

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

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18 May 2011

*NB! Please observe that the Danish version of this announcement prevails.*

# INTERIM REPORT

Q1 2011



**3RF** kredit

En god ven af huset

# INTERIM FINANCIAL REPORT FOR THE PERIOD 1 JANUARY TO 31 MARCH 2011

## SUMMARY FINANCIAL PERFORMANCE

Earnings performance improved by DKK 186 million from the year-earlier period.

- BRFkredit posted a profit before tax for the first quarter of 2011 of DKK 91 million, against a first-quarter loss of DKK 95 million in 2010.
- Core income from lending operations was DKK 353 million in the first quarter of 2011, against DKK 349 million in the same period of 2010.
- Core income from securities was down from DKK 121 million in the first quarter of 2010 to DKK 86 million in the first quarter of 2011.
- Costs and expenses were essentially unchanged at DKK 219 million in the first quarter of 2011, against DKK 216 million in the first quarter of 2010.
- Earnings from investment portfolios were positive at DKK 68 million in the first quarter of 2011, against a negative return of DKK 57 million in the first quarter of 2010.
- Loan losses and impairment charges etc. trimmed profits by DKK 123 million in the first quarter of 2011, down from an adverse impact of DKK 239 million in the first three months of 2010.
- Out of total loan losses and impairment charges during the period, BRFkredit a/s and BRFbank a/s accounted for DKK 46 million and DKK 77 million, respectively.
- The arrears rate measured 105 days after the repayment date was 0.71% in the fourth quarter of 2010, down from 1.91% in the fourth quarter of 2009.

## CAPITAL BASE

- The individual solvency requirement was 8.7% or DKK 6.8 billion.
- Equity amounted to DKK 9,809 million.
- Core capital and solvency ratios were 14.8% and 14.5%, respectively, in the first quarter of 2011

## OUTLOOK FOR 2011

BRFkredit's expectations are unchanged from the outlook given at the time of the presentation of the Annual Report for 2010.

## SVEN A. BLOMBERG, CHIEF EXECUTIVE OFFICER, SAYS:

'The financial statements for the first three months of 2011 showed a profit before tax of DKK 91 million, which was a satisfactory improvement in performance. The improvement can be ascribed to the initiatives launched in the first half of 2009, coupled with a continued favourable trend in loan losses and impairment charges and positive earnings from investment portfolios. BRFkredit predicts that the establishment of new distribution channels in the private customer area in replacement of our cooperation with EDC will contribute positively to developing BRFkredit's portfolio in 2012.'

## FINANCIAL AND OPERATING DATA FOR THE BRFKREDIT GROUP (BRFKREDIT)

DKK million

### CORE EARNINGS/EARNINGS FROM INVESTMENT PORTFOLIOS AND PROFITS FOR THE PERIOD

	Q1 2011	Q1 2010	2010 (full year)
Core income from lending operations etc.	353	349	1,413
Core income from securities	86	121	258
<b>Total core income</b>	<b>439</b>	469	1,671
Operating expenses, depreciation and amortisation	219	216	827
<b>Core earnings before impairment</b>	<b>220</b>	253	844
Loan losses and impairment charges	123	239	471
<b>Core earnings before cost of capital</b>	<b>97</b>	14	373
Hybrid core capital	52	49	199
Junior covered bonds	12	4	33
Senior debt	11	-	43
<b>Core earnings</b>	<b>23</b>	-38	98
Earnings from investment portfolios	68	-57	-77
<b>Profit or loss before tax</b>	<b>91</b>	-95	21
Tax (- signifies an income)	24	-17	7
<b>Net profit or loss for the period</b>	<b>66</b>	-78	14

### SUMMARY BALANCE SHEET

	Q1 2011	Q1 2010	2010 (full year)
Lending	209,073	220,386	212,976
Bonds and shares etc.	7,659	5,752	9,870
Other assets	6,537	6,873	8,584
<b>Total assets</b>	<b>223,269</b>	233,011	231,430
Issued bonds	185,770	194,226	198,383
Other liabilities	27,690	29,135	23,305
Equity	9,809	9,650	9,742
<b>Total liabilities and equity</b>	<b>223,269</b>	233,011	231,430

### SELECTED KEY FIGURES AND RATIOS

	Q1 2011	Q1 2010	2010 (full year)
Earnings per unit of cost (DKK)	1.26	0.80	1.02
Growth in lending during the period (%)	-3.5	-0.9	-4.1
Loan-to-equity ratio	21.3	22.8	21.9
Gross new lending (outstanding bond loans), DKK million	3,164	5,858	22,946
Number of new loans	1,600	3,900	14,500
Arrears rate (105 days) at end of period	0.71	1.91	1.04
Impairment ratio for the period	0.1	0.1	0.2
Administrative expenses, depreciation and amortisation as % of average loan portfolio	0.41	0.39	0.38
Solvency ratio	14.5	13.2	13.5
Core capital ratio	14.8	13.4	13.7
Return on equity before tax	0.9	-1.0	0.2
Return on equity after tax	0.7	-0.8	0.1
Series reserve funds, DKK million	4,419	7,510	4,419
Share capital and other reserves, DKK million	5,390	2,140	5,323
Own funds (tier 1 + tier 2), DKK million	11,360	11,107	11,143
Foreign exchange position, %	4.7	2.3	4.3

## MANAGEMENT'S REVIEW

On 18 May 2011, the Board of Directors approved the interim financial statements of the BRFkredit Group (BRFkredit) for the period 1 January to 31 March 2011.

The first quarter of 2011 showed rising core income from lending operations, essentially unchanged costs and expenses and a continued fall in impairment charges. As expected, a higher cost of capital pulled in the opposite direction.

BRFkredit posted a profit before tax for the first quarter of 2011 of DKK 91 million, against a first-quarter loss of DKK 95 million in 2010. BRFkredit came out of the first quarter of 2011 with a net profit of DKK 66 million, against a net loss of DKK 78 million for the corresponding period of 2010. After recognition of net profit for the three-month period, the solvency ratio at 31 March 2011 was 14.5%. If computed exclusively on the basis of core (tier 1) capital, the solvency ratio at end-March 2011 was 14.8%.

It has been agreed with EDC to advance the termination date of the cooperation agreement to 31 December 2011 (from originally 31 December 2012). As a result, on 1 April 2011 BRFkredit initiated the establishment of new distribution channels in the private customer area. This work is expected to be finalised by the end of the year when the existing agreement with EDC terminates. The distribution model comprises, among other elements, the establishment of a mobile team of financing advisers and five regional centres. Overall, BRFkredit expects its distribution capacity to be at least at the same level as before. From 1 January 2012 onwards, it will be possible for EDC to deliver prospective customers to BRFkredit on a non-exclusive basis.

