceeded the statutory requirement by an amount of DKK 3.3bn.

Portfolio growth and stabilising market shares

BRFkredit's loan portfolio widened by DKK 2.8bn to DKK 132.6bn during the first half of 2002. Of this amount, lending to private customers grew by DKK 1.5bn, equivalent to last year's first-half level. This trend should be seen against the background of a falling portfolio of loans to private customers from the early 1990s to 1996, stabilisation up to 1999 and, afterwards, a handsome increase. The rest of the portfolio growth during the first half of 2002 primarily stemmed from loans for private rental housing and for office and business properties.

The first half of 2002 saw a minor fall in BRFkredit's market shares. The beginning of the year was characterised by high refinancing activity, and during such periods BRFkredit's market shares always come under pressure. The market share for the second quarter of 2002, on the other hand, was satisfactory. BRFkredit is quite successful in its campaign to make homeowners draw on the equity of their home and redirect it to active asset management.

BRFkredit's market shares in %

| | 3rd quarter 2001 | 4th quarter 2001 | 1st quarter 2002 | 2nd quarter 2002 |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| Gross new lending | 9.6 | 9.0 | 8.5 | 10.0 |
| New lending | 10.0 | 9.3 | 8.4 | 10.6 |
| Net new lending | 9.6 | 8.8 | 6.4 | 10.4 |
| Net lending | 9.0 | 8.0 | 4.6 | 6.5 |

¹⁾ Gross new lending indicates the mortgage principal translated into cash value, i.e. all types of loan are included at the market price of the mortgage principal at the date of issuance.

²⁾ New lending equals gross new lending less refinanced loans with the same institution.

³⁾ Net new lending equals gross new lending less refinanced loans and prepayments.

⁴⁾ Net lending equals net new lending less ordinary principal payments.

Bond issuance

In the first half of 2002, BRFkredit issued bonds for a total of DKK 15.1bn, against DKK 14.7bn in the corresponding period of 2001. Variable-rate bonds accounted for some 52% of all issues in the first half of 2002, compared with 50% in the interim period of 2001.

The first six months of 2002 saw a high trading volume of BRFkredit's open mortgage bonds. As far as the actively traded, short variable-rate bond (4% 2003) is concerned, BRFkredit achieved a 12.5% share of the total volume of about DKK 175bn. With regard to the benchmark fixed-rate mortgage bond, 6% 2032, BRFkredit accounted for 11.1% of the total trading volume of DKK 220bn.

Activities in 2002

- On 17 June 2002, BRFkredit introduced euro loans to private customers. When providing home financing advice, it is a key priority for BRFkredit to draw the customer's attention to the foreign exchange risk involved in a euro loan. A euro loan taken out with BRFkredit is designed so as to make it simple and easy for the borrower. The loan is disbursed in Danish kroner, and principal and interest payments are in kroner via Danish Payment Systems Ltd. In that fashion, the customer obtains a low euro interest rate, but escapes the inconvenience of changing kroner into euros.
- BRFkredit and EDC Mæglerne entered into cooperation with SAFE, a chain of estate agents, on 10 July 2002. The cooperation agreement enables BRFkredit to sign commission contracts with each of the about 100 SAFE estate agents, who represent a combined 7% of the commissioned transactions, or 6,000 transactions annually. This has strengthened BRFkredit's distribution channels in the private customer market.
- In 2002 BRFkredit intensified various marketing initiatives aimed at making prospective customers opt for mortgage loans instead of the more expensive bank loans. The high equity built up in the homes of Danes opens up an opportunity for the homeowners to spend the equity on active asset management.

BRFbank a/s

BRFbank supports BRFkredit's mortgage operations by offering products that are complementary to mortgage lending in connection with new building projects and transactions as well as in connection with the refinancing of existing loans on the property. During the first half of 2002, the bank experienced

growth in both activities and earnings, but the six-month period also saw a growing need for provisions for losses. BRFbank posted a pre-tax profit of DKK 9.1m for the first half of 2002, down from DKK 13.5m for the corresponding period of 2001. The net profit for the period came to DKK 6.2m. Return on equity before tax was 4.9% in the first half of 2002, against 7.4% in the first half of 2001.

