

To the Copenhagen Stock Exchange,
the Luxembourg Stock Exchange and the press

28 February 2005
Announcement no. 02/2005

Announcement of results for 2004

1 January to 31 December 2004

of

BRFkredit a/s

and

the BRFkredit Group

Please observe that the Danish version of this announcement prevails.

Summary

On 28 February 2005, the Board of Directors approved the accounts of BRFkredit and the BRFkredit Group for the year ended 31 December 2004.

- BRFkredit generated a pre-tax profit of DKK 469m, ahead of expectations. At the time of publication of the interim report for 2004, BRFkredit anticipated a pre-tax profit of DKK 375-425m, given the share and bond prices at the interim stage. This compares with a pre-tax profit of DKK 758m in 2003.
- Core earnings were up by 34% to DKK 499m.
- Core income was DKK 1,010 in 2004, against DKK 1,036 in 2003.
- Operating expenses, depreciation and amortisation were largely unchanged, rising from DKK 685m in 2003 to DKK 688m in 2004.
- The portfolio widened by DKK 3.7bn to DKK 143.2bn.
- Losses and writeoffs lifted 2004 profits by DKK 126m, against a negative contribution of DKK 14m in 2003.
- Total investment returns in 2004 came to DKK 200m, made up of interest income of DKK 336m, a portfolio loss of DKK 154m and other income of DKK 18m. Earnings from investment portfolios, net of the risk-free return of 2.40%, equivalent to DKK 230m, were negative at DKK 30m, against positive earnings of DKK 386m the previous year.
- Return on equity before tax was 5.4%.
- BRFkredit came out of 2004 with a net profit of DKK 364m, compared with DKK 582m in 2003.
- After the inclusion of net profit for the year, the capital adequacy ratio at end-2004 was 14.4%. If computed exclusively on the basis of core (tier 1) capital, the capital adequacy ratio was 12.3% at end-2004.

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

”BRFkredit delivered a stronger performance than anticipated. Continued high core income from lending operations and a positive contribution from “Losses and writeoffs on loans”, coupled with effective cost management, are instrumental in securing solid profits. It is satisfactory to note that BRFkredit maintains stable market shares.”

Yours faithfully

Oluf Engell
Chairman of the Board of Directors

Sven A. Blomberg
President and Chief Executive Officer

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Five-year summary

BRFkredit a/s

Core earnings/earnings from investment portfolios and profits for the year (DKK million)	2004	2003	2002	2001	2000
Core income from lending operations etc.	746	758	714	710	639
Core income from securities	264	278	315	336	363
Total core income	1,010	1,036	1,029	1,046	1,002
Operating expenses, depreciation and amortisation	688	685	630	639	653
Core earnings before writeoffs	322	351	399	407	349
Losses and writeoffs on loans (- signifies an income)	-126	14	4	9	-174
Profit on banking operations	50	35	37	14	29
Core earnings	499	372	431	413	552
Earnings from investment portfolios	-30	386	-171	-105	307
Profit on ordinary operations before tax	469	758	260	308	860
Tax	105	175	151	59	266
Net profit for the year	364	582	109	249	594

BRFkredit a/s

Balance sheet (DKK million)	2004	2003	2002	2001	2000
Assets:					
Receivables from credit institutions etc.	19,165	17,129	25,464	11,032	4,869
Loans and advances	143,287	139,412	134,857	129,812	122,979
Bonds and shares etc.	44,232	35,915	14,296	17,896	10,829
Other assets	2,215	2,078	1,414	2,006	1,058
Total assets	208,900	194,532	176,031	160,746	139,735
Liabilities and shareholders' equity:					
Payables to credit institutions etc.	2,598	5,412	1,175	40	39
Issued bonds	184,870	170,285	158,476	148,647	128,463
Other liabilities	11,026	8,792	8,026	3,302	2,724
Subordinated capital	1,494	1,496	408	919	920
Shareholders' equity	8,912	8,548	7,946	7,837	7,588
Total liabilities and shareholders' equity	208,900	194,532	176,031	160,746	139,735

BRFkredit

Key figures and ratios	2004	2003	2002	2001	2000
Profit before tax as a per annum percentage of average shareholders' equity	5.4	9.2	3.3	4.0	11.8
Writeoffs (corrective account) (DKK million)	267	393	399	473	466
Loss-and-writeoff ratio	-0.1	0.0	0.0	0.0	-0.1
Capital adequacy ratio	14.4	13.9	12.2	12.9	13.8
Core capital ratio	12.3	11.8	11.6	11.5	12.2
Average number of employees (full-time equivalent)	651	634	571	545	583
Rating – Moody's (long-term)	Aa1	Aa1	Aa1	Aa2	-

BRFkredit Group

Core earnings/earnings from investment portfolios and profits for the year (DKK million)	2004	2003	2002	2001	2000
Core income from lending operations etc.	836	824	768	750	665
Core income from securities	260	276	315	348	378
Total core income	1,096	1,100	1,082	1,098	1,043
Operating expenses, depreciation and amortisation	719	713	654	658	668
Core earnings before writeoffs	377	387	429	441	375
Losses and writeoffs on loans	-126	15	1	35	-173
Core earnings	502	372	427	406	547
Earnings from investment portfolios	-33	385	-167	-98	312
Profit on ordinary operations before tax	469	758	260	308	860
Tax	105	175	151	59	266
Net profit for the year	364	582	109	249	594

BRFkredit Group

Balance sheet (DKK million)	2004	2003	2002	2001	2000
Assets:					
Receivables from credit institutions etc.	19,529	17,646	25,475	10,990	4,895
Loans and advances	145,063	141,036	136,220	130,797	123,529
Bonds and shares etc.	44,232	35,921	14,310	18,285	11,166
Other assets	1,788	1,694	1,054	1,683	739
Total assets	210,612	196,297	177,059	161,755	140,330
Liabilities and shareholders' equity:					
Payables to credit institutions etc.	3,005	5,825	1,403	334	39
Issued bonds	184,870	170,285	158,476	148,647	128,463
Other liabilities	12,331	10,143	8,826	4,018	3,319
Subordinated capital	1,494	1,496	408	919	920
Shareholders' equity	8,912	8,548	7,946	7,837	7,588
Total liabilities and shareholders' equity	210,612	196,297	177,059	161,755	140,330

BRFkredit Group

Key figures and ratios	2004	2003	2002	2001	2000
Profit before tax as a per annum percentage of average shareholders' equity	5.4	9.2	3.3	4.0	11.8
Writeoffs (corrective account) (DKK million)	275	406	417	500	469
Loss-and-writeoff ratio	-0.1	0.0	0.0	0.0	-0.1
Capital adequacy ratio	13.9	13.5	11.8	12.5	13.6
Core capital ratio	11.9	11.5	11.2	11.2	12.0
Average number of employees (full-time equivalent)	702	680	612	578	611
Rating – Moody's (long-term)	Aa1	Aa1	Aa1	Aa2	-

BRFkredit Group

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

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

Financial performance 2004

- BRFkredit posted a satisfactory pre-tax profit for 2004 of DKK 469m, against DKK 758m in 2003. This performance represented a return on average equity before tax of 5.4% per annum. BRFkredit came out of 2004 with a net profit of DKK 364m, compared with DKK 582m in 2003.
- Core earnings were DKK 128m, or 34%, up on 2003, whereas earnings from investment portfolios declined by DKK 416m from the year before.
- BRFkredit maintained the cost level of 2003.

Core earnings

- Core income, comprising actual mortgage operations with the addition of a risk-free return on the securities portfolio, was DKK 1,010m in 2004, down from DKK 1,036 in 2003.

