

TRANSLATION FROM DANISH. THE DANISH VERSION PREVAILS.

**BASE PROSPECTUS FOR COVERED BONDS
ISSUED BY BRFKREDIT A/S**

Date: 6 December 2007

1. Index

| | |
|--|-----------|
| 1. Index | 1 |
| 2. Summary | 2 |
| 3. Risk factors | 4 |
| 3.1. Risk factors pertaining to the offered bonds | 4 |
| 3.2. Risk factors pertaining to the issuer | 4 |
| 3.3. Legislation | 6 |
| 4. Description of the issuer and the terms and conditions for the offered bonds | 13 |
| 4.1. Responsible persons..... | 13 |
| 4.2. Information about the issuer | 14 |
| 4.3. Auditors | 15 |
| 4.4. Financial information..... | 16 |
| 4.5. BRFkredit's activities and market | 17 |
| 4.6. Rating..... | 18 |
| 4.7. Available information about the issuer | 18 |
| 4.8. Information about the offered bonds | 18 |
| 4.9. Information about offered volumes, settlement dates and turnover..... | 22 |
| 5. Cross references between Regulation 809/2004/EC and information in this prospectus | 24 |
| 6. Schedule of documents that are part of this prospectus by reference | 26 |

This prospectus takes the form of a base prospectus in pursuance of Directive No. 2003/71/EF (“The Prospectus Directive”), Commission Regulation (EC) No. 809/2004, the Danish Securities Transactions Act as well as Executive Order No. 306 of 28 April 2005 issued by the Danish Financial Supervisory Authority under the Danish Securities Transactions Act. The Executive Order contains forms, which state the information that an issuer must disclose in a prospectus.

In the drawing-up of the prospectus, the following forms contained in the Regulation have been used as a starting point:

APPENDIX IV: Minimum information requirements for the registration document for debt securities and derivative instruments
APPENDIX V: Minimum information requirements for information in the securities note regarding debt securities

The prospectus contains a table listing the cross references between the individual paragraphs in the prospectus and the individual items in the forms used in the Regulation.

2. Summary

BRFkredit a/s (in the following called BRFkredit) intends to issue covered bonds according to this prospectus.

BRFkredit is a Danish mortgage credit institution. A mortgage credit institution is a financial company that – with permission from the Danish Financial Supervisory Authority – grants loans against a registered mortgage on real property and unsecured loans on real property against a guarantee or a guarantee where the guarantor assumes primary liability from public authorities or central banks. BRFkredit has obtained permission from the Danish Financial Supervisory Authority to issue covered bonds.

In its activities, BRFkredit is subjected to the Danish Financial Services Act as well as the Danish Mortgage Credit Loans and Mortgage bonds Act. BRFkredit is subjected to supervision by the Danish Financial Supervisory Authority, which supervises that the two Acts are being observed.

BRFkredit wishes to draw the attention of interested investors to the fact:

- That this summary should be read as an introduction to the prospectus, and
- That any decision to invest in the securities should be made on the basis of the prospectus as a whole, and
- That if a dispute concerning the information in the prospectus is brought before a court of law, the suing investor may be liable to paying costs in connection with the translation of the prospectus, before the proceedings are initiated, and
- That the physical or legal persons, who have drawn up the summary and any translations hereof and who have requested an approval of the summary and/or translation, may incur civil liability, but only if the summary and/or translation thereof is misleading, incorrect or inconsistent when read together with the other parts of the prospectus.

The issuance of covered bonds shall take place in accordance with the Danish Mortgage Credit Loans and Mortgage bonds etc. Act with the relevant executive orders and with the Danish Financial Services Act with the relevant executive orders.

Investment in covered bonds is connected with risk. It should be noted:

- That the YTM and market price of the bonds may change.
- That the volume and negotiability of the bonds may change.
- That payments on the bonds may be affected by prepayments.
- That holders of the bonds are considered secured creditors in the event of BRFkredit’s insolvency.
- That the bonds are not covered by any third-party guarantee.

The activities of the issuer and the demands in regard to the issuer's operations are regulated by law, which stipulates how the issuer may fund lending, just as the legislation imposes limits on the size of the individual loans and commitments, repayment profiles, currency, interest, option and liquidity risk, just as it stipulates requirements in terms of BRFkredit's capital.

The proceeds from the issuance may be used in accordance with the legislative framework in force at all times to:

- Finance or re-finance loans against a mortgage on real property etc. granted by BRFkredit.
- Finance or re-finance loans against a mortgage on real property etc. granted by another credit institute in compliance with the legislative provisions in regard to joint funding
- Invest in bonds and instruments of debt issued by or guaranteed by public authorities and central banks
- Invest in bonds, instruments of debt and other claims and guarantees issued by credit institutes.

The issuance shall be divided into series, which are identified by means of a series description. A series may consist of several bond series (bonds), where each individual bond can be identified by means of ISIN code.

The bonds are freely negotiable securities or investment securities.

For each bond, the final terms and conditions stipulate the regulated market(s) (stock exchanges) at which the bonds are to be listed and traded, at which clearing centre the bonds will be registered and from where payments on the bonds will be made.

The bonds issued are guaranteed against that part of BRFkredit's assets, which is stipulated in the final terms and conditions for each individual bond. The final terms and conditions furthermore stipulate, from which BRFkredit capital centre the bonds are issued. Mortgage bonds or covered mortgage bonds cannot be issued from a capital centre, from which covered bonds are issued.

BRFkredit can at any time and without notice separate and transfer bonds under this prospectus, the underlying mortgage and other security documents as well as any attached financial instruments to another capital centre. It is a precondition for such separation and transfer that the possible rating with an internationally acknowledged rating agency of the bonds affected is not deteriorated by the separation process.

BRFkredit can at any time and without notice determine that the designation of all or part of the bonds covered by this prospectus be changed to Covered Mortgage Bonds. In the event that only part of the bonds change designation, a prerequisite for this change will be that the Covered Mortgage Bonds or the Covered Bonds as well as the underlying mortgages, other forms of security and any attached financial instruments etc. be separated into another capital centre. A precondition for this is that the terms and conditions for such separation have been met with. It is a prerequisite that a possible rating with an international rating agency of the bonds in question will not be deteriorated due to the change. The decision to change the designation of the bonds also depends on the bonds having met with the criteria of Covered Mortgage Bonds at the time when the bonds were issued.

Bonds comprised by this prospectus are regulated by the general balance principle outlined in Chapter 2 of Executive Order No. 718 dated 21 June 2007 on the issuance of bonds, balance principle and risk management. BRFkredit may decide that bonds issued under this prospectus shall instead meet with another balance principle, which is legal under the legislation in force at any time. A change in balance principle would require that a possible rating with an internationally acknowledged rating agency of the capital centre is not deteriorated by the change. Any change in balance principle shall be announced by means of an addendum to this base prospectus.

This prospectus takes the form of a base prospectus in pursuance of Directive No. 2003/71/EF (“The Prospectus Directive”), Commission Regulation (EC) No. 809/2004, the Danish Securities Transactions Act as well as Executive Order No. 306 of 28 April 2005 issued by the Danish Financial Supervisory Authority under the Danish Securities Transactions Act.

The base prospectus consists of this summary, a description of risk factors, a description of the issuer and the issued bonds. When new bond series are opened, the final terms and conditions for these bonds shall be published.

It should be noted that the base prospectus shall be valid for as long as BRFkredit issues the bonds comprised by the base prospectus. Therefore the period of validity of the base prospectus will exceed 12 months. Information provided in the base prospectus may thus be rendered obsolete. BRFkredit shall be under an obligation to publish addenda to the base prospectus if significant events etc. occur, which may affect the valuation of the offered bonds.

The prospectus for a bond shall consist of this base prospectus, any addenda to the base prospectus as well as the final terms and conditions for the bond in question.

3. Risk factors

3.1. Risk factors pertaining to the offered bonds

The following overview of the risk factors affecting the offered bonds is neither exhaustive nor final. Special attention should be paid to the following circumstances:

- The market price, interest or indexation of the bonds may change while the offer is open.
- The volume of bonds in circulation may rise and fall while the offer is open, just as it may fall after the expiry of the offer.
- Future payments on bonds with regular repayments will be affected by future issues, any future fixing of rates and possible indexation.
- Future payments on the bonds can be affected by extraordinary drawings. The possibility and risk of extraordinary repayments by the borrowers (prepayment risk) may affect the price of the bonds and may also affect the risk profile of the bonds (in terms of duration and convexity). It may be stipulated for a bond that the terms and conditions of the bond may change over the maturity of the bond, e.g. that a non-callable bond may be turned into a callable bond with the possibility of extraordinary drawing (callability).
- Payments on the covered bonds may be reduced or withheld if Denmark introduces retention of taxable income (income tax at the source) or the like.
- The bonds would be part of BRFkredit’s estate in liquidation, in which case the holders of mortgage bonds, covered mortgage bonds, covered bonds and bonds that have lost the designation of covered mortgage bonds or covered bonds as well as counterparts to agreements concerning financial instruments used to hedge risk between assets and liabilities would be secured creditors in the estate in liquidation and would be covered prior to other creditors.
- The bonds are not issued with a guarantee from any third party, including the Danish government or other authorities.
- Additional risk factors specific to the individual bonds are indicated in the Final Terms and Conditions for the bonds.

3.2. Risk factors pertaining to the issuer

The activities of the issuer and the demands in regard to the issuer’s operations are regulated by law, which stipulates how the issuer may fund lending, just as the legislation imposes limits on the size of the individual

loans and commitments, repayment profiles, currency, interest, option and liquidity risk, just as it stipulates requirements in terms of BRFkredit's capital. A description of the legislation is outlined in 3.3.

The following is an overview of the risk factors, which may affect BRFkredit's (the issuer's) ability to meet its obligations in relation to the bonds issued. This overview is neither final nor exhaustive. Where the overview indicates circumstances, which are regulated by law, the law referred to is the law in force at the time of the publishing of the prospectus.