As part of the ongoing refinancing of BRFkredit's supplementary capital, BRFkredit a/s issued bonds for DKK 1 billion on 25 March 2011. The issue is based on five-year JCBs without a government guarantee.

## PERFORMANCE FOR Q1 2011

### BRFKREDIT'S SEGMENTS

BRFkredit comprises BRFkredit a/s (Parent Company), BRFbank a/s, Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S and Ejendomsselskabet Nørgaardsvej 37-41, 2800 Lyngby A/S.

BRFkredit's business activities fall into two segments:

- 1) Mortgage lending etc.
- 2) Portfolio management

### MORTGAGE LENDING ETC.

Mortgage lending etc. comprises financial activities in the business areas of private customers, corporate customers and social housing as well as the activities of BRFbank. The segment also comprises a risk-free return on the proprietary investment portfolio.

Core earnings of 'Mortgage lending etc.' were a profit of DKK 23 million in the first quarter of 2011, against a loss of DKK 38 million in the corresponding period of 2010.

Core earnings are made up as follows:

### CORE INCOME FROM LENDING OPERATIONS ETC.

Income from lending operations primarily consists of income from commissions and brokerage, fees and charges from mortgage operations as well as income from bank lending.

Income from commissions came to DKK 328 million in the first quarter of 2011, up from DKK 308 million in the first quarter of 2010. Brokerage, fees and charges (net) were an expense of DKK 8 million in the first quarter of 2011, against an income of DKK 2 million in the same period of 2010. The decline in brokerage, fees and charges was partly associated with a reduction in fees and charges as a consequence of lower lending and refinancing activity compared with the first three months of 2010, partly with higher expenses for the Guarantee Fund for Depositors and Investors in connection with the bankruptcy of Amagerbanken.

### CORE INCOME FROM SECURITIES

Core income from securities, comprising a risk-free return on the proprietary investment portfolio and other interest income etc., amounted to DKK 86 million in the first quarter of 2011, against DKK 121 million in the first quarter of 2010. The decline in core income from securities was attributable to a lower return on bonds in the core portfolio, for instance as a consequence of a lower risk-free rate of return in the first quarter of 2011 compared with the first quarter of 2010.

### OPERATING EXPENSES, DEPRECIATION

#### AND AMORTISATION

Operating expenses, including depreciation and amortisation, were up by DKK 3 million from DKK 216 million in the first quarter of 2010 to DKK 219 million in the first quarter of 2011, mainly as a consequence of higher payroll costs.

### BRFKREDIT'S SEGMENTAL FINANCIAL STATEMENTS FOR Q1

DKK million	2011			2010		
	Mortgage lending etc.	Portfolio management	Total	Mortgage lending etc.	Portfolio management	Total
Core income from lending operations etc.	353			349		
Core income from securities	86			121		
<b>Total core income</b>	<b>439</b>			<b>469</b>		
Operating expenses, depreciation and amortisation	219			216		
<b>Core earnings before impairment</b>	<b>220</b>			<b>253</b>		
Loan losses and impairment charges	123			239		
<b>Core earnings before cost of capital</b>	<b>97</b>			<b>14</b>		
Hybrid core capital	52			49		
Junior covered bonds	12			4		
Senior debt	11			-		
<b>Core earnings</b>	<b>23</b>			<b>-38</b>		
Earnings from investment portfolios		68			-57	
<b>Profit or loss before tax</b>	<b>23</b>	<b>68</b>	<b>91</b>	<b>-38</b>	<b>-57</b>	<b>-95</b>
Tax (- signifies an income)			24			-17
<b>Net profit or loss for the period</b>			<b>66</b>			<b>-78</b>

**ARREARS RATES**

Repayment dates	March 2011	December 2010	September 2010	June 2010	March 2010	December 2009
Arrears rate after 105 days	-	0.71	1.04	0.91	1.34	1.91
Arrears rate after 15 days	2.70	1.94	3.07	2.40	3.00	3.93

**LOAN LOSSES AND IMPAIRMENT CHARGES ETC.**

Loan losses and impairment charges etc. improved by DKK 116 million to DKK 123 million in the first quarter of 2011, up from DKK 239 million in the first quarter of 2010. A favourable trend in loan losses and impairment charges has been observed since the massive impairment charges in the first half of 2009.

The impact on first-quarter profits broke down into a reduction in individual impairment charges of DKK 74 million, an increase in collective impairment charges of DKK 54 million and realised losses etc. of DKK 143 million. The impact on profits accounted for 0.06% of total lending in the first quarter of 2011 and 0.11% in the same period of 2010. DKK 46 million of the total impact on profits related to BRFkredit a/s, while the remaining DKK 77 million related to BRFBank a/s. DKK 60 million of the impact was accounted for by private customers and DKK 63 million by corporate customers.

The balance of total impairment charges at 31 March 2011 was DKK 2,108 million, equivalent to 1.0% of total lending. DKK 635 million of this amount was accounted for by collective impairment charges.

Arrears rates were down from the corresponding periods of 2010. The arrears rate measured 105 days after the December 2010 repayment date was 0.71%, against 1.91% in 2010, and the arrears rate measured 15 days after the March 2011 repayment date was 2.70%, against 3.00% at the same stage of 2010.

**PORTFOLIO MANAGEMENT**

BRFkredit's securities portfolio mainly comprises fixed-income instruments, first of all government and

**PORTFOLIO MANAGEMENT**

DKK million	Q1 2011	Q1 2010
<b>Investment returns</b>		
Returns on fixed-income instruments	135	-10
<b>Total investment returns</b>	<b>135</b>	<b>-10</b>
Risk-free returns	24	36
Risk-free returns; cost of capital	43	11
<b>Earnings from investment portfolios</b>	<b>68</b>	<b>-57</b>

mortgage bonds, as well as financial derivatives such as futures, options and swaps for risk-hedging purposes. Total investment returns were positive to the tune of DKK 135 million in the first quarter of 2011, against negative returns of DKK 10 million in the first quarter of 2010. In response to rising interest rates, hedging futures generated positive returns of DKK 121 million.

In common with other financial institutions, BRFkredit presents its portfolio management performance by way of core earnings and earnings from investment portfolios. Core earnings are calculated as risk-free returns on the securities portfolio. Risk-free returns, determined on the basis of a short-term money-market rate, were DKK 24 million in the first quarter of 2011.