At 30 June 2002, BRFbank's balance sheet total was DKK 3.9bn, and shareholders' equity stood at DKK 374m. BRFbank's capital adequacy ratio was computed at 17.3% at end-June, up from 9.8% at the close of 2001.

Ejendomsselskabet Nørreport 26, 8000 Århus C A/S

The company's core business is to manage and lease out the property at Nørreport 26/Knudrigade 4-6 in Aarhus, which also houses BRFkredit's local office in Aarhus.

The company came out of the first half of 2002 with a pre-tax profit of DKK 0.5m, against DKK 0.6m for the first half of 2001. Its shareholders' equity at 30 June 2002 was DKK 6.9m, out of a balance sheet total of DKK 35.6m.

Outlook for 2002

In connection with the publication of the annual accounts for 2001, BRFkredit expected to come out of 2002 with a profit before revaluation of securities and tax in the order of DKK 350-400m. The second half of the year holds expectations of slightly lower activity in the market for mortgage lending. At the same time, costs are expected to rise in response to increasing development activities and the establishment of cooperation with the SAFE estate agents. Losses and writeoffs are forecast to remain at a moderate level. Given the bond and share prices at 30 June 2002, BRFkredit still anticipates a pre-tax profit in the order of DKK 350-400m.

The Chairman of the Board of BRFkredit, Oluf Engell, says:

"BRFkredit achieved a satisfactory profit for the first half of 2002, against the backdrop of rising income and a substantial fall in costs. It is gratifying to note that BRFkredit continues to expand its loan portfolio while recording balanced growth in loans to private and corporate customers alike.

New product initiatives and cooperation with the SAFE estate agents were other activities carried out by BRFkredit during the first half of the year to strengthen our future distribution channels.

With a capital adequacy ratio of 12.8%, against the statutory 8% minimum, coupled with an Aa2 rating, BRFkredit has a strong platform for addressing future challenges."

Yours faithfully

Oluf Engell
Chairman of the Board of Directors

Sven A. Blomberg
President and Chief Executive Officer

For further details about the accounts of BRFkredit, please contact:

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NB: Should queries arise please note the Danish version of the interim report 2002 is prevailing.

Accounting policies

GENERAL

The first-half accounts and consolidated accounts of BRFkredit a/s have been prepared in compliance with the provisions of the Danish Mortgage Credit Act and the Executive Order on the Presentation of Accounts by Mortgage Credit Institutions and related guidelines.

The accounting policies are consistent with those applied in the accounts for the previous year.

The consolidated accounts comprise BRFkredit a/s and its wholly-owned subsidiaries: BRFbank a/s and Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S. In the preparation of the consolidated accounts, intercompany balances, transactions and shareholdings have been eliminated.

Foreign currency translation

Transactions in foreign currencies are translated into Danish kroner at the rates of exchange ruling at the dates of the transactions.

Gains and losses arising from the translation of balance sheet items in foreign currencies are translated into Danish kroner at the official rates of exchange ruling at 30 June.

All currency translation adjustments are dealt with through the profit and loss account.

Financial instruments

Forward exchange contracts to offset exchange risks on net assets in foreign currencies are entered at market value.

Swap agreements are marked to market. Adjustments of market values are taken to the profit and loss account.

Fixed-price agreements with customers and spot contracts relating to trade in listed securities are entered at market value.

Activities abroad

Foreign lending financed in currencies other than the currencies in which loans are granted are hedged by swap agreements and forward exchange contracts.

Profit and loss account

Interest, commissions, etc.

Front-end fees are credited to revenue when loans are paid to the borrowers.

All interest income and expenses as well as commissions are included on an accruals basis, i.e. taken to the profit and loss account for the accounting period to which they relate.

Losses and writeoffs on loans

Writeoffs to provide for losses on loans are based on a critical assessment of the total loan portfolio to identify and offset risks of losses.