- **Liquidity:**
The payments that BRFkredit is to pay to holders of the issued bonds are offset by payments received by BRFkredit from borrowers, payments made to BRFkredit on other financial assets as well as proceeds from the sale of bonds, e.g. re-financing funds. If a borrower defaults on his payments on time, and if an arrears amount arises in this connection, BRFkredit has the possibility of carrying through a forced sale of the underlying property in order to raise funds to pay the bond holders. In periods when a borrower does not make payments on his mortgage loan, BRFkredit makes payments to the bond holder with funds based on the assets that form the underlying security for the bond series in question.
- **Minimum requirements on capital base:**
The bonds issue are secured on the assets in the individual series or group of series with series reserve funds (a capital centre), including mortgage deeds and other forms of security, and the personal liability of the borrowers as stipulated for each individual bond series. As additional security, BRFkredit's other assets will serve in compliance with S.31 of the Danish Mortgage Credit Loans and Mortgage bonds Act. A capital centre must have a capital base that meets the legal requirements in regard to capital base corresponding to 8 per cent of the risk-weighted assets. In the event that the capital base of a capital centre falls below the statutory minimum, BRFkredit must transfer additional funds to this capital centre, provided that in doing so BRFkredit does not bring the capital base of BRFkredit as a whole below the statutory requirements. BRFkredit may remove excess capital from a capital centre, provided that in doing so BRFkredit does not bring the capital base of the capital centre below the statutory requirements.
- **Suspension of payments and compulsory liquidation:**
In the event that BRFkredit suspends payments or is subjected to a liquidation order, no funds can be transferred between the capital centres in BRFkredit. In the event of suspension of payments, BRFkredit shall to the widest possible extent continue to meet its payment obligations towards the holders of issued mortgage bonds, covered mortgage bonds, covered bonds and bonds that have lost the designation of covered mortgage bonds or covered bonds as well as counterparts to agreements concerning financial instruments used to hedge risk between assets and liabilities. Similarly, the liquidator shall, in the event of liquidation, to the widest possible extent continue or resume the honouring of BRFkredit's payment obligations towards the holders of issued mortgage bonds, covered mortgage bonds, covered bonds and bonds that have lost the designation of covered mortgage bonds or covered bonds as well as counterparts to agreements concerning financial instruments used to hedge risk between assets and liabilities. Holders of issued mortgage bonds, covered mortgage bonds, covered bonds and bonds that have lost the designation of covered mortgage bonds or covered bonds as well as counterparts to agreements concerning financial instruments used to hedge risk between assets and liabilities shall be considered secured creditors in the estate in liquidation. The estate in liquidation cannot honour payments on issued mortgage bonds, covered mortgage bonds, covered bonds or other securities at an earlier date than what the holders of such securities are entitled to. Holders of issued mortgage bonds, covered mortgage bonds, covered bonds and bonds that have lost the designation of covered mortgage bonds or covered bonds as well as counterparts to agreements concerning financial instruments used to hedge risk between assets and liabilities cannot claim that suspension of payments, a liquidation order or the failure to meet obligations in terms of providing supplementary security gives them any right to early payment of BRFkredit's obligations. The same provision shall apply to lenders, who have granted loans to BRFkredit, which are used as supplementary security.
- **The sensitivity of the capital base:**
The capital base of BRFkredit is at all times dependent on the development in BRFkredit's results, in-

cluding losses and provisions for loans and mortgages, operating profit, profit from affiliated companies and associated companies, the return on the securities portfolio of the company, the distribution of dividend and repurchase of own shares, BRFkredit's possible increase or reduction of its share capital, BRFkredit's possible raising or repayment of hybrid core capital or subordinated loan capital. The development in BRFkredit's results is furthermore dependent on the operational risks of BRFkredit, which would ia. comprise losses due to insufficient internal procedures, erroneous systems and fraud.

- Observance of lending limits and cover for issued covered bonds:
The value of the assets covering the issued covered bonds must correspond to not less than the value of the issued covered bonds, and the mortgage for each individual loan must observe the lending limit for the property category in question. If this is not the case, BRFkredit shall – in order that the bonds may keep their status as covered bonds – provide supplementary security to meet the demand, just as it must notify the Danish Financial Supervisory Authority. Security is offered in the form of secure and liquid securities. BRFkredit can raise subordinated loan capital against security in the assets in a capital centre with a view to providing funds to meet the demands of supplementary security for issued covered bonds. In the event that BRFkredit does not meet the demand for supplementary security, all issued covered bonds in the capital centre in question shall lose their designation as covered bonds. The Danish Financial Supervisory Authority may permit that bonds, which have lost the designation as covered bonds, may again be termed covered bonds, if the demand for supplementary security is met.
- Force majeure:
BRFkredit shall be liable in damages if – due to error or neglect – BRFkredit meets agreed commitments too late or in a faulty manner. Even in those areas where stricter rules in regard to damages apply, BRFkredit shall not be held responsible for losses due to:
 - Break-down in/lack of access to IT systems or damage to data in such systems, which is attributable to the following events, irrespective of whether it is BRFkredit or an external supplier that is responsible for the operation of the systems,
 - A failure in BRFkredit's power supply or telecommunication, legislative measures or administrative acts, natural disasters, war, uproar, civil unrest, sabotage, terrorism or vandalism (including computer virus and hacking),
 - Strike, lockout, boycott or blockade, irrespective of whether the conflict is aimed at or initiated by BRFkredit or by BRFkredit's organisation, and irrespective of the reason behind the conflict. This provision shall also apply when a conflict affects only parts of BRFkredit,
 - Other circumstances beyond BRFkredit's control.

BRFkredit's exemption from liability shall not apply if:

- BRFkredit ought to have predicted the situation, which is causing the loss, at the time when the agreement was entered into, or ought to have avoided or overcome the reason behind the loss,
- The legislation in all circumstances holds BRFkredit liable for the situation behind the loss.

3.3. Legislation

BRFkredit's activities are regulated by law, and the legislation stipulates how BRFkredit can finance lending, the legislation stipulates limits for the size of the individual loans and commitments, repayment profiles, currency, interest and liquidity risk, just as the legislation stipulates capital adequacy requirements for BRFkredit.

The following is a non-exhaustive description of the legislation that regulates the issuance of covered bonds and the operations of a mortgage credit institution at the time of publication of this prospectus. Amendments to the legislation may affect the below situations outlined for the bonds issued.

3.3.1. Assets permitted as security for the issuance of covered bonds

The following types of assets may function as security for the issuance of covered bonds:

- Loans secured through a registered mortgage on real property, also against temporary security,

- Loans secured through a registered mortgage on real property, also against temporary security, granted by other credit institutions in compliance with the legal provisions regarding joint funding,
- Bonds and instruments of debt issued by or guaranteed by public authorities and central banks,,
- Bonds, instruments of debt and other claims and guarantees issued by credit institutions, at a maximum value corresponding to a nominal 15 per cent of the covered bonds issued by the issuer. This limitation shall also comprise commitments in financial instruments used for hedging purposes with a credit institution as counterparty. Any exceeding must immediately be offset by supplementary security in secure and liquid assets, which are not comprised by the said 15 per cent limit. Any outstanding amounts arising in connection with term payments on and repayments of loans secured through a mortgage on real property, re-mortgaging and pre-issues shall not be included in the 15 per cent limit; nor shall own bonds from the same capital centre be included in the 15 per cent limit.

Financial instruments shall only be included, if they are used to hedge risk between assets pertaining to on the one hand the series and on the other hand the issued mortgage bonds, covered mortgage bonds and covered bonds, in the event that the agreement covering the financial instrument in question stipulates that BRFkredit's suspension of payments, insolvency or failure to comply with the obligation to provide supplementary security is not considered default.

Financial instruments used to hedge risks between assets and issued bonds (cf. item 3.3.2. Balance principle below), shall – in order to be included in the cover – have been agreed with a counterparty qualified for a 20 per cent weight under appendix 3, No. 11, letter a, in the capital adequacy requirement executive order. The demand in regard to the weight of the counterparty shall be met at all times.

If cover is provided against another part within the same legal entity, the following conditions shall be met with:

- Initial security for the total cover with the counterparty according to an ISDA Credit Support Annex. The security shall amount to not less than 2.5 per mille of the aggregate principal sums translated into DKK on outstanding derivative instruments for a counterparty with a minimum AA rating, and not less than 5 per mille for a counterparty with a minimum A rating. The rating shall be made by a rating agency approved by the Danish Financial Supervisory Authority.
- The security shall be unilateral, i.e. the capital centre shall not offer security towards the counterparty.
- Accepted security is made up of secure and liquid assets.
- Continuous daily monitoring of the market values of the derivative instruments.
- In the event that the market value of the derivative instruments leads to a fall of 20 per cent in the initial security, the counterparty shall settle with the capital centre so that the initial security remains intact.

Assets held as security for issued covered bonds shall be held in a separate capital centre. Mortgage bonds, covered mortgage bonds and covered bonds cannot be issued by the same capital centre.

3.3.2. Balance principle

Danish mortgage credit institutions are required to observe a balance principle and a set of rules regarding risk management in connection with the issuance of mortgage bonds, covered mortgage bonds or covered bonds in pursuance of the Danish Mortgage Credit Loans and Mortgage bonds Act. Detailed provisions are stipulated in the Executive Order on the issuance of bonds, balance principle and risk management (hereinafter "the Bond Order"), which has been issued in compliance with the Act.

The Bond Order stipulates limits to the acceptable differences between on the one hand payments made by borrowers with loans against mortgages on real property, unsecured loans or loans with public guarantees to public authorities, other investments in assets that may serve as security, derivative financial instruments to cover payment differences and investments pursuant to S. 4(5) of the Bond Order, and on the other hand payments to holders of the issued mortgage bonds, covered mortgage bonds, covered bonds, other securities

with a preferential position issued by mortgage credit institutions and derivative financial instruments to cover payment differences.

The limits are regulated by means of loss limits for the interest, currency, option and liquidity risk that results from payment differences on the balance sheet. The Bond Order furthermore contains a number of provisions pertaining to limits to financial risk.

For mortgage credit institutions, the balance principle applies to both the individual capital centres and to the mortgage credit institution as a whole.

The balance principle and risk management are based on the following two tenets:

1. The statutory demands in regard to investment of the proceeds in approved assets in connection with the issuance by Danish mortgage credit institutions of mortgage bonds, covered mortgage bonds, covered bonds or other securities with a preferential position issued by mortgage credit institutions.
2. Interest, currency and option risks are only permitted to a limited extent.

There are, however, a number of technical details in connection with the lending activities of BRFkredit, which mean that a number of investments are not comprised by the limitations in the legislation in regard to unsecured claims on other credit institutions in connection with the issuance of mortgage bonds, covered mortgage bonds or covered bonds:

- Investment of funds in connection with the payment of new loans and re-financing, re-mortgaging or prepayment of existing loans, which would lead to the circulation of bonds for which the mortgage credit institution does not yet have a mortgage on real property (payments and re-financing) or awaits the repayment of bonds in circulation (re-mortgaging and prepayment).
- Guarantees that serve as temporary security in connection with loans against a mortgage on real property until there is a final, registered mortgage.
- Own issued bonds in the same capital centre.

Under the Bond Order, the mortgage credit institution may for each capital centre choose between two types of balance principles, irrespective of whether it is issuing mortgage bonds, covered mortgage bonds or covered bonds:

1. The general balance principle under Chapter 2 of the Bond Order,
2. The specific balance principle under Chapter 3 of the Bond Order.

Covered bonds under this prospectus are regulated according to the general balance principle under Chapter 2 of Executive Order No. 718 dated 21 June 2007 on the issuance of bonds, balance principle and risk management. BRFkredit may determine that bonds issued under this prospectus shall instead observe another balance principle, which is legal under the legislation in force at any time. A change in balance principle would require that a possible rating with an internationally acknowledged rating agency of the capital centre is not deteriorated by the change. Any change in balance principle shall be announced by means of an addendum to this base prospectus.

Framework for risks and risk management under the general balance principle

The management of interest risk, currency risk and option risk is regulated through a stress test and a related loss limit. In addition, there are other structural provisions aimed at limiting liquidity risk.

Interest risk

The interest risk is calculated for each currency as the biggest fall in present value of payment differences under the assumption of the development in interest structure in two sets of stress tests (higher and lower stress).

The interest risk assumed by a mortgage credit institution cannot exceed an amount corresponding to 1 pc of the capital requirement + 2 pc of additional capital in the capital centre in the lower stress test or to 5 pc of the capital requirement + 10 pc of the additional capital in the capital centre in the higher stress test, respectively.