Core income from lending operations etc. was affected by the fact that loan refinancings in the mortgage market did not reach the high level of 2003. Gross new lending fell to DKK 36.6bn in 2004, from DKK 44.2bn in 2003. The slowdown in lending was accompanied by a drop in brokerage, fees and charges. The portfolio widened by DKK 3.7bn to DKK 143.2bn in 2004. The larger portfolio boosted income from commissions, but combined core income from lending operations was down by DKK 12m from DKK 758m in 2003 to DKK 746m in 2004.

To calculate risk-free return, BRFkredit chose an average interest rate of 2.40% in 2003, against 2.48% in 2003. Core income from securities declined by DKK 14m to DKK 264m, some of which can be ascribed to the lower risk-free return in 2004.

- Total operating expenses, including depreciation and amortisation, were up from DKK 685m in 2003 to DKK 688m in 2004 as a result of tight cost management. Total operating expenses, including depreciation and amortisation, have increased by 1% annually on average since 2000. Depreciation and amortisation were DKK 63m down on 2003. The decline was attributable to the increased depreciation made in 2003 after the period of depreciation for software previously capitalised had been shortened.
- The item "Losses and writeoffs on loans" contributed DKK 126m to profits for 2004, against an adverse impact of DKK 14m in 2003. The contribution stemmed from favourable economic conditions, which allowed the reversal of provisions for earlier critical loans and writeoffs on loans.

As a result, the year-end balance of total writeoffs to provide for losses was DKK 267m in 2004, equivalent to 0.2% of the total loan portfolio. Arrears percentages and the number of forced sales and bankruptcy proceedings were still at a very low level.

- Core earnings thus came to DKK 499m in 2004, up from DKK 372m in 2003.

Earnings from investment portfolios

- Earnings from investment portfolios comprise total returns on the securities portfolio net of risk-free return, which is transferred to core earnings.

Total investment returns in 2004 came to DKK 200m, made up of interest income of DKK 336m, a portfolio loss of DKK 154m and other income of DKK 18m. Earnings from investment portfolios, net of the risk-free return of 2.40%, equivalent to DKK 230m, were negative at DKK 30m, against positive earnings of DKK 386m the previous year. In 2004 BRFkredit had organised its investments in anticipation of an increase in long-term bond yields and more or less unchanged short-term yields. As everyone noticed, long-term yields slipped in 2004, and the outcome of BRFkredit's interest-rate strategy was therefore unsatisfactory. Viewed in isolation, money-market instruments and bonds delivered positive returns of DKK 259m, whereas hedging of financial instruments resulted in a loss of DKK 292m.

BRFkredit's share portfolio generated satisfactory returns of DKK 239m in 2004.

- Computed in accordance with the rules of the Danish Financial Supervisory Authority, the BRFkredit Group's interest rate risk at end-2004 was DKK 41m.
- Tax on profit for the year was DKK 105m, against DKK 175m in 2003. The effective tax rate was 22%. The difference between this rate and the corporation tax rate of 30% is primarily rooted in tax-exempt gains on shares, meaning that BRFkredit is not liable to capital gains tax on shares held for more than three years. Accordingly, losses on shares are not deductible. Revaluation of shares therefore gives rise to odd tax rates for BRFkredit.

Total assets, shareholders' equity and capital adequacy

- BRFkredit had total assets of DKK 208.9bn at 31 December 2004, against DKK 194.5bn a year earlier. Shareholders' equity, equivalent to BRFkredit's core capital, was up by DKK 364m to DKK 8,912m at 31 December 2004.
- The capital adequacy ratio at end-2004 was 14.4%, compared with 13.9% at end-2003. Own funds (tier 1 + tier 2 capital) thus exceeded the statutory requirement by an amount of DKK 4.6bn, bringing the ratio comfortably above the 8% minimum. If computed exclusively on the basis of core (tier 1) capital, the capital adequacy ratio at end-2004 was 12.3%, equalling an amount of DKK 3.1bn above the statutory requirement.

Shareholders' equity and capital adequacy

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

BRFkredit

(DKK million)	2004	2003	2002	2001	2000
Shareholders' equity, beginning of year	8,548	7,946	7,837	7,588	6,995
Correction, beginning of year		20	-	-	-
Retained profit for the year	364	582	109	249	594
Shareholders' equity, end of year	8,912	8,548	7,946	7,837	7,588
Own funds (capital base)	10,402	10,034	8,290	8,651	8,454
Weighted assets	72,204	72,312	68,226	67,269	61,229
Capital adequacy ratio	14.4	13.9	12.2	12.9	13.8
Core capital ratio	12.3	11.8	11.6	11.5	12.2

BRFkredit Group

(DKK million)	2004	2003	2002	2001	2000
Shareholders' equity, beginning of year	8,548	7,946	7,837	7,588	6,995
Correction, beginning of year		20	-	-	-
Retained profit for the year	364	582	109	249	594
Shareholders' equity, end of year	8,912	8,548	7,946	7,837	7,588
Own funds (capital base)	10,402	10,034	8,290	8,651	8,454
Weighted assets	74,631	74,263	70,283	68,992	62,214
Capital adequacy ratio	13.9	13.5	11.8	12.5	13.6
Core capital ratio	11.9	11.5	11.2	11.2	12.0

Lending activity and market shares in 2004

Mortgage refinancing activity in 2004 was still characterised by the traditional practice of refinancing high-rate loans into lower-rate loans, but new products were another contributory factor to the large number of refinanced loans. Hence, it is not only the traditional interest-rate motivated refinancings that create activity in the mortgage market. New products, risk profile changes and customers' needs for tailored repayment profiles influence the market to an increasing extent. Compared with previous years, BRFkredit's lending activity was high, albeit slightly down from the record level of 2003. BRFkredit's gross new lending came to DKK 36.6bn in 2004, against DKK 44.2bn in 2003.

Market shares

BRFkredit's market shares were relatively stable in 2004 and on a par with 2003. Although mortgage refinancing activity was not up to the record of 2003, 2004 was still a year of significant activity. It is therefore satisfactory to note that BRFkredit maintained its market shares of gross and new lending and improved its market shares of net new lending and net lending.

BRFkredit's total market share

	2004	2003
Gross new lending 1)	8.4	8.6
New lending 2)	8.6	8.5
Net new lending 3)	7.0	6.2
Net lending 4)	4.1	3.6

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

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

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

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

Bond issuance

In 2004 BRFkredit issued bonds for a total of DKK 71bn, against DKK 76bn in 2003. Bullet bonds funding adjustable rate mortgage loans accounted for some 75% of all issues in 2004, compared with 64% in 2003.

2004 saw a high trading volume of BRFkredit's open mortgage bonds. As far as the actively traded, short bullet, 4% 2005, 4% 2006 and 2% 2005, are concerned, BRFkredit achieved a 13% share of the total volume of about DKK 1,700bn. With regard to the benchmark fixed-rate annuity bond, 5% 2035, BRFkredit accounted for 7% of the total trading volume of DKK 800bn.

BRFkredit bonds are increasingly in demand among foreign investors. For example, foreign investors own 26.5% of the one-year adjustable rate mortgage bond, 4% 2006. At the close of 2004, foreign investors held 7.2% of BRFkredit's mortgage bonds in circulation.

Guarantee Loan

- BRFkredit was one of the first mortgage credit institutions to introduce an interest rate guarantee product in 2004. On 9 November 2004, the Guarantee Loan was launched as a result of the possibilities available with BRFkredit's flexible IT systems, combined with the dedicated work of all employees involved.

