

**TRANSLATION FROM DANISH. THE DANISH VERSION PREVAILS.**

**ADDENDUM NO. 12**

to

**PROSPECTUS FOR MORTGAGE CREDIT BONDS  
ISSUED BY BRFKREDIT A/S - dated 15 June 2005**

Date: 19 March 2010

BRFkredit will change its base prospectus as follows:

<b>The original base prospectus</b>	<b>Change</b>
Page 7, section 4.2.2 "Board of Directors and Board of Management of BRFkredit", last paragraph	<p>The existing text is deleted.</p> <p>The following text is added: "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 2009."</p>
Page 7, section 4.2.4 "Working practices of the Board of Directors"	<p>The existing text is deleted.</p> <p>The following text is added: "The Board of Directors of BRFkredit has set up a group audit committee consisting of Oluf Engell, Kurt Bligaard Pedersen (independent and qualified member) and Lars Munch. Its function is to oversee the financial reporting process, the audit and its independence, to propose to the Board of Directors on the election of the auditors and monitor that the company's internal control system, in-house audit and risk management systems are efficient. The group audit committee reports to the Board of Directors of BRFkredit.</p> <p>The Board of Directors of BRFkredit has made no statements about the observance of corporate governance standards, since this is not mandatory in Denmark."</p>
Page 8, section 4.4.1 "Financial information and expected development"	<p>The existing text is deleted.</p> <p>The following text is added: "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 2008 and 2009 and to announcements Nos. 16/2009 and 18/2010 for key figures and accounting information. We refer to item 6 for a description of where to find the information.</p> <p>The prospectus does not contain information about expected development."</p>
Page 8, section 4.4.2 "Declaration regarding trend information and capital structure"	<p>The existing text is deleted.</p> <p>The following text is added: "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. Since the publication of the most recent annual report, no significant changes have occurred to BRFkredit's financial or commercial position and results.</p> <p>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.</p>

	The most recent annual report was published on February 25, 2010.”
Page 8, section 4.4.3 ”Declaration regarding the auditing of historical financial information”	<p>The existing text is deleted.</p> <p>The following text is added:          ”BRFkredit’s annual reports for 2008 and 2009 have been audited by BRFkredit’s auditors in compliance with the Danish statutory requirements pertaining to financial reporting. We refer to the auditors’ reports from the in-house auditor and the independent auditor in the above mentioned annual reports.”</p>
Section 4.5 ”BRFkredit’s activities and market”. Page 9, first paragraph.	<p>The existing text is deleted.</p> <p>The following text is added:          ” For additional, in-depth information about the BRFkredit Group, cf the annual report for 2009.”</p>
Section 4.5 ”BRFkredit’s activities and market”, sub-section ”BRFkredit’s capital structure”. Page 10, second paragraph.	<p>The existing text is deleted.</p> <p>The following text is added:          ”We refer to the Annual Report 2009 of the BRFkredit Group for information about the size of BRFkredit’s capital base and the solvency ratio.”</p>
Page 13, section 4.6 ”Rating”	<p>The existing text is deleted.</p> <p>The following text is inserted instead:          ”BRFkredit has obtained the following ratings from Moody’s Investors Service:</p> <ul style="list-style-type: none"> <li>• Mortgage bonds issued from BRFkredit’s Capital Centre B: Aa1 (on review)</li> <li>• Mortgage bonds issued from BRFkredit’s General Capital Centre (the mortgage credit institution as such): Aa2 (on review)</li> <li>• Issuer rating for BRFkredit: Baa1</li> </ul> <p>Obligations rated Aa are judged to be of high quality and are subject to very low credit risk. The subcategory 1 indicates that the obligations are considered being in the higher end of the rating category. The subcategory 2 indicates that the obligations are considered being in the middle of the rating category.</p> <p>Obligations rated Baa are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics. The subcategory 1 indicates that the obligations are consider being in the higher end of the rating category.</p> <p>For your information we note that Moody’s Investors Service has also provided BRFkredit with the following ratings:</p> <ul style="list-style-type: none"> <li>• Covered bonds issued from BRFkredit’s Capital Centre E: Aa1 (on review)</li> </ul> <p>Obligations rated Aa are judged to be of high quality and are subject to very low credit risk. The subcategory 1 indicates that the obligations are considered being in the higher end of the rating category.</p> <p>BRFkredit is under no obligation to be rated.</p> <p>Stock exchange announcements from BRFkredit as well as copies of press release from Moody’s Investors Services can be found on the website of BRFkredit at <a href="http://www.brf.com">http://www.brf.com</a> under the menu point Investors.”</p>
Page 20, section 6 ”Schedule of docu-	The existing paragraphs one through four are deleted.