Earnings from investment portfolios in the first quarter of 2011 can subsequently be calculated as total investment returns (DKK 135 million) less risk-free returns of DKK 24 million, which amount is transferred to core earnings, as well as DKK 43 million relating to risk-free returns on a senior debt issue etc. Total earnings from investment portfolios were therefore positive at DKK 68 million in the first quarter of 2011, against negative earnings of DKK 57 million in the year-earlier period.

## BALANCE SHEET TOTAL, EQUITY AND SOLVENCY

BRFkredit had a balance sheet total of DKK 223.3 billion at 31 March 2011, against DKK 231.4 billion at 31 December 2010. BRFkredit's mortgage lending narrowed by a nominal amount of DKK 1.6 billion to DKK 206.3 billion during the first quarter of 2011. The reduction in the portfolio occurred in accordance with the consolidation plan adopted by BRFkredit in 2009. Expectations are that this consolidation process will continue during the remainder of 2011. BRFkredit's total lending measured at carrying amount was DKK 209.1 billion at 31 March 2010, against DKK 213.0 billion at the close of 2010. Equity increased by the net profit for the period of DKK 66 million and a value adjustment of shares of DKK 1 million. Following these changes, equity at 31 March 2011 was DKK 9,809 million.

Solvency and core capital ratios increased in the first quarter of 2011 to 14.5% and 14.8%, respectively. The difference between the solvency and core capital ratios is mainly due to the fact that BRFkredit's own funds are almost exclusively made up of core capital, coupled with the fact that the advanced IRB approach is used to calculate the capital requirement for credit risk. For the latter reason, own funds are adjusted by 100% of the difference between impairment charges in the financial statements and estimated impairment charges calculated according to the IRB approach, whereas core capital is only affected by 50% of the above difference. This means that the solvency ratio becomes lower than the core capital ratio when impairment charges calculated according to the IRB approach exceed impairment charges in the financial statements.

The capital requirement for credit risk is calculated by using the advanced IRB approach, subject to the minimum requirements set out in the transitional rules of Danish law. The IRB approach was originally scheduled for full implementation in 2010, but the transitional rules have been extended to remain in force up to and including 2011. The full effect of the IRB approach

### CHANGES IN EQUITY

DKK million	31 March 2011	31 March 2010	31 December 2010
Equity at beginning of year	9,742	9,730	9,730
Items – recognised in other comprehensive income	1	-2	-2
Retained profit or loss for the period	66	-78	14
Equity at end of the period	9,809	9,650	9,742

### SOLVENCY AND CORE CAPITAL RATIOS OF BRFKREDIT GROUP

	31 March 2011	31 March 2010	31 December 2010
Core capital, DKK million	11,545	11,315	11,390
Own funds (capital base), DKK million	11,360	11,107	11,143
Risk-weighted assets, DKK million	78,134	84,129	82,840
Solvency ratio	14.5	13.2	13.5
Core capital ratio	14.8	13.4	13.7

has therefore not been achieved, see the sizes of the capital requirement with and without regard to the transitional rules.

The individual solvency requirement is management's assessment of BRFkredit's total risks, including management's assessment of future earnings capacity and risk of losses. The individual solvency requirement is determined as the capital in percent of risk-weighted items that is estimated to be adequate to meet BRFkredit's risks in a stress scenario. The stress test was conducted for a one-year period. For BRFkredit a/s, a capital provision of DKK 5.7 billion was set aside to meet the general capital requirement before the transitional rules, supplemented by capital of DKK 0.8 billion to meet all other risks not considered under the current regime. Adequate own funds can thus be determined at DKK 6.4 billion for BRFkredit a/s, equivalent to a solvency requirement of 8.7%. Adequate own funds for the BRFkredit Group was DKK 6.8 billion, equivalent to a solvency requirement of 8.7%. For additional information on BRFkredit's solvency requirement and own funds in excess of the statutory requirement (over-collateralisation), consult our website at brf.dk.

### REQUIREMENT FOR OWN FUNDS AND OVER-COLLATERALISATION

31 March 2011	Requirement for own funds (DKK billion)		Requirement for own funds (%)		Over-collateralisation (DKK billion)	
	BRFkredit a/s	BRFkredit Group	BRFkredit a/s	BRFkredit Group	BRFkredit a/s	BRFkredit Group
Capital requirement (without transitional rule)	5.9	6.3	8.0	8.0	5.7	5.1
Capital requirement (with transitional rule)	7.1	7.4	9.6	9.5	4.5	4.0
Adequate own funds	6.4	6.8	8.7	8.7	5.2	4.6

## MARKET RISKS

Interest rate risk expresses the risk of a loss arising from an increase or decrease in interest rates equivalent to a parallel shift in the yield curve by 1%point.

BRFkredit mainly uses euro-denominated futures to hedge interest rate risk on the bond portfolio. As a result of the close link between Danish and interest rates and eurozone interest rates, BRFkredit measures interest rate risk with a full offset between Danish kroner and euros. Under this approach, market risk was determined at DKK 216 million at 31 December 2011, virtually unchanged from 31 March 2010. For reporting purposes, BRFkredit measures interest rate risk by using the standardised approach of the Danish Financial Supervisory Authority. This approach allows

offsetting between currencies to a limited extent, and interest rate risk was therefore DKK 563 million at 31 March 2011, against DKK 368 million at the close of 2010.

Equity risk expresses the risk of a loss arising from movements in share prices of 10%points. At 31 March 2011, BRFkredit held shares for a total of DKK 234 million, equivalent to 2.1% of own funds. Equity risk was DKK 23 million.

BRFkredit is exposed to limited foreign exchange risks as practically all lending, securities investment and funding transactions are carried out in Danish kroner.

## OTHER DEVELOPMENTS

### LOAN PORTFOLIO COMPOSITION

At the end of the first quarter of 2011, the loan portfolio broke down as follows: 59.4% ARM loans, 22.3% fixed-rate loans, 10.4% Guarantee Loans and other floating-rate loans and 7.9% other types of loan. 50.7% of the loan portfolio was based on the interest-only option.

### RATING

BRFkredit's bonds and BRFkredit as an institution are rated by Moody's Investors Service. BRFkredit's ratings appear from the table below. There were no changes in ratings in the first quarter of 2011 compared with ratings at 31 December 2010.

Information on ratings and capital centres applying to all of BRFkredit's mortgage bonds and covered bonds is available on BRFkredit's investor website at brfkredit.com.

### BOND ISSUANCE

In the first quarter of 2011, BRFkredit issued covered bonds (SDOs) for a nominal amount of DKK 3.2 billion and mortgage bonds (ROs) for a nominal amount of DKK 0.2 billion.

