

# ECBC Label Template for Danish Issuers 2015

**DLR Capital Centre B , Q3 2016**

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**Cover pool template:**

**Issuer:** DLR Kredit A/S, Denmark

**Issuer type:** Specialized mortgage bank

**Cover pool:** Capital Centre B, SDO

**Cover pool setup:** Single cover pool

**Link to cover pool IR website:** <http://www.dlr.dk/cover-pool-reports>

**Homepage:** <http://www.dlr.dk/welcome-investorpage>

**Format of transparency template:** Excel, pdf

## ECBC Label Template : Contents

As of 30-sep-16



### Specialised mortgage banks

#### General Issuer Detail

A [General Issuer Detail](#)

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#### Key Concepts

X1/X2 [Key Concepts Explanation](#)

X3 [General explanation](#)

This transparency template is compliant with the requirements in CRR 129(7) and is used with ECBC labelled covered bonds issues by the three issuer categories below.

#### Mandatory tables

Please note that not all tables are applicable to each issuer type and that some information is optional. Information on applicability is given below and where relevant in connection with the tables in the template.

#### **Specialised mortgage banks**

Tables A, G1.1, G2-4, M1-M12, X1-3

#### **Ship finance institutes**

Tables A, G1.1, G2-4, S1-S13, X1-3

#### **Non-specialised bank CBs issuers**

Tables G1.1 (except total capital coverage), G2-G4, B1-B1, X1-X3



Table A. General Issuer Detail



**Key information regarding issuers' balance sheet**

<i>(DKKbn – except Tier 1 and Solvency Ratio)</i>	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Total Balance Sheet Assets	156,8	150,7	148,3	148,4
Total Customer Loans (fair value)	137,9	136,9	134,2	133,0
of which: Used/registered for covered bond collateral pool	137,9	136,9	134,2	133,0
Tier 1 Ratio (%)	14,1%	14,5%	14,8%	12,9%
Solvency Ratio (%)	14,1%	14,5%	14,8%	12,9%
Outstanding Covered Bonds (fair value)	133,0	137,2	134,8	134,3
Outstanding Senior Unsecured Liabilities	1,0	1,0	0,0	0,0
Senior Secured Bonds (Sec. 15 bonds)	7,0	7,0	7,0	4,0
Guarantees (e.g. provided by states, municipals, banks)	17,6	17,9	17,8	18,1
Net loan losses (Net loan losses and net loan loss provisions)	-0,03	-0,04	-0,04	0,01
Value of acquired properties / ships (temporary possessions, end quarter)	0,1	0,12	0,14	0,06

**Customer loans (mortgage) (DKKbn)**

Total customer loans (market value)	138,7	137,6	135,1	134,0
<b>Composition by</b>				
<b>Maturity</b>				
- 0 <= 1 year	0,0	0,0	0,0	0,0
- < 1 <= 5 years	0,3	0,3	0,3	0,3
- over 5 years	138,4	137,4	134,8	133,7
<b>Currency</b>				
- DKK	122,6	121,0	118,2	116,6
- EUR	16,1	16,7	16,9	17,4
- USD	-	-	-	-
- Other	-	-	-	-
<b>Customer type</b>				
- Residential (owner-occ., private rental, corporate housing, holiday houses)	25,2	25,0	24,1	23,8
- Commercial (office and business, industry, agriculture, manufacture, social and cultural, ships)	113,0	112,1	110,4	109,6
- Subsidised	0,6	0,6	0,6	0,6
Eligibility as covered bond collateral	138,7	137,6	135,1	134,0
Non-performing loans (See definition in table X1)	2,4	2,4	2,1	2,0
Loan loss provisions (sum of total individual and group wise loan loss provisions, end of quarter)	0,6	0,6	0,6	0,6

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Table G1.1 – DLR Capital Centre B, General cover pool information

DKKbn / Percentage of nominal outstanding CBs	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Nominal cover pool (total value)	152,3	145,7	142,0	158,3
Transmission or liquidation proceeds to CB holders	1,1	0,8	0,7	1,1
Overcollateralisation after correction	21,6	20,7	19,8	18,2
Overcollateralisation ratio, %	18,6%	17,0%	16,6%	15,4%
	Rating-compliant OC			
Nominal value of outstanding CBs*	132,4	129,3	126,5	140,6
	Total (% of nom. value of outstanding CBs)	6,6	6,1	6,8
	Mandatory (% of RWA, general, by law)	8,0%	8,0%	8,0%
	– hereof amount maturing 0-1 day	6,6	6,1	6,8
Proceeds from senior secured debt	9,0	7,0	7,0	4,0
Proceeds from senior unsecured debt	1,0	1,0	-	-
Tier 2 capital	-	-	-	-
Additional tier 1 capital (e.g. hybrid core capital)	-	-	-	-
Core tier 1 capital invested in gilt-edged securities	10,6	10,9	10,8	11,3
Total capital coverage (rating compliant capital)	21,6	20,7	18,9	17,7
Loan loss provisions (cover pool level - shown in Table A on issuer level) - Optional on cover pool level	0,4	0,4	0,3	0,4