The interest risk for each currency is added, and in principle there is no access to offsetting interest risks in the respective currencies – however, the interest risk in DKK and EUR can be offset with up to 50 pc of the lowest calculated numerical interest risk in the two currencies.

Currency risk

The currency risk is calculated as the biggest fall in present value of payment differences under different assumptions in regard to the development in currency rates.

The currency risk assumed by a mortgage credit institution cannot exceed an amount corresponding to 10 pc of the capital requirement + 10 pc of additional capital in the capital centre calculated for EUR, and 1 pc of the capital requirement + 1 pc of additional capital in the capital centre calculated for other currencies.

Option risk

The option risk is calculated for each currency as the biggest fall in present value of payment differences under different assumptions in regard to the development in volatility structure.

The option risk assumed by a mortgage credit institution cannot exceed an amount corresponding to 0.5 pc of the capital requirement + 1 pc of additional capital in the capital centre.

The option risk for each currency is added, and in principle there is no access to offsetting option risks in the respective currencies – however, the option risk in DKK and EUR can be offset with up to 50 pc of the lowest calculated numerical interest risk in the two currencies.

Liquidity risk

Interest payments received must exceed interest payments made over a period of 12 months running. Interest payments received include capital in the capital centre as well as liquidity investments, if they are made in secure and liquid securities, claims on central governments and central banks in zone A countries or as deposits with credit institutions in zone A countries. This calculation may be omitted for constructions in which loan and funding amounts match, including constructions where investment gains/losses are offset by means of compensation or an addition to the interest payments made by the borrower.

The present value of future amounts receivable shall at all times exceed the present value of amounts payable.

3.3.3. BRFkredit's observance of the balance principle

In practice, and in relation to the bonds comprised by this prospectus, BRFkredit will set up its lending activities in such a manner that it does not assume significant financial risk in regard to its lending activities and the funding of the lending activities.

It should be noted that the Bond Order regulates the actual issuance of mortgage bonds, covered mortgage bonds, covered bonds and other securities with a preferential position issued by mortgage credit institutions. The actual bond issuance is not directly shown in the key figures in annual and interim financial statements presented according to IFRS. This is due to the fact that under IAS 39, the item under liabilities "Bonds issued" must be reduced with BRFkredit's holdings of own issued mortgage bonds, covered mortgage bonds, covered bonds and other securities with a preferential position issued by mortgage credit institutions.

Correspondingly, the investment of funds in secure, liquid securities under the Bond Order will not appear directly under assets. This is due to the fact that under IFRS, any holdings of own issued mortgage bonds, covered mortgage bonds, covered bonds and other securities with a preferential position issued by mortgage credit institutions shall be offset in the item under liabilities “Bonds issued”.

3.3.4. Investment of liquidity

A mortgage credit institution is required to at least have funds invested in the following assets, corresponding to 60 pc of the required capital base of the mortgage credit institution with the addition of funds in series with a repayment obligation, which is not included in the capital base:

- Deposits with central banks in zone A
- Bonds and instruments of debt issued by or guaranteed by governments or regional authorities in zone A
- Mortgage bonds, covered mortgage bonds and covered bonds as well as other bonds issued by a credit institution in a country within the European Union or a country with which the EU has made agreements in the financial area, and which offers a comparable security.

Under the Danish Financial Services Act, the calculation of BRFkredit’s capital base will be reduced with an amount corresponding to the capital stake that BRFkredit holds in credit institutions, investment services companies and investment funds, which exceeds 10 pc of the capital stake in the said undertakings. Additionally, the calculation of the capital base will be reduced with an amount corresponding to 15 pc of the capital stake in another undertaking or undertakings within the same group of companies.

A mortgage credit institution cannot own real property or hold stakes in property companies to an amount corresponding to more than 20 pc of the institute’s capital base. However, properties acquired by a mortgage credit institution with an aim to carry out mortgage credit activities, financial activities or insurance activities are not comprised by this provision.

3.3.5. Capital adequacy

An issuer must hold a capital base that amounts to not less than 8 pc of the risk-weighted assets (however, not less than EUR 5m). This requirement applies to both the issuer as a whole and to the individual capital centres under the issuer.

In the event that a capital centre fails to meet the capital adequacy demand, funds must be transferred from the general capital centre of the mortgage credit institution, however not if this means that the general capital centre fails to meet the 8 pc capital base requirement. Excess capital may be transferred from the individual capital centres to the general capital centre.

3.3.6. Lending limits (Loan-to-Value, LTV)

The value of the assets that cover the issued covered bonds must correspond to not less than the value of the issued covered bonds, and the mortgage underlying the individual loan must be within the lending limit for the property category in question.

In the event that the value of the assets covering the issued covered bonds no longer correspond to not less than the value of the issued covered bonds or no longer are within the lending limits for the property category in question, the mortgage credit institution shall – in order that the bonds can maintain their status as covered bonds – provide additional security to meet the demand and notify the Danish Financial Supervisory Authority. Additional security must be provided in the form of secure and liquid securities.

In the event that BRFkredit does not meet the demand for supplementary security, all issued covered bonds in the capital centre in question shall lose their designation as covered bonds. The Danish Financial Supervi-

sory Authority may permit that bonds, which have lost the designation as covered bonds, may again be termed covered bonds, if the requirements are met.

Loans may be granted to the following property categories within an LTV of 80 pc:

- Owner-occupied homes for all-year habitation
- Private co-operative homes
- Private rental properties
- Subsidised housing
- Housing for the young
- Housing for the elderly etc.
- Properties for social, cultural and educational purposes.

Loans may be granted to the following property categories within an LTV of 60 pc:

- Recreational dwellings
- Agricultural and forestial properties
- Market gardens etc.
- Office and business properties
- Manufacturing and manual industry properties
- Collective energy plants

For loans financed through covered bonds to the following property categories, the rules stipulated that the LTV of 60 pc may be raised to 70 pc if additional security of not less than 10 pc for that part of the loan that exceeds 60 pc of the value of the property is provided.

- Agricultural and forestial properties
- Market gardens etc.
- Office and business properties
- Manufacturing and manual industry properties

Loans may be granted to the following property categories within an LTV of 40 pc:

- Unbuilt sites

In connection with the establishment of subsidised housing, the LTV may be raised against a guarantee for that part of the loan, which exceeds 65 pc. Apart from that, loans may not be granted in excess of the LTVs stipulated, even if a guarantee is offered for the excess part of the loan.

3.3.7. Repayment profile and maturity

The maximum maturity for loans is 30 years. However, the maximum maturity is 35 years for loans to subsidised housing, housing for the young and private co-operative housing, if the loan in question is granted on the basis of a guarantee of subsidy under the Danish Subsidised Housing & Subsidised, Private Housing Societies etc. Act. When the maturity of the loan is determined, the anticipated deterioration in value of the mortgaged property and the repayment profile of the loan must be taken into consideration.

Loans to owner-occupied homes for all-year habitation and recreational dwellings cannot – irrespective of the degree of security offered – be granted allowing for a slower repayment than a 30-year loan, which is repaid over the maturity with a payment in the form of a fixed percentage of the principal amount (annuity loans). Within the maturity, the minimum demand on the amortisation profile may be deviated from for a period of up to 10 years in due consideration of the anticipated deterioration in value of the mortgaged property. For owner-occupied homes for all-year habitation, the minimum demand on the amortisation profile

may be deviated from for a period of more than 10 years, if the loan granted does not exceed a lending limit of 70 pc (75 pc as from 1 July 2009).

For the following property categories, the maximum maturity of 30 years shall not apply, if the loan granted does not exceed a lending limit of 70 pc (75 pc as from 1 July 2009):

- Owner-occupied homes for all-year habitation
- Private co-operative homes
- Private rental properties
- Subsidised housing
- Housing for the young
- Housing for the elderly etc.
- Properties for social, cultural and educational purposes.

3.3.8. The right to take out special loans

Mortgage credit institutions with permission to issue covered bonds may ia. take out special loans to be used in the fulfilment of demands for additional security. Such loans shall be taken out according to a separate prospectus and cannot be comprised by this present base prospectus. The loan agreement must stipulate, to which capital centre the loan funds are attributable. Loan funds are to be invested in secure and liquid assets. From the time when the loan is raised, the assets shall be placed in a separate account, in a separate custody account or shall in another way be earmarked as arising from the loan in question. When the assets are used as additional security, they shall be included in the capital centre in question.

3.3.9. Insolvency

In the event that a mortgage credit institution is declared insolvent, the Danish Financial Supervisory Authority can initiate insolvency proceedings. Once the insolvency order has been issued, no transfer of funds can take place between the capital centres and the general capital centre. The secured claims of holders of covered bonds and other securities with a preferential status and counterparts to agreements concerning financial instruments used to hedge risk between assets and liabilities are formed by the assets in the capital centre net of income and expenses relating to the capital centre.

If the mortgage credit institution is declared insolvent, the funds in the capital centres less deduction of expenses pertaining to the administration of the insolvent estate etc., including expenses to liquidator, staff, etc. shall be used to pay claims from holders of covered bonds and other securities with a preferential position as well as counterparts on agreements concerning financial instruments used to hedge risk between assets and liabilities; next the debt incurred by the mortgage credit institution in order to offer additional security, cf. S 27 of the Danish Mortgage Credit Loans and Mortgage bonds etc. Act in the capital centre in question as well as claims for interest accrued on the said claims as from the date of the insolvency declaration. Any remaining funds shall then be part of the assets available for distribution, cf S 32 of the Danish Insolvency Act.

Financial instruments can only be included if they are used to hedge risks between assets pertaining to on the one hand the series and on the other hand the issued covered bonds, if the agreement about the financial instrument in question stipulates that the suspension of payments, insolvency or failure to meet its obligation to offer additional security by the mortgage credit institution is not considered breach. If one of the said situations should occur, counterparts on the financial instruments created to hedge risk in a series of covered bonds shall be ranked *pari passu* with holders of the covered bonds.

The insolvent estate cannot make payments to fulfil claims from holders of covered bonds and other securities with a preferential position at an earlier time than the time at which the mortgage credit institution would be entitled to discharge by payment of the amount. The liquidator shall to the widest possible extent when carrying out his duties continue or resume the payment of the obligations of the mortgage credit institution,

including the payment of interest and repayment of capital in the individual capital centres and the mortgage credit institution as such to holders of covered bonds and other securities. To the extent to which funds are not sufficient, interest shall be paid to holders of mortgage bonds, covered mortgage bonds, covered bonds and other securities with a preferential position, before any drawings are made.

3.3.10. Arrears

In the event that repayments on a loan are not made punctually, the mortgage credit institution may instigate a forced sale to raise funds for payment. In the period during which the borrower fails to make repayments on the loan, the mortgage credit institution will make payments to the bond holders as long as there are funds available in the capital centre.

4. Description of the issuer and the terms and conditions for the offered bonds

4.1. Responsible persons

4.1.1. Responsibility for the prospectus

BRFkredit a/s
Klampenborgvej 205
DK-2800 Kgs. Lyngby
Denmark

4.1.2. Declaration in connection with the prospectus

This prospectus has been drawn up by BRFkredit a/s. In this connection, the Board of Directors and the Board of Management have made the following statement:

"We, the Board of Directors and the Board of Management of BRFkredit a/s, hereby declare that we have done our utmost to ensure that to the best of our knowledge the information provided in this prospectus is in compliance with the actual facts and that no information has been omitted that could affect the contents."