This assessment is made both by evaluating major loans individually and by subjecting minor and identical loans to statistical calculations. As far as individual loan evaluations are concerned, the need for writeoffs is estimated through a prudent valuation of the mortgaged properties combined with an appraisal of the borrowers' financial circumstances.

The determination of the amount written off is also based on an assessment of realisation costs, including interest on own and other loans, over an estimated period of repayment. Writeoffs determined in this manner are deducted from the respective asset entries, whereas the shifts in writeoffs and losses realised during the period are charged to the profit and loss account.

Tax

BRFbank a/s is taxed on a pooled basis with BRFfonden, BRFholding a/s and BRFbank a/s. The combined taxes are paid by BRFfonden and are distributed between the individual companies on a pro-rata basis.

The estimated tax payable on the profit for the period is charged to the profit and loss account under "Estimated tax on the profit for the period". Any difference between the amount of tax actually paid and estimated tax for previous years is charged to the profit and loss account under "Adjustment of estimated tax for previous years".

The above-mentioned companies of the BRFkredit Group are enrolled in the on-account tax scheme. To the extent that the tax paid on account does not correspond with the estimated tax on the profit for the period, interest received or paid on the difference is stated under "Other interest expenses" or "Other interest income".

Provision is made for taxes deferred in respect of all timing differences between accounting and taxation treatment. Movements in the deferred tax liability during the period are taken to the profit and loss account under "Deferred tax".

Tax on the interest-rate advantage in connection with provisions is charged to the profit and loss account under "Tax".

ASSETS

Lending

Mortgage loans granted against the issuance of mortgage bonds, including amortisation accounts for cash loans, are shown in the balance sheet at nominal values. Indexed loans are recorded at index values at the end of the period. The item has been reduced by provisions for losses.

Other loans are entered at the lower of cost or a conservatively estimated market value.

Companies owned temporarily by BRFkredit a/s for loss-restraining purposes are valued jointly with critical loans.

Bonds

Listed bonds are entered at the official market prices quoted on the last business day of the accounting period. However, bonds drawn for redemption and repayable immediately after the close of the accounting period are entered at par. Bonds drawn for a later repayment date are entered at a calculated market price.

Unlisted bonds are entered at the lower of cost or a conservatively estimated market value.

Shares etc.

Listed shares are entered at the official market prices quoted on the last business day of the accounting period.

Unlisted shares are entered at the lower of cost or a conservatively estimated market value.

Interests in associated undertakings

Interests in associated undertakings, i.e. undertakings in which BRFkredit a/s holds 20% or more of the voting share capital, are entered according to the equity method of accounting. BRFkredit's share of the results of associated undertakings is taken to the profit and loss account.

Interests in subsidiary undertakings

Interests in subsidiary undertakings are entered in the Parent Company's accounts at the equity value at the end of accounting period. BRFkredit's share of the results of subsidiary undertakings is taken to the profit and loss account.

Own properties

Own properties, which mainly comprise office premises, are recorded at cost less accumulated depreciation and writedowns. Depreciation is calculated on a straight-line basis over the estimated useful lives of the properties (up to 50 years).

If the estimated market value of a property is lower than the value stated in the accounts, the property is written down to the lower market value.

Foreclosed properties

Properties acquired through foreclosure are recorded at cost, up to a conservatively estimated market value.

Plant and equipment

Plant and equipment are entered at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets (up to 5 years). The expenditure of software and assets acquired for less than DKK 50,000 per unit is charged against profit as incurred. However, system software and individual acquisitions that are integral parts of large-scale total project acquisitions are capitalised and written down over a maximum period of 5 years.

LIABILITIES

Mortgage bonds in issue

Mortgage bonds in issue are entered at nominal values. Index-linked bonds are recorded at index values at the balance sheet date.

Intercompany transactions

Transactions between BRFkredit a/s and companies which are directly or indirectly affiliated to the BRFkredit a/s are settled according to written guidelines either on market-based terms or on the basis of cost recovery.