\* Note: Incl. pre-issued bonds

Table G2 – DLR Capital Centre B, Outstanding CBs

DKKbn / Percentage of nominal outstanding CBs	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Nominal value of outstanding CBs*	132,4	129,3	126,5	140,6
Fair value of outstanding CBs (marked value)*	135,1	131,6	128,2	141,5
Maturity of issued CBs				
	0-1 day	6,6	6,1	6,8
	1 day – < 1 year	24,7	28,0	27,5
	1 year	11,1	-	6,4
	> 1 and ≤ 2 years	34,2	40,9	23,5
	> 2 and ≤ 3 years	18,5	17,2	24,3
	> 3 and ≤ 4 years	11,9	12,1	14,4
	> 4 and ≤ 5 years	2,2	3,1	2,5
	5-10 years	0,0	0,1	-
	10-20 years	2,8	2,9	3,0
	> 20 years	20,4	19,0	18,1
Amortisation profile of issued CBs				
	Bullet	56,5%	53,1%	59,3%
	Amortising	43,5%	46,9%	40,7%
	Serial	0,00%	0,00%	0,00%
Interest rate profile of issued CBs				
	Fixed rate (Fixed rate constant for more than 1 year)	74,0%	70,0%	75,9%
	Floating rate (Floating rate constant for less than 1 year)	26,0%	30,0%	24,1%
	Capped floating rate	70,0%	75,9%	79,5%
Currency denomination profile of issued CBs				
	DKK	93,9%	93,7%	92,0%
	EUR	6,11%	6,25%	7,98%
	SEK	-	-	-
	CHF	-	-	-
	NOK	-	-	-
	USD	-	-	-
	Other	-	-	-
UCITS compliant	100%	100%	100%	100%
CRD compliant	100%	100%	100%	100%
Eligible for central bank repo	100%	100%	100%	100%
Rating				
	Moody's	-	-	-
	S&P	AAA	AAA	AAA
	Fitch	-	-	-

\* Note: Incl. pre-issued bonds

Table G2.1a-f – Cover assets and maturity structure

Table G2.1a - Assets other than the loan portfolio in the cover pool	AAA	AA+	AA	AA-	A+	A	A-	etc.	Not rated
Rating/maturity									
Gilt-edged securities / rating compliant capital	-	-	-	-	-	-	-	-	-
0-1 year	9,6	-	-	0,4	-	0,4	0,1	-	0,0
>1- <5 years	9,8	-	-	-	-	-	-	-	-
> 5 years	1,4	-	-	-	-	-	-	-	-
Total	20,7	-	-	0,4	-	0,4	0,1	-	0,0
Table G2.1b - Assets other than the loan portfolio in the cover pool*									
Rating/type of cover asset	AAA	AA+	AA	AA-	A+	A	A-	etc.	Not rated
Exposures to/guaranteed by governments etc. in EU	2,01	-	-	-	-	-	-	-	-
Exposures to/guaranteed by governments etc. third countries	-	-	-	-	-	-	-	-	-
Exposure to credit institute credit quality step 1	18,7	-	-	0,4	na	na	na	na	na
Exposure to credit institute credit quality step 2	na	na	na	na	-	0,4	0,1	-	0,0
Total	20,7	-	-	0,4	-	0,4	0,1	-	0,0

\* Note: Excluding holdings of own bonds in the securities portfolio

Table G2.1c - Assets other than the loan portfolio in the cover pool*	0-1 year	>1- <5 years	> 5 years	Total
Maturity structure/Type of cover asset				
Exposures to/guaranteed by governments etc. in EU	1,9	0,1	0,0	2,0
Exposures to/guaranteed by governments etc. third countries	-	-	-	-
Exposure to credit institute credit quality step 1	8,0	9,7	1,4	19,1
Exposure to credit institute credit quality step 2	0,5	0,0	0,0	0,5
Total	10,4	9,8	1,4	21,6

Table G2.1d - Assets other than the loan portfolio in the cover pool	Total
Other assets, total (distributed pro rata after total assets in credit institution and cover pool)	21,6

Table G2.1e - Derivatives at programme level (not subordinated / pari passu with covered bonds)	
0-1 year	-
>1- <5 years	-
> 5 years	-
Total	-

Table G2.1f - Other Derivatives (subordinated)	
0-1 year	-
>1- <5 years	-
> 5 years	-
Total	-

Table G2.2 – Interest and currency risk

Total value of loans funded in cover pool	xx bn.DKK
Match funded (without interest and/or currency risk)	100%
Completely hedged with derivatives	-
Un-hedged interest rate risk	-
Un-hedged currency risk	-
- Of which EUR	-
- Of which DKK	-
- Of which...	-

Table G3 – Legal ALM (balance principle) adherence<sup>1</sup>

	Issue adherence
General balance principle	
Specific balance principle	x

<sup>1</sup>) Cf. the Danish Executive Order on bond issuance, balance principle and risk management. See X3 for definitions.

Table G4 – Additional characteristics of ALM business model for issued CBs

	Issue adherence	
	Yes	No
One-to-one balance between terms of granted loans and bonds issued, i.e. daily tap issuance?	x	
Pass-through cash flow from borrowers to investors?	x	
Asset substitution in cover pool allowed?		x

## DLR Capital center B

Property categories are defined according to Danish FSA's AS-reporting form

Reporting date 30-09-2016



**Table M1**

**Number of loans by property category**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total	
Total	5.607		1	96	537	6.953	275	9.333	29.070	9	15	<b>51.896</b>
In %	11%		0%	0%	1%	13%	1%	18%	56%	0%	0%	100%

**Table M2**

**Lending by property category, DKKbn**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total	
Total	6,3		0,0	0,6	2,7	14,7	2,0	21,7	77,4	0,0	0,0	<b>125,4</b>
In %	5%		0%	0%	2%	12%	2%	17%	62%	0%	0%	100%