Kgs. Lyngby, on 6 December 2007

This prospectus (including the declaration contained in the prospectus) is hereby signed on behalf of the Board of Directors and the Board of Management of BRFkredit a/s upon authorisation from the Board of Directors of BRFkredit a/s.

[signed]
Sven A. Blomberg
CEO

[signed]
Carsten Tirsbæk Madsen
Executive Vice President

4.2. Information about the issuer

4.2.1. Name, registered office, shareholders and object

The issuer is:

BRFkredit a/s

Klampenborgvej 205

DK-2800 Kgs. Lyngby

Denmark

Telephone (+45) 45 93 45 93

Telefax (+45) 45 93 45 22

E-mail brfkredit@brf.dk

Website <http://www.brf.dk>

CVR No. 13409838

The registered office of BRFkredit is in the municipality of Lyngby-Taarbæk. BRFkredit operates under Danish legislation and is registered with the Danish Commerce and Companies Agency under CVR number 13 40 98 38.

BRFkredit is a wholly owned subsidiary company of BRFFholding a/s, which is wholly owned by BRFFonden. The share capital of BRFkredit amounts to DKK 306,480,000 (3,064,800 individual shares @ DKK 100). The share capital is distributed with DKK 56,480,000 A shares and DKK 250,000,000 B shares. For further information, cf. the Articles of Association of BRFkredit.

According to S.2 in the Articles of Association, the object of BRFkredit is to undertake mortgage lending and other activities, which are legal under the legislative framework in force at all times for Danish mortgage credit institutions.

BRFkredit began its mortgage credit lending activities in 1959 under the name of Byggeriets Realkreditfond (the Housing Mortgage Fund) (BRF). In May 1990, and with accounting effect as from December 1989, the activities of the Fund were transferred to BRFkredit, and at the same time the Fund changed its name to BRFFonden.

BRFkredit has an authorisation from the Danish Financial Supervisory Authority to carry out its activities, and BRFkredit is under current supervision by the Danish Financial Supervisory Authority,

BRFkredit has an authorisation from the Danish Financial Supervisory Authority to issue covered bonds.

4.2.2. Board of Directors and Board of Management of BRFkredit

| | |
|--|--|
| Board of Directors: | Address: |
| Oluf Engell, chairman | Advokatkontoret Hjejle, Gersted & Mogensen Amagertorv 24, DK-1160 København K |
| Kurt Bligaard Pedersen, deputy chairman | DONG Energy Agern Allé 24, 2970 Hørsholm |
| Troels Behr | Nyvej 10 B, st. th., DK-1851 Frederiksberg C |
| Kristian May | MT Højgaard a/s Knud Højgaards Vej 9, DK-2860 Søborg |
| Lars Munch | JP/Politikens Hus A/S Rådhuspladsen 37, DK-1785 København V |
| Aksel Nissen | Snekkevej 45, DK-4040 Jyllinge |
| Laila Busted, elected by staff | Agertoften 13, DK-2750 Ballerup |
| Thomas Sandelius, elected by staff | Syrenvej 24, DK-2970 Hørsholm |
| Jan Frederiksen, elected by staff | Hedeparken 147, 1. th, DK-2750 Ballerup |
| Board of Management: | |
| Sven A. Blomberg, CEO | BRFkredit a/s Klampenborgvej 205, DK-2800 Kgs. Lyngby |
| Carsten Tirsbæk Madsen, executive vice president | BRFkredit a/s Klampenborgvej 205, DK-2800 Kgs. Lyngby |

Information about directorships and executive positions held by BRFkredit's Board of Directors and Board of Management, which are not carried out at BRFkredit, can be seen in BRFkredit's annual report for 2006.

4.2.3. Declaration regarding conflicts of interests

There are no conflicts of interests between the obligations of the members of the Board of Directors and the Board of Management towards BRFkredit and the obligations that they have taken upon themselves due to their other interests and obligations.

4.2.4. Working practices of the Board of Directors

The Board of Directors of BRFkredit has not set up an audit committee.

The Board of Directors of BRFkredit has made no statements about the observance of corporate governance standards, since this is not mandatory in Denmark.

4.3. Auditors

4.3.1. Name and address of the auditors of the issuer

The external auditor elected at the annual general meeting in BRFkredit:

PricewaterhouseCoopers, Statsautoriseret Revisionsinteressentskab
Strandvejen 44, DK-2900 Hellerup, telephone (+45) 39 45 39 45, telefax (+45) 39 45 39 87

State-Authorised Public Accountant Kim Fücksel, who is a member of The Institute of State Authorized Public Accountants in Denmark (FSR)

BRFkredit has an internal audit department reporting directly to the Board of Directors of BRFkredit. This department is headed by Arne List.

Neither the external auditor nor the internal audit department has carried out an examination of or made declarations about this prospectus.

4.3.2. Changes to audit practices

At the annual general meeting in BRFkredit on 26 April 2005, a proposal for changes to the Articles of Association of the company was put forward and approved. One of the points approved was that the company accounts shall be audited by at least one state-authorized public accountant against the previous required number of two. This change is solely an adjustment in compliance with the Danish Financial Services Act.

4.4. Financial information

4.4.1. Financial information and expected development

BRFkredit prepares one set of financial statements for BRFkredit a/s and one set for the BRFkredit Group. We refer to BRFkredit's annual reports for 2005 and 2006 and to stock exchange announcements Nos. 02/2006 and 02/2007 for financial information. We furthermore refer to stock exchange announcement No. 28/2007 Interim Report 2007 for the BRFkredit group for financial information.

This prospectus contains no information about earnings expectations.

4.4.2. Declaration regarding trend information and capital structure

Since the publication of the most recent annual report, no events have occurred that will to any noticeable degree affect the assessment of the solvency, capital structure or expected development of BRFkredit.

BRFkredit has not in the period following the publication of its most recent annual report and financial statements undertaken major investments or undertaken any obligation to make major investments.

4.4.3. Declaration regarding the auditing of historical financial information

BRFkredit's annual reports for 2005 and 2006 have been audited by BRFkredit's auditors in compliance with the Danish statutory requirements pertaining to financial reporting.

4.4.4. Declaration regarding lawsuits and arbitration proceedings

BRFkredit is not part to any lawsuits or arbitration proceedings that could have any significant influence on the financial position or results of BRFkredit. BRFkredit knows of no government intervention plans that could have any significant impact on the financial position or results of BRFkredit.

4.4.5. Declaration regarding obligations

There are no contracts or other obligations that are not entered into as part of the ordinary business of BRFkredit, and which could affect BRFkredit's ability to meet its obligations towards the holders of the issued bonds.

4.5. BRFkredit's activities and market

BRFkredit began its mortgage credit activities in 1959 under the name of Byggeriets Realkreditfond (BRF) (The Housing Mortgage Fund). The activities of the Fund were in December 1989 transferred to BRFkredit, and at the same time the Fund changed its name to BRFfonden.

In 1995, BRFkredit established the bank BRFbank, which is today a wholly owned subsidiary of BRFkredit. The object of the bank is to support the activities of BRFkredit by offering products to supplement the mortgage loans in connection with new building projects and property transactions as well as in connection with the re-mortgaging of existing home loans. Since a large part of BRFkredit's commitments concerns bridge loans, many customer relationships are temporary. In 2007, steps have been taken to expand the product portfolio of the Bank. Today, the Bank offers internet banking and Dankort/Visa. In June 2007, the product Boligkrediten (the Housing Credit) was launched, which offers the private customers of the Bank flexible terms when they take our long-term bank loans against a mortgage on real property.

In addition to this, BRFkredit has equity investments in other subsidiary companies and associated companies that carry out activities, which support the activities of BRFkredit and the co-operation with BRFkredit's loan providers.

For additional, in-depth information about the BRFkredit Group, we refer to the annual report of BRFkredit.

Business concept

BRFkredit offers financial solutions and other services to clients in relation to real property. In its capacity of being owned by a foundation and being independent of a bank, BRFkredit must guarantee inexpensive housing finance and provide safe investment opportunities to bond holders.

It is the aim of BRFkredit to generate earnings that are sufficiently high to ensure a healthy and competitive development of the company. This may be achieved via the access to competitive funding in the mortgage bond market and consequently through the possibility of offering customers favourable loan offers; it may also be achieved by BRFkredit's focus on growth in low-risk lending segments.

BRFkredit places considerable emphasis on the security of investors; one of its independent goals is to maintain a suitable capital so that BRFkredit may at all times be considered a gilt-edged issuer. These principles are intended to ensure that BRFkredit will at all times have access to competitive funding.

A profitable growth to the portfolio within selected market segments is a goal that BRFkredit pursues through its competitive product range and the continuous strengthening of BRFkredit's distribution power and by having particular focus on risk management.

BRFkredit's activities and market

BRFkredit focuses on granting loans to residential properties and to office and business premises. Loans to residential properties, including owner-occupied homes, co-operative homes, rental homes and publicly subsidised housing projects, make up by far the bulk of BRFkredit's total loan portfolio, whereas loans to office and business premises account for a smaller part. The main activity of BRFkredit is mortgage lending to the Danish market.

BRFkredit has invested considerable resources in systems development to increase the flexibility in the handling of loans and loan offers, irrespective of whether the customer has contacted an advisor, an estate agent, a bank, has used the website or has contacted BRFkredit directly.

BRFkredit's mortgage loans are provided via a number of sales channels and partnerships, and it is the strategy of BRFkredit to expand these partnerships on a current basis. BRFkredit is co-operating with among others the estate agency chains of EDC and SAFE Mæglerne. BRFkredit has also entered into co-operations

with a number of banks, i.e. FIH Erhvervsbank, Handelsbanken, Lån & Spar Bank and Alm. Brand Bank about arrangement of BRFkredit loans. On top of this, loans are also arranged via other advisors, via BRFkredit's website and via direct sale by BRFkredit.

We refer to the annual report for 2006 of the BRFkredit group for comments on significant markets and the competitive situation.

BRFkredit's capital structure

BRFkredit considers it important to have a suitable capital to secure its business possibilities of continuing to operate in a market with fluctuating economic trends. The capital also helps secure the bondholders to the widest possible extent so that BRFkredit may continue to fund mortgage loans for its customers at competitive prices.

We refer to stock exchange announcement No. 28/2007 Interim Report 2007 for the BRFkredit group for information about the size of BRFkredit's capital base and solvency ratio.

4.6. Rating

BRFkredit intends to apply for a rating from Moody's Investors Service of the bonds issued under this prospectus.

BRFkredit is under no obligation to be rated.

BRFkredit has obtained the following ratings from Moody's Investors Service:

- Mortgage bonds issued from BRFkredit's Capital Centre B: Aa1
- Mortgage bonds issued from BRFkredit's General Capital Centre (the mortgage credit institution as such): Aa2
- Issuer rating for BRFkredit: A2
- Rating of subordinated loan capital issued by BRFkredit: A3

The said ratings have not been changed since they were first awarded.

Stock exchange announcements from BRFkredit as well as copies of press releases from Moody's Investors Services can be found on the website of BRFkredit under the item Investors.