The Guarantee Loan is a floating rate loan with an interest rate cap that limits how much the interest rate is allowed to increase over the life of the loan for up to 30 years. The Guarantee Loan is available as an amortised loan and with the option of deferring principal payments for up to ten years according to the 'multi-ride-ticket principle', see above. The two new loan types are funded by two new bond series. The two series opened with an interest rate of 2.8% and an interest rate cap of 6%. Against the background of swift product development, at the end of 2004 BRFkredit achieved a total market share for guaranteed interest-rate loans of 13.1% in terms of bond issuance. BRFkredit's Guarantee Loan aroused particularly strong interest as the product was launched with a 0.1% discount on the commission on all loans offered up to 1 May 2005. The discount applies throughout the life of the loan.

BRFbank a/s

BRFbank reported a satisfactory profit performance in 2004, markedly up from the level of 2003.

BRFbank supports BRFkredit's mortgage operations by offering products that are complementary to mortgage lending in connection with housing starts and property transactions and in connection with the refinancing of loans secured against real property.

In 2004 the bank improved banking operations compared with 2003 and experienced growth in both deposits and lending activity. Its profit was also affected by portfolio gains on mortgages sold and on financial instruments. Core earnings thus came to DKK 53.5m in 2004, up from DKK 35.6m in 2003. Earnings from investment portfolios were negative at DKK 3.1m, against negative earnings of DKK 0.6m in 2003. The negative earnings from investment portfolios can primarily be ascribed to net interest expenses on financial instruments.

BRFbank posted a pre-tax profit for 2004 of DKK 50.4m, against DKK 35.0m in 2003. The bank came out of the year with a net profit of DKK 35.3m. Return on equity before tax was 11.6% per annum, against 8.6% in 2003.

Earnings per unit of cost (DKK) were DKK 2.39 in 2004, against DKK 2.08 in 2003.

At 31 December 2004, BRFbank had total assets of DKK 4.5bn, and shareholders' equity stood at DKK 453m. BRFbank's capital adequacy ratio was computed at 14.2% at end-2004, compared with 15.0% at the close of 2003.

Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S

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

The company came out of 2004 with a pre-tax profit of DKK 3.7m, against DKK 20.5m in 2003. Its shareholders' equity at 31 December 2004 was DKK 30.0m, out of total assets of DKK 55.7m.

Performance compared with expectations

At the time of the publication of the annual accounts for 2003, BRFkredit anticipated a pre-tax profit for 2004 in the order of DKK 225-275m. When the interim accounts for 2004 were published, the outlook for the year as a whole was raised to a pre-tax profit of DKK 375-425m, given the share and bond prices at 30 June 2004.

Actual profit before tax was DKK 469m, which surpassed expectations at the interim stage of 2004 in spite of the negative trend in returns on bonds and interest-bearing instruments during the second half of the year. The profit performance was satisfactory.

Outlook for 2005

2005 is expected to see somewhat lower lending activity compared with 2004. Change-of-ownership loans are forecast to increase slightly. Moreover, a considerable number of customers with both fixed-rate loans and adjustable rate mortgage loans are still expected to refinance into Guarantee Loans. On the other hand, the traditional practice of refinancing into lower-rate loans is expected to decline on the assumption of a stable level of interest rates. In these circumstances, core income from lending

operations is predicted to be somewhat lower in 2005. Operating expenses are forecast to rise in the wake of the continued development of BRFkredit's Internet activities and new products. Losses and writeoffs are forecast to remain at a very moderate level in 2005. Overall, BRFkredit anticipates core earnings in the order of 300-350m for 2005.

Financial calendar for 2005

28 February	Announcement of results for 2004
Early March	Annual report for 2004 available in printed form
26 April	Annual General Meeting
24 August	Interim report 2005

Resolutions by the Board of Directors

No resolution that falls within the duty of disclosure set out in the Rules Governing Securities Listing on the Copenhagen Stock Exchange A/S was adopted by the Board of Directors during 2004 other than the resolutions announced to the Copenhagen Stock Exchange and the Luxembourg Stock Exchange in 2004.

ACCOUNTING POLICIES

GENERAL

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

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

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

Profit and loss account

Amounts in DKK million

Profit and loss account For the year ended 31 December	Note	BRFkredit Group		BRFkredit a/s	
		2004	2003	2004	2003
Interest income	3	7,660	8,547	7,604	8,498
Interest expenses	4	6,646	7,568	6,622	7,543
Net interest income		1,014	979	981	955
Dividends on equity investments		24	16	24	16
Fees, charges and commission income		215	258	201	244
Fees, charges and commissions paid		93	102	102	120
Net interest income, fees and charges		1,160	1,151	1,105	1,095
Securities and foreign exchange income (- signifies a loss)	5	-83	295	-114	286
Other operating income		27	26	27	26
Staff costs and administrative expenses	6 - 8	703	634	671	606
Amortisation, depreciation and writedowns, intangible and tangible assets	21 - 22	21	66	21	84
Other operating expenses		0	-	0	-
Losses and writeoffs on loans (- signifies an income)	9	-126	15	-126	14
Income from equity investments in associated and subsidiary undertakings	10	-37	0	17	56
Profit on ordinary operations before tax		469	758	469	758
Tax	11	105	175	105	175
Net profit for the year		364	582	364	582

Distribution of net profit

Net profit for the year			364	582
Transferred from reserves in series not subject to reimbursement obligation			-1,467	62
Other reserves at beginning of year			4,549	6,899
Total amount available for distribution			3,446	7,543
Dividends and retained profits				
Dividends paid			-	-
Retained profits			3,446	7,543
Total dividends and retained profits			3,446	7,543

Balance sheet

Amounts in DKK million

Balance sheet at 31 December

	Note	BRFkredit Group		BRFkredit a/s	
		2004	2003	2004	2003
Assets					
Cash in hand and demand deposits with central banks		4	26	4	6
Receivables from credit institutions and central banks	12	19,525	17,620	19,161	17,123
Loans and advances	13 - 16				
Mortgage loans		143,008	139,103	143,032	139,128
Other loans		2,054	1,933	255	284
Total		145,063	141,036	143,287	139,412
Bonds	17	42,991	34,893	42,991	34,887
Shares etc.	18	1,241	1,028	1,241	1,028
Equity investments in associated undertakings	19	76	112	76	112
Equity investments in subsidiary undertakings	20	-	-	483	444
Intangible assets	21	4	2	4	2
Tangible assets	22	299	320	245	266
Other assets	23	1,394	1,247	1,393	1,241
Prepaid expenses and accrued revenue		15	13	14	13
Total assets		210,612	196,297	208,900	194,532
Liabilities and shareholders' equity					
Payables to credit institutions and central banks	24	3,005	5,825	2,598	5,412
Deposits		960	920	-	-
Issued bonds	25	184,870	170,285	184,870	170,285
Other liabilities	26	11,317	9,188	10,965	8,748
Prepaid income and accrued expenses		11	9	10	8
Provisions for obligations	27	44	26	50	34
Subordinated capital	28	1,494	1,496	1,494	1,496
Shareholders' equity	1, 2				
Share capital		306	306	306	306
Share premium account		102	102	102	102
Reserves					
Reserves in series not subject to reimbursement obligation		5,048	597	5,048	597
Other reserves		3,456	7,543	3,456	7,543
Total		8,504	8,140	8,504	8,140
Total shareholders' equity		8,912	8,548	8,912	8,548
Total liabilities and shareholders' equity		210,612	196,297	208,900	194,532
Off-balance sheet items					
Guarantees etc.	29	469	272	19	19
Other commitments		90	68	90	68
Total off-balance sheet items		559	340	109	87
Financial derivatives etc. are specified in notes:	31, 32, 33				
Additional notes	30, 34-39				

