

To NASDAQ OMX Copenhagen
The press

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Press release

Please observe that the Danish version of this announcement prevails.

Financial and operating data for BRFkredit

Core earnings/earnings from investment portfolios and profits or losses for the year DKK million	2008	2007	2006	2005	2004
Core income from lending operations etc.	1,122	1,050	923	926	829
Core income from securities	488	482	380	350	262
Total core income	1,610	1,532	1,303	1,276	1,091
Operating expenses, depreciation and amortisation	917	852	810	744	703
Core earnings before impairment	693	680	493	531	388
Loan losses and impairment charges (- signifies an income)	647	56	-129	-81	-126
Core earnings	46	624	622	613	514
Earnings from investment portfolios	-621	106	119	152	-33
Profit or loss before tax	-575	730	741	765	480
Tax (- signifies an income)	-75	142	170	107	106
Net profit or loss for the year	-500	588	572	657	374

Summary balance sheet

DKK million					
Lending	213,909	192,834	178,498	164,011	145,067
Bonds and shares etc.	11,253	13,251	9,804	25,116	44,229
Other assets	8,676	8,861	13,097	18,888	21,446
<i>Total assets</i>	233,838	214,946	201,399	208,015	210,742
Issued bonds ¹⁾	186,979	192,893	179,474	185,277	184,870
Other liabilities	36,469	11,006	11,551	13,028	16,843
Equity	10,390	11,047	10,374	9,710	9,029
<i>Total liabilities and equity</i>	233,838	214,946	201,399	208,015	210,742

1) In 2008 and 2007 the portfolio of own mortgage bonds, representing an amount of DKK 75 billion and DKK 53 billion, respectively, was set off against issued bonds.

Selected key figures and ratios

Earnings per unit of cost (DKK)	0.64	1.80	2.08	2.14	1.82
Growth in lending during the year	9.2	10.9	11.5	11.2	3.0
Loan-to-equity ratio	20.6	17.5	17.2	16.9	16.1
Gross new lending (outstanding bond loans), DKK million	38,348	43,785	46,618	69,458	36,755
Number of new loans	17,600	21,900	29,600	45,900	29,700
Arrears percentage at end of year	1.85	0.19	0.07	0.10	0.65
Impairment ratio for the year	0.3	0.0	-0.1	0.0	-0.1
Administrative expenses, depreciation and amortisation as % of average loan portfolio	0.44	0.45	0.47	0.49	0.49
Solvency ratio	12.3	12.6	12.5	13.3	14.1
Core capital ratio	12.3	10.9	10.8	11.5	12.1
Return on equity before tax	-5.4	6.8	7.4	8.2	5.4
Return on equity after tax	-4.7	5.5	5.7	7.0	4.2
Series reserve funds, DKK million	8,091	8,716	8,322	6,977	5,048
Share capital and other reserves, DKK million	2,299	2,331	2,052	2,733	3,981
Equity, DKK million	10,390	11,047	10,374	9,710	9,029
Own funds (tier 1 + tier 2), DKK million	10,085	12,532	11,858	11,193	10,519
Foreign exchange position, %	3.8	2.7	2.0	1.6	1.5

Management's review

On 24 February 2009, the Supervisory Board approved the financial statements of BRFkredit for the year ended 31 December 2008.

BRFkredit generated a pre-tax loss for 2008 of DKK 575 million, against a profit of DKK 730 million in 2007. This represented a negative return on equity before tax of 5.4% per annum. BRFkredit came out of 2008 with a net loss of DKK 500 million, against a net profit of DKK 588 million in 2007.

At the time of the publication of the interim report for 2008, BRFkredit anticipated core earnings in the order of DKK 450-500 million. Actual core earnings closed at DKK 46 million. This earnings performance reflects the quite exceptional conditions that prevailed and still prevail in the financial markets and in society at large as well as the fact that BRFkredit's activities are concentrated on lending to the property market. Thus, the decline in core earnings can primarily be ascribed to higher loan losses and impairment charges in the fourth quarter of 2008.

In 2008 BRFkredit repaid subordinated loan capital of DKK 1.5 billion.

After inclusion of net loss for the year, the solvency ratio at 31 December 2008 was 12.3%. Likewise, the core capital ratio was 12.3% at end-2008.