4.7. Available information about the issuer

The following documents are available on the website of BRFkredit under the item Investors:

- Articles of Association for BRFkredit a/s
- Regulations governing BRFkredit a/s' loans and bonds
- Annual reports and preliminary announcements of financial statements, including interim announcements
- Stock exchange announcements
- Copies of press releases from Moody's Investors Service

4.8. Information about the offered bonds

4.8.1. Reasons behind the offer

The proceeds from the issue can within the framework of the legislation in force at any time be used to:

- Finance or re-finance loans against a mortgage on real property etc. granted by BRFkredit.
- Finance or re-finance loans against a mortgage on real property etc. granted by another credit institution in compliance with the legislation regarding joint funding
- Invest in bonds and instruments of debt issued by or guaranteed by public authorities and central banks
- Invest in bonds, instruments of debt or other claims and guarantees issued by credit institutions.

The issuance will take place on tap concurrently with the payment or re-financing of funded loans, or by entering into fixed-price agreements for the payment or re-financing of funded loans, or by auction, or by block issue aimed at funding anticipated loans or the anticipated re-financing of loans.

4.8.2. Identification of bonds

The offered bonds can be identified by means of an ISIN code. We refer to the final terms and conditions for the indication of ISIN codes.

4.8.3. Governing law

The offered bonds are covered bonds as defined at all times in the Danish Mortgage Credit Loans and Mortgage bonds etc. Act and in the Danish Financial Services Act.

The covered bonds issued under this prospectus are freely negotiable securities or investment securities.

BRFkredit can at any time and without notice determine that the designation of all or part of the bonds covered by this prospectus be changed to Covered Mortgage Bonds. In the event that only part of the bonds change designation, a prerequisite for this change will be that the Covered Mortgage Bonds or the Covered Bonds as well as the underlying mortgages, other forms of security and any attached financial instruments etc. be separated into another capital centre. A precondition for this is that the terms and conditions for such separation have been met with. It is a prerequisite that a possible rating with an international rating agency of the bonds in question will not be deteriorated due to the change. The decision to change the designation of the bonds also depends on the bonds having met with the criteria of Covered Mortgage Bonds at the time when the bonds were issued.

The bonds are regulated by the legislation in force at all times, the Articles of Association of BRFkredit in force at all times as well as the Regulations governing BRFkredit's loans and bonds as stipulated by the Board of Directors of BRFkredit.

We refer to the Articles of Association of BRFkredit and to the Regulations for additional information.

4.8.4. Registration

The bonds are issued electronically and are registered with the securities centre stipulated in the final terms and conditions for each individual bond; this registration shall at all times be considered evidence of ownership of the nominal amount in question. No physical securities are issued.

4.8.5. Currency

For each individual bond, it is determined in which currency payments on the bond are to be denominated and in which currency the principal amount is denominated.

4.8.6. Order of priority of creditors

The issued bonds are secured against that part of BRFkredit's assets, including mortgages on real property and other forms of security, and the personal liability of the borrowers, which is determined for each individ-

ual bond series. Further collateral is provided by the other assets of BRFkredit in compliance with S.31 of the Danish Mortgage Credit Loans and Mortgage bonds etc. Act.

The final terms and conditions specify, from which BRFkredit capital centre the bonds are issued.

Holders of issued mortgage bonds, covered mortgage bonds and covered bonds, holders of bonds that have lost the designation of covered mortgage bonds and covered bonds, other securities with a preferential position as well as counterparts to agreements concerning financial instruments used to hedge risk between assets and liabilities shall be entitled to compensation via the said assets in the event of the liquidation of the issuer as specified in Chapter 4 of the Danish Mortgage Credit Loans and Mortgage Bonds etc. Act.

BRFkredit can at any time and without prior notification separate bonds under this prospectus, the underlying mortgages and other forms of collateral as well as any attached financial instruments to another capital centre. It is a precondition for such separation that the possible rating with an internationally acknowledged rating agency of the bonds affected is not deteriorated by the separation process.

4.8.7. Rights

The issued bonds are non-callable for the creditor. An insolvency order cannot be asserted by the holders of the issued bonds as a reason for prepayment of their payment obligations, cf S.28 of the Danish Mortgage Credit Loans and Mortgage Bonds etc. Act.

For each individual bond series, the final terms and conditions determine whether the bonds are or may be made callable and whether notice may be given by the borrower to cancel the loan at a term through prepayment.

4.8.8. Coupon rate

For each individual bond, the final terms and conditions determine the coupon rate, which may be either fixed, including zero, or variable, or it may be changed from variable coupon rate to fixed coupon rate, including zero, or it may be changed from fixed coupon rate to variable coupon rate, including zero. For each individual bond issued, the final terms and conditions determine how the rate is fixed, when and for what period the rate is fixed, as well as how the coupon rate is to be determined in the event that the relevant calculation basis ends or is no longer published. The final terms and conditions may also stipulate that the fixing of the coupon rate is handled by a calculation agent.

The final terms and conditions may stipulate that the principal sum of the bonds be regulated with an index and/or that indexation payments are made, how it is determined, when and for what period it is determined as well as how it is determined in the event that the relevant calculation basis ends or is no longer published. The final terms and conditions may also stipulate that the index calculation is handled by a calculation agent.

For each individual bond, the final terms and conditions determine the term dates.

The final terms and conditions for each individual bond determine when payments are due, in the event that the date in question is a Saturday, a Sunday or a holiday.

4.8.9. Maturity and repayment

For each individual bond, the final terms and conditions determine the opening date, the closing date and the final maturity date.

For each individual bond, the final terms and conditions determine how the bonds are to be amortised.

Amortisation takes place either according to a drawing made by BRFkredit whereupon the bonds are repaid to the holders at a pre-determined price at a repayment term for the bonds in question. In the drawing it is determined which shares of the issued bonds are to be repaid to the holders. Notice of the drawing shall be published immediately after the drawing has taken place, just as the notice shall inform holders that the result of the drawing may be obtained from BRFkredit.

BRFkredit furthermore reserves the right to amortisation by annulment after repurchases in so far as that part of the amortisation of the bonds is concerned, which exceeds the ordinary amortisation calculated by BRFkredit. BRFkredit furthermore reserves the right to make an offer to the borrowers in a bond series that allows them to prepay their loans without at the same time arranging a drawing or annulment of bonds in a volume that corresponds to the bonds issued when the loan was taken out.

Otherwise amortisation shall take place through full repayment on the final date of maturity.

4.8.10. Determination of yield-to-maturity (YTM)

The YTM of the offered bonds depends on both the sales price at the time of issue, the time of issue compared to the maturity date of each individual bond and the exact composition of the repayment sequences of the individual bonds, which may be changed after the date of issuance. For bonds which may be prepaid or are regulated via an index or in which index payments are made or where the interest is variable or where the terms and conditions of the bond are liable to change, the YTM may only be calculated as an approximation.

4.8.11. Representation

There is no representation of investors for holders of bonds issued by BRFkredit.

4.8.12. Authorisation

According to the Articles of Association, the Board of Directors of BRFkredit makes decisions about the terms and conditions in force at all times in regard to bonds and other securities, which are or will be issued by the company. On 23rd August 2007, the Board of Directors has decided to allow issuance in the bonds mentioned in this prospectus. The Board of Directors has furthermore authorised the Board of Management to open and issue new series of covered bonds and to issue the relevant prospectuses, draw up supplements or amendments to prospectuses and to the final terms and conditions.

4.8.13. Negotiability

The covered bonds issued under this prospectus are freely negotiable securities or investment securities.

When new bonds under this prospectus are opened, BRFkredit may apply to the Danish Financial Supervisory Authority for permission to have the bonds listed.

BRFkredit can decide to have the bonds listed for trade in one or more regulated market(s) (stock exchanges or authorised markets). The final terms and conditions for each individual bond determine the regulated market at which the bonds are listed for trade.

4.8.14. Taxation

For the time being, tax at source is not withheld in Denmark of payments made to the holders of covered bonds.

For each individual bond, the final terms and conditions determine whether the bond in question is considered 'blue-stamped' (fulfilling the minimum interest requirement) or 'black-stamped' (not fulfilling the minimum interest requirement) at the time of issuance under the Danish Taxation of Capital Gains legislation.

4.9. Information about offered volumes, settlement dates and turnover

4.9.1. Progress and time of the issue

During the open period for each individual bond, bonds will be offered and sold, either direct in the market (tap issue) or by auction, including block issues. During the open period, prepayments as well as annulment of bonds in BRFkredit's portfolio may take place, just as payments to bondholders are made on a current basis through the drawing of bonds if this is stipulated in the securities note for the bond in question. This means that the volume in circulation may both rise and fall during the open period of the bond.

The open period runs from the opening date and to the mentioned closing date at the latest. After the closing, no more bonds will be issued in the bond series. There is no cancellation right attached to the investment in bonds.

The final terms and conditions are not known until the offer has expired.

4.9.2. Size of the issue

The final need for bonds to be issued is not known until the bond series closes. Information about the volume in circulation can at all times be obtained from BRFkredit and the stock exchange at which the bonds are listed for trade as mentioned in the final terms and conditions for each individual bond.

4.9.3. Payment and delivery

For each individual bond, delivery and clearing take place via the securities centre determined in the final terms and conditions to the custody account of the investor. In general the mortgage bonds are traded with three banking days as value date, but this rule may be deviated from.

4.9.4. Publication of offer

In connection with direct sale in the market, the volume offered is not necessarily advertised in advance. In connection with auction sale, the terms and conditions as well as the volume offered shall be published prior to the auction. BRFkredit reserves the right to cancel or adjust the volume offered at advertised auctions. After an auction, the result will be published.

4.9.5. Rights

Existing bondholders shall have no special rights in connection with auctions and tap issues.

4.9.6. Distribution

In connection with direct sale in the market, the allotment of bonds takes place on the basis of demand and the prices offered. In connection with issues, which are sold by auction, pro-rata allotment may come into the picture if the offers to buy exceed the volume of bonds that BRFkredit wishes to offer.

4.9.7. Determination of prices

The final terms and conditions for each individual bond determines the way in which the bonds are offered, including whether the bonds are offered at market price or at a pre-fixed price.

4.9.8. Payment handling and custody accounts

The bonds are registered with the securities centre specified in the final terms and conditions for each individual bond, whose registration shall at all times serve as evidence of ownership of the nominal amount in question. The bonds are placed in custody with custodian banks or with a clearing centre attached to the relevant securities centre. The securities centre where the bonds are registered distributes payments of coupon

interest and bonds drawn to the account of the investor via the custodian bank or clearing centre of the investor.

4.9.9. Issue managers

The final terms and conditions for each individual bond determine whether the bonds are offered directly by the issuer, or whether the issue has been allocated to one or more managing banks or investment services companies.

4.9.10. Turnover

The bonds are negotiable securities.

When new bonds are opened under this prospectus, BRFkredit will file an application with the competent authority (the Danish Financial Supervisory Authority or any authority that may be delegated to handle this function) to allow the bonds to be listed for trade, just as BRFkredit will file an application with the regulated market stipulated in the final terms and conditions to allow the bonds to be traded. BRFkredit reserves the right to issue bonds under this prospectus, which are not listed for trade at the time of issue.

BRFkredit can determine to have the bonds listed for trade in other regulated markets (stock exchanges or authorised markets).

For each individual bond, the final terms and conditions determine the contract size and currency in which the bonds are to be denominated.