Statement of core earnings and earnings from investment portfolios

Amounts in DKK million

BRFkredit a/s	2004			2003		
	Core earnings	investment portfolios	Total	Core earnings	investment portfolios	Total
For the year ended 31 December						
Net interest income	876	106	981	822	134	955
Dividends on equity investments	-	24	24	-	16	16
Fees, charges and commission income	201	-	201	244	-	244
Fees, charges and commission paid	101	1	102	120	-	120
Net interest income, fees and charges	976	129	1,105	945	150	1,095
Securities and foreign exchange income (- signifies a loss)	41	-154	-114	45	241	286
Other operating income	27	-	27	26	-	26
Staff costs and administrative expenses	666	5	671	602	5	606
Amortisation, depreciation and writedowns, intangible and tangible assets	21	-	21	84	-	84
Other ordinary expenses	0	-	0	-	-	0
Losses and writeoffs on loans (- signifies a gain)	-126	-	-126	14	-	14
Income from equity investments in associated and subsidiary undertakings	17	-	17	56	-	56
Profit on ordinary operations before tax	499	-30	469	372	386	758

Cash flow statement

Amounts in DKK million

For the year ended 31 December	BRFkredit Group	
	2004	2003
Cash flow from operating activities		
Pre-tax profit	469	758
Adjustment for illiquid operating items a)	2	-248
Change in accrued/deferred interest income and receivables	-521	-739
Change in accrued/deferred interest expenses and payables	893	355
Tax paid	96	199
Total	747	-73
Cash flow from investing activities		
Intangible assets	-3	-3
Tangible assets	-8	-5
Equity investments in associated undertakings	-3	-4
Investment in shares etc.	1	5
Total	-12	-7
Cash flow from financing activities		
Bond loans and other subordinated capital	-2	1,088
Total	-2	1,088
Cash flow from lending and funding activities		
Change in mortgage loans	-3,755	-4,740
Change in issued mortgage bonds	14,585	11,809
Total	10,830	7,069
Net cash inflow/outflow for the year	11,562	8,077
Cash and cash equivalents, including bond portfolio, at beginning of year	41,075	32,925
Revaluation of bonds etc.	-42	73
Cash and cash equivalents, including bond portfolio, at end of year b)	52,594	41,075
a) Adjustment for illiquid operating items		
Depreciation and writedowns, fixed assets	13	58
Loss on sales of fixed assets	0	0
Revaluation of securities etc. (- signifies a gain)	83	-295
Revaluation of equity investments	37	0
Change in writeoffs for losses (- signifies an income)	-131	-11
Total	2	-248
b) Cash and cash equivalents at end of year		
Cash in hand and demand deposits with central banks	4	26
Receivables from credit institutions and central banks	19,525	17,620
Bond portfolio at fair value	42,991	34,893
Payables to credit institutions and central banks	3,005	5,825
Deposits	960	920
Negative securities portfolios recorded under "Other liabilities"	5,962	4,719
Total	52,594	41,075

2004 saw a net cash inflow from operating activities of DKK 747m, against a cash outflow of DKK 73m in 2003.

Lending and funding activities brought a net cash inflow of DKK 10,830m at end-2004, against DKK 7,069m in 2003. This positive contribution can mainly be ascribed to the refinancing of adjustable rate mortgage loans. Most of this additional cash had been contributed by 3 January 2005.

This brought cash and cash equivalents, including the bond portfolio, to DKK 52,594m at 31 December 2004, up from DKK 41,075m at 31 December 2003.

Amounts in DKK million

Notes to annual accounts 2004
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1 Shareholders' equity and movements in capital and reserves	Beginning of year	Correction	Corrected at	Other additions	Other disposals	Retained profit for the year	End of year
			beginning of year				
Share capital	306	-	306	-	-	-	306
Share premium account	102	-	102	-	-	-	102
Net revaluation reserve according to equity method	10	-	10	-	-	0	10
Reserves in series not subject to reimbursement obligation	597	2,983	3,580	1,467	-	-	5,048
Other reserves	7,533	-2,983	4,549	-	1,467	364	3,446
Total reserves	8,140	0	8,140	1,467	1,467	364	8,504
Total shareholders' equity	8,548	0	8,548	1,467	1,467	364	8,912

In compliance with the Danish Mortgage Loans and Mortgage Bonds Act, shareholders' equity in BRF Capital Centre B of DKK 2,983m was transferred to Reserves in series not subject to reimbursement obligation at the beginning of 2004.

The share capital is divided into 564,800 "A" shares of DKK 100 each and 2,500,000 "B" shares of DKK 100 each.

The shares are wholly owned by BRFholding a/s.

2 Capital adequacy statement	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Core capital (tier 1) after deduction	8,908	8,538	8,908	8,538
Own funds	10,402	10,034	10,402	10,034
Weighted items outside trading portfolio, including off-balance sheet items	71,274	70,032	68,867	67,948
Weighted items with market risks etc.	3,356	4,231	3,337	4,364
Total weighted items	74,631	74,263	72,204	72,312
Core capital (tier 1) after deduction as % of total weighted items	11.9	11.5	12.3	11.8
Capital adequacy ratio	13.9	13.5	14.4	13.9

3 Interest income	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Receivables from credit institutions and central banks	203	263	200	276
Loans and advances	6,426	7,346	6,361	7,273
Commissions	604	591	604	591
Bonds				
Own mortgage bonds	324	242	324	241
Other mortgage bonds	239	254	239	254
Government bonds 1)	-204	-214	-204	-214
Other bonds	21	24	21	24
Total bonds	380	306	380	305
Financial derivatives				
Currency contracts	-	-0	-	-0
Interest-rate contracts	30	18	41	31
Total financial derivatives	30	18	41	31
Other interest income	17	22	17	22
Total	7,660	8,547	7,604	8,498
Of which interest income on reverse transactions entered under "Receivables from credit institutions and central banks"	146	163	146	163

1) The company had net interest expenses on government bonds in 2004. These expenses arose from negative securities portfolios in connection with reverse transactions, see note 26.

Notes to
annual accounts 2004

Amounts in DKK million

4 Interest expenses	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Credit institutions and central banks	62	43	51	34
Deposits	14	15	-	-
Issued bonds	6,523	7,458	6,523	7,458
Subordinated capital	44	49	44	49
Other interest expenses	4	3	4	3
Total	6,646	7,568	6,622	7,543
Of which interest expenses on repo transactions entered under "Credit institutions and central banks"	35	25	35	25

5 Securities and foreign exchange income (- signifies a loss)	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Bonds				
Own mortgage bonds	199	38	199	39
Other mortgage bonds	128	-13	128	-13
Government bonds	-361	51	-361	51
Other bonds	-8	-3	-8	-3
Total bonds	-42	73	-42	73
Shares etc.	214	222	214	222
Fixed-rate loans etc.	28	21	1	9
Currency translation adjustment	-0	0	-0	1
Financial derivatives				
Currency contracts	0	0	0	0
Interest-rate contracts	-283	-21	-287	-19
Total financial derivatives	-283	-21	-287	-19
Total	-83	295	-114	286

6 Staff costs and administrative expenses	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Emoluments and remuneration of Board of Directors, Board of Management and Board of Representatives				
Board of Management	8	7	8	7
Board of Directors	1	2	1	2
Board of Representatives	1	1	1	1
Total	10	10	10	10
Staff costs				
Wages and salaries	306	290	285	271
Pensions	29	26	28	25
Social-security costs	33	29	31	27
Total	369	346	343	323
Other administrative expenses	324	278	318	273
Total staff costs and administrative expenses	703	634	671	606

The annual emolument is DKK 120,000 for ordinary members of the Board of Directors. The Deputy Chairman receives double this amount, whereas the Chairman receives triple this amount

7 Auditors' fees	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Total fees of the elected accountancy companies conducting the statutory audit	4	3	4	3
Of which non-audit fees	2	1	2	1

The Group has an internal Audit Department, which employed seven people on average.