ments that are part of this prospectus by reference”	<p>The following text is added as new paragraphs one through four:</p> <p>“BRFkredit a/s – Annual report 2008</p> <ul style="list-style-type: none"> <li>- Section 4.4.1 in the prospectus refers to the annual report for accounting information. Key figures are found on p. 61. Other accounting information can be found on pp. 32-74.</li> <li>- Section 4.4.3 in the Prospectus refers to the above annual report for information about the auditors’ reports. The information can be found on pp. 36-37.</li> </ul> <p>BRFkredit a/s – Annual report 2009</p> <ul style="list-style-type: none"> <li>- Section 4.2.2 in the prospectus refers to the annual report for information about directorships and executive positions. The information can be found on p. 29.</li> <li>- Section 4.4.1 in the prospectus refers to the annual report for accounting information. Key figures are found on p. 60. Other accounting information can be found on pp. 27-72.</li> <li>- Section 4.4.3 in the Prospectus refers to the above annual report for information about the auditors’ reports. The information can be found on pp. 32-33.</li> <li>- Section 4.5 in the prospectus refers to the annual report for further information about the BRFkredit group structure. The information can be found on p. 27 and in Note 53.</li> <li>- Section 4.5 in the prospectus refers to the annual report for information about capital base and solvency ratio. The information can be found in Note 40 on p. 61.</li> </ul> <p>BRFkredit a/s – Stock exchange announcement 16/2009 – announcement of results 2008</p> <ul style="list-style-type: none"> <li>- Section 4.4.1 in the prospectus refers to the announcement of accounting information. The information can be found on pp. 2-15.</li> </ul> <p>BRFkredit a/s – Stock exchange announcement 18/2010 – announcement of results 2009</p> <ul style="list-style-type: none"> <li>- Section 4.4.1 in the prospectus refers to the announcement of accounting information. The information can be found on pp. 3-18”</li> </ul>
Appendix A in the base prospectus	<p>The contents of the existing appendix A are deleted.</p> <p>The attached document “Regulations governing BRFkredit a/s’ loans and bonds” shall be appendix A.</p> <p>Additionally, all changes to BRFkredit’s base prospectus mentioned in Addendum no. 11 dated 31 August 2009 are withdrawn.</p>

**Declaration**

The management of BRFkredit a/s hereby declare to have taken all reasonable care to ensure that, to the best of their knowledge and belief, the information provided in the registration document is in accordance with the facts and contains no omissions likely to affect the import thereof.

This addendum (including the declaration contained herein) is hereby signed on behalf of BRFkredit a/s’ management in accordance with special authorisation from BRFkredit a/s’ Board of Directors.

Kgs. Lyngby, 19 March 2010

[signed]

Sven A. Blomberg  
Chief Executive Officer

[signed]

Carsten Tirsbæk Madsen  
Executive Vice President

## Appendix A

Please observe that the Danish version of this document prevails

# Regulations governing BRFkredit a/s' loans and bonds

As of 18 November 2009

**BRFkredit**

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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 18 November 2009.

## 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.

Funds generated through the issuance of covered bonds (in Danish: særligt dækkede obligationer) may be used for the funding of assets eligible according to the legislation in force, (see S. 152c of the Danish Financial Services Act).

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 immediately or later take place in connection with prepayments. 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 immediately 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 regulated markets.

