



Moody's Investors Service

Rating Action: **Moody's confirms the ratings of the covered bonds issued by BRFkredit a/s out of Capital Centre E**

Global Credit Research - 25 Mar 2010

Covered bonds issued out of the General Capital Centre and Capital Centre B are downgraded to Aa3.

London, 25 March 2010 -- Moody's Investors Service has taken the following rating actions on the covered bonds issued by BRFkredit a/s (BRF):

- Covered bonds issued out of Capital Centre E (CCE Bonds): Aa1 rating confirmed; previously on 11 September 2009 placed on review for possible downgrade.
- Mortgage covered bonds issued out of the General Capital Centre (CCG Bonds): downgraded to Aa3 from Aa2; previously on 11 September 2009 placed on review for possible downgrade.
- Mortgage covered bonds issued out of Capital Centre B (CCB Bonds): downgraded to Aa3 from Aa1; previously on 11 September 2009 placed on review for possible downgrade.

Today's rating actions conclude the review for possible downgrade in respect of the CCB Bonds, the CCG Bonds and the CCE Bonds which was prompted by Moody's downgrade of the issuer's senior unsecured rating to Baa1 in September 2009.

CAPITAL CENTRE B MORTGAGE COVERED BONDS AND GENERAL CAPITAL CENTRE COVERED BONDS

Today Moody's has been advised by BRF that no capital or assets in excess of the minimum amount required by law will be maintained on a committed basis in Capital Centre B and in the General Capital Centre. In each case this will result in an eligible assets over-collateralisation of 1.5% and an expected loss consistent with the Aa3 rating.

CAPITAL CENTRE E COVERED BONDS

The rating confirmation in respect of Covered bonds issued out of Capital Centre E (CCE Bonds) reflects the issuer's addition of sufficient over-collateralisation to Capital Centre E -- on what Moody's considers a "committed" basis -- enabling the expected loss for the CCE Bonds to be consistent with the Aa1 rating.

The levels of over-collateralisation that BRF has now committed to the Capital Centre E is 13.5%

The "committed" nature of the over-collateralisation, as of the date of this press release, means that the issuer should not have discretion to remove it without negative consequences under the law, or contract.

SUMMARY OF KEY RATING FACTORS

A covered bond benefits from (i) a promise to pay by the Issuer; and (ii) in the event of default of the bank supporting the covered bonds, the economic benefit from a pool of collateral (Cover Pool). Covered bond ratings take into account the following factors:

- 1) The credit strength of the issuer, rated Baa1.
- 2) The credit quality of the Cover Pools. The CCB Bonds, the CCG Bonds and the CCE Bonds are backed by residential and commercial mortgage loans. As per Moody's latest Performance Overviews on these transactions, the blended collateral score was i) in respect of the pool included in the General Capital Centre 12.2%; ii) in respect of the pool included in Capital Centre B 19.6%; and iii) in respect of the pool included in Capital Centre E 22.6%. (For further details on the cover pools, see the Performance Overviews published on 13 January 2010.)
- 3) The strength of the Danish Covered Bonds Law

The ratings assigned by Moody's address the expected loss posed to investors. Moody's ratings address only the credit risks associated with the transaction. Other non-credit risks have not been addressed, but may have a significant effect on yield to investors.

The Timely Payment Indicator (TPI) remain unchanged at "Very High".

The TPI assesses the likelihood that timely payment will be made to covered bondholders following issuer default and limits the covered bond rating to a certain number of notches above the issuer rating.

RATING METHODOLOGY

The principal methodologies used in rating the transaction were "Moody's Rating Approach to European Covered Bonds", published in March 2010, and "Assessing Swaps as Hedges in the Covered Bond Market", published in September 2008. These can be found on www.moody's.com in the Rating Methodologies sub-directory under the Research & Ratings tab. Other methodologies and factors that may have been considered in the process of rating this issue can also be found in the Rating Methodologies sub-directory on Moody's website. In addition, Moody's publishes a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at www.moody's.com/SFQuickCheck.

Madrid
Juan Pablo Soriano
Managing Director
Structured Finance Group
Moody's Investors Service Espana, S.A.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454

London
Massimo Catizone
VP - Senior Credit Officer
Structured Finance Group
Moody's Investors Service Ltd.
JOURNALISTS: 44 20 7772 5456
SUBSCRIBERS: 44 20 7772 5454



© Copyright 2010, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

CREDIT RATINGS ARE MOODY'S INVESTORS SERVICE, INC.'S ("MIS") CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information

contained herein is provided "AS IS" without warranty of any kind. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of MOODY'S Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."

Any publication into Australia of this Document is by MOODY'S affiliate MOODY'S Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to wholesale clients (within the meaning of section 761G of the Corporations Act 2001). By continuing to access this Document from within Australia, you represent to MOODY'S and its affiliates that you are, or are accessing the Document as a representative of, a wholesale client and that neither you nor the entity you represent will directly or indirectly disseminate this Document or its contents to retail clients (within the meaning of section 761G of the Corporations Act 2001).