Summary financial performance 2008

- *Portfolio growth of DKK 17.4 billion to DKK 212.1 billion in 2008*
 - *Expanding market shares compared with 2007*
 - *Core income up by DKK 78 million to DKK 1.610 million, against DKK 1.532 million in 2007*
 - *Rise in costs and expenses from DKK 852 million in 2007 to DKK 917 million in 2008*
 - *Loan losses and impairment charges of DKK 647 million, equivalent to 0.3 per mill of total lending. This broke down into realised losses of DKK 22 million, impairment charges on individually assessed loans of DKK 451 million and impairment charges on groups of loans of DKK 174 million.*
 - *Core earnings of DKK 46 million in 2008, down from DKK 624 million in 2007*
 - *Earnings from investment portfolios were negative at DKK 621 million, against positive earnings of DKK 106 million in 2007. The decline can be ascribed to the massive turmoil in the financial markets, which generated unrealised capital losses on shares, bonds and financial instruments for hedging purposes.*
 - *BRFbank joined Denmark's Bank Rescue Package 1. The expenses for this came to DKK 18 million in 2008.*
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The Supervisory Board says:

'2008 was dominated by significant economic disruption, which affected the entire financial sector. Our performance for 2008 reflects the turmoil in the capital markets and the general economic situation, and the period ahead is expected to be difficult, as well. BRFkredit runs a fundamentally healthy business with solid earnings and a solvency ratio considerable above the statutory requirement. BRFkredit is therefore well positioned to address the challenges of the future.'

BRFkredit's segments

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

BRFkredit's business activities fall into two segments:

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

BRFkredit's segmental financial statements 2008 DKK million	Mortgage lending etc.	Portfolio management	Total
<i>Core income</i>			
Core income from lending operations etc.	1,122		
Core income from securities	488		
Total core income	1,610		
Operating expenses, depreciation and amortisation	917		
Core earnings before impairment	693		
Loan losses and impairment charges	647		
Core earnings	46		
Earnings from investment portfolios		-621	
<i>Profit or loss before tax</i>			-575
Tax (- signifies an income)			-75
<i>Net profit or loss for the year</i>			-500

Mortgage lending etc.

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

Mortgage lending etc. DKK million	2008	2007
<i>Core income</i>		
Income from lending operations etc.	1,122	1,050
Core income from securities	488	482
Total core income	1,610	1,532
Operating expenses, depreciation and amortisation	917	852
Core earnings before impairment	693	680
Loan losses and impairment charges	647	56
Core earnings	46	624

Core earnings of "Mortgage lending etc." was at DKK 46 million in 2008, compared to DKK 624 million in 2007.

Core earnings are made up as follows:

Income from lending operations etc.

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

Income from commissions was positively influenced by an expanding portfolio and came to DKK 857 million in 2008, up from DKK 780 million in 2007. Brokerage, fees and charges (net) totalled DKK 62 million in 2008, down from DKK 107 million in 2007. The decline in brokerage, fees and charges was mainly associated with the falling activity level.

Core income from securities

Core income from securities, which comprises a risk-free return on the proprietary investment portfolio and other interest income, amounted to DKK 488 million in 2008, up from DKK 482 million in 2007. Risk-free return came to DKK 418 million in 2008, against DKK 362 million in 2007.

Operating expenses, depreciation and amortisation

Operating expenses, including depreciation and amortisation, were up from DKK 852 million in 2007 to DKK 917 million in 2008. The increase can mainly be ascribed to the recruitment of new staff for administrative functions, development activities and the accrual of the holiday pay obligation. The expense ratio edged down from 0.45% in 2007 to 0.44% in 2008.

Loan losses and impairment charges

As a result of the declining prices in the property market, loan impairment charges increased in 2008. Loan losses and impairment charges reduced earnings by DKK 647 million in 2008, against a negative contribution of DKK 56 million in 2007.

Loan losses and impairment charges for the year broke down into impairment charges on individually assessed loans of DKK 451 million, impairment charges on groups of loans of DKK 174 million and realised losses etc. of DKK 22 million.

The balance of total impairment charges at 31 December 2008 was DKK 779 million, equivalent to about 0.4% of total lending.