**Table M3**

**Lending, by loan size, DKKbn**

	DKK 0 - 2m	DKK 2 - 5m	DKK 5 - 20m	DKK 20 - 50m	DKK 50 - 100m	> DKK 100m	Total
Total	33,0	38,2	44,0	7,6	1,7	0,9	<b>125,4</b>
In %	26%	30%	35%	6%	1%	1%	<b>100%</b>

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Table M4a

Lending, by-loan to-value (LTV), current property value, DKKbn ("Continuously distributed into LTV brackets")

	DKK bn									
	0 - 19,9	20 - 39,9	40 - 59,9	60 - 69,9	70 - 79,9	80 - 84,9	85 - 89,9	90 - 94,9	95 - 100	> 100
Owner-occupied homes	2,1	1,9	1,5	0,4	0,2	0,0	0,0	0,0	0,0	0,1
Holiday houses	0,0	0,0	0,0							
Subsidised Housing	0,2	0,1	0,1	0,1	0,0	0,0	0,0	0,0	0,0	0,0
Cooperative Housing	1,0	0,8	0,5	0,2	0,1	0,0	0,0	0,0	0,0	0,0
Private rental	4,6	4,2	3,4	1,3	0,8	0,2	0,1	0,1	0,0	0,2
Manufacturing and Manual Industries	0,7	0,7	0,5	0,1	0,0	0,0	0,0	0,0	0,0	0,0
Office and Business	7,7	6,8	5,0	1,2	0,4	0,1	0,1	0,1	0,0	0,2
Agricultural properties	36,9	24,1	12,3	2,4	1,0	0,2	0,1	0,1	0,1	0,1
Properties for social and cultural purposes	0,0	0,0	0,0	0,0						
Other	0,0	0,0	0,0	0,0	0,0					
<b>Total</b>	<b>53,2</b>	<b>38,6</b>	<b>23,3</b>	<b>5,6</b>	<b>2,6</b>	<b>0,6</b>	<b>0,4</b>	<b>0,2</b>	<b>0,2</b>	<b>0,6</b>

Table M4b

Lending, by-loan to-value (LTV), current property value, per cent ("Continuously distributed into LTV brackets")

	Per cent									
	0 - 19,9	20 - 39,9	40 - 59,9	60 - 69,9	70 - 79,9	80 - 84,9	85 - 89,9	90 - 94,9	95 - 100	> 100
Owner-occupied homes	33,9%	30,3%	23,1%	7,0%	3,5%	0,6%	0,4%	0,3%	0,2%	0,8%
Holiday houses	-	-	-	-	-	-	-	-	-	-
Subsidised Housing	29,9%	25,6%	22,3%	9,6%	7,3%	1,9%	1,5%	0,9%	0,4%	0,7%
Cooperative Housing	35,7%	28,9%	17,9%	6,5%	4,8%	1,6%	1,1%	0,9%	0,7%	1,8%
Private rental	31,0%	28,6%	23,2%	8,6%	5,1%	1,0%	0,6%	0,4%	0,3%	1,2%
Manufacturing and Manual Industries	35,2%	32,9%	25,8%	3,9%	1,1%	0,2%	0,1%	0,1%	0,0%	0,6%
Office and Business	35,7%	31,4%	23,0%	5,5%	2,1%	0,5%	0,3%	0,2%	0,2%	1,0%
Agricultural properties	47,7%	31,1%	16,0%	3,1%	1,3%	0,3%	0,2%	0,1%	0,1%	0,2%
Properties for social and cultural purposes	36,9%	33,3%	25,6%	4,2%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Other	49,7%	33,7%	15,8%	0,4%	0,4%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Total</b>	<b>42,4%</b>	<b>30,8%</b>	<b>18,6%</b>	<b>4,5%</b>	<b>2,1%</b>	<b>0,5%</b>	<b>0,3%</b>	<b>0,2%</b>	<b>0,1%</b>	<b>0,5%</b>

Table M4c

Lending, by-loan to-value (LTV), current property value, DKKbn ("Total loan in the highest LTV bracket")

	DKK bn										Avg. LTV (%)
	0 - 19,9	20 - 39,9	40 - 59,9	60 - 69,9	70 - 79,9	80 - 84,9	85 - 89,9	90 - 94,9	95 - 100	> 100	
Owner-occupied homes	0,1	0,5	1,5	1,5	1,6	0,3	0,2	0,1	0,1	0,2	66,4
Holiday houses	-	-	0,0	-	-	-	-	-	-	-	57,5
Subsidised Housing	0,0	0,0	0,1	0,1	0,2	0,1	0,1	0,1	0,0	0,0	76,2
Cooperative Housing	0,1	0,4	0,6	0,2	0,5	0,2	0,1	0,1	0,1	0,4	69,2
Private rental	0,1	1,0	2,2	3,0	4,6	1,5	0,7	0,5	0,3	0,8	71,8
Manufacturing and Manual Industries	0,0	0,1	1,1	0,5	0,2	0,1	0,0	-	0,0	0,0	59,7
Office and Business	0,3	2,0	7,1	6,5	3,0	0,9	0,4	0,4	0,3	0,8	63,4
Agricultural properties	6,4	18,9	26,4	13,6	6,5	1,8	1,3	0,9	0,6	0,9	50,1
Properties for social and cultural purposes	0,0	-	0,0	0,0	-	-	-	-	-	-	57,3
Other	0,0	0,0	0,0	-	0,0	-	-	-	-	-	45,7
<b>Total</b>	<b>7,0</b>	<b>23,0</b>	<b>39,1</b>	<b>25,4</b>	<b>16,5</b>	<b>4,9</b>	<b>2,8</b>	<b>2,1</b>	<b>1,4</b>	<b>3,2</b>	<b>56,5</b>