Amounts in DKK million

Notes to annual accounts 2004

8 Number of employees	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Average number of employees during the financial year (full-time equivalent)	702	680	651	634

9 Losses and writeoffs on loans (- signifies an income)	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Realised losses during the year 1)	6	26	-0	20
Shift in writeoffs for losses				
Beginning of year	406	417	393	399
Currency translation of writeoffs at beginning of year	0	0	0	0
End of year	275	406	267	393
Total	-126	15	-126	14

1) BRFkredit a/s, 2004: Comprises realised losses etc. at a negative DKK 34m as well as payments from claims previously written off of DKK 34m, a total of DKK 0.

10 Income from equity investments in associated and subsidiary undertakings	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Income from equity investments in associated undertakings	-37	0	-37	0
Income from equity investments in subsidiary undertakings	-	-	54	55
Total	-37	0	17	56

11 Tax	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Estimated tax on profit for the year	81	191	81	191
Tax on interest-rate advantage in connection with writeoffs	2	3	2	3
Deferred taxes	21	-18	21	-18
Adjustment of estimated tax for prior years	-0	-0	-0	-0
Total	105	175	105	175

The Group's effective tax rate in 2004 was 22%. The difference between this and the current corporation tax rate of 30% in 2004 is rooted in permanent differences from the revaluation of shares by 8%points.

Of total tax, tax in regard to BRFkredit a/s is as follows:

	2004	2003
Estimated tax on profit for the year	66	180
Tax on interest-rate advantage in connection with writeoffs	2	2
Deferred taxes	21	-18
Adjustment of estimated tax for prior years	0	-0
Total	89	164

12 Receivables from credit institutions and central banks	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Time deposits with central banks	300	250	-	-
Receivables from credit institutions	19,225	17,370	19,161	17,123
Total	19,525	17,620	19,161	17,123

Most of the receivables from credit institutions relate to a temporary difference between mortgage loans and issued bonds which, in all material aspects, was eliminated at the 3 January 2005 repayment date.

Notes to
annual accounts 2004

Amounts in DKK million

13 Loans and advances	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Mortgage loans	143,008	139,103	143,032	139,128
Other loans				
Other loans	1,994	1,874	195	225
Outstanding balances on non-foreclosures	60	59	60	59
Total	2,054	1,933	255	284
Total loans and advances	145,063	141,036	143,287	139,412
<hr/>				
14 Mortgage loans	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Balance at beginning of year	139,497	134,753	139,521	134,779
New loans	36,755	45,337	36,755	45,364
Indexation	446	600	446	600
Ordinary repayments of principal	5,783	5,288	5,784	5,291
Redemptions and prepayments	27,679	35,905	27,679	35,931
Balance at end of year	143,236	139,497	143,259	139,521
Less repaid loans and writeoffs				
Loans repaid through temporary foreclosures	9	24	9	24
Writeoffs on loans	196	346	196	346
Loans repaid through foreclosure by the Financial Administration Agency	22	24	22	24
Total amount deducted	227	394	227	394
Net mortgage loans	143,008	139,103	143,032	139,128
<hr/>				
15 Outstanding balances on non-foreclosures	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Arrears	74	77	74	77
Outlays	10	8	10	8
Writeoffs on loans	23	26	23	26
Total	60	59	60	59
Arrears owed at 31 January of the following year	40	38	40	38
<hr/>				
16 Loans to management	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Total loans, mortgages, pledges, charges, surety and guarantee commitments provided for the benefit of members of the Board of Directors and Board of Management	2	2	2	2
<hr/>				
17 Bonds	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Own mortgage bonds	30,841	27,807	30,841	27,802
Other mortgage bonds	11,604	5,006	11,604	5,006
Government bonds	202	1,329	202	1,329
Other bonds	345	751	345	751
Total bonds	42,991	34,893	42,991	34,887
Of which bonds drawn for redemption	1,211	374	1,211	373
Bonds marked to market	42,988	34,889	42,988	34,883
<p>The company has a negative bond portfolio, see note 26, of DKK 6.0bn, which means that the company's net bond portfolio is DKK 37.0bn.</p> <p>DKK 27.3bn of the above-mentioned portfolio of own mortgage bonds relates to the refinancing of ARM loans and to the issuance of bonds at the end of 2004.</p> <p>Some of the above-mentioned bond portfolio has been provided as security for cash withdrawals from and sum-clearing of the Group's accounts with Danmarks Nationalbank.</p>				

Amounts in DKK million

**Notes to
annual accounts 2004**

18 Shares etc.	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Shares and mutual funds listed on the Copenhagen Stock Exchange	1,105	941	1,105	941
Shares and mutual funds listed on other stock exchanges	13	5	13	5
Other shares	122	82	122	82
Total shares etc.	1,241	1,028	1,241	1,028

19 Equity investments in associated undertakings	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Total cost at beginning of year	198	194	198	194
Additions	3	4	3	4
Total cost at end of year	201	198	201	198
Writeups and writedowns at beginning of year	-86	-84	-86	-84
Net profit/loss after tax	5	0	5	0
Dividends	2	2	2	2
Other capital movements	-41	-	-41	-
Writeups and writedowns at end of year	-124	-86	-124	-86
Net book value at end of year	76	112	76	112

20 Equity investments in subsidiary undertakings	BRFkredit a/s	
	2004	2003
Total cost at beginning of year	348	348
Additions	-	-
Total cost at end of year	348	348
Writeups and writedowns at beginning of year	96	52
Net profit/loss after tax	39	44
Dividends	-	-
Writeups and writedowns at end of year	135	96
Net book value at end of year	483	444
of which credit institutions	453	417

Amounts in DKK million

**Notes to
annual accounts 2004**

21 Intangible assets	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Total cost at beginning of year	166	163	166	163
Additions	3	3	3	2
Total cost at end of year	169	166	169	166
Amortisation and writedowns at beginning of year	164	99	164	99
Amortisation and writedowns during the year	1	64	1	64
Amortisation and writedowns at end of year	165	164	165	164
Net book value at end of year	4	2	4	2

22 Tangible assets	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Own properties	272	276	219	224
Foreclosed properties ¹⁾	13	30	13	30
Machinery and equipment	14	13	14	13
Total	299	320	245	266
Own properties				
Total cost at beginning of year	391	391	310	310
Additions	1	-	1	-
Total cost at end of year	393	391	311	310
Depreciation and writedowns at beginning of year	115	127	86	80
Depreciation during the year	7	7	6	6
Depreciation and writedowns reversed	2	19	-	-
Depreciation and writedowns at end of year	120	115	93	86
Net book value at end of year	272	276	219	224
Most recent public land assessment value	374	360	322	308
Machinery and equipment				
Total cost at beginning of year	50	46	49	45
Additions	7	6	7	5
Disposal	4	1	4	1
Total cost at end of year	53	50	52	49
Depreciation and writedowns at beginning of year	37	32	36	31
Depreciation during the year	6	6	6	6
Depreciation and writedowns reversed	4	1	4	1
Depreciation and writedowns at end of year	39	37	38	36
Net book value at end of year	14	13	14	13
Machinery and equipment written off in year of acquisition	8	8	8	8

¹⁾ BRFkredit a/s' portfolio of foreclosed properties is valued at DKK 13m. Dania Immobilien GmbH, Mohrkirch, Germany, which has been acquired in a move to minimise losses, accounts for DKK 2m of this amount.