Amounts in DKK million

| |
|---|
| Profit and loss account 1st half of 2002 |
|---|

| Profit and loss account For the six months ended 30 June | Note | BRFkredit Group | | BRFkredit a/s | |
|---|------|-----------------|------------|---------------|------------|
| | | 2002 | 2001 | 2002 | 2001 |
| Interest income | 3 | 4,443 | 4,515 | 4,409 | 4,484 |
| Interest expenses | 4 | 3,949 | 4,033 | 3,939 | 4,024 |
| Net interest income | | 493 | 482 | 471 | 460 |
| Dividend on participating interests | | 11 | 15 | 11 | 15 |
| Fees, charges and commission income | | 93 | 76 | 85 | 71 |
| Fees and charges surrendered and commission expenditure | | 31 | 24 | 33 | 25 |
| Net interest income, fees and charges | | 566 | 548 | 535 | 521 |
| Securities and foreign exchange result (- signifies a loss) | 5 | -31 | -104 | -38 | -103 |
| Other operating income | | 13 | 12 | 12 | 12 |
| Staff costs and administrative expenses | 6 | 275 | 301 | 262 | 292 |
| Amortisation, depreciation and writedowns, intangible and tangible assets | | 26 | 27 | 26 | 27 |
| Other operating expenses | | - | 0 | - | 0 |
| Losses and writeoffs on loans (- signifies an income) | | 23 | -17 | 7 | -20 |
| Profit on interests in associated and subsidiary undertakings | 7 | 2 | 4 | 8 | 13 |
| Profit on ordinary operations before tax | | 226 | 149 | 222 | 145 |
| Tax (- signifies an income) | 8 | 96 | -17 | 93 | -21 |
| Net profit for the period | | 129 | 165 | 129 | 165 |

Distribution of net profit

| | | |
|--|--------------|--------------|
| Net profit for the period | 129 | 165 |
| Transfer to reserves in series not subject to reimbursement obligation | - | -83 |
| Other reserves at beginning of period | 6,646 | 6,368 |
| Total amount available for distribution | 6,775 | 6,450 |
| Retained profits | 6,775 | 6,450 |
| Total dividends and retained profits | 6,775 | 6,450 |

| |
|---|
| Balance sheet 1st half of 2002 |
|---|

Amounts in DKK million

| Balance sheet at 30 June | Note | BRFkredit Group | | BRFkredit a/s | |
|---|------|-----------------|----------------|----------------|----------------|
| | | 2002 | 2001 | 2002 | 2001 |
| Assets | | | | | |
| Cash in hand and demand deposits with central banks | | 7 | 18 | 7 | 17 |
| Amounts owed by credit institutions and central banks | | 6,878 | 5,858 | 6,950 | 5,607 |
| Loans and advances | | | | | |
| Mortgage loans | | 132,065 | 125,315 | 132,091 | 125,344 |
| Other loans | | 1,585 | 1,234 | 482 | 486 |
| Total | | 133,649 | 126,550 | 132,573 | 125,830 |
| Bonds | | 8,131 | 9,427 | 7,746 | 9,076 |
| Shares etc. | | 897 | 1,267 | 897 | 1,267 |
| Interests in associated undertakings | | 105 | 97 | 105 | 97 |
| Interests in subsidiary undertakings | | - | - | 381 | 373 |
| Intangible assets | | 80 | 113 | 80 | 113 |
| Tangible assets | 9 | 308 | 326 | 273 | 289 |
| Other assets | 10 | 347 | 394 | 339 | 384 |
| Prepaid expenses and accrued revenue | | 11 | 10 | 10 | 9 |
| Total assets | | 150,413 | 144,059 | 149,361 | 143,062 |
| Liabilities | | | | | |
| Amounts owed to credit institutions and central banks | | 655 | 795 | 522 | 645 |
| Deposits | | 673 | 540 | - | - |
| Bonds in issue | | 137,163 | 131,048 | 137,163 | 131,048 |
| Other liabilities | 11 | 2,963 | 2,884 | 2,719 | 2,577 |
| Prepaid income and accrued expenses | | 7 | 5 | 6 | 4 |
| Provisions for obligations | 12 | 68 | 115 | 66 | 115 |
| Subordinated capital | 13 | 919 | 919 | 919 | 919 |
| Shareholders' equity | 1, 2 | | | | |
| Share capital | | 306 | 306 | 306 | 306 |
| Share premium account | | 102 | 102 | 102 | 102 |
| Reserves | | | | | |
| Reserves in series | | 783 | 896 | 783 | 896 |
| Other reserves | | 6,646 | 6,284 | 6,646 | 6,284 |
| Year-to-date profit after tax | | 129 | 165 | 129 | 165 |
| Total | | 7,558 | 7,345 | 7,558 | 7,345 |
| Total shareholders' equity | | 7,966 | 7,754 | 7,966 | 7,754 |
| Total liabilities | | 150,413 | 144,059 | 149,361 | 143,062 |
| Off-balance sheet items | | | | | |
| Guarantees etc. | 14 | 248 | 228 | 17 | 16 |
| Other obligations | | 62 | 41 | 62 | 41 |
| Total off-balance sheet items | | 310 | 269 | 79 | 57 |
| Additional notes | | | | | |
| The Group at a glance | 15 | | | | |