4.9.11. Other issues

Apart from the covered bonds under this prospectus, BRFkredit furthermore issues mortgage bonds as described in the "Prospectus for mortgage bonds issued by BRFkredit a/s" dated 15 June 2005 with subsequent addenda.

Mortgage bonds issued by BRFkredit are listed for trade at OMX Nordic Exchange Copenhagen A/S.

Covered bonds may be issued by credit institutions upon permission from the Danish Financial Supervisory Authority. Only mortgage credit institutions are allowed to issue mortgage bonds and covered mortgage bonds. Mortgage credit institutions are financial companies that undertake activities in Denmark under authorisation from the Danish Financial Supervisory Authority in compliance with the Danish Mortgage Credit Loans and Mortgage bonds etc. Act.

4.9.12. Brokers in the secondary market

The bonds described in this prospectus may be comprised by a market maker scheme agreed among traders at OMX Nordic Exchange Copenhagen A/S, which places the participants in the scheme under an obligation to make bid and offer prices for a given volume of certain bonds. BRFkredit itself is not a participant to the mentioned scheme, nor has BRFkredit made agreements with any third party, including traders at OMX Nordic Exchange Copenhagen A/S, about securing prices or bids and offers in the bonds in this prospectus.

BRFkredit itself participates in the trading in mortgage bonds at OMX Nordic Exchange Copenhagen A/S, and may in periods have put forward conditional purchase and sale orders in certain bonds to traders at OMX Nordic Exchange Copenhagen A/S.

5. Cross references between Regulation 809/2004/EC and information in this prospectus

| Item in Regulation 809/2004/EC | Section in this prospectus | Comments |
|--------------------------------|----------------------------|-------------------------------------|
| Annex IV | | |
| 1.1 | 4.1.1 | |
| 1.2 | 4.1.2 | |
| 2.1 | 4.3.1 | |
| 2.2 | 4.3.2 | |
| 3.1 | 4.4.1 | |
| 3.2 | 4.4.1 | |
| 4 | 3 | |
| 5.1.1 | 4.2.1 | |
| 5.1.2 | 4.2.1 | |
| 5.1.3 | 4.2.1 | |
| 5.1.4 | 4.2.1 | |
| 5.1.5 | 4.4.2 | |
| 5.2 | 4.4.2 | |
| 6 | 4.5 | |
| 7 | 4.5 | |
| 8 | 4.4.2 | |
| 9 | Omitted | This information is not significant |
| 10.1 | 4.2.2 | |
| 10.2 | 4.2.3 | |
| 11.1 | 4.2.4 | |
| 11.2 | 4.2.4 | |
| 12 | 4.2.1 | |
| 13.1 | 4.4.1 | |
| 13.2 | 4.4.1 | |
| 13.3 | 4.4.3 | |
| 13.4 | 4.4.1 | |
| 13.5 | 4.4.1 | |
| 13.6 | 4.4.4 | |
| 13.7 | 4.4.2 | |
| 14.1 | 4.2.1 | |
| 14.2 | 4.2.1 | |
| 15 | 4.4.5 | |
| 16 | Omitted | Not relevant to the issue |
| 17 | 4.7 | |

| Item in Regulation 809/2004/EC Annex V | Section in this prospectus | Comments |
|--|----------------------------|---------------------------|
| 1.1 | 4.1.1 | |
| 1.2 | 4.1.2 | |
| 2 | 3 | |
| 3.1 | 4.2.3 | |
| 3.2 | 4.8.1 | |
| 4.1 | 4.8.2 | |
| 4.2 | 4.8.3 | |
| 4.3 | 4.8.4 | |
| 4.4 | 4.8.5 | |
| 4.5 | 4.8.6 | |
| 4.6 | 4.8.7 | |
| 4.7 | 4.8.8 | |
| 4.8 | 4.8.9 | |
| 4.9 | 4.8.10 | |
| 4.10 | 4.8.11 | |
| 4.11 | 4.8.12 | |
| 4.12 | 4.9.1 | |
| 4.13 | 4.8.13 | |
| 4.14 | 4.8.14 | |
| 5.1.1 | 4.9.1 | |
| 5.1.2 | 4.9.2 | |
| 5.1.3 | 4.9.1 | |
| 5.1.4 | Omitted | Not relevant to the issue |
| 5.1.5 | Omitted | Not relevant to the issue |
| 5.1.6 | 4.9.3 | |
| 5.1.7 | 4.9.4 | |
| 5.1.8 | 4.9.5 | |
| 5.2 | 4.9.6 | |
| 5.3.1 | 4.9.7 | |
| 5.4.1 | 4.9.9 | |
| 5.4.2 | 4.9.8 | |
| 5.4.3 | 4.9.9 | |
| 5.4.4 | 4.9.9 | |
| 6.1 | 4.9.10 | |
| 6.2 | 4.9.11 | |
| 6.3 | 4.9.12 | |
| 7.1 | 4.9.9 | |
| 7.2 | Omitted | Not relevant to the issue |
| 7.3 | Omitted | Not relevant to the issue |
| 7.4 | Omitted | Not relevant to the issue |
| 7.5 | 4.6 | |

6. Schedule of documents that are part of this prospectus by reference

BRFkredit a/s – Annual report 2006

- Section 4.4.1 in the prospectus refers to the above annual report for accounting information. The information can be found on pp. 25-56.

BRFkredit a/s – Annual report 2006

- Section 4.2.2 in the prospectus refers to the above annual report for information about directorships and executive positions. The information can be found in Note 54.
- Section 4.4.1 in the prospectus refers to the above annual report for accounting information. The information can be found on pp. 29-63.
- Section 4.5 in the prospectus refers to the above annual report for further information about the BRFkredit group structure. The information can be found on p. 28 and in Note 59
- Section 4.5 in the prospectus refers to the above annual report for information about markets and competition. The information can be found on pp. 1-26.

BRFkredit a/s – Stock exchange announcement 02/2006 – preliminary announcement of financial statement 2005

- Section 4.4.1 in the prospectus refers to the above announcement for accounting information. The information can be found on pp. 2-15.

BRFkredit a/s – Stock exchange announcement 02/2007 – preliminary announcement of financial statement 2006

- Section 4.4.1 in the prospectus refers to the above announcement for accounting information. The information can be found on pp. 2-14.

BRFkredit a/s – Stock exchange announcement 28/2007 – interim report first half 2007 for the BRFkredit group.

- Section 4.4.1 in the prospectus refers to the above announcement for accounting information. The information can be found on pp. 2-19.
- Section 4.5 in the prospectus refers to the above announcement for information about capital base etc. The information can be found on p. 13.

Articles of Association for BRFkredit a/s

- Section 4.2.1 in the prospectus refers to the Articles of Association for further information about BRFkredit's situation according to the Articles of Association, including the terms and conditions pertaining to shareholders and voting rights on shares etc. The information is found in S.3.
- Section 4.8.3 in the prospectus refers to the Articles of Association for further information about terms and conditions determined by the Board of Directors of BRFkredit. The information is found in S.8.8.

Regulations for BRFkredit a/s' lending activities and bonds. The Regulations are annexed as Annex A to this prospectus.

- Section 4.8.3 in the prospectus refers to the above Regulations for further information about terms and conditions determined by the Board of Directors of BRFkredit

All the above documents are available from BRFkredit's registered office and from its website under the item Investors. In addition, annual reports and financial statements from previous years are accessible from the same website. Furthermore, announcements by BRFkredit are also accessible from the same website.

The Memorandum of Association of BRFkredit may be obtained from the registered office of BRFkredit.

Appendix A

Please observe that the Danish version of this document prevails

Regulations governing BRFkredit a/s' loans and bonds

As of 15 November 2007

BRFkredit

| Contents | Page |
|---|------|
| A. Terms of bond issues..... | 3 |
| A.1. General provisions | 3 |
| A.2. Security of bonds | 3 |
| A.3. Terms of individual bond series | 3 |
| B. Terms of loans | 5 |
| B.1. General provisions | 5 |
| B.2. Borrowers' liability | 5 |
| B.3. Provisions on individual loan series or types of loan | 5 |
| B.3.1. Provisions on limitation of joint and several liability | 5 |
| B.3.2. Terms of redemption | 6 |
| B.3.3. Other special provisions | 7 |
| B.4. Provisions on front-end fees, commissions, fees, default interest and other rates | 8 |
| C. Administration of BRFcredit's series..... | 9 |
| C.1. Limitation of series | 9 |
| C.2. Established series with series reserve funds | 9 |
| C.3. Administration | 9 |
| D. Force majeure..... | 10 |

These regulations have been laid down pursuant to article 8(8) of the Articles of Association of BRFkredit a/s (BRFkredit) and comprise the conditions and rights related to BRFkredit's loans and bonds, bond issues and series reserve funds (loan terms, bond terms and series terms). These regulations were approved by BRFkredit's Board of Directors on 15 November 2006.

A. Terms of bond issues

A.1. General provisions

A.1.1. BRFkredit grants loans and issues bonds and other securities to fund the loans in accordance with the guidelines laid down by the Board of Directors within the framework of the Danish mortgage credit legislation and the Articles of Association of BRFkredit. Funds generated through the issue of bonds or other securities may only be used for loans secured by mortgages on real property.

A.1.2. The issue of bonds and other securities can be divided into bond series at the discretion of the Board of Directors. Bond series can be divided into tranches, maturity years and interest tranches.

A.1.3. The bonds cannot be called by the owner.

A.1.4. In the context of callable bond series, repayment takes place through drawing (redemption) in tandem with the ordinary repayment of the funded loans. Drawing may also take place in connection with pre-payments. The redemption price is set when the bond series opens.

A.1.5. In the context of non-callable bond series, repayment takes place through drawing (redemption) in tandem with the ordinary repayment of the funded loans as the loans can only be prepaid against surrender of bonds corresponding to the outstanding loan balance (see A.1.6).

A.1.6. In the context of bond series opened as from 1 July 1990 (index-linked loans as from 2 January 1991), prepayment of loans funded on the basis of these series may take place in accordance with the terms laid down by BRFkredit without bonds being drawn or surrendered. As regards non-callable bonds, such amounts prepaid do not influence repayment as drawing will take place as if amounts prepaid are still repaid ordinarily.

A.1.7. In connection with full or partial prepayment of loans for which callable bonds have been issued, BRFkredit may purchase and cancel the bonds in question instead of drawing them.

A.1.8. A bond does not carry interest after the payment date at which it falls due for payment.

A.1.9. Any interest amount not withdrawn at the payment date does not carry interest.

A.1.10. Subject to the decision of the Board of Directors, an application may be submitted for listing of a bond series on one or more stock exchanges.

A.2. Security of bonds

A.2.1. BRFkredit's total assets, as defined in A.2.2 and A.2.3, serve as security for the bonds and other securities issued by BRFkredit to fund mortgage loans. To this should be added security in the form of guarantees, surety commitments and other types of special security, mortgages on the properties, the joint and several liability of borrowers where such liability has been laid down in the loan terms, and borrowers personal liability.

A.2.2. The terms of a series with a series reserve fund may specify that owners of bonds issued to fund loans granted in the series may only forward their claims against the series in question and series with which it is jointly and severally liable.

A.2.3. In the event that a loan funded by a bond series is granted in a series without a series reserve fund, owners of the bonds in question may only forward their claims against the proportion of BRFkredit's funds that is not placed in series with series reserve funds.