Callable fixed-rate bonds accounted for 21.0% of all issues during the period, while ARM bonds accounted for 68.4%. The remainder – 10.6% – was made up of floating-rate notes.

The volume of bonds in circulation issued by BRFkredit represented a nominal value of DKK 209 billion at 31 March 2011, made up of DKK 109.8 billion worth of SDOs in Capital Centre E with the Aa1 rating and DKK 80.9 billion worth of ROs in Capital Centre B with the Aa3 rating.

An agreement to sell junior covered bonds (JCBs) for DKK 1 billion was concluded in the first quarter of 2011. The issuance was completed on 25 March 2011. All JCBs were issued without a government guarantee.

### MOODY'S INVESTOR SERVICE RATINGS

31 March 2011	2011	2010	2009	2008	2007
Covered bonds, Capital Centre E	Aa1	Aa1	Aa1	Aa1	Aa1
Mortgage bonds, Capital Centre B	Aa3	Aa3	Aa1	Aa1	Aa1
Mortgage bonds, General Capital Centre	Aa3	Aa3	Aa2	Aa2	Aa2
Issuer	Baa1*	Baa1*	Baa1*	A2	A2
Subordinated capital (subordinated loan capital)	-	-	-	A3	A3

\* The rating is on negative outlook by Moody's Investors Service

## OUTLOOK FOR 2011

BRFkredit's expectations are unchanged from the outlook given at the time of the presentation of the Annual Report for 2010.

## RESOLUTIONS BY THE BOARD OF DIRECTORS

No resolution that falls within the duty of disclosure set out in the 'Rules for Issuers of Securities Listed on OMX Nordic Exchange Copenhagen A/S' was adopted by the Board of Directors during the first quarter of 2011.

## STATEMENT BY THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

The Board of Directors and Executive Board have today considered and approved the Interim Financial Report of the BRFkredit Group and BRFkredit a/s for the period 1 January to 31 March 2011.

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

In our opinion, the Interim Financial Report for the period 1 January to 31 March 2011 gives a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 March 2011 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the period 1 January to 31 March 2011. We also believe that the management's review provides a fair review of developments in the activities and finances of the Group and the Parent Company as well as a presentation of the principal risks and uncertainty factors that may affect the Group and the Parent Company.

Kgs. Lyngby, 18 May 2011

### EXECUTIVE BOARD

Sven A. Blomberg  
*Chief Executive Officer*

Carsten Tirsbæk Madsen  
*Executive Vice President*

### BOARD OF DIRECTORS

Oluf Engell  
*Chairman*

Kurt Bligaard Pedersen  
*Deputy Chairman*

Troels Behr

Laila Busted  
*Elected by employees*

Jan Frederiksen  
*Elected by employees*

Kristian May

Lars Henrik Munch

Aksel Nissen

Anette Lykke Poulsen  
*Elected by employees*

## ADDITIONAL INFORMATION

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### RELEVANT LINK

The Q1 2011 Interim Financial Report of BRFkredit is  
downloadable in pdf format from BRFkredit's website  
[brf.dk](http://brf.dk).

# INCOME STATEMENT

Amounts in DKK million

For the three months ended 31 March		BRFkredit Group		BRFkredit a/s	
	Note	2011	2010	2011	2010
Interest income	4	2,074	2,300	2,018	2,238
Interest expenses	5	1,629	1,904	1,603	1,877
<b>Net interest income</b>		<b>445</b>	397	<b>415</b>	361
Dividends on shares etc.		1	1	1	1
Fees, charges and commission income		24	43	20	38
Fees, charges and commissions paid		40	37	40	35
<b>Net interest income, fees and charges</b>		<b>430</b>	404	<b>396</b>	365
Securities and foreign exchange income (- signifies a loss)	6	16	-35	11	-27
Other operating income		1	1	5	4
Staff costs and administrative expenses	7	214	210	198	195
Amortisation, depreciation and impairment of intangible and tangible assets		4	6	4	6
Other operating expenses		13	10	-	-
Loan losses and impairment charges	8	123	239	46	199
Income from equity investments in associated and subsidiary, undertakings		-1	-	-73	-39
<b>Profit or loss before tax</b>		<b>91</b>	-95	<b>92</b>	-97
Tax (- signifies an income)		24	-17	24	-17
<b>Net profit or loss for the period</b>		<b>66</b>	-78	<b>67</b>	-80
To be distributed as follows:					
Shareholders of BRFkredit a/s		66	-78	67	-80
<b>Total</b>		<b>66</b>	-78	<b>67</b>	-80

# COMPREHENSIVE INCOME

For the three months ended 31 March		BRFkredit Group		BRFkredit a/s	
	Note	2011	2010	2011	2010
Net profit or loss for the period		66	-78	67	-80
Recognised directly in other comprehensive income (directly in equity)					
Shares available for sale		1	-2	-	-
<b>Comprehensive income for the period</b>		<b>67</b>	-80	<b>67</b>	-80
To be distributed as follows:					
Shareholders of BRFkredit a/s		67	-80	67	-80
<b>Total</b>		<b>67</b>	-80	<b>67</b>	-80

## BALANCE SHEET

Amounts in DKK million

	Note	BRFkredit Group		BRFkredit a/s	
		31 March 2011	31 Dec 2010	31 March 2011	31 Dec 2010
<b>ASSETS</b>					
Cash balance and demand deposits with central banks		61	58	12	11
Receivables from credit institutions and central banks		4,330	6,085	4,408	5,984
Bonds at fair value		7,425	9,637	5,669	8,228
Current tax assets		1	1	1	1
Assets acquired temporarily		697	985	486	852
Other assets etc.		628	608	545	516
Shares etc.		234	233	234	233
Deferred tax assets		277	301	25	67
Loans and other receivables at fair value	9	204,964	208,450	205,000	208,425
Loans and other receivables at amortised cost		4,109	4,526	300	300
Intangible assets		4	4	4	4
Investment properties		5	5	5	5
Owner-occupied properties		458	458	381	381
Plant and equipment (other tangible assets)		17	18	16	17
Equity investments in associated undertakings		59	60	59	60
Equity investments in subsidiaries		-	-	1,116	1,170
<b>Total assets</b>		<b>223,269</b>	<b>231,430</b>	<b>218,262</b>	<b>226,256</b>
<b>LIABILITIES AND EQUITY</b>					
Payables to credit institutions and central banks		17,364	11,401	17,208	11,346
Deposits and other payables		5,496	5,448	-	-
Liabilities relating to assets in temporary possession		38	45	38	45
Other liabilities etc.		2,457	4,001	2,356	3,825
Issued bonds at fair value		181,273	193,886	182,025	194,439
Issued bonds at amortised cost	10	4,497	4,497	4,497	4,497
<b>Total payables</b>		<b>211,126</b>	<b>219,279</b>	<b>206,124</b>	<b>214,151</b>
Provisions for losses on guarantees		1	56	-	-
Other provisions		112	133	108	142
<b>Total provisions</b>		<b>113</b>	<b>189</b>	<b>108</b>	<b>142</b>
Hybrid core capital		2,218	2,217	2,218	2,217
Subordinated capital		3	3	3	3
<b>Total subordinated capital</b>		<b>2,221</b>	<b>2,221</b>	<b>2,221</b>	<b>2,221</b>
<b>Equity</b>					
Share capital		306	306	306	306
Share premium account		102	102	102	102
Accumulated changes in value		6	6	6	6
Reserves in series		4,419	4,419	4,419	4,419
Other reserves		4,910	4,895	4,909	4,898
Retained profit and loss		66	14	67	11
<b>Total equity</b>		<b>9,809</b>	<b>9,742</b>	<b>9,809</b>	<b>9,742</b>
<b>Total liabilities and equity</b>		<b>223,269</b>	<b>231,430</b>	<b>218,262</b>	<b>226,256</b>