Amounts in DKK million

Notes to
1st half of 2002

| 1 Shareholders' equity and movements in capital and | 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 | 783 | - | - | - | 783 |
| Other reserves | 6,646 | - | - | 129 | 6,775 |
| Total reserves | 7,429 | - | - | 129 | 7,558 |
| Total shareholders' equity | 7,837 | - | - | 129 | 7,966 |

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 and ratios of BRFkredit a/s 1st half of year | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|----------|----------|----------|----------|----------|
| Capital adequacy ratio | 12.8 | 12.8 | 13.1 | 12.7 | 11.9 |
| Core capital ratio | 11.5 | 11.4 | 11.4 | 10.8 | 9.7 |
| Return on equity before tax (%) | 2.8 | 1.9 | 4.9 | 5.1 | 9.8 |
| Return on equity after tax (%) | 1.6 | 2.2 | 3.3 | 4.0 | 7.9 |
| Earnings per unit of cost (DKK) | DKK 1,75 | DKK 1,48 | DKK 2,81 | DKK 2,42 | DKK 7,69 |
| Currency position (%) | 0.4 | 0.2 | 0.3 | 0.6 | 0.7 |
| Accumulated writeoff ratio | 0.4 | 0.4 | 0.6 | 0.8 | 0.9 |
| Loss-and-writeoff ratio for the period | 0.0 | 0.0 | -0.1 | -0.1 | -0.1 |
| Growth in lending during the period (%) | 2.1 | 2.3 | 2.0 | 1.5 | 1.3 |
| Loan-to-equity ratio | 16.6 | 16.2 | 16.7 | 17.5 | 18.4 |

| 3 Interest income | BRFkredit Group | | BRFkredit a/s | | |
|---|-----------------|--------------|---------------|--------------|--------------|
| | 2002 | 2001 | 2002 | 2001 | |
| Amounts owed by credit institutions and central banks | | 56 | 48 | 61 | 48 |
| Loans and advances | | 3,893 | 3,931 | 3,862 | 3,910 |
| Commissions | | 287 | 274 | 287 | 274 |
| Bonds | | | | | |
| Own mortgage bonds | | 68 | 54 | 60 | 51 |
| Other mortgage bonds | | 27 | 40 | 26 | 38 |
| Government bonds | | 102 | 154 | 102 | 147 |
| Other bonds | | 7 | 5 | 7 | 5 |
| Total bonds | | 204 | 252 | 195 | 241 |
| Financial derivatives | | | | | |
| Currency contracts | | -2 | 0 | -0 | 0 |
| Interest-rate contracts | | 1 | 4 | 2 | 4 |
| Total financial derivatives | | -0 | 4 | 2 | 4 |
| Other interest income | | 2 | 6 | 2 | 6 |
| Total | | 4,443 | 4,515 | 4,409 | 4,484 |