Amounts in DKK million

Notes to
annual accounts 2004

23 Other assets	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Positive market value of financial derivatives etc.	0	0	0	0
Interest and commissions receivable	1,216	802	1,221	799
Loan applications in process	86	347	86	347
Tax receivable	83	70	82	66
Deferred tax	-	7	-	8
Other assets	9	20	4	20
Total	1,394	1,247	1,393	1,241

24 Payables to credit institutions and central banks	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Payables to credit institutions	3,005	5,825	2,598	5,412
Total	3,005	5,825	2,598	5,412

25 Issued bonds	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Mortgage bonds issued against the security of real property				
Balance at beginning of year	170,285	158,476	170,285	158,476
Additions	71,405	75,616	71,405	75,616
Indexation	447	601	447	601
Ordinary repayments of principal	41,204	48,840	41,204	48,840
Redemptions and prepayments	16,063	15,567	16,063	15,567
Balance at end of year	184,870	170,285	184,870	170,285
Of which pre-issued	32,225	21,745	32,225	21,745
Drawn for redemption on next repayment date	5,094	4,787	5,094	4,787

26 Other liabilities	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Negative market value of financial derivatives etc.	17	26	10	7
Negative securities portfolios in connection with reverse transactions	5,962	4,719	5,962	4,719
Interest and commissions payable	4,407	3,632	4,404	3,626
Loan applications in process	782	618	484	268
Other liabilities	150	193	104	128
Total	11,317	9,188	10,965	8,748

27 Provisions for obligations	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Deferred taxes	14	-	14	-
Provisions for litigation etc.	1	2	1	2
Other provisions	30	24	36	33
Total	44	26	50	34

Amounts in DKK million

**Notes to
annual accounts 2004**

28 Subordinated capital	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Capital certificates				
Subordinated bond loan, nom. EUR 200m 1)	1,488	1,489	1,488	1,489
Other subordinated capital				
Deposit account, Husejernes Kreditkasse 2)	6	7	6	7
Total capital certificates and other subordinated capital included in own funds	1,494	1,496	1,494	1,496

1) Interest on the loan in 2004: DKK 43.9m. The loan carries interest at the Euribor rate with the addition of 0.70% points p.a. The loan is repayable at par on 19 October 2011 unless prepaid in compliance with the terms of the loan.

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

29 Off-balance sheet items	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Guarantees etc.				
Financial guarantees	446	250	-	-
Other guarantees	23	22	19	19
Total guarantees etc.	469	272	19	19
Other commitments				
Other commitments	90	68	90	68
Total other commitments	90	68	90	68
Total off-balance sheet items	559	340	109	87

Amounts in DKK million

Notes to
annual accounts 2004**30 The group at a glance**

Name and registered office	Share capital at end of year	Shareholders' equity at end of year *	Shareholding (%)	Net profit/loss *	Intercompany receivables	Intercompany payables
Subsidiary undertakings included in the consolidation:						
BRFbank a/s, Kgs. Lyngby	140	453	100	35		
Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S, Århus	5	30	100	3		
Subsidiary undertakings not included in the consolidation:						
Dania Immobilien GmbH., Mohrkirch, D see note 22, tangible assets						
Associated undertakings:						
EDC-partner a/s, Frederiksberg	100	164	50	3	-	-
EKADAN A/S, København	27	94	37	4	25	-
Boligtorvet A/S, Kgs. Lyngby	2	4	50	-4	-	-
Realkreditnettet Holding A/S, København	11	-	21	-	-	-
Other undertakings in which the Group holds 10% or more of the share capital:						
Ejstrupholm & Omegns Industricenter ApS, Brande	0	1	17	0		
Horsens Grundfinansiering A/S in voluntary liquidation, Horsens	8	12	12	0		
Håndværkets Byfornylsesselskab smba, København	14	9	18	-1		

* According to latest annual accounts

31 Repo and reverse transactions

	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
The asset entries below include the following reverse transactions:				
Receivables from credit institutions and central banks	12,781	11,127	12,781	11,127
The liability entries below include the following repo transactions:				
Payables to credit institutions and central banks	1,538	3,540	1,538	3,540
Assets sold in connection with repo transactions				
Bonds	1,527	3,518	1,527	3,518

Amounts in DKK million

Additional notes to
annual accounts 2004

32 Market risks

Financial derivatives

BRFkredit a/s	Up to 3 months		Over 3 months and up to 1 year		Over 1 year and up to 5 years		Over 5 years	
	Nominal value	Net market value	Nominal value	Net market value	Nominal value	Net market value	Nominal value	Net market value
Currency contracts a)								
Forwards/futures, purchases	-	-	-	-	-	-	-	-
Forwards/futures, sales	-	-	-	-	-	-	-	-
Swaps	-	-	-	-	1,485	-3	-	-
Interest-rate contracts								
Forwards/futures, purchases b)	33,373	91	67	2	-	-	-	-
Forwards/futures, sales c)	689	1	1	0	-	-	-	-
Swaps d)	-	-	-	-	20	-1	20	-1

BRFkredit a/s	Total 2004		Total 2003		Total 2004		Market value of non- guaranteed contracts	
	Nominal value	Net market value	Nominal value	Net market value	Average market value Positive	Negative	Positive	Negative
Currency contracts a)								
Forwards/futures, purchases	-	-	-	-	-	-	-	-
Forwards/futures, sales	-	-	-	-	-	-	-	-
Swaps	1,485	-3	1,707	-7	-	3	-	-
Interest-rate contracts								
Forwards/futures, purchases b)	33,440	92	19,075	36	48	1	93	1
Forwards/futures, sales c)	690	1	18,535	-43	1	3	1	0
Swaps d)	40	-2	20	-2	-	2	-	2
Total		88		-16	49	9	94	3

a) Currency contracts: Relate to foreign exchange contracts, which hedge exchange rate risks on subordinated loan capital (DKK 1.5bn).

b) Interest-rate contracts, forwards/futures, purchases: Relate to forward contracts of DKK 28.1bn with customers who plan to refinance their ARM loans. The forward contract is concluded because borrowing customers arrange for the refinancing of their loans. BRFkredit buys the new bonds from the customer at a price BRFkredit has obtained in the bond market. As a result, BRFkredit incurs no net interest rate risk.

BRFkredit has also concluded fixed-price agreements with customers for determining the bond price at the time of loan disbursement (DKK 4.4bn). These contracts are hedged by advance issues of bonds, which are sold and the proceeds of which are invested in the money market or in short bonds. Moreover, the item comprises German interest rate futures of DKK 1.0bn, which are included in the management of BRFkredit's interest rate risk.

c) Interest-rate contracts, forwards/futures, sales: Relate to fixed-price agreements with customers for determining the redemption price in the amount of DKK 0.2bn. These risks are hedged by corresponding purchases for BRFkredit's own portfolio. In addition, the item comprises DKK 0.5bn relating to German interest rate futures included in the management of BRFkredit's interest rate risk.

d) Interest-rate contracts, swaps: Relate to the hedging of interest rate risk on specific acquired assets.

33 Market risks

Unsettled spot contracts

BRFkredit a/s	Nominal value	Market value		2004	2003
		Positive	Negative	Net market value	Net market value
Foreign exchange transactions, purchase	-	-	-	-	-
Foreign exchange transactions, sales	-	-	-	-	-
Interest-rate transactions, purchases	138	0	0	0	0
Interest-rate transactions, sales a)	1,719	2	0	2	0
Total		2	0	2	0

a) Interest-rate transactions, sales: Relate to the sale of bonds issued in connection with loan disbursements in early 2005.