**Additional notes:**  
Contingent liabilities 11  
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## STATEMENT OF CHANGES IN EQUITY

Amounts in DKK million

## BRFKREDIT GROUP

	Share capital <sup>1)</sup>	Share premium account	Accumulated changes in value	Reserves in series <sup>3)</sup>	Other reserves / Shares available for sale <sup>4)</sup>	Other reserves / Retained profits	Total
<b>Equity at 31 December 2009</b>	<b>306</b>	<b>102</b>	<b>5</b>	<b>7,510</b>	<b>2,428</b>	<b>-621</b>	<b>9,730</b>
Transferred to other reserves	-	-	-	-	-621	621	-
Shares available for sale - equity <sup>2)</sup>	-	-	-	-	-2	-	-2
Recognised in other comprehensive income	-	-	-	-	-2	-	-2
Net profit or loss for the period	-	-	-	-	-	-78	-78
Comprehensive income for the period	-	-	-	-	-2	-78	-80
<b>Equity at 31 March 2010</b>	<b>306</b>	<b>102</b>	<b>5</b>	<b>7,510</b>	<b>1,805</b>	<b>-78</b>	<b>9,650</b>

<b>Equity at 31 December 2010</b>	<b>306</b>	<b>102</b>	<b>6</b>	<b>4,419</b>	<b>4,895</b>	<b>14</b>	<b>9,742</b>
Transferred to other reserves	-	-	-	-	14	-14	-
Shares available for sale - equity <sup>2)</sup>	-	-	-	-	1	-	1
Recognised in other comprehensive income	-	-	-	-	1	-	1
Net profit or loss for the period	-	-	-	-	-	66	66
Comprehensive income for the period	-	-	-	-	1	66	67
<b>Equity at 31 March 2011</b>	<b>306</b>	<b>102</b>	<b>6</b>	<b>4,419</b>	<b>4,910</b>	<b>66</b>	<b>9,809</b>

<sup>1)</sup> The share capital is divided into 564,800 'A' shares of DKK 100 each and 2,500,000 'B' shares of DKK 100 each, all of which are fully paid up. The number of shares was unchanged during the financial year. Each 'A' share carries 10 votes, whereas each 'B' share carries one vote at the Annual General Meeting of the Company. Dividend is paid equally to 'A' and 'B' shares. No share options have been issued. All shares are owned by BRFHolding a/s.

<sup>2)</sup> Shares available for sale - other comprehensive income: The period's value adjustments of shares classified as available for sale are recognised directly in other comprehensive income at a gain of DKK 1 million (2010: a loss of DKK 2 million).

<sup>3)</sup> Reserves in series: Capital set aside for meeting the capital requirement in 'Series not subject to repayment obligation'.

<sup>4)</sup> Other reserves/Shares available for sale: Accumulated increases in the value of shares classified as 'Available for sale' (distributable reserves) The revaluation of shares available for sale amount to DKK 106 million (DKK 106 million) at the end of the period.

## BRFKREDIT A/S

	Share capital	Share premium account	Accumulated changes in value	Reserves in series	Other reserves	Retained profits	Total
<b>Equity at 31 December 2009</b>	<b>306</b>	<b>102</b>	<b>5</b>	<b>7,510</b>	<b>2,425</b>	<b>-618</b>	<b>9,730</b>
Transferred to other reserves	-	-	-	-	-618	618	-
Recognised in other comprehensive income	-	-	-	-	-	-	-
Net profit or loss for the period	-	-	-	-	-	-80	-80
Comprehensive income for the period	-	-	-	-	-	-80	-80
<b>Equity at 31 March 2010</b>	<b>306</b>	<b>102</b>	<b>5</b>	<b>7,510</b>	<b>1,807</b>	<b>-80</b>	<b>9,650</b>
<b>Equity at 31 December 2010</b>	<b>306</b>	<b>102</b>	<b>6</b>	<b>4,419</b>	<b>4,898</b>	<b>11</b>	<b>9,742</b>
Transferred to other reserves	-	-	-	-	11	-11	-
Recognised in other comprehensive income	-	-	-	-	-	-	-
Net profit or loss for the period	-	-	-	-	-	67	67
Comprehensive income for the period	-	-	-	-	-	67	67
<b>Equity at 31 March 2011</b>	<b>306</b>	<b>102</b>	<b>6</b>	<b>4,419</b>	<b>4,909</b>	<b>67</b>	<b>9,809</b>

## CASH FLOW STATEMENT

Amounts in DKK million

For the three months ended 31 March

	BRFkredit Group	
	2011	2010
<b>Cash flows from operating activities</b>		
Profit or loss before tax for the period	91	-95
Adjustments for non-cash operating items	-151	174
	-61	79
<b>Change in working capital</b>		
Bonds at fair value	65,619	75,155
Loans and other receivables	3,923	665
Payables to credit institutions and central banks, deposits and other payables	6,011	-4,535
Issued bonds at fair value before set-off	-75,886	-75,908
Adjustment of other working capital	-1,577	-3,462
Corporation tax paid	0	0
<b>Total cash flows from operating activities</b>	<b>-1,971</b>	<b>-8,006</b>
<b>Cash flows from investing activities</b>		
Purchases of intangible assets	0	0
Purchases of tangible fixed assets	-2	-21
Sales of tangible fixed assets	6	0
Purchases of fixed asset investments	-4	0
<b>Total cash flows from investing activities</b>	<b>0</b>	<b>-21</b>
<b>Cash flows from financing activities</b>		
Subordinated capital	0	0
Issued bonds at amortised cost (Junior covered bonds)	0	2,002
Dividends paid	-	-
<b>Total cash flows from financing activities</b>	<b>1</b>	<b>2,002</b>
<b>Total change in cash and cash equivalents</b>	<b>-1,970</b>	<b>-6,025</b>
<b>Cash and cash equivalents at beginning of period</b>		
Cash balance and demand deposits with central banks	58	12
Receivables from credit institutions and central banks	6,085	9,428
Of which receivables not directly available	-60	-68
<b>Total cash and cash equivalents at beginning of period</b>	<b>6,083</b>	<b>9,371</b>
<b>Cash and cash equivalents at end of period</b>		
Cash balance and demand deposits with central banks	61	14
Receivables from credit institutions and central banks	4,330	3,400
Of which receivables not directly available	-278	-67
<b>Total cash and cash equivalents at end of period</b>	<b>4,113</b>	<b>3,347</b>