Portfolio management

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

Portfolio management	2008	2007
DKK million		
<i>Investment returns</i>		
Return on fixed-income instruments	93	305
Return on shares	-296	162
<i>Total investment returns</i>	-203	467
Risk-free returns	-418	-362
Earnings from investment portfolios	-621	106

Total investment returns were negative to the tune of DKK 203 million in 2008, against positive returns of DKK 467 million in 2007. The negative investment returns in 2008 were attributable to the plummeting share prices and a lower return on fixed-income instruments as a result of widening spreads between government bond yields and mortgage bond yields as well as between Danish and European yields. Interest-rate risk on BRFkredit's fixed-income instruments was in the range of 1% to 2.5% of own funds in 2008, equivalent to interest-rate risk between DKK 100 million and DKK 250 million.

At the close of 2008, BRFkredit's securities portfolio comprised fixed-income instruments, primarily mortgage bonds, as well as financial derivatives such as futures, options and swaps for risk-hedging purposes. In addition, BRFkredit had DKK 0.8 billion worth of shares, predominantly made up of shares from the C20 Index and other Danish shares listed on NASDAQ OMX Copenhagen.

In common with other financial institutions, BRFkredit presents its portfolio management performance by way of core earnings and earnings from investment portfolios. Core earnings are calculated as the risk-free returns on the securities portfolio. Risk-free returns, determined on the basis of a short-term, average money-market rate, were DKK 418 million in 2008.

Earnings from investment portfolios in 2008 can subsequently be calculated as total investment returns (negative DKK 203 million) less risk-free returns of DKK 418 million, which amount is transferred to core earnings. Earnings from investment portfolios were therefore negative at DKK 621 million in 2008, against positive earnings of DKK 106 million in 2007.

Tax on profit or loss for the year was an income of DKK 75 million, against a tax expense of DKK 142 million in 2007. The effective tax rate was 13.0%. The 12% difference between this rate and the corporation tax rate of 25% is primarily rooted in capital losses on shares, as BRFkredit is not liable to capital gains tax on shares held for more than three years. Similarly, losses on shares held for more than three years are not deductible or are only deductible against capital gains.

Balance sheet total, equity and solvency

- BRFkredit had a balance sheet total of DKK 234 billion at 31 December 2008, against DKK 215 billion at the close of 2007. BRFkredit's mortgage lending rose by a nominal amount of DKK 17.4 billion to DKK 212.1 billion during 2008. BRFkredit's total lending measured at carrying amount was DKK 213.9 billion at 31 December 2008, up from DKK 192.8 billion at the end of 2007. Equity at year-end was DKK 10.4 billion.
- The solvency ratio was 12.3% at end-2008, against 12.6% at end-2007. Own funds (tier 1 + tier 2 capital) thus exceeded the statutory requirement by an amount of DKK 3.5 billion. If computed exclusively on the basis of core (tier 1) capital, the solvency ratio at end-2008 was 12.3%, equalling an amount of DKK 3.6 billion above the statutory requirement. The solvency ratio was negatively affected by the repayment of own funds of EUR 200 million (about DKK 1.5 billion) on 20 October 2008.
- In December 2008, BRFkredit obtained the Financial Supervisory Authority's approval to use the advanced Internal Ratings Based (IRB) approach for determining the capital requirement for credit risk with effect from 31 December 2008. The adoption of internal rating models for credit risk measurement reduced BRFkredit's capital requirement by DKK 2.3 billion at end-2008, compared

with risk weighting under the standardised approach. The Group will not gain the full benefit of the capital requirement reduction from day one, however, as Danish legislation contains transitional rules limiting the reduction allowed for the initial two-year period. In 2008, own funds must account for at least 90% of the capital requirement calculated under the standardised approach before the CRD directive was implemented into Danish law. The transitional rules will be eased even further in 2009 when the reduction in regulatory capital is limited to 80%, and no limit will apply from 1 January 2010.