Amounts in DKK million

**Additional notes to
annual accounts 2004**

34 Outstanding balances with subsidiary and associated undertakings	Subsidiary undertakings		Associated under-undertakings and other significant investments	
	2004	2003	2004	2003
Asset entries				
Receivables from credits institutions and central banks	2,333	2,461	-	-
Loans and advances	24	24	25	26
Bonds	-	-	4	4
Other assets	2	2	0	-
Total asset entries	2,358	2,487	29	30
Liability entries				
Payables to credit institutions	56	1	-	-
Deposits	-	-	-	-
Issued bonds	-	5	-	-
Other liabilities	7	10	-	-
Total liability entries	63	16	-	-
35 Credit risks				
	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
Mortgage loans by class of property				
Owner-occupied homes	48%	49%	48%	49%
Vacation homes	2%	2%	2%	2%
Subsidised housing	22%	22%	22%	22%
Private rental housing	15%	14%	15%	14%
Industrial properties	1%	1%	1%	1%
Office and business properties	10%	10%	10%	10%
Agricultural properties etc.	0%	0%	0%	0%
Properties for social, cultural and educational purposes	2%	2%	2%	2%
Other properties	0%	0%	0%	0%
Total	100%	100%	100%	100%
Subordinated receivables				
Subsidiary undertakings	-	-	150	150
Other companies	25	25	25	25
Total	25	25	175	175
Accumulated writeoffs				
Writeoffs on loans and guarantees at end of year	275	406	267	393
Total	275	406	267	393

Amounts in DKK million

**Additional notes to
annual accounts 2004**

36 Liquidity risk	BRFkredit Group		BRFkredit a/s	
	2004	2003	2004	2003
By remaining term to maturity				
Receivables from credit institutions and central banks				
On demand	4,204	4,717	3,991	4,319
Up to 3 months	15,203	12,790	14,903	12,540
Over 3 months and up to 1 year	105	101	105	101
Over 1 year and up to 5 years	12	12	12	12
Over 5 years	1	-	151	150
Total	19,525	17,620	19,161	17,123
Loans				
On demand	-	-	-	-
Up to 3 months	1,614	1,552	1,006	917
Over 3 months and up to 1 year	4,621	4,385	4,088	3,991
Over 1 year and up to 5 years	21,925	22,133	21,671	21,926
Over 5 years	116,903	112,967	116,522	112,578
Total	145,063	141,036	143,287	139,412
Payables to credit institutions and central banks				
On demand	68	387	60	372
Up to 3 months	2,538	5,040	2,538	5,040
Over 3 months and up to 1 year	-	-	-	-
Over 1 year and up to 5 years	399	399	-	-
Over 5 years	-	-	-	-
Total	3,005	5,825	2,598	5,412
Deposits				
Demand deposits	30	873	-	-
Up to 3 months	929	47	-	-
Over 3 months and up to 1 year	-	-	-	-
Over 1 year and up to 5 years	1	-	-	-
Over 5 years	-	-	-	-
Total	960	920	-	-
Issued bonds				
Up to 3 months	38,563	27,905	38,563	27,905
Over 3 months and up to 1 year	2,399	3,524	2,399	3,524
Over 1 year and up to 5 years	71,069	60,869	71,069	60,869
Over 5 years	72,839	77,986	72,839	77,986
Total	184,870	170,285	184,870	170,285

Amounts in DKK million

Additional notes to
annual accounts 2004

37 Five-year summary of key figures	2004	2003	2002	2001	2000
BRFkredit Group					
Capital adequacy ratio	13.9	13.5	11.8	12.5	13.6
Core capital ratio	11.9	11.5	11.2	11.2	12.0
Return on equity before tax (%)	5.4	9.2	3.3	4.0	11.8
Return on equity after tax (%)	4.2	7.1	1.4	3.2	8.1
Earnings per unit of cost (DKK)	1.78	2.06	1.39	1.44	2.72
Foreign exchange position (%)	1.5	0.5	0.4	0.0	2.3
Accumulated writeoff ratio	0.2	0.3	0.3	0.4	0.4
Loss-and-writeoff ratio for the year	-0.1	0.0	0.0	0.0	-0.1
Growth in lending during the year (%)	2.9	3.5	4.1	5.9	4.2
Loan-to-equity ratio	16.3	16.5	17.1	16.7	16.3
Total weighted items	74,631	74,263	70,283	68,992	62,214
Core capital (tier 1) after deduction	8,908	8,538	7,882	7,740	7,459
Exchange rate indicator 1	135	44	30	1	172
Shareholders' equity	8,912	8,548	7,946	7,837	7,588
Average shareholders' equity	8,730	8,247	7,891	7,713	7,291
Lending, beginning of year	141,036	136,220	130,797	123,529	118,580
Lending, guarantees and writedowns	145,807	141,714	136,983	131,422	124,402
Operating expenses	599	714	660	699	500
BRFkredit a/s					
Capital adequacy ratio	14.4	13.9	12.2	12.9	13.8
Core capital ratio	12.3	11.8	11.6	11.5	12.2
Return on equity before tax (%)	5.4	9.2	3.3	4.0	11.8
Return on equity after tax (%)	4.2	7.1	1.4	3.2	8.1
Earnings per unit of cost (DKK)	1.83	2.08	1.39	1.47	2.76
Foreign exchange position (%)	1.5	0.5	0.4	0.0	2.3
Accumulated writeoff ratio	0.2	0.3	0.3	0.4	0.4
Loss-and-writeoff ratio for the year	-0.1	0.0	0.0	0.0	-0.1
Growth in lending during the year (%)	2.8	3.4	3.9	5.6	3.9
Loan-to-equity ratio	16.1	16.3	17.0	16.6	16.2
Total weighted items	72,204	72,312	68,226	67,269	61,229
Core capital (tier 1) after deduction	8,908	8,538	7,882	7,740	7,459
Exchange rate indicator 1	134	44	30	1	172
Shareholders' equity	8,912	8,548	7,946	7,837	7,588
Average shareholders' equity	8,730	8,247	7,891	7,713	7,291
Lending, beginning of year	139,412	134,857	129,812	122,979	118,342
Lending, guarantees and writedowns	143,573	139,824	135,272	130,299	123,462
Operating expenses	566	705	639	651	483

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

38 Intercompany transactions

Significant transactions conducted between companies in the BRFFonden Group which are indirectly or directly affiliated to this Group are as follows:

Agreements between BRFFonden and BRFFholding a/s:

BRFFonden undertakes continuing business with BRFFholding a/s.

Agreements between BRFFonden a/s and BRFkredit a/s:

An agreement on joint administrative tasks.
BRFFonden undertakes continuing business with BRFkredit a/s.

Agreements between BRFFholding a/s and BRFkredit a/s:

An agreement on joint administrative tasks.
BRFFholding a/s undertakes continuing business with BRFkredit a/s.

Agreements between BRFkredit a/s and BRFBank a/s:

BRFBank a/s has furnished BRFkredit a/s with land registration guarantees and advance mortgage guarantees.
BRFkredit a/s undertakes continuing business with BRFBanks a/s.
BRFkredit a/s has subordinated loan capital in BRFBank a/s.
BRFkredit a/s and BRFBank a/s have also concluded cash and asset management agreements and agreement on joint administrative functions.

Agreements between BRFkredit a/s and Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S:

Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S leases premises to BRFkredit a/s.
BRFkredit a/s has granted a mortgage loan to ejendomsselskabet Nørreport 26, 8000 Århus C. A/S.

Agreements between BRFkredit a/s and EKADAN EJENDOMME A/S:

BRFkredit a/s has granted a mortgage loan to EKADAN EJENDOMME A/S.

Agreements between BRFkredit a/s and EDC-partner a/s:

BRFkredit a/s and EDC-partner a/s have concluded an agreement on the leasing of computer equipment to the individual EDC estate agent.

Agreement between BRFkredit a/s and Boligtorvet a/s:

An agreement on joint administrative functions.