Table M4d

Lending, by-loan to-value (LTV), current property value, per cent ("Total loan in the highest LTV bracket")

	Per cent										Avg. LTV (%)
	0 - 19,9	20 - 39,9	40 - 59,9	60 - 69,9	70 - 79,9	80 - 84,9	85 - 89,9	90 - 94,9	95 - 100	> 100	
Owner-occupied homes	1,2%	8,6%	24,0%	24,6%	26,2%	5,5%	2,7%	2,0%	1,6%	3,5%	66,4
Holiday houses	-	-	-	-	-	-	-	-	-	-	57,5
Subsidised Housing	2,5%	4,6%	9,2%	10,5%	30,1%	11,8%	10,0%	9,9%	4,3%	7,1%	76,2
Cooperative Housing	2,5%	15,4%	22,5%	6,9%	17,0%	9,3%	4,8%	3,4%	2,9%	15,2%	69,2
Private rental	0,9%	6,9%	15,0%	20,1%	31,3%	10,1%	4,8%	3,7%	1,8%	5,5%	71,8
Manufacturing and Manual Industries	1,0%	4,4%	54,4%	24,0%	9,8%	3,8%	0,9%	0,0%	0,0%	1,6%	59,7
Office and Business	1,6%	9,4%	32,9%	29,9%	13,6%	4,0%	2,0%	1,6%	1,2%	3,9%	63,4
Agricultural properties	8,3%	24,5%	34,2%	17,6%	8,4%	2,4%	1,7%	1,1%	0,8%	1,1%	50,1
Properties for social and cultural purposes	0,0	-	0,5	0,5	-	-	-	-	-	-	57,3
Other	0,0	0,3	0,6	-	0,0	-	-	-	-	-	45,7
<b>Total</b>	<b>5,6%</b>	<b>18,4%</b>	<b>31,2%</b>	<b>20,2%</b>	<b>13,2%</b>	<b>3,9%</b>	<b>2,2%</b>	<b>1,6%</b>	<b>1,1%</b>	<b>2,6%</b>	<b>56,5</b>

Reporting date 30-09-2016



**Table M5 - Total**

**Lending by region, DKKbn**

	Greater Copenhagen area (Region Hovedstaden)	Remaining Zealand & Bornholm (Region Sjælland)	Northern Jutland (Region Nordjylland)	Eastern Jutland (Region Midtjylland)	Southern Jutland & Funen (Region Syddanmark)	Outside Denmark*	Total
Owner-occupied homes	0,4	0,8	0,8	1,4	1,4	1,4	6,3
Holiday houses	-	-	0,0	-	-	-	0,0
Subsidised Housing	-	-	0,3	0,2	0,0	-	0,6
Cooperative Housing	0,3	0,6	0,5	0,7	0,5	0,0	2,7
Private rental	1,9	2,0	2,0	4,5	4,3	0,0	14,7
Manufacturing and Manual Industries	0,1	0,1	0,2	1,0	0,6	-	2,0
Office and Business	4,1	3,0	3,2	6,3	5,0	0,1	21,7
Agricultural properties	1,0	10,4	14,9	27,7	23,3	-	77,4
Properties for social and cultural purposes	-	0,0	0,0	0,0	0,0	-	0,0
Other	0,0	0,0	0,0	0,0	0,0	-	0,0
<b>Total</b>	<b>7,8</b>	<b>17,0</b>	<b>22,0</b>	<b>41,8</b>	<b>35,1</b>	<b>1,6</b>	<b>125,4</b>

\* Contains owner-occupied homes on the Feroe Island, and owner-occupied homes and commercial real estate on Greenland

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Table M6

Lending by loan type - IO Loans, DKKbn

	Owner-occupied					Manufacturing and			Social and cultural		Total
	homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manual Industries	Office and Business	Agriculture	purposes	Other	
Index Loans	-	-	-	-	-	-	-	-	-	-	-
Fixed-rate to maturity	0,2	-	-	0,1	0,3	-	0,1	2,5	-	0,0	3,3
Fixed-rate shorter period than maturity (ARM's etc.)	1,5	-	0,3	0,8	5,7	0,1	4,8	22,5	0,0	0,0	35,6
- rate fixed ≤ 1 year	0,5	-	0,2	0,1	1,3	0,0	1,6	6,3	-	0,0	10,1
- rate fixed > 1 and ≤ 3 years	0,5	-	0,0	0,2	2,9	0,0	1,8	10,3	-	-	15,7
- rate fixed > 3 and ≤ 5 years	0,4	-	0,1	0,5	1,5	0,0	1,4	5,8	0,0	-	9,8
- rate fixed > 5 years	-	-	-	-	-	-	-	-	-	-	-
Money market based loans	0,2	-	-	0,2	1,4	0,0	1,1	17,6	-	-	20,4
- Non Capped floaters	0,2	-	-	0,2	1,4	0,0	1,1	17,6	-	-	20,4
- Capped floaters	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,8</b>	<b>-</b>	<b>0,3</b>	<b>1,1</b>	<b>7,4</b>	<b>0,1</b>	<b>6,0</b>	<b>42,6</b>	<b>0,0</b>	<b>0,0</b>	<b>59,3</b>