BRFkredit DKK million	2008	2007	2006	2005	2004
Equity at beginning of year	11,047	10,374	9,710	9,029	8,548
Correction at beginning of year	-	-	-	19	102
Items recognised directly in equity	-157	85	93	4	5
Net profit or loss for the year	-500	588	572	657	374
Equity at end of year	10,390	11,047	10,374	9,710	9,029
Own funds (capital base)	10,085	12,532	11,858	11,193	10,519
Weighted assets	82,301	99,689	95,088	84,115	74,761
Solvency ratio	12.3	12.6	12.5	13.3	14.1
Core capital ratio	12.3	10.9	10.8	11.5	12.1

Other developments

Market shares

BRFkredit expanded or maintained its market shares in 2008. Gross new lending thus stayed at 9.3% in 2008. Net lending, derived by deducting refinanced loans with the same institution, provides a more accurate picture of the total market. BRFkredit expanded its market share of net lending in 2008.

Market shares developed as follows:

BRFkredit's total market shares	2008	2007
Gross new lending ¹⁾	9.3	9.3
Net new lending ²⁾	11.2	10.7
Net lending ³⁾	11.4	10.5

1) Gross new lending indicates total lending translated into cash value.

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

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

Stronger portfolio growth

In spite of the generally slower activity in the mortgage market, the loan portfolio grew. BRFkredit's share of the total loan portfolio in the mortgage market was 9.7% in 2008, against 9.6% in 2007.

Bond issuance

BRFkredit's mortgage loans are funded by the issuance of bonds. BRFkredit issued bonds for a total of DKK 94 billion in 2008 (DKK 98 billion in 2007), of which bonds worth slightly more than DKK 44 billion were issued in connection with the refinancing of ARM loans (DKK 37 billion in 2007).

The volume of circulating bonds issued by BRFkredit represented a nominal value of DKK 265 billion at the close of 2008 (DKK 254 billion at end-2007). That equalled 9.9% of the total volume of mortgage bonds, covered bonds and covered mortgage bonds listed on NASDAQ OMX Copenhagen.

Subsidiaries

BRFbank a/s

BRFbank offers products that are complementary to mortgage lending in connection with housing starts and property transactions and in connection with mortgage refinancing.

In 2007 BRFbank took steps to widen its product range, especially for the private customer segment with the introduction of the Home Credit facility.

In 2008 focus was directed towards offering customers a variety of deposit products at competitive prices.

Core income from lending operations came to DKK 150.1 million in 2008, up from DKK 139.1 million in 2007. The rise in core income can primarily be ascribed to a combination of a widened loan portfolio and a higher interest margin.

Staff costs and administrative expenses advanced by DKK 17.1 million to a total of DKK 64.3 million. The increase was attributable to the higher payroll costs and IT expenses that followed from the bank's growth in deposits and lending in mainly the private customer segment and to the accrual of the holiday pay obligation.

The item 'Other operating expenses' was DKK 11.7 million in 2008, against DKK 0 million in 2007. The increase in 'Other operating expenses' related to BRFbank's expenses for its participation in the state-guarantee scheme for deposits etc., which is an integral part of the Bank Rescue Package. One of the aims of the Bank Rescue Package has been to encourage liquidity and confidence in the financial system through the central government's guarantee for deposits and senior debt against payment by the banks of up to DKK 35 billion.

The bank's impairment ratio was up from 0.7% in 2007 to 2.4% in 2008. Loan losses and impairment charges had an adverse impact on the financial statements for 2008, reducing profits by DKK 188.7 million. The bank's loan losses and impairment charges for the year broke down into impairment charges on individually assessed loans of DKK 171.4 million, impairment charges on groups of loans of DKK 14.8 million and realised losses etc. in a total amount of DKK 2.5 million.

BRFbank posted a pre-tax loss for 2008 of DKK 103 million, against a pre-tax profit of DKK 38.6 million in 2007.

At 31 December 2008, the bank had total assets of DKK 9.2 billion, versus DKK 7.8 billion at the end of 2007. The loan portfolio was up by 28% to DKK 6.0 billion in 2008, against DKK 4.7 billion at end-2007.

The deposit portfolio soared by 69% during 2008. Hence, deposits were DKK 3.3 billion at the close of 2008, against DKK 1.9 billion a year earlier. After inclusion of net loss for the year, the solvency

ratio at 31 December 2008 was 17.0%, against 14.2% at end-2007. If computed exclusively on the basis of core (tier 1) capital, the solvency ratio was 10.2% at end-2008, up from 9.1% a year earlier. As it appears, the solvency ratio is comfortably above the statutory 8.0% minimum. The heightened activity level in 2008, coupled with the desire of a high solvency ratio in BRFbank, engendered a need for a capital injection of DKK 150 million of supplementary capital and DKK 200 million of share capital. The capital was contributed by BRFkredit a/s.