A.3. Terms of individual bond series

A.3.1. The tranche, maturity year and interest tranche of each bond series constitute a separate repayment group.

A.3.2. In bond series with two annual payment dates and where the bonds are issued to fund loans with four debtor payment dates, the bonds are drawn – except in the event of prepayment – in accordance with the repayments at the loans' corresponding two payment dates per creditor payment date.

A.3.3. The interest rate of the bond is an annual rate of interest. In the event of more than one annual payment date, interest will be payable in equal proportions at each payment date.

A.3.4. Terms for index-linked bonds

A.3.4.1. The value of the bonds in series 87, 90-94, 97-99, 223.I, 223.IS, 223.W.I, 223.W.IS and 423.IJ is adjusted by indexation according to the change in the net retail price index as stipulated in B.3.3.1.

A.3.4.2. Drawing of bonds in series 92, 99, 223.IS and 223.W.IS is done in parallel with the loan payments as stipulated in B.3.3.2.

A.3.4.3. Payments on bonds in series 97 is done in parallel with the loan payments as stipulated in B.3.3.3.

A.3.5. Terms of bonds with floating interest rate

A.3.5.1. The interest rate on bonds in series 85 is fixed as the arithmetic mean of the average yield to maturity on Danish government bonds with a remaining life to maturity of less than three years as quoted on the Official List from the Copenhagen Stock Exchange calculated for the reference period.

The reference period begins the 12th day of the month prior to the previous payment date and ends on the 11th day of the month before the start of next payment period for which the interest rate is fixed.

A.3.5.2. The rate of interest on the bonds in series 142.B and 442.B is determined half-yearly with effect from 1 April and 1 October. The interest is calculated as the non-weighted average of Danmarks Nationalbank's daily recordings of the 6-month CIBOR rate stated with four decimals over a period of five banking days, ending on the last banking day but four in March and September, respectively, rounded off to two decimals plus a fixed margin. In the event that Danmarks Nationalbank stops registering the said CIBOR rate, interest will be calculated as stated, but on the basis of the corresponding 6-month money market rate plus the fixed margin. In the event that the sum of the CIBOR interest average plus the fixed margin equals or exceeds the guaranteed rate, the interest on the bonds shall be determined as a fixed coupon rate equal to the guaranteed rate for all subsequent half-year periods, beginning on the next subsequent 1 April or 1 October.

A.3.5.3. The rate of interest on the bonds in series 154.B and 454.B is determined half-yearly with effect from 1 April and 1 October, respectively. The interest is calculated as the non-weighted average of Danmarks Nationalbank's daily recordings of the 6-month CIBOR rate stated with four decimal places over a period of five banking days, ending on the last banking day but four in March and September, respectively, rounded off to two decimals plus a fixed margin. In the event that Danmarks Nationalbank stops registering the said CIBOR rate, interest will be calculated as stated, but on the basis of the corresponding 6-month money market rate plus the fixed margin. In the event that the sum of the CIBOR interest average plus the fixed margin equals or exceeds the fixed interest rate cap, the interest on the bonds shall be determined as a fixed coupon rate equal to the interest rate cap.

A.3.5.4. The rate of interest on the bonds in series 422.B is determined half-yearly with effect from 1 January and 1 July. The interest is calculated as Danmarks Nationalbank's daily recording of the 6-month CIBOR rate stated with four decimals on the last banking day but five in December and June, respectively, plus a fixed margin, multiplied by 365/360, and rounded off to

four decimals. In the event that Danmarks Nationalbank stops registering the said CIBOR rate, interest will be calculated as stated, but on the basis of the corresponding 6-month money market rate.

A.3.6. The terms of individual bond series appear from BRFcredit's bond sheet, which is an integral part of these regulations.

B. Terms of loans

B.1. General provisions

B.1.1. The mortgage loans may be granted in series.

B.1.2. A loan becomes payable if the mortgaged property or a material part thereof changes owners. BRFkredit decides whether assumption of debt in full or in part can take place and lays down the terms of assumption.

B.1.3. A loan also becomes payable in the event of default on the mortgage, etc., according to the provisions of the mortgage.

B.1.4. In the context of loans based on BRFkredit's issue of bonds, the market conventions in force from time to time governing trading in bonds are used for interest calculation, etc. The market conventions are applied analogously to other loans unless the loan document states otherwise. If the market conventions governing trading in bonds are changed during the term of a loan, the new market conventions will apply once they have entered into force.

B.1.5. When the first loan payment on a nominal loan is made, the repayment amount, interest amount and commissions are calculated on a pro rata basis according to the number of days included in the first payment period. When nominal loans are disbursed through a transfer to an account with the Danish Securities Centre, the interest relating to the period from the beginning of the interest period in which disbursement takes place until the date of disbursement is collected.

In terms of index-linked loans, only interest and commissions are paid for the number of days covered by the period in the first payment period.

In terms of index-linked loans in Denmark and loans in the UK, a new payment period commences on the first day of the month after the month of the payment due date.

In terms of all other types of loan, a new payment period commences on the first day of the month of the payment due date.

B.1.6. The entire outstanding loan balance is repaid when the last repayment is made. The entire debt outstanding on the underlying bonds is repaid on nominal cash loans disbursed until 31 October 1987 and index-linked cash loans.

The entire cash outstanding loan balance is repaid on nominal cash loans disbursed as from 5 July 1993, while the last payment of interest constitutes the interest payable on and repayment of the debt outstanding on the underlying bonds of the loan less the cash outstanding loan balance. In respect of adjustable rate loans,

however, the payment of interest is the interest on the cash loan.

B.1.7. The final punctual payment date is the last week-day of the month of the due date, apart from Saturday.

B.2. Borrowers' liability

B.2.1. Borrowers' liability towards BRFkredit or towards the series if the loan is granted in a series with a series reserve fund for the loan is covered by both the mortgaged property and the borrowers personally. Borrowers are not liable for BRFkredit's obligations.

B.2.2. The terms of a series with a series reserve fund may stipulate that borrowers are jointly and severally liable for other loans in the series in addition to their own loans.

B.2.3. For the borrowers to meet their joint and several liability, BRFkredit may, when deemed necessary by the Board of Directors, demand that they make extraordinary commissions to the series. Refunding of such extraordinary commissions can only take place in so far as the series in question meet the requirements of own funds specified by the authorities and the finances of BRFkredit so allow in the opinion of the Board of Directors.

B.2.4. Joint and several liability will not cease to exist until the accounts for the year in which the loan is fully repaid or prepaid have been adopted by the general meeting and no losses have been ascertained, resulting in the own funds of the series in question being lower than the requirements specified by the authorities (see B.3.1.6, fourth sentence below). However, a receipt may be issued for the termination of joint and several liability on the redemption of a loan if the borrower provides security regarded by the Board of Directors as adequate to cover a claim if applicable.

B.3. Provisions on individual loan series or types of loan

B.3.1. Provisions on limitation of joint and several liability

B.3.1.1. Borrowers of loans granted by Husejernes Kreditkasse (ordinary mortgage lending) are only jointly and severally liable for obligations as regards the bonds related to these loans. The loans have been established as a separate series in BRFkredit a/s. The joint and several liability of the individual borrower has been limited to an amount corresponding to two thirds of the original principal.

B.3.1.2. Borrowers of loans granted under ordinary mortgage lending are jointly and severally liable among themselves, but are not jointly and severally liable for

other loans. The joint and several liability of the individual borrower has been limited to an amount corresponding to two thirds of the original principal. This comprises loans funded by the bond series 64, 68, 73, 74, 81 and 82.

B.3.1.3. Borrowers of loans granted under special mortgage lending and funded by the bond series 13, 23 and 30 are jointly and severally liable. The liability of the individual borrower has been limited to loans funded by the same series.

B.3.1.4. Borrowers of loans granted under special mortgage lending and funded by the bond series 3, 6 and 9 are not jointly and severally liable.

B.3.1.5. Borrowers of loans granted as nominal loans, but not adjustable rate loans, under standard mortgage lending (standard loans and basic loans) with joint and several liability are jointly and severally liable among themselves. These loans comprise loans funded by the series 33, 34, 39, 40, 46-48, 53, 57, 58, 85 and 86 (borrowers are not jointly and severally liable for other loans).

B.3.1.6. Borrowers of loans granted as nominal loans and funded by the bond series under the general term C are jointly and severally liable among themselves. So far, these loans comprise loans funded by the bond series 111.C. Borrowers are not jointly and severally liable for other loans. As from 1 January 2001, BRFkredit may decide to discontinue joint and several liability provided that BRFkredit and the series' reserve fund (see C.2.5 below) meet the requirement of own funds specified by the authorities.

B.3.1.7. Borrowers of loans granted under standard mortgage lending and funded by the bond series 111, 111d, 121, 211, 321, 321RTL, bondseries under the general term B and E and borrowers of loans denominated in foreign currency are not jointly and severally liable.

B.3.1.8. Borrowers of loans granted as adjustable rate loans and funded by the 59th bond series are jointly and severally liable among themselves. They are not jointly and severally liable for other loans.

B.3.1.9. Borrowers of loans granted as index-linked loans in the bond series 87, 90-94, 97-99, 223 I, 223 IS and 423 IJ are jointly and severally liable among themselves, but not jointly and severally liable for other loans.

B.3.1.10. Borrowers of loans granted as index-linked loans and funded by the bond series 223.W.I. and 223.W.IS. are not jointly and severally liable.

B.3.1.11. As regards special mortgage loans with joint and several liability or standard mortgage loans with joint and several liability disbursed before 22 June 1990, the joint and several liability has been limited to an amount corresponding to the original principal of the individual loan.

B.3.1.12. As regards basic loans with joint and several liability disbursed before 22 June 1990, the joint and several liability has been limited to an amount corresponding to two thirds of the original principal of the individual loan.

B.3.1.13. As regards loans with joint and several liability disbursed as from 22 June 1990, the joint and several liability has been limited to an amount corresponding to the original principal of the individual loan.

B.3.1.14. In the event that the loan raised is guaranteed by the central or local government or other security approved by the Ministry of Housing is provided in addition to the mortgage on the property, the joint and several liability only covers an amount corresponding to the non-guaranteed proportion of the loan principal.

B.3.1.15. The joint and several liability of borrowers is limited to their respective mortgaged properties.

B.3.2. Terms of redemption

B.3.2.1. Callable loans may be prepaid through:

- i) surrender of bonds
 - ii) cash redemption
 - iii) calling the bonds and subsequent cash redemption of the debt outstanding on the underlying bonds at the redemption price set at the opening of the bond series
 - iv) immediate prepayment with compensation interest
- re i) Prepayment takes place through surrender to BRFkredit of bonds of the same series, tranche, maturity year and interest tranche as those used to fund the loan. The bond amount to be surrendered is the current debt outstanding on the underlying bonds.
- re ii) BRFkredit may offer cash prepayment of the loan at a price calculated by BRFkredit.
- re iii) Prepayment takes place by calling the loan in writing to BRFkredit.

The bonds must be called not later than five months and two months, respectively, prior to the expiry of a bond period for loans based on bonds with two and four payment dates, respectively, and the borrower is then entitled and obliged to repay at the redemption price set at the opening of the bond series the debt outstanding on the underlying bonds applicable in the bond payment period in question. BRFkredit must receive the cash redemption amount on or before the last weekday (excluding Saturday) prior to the bond payment period in question.