\*Interest-only loans at time of compilation. Interest-only is typically limited to a maximum of 10 years

Table M7

Lending by loan type - Repayment Loans / Amortizing Loans, DKKbn

	Owner-occupied					Manufacturing and			Social and cultural		Total
	homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manual Industries	Office and Business	Agriculture	purposes	Other	
Index Loans	-	-	-	-	-	-	-	-	-	-	-
Fixed-rate to maturity	2,0	0,0	0,0	0,9	2,1	0,3	4,8	8,8	0,0	0,0	18,9
Fixed-rate shorter period than maturity (ARM's etc.)	2,2	-	0,3	0,6	4,2	0,8	8,1	16,8	0,0	0,0	33,0
- rate fixed ≤ 1 year	0,7	-	0,0	0,0	1,1	0,1	2,2	5,0	0,0	0,0	9,1
- rate fixed > 1 and ≤ 3 years	0,7	-	0,0	0,1	1,3	0,3	2,5	7,6	0,0	0,0	12,5
- rate fixed > 3 and ≤ 5 years	0,8	-	0,3	0,5	1,8	0,4	3,4	4,2	0,0	0,0	11,4
- rate fixed > 5 years	-	-	-	-	-	-	-	-	-	-	-
Money market based loans	0,2	-	-	0,0	1,0	0,9	2,7	9,2	0,0	-	14,2
- Non Capped floaters	0,2	-	-	0,0	1,0	0,9	2,7	9,2	0,0	-	14,2
- Capped floaters	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,4</b>	<b>0,0</b>	<b>0,3</b>	<b>1,6</b>	<b>7,3</b>	<b>2,0</b>	<b>15,7</b>	<b>34,8</b>	<b>0,0</b>	<b>0,0</b>	<b>66,1</b>

Table M8

Lending by loan type - All loans, DKKbn

	Owner-occupied					Manufacturing and			Social and cultural		Total
	homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manual Industries	Office and Business	Agriculture	purposes	Other	
Index Loans	-	-	-	-	-	-	-	-	-	-	-
Fixed-rate to maturity	2,2	0,0	0,0	1,0	2,4	0,3	5,0	11,3	0,0	0,0	22,2
Fixed-rate shorter period than maturity (ARM's etc.)	3,7	-	0,6	1,4	9,9	0,8	12,9	39,3	0,0	0,0	68,6
- rate fixed ≤ 1 year	1,3	-	0,2	0,2	2,4	0,1	3,8	11,3	0,0	0,0	19,2
- rate fixed > 1 and ≤ 3 years	1,2	-	0,1	0,3	4,2	0,3	4,3	17,9	0,0	0,0	28,2
- rate fixed > 3 and ≤ 5 years	1,2	-	0,3	1,0	3,3	0,5	4,8	10,0	0,0	0,0	21,2
- rate fixed > 5 years	-	-	-	-	-	-	-	-	-	-	-
Money market based loans	0,4	-	-	0,3	2,4	0,9	3,8	26,8	0,0	-	34,6
- Non Capped floaters	0,4	-	-	0,3	2,4	0,9	3,8	26,8	0,0	-	34,6
- Capped floaters	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,3</b>	<b>0,0</b>	<b>0,6</b>	<b>2,7</b>	<b>14,7</b>	<b>2,0</b>	<b>21,7</b>	<b>77,4</b>	<b>0,0</b>	<b>0,0</b>	<b>125,4</b>





Reporting date 30-09-2016



**Table M9**

**Lending by Seasoning, DKKbn** (Seasoning defined by duration of customer relationship)

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
< 12 months	0,4	-	-	-	0,3	2,5	0,6	2,9	0,9	-	7,6
≥ 12 - < 24 months	0,3	0,0	-	-	0,1	1,0	0,2	1,5	1,0	0,0	4,0
≥ 24 - < 36 months	0,2	-	-	-	0,1	0,6	0,3	0,9	0,5	-	2,6
≥ 36 - < 60 months	0,8	-	0,0	-	0,1	1,4	0,6	2,0	1,3	-	6,2
≥ 60 months	4,6	-	0,6	-	2,2	9,3	0,3	14,4	73,7	0,0	104,9
<b>Total</b>	<b>6,3</b>	<b>0,0</b>	<b>0,6</b>	<b>0,0</b>	<b>2,7</b>	<b>14,7</b>	<b>2,0</b>	<b>21,7</b>	<b>77,4</b>	<b>0,0</b>	<b>125,4</b>

**Table M10**

**Lending by remaining maturity, DKKbn**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
< 1 Years	0,0	-	-	-	-	0,0	0,0	0,0	0,0	-	0,0
≥ 1 - < 3 Years	0,0	-	-	-	-	0,0	0,0	0,0	0,0	-	0,0
≥ 3 - < 5 Years	0,0	-	-	-	-	0,0	0,0	0,0	0,1	-	0,2
≥ 5 - < 10 Years	0,1	-	-	-	0,0	0,1	0,1	0,8	1,0	0,0	2,1
≥ 10 - < 20 Years	1,7	0,0	0,2	-	0,4	2,4	1,8	14,5	15,1	0,0	36,1
≥ 20 Years	4,5	-	0,4	-	2,3	12,2	0,0	6,4	61,2	-	87,0
<b>Total</b>	<b>6,3</b>	<b>0,0</b>	<b>0,6</b>	<b>0,0</b>	<b>2,7</b>	<b>14,7</b>	<b>2,0</b>	<b>21,7</b>	<b>77,4</b>	<b>0,0</b>	<b>125,4</b>