Return on equity before tax was negative 11.8% per annum, against 5.8% in 2007.

Earnings per unit of cost were DKK 0.61 in 2008, against positive earnings of DKK 1.38 in 2007.

Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S

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

The company came out of 2008 with a pre-tax profit of DKK 1.2 million, against DKK 4.3 million in 2007. Its equity at 31 December 2008 was DKK 56.1 million, out of total assets of DKK 78.3 million.

Performance against expectations

At the time of the publication of the financial statements for 2007, BRFkredit forecast core earnings for 2008 in the order of DKK 450-500 million. When the interim financial statements for 2008 were published, the forecast of full-year core earnings was maintained at DKK 450-500 million.

Actual core earnings closed at DKK 46 million and, thus, fell short of expectations, primarily as a consequence of higher loan losses and impairment charges in the fourth quarter of 2008.

Outlook for 2009

Mortgage lending activity in 2009 is expected to be down from the level of 2008. Falling property prices and a slowdown in economic activity are forecast to weaken the market for top-up loans and change-of-ownership loans. On the other hand, falling interest rates could pull in the opposite direction and stimulate refinancing activity.

Total core income for 2009 is forecast to be down on 2008. Costs, expenses, depreciation and amortisation are expected to rise moderately from the level of 2008. Loan losses and impairment charges are predicted to be high as a consequence of continuously falling property prices and a slowdown in economic activity. Given these circumstances, earnings performance for 2009 will depend on developments in the financial markets and the general economic climate, but BRFkredit expects to deliver an improved performance over 2008.

Resolutions by the Supervisory Board

No resolution that falls within the duty of disclosure set out in the Rules Governing Securities Listing on NASDAQ OMX Copenhagen was adopted by the Supervisory Board during 2008.

Additional information**Who to contact**

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No.

Relevant link

The 2008 Annual Report of BRFkredit is downloadable in pdf format from BRFkredit's website at www.brf.dk.

BRFkredit a/s

Amounts in DKK Million

Income statement Financial statements 2008

Income statement	BRFkredit Group		BRFkredit a/s	
	2008	2007	2008	2007
For the year ended 31 December				
Interest income	10,664	8,855	10,339	8,654
Interest expenses	9,135	7,566	8,949	7,461
Net interest income	1,529	1,289	1,390	1,193
Dividends on shares etc.	24	19	24	19
Fees, charges and commission income	191	199	134	159
Fees, charges and commission paid	133	109	116	101
Net interest income, fees and charges	1,611	1,398	1,432	1,270
Securities and foreign exchange income (- signifies and income)	-646	209	-700	231
Other operating income	34	22	39	25
Staff costs and administrative expenses	890	834	833	793
Amortisation, depreciation and impairment of intangible and tangible assets	27	18	19	16
Other operating expenses	12	0	0	0
Loan losses and impairment charges (- signifies an income)	647	56	458	3
Income from equity investments in associated and subsidiary undertakings	1	9	-108	48
Profit or loss before tax	-575	730	-647	763
Tax (- signifies an income)	-75	142	-75	142
Net profit or loss for the year	-500	588	-573	621

To be distributed as follows:

Shareholders of BRFkredit a/s	-500	588
Total	-500	588

BRFkredit a/s

Amounts in DKK million

Balance Sheet Financial statements 2008
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Balance sheet at 31 December 2008