- re iv) Prepayment takes place on the basis of the current debt outstanding on the underlying bonds, where BRFkredit may offer that the loan be called immediately according to iii) against payment of compensation interest by the borrower calculated by BRFkredit as from the date of prepayment to the payment date at which the loan could have been prepaid by observing the notice given under iii).

B.3.2.2. Non-callable loans may only be prepaid by transferring to BRFkredit bonds of the same series/tranche/maturity year and coupon rate as those used to fund the loan. The bond amount to be transferred is the actual outstanding bond loan balance.

B.3.2.3. Adjustable rate loans may only be prepaid in cash at the date of refinancing.

B.3.2.4. Index-linked loans disbursed before 2 January 1991 may not be prepaid in cash although IJ loans in the series 90 must be prepaid as callable loans on change of ownership.

B.3.2.5. BRFkredit may offer cash redemption at a price calculated by BRFkredit (see A.1.6 above) of non-callable nominal loans disbursed as from 1 July 1990 and index-linked loans disbursed as from 2 January 1991.

B.3.2.6. Loans denominated in foreign currencies and granted on the basis of the issue of bonds in the same currency as the loan may be prepaid as stipulated in B.3.2.1-B.3.2.3. and B.3.2.5. However, cash redemption amounts must be paid in the currency of the loan. BRFkredit may decide that payment is to be made to a bank specified by BRFkredit.

Loans denominated in foreign currencies and granted without the issue of bonds in the same currency as the loan may only be prepaid through cash payment of the redemption amount in the currency of the loan. BRFkredit may decide that payment is to be made to a bank specified by BRFkredit.

When calculating the redemption amount, BRFkredit may charge a premium or interest for the rest of the

period running until BRFkredit can repay the funding underlying the loan.

B.3.2.7. As regards mix-loans, the series and annuity elements can only be reduced simultaneously and proportionately.

B.3.2.8. In the event of partial prepayment, the borrower's loan payment is lowered proportionately.

B.3.3. Other special provisions

B.3.3.1. As regards index-linked loans, the book value of the principal and the current outstanding loan balance are adjusted twice a year – on 1 January and 1 July. The adjustment commences when the loan is disbursed. The adjusted value serves as the basis for calculating the loan payment for the following June and December payment periods. The adjustment is made on the basis of the half-yearly percentage change in the net retail price index published by Statistics Denmark. The adjustment on 1 January is made on the basis of the net retail price index of May last and the adjustment on 1 July is made on the basis of the net retail price index of November last.

B.3.3.2. Index-linked loans of the IS type are subject to the special provision that if the half-yearly percentage rise in the net retail price index exceeds the half-yearly percentage rise in the summary wage index published by Statistics Denmark for May and November last, respectively, the principal for calculation of the net repayment amount will be adjusted by 75% of the half-yearly rise in the summary wage index and otherwise by 75% of the half-yearly rise in the net retail price index. If the wage index falls, the net repayment amount according to this index will be adjusted regardless of the trend in the net retail price index. The net repayment amount is lowered by 100% of the half-yearly percentage fall. If the net retail price index falls and the wage index rises, adjustment does not take place.

Any debt outstanding on the underlying bonds may, on expiry of the loan's maximum term, be called for redemption at one month's notice.

B.3.3.3. Index-linked loans of the IE type are subject to the special provision that if the half-yearly percentage rise in the net retail price index exceeds the half-yearly percentage rise in the summary wage index published by Statistics Denmark, the booked principal for calculation of the loan payment will be adjusted by the half-yearly percentage rise in the summary wage index. The adjustment on 1 January will then be made on the basis of the wage index of May last and the adjustment on 1 July will be made on the basis of the wage index of November last. If either of the indices mentioned falls, the booked principal will be adjusted according to the falling index. If both indices fall, the booked principal will be adjusted according to the index displaying the sharpest fall.

Any debt outstanding on the underlying bonds may, on the expiry of the loan's term, be called for redemption at one month's notice.

B.3.3.4. Index-linked loans of the IJ type (agricultural loans) are subject to the special provision that the principal and the outstanding loan balance during the first 15 years of the term of the loan are only adjusted by 70% of the half-yearly percentage rise in the net retail price index if net repayment amounts are paid in pursuance of section 2(b) of the act on index-linked mortgage loans. If the net retail price index falls, the principal and the outstanding loan balance are adjusted by the full amount of the fall.

The same applies in the event that net repayment amounts are paid to agricultural loans in pursuance of section 13(3-5) of the Danish act on refinancing of mortgage loans etc. on agricultural property. If net repayment amounts are paid in pursuance of section 13(4-5) of the above act, however, the principal and outstanding loan balance will be adjusted by 75% and 85%, respectively, of the half-yearly rise in the net retail price index.

B.3.3.5. The interest rate on floating rate loans in Denmark is fixed according to the terms of the bonds issued to fund the loans.

The interest rate on floating rate loans in England is fixed as a premium on the quoted GBP LIBOR rate.

The interest rate on floating rate loans in Germany is fixed as a premium on the quoted EURIBOR rate.

B.4. Provisions on front-end fees, commissions, fees, default interest and other rates

B.4.1. The amount of BRFkredit's front-end fees, commissions, default interest and the amount and nature of fees etc. are fixed by the Board of Directors.

B.4.2. Unless otherwise agreed explicitly, the rate of commission or the method of calculating commission on existing loans may be changed for business or market reasons. For instance, this could be the case with a view to countering an increase in costs, including losses or direct and indirect taxes, or to maintaining or strengthening the capital base.

At least three months' notice must be given of such a change to the first payment period in which the change is to take effect.

Information about the change in the rate of commission and the method of calculating commission on existing loans must be provided in writing.

The rate of commission and the method of calculating commission on new loans may be changed without notice.

B.4.3. BRFkredit charges default interest on loan payments, redemption amounts and other amounts due that are paid late. Unless otherwise agreed explicitly, the rate of default interest and the method of calculating default interest may be changed for existing loans for business or market reasons. For instance, this could be the case with a view to countering an increase in costs, including losses or direct and indirect taxes, or to maintaining or strengthening the capital base.

Default interest and the method of calculation may be changed in disfavour of the borrower without notice, if such change is needed due to outside circumstances that are beyond the control of BRFkredit.

In case of other changes in disfavour of the borrower, a notice of at least one month must be given before the beginning of the first month where such change comes into effect. Information regarding a change in the rate of default interest or the method of calculating default interest on existing loans will be given in writing or by other means.

Default interest and the method of calculation may be changed without notice for new loans.

B.4.4. BRFkredit charges a fee on services performed for the customer, including fees charged due to the customer's non-performance of the agreement with BRFkredit.

Fees on existing loans may be changed for business or market reasons. For instance, this could be the case with a view to countering an increase in costs, including losses or direct and indirect taxes, or to maintaining or strengthening the capital base.

BRFkredit may introduce new fees on existing loans subject to the same conditions as above.

BRFkredit determines the fees on new loans.

B.4.5. The current rates appear from BRFkredit's price sheet, which is an integral part of these regulations.

C. Administration of BRFkredit's series

C.1. Limitation of series

C.1.1. Loans with joint and several liability are granted in series with a series reserve fund. Series with a series reserve fund may also be established for other loans.

C.1.2. For loans where the borrowers have joint and several liability among themselves, only one series has been established even though several bond series have been used for the loans.

C.1.3. A series reserve fund must always meet the requirement for own funds, stipulated for loans in the series and other assets. Guarantees, etc., related to loans are taken into consideration to the extent that these reduce the requirement for the amount of own funds.

C.1.4. The Board of Directors may decide to transfer funds to a series unless the transfer means that BRFkredit, as a whole, will in such case not meet the own funds requirement.

C.1.5. In the event that the own funds of a series exceed the minimum requirement under C.1.3 above, the Board of Directors may decide to transfer the surplus to BRFkredit's other reserves.

C.2. Established series with series reserve funds

C.2.1. A series with a series reserve fund has been established for loans granted by the Husejernes Kreditkasse i København (ordinary mortgage lending).

C.2.2. A series with a series reserve fund has been established for loans granted under other ordinary mortgage lending.

C.2.3. Separate series with series reserve funds have been established for loans granted under special mortgage lending (with joint and several liability) for each of the series 13, 23 and 30.

C.2.4. A series with a series reserve fund has been established for loans granted as nominal loans, but not as adjustable rate loans, under standard mortgage lending (with joint and several liability).

C.2.5. A series with a series reserve fund has been established for loans granted as nominal loans and funded by bond series under the general term C. In the event that a decision is made to discontinue borrowers' joint and several liability (see B.3.1.6., fourth sentence), the series will be dissolved and its assets and liabilities transferred to the part of BRFkredit that is not divided

into series with series reserve funds (BRFkredit's General Capital Centre).

C.2.6. A series with a series reserve fund has been established for loans granted as adjustable rate loans (with joint and several liability) and funded by the 59th bond series.

C.2.7. A series with a series reserve fund has been established for loans granted as indexed loans in the series 87, 90-95, 97-99, 223 I, 223 IS and 423 IJ.

C.2.8. A series with a series reserve fund has been established for loans funded by bond series under the general term B.

C.2.9. A series with a series reserve fund has been established for loans funded by bonds series under the general term E.

C.3. Administration

C.3.1. The funds of the series are booked separately from BRFkredit's other reserves.

C.3.2. The funds of the series and BRFkredit's other reserves are managed jointly, and the individual series and BRFkredit's other reserves, respectively, only receive a proportionate return on joint funds.

C.3.3. The Board of Directors lays down guidelines for the types of asset in which the funds of the series can be placed.

C.3.4. Separate accounts are prepared for each series.

C.3.5. The income of a series is made up of interest etc. on mortgages, front-end fees, commissions, fees and similar income as well as returns on the series' assets and off-balance-sheet items. The expenses of a series are made up of interest etc. on bonds and other securities, administrative expenses, etc., expenses for raising and paying interest on subordinated capital, losses and provisions on probable losses on the series' assets and off-balance-sheet items as well as the proportion of BRFkredit's tax.

D. Force majeure

BRFkredit shall be held liable in damages in the event that due to errors or omissions BRFkredit meets agreed obligations too late or in a defective manner. However, even in areas where stricter liability rules apply, BRFkredit shall not be held liable in damages for losses caused by:

- Break-down in/lack of access to IT systems or damage to data in such systems, which is attributable to the below mentioned events, irrespective of whether it is BRFkredit itself or an external supplier, who is responsible for the operation of the systems;
- Failure in BRFkredit's power supply or telecommunications, statutory intervention or administrative acts, natural disasters, acts of God, war, riots, public unrest, sabotage, terror or vandalism (including computer viruses and hacking);
- Strike, lockout, boycott or blockade, irrespective of whether the conflict is aimed at or initiated by BRFkredit itself or BRFkredit's organisation, and irrespective of the reason behind the conflict. This provision shall also apply when the conflict in question affects only parts of BRFkredit;
- Other circumstances beyond BRFkredit's control.

BRFkredit's exemption from liability shall not apply in the event that:

- BRFkredit ought to have anticipated the situation, which underlies the loss in question when the agreement was made, or ought to have avoided or overcome the reason behind the loss;
- Danish legislation in all circumstances holds BRFkredit liable in the situation underlying the loss.