**Table M11**

**90 day Non-performing loans by property type, as percentage of total payments, %**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
90 day NPL	0,80	-	-	-	0,10	0,40	-	0,90	2,40	-	1,58

Note: 90 days NPL ratio defined as term payments on loans with arrears of 90 days or more, as percentage of total term payments

**Table M11a**

**90 day Non-performing loans by property type, as percentage of lending, %**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
90 day NPL	0,90	-	-	-	0,10	0,40	-	0,70	2,10	-	1,52

Note: 90 days NPL ratio defined as outstanding debt on loans with arrears of 90 days or more as percentage of total outstanding debt

**Table M11b**

**90 day Non-performing loans by property type, as percentage of lending, by continuous LTV bracket, %**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
< 60 per cent LTV	0,86	-	-	-	-	0,2	0	0,66	1,69	-	1,39
60-69,9 per cent LTV	0,76	-	-	-	-	0,47	-	0,12	1,95	-	1,18
70-79,9 per cent LTV	0,24	-	-	-	-	0,15	-	0,67	3,81	-	1,68
80-89,9 per cent LTV	1,15	-	-	0,4	-	0,34	-	0,38	3,08	-	1,5
90-100 per cent LTV	4,05	-	-	-	-	1,99	-	1,07	7,02	-	4,03
>100 per cent LTV	4,48	-	-	-	-	0,56	-	5,95	5,99	-	3,61

Note: 90 days NPL ratio defined as in table 11a

**Table M12**

**Realised losses (DKK million)**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
Total realised losses*	0,4	-	-	-	-	-0,1	-	-1,6	32,0	-	30,7

Note: Losses are reported on a company level, as the quarterly total realised losses, before net-off in provisions paid to loan distributing banks

**Table M12a**

**Realised losses (%)**

	Owner-occupied homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
Total realised losses, %*	0,06%	-	-	-	-	0,01%	-	-0,01%	0,01%	-	0,01%

Note: Losses are reported on a company level, as the annualised loss as percentage of total lending within each property category

**Table X1**

Key Concepts Explanation	General practice in Danish market	If issuers Key Concepts Explanation differs from general practice: State and explain in this column.
<b>Residential versus commercial mortgages</b>		
Description of the difference made between residential/owner occupied and commercial properties	The Danish FSA sets guidelines for the grouping of property in categories. Property type is determined by its primary use.	
Describe when you classify a property as commercial?	Property which primary purpose is owner occupation is characterised as residential. Whereas properties primarily used for commercial purposes are classified as commercial (cf. below).	
E.g.: Private rental, Manufacturing and Manual Industries, Offices and Business, Agriculture.	The Danish FSA sets guidelines for the grouping of property in categories. Examples of application of which classifies property as commercial are: <ul style="list-style-type: none"> <li>· Office</li> <li>· Retail/shop</li> <li>· Warehouse</li> <li>· Restaurants, inns etc.</li> <li>· Hotels and resorts</li> <li>· Congress and conference centres</li> <li>· Agriculture</li> <li>· Forestry</li> <li>· Nurseries</li> </ul>	
<b>NPL (Non-performing loans)</b>		
Describe how you define NPLs	A loan is categorised as non-performing when a borrower neglects a payment failing to pay instalments and / or interests.	
	The NPL rate is calculated at different time periods after the original payment date. Standard in Table A is 90 day arrear.	
Explain how you distinguish between performing and nonperforming loans in the cover pool?	No distinction made. Asset substitution is not allowed for specialised mortgage banks.	
Are NPLs parts of eligible assets in cover pool? Are NPL parts of non eligible assets in cover pool?	Asset substitution is not allowed for specialised mortgage banks, hence NPLs are part of the cover pool.	
Are loans in foreclosure procedure part of eligible assets in cover pool?	Asset substitution is not allowed for specialised mortgage banks, hence loans in foreclosure are part of the cover pool.	
If NPL and/or loans in foreclosure procedure are part of the covered pool which provisions are made in respect of the value of these loans in the cover pool?	The Danish FSA set rules for loan loss provisioning. In case of objective evidence of value reduction (OIV) provisioning for potential losses must be made.	

**Table X2**

Key Concepts Explanation	Issuer specific (N/A for some issuers)
<b>Guaranteed loans (if part of the cover pool)</b>	
How are the loans guaranteed?	DLR Kredit A/S's loans to agricultural properties offered before 1 January 2015 are covered by a joint guarantee agreement as well as a loss deduction agreement with the loan distributing banks. Loans offered after 1 January 2015 are covered by individual bank guarantees from the loan distributing banks covering the outermost 6% of the fair value of the loan, combined with a 3-year loss deduction agreement and a portfolio guarantee from the loan distributing banks.
Please provide details of guarantors	The loans to urban trade properties, e.g. private rental and office and business properties, and cooperative housing properties offered before 1 January 2015 are covered by individual bank guarantees from the loan distributing banks, covering the outermost 25 - 50 % of the fair value of the loan, depending on the property category. Loans to urban trade properties and cooperative housing properties offered after 1 January 2015 are covered by individual bank guarantees from the loan distributing banks covering the outermost 6% of the fair value of the loan, combined with a 3-year loss deduction agreement and a portfolio guarantee from the loan distributing banks.