	BRFkredit Group		BRFkredit a/s	
	2008	2007	2008	2007
Assets				
Cash balance and demand deposits with central banks	19	12	5	4
Receivables fro credit institutions and central banks	7,004	7,444	7,069	7,690
Bonds at fair value	10,497	12,087	10,497	12,087
Current tax assets	63	27	59	17
Assets acquired temporarily	67	5	67	5
Other assets etc.	741	572	719	569
Sharest etc.	756	1,164	756	1,164
Deferred tax assets	69	-	45	-
Loans and other receivables at amortised costs	5,915	4,408	600	450
Loans and other receivables at fair value	207,994	188,426	208,015	188,251
Intangible assets	6	9	6	9
Investment properties	127	136	127	136
Owner-occupied properties	491	569	410	475
Plant and equipment (other tangible assets)	23	22	23	22
Equity investments in associated undertakings	65	65	65	65
Equity investments in subsidiaries	-	-	1,000	889
Total assets	233,838	214,946	229,462	211,832
Liabilities and Equity				
Payables to credit institutions and central banks	28,075	2,398	27,031	1,351
Deposits and other payables	3,286	1,944	-	-
Other liabilities etc.	5,009	5,074	4,942	4,909
Issued bonds at fair value	185,979	192,893	185,979	192,893
Issued bonds at amortised cost	1,000	-	1,000	-
Total payables	223,349	202,309	218,952	199,153
Subordinated capital	4	1,494	4	1,494
Provisions				
Provisions for deferred tax	-	33	-	31
Provisions for losses on guarantees	28	-	-	-
Other provisions	67	63	116	108
Total provisions	95	95	116	139
Equity				
Share capital	306	306	306	306
Share premium account	102	102	102	102
Accumulated changes in value	46	131	46	126
Other reserves				
Statutory reserves	-	-	56	144
Reserves in series	8,091	8,716	8,091	8,716
Other reserves	1,844	1,792	1,788	1,652
Total	9,935	10,508	9,935	10,513
Total equity	10,390	11,047	10,390	11,047
Total liabilities and equity	233,838	214,946	229,462	211,832

BRFkredit a/s

Amounts in DKK Million

<p>Statement of changes in equity Financial statement 2008</p>
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Statement of changes in equity, BRFkredit Group	Share capital 1)	Share premium account	Accumula- ted changes in value	Reserves in series 4)	Other reserves/ Shares available for sale 5)	Other reserves / Retained profits 6)	Total
Equity at 1 January 2007	306	102	76	8,322	144	1,424	10,374
Shares available for sale - equity 2)	-	-	-	-	33	-	33
Value adjustment of owner-occupied properties	-	-	72	-	-	-	72
Reversal in connection with sale 3)	-	-	-	-	-	-3	-3
Deferred tax on changes in equity	-	-	-17	-	-	-	-17
Recognised directly in equity, total	-	-	55	-	33	-3	85
Transferred between series	-	-	-	394	-	-394	-
Net profit or loss for the year	-	-	-	-	-	588	588
Recognised in equity, total	-	-	55	394	33	191	673
Dividends paid	-	-	-	-	-	-	-
Equity at 31 December 2007	306	102	131	8,716	177	1,615	11,047
Shares available for sale - equity 2)	-	-	-	-	-73	-	-73
Value adjustment of owner-occupied properties	-	-	-111	-	-	-	-111
Deferred tax on changes in equity	-	-	27	-	-	-	27
Recognised directly in equity, total	-	-	-84	-	-73	-	-157
Transferred between series	-	-	-	-625	-	625	-
Net profit or loss for the year	-	-	-	-	-	-500	-500
Recognised in equity, total	-	-	-84	-625	-73	125	-657
Dividends paid	-	-	-	-	-	-	-
Equity at 31 December 2008	306	102	46	8,091	104	1,740	10,390

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

2) Shares available for sale - equity: The year's value adjustments of shares classified as available for sale are recognised directly in equity at a loss of DKK 73 million (2007: a gain of DKK 33 million).

3) Revaluation of associated undertaking reversed in connection with a sale.

4) Reserves in series: Capital set aside for meeting the capital requirement in "Series not subject to repayment obligation".

5) Other reserves/Shares available for sale: Accumulated increases in the value of shares classified as "Available for sale" (distributable reserves).

6) Other reserves/Retained profits: Capital set aside for meeting the capital requirement in the "General Capital Centre".