Of which interest income from genuine sale and repurchase transactions entered under "Amounts owed by credit institutions and central banks"

| | | | |
|---|---|---|---|
| 1 | - | 1 | - |
|---|---|---|---|

Amounts in DKK million

Notes to
1st half of 2002

| 4 Interest expenses | BRFkredit Group | | BRFkredit a/s | |
|--|------------------------|--------------|----------------------|--------------|
| | 2002 | 2001 | 2002 | 2001 |
| Credit institutions and central banks | 18 | 34 | 19 | 34 |
| Deposits | 8 | 9 | - | - |
| Bonds in issue | 3,874 | 3,944 | 3,874 | 3,944 |
| Subordinated capital | 49 | 45 | 45 | 45 |
| Other interest expenses | 0 | 0 | 0 | 0 |
| Total | 3,949 | 4,033 | 3,939 | 4,024 |
| Of which interest income from genuine sale and repurchase transactions entered under "Credit institutions and central banks" | 14 | - | 14 | - |
| 5 Securities and foreign exchange result (- signifies a loss) | BRFkredit Group | | BRFkredit a/s | |
| | 2002 | 2001 | 2002 | 2001 |
| Bonds | | | | |
| Own mortgage bonds | 19 | 1 | 18 | 1 |
| Other mortgage bonds | 3 | 0 | 3 | 0 |
| Government bonds | 41 | -66 | 41 | -65 |
| Other bonds | 0 | 0 | 0 | 0 |
| Total bonds | 63 | -65 | 62 | -64 |
| Revaluation of other securities etc. | | | | |
| Shares etc. | -93 | -28 | -93 | -28 |
| Fixed-rate loans etc. | -3 | -4 | -9 | -5 |
| Currency translation adjustment | 0 | 0 | -1 | 0 |
| Financial derivatives | | | | |
| Currency contracts | 0 | -1 | 0 | -0 |
| Interest-rate contracts | 1 | -6 | 1 | -6 |
| Total revaluation of other securities etc. | -94 | -39 | -100 | -39 |
| Total | -31 | -104 | -38 | -103 |
| 6 Staff costs and administrative expenses | BRFkredit Group | | BRFkredit a/s | |
| | 2002 | 2001 | 2002 | 2001 |
| Emoluments and remuneration of Board of Directors, Board of Management and Board of Representatives | | | | |
| Board of Management | 3 | 3 | 3 | 3 |
| Board of Directors | 1 | 1 | 1 | 1 |
| Board of Representatives | 0 | 0 | 0 | 0 |
| Total | 5 | 4 | 5 | 4 |
| Staff costs | | | | |
| Wages and salaries | 127 | 125 | 118 | 118 |
| Pensions | 12 | 11 | 11 | 10 |
| Social-security costs | 14 | 12 | 13 | 11 |
| Total | 153 | 147 | 142 | 140 |
| Other administrative expenses | 117 | 150 | 115 | 148 |
| Total staff costs and administrative expenses | 275 | 301 | 262 | 292 |
| 7 Profit on interests in associated and subsidiary undertakings | BRFkredit Group | | BRFkredit a/s | |
| | 2002 | 2001 | 2002 | 2001 |
| Profit on interests in associated undertakings etc. | 2 | 4 | 2 | 4 |
| Profit on interests in subsidiary undertakings | - | - | 6 | 10 |
| Total | 2 | 4 | 8 | 13 |

Amounts in DKK million

Notes to
1st half of 2002**8 Tax**

The Group's effective tax rate in the first half of 2002 was 43%. The difference between this and the current corporation tax rate of 30% in 2002 is rooted in permanent differences from the revaluation of shares by minus 12 percentage points and a permanent difference relating to an interest-rate advantage from the write-down of properties by minus 1 percentage point, a total of minus 13 percentage points.

9 Tangible assets

Dania Immobilien GmbH, Mohrkirch, Germany is wholly owned by BRFkredit. The company has been acquired temporarily with a view to settling previously contracted commitments, representing DKK 15m in the accounts.