The guarantors are Danish regional and local banks that at the same time are shareholders of DLR Kredit A/S.

[Legal framework for valuation and LTV-calculation follow the rules of the Danish FSA - Bekendtgørelse nr. 687 af 20. juni 2007](#)

#### Loan-to-Value (LTV)

Describe the method on which your LTV calculation is based

LTV is calculated on each property on a loan-by-loan basis, and takes into account prior-ranking loans at fair values relative to the estimated property value based on the most recent valuation or approved market value.

Fair value of the loan distributed are shown utilising LTV bracket intervals. The intervals become smaller as the percentage approaches par. Table M4a and M4b distribute the loan continuously from the lower LTV bracket to the upper brackets relative to fair value of the collateral, whereas in table M4c and M4d the entire loan is placed in the highest LTV bracket ("marginal distribution").

##### Example on continuously distribution into LTV brackets for a loan with fair value of 75 per cent

This example loan will be distributed with 20 per cent of the value into the lower three brackets; 10 per cent in the fourth bracket and the remaining 5 per cent of the value in the last bracket.

Loan-to-value (distributed continuously)									
0-19.9	20-39.9	40-59.9	60-69.9	70-79.9	80-84.9	85-89.9	90-94.9	95-100	>100
20	20	20	10	5	0	0	0	0	0

##### Example on marginal distribution into LTV brackets for a loan with fair value of 75 per cent

In this case, the loan will be distributed with 100 per cent into the fifth bracket (70-79.9)

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Frequency of collateral valuation for the purpose of calculating the LTV

For mortgage loans funded by the issuance of "Særligt Dækkede Obligationer" (SDO), revaluation of collateral must be carried out on an ongoing basis in order to ensure that the value of the cover asset at least matches the value of the issued SDOs at any time. Residential properties must be revaluated at least once every third year, whereas commercial and agricultural properties must be revaluated at least once a year. In times of larger fluctuations in property prices, extraordinary LTV surveillance must take place.

Should the LTV on an individual loan increase beyond the legal maximum, fx due to falling property prices, the mortgage institute must inject additional collateral into the cover pool to secure full collateral coverage.

**Table X3**

General explanation	General practice in Danish market
<b>Table A</b>	
Total Balance Sheet Assets	Total balance sheet assets as reported in the interim or annual reports of the issuer, fair value
Total Customer Loans (fair value)	All mortgage credit loans funded by the issue of covered mortgage bonds or mortgage bonds, measured at fair value
Tier 1 Ratio (%)	The tier 1 capital ratio as stipulated in DFSA regulations
Solvency Ratio (%)	The solvency ratio as stipulated in DFSA regulations
Outstanding Covered Bonds (fair value)	The circulating amount of covered bonds (including covered mortgage bonds and mortgage bonds)
Outstanding Senior Unsecured Liabilities	All outstanding senior unsecured liabilities including any intra-group senior unsecured liabilities to finance OC- and LTV-ratio requirements
Senior Secured Bonds	Senior secured bonds - formerly known as JCB (Section 15 bonds)
Guarantees (e.g. provided by states, municipalities, banks)	All guarantees backing the granted loans provided by e.g. states, municipalities or banks
Net loan losses (Net loan losses and net loan loss provisions)	The item taken from the issuer's profit & loss account
Value of acquired properties / ships (temporary possessions, end quarter)	Value as entered in interim and annual reports and as reported to the DFSA; The lower of the carrying amount at the time of classification and the fair value less selling costs.
Total customer loans (market value)	All mortgage credit loans funded by the issue of covered mortgage bonds or mortgage bonds, measured at market value
Maturity	Maturity distribution of all mortgage credit loans
Non-performing loans (See definition in table X1)	Please see definition of Non-performing loans in table X1
Loan loss provisions (sum of total individual and group wise loss provisions, end of quarter)	All individual and group wise loan loss provisions, as stated in the issuer's interim and annual accounts

General explanation	General practice in Danish market
<b>Table G1.1</b>	
Nominal cover pool (total value)	Sum of nominal value of covered bonds + Senior secured debt + capital. Capital is: Additional tier 1 capital (e.g. hybrid core capital) and Core tier 1 capital
Transmission or liquidation proceeds to CB holders (for redemption of CBs maturing 0-1 day)	Liquidity due to be paid out next day in connection with refinancing
Overcollateralisation	Total value of cover pool less nominal value of covered bonds
Senior secured debt	Total nominal value of senior secured debt
Senior unsecured debt	Issuer's senior unsecured liabilities targeted to finance OC- and LTV-ratio requirements in cover pool
Tier 2 capital	Subordinated debt
Additional tier 1 capital (e.g. hybrid core capital)	Hybrid Tier 1 capital (perpetual debt instruments).
Core tier 1 capital	Equity capital and retained earnings.