BRFkredit Group's cash at bank and in hand is exceptionally high in connection with a repayment date. One of the reasons is extraordinary repayments of mortgage loans where the underlying bonds are drawn for redemption at the repayment date in relation to the bondholders.

# STATEMENT OF CORE EARNINGS AND EARNINGS FROM INVESTMENT PORTFOLIOS

Amounts in DKK million

For the three months ended 31 March

BRFkredit Group

## SEGMENTAL FINANCIAL STATEMENTS OF BRFKREDIT GROUP

	2011			2010		
	Mortgage lending etc.	Portfolio management	Total	Mortgage lending etc.	Portfolio management	Total
Core income from lending operations etc.	353			349		
Core income from securities	86			121		
<b>Total core income</b>	<b>439</b>			<b>469</b>		
Operating expenses, depreciation and amortisation	219			216		
<b>Core earnings before impairment</b>	<b>220</b>			<b>253</b>		
Loan losses and impairment charges	123			239		
<b>Core earnings before hybrid core capital</b>	<b>97</b>			<b>14</b>		
Net expenses for hybrid core capital	52			49		
Net expenses for Junior Covered Bonds	12			4		
Net expenses for senior debt	11			-		
<b>Core earnings</b>	<b>23</b>			<b>-38</b>		
Earnings from investment portfolios		68			-57	
<b>Profit or loss before tax</b>	<b>23</b>	<b>68</b>	<b>91</b>	<b>-38</b>	<b>-57</b>	<b>-95</b>
Tax (- signifies an income)			24			-17
<b>Net profit or loss for the period</b>			<b>66</b>			<b>-78</b>

## SEGMENT BALANCE SHEET

	31 March 2011			31 December 2010		
	Mortgage lending etc.	Portfolio management	Total	Mortgage lending etc.	Portfolio management	Total
Receivables from credit institutions and central banks	4,330	-	4,330	6,085	-	6,085
Bonds at fair value	720	6,705	7,425	2,471	7,166	9,637
Shares etc.	234	-	234	-	233	233
Lending	209,073	-	209,073	212,976	-	212,976
Equity investments in associated undertakings	59	-	59	60	-	60
Other assets	1,999	149	2,148	2,223	216	2,439
<b>Total assets</b>	<b>216,415</b>	<b>6,854</b>	<b>223,269</b>	<b>223,815</b>	<b>7,615</b>	<b>231,430</b>
Payables to credit institutions and central banks	17,364	-	17,364	11,401	-	11,401
Issued bonds at fair value	181,273	-	181,273	193,886	-	193,886
Issued bonds at amortised cost	4,497	-	4,497	4,497	-	4,497
Subordinated capital	2,221	-	2,221	2,221	-	2,221
Provisions	113	-	113	189	-	189
Other liabilities	7,973	19	7,992	9,434	61	9,495
<b>Total liabilities</b>	<b>213,442</b>	<b>19</b>	<b>213,460</b>	<b>221,627</b>	<b>61</b>	<b>221,688</b>
Equity			9,809			9,742
<b>Total liabilities and equity</b>			<b>223,269</b>			<b>231,430</b>

# STATEMENT OF CORE EARNINGS AND EARNINGS FROM INVESTMENT PORTFOLIOS, CONTINUED

Amounts in DKK million

For the three months ended 31 March

BRFkredit Group

RECONCILIATION TO FINANCIAL STATEMENTS	2011			2010		
	Core earning	Earnings from investment portfolios	Total	Core earnings	Earnings from investment portfolios	Total
Net interest income	371	74	445	378	18	397
Dividends on shares etc.	1	-	1	-	1	1
Fees, charges and commission income	24	-	24	43	-	43
Fees, charges and commissions paid	40	-	40	37	-	37
<b>Net interest income, fees and charges</b>	<b>356</b>	<b>74</b>	<b>430</b>	385	19	404
Securities and foreign exchange income or loss	22	-6	16	43	-79	-35
Other operating income	1	-	1	1	-	1
Staff costs and administrative expenses	214	-	214	210	-	210
Amortisation, depreciation and impairment of intangible assets	4	-	4	6	-	6
Other operating expenses	13	-	13	10	-	10
Loan losses and impairment charges	123	-	123	239	-	239
Income from equity investments in associated and subsidiary undertakings	-1	-	-1	-	-	-
<b>Profit or loss before tax</b>	<b>23</b>	<b>68</b>	<b>91</b>	-35	-60	-95

## NOTE 1, 2 AND 3

### 1 ACCOUNTING POLICIES

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The Interim Report of The BRFkredit Group is presented in accordance with IAS 34 Interim Financial Reporting as adopted by The European union and additional financial disclosure requirements for interim reports of issuers of listed bonds as applied in Denmark.

The Interim report of BRFkredit a/s has been prepared in accordance with the Consolidated Danish Financial Business Act and the Executive Order on Financial Reports of Credit institutions and Brokerage Houses, Etc.

The accounting policies are identical with those applied for the presentation of the Annual Report for 2010.

The Interim report has not been audited or reviewed.

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### 2 MATERIAL ACCOUNTING ESTIMATES MADE BY MANAGEMENT

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When preparing the Interim report in accordance with generally accepted accounting principles, the management needs to make estimates and set assumptions affecting the financial reporting.

The most important area where the financial statements involve estimates is in connection with a review for impairment of loans with an objective indication of impairment. The key factor in connection with the review for impairment is the estimated value of the collateral (the property).

Assets in temporary possession comprise properties that have been acquired by forced sale and which BRFkredit actively endeavours to sell within the next 12 months. There is significant uncertainty over the value these properties might fetch in the event of sale with the effect that the valuation of such assets is subjectively estimated.

