27 August 2012

To
The Luxembourg Stock Exchange

DLR Kredit A/S has today issued DKK 1,300 m of convertible hybrid core capital and also today implements redemption of DKK 1,675 m DKK of convertible government hybrid core capital

Today, DLR Kredit’s has exercise the authorization given to Board of Directors on DLR Kredit’s extraordinary general meeting on 20 July 2012 to issue convertible hybrid core capital totaling DKK 1,300,000,000.

The hybrid core capital is issued to PRAS A/S.

PRAS was established at the sale of Totalkredit to Nykredit in 2003. PRAS holds shares in Nykredit Holding A/S, and has as a purpose to own shares and other subordinated capital in mortgage credit institutions, and to be a forum for the representation of interests of the shareholders in relation to the Totalkredit/Nykredit cooperation. As in DLR Kredit, the group of shareholders consists predominantly of the members of the Association of Local Banks, Savings Banks and Co-operative Savings Banks in Denmark, and of the Danish Regional Bankers’ Association.

DLR has decided to use the proceeds from the issuance of hybrid core capital to PRAS, as well as the proceeds from the share capital increase completed on 20 July 2012 – to also today implement redemption of DLR Kredit’s convertible government hybrid core capital totaling DKK 1,674,840,000.

The purpose of the capital initiatives is to strengthen DLR Kredit’s capital base, and should be seen as a part of the implementation of the capital plan decided by DLR Kredit’s Board of Directors, cf. previous company announcements.

The capital plan encompasses a target for the development of DLR Kredit’s capital base up until 2019 which will meet the expected legal requirements for the quality as well as the size of the company’s base capital. In addition, DLR Kredit’s current rating process with Standard & Poor’s is taken into consideration in the capital plan.

Yours sincerely
DLR Kredit A/S

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