General explanation	General practice in Danish market
<b>Table G3</b>	
General balance principle	The general balance principle does not require a one-to-one balance between the loan and the bonds issued. This gives the credit institution a wider scope for taking liquidity risk than the more strict specific balance principle.
Specific balance principle	The specific balance principle ensures a one-to-one balance between loans and bonds issued, and is used for the issuance of SDRO, SDO and RO bonds.  The specific balance principle de facto implies full cash flow pass through from borrowers to investors. Under this principle daily loan origination is continuously tapped into the market, and the individual borrower loan rate is determined directly by the bond sales price for the corresponding financing amount of bonds. All borrower payments of interest and principal match the interest and principal payments to investors exactly (borrower payments fall due one day prior to the payments to investors). Redemptions take place by borrowers' buy back of the financing bond in the market at market price, or (for callable bonds) by calling the bond at par. In the latter case the borrower prepayment match the bond draw down.  Market risks are thus eliminated under this issuance model (i.e. interest rate risk, prepayment risks, liquidity risks and funding risks). Further, asset substitution is not possible under this issuance model.

General explanation	General practice in Danish market
<b>Table G4</b>	
One-to-one balance between terms of granted loans and bonds issued, i.e. daily tap issuance?	Mortgage banks issue and sell bonds to investors, who then fund the loans. During the loan term, borrowers make principal and interest payments to mortgage banks which transfer the amounts to investors. Mortgage banks charge a margin from the borrower to cover daily operating costs, potential losses, and to make a profit. The margin is a percentage of the outstanding debt which the borrower pays throughout the loan term. The margin rate corresponds to the interest margin of a bank but is generally lower. The issuance is made on a daily basis.
Pass-through cash flow from borrowers to investors?	Yes, the mortgage bank is an intermediary between persons requiring loans for the purchase of real properties and investors funding the loans by purchasing bonds.
Asset substitution in cover pool allowed?	No, (due to Danish legislation) asset substitution is not allowed/possible.

General explanation	General practice in Danish market
<b>Table M1-M5</b>	
Owner-occupied homes	Private owned residential properties used by the owner. Max LTV 80 % (legislation).
Holiday houses	Holiday houses for owner's own use or for subletting. Max LTV 60 % (legislation).
Subsidised Housing	Residential rental properties subsidised by the government. Max LTV 80 % (legislation). LTVs above 80 % can be granted against full government guarantee.
Cooperative Housing	Residential property owned and administered by the cooperative and used by the members of the cooperative. Max LTV 80 % (legislation).
Private rental	Residential property rented out to private tenants. Max LTV 80 % (legislation).
Manufacturing and Manual Industries	Industrial and manufacturing buildings and warehouses for own use or for renting. Max LTV 60 % (legislation).
Office and Business	Office property and retail buildings for own use or for rent. Max LTV 60 % (legislation).
Agriculture	Property and land for agricultural use. Max LTV 70 % (legislation). Lending from 60 - 70 % LTV however only against additional collateral.
Social and cultural purposes	Property used for education, kindergartens, museums and other buildings for public use. Max LTV 70 % (legislation).
Other	Property, that can not be placed in the categories above, fx unused land or green energy plants. Max LTV 70 % (legislation).

General explanation	General practice in Danish market
<b>Table M6-M8</b>	
Index Loans	These are loans where instalments and outstanding debt are adjusted with the development of an index which typically reflects trends in consumer prices. The loan type was introduced in Denmark in 1982. All Danish index loans have semi-annual payment dates (January 1st and July 1st). Index loans are offered as cash loans. The maturity depends on the loan type. Especially the maturity for subsidized housing depends on the size of the future inflation rate.
Fixed-rate loans	The long-term – typically 30-year – fixed-rate, callable loan is considered the most traditional Danish mortgage loan. With this loan, the borrower knows in advance the fixed repayments throughout the term of the loan. The long-term fixed-rate mortgage loan has a prepayment option which may be exercised in two ways, i.e. the borrowers may prepay their outstanding debt at a price of 100 (par) or the borrowers may purchase the underlying bonds in the financial markets and deliver them to the mortgage bank. This loan type is also offered with interest-only periods.
Adjustable Rate Mortgages	Adjustable-rate mortgages (ARMs) were introduced in 1996, and the main advantage of ARMs is that interest rates are generally lower than those of fixed-rate loans, when the loan is raised. The interest rate is generally reset at a frequency of 1, 3, 5 or 10 years, and the underlying bonds are then replaced by new bonds. The yield of the new bonds determines the loan rate for the period until the next interest rate reset. The lower initial loan rate should therefore be weighed against the risk that it will increase during the loan term. An ARM may be prepaid at a price of 100 in connection with each interest rate reset. Alternatively, the borrower may prepay the loan by purchasing the bonds on market terms – as with all mortgage loans. This loan type is also offered with interest-only periods.
Money market based loans	The loan rate is generally fixed for 3 or 6 months. In addition, this loan type differs from ARMs as the interest rate is linked to a reference rate, i.e. an interest rate determined in the money market. The reference rate of DKK-denominated loans is CIBOR (Copenhagen Interbank Offered Rate) or CITA (Copenhagen Interbank Tomorrow/Next Average), an interest rate which is quoted daily by OMX NASDAQ. This loan type is also offered with interest-only periods.
Non Capped floaters	These are loans where the rate changes at generally three or six months. The reference rate of DKK-denominated loans is CIBOR (Copenhagen Interbank Offered Rate) or CITA
Capped floaters	It is possible to get a loan with a floating interest rate which cannot exceed a certain level (cap). In this way, the borrower hedges against major interest rate increases. If a loan has a cap
Other	Any other loan types, which not comply with the above mentioned.

General explanation	General practice in Danish market
<b>Table M9-10</b>	
Seasoning	Seasoning defined by duration of customer relationship, calculated from the first disbursement of a mortgage loan.