Agreement between BRFkredit a/s and Realkreditnettet A/S:

BRFkredit a/s has subordinated loan capital in Realkreditnettet A/S.

Agreements between BRFBank a/s and Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S:

Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S undertakes continuing business with BRFBank a/s.

**Additional notes to
annual accounts 2004**

39 Directorships and executive positions held by the Board of Directors

The members of the Board of Directors have disclosed the following directorships and executive positions with other Danish companies, except for wholly-owned subsidiaries:

Oluf Engell

Chairman of the board of directors of:
BRFholding a/s
Dades a/s
Aktieselskabet Einar Willumsen

Member of the board of directors of:

Andersen & Martini A/S
Bella Center A/S
Det Berlingske Officin A/S
Haldor Topsøe A/S
Hauen Holding A/S

K. Koch-Jensen

Chairman of the board of directors of:
Danish Air Transport Holding A/S
Jysk Råhusmontage A/S

Member of the boards of directors of:

BRFholding a/s
Jørgen Schou Holding A/S
Vejen Trælasthandel A/S
P. Christensen, Odense A/S

Thomas Sandelius

Member of the board of directors of:
BRFholding a/s

Lars Henrik Munch

Member of the executive board of:
JP/Politikens Hus A/S

Kurt Bligaard Pedersen

Member of the executive board of:
DONG Naturgas A/S

Aksel Nissen

Chairman of the board of directors of:
Danært A/S

Member of the executive board of:

DLF-Trifolium A/S
Danespo Holding A/S

Troels Behr

Chairman of the board of directors of:
Arkitekttegnestuen Virumgård A/S

Member of the board of directors of:

A/S Matr.nr. 432 af Amagerbro
Peter Juel Jeppesen A/S

Directorships and executive positions held by the board of Management

The Board of Directors has approved the following directorships and executive positions held by the members of the Board of Management:

Sven A. Blomberg

Chairman of the board of directors of:
BRFbank a/s

Member of the board of directors of:

Værdipapircentralen A/S

Member of the executive board of:

BRFholding A/S

Jes Damsted

Chairman of the board of directors of:
Ejendomsselskabet Nørreport 26,
8000 Århus C. A/S

Member of the board of directors of:

BRFbank a/s
Realkreditnettet Holding A/S

Carsten Tirsbæk Madsen

Member of the board of directors of:
BRFbank a/s
Ejendomsselskabet Nørreport 26,
8000 Århus C. A/S
Københavns Fondsbørs A/S

Signatures

The Annual Report has been prepared in compliance with the Copenhagen Stock Exchange requirements for presentation of financial statements.

Board of Directors:

Board of Management:

Oluf Engell
Chairman

Lars Henrik Munch

Sven A. Blomberg
President and Chief Executive Officer

K. Koch-Jensen
Deputy Chairman

Aksel Nissen

Jes Damsted
Executive Vice President

Troels Behr

Kurt Bligaard Pedersen

Carsten Tirsbæk Madsen
Executive Vice President

Laila Busted
Elected by staff

Thomas Sandelius
Elected by staff

Jan Frederiksen
Elected by staff

Kgs. Lyngby, 28 Februar 2005

The Board of Directors held seven meetings and one seminar in 2004.

Auditors' reports

Internal audit

We have audited the annual report of BRFkredit a/s for the financial year ended 31 December 2004, which is presented according to Danish Statutory reporting and presentation requirements.

The Company's Board of Directors and Board of Management are responsible for the annual report. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion

We conducted our audit on the basis of the Order of the Danish Financial Supervisory Authority on Auditing Procedures of Financial Enterprises and Financial Groups and in accordance with Danish auditing standards. Based on materiality and risk, we have assessed business procedures, the accounting policies applied and significant estimates made and examined the evidence supporting the amounts and disclosures in the annual report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualifications.

Opinion

In our opinion, the annual report gives a true and fair view of the Groups' and Parent Company's assets, liabilities and financial position at 31 December 2004 and of the results of the Groups's and Parent Company's operations and of the Group's cash flows for the financial year ended 31 December 2004 in accordance with the accounting provisions of Danish Legislation.

Kgs. Lyngby, 28 Februar 2005

Arne List
Head of Internal Audit Department

Elected auditors' report

To the shareholder of BRFkredit a/s

We have audited the annual report of BRFkredit a/s for the financial year ended 31 December 2004, which is presented according to Danish Statutory reporting and presentation requirements.

The Company's board of Directors and Board of Management are responsible for the annual report. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish auditing standards. Pursuant to these standards we must plan and perform our audit to obtain reasonable assurance that the annual report is free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. Our audit also includes assessing the accounting policies applied and significant estimates made by the Board of Directors and Board of Management and evaluating the overall presentation of the annual report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualifications.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and Parent Company's assets, liabilities and financial position at 31 December 2004 and of the results of the Group's and Parent Company's operations and of the Group's cash flows for the financial year ended 31 December 2004 in accordance with the accounting provisions of Danish legislation.

Copenhagen, 28 Februar 2005

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab

Kim Fücksel
State-Authorised Public Accountant

Deloitte
Statsautoriseret Revisionsaktieselskab

Søren Dinesen
State-Authorised Public Accountant

Series accounts

Amounts in DKK million

The series accounts for BRFkredit a/s have been prepared in compliance with Order of 20 November 1995 of the Danish Financial Supervisory Authority on Series Accounts of Mortgage Credit Institutions. The series accounts have been summarised below at "association level", cf. Section 30(3) of the Order.

The summary and the transfers between the series have been prepared in compliance with the Board of Directors' proposal for distribution of net profit. The full and complete series accounts are available from BRFkredit a/s on demand.

Summary series accounts	Husejernes Kreditkasse	BRF series with joint and several liability	BRF Capital Centre B	General Capital Centre	Total
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Profit and loss account for 2004

Income from lending activities	1	43	358	218	620
Interest on subordinated capital	0	0	0	44	44
Interest etc., net	1	37	176	198	411
Administrative expenses etc., net	1	41	195	407	644
Depreciation and provisions for losses on loans	0	-98	-2	-27	-126
Tax	0	31	76	-2	105
Net profit for the year	0	106	264	-7	364

Balance sheet at 31 December 2004

Assets

Mortgage loans etc.	339	16,090	85,956	40,774	143,158
Other assets	67	2,283	49,633	13,759	65,741
Total	406	18,372	135,590	54,532	208,900

Liabilities and shareholders' equity

Issued mortgage bonds etc.	374	17,082	125,044	46,773	189,274
Other liabilities	18	811	5,984	2,407	9,220
Subordinated capital	6	0	0	1,488	1,494
Shareholders' equity	7	479	4,561	3,865	8,912
Total	406	18,372	135,590	54,532	208,900

Series accounts

Internal auditors' report

The summary of the series accounts at association level has been prepared on the basis of the annual report and series accounts of BRFkredit a/s for the year ended 31 December 2004, which we have audited. We have verified that the summary has been prepared in compliance with the underlying series accounts and Order No. 872 of 20 november 1995 of the Danish Financial Supervisory Authority.

Kgs. Lyngby, 28 Februar 2005

Arne List
Head of Internal Audit Department

Auditors' report

The summary of the series accounts at association level has been prepared on the basis of the annual report and series accounts of BRFkredit a/s for the year ended 31 December 2004, which we have audited. In co-operation with the Company's Internal Audit Department, we have verified that the summary has been prepared in compliance with the underlying series accounts and Order No. 872 of 20 November 1995 of the Danish Financial Supervisory Authority.

Copenhagen, 28 February 2005

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab

Kim Füchsel
State-Authorised Public Accountant

Deloitte
Statsautoriseret Revisionsaktieselskab

Søren Dinesen
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