BRFkredit a/s

Amounts in DKK million

**Statement of changes in equity
Financial statement 2008**

Statement of changes in equity, BRFkredit a/s	Share capital	Share premium account	Accumulated changes in value	Statutory reserves 1)	Reserves in series	Other reserves/ Retained profits	Total
Equity at 1 January 2007	306	102	76	116	8,322	1,452	10,374
Value adjustment of owner-occupied properties	-	-	67	5	-	-	72
Reversal in connection with sale 2)	-	-	-	-3	-	-	-3
Deferred tax on changes in equity	-	-	-17	-0	-	-	-17
Recognised directly in equity, total	-	-	50	2	-	-	52
Transferred between series	-	-	-	-	394	-394	-
Net profit or loss for the year	-	-	-	27	-	594	621
Recognised in equity, total	-	-	50	29	394	200	673
Dividends paid 3)	-	-	-	-	-	-	-
Equity at 31 December 2007	306	102	126	144	8,716	1,652	11,047
Value adjustment of owner-occupied properties	-	-	-106	-5	-	-	-111
Deferred tax on changes in equity	-	-	26	0	-	-	27
Recognised directly in equity, total	-	-	-79	-5	-	-	-84
Transferred between series	-	-	-	-	-625	625	-
Net profit or loss for the year	-	-	-	-84	-	-489	-573
Recognised in equity, total	-	-	-79	-89	-625	136	-657
Dividends paid 3)	-	-	-	-	-	-	-
Equity at 31 December 2008	306	102	46	56	8,091	1,788	10,390

1) Statutory reserves relate to net revaluation of equity investments according to the equity method.

2) Revaluation of associated undertaking reversed in connection with a sale

3) Restrictions apply to the distribution of reserves relating to the items "Accumulated changes in value", "Statutory reserves" and "Reserves in series".

BRFkredit a/s

Amounts in DKK million

**Statement of core earnings and earnings
from investment portfolios
Financial statements 2008**

Segmental financial statements of BRFkredit Group	2008			2007		
For the year ended 31 December	Mortgage lending etc.	Portfolio management	Total	Mortgage lending etc.	Portfolio management	Total
Core income from lending operations etc.	1,122			1,050		
Core income from securities	488			482		
Total core income	1,610			1,532		
Operating expenses, depreciation and amortisation	917			852		
Core earnings before impairment charges	693			680		
Loan losses and impairment charges (- signifies an income)	647			56		
Core earnings	46			624		
Earnings from investment portfolios		-621			106	
Profit before tax	46	-621	-575	624	106	730
Tax			-75			142
Net profit for the year			-500			588
Segment balance sheet at 31 December						
Reveivables from credit institutions and centr banks	6,915	89	7,004	6,923	520	7,444
Bonds at fair value	3,213	7,283	10,497	3,781	8,306	12,087
Shares etc.	-	756	756	-	1,164	1,164
Loans and advances	213,909	-	213,909	192,834	-	192,834
Equity investments in associated undertakings	65	-	65	65	-	65
Other assets	1,521	85	1,606	1,204	148	1,352
Total assets	225,624	8,213	233,838	204,807	10,138	214,946
Payables to credit institutions and central banks	27,016	1,060	28,075	1,113	1,285	2,398
Issued bonds at fair value	185,979	-	185,979	192,893	-	192,893
Issued bonds at amortised costs	1,000	-	1,000	-	-	-
Subordinated capital	4	-	4	1,494	-	1,494
Provisions	95	-	95	95	-	95
Other liabilities	7,978	317	8,295	7,013	5	7,018
Total liabilities	222,072	1,376	223,448	202,609	1,290	203,899
Equity			10,390			11,047
Total liabilities and equity			233,838			214,946
Reconciliation to financial statements						
	2008			2007		
For the year ended 31 December	Core earnings	Earnings investment portfolios	Total	Core earnings	Earnings investment portfolios	Total
Net interest income	1,438	91	1,529	1,295	-6	1,289
Dividends on shares etc.	-	24	24	-	19	19
Fees, charges and commissions income	191	-	191	199	-	199
Fees, charges and commissions paid	133	-	133	108	1	109
Net interest income, fees and charges	1,497	115	1,611	1,386	12	1,398
Securities and foreign exchange income	90	-736	-646	115	93	209
Other operating income	34	-	34	22	-	22
Staff costs and administrative expenses	890	-	890	834	-	834
Amortisation, depreciation and impairment of intangible and tangible assets	27	-	27	18	-	18
Other operating expenses	12	-	12	0	-	0
Loan losses and impairment charges (- signifies an income)	647	-	647	56	-	56
Income from equity investments in associated and subsidiary undertakings	1	-	1	9	-	9
Profit before tax	46	-621	-575	624	106	730