10 Other assets

| | BRFkredit Group | | BRFkredit a/s | |
|---|-----------------|------------|---------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| Positive market value of financial derivatives etc. | 0 | - | 0 | - |
| Interest subject to the balance principle, receivable | 58 | 65 | 58 | 65 |
| Interest and commissions receivable | 254 | 225 | 246 | 224 |
| Loan applications in process | 27 | 89 | 27 | 89 |
| Other assets | 7 | 15 | 7 | 5 |
| Total | 347 | 394 | 339 | 384 |

11 Other liabilities

| | BRFkredit Group | | BRFkredit a/s | |
|---|-----------------|--------------|---------------|--------------|
| | 2002 | 2001 | 2002 | 2001 |
| Negative market value of financial derivatives etc. | 4 | 1 | - | 1 |
| Interest subject to the balance principle, payable | 2,154 | 2,037 | 2,154 | 2,037 |
| Interest and commissions payable | 56 | 55 | 50 | 49 |
| Loan applications in process | 331 | 477 | 168 | 200 |
| Tax relating to the current year, payable | 48 | 10 | 52 | 10 |
| Tax relating to previous years | 5 | 46 | 12 | 44 |
| Other liabilities | 364 | 258 | 284 | 236 |
| Total | 2,963 | 2,884 | 2,719 | 2,577 |

12 Provisions for obligations

| | BRFkredit Group | | BRFkredit a/s | |
|--------------------------------|-----------------|------------|---------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| Deferred tax | 30 | 71 | 30 | 71 |
| Provisions for litigation etc. | 5 | 5 | 5 | 5 |
| Other | 33 | 39 | 31 | 39 |
| Total | 68 | 115 | 66 | 115 |

Amounts in DKK million

Notes to
1st half of 2002

| 13 Subordinated capital | BRFkredit Group | | BRFkredit a/s | |
|--|-----------------|------------|---------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| 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, Homeowners' Credit Fund 3) | 8 | 9 | 8 | 9 |
| Subordinated capital contributed by BRHolding a/s 4 | 11 | 11 | 11 | 11 |
| Total bond loans and other subordinated capital included in own funds | 919 | 919 | 919 | 919 |

1) Interest on the loan in 2002: DKK 26.0m. The loan carries 10.4% interest up to 15 December 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 15 December 2005 (maturity) unless prepaid in compliance with the terms of the loan.

2) Interest on the loan in 2002: DKK 18.8m. The loan carries 9.38% interest up to 15 December 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 15 December 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 2002: DKK 0.5m. 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 | |
|--------------------------------------|-----------------|------------|---------------|-----------|
| | 2002 | 2001 | 2002 | 2001 |
| Guarantees | | | | |
| Financial guarantees | 228 | 210 | - | - |
| Other guarantees | 20 | 18 | 17 | 16 |
| Total guarantees etc. | 248 | 228 | 17 | 16 |
| Other obligations | | | | |
| Other obligations | 62 | 41 | 62 | 41 |
| Total other obligations | 62 | 41 | 62 | 41 |
| Total off-balance sheet items | 310 | 269 | 79 | 57 |

Amounts in DKK million

| |
|--|
| Additional notes 1st half of 2002 |
|--|

| 15 The Group at a glance | Share capital at end | Shareholders' equity at end * | Shareholding in % | 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 | 368 | 100 | 10 | | |
| Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S, Århus | 5 | 7 | 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 | 2 | - | - |
| EKADAN A/S, Copenhagen | 27 | 81 | 37 | 3 | 22 | - |
| Boligtorvet A/S, Kgs. Lyngby | 1 | 6 | 50 | -4 | - | - |
| Other undertakings in which the Group holds 10% or more of the share capital: | | | | | | |
| Ejstrupholm & Omegns Industrictr. ApS, Brande | 0 | 1 | 17 | 0 | | |
| Horsens Grundfinansiering A/S, Horsens | 8 | 11 | 12 | 1 | | |
| Håndværkets Byfornyelsesselskab smba, Copenhagen | 14 | 11 | 18 | 0 | | |
| Realkreditnettet A/S, Copenhagen | 10 | 17 | 17 | -15 | | |

* According to latest annual accounts