In accordance with IAS 10 (Events After the Reporting Period) the financial statements reflect adjusting events up to 18 Mai 2011.

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### 3 NEW STANDARDS AND INTERPRETATIONS

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The International Accounting Standards Board (IASB) has issued various accounting standards and the International Financial Interpretations Committee (IFRIC) has issued various interpretations not yet effective.

BRFkredit expects that none of these standards and interpretations will have a material impact on the Group's future financial reporting.

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## NOTE 4, 5 AND 6

Amounts in DKK million

For the three months ended 31 March

	BRFkredit Group		BRFkredit a/s	
	2011	2010	2011	2010
<b>4 INTEREST INCOME</b>				
Receivables from credit institutions and central banks <sup>1)</sup>	2	1	1	1
Loans and other receivables	1,690	1,940	1,644	1,881
Commissions	328	308	328	308
Bonds	227	211	218	208
Financial derivatives	2	2	2	2
Other interest income	12	5	12	5
<b>Total</b>	<b>2,260</b>	<b>2,467</b>	<b>2,204</b>	<b>2,405</b>
Interest on own mortgage bonds, set off against interest on issued bonds	186	167	186	167
<b>Total interest income</b>	<b>2,074</b>	<b>2,300</b>	<b>2,018</b>	<b>2,238</b>
<sup>1)</sup> Of which interest income on reverse transactions entered under 'Receivables from credit institutions and central banks'	0	0	0	0

	BRFkredit Group		BRFkredit a/s	
	2011	2010	2011	2010
<b>5 INTEREST EXPENSES</b>				
Payables to credit institutions and central banks <sup>1)</sup>	39	56	39	54
Deposits and other payables	27	20	-	-
Issued bonds	1,686	1,913	1,689	1,912
Subordinated capital	60	60	60	60
Other interest expenses	3	22	0	18
<b>Total</b>	<b>1,815</b>	<b>2,070</b>	<b>1,789</b>	<b>2,044</b>
Interest on own mortgage bonds, set off against interest on issued bonds	186	167	186	167
<b>Total interest expenses</b>	<b>1,629</b>	<b>1,904</b>	<b>1,603</b>	<b>1,877</b>
<sup>1)</sup> Of which interest expenses from repo transactions entered under 'Payables to credit institutions and central banks'	38	53	38	53

	BRFkredit Group		BRFkredit a/s	
	2011	2010	2011	2010
<b>6 SECURITIES AND FOREIGN EXCHANGE INCOME</b> (- SIGNIFIES A LOSS)				
Mortgage lending	-1,841	1,383	-1,841	1,383
Other loans and receivables at fair value	-7	0	-2	-0
Bonds	-183	191	-179	191
Shares at fair value	-	-	-3	-5
Shares - available for sale	-4	-3	-	-
Investment properties	6	-	6	-
Foreign exchange	-1	0	-1	0
Interest-rate contracts and financial derivatives	222	-230	205	-219
Issued bonds	1,823	-1,377	1,825	-1,377
<b>Total securities and foreign exchange income/loss</b>	<b>16</b>	<b>-35</b>	<b>11</b>	<b>-27</b>

Adjustments of the balance principle brought a total profit of DKK 2 million (2010: loss of DKK 3 million), resulting from a net value adjustment of the following items: Mortgage lending down by DKK 1.841 million (up by DKK 1.383 million), issued bonds up by DKK 1,838 million (down by DKK 1,377 million) and fixed-price agreements in connection with loan disbursements etc. up by DKK 5 million (down by DKK 3 million), recognised in 'Interest-rate contracts and financial derivatives'.

## NOTE 7, 8 AND 9

Amounts in DKK million

For the three months ended 31 March

	BRFkredit Group		BRFkredit a/s	
	2011	2010	2011	2010
<b>7 STAFF COSTS AND ADMINISTRATIVE EXPENSES</b>				
Emoluments and remuneration of Supervisory Board and Board of Representatives <sup>1)</sup>	1	1	1	1
Wages and salaries	112	106	103	99
Defined-contribution pensions	12	12	11	11
Social security costs	12	11	11	11
<b>Total staff costs</b>	<b>136</b>	<b>130</b>	<b>126</b>	<b>121</b>
Other administrative expenses	78	80	72	74
<b>Total staff costs and administrative expenses</b>	<b>214</b>	<b>210</b>	<b>198</b>	<b>195</b>
<b>Average number of employees (full-time equivalent)</b>	<b>738</b>	<b>745</b>	<b>669</b>	<b>674</b>

<sup>1)</sup> The emoluments of ordinary members of the Supervisory Board were DKK 44.000 (DKK 44.000) for the period. The Deputy Chairman received double this amount, whereas the Chairman received triple this amount.

	2011	2010	2011	2010
<b>8 LOAN LOSSES AND IMPAIRMENT CHARGES</b>				
Net changes in impairment charges on individually assessed loans (- signifies a profit)	-74	-79	9	-101
Net changes in impairment charges on groups of loans (- signifies a profit)	54	54	-15	62
Net realised losses <sup>1)</sup>	159	267	65	239
Recoveries of loan losses previously written off	16	3	13	1
<b>Total loan losses and impairment charges</b>	<b>123</b>	<b>239</b>	<b>46</b>	<b>199</b>
<i>Impairment charges on individually assessed loans:</i>				
At beginning of year	1,547	1,775	786	950
Impairment charges during the period	92	155	53	87
Reversal of prior-year impairment charges	75	76	37	49
Realised losses, not previously provided for impairment	90	159	7	139
<b>At end of period</b>	<b>1,473</b>	<b>1,696</b>	<b>795</b>	<b>849</b>
<i>Impairment charges on groups of loans:</i>				
At beginning of year	581	558	475	406
Impairment charges during the period	71	62	-	62
Reversal of prior-year impairment charges	17	8	15	-
<b>At end of period</b>	<b>635</b>	<b>612</b>	<b>460</b>	<b>468</b>

<sup>1)</sup> Of Net realised losses the value adjustment of assets acquired in prior financial years was positive at DKK 17 million (2010: positive DKK 9 million) and operating profit on properties during the period of foreclosure was negative at DKK 2 million (positive at DKK 2 million)

	31 March 2011	31 Dec 2010	31 March 2011	31 Dec 2010
<b>9 LOANS AND OTHER RECEIVABLES AT FAIR VALUE</b>				
Mortgage loans, nominal value	206,229	207,796	206,259	207,826
Adjustment for interest-rate risk etc.	-661	1,172	-661	1,172
Adjustment for credit risk	-1,196	-1,191	-1,189	-1,183
<b>Total mortgage loans at fair value</b>	<b>204,372</b>	<b>207,777</b>	<b>204,409</b>	<b>207,814</b>
Arrears and execution <sup>1)</sup>	331	355	331	355
Other loans and receivables	261	318	261	256
<b>Total loans and other receivables at fair value</b>	<b>204,964</b>	<b>208,450</b>	<b>205,000</b>	<b>208,425</b>

<sup>1)</sup> Arrears before impairment charges were DKK 208 million as of 31 March 2011 (DKK 229 million at end 2010)

## NOTE 10, 11 AND 12

Amounts in DKK million

**10 ISSUED BONDS AT AMORTISED COST**

In January 2001 Junior Covered Bonds at DKK 1,0 billion expired. In March 2011 BRFkredit a/s issued Junior Covered Bonds for DKK 1,0 billion.