### 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, 98, 99, 223.I, 223.IS, 223.W.I. and 223.W.IS 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.3.5. 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.

The reference period begins the 12<sup>th</sup> day of the month prior to the previous payment date and ends on the 11<sup>th</sup> 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 154.B, 154.E, 454.B and 454E 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.3.5.3. The rate of interest on the bonds in series 422.B and 422.E 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.3.5.4. The rate of interest on bonds in series 455.E.R.OA is determined half-yearly with effect from 1 April and 1 October. The interest rate is calculated as the non-weighted average of BRFbank's quoted 10-year swap rate (average between bid and offer rates), published on [www.brf.dk/investor](http://www.brf.dk/investor) at or around 15h00, 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 starts registering a 10-year swap rate, interest will be calculated as stated, but on the basis of said rate. In the event that the registration of the mentioned 10-year swap rates stops, interest will be calculated as stated, but on

the basis of a corresponding 10-year swap rate. The interest rate on the bonds can not exceed the current coupon of the bonds. In the event that the determined interest rate is lower than the current coupon on the bonds, the interest on the bonds shall be equal to the determined interest rate.

A.3.6. The terms of individual bond series appear from BRFkredit'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.

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 bankingday of the month of the due date.

### 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 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.3.1.5. 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.3.1.6. 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.3.1.7. Borrowers of loans granted as index-linked loans in the bond series 87, 90–94, 98, 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.3.1.8. Borrowers of loans granted in any other series are not jointly and severally liable.

B.3.1.9. 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.3.1.10. 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.3.1.11. 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.3.1.12. In the event that the loan raised is guaranteed by the central or local government or other security ap-

proved by the authorities 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.3.1.13. 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 bankingday 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. Loans disbursed without the issue of related bonds are either non-callable during the life of the loan or can, subject to a proper notice given in accordance with the terms of loan, be redeemed by repaying the cash loan balance. Methods of redemption are part of the terms of each loan.

B.3.2.8. As regards mix-loans, the series and annuity elements can only be reduced simultaneously and proportionately.

B.3.2.9. 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 by BRFkredit for redemption at one month's notice.

B.3.3.3. 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.3.3.4. The interest rate on floating rate loans in Denmark is fixed according to the terms of the bonds issued to fund the loans.

The rate of interest on loans disbursed without the issue of related bonds is determined in the manner described in the terms of each loan.

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. The following general terms and conditions apply for changes in the charged interest rate margin on loans disbursed without the issue of related bonds:

The margin can be raised without prior notice if one of the following external events which are beyond the control of BRFkredit should occur:

1. National or international changes in monetary policies or credit policies that affect BRFkredit's access to money markets or bond markets or affect interest rate levels of importance to BRFkredit, or
2. Any other changes in the general level of interest rates including rates on money markets and bond markets that are of importance to BRFkredit,
3. Changes in taxation, levies, etc., that affects BRFkredit.

Information about changes in margins will be published in the Press and subsequently be sent to the customer.

The margin can be raised with 1 month advance notice prior to a payment date if

1. Change is required due to changes in market conditions, for instance if money markets or bond markets for a prolonged period function highly irregularly in such a way that funding is subjected to extraordinary degrees of uncertainty, or

2. There is a significant change to the characteristics of the individual customer or his property on which the terms and conditions regarding the interest rate for the customer were based, or
3. BRFkredit changes its general terms and conditions regarding interest rates and prices (and doing so based on other than the above stated reasons) for the following reasons:
  - a. With a view to maintaining or improving profitability including, for instance, in order to preserve or strengthen its capital base,
  - b. With a view to adjusting business policies including, for instance, if BRFkredit should wish to offer particularly attractive terms and conditions for select customers or groups of customers, or
  - c. With a view to improving the use of the mortgage credit institution's resources or capacity.

A notice of changes in margins for the above mentioned reasons will be sent to the customer.

B.4.4. 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.4.5. 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.4.6. 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 in 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, 98, 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.