	BRFkredit Group		BRFkredit a/s	
	31 March 2011	31 Dec 2010	31 March 2011	31 Dec 2010
<b>11 CONTINGENT LIABILITIES</b>				
<b>Guarantees etc.</b>				
Financial guarantees	256	170	-	-
Other guarantees	80	130	54	52
Total guarantees etc.	336	300	54	52
<b>Other contingent liabilities</b>				
Other liabilities	63	48	63	48
Total other contingent liabilities	63	48	63	48
Total contingent liabilities	399	348	117	100

**12 DIFFERENCE BETWEEN CONSOLIDATED FINANCIAL STATEMENTS PRESENTED UNDER IFRS AND CONSOLIDATED FINANCIAL STATEMENTS FILED WITH THE DANISH FINANCIAL SUPERVISORY AUTHORITY**

In terms of profit or loss and equity, the difference between the consolidated financial statements presented under IFRS and the financial statements filed with the Financial Supervisory Authority can be specified as follows:

	Net profit or loss		Equity	
	Q1 2011	Q1 2010	31 March 2011	31 Dec 2010
According to consolidated financial statements	66	-78	9,809	9,742
Shares available for sale	1	-2	-	-
Group's accounting figures according to the rules of Financial Supervisory Authority	67	-80	9,809	9,742

*In accordance with IFRS, the net increase during the year in the value of shares classified as 'available for sale', see accounting policies, is recognised in other comprehensive income (directly in equity) until the asset is realised, after which the gain is transferred to the income statement. According to the rules of the Danish Financial Supervisory Authority, value adjustments during the year are required to be recognised directly in the income statement.*

## NOTE 13 AND 14

Amounts in DKK million

<b>13 FINANCIAL AND OPERATING DATA AT 31 MARCH</b>	<b>2011</b>	2010	2009	2008	2007
<b>BRFkredit a/s</b>					
Solvency ratio	15.7	14.3	13.3	13.2	12.9
Core capital ratio	16.0	14.6	13.3	11.5	11.2
Return on equity before tax (%)	0.9	-1.0	-4.3	0.5	2.5
Return on equity after tax (%)	0.7	-0.8	-3.3	0.2	1.9
Earnings per unit of cost (DKK)	1.4	0.8	0.3	1.3	2.6
Foreign exchange position (%)	4.6	2.2	2.0	1.3	1.8
Accumulated impairment ratio	0.6	0.6	0.4	0.1	0.0
Impairment ratio for the year	0.0	0.1	0.2	0.0	0.0
Growth in lending during the year (%)	-1.5	-0.9	1.7	2.8	3.1
Loan-to-equity ratio	20.9	22.4	21.3	17.7	17.0
<b>BRFkredit Group</b>					
Solvency ratio	14.5	13.2	12.4	12.2	12.3
Core capital ratio	14.8	13.4	12.4	10.7	10.7
Return on equity before tax (%)	0.9	-1.0	-4.2	0.9	2.5
Return on equity after tax (%)	0.7	-0.8	-3.2	0.6	1.9
Earnings per unit of cost (DKK)	1.3	0.8	0.5	1.2	2.5
Foreign exchange position (%)	4.7	2.3	2.0	1.3	1.8
Accumulated impairment ratio	1.0	1.0	0.6	0.1	0.0
Impairment ratio for the year	0.1	0.1	0.3	0.0	0.0
Growth in lending during the year (%)	-3.5	-0.9	1.5	2.7	3.2
Loan-to-equity ratio	21.3	22.8	21.8	18.1	17.3

The key financial figures and ratios set out above have been computed in compliance with the guidelines of the Danish Financial Supervisory Authority. For specifications, visit [www.finanstilsynet.dk](http://www.finanstilsynet.dk).

<b>14 CORE CAPITAL, OWN FUNDS AND SOLVENCY RATIO</b>	BRFkredit Group		BRFkredit a/s	
	<b>31 March 2011</b>	31 Dec 2010	<b>31 March 2011</b>	31 Dec 2010
Core capital (tier 1) after deduction	11,545	11,390	11,798	11,625
Own funds (capital base)	11,360	11,143	11,612	11,377
Weighted items outside trading portfolio, including off-balance sheet items	65,586	68,162	59,694	64,117
Operational risk	2,851	3,029	2,550	2,733
Weighted items with market risk etc.	11,697	11,649	11,571	11,295
<b>Total weighted items</b>	<b>78,134</b>	<b>82,840</b>	<b>73,815</b>	<b>78,145</b>
Core capital (tier 1) after deduction as % of total weighted items	14.8	13.7	16.0	14.9
Solvency ratio	14.5	13.5	15.7	14.6
BRFkredit's capital requirement under s. 124(2) of the Danish Financial Business Act	6,251	6,627	5,905	6,252
Core capital and own funds are derived as follows:				
Equity	9,809	9,742	9,809	9,742
Intangible assets	-4	-4	-4	-4
Deferred tax assets	-277	-301	-25	-67
Accumulated changes in value	-6	-6	-6	-6
<b>Core capital, excluding hybrid core capital</b>	<b>9,522</b>	<b>9,430</b>	<b>9,775</b>	<b>9,665</b>
Hybrid core capital	2,218	2,217	2,218	2,217
50% difference between expected loss and accounting-relating impairment	-195	-257	-195	-257
<b>Core capital (tier 1) after deduction</b>	<b>11,545</b>	<b>11,390</b>	<b>11,798</b>	<b>11,625</b>
Supplementary capital, excluding hybrid core capital	3	3	3	3
Accumulated changes in value	6	6	6	6
50% difference between expected loss and accounting-relating impairment	-195	-257	-195	-257
<b>Own funds (capital base)</b>	<b>11,360</b>	<b>11,143</b>	<b>11,612</b>	<b>11,377</b>

