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Ratings

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DLR Kredit A/S

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DLR Kredit A/S

SACP	bbb+
Anchor	bbb+	
Business Position	Moderate	-1
Capital and Earnings	Strong	+1
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

\+

Support	+1
ALAC Support	+1
GRE Support	0
Group Support	0
Sovereign Support	0

\+

Additional Factors	0

Issuer Credit Rating
A-/Stable/A-2

Resolution Counterparty Rating
A/--/A-1

Major Rating Factors

Strengths:	Weaknesses:
• Leading provider of financing to Denmark's agriculture industry. • Loss-mitigating guarantees from owner banks as well as commission-recovery agreements with them. • Robust capitalization and expected resilient earnings despite the COVID-19-induced downturn.	• Concentration of revenue generation and credit risk due to the narrow business model. • High leverage in the agriculture industry.

Outlook: Stable

S&P Global Ratings' stable outlook on Danish mortgage bank DLR Kredit includes our expectation that our risk-adjusted capital (RAC) ratio for DLR will remain comfortably above 10%, driven by stable earnings over the next two years. It also reflects our anticipation that the Danish covered bond market will remain resilient and accessible for DLR even in the current more difficult economic environment. In addition, we believe that the bank's risk profile is supported by the loss-mitigation agreements with DLR's owner banks, which we consider effective and timely. Risk buckets and revenue generation are highly concentrated on the Danish agriculture and real estate sectors and we don't expect this will change for the time being.

Downside Scenario

We believe that downside risk is rather limited over the next two years, not considering any additional extraordinary external events in our base case. However, a negative rating action could be triggered by unexpected, substantial, and protracted deterioration of the bank's financial performance.

Upside Scenario

We could revise up our assessment of the stand-alone credit profile (SACP) from 'bbb+' if we believed that the RAC ratio would improve comfortably and sustainably beyond 15%. This could be neutral to the issuer credit rating though, since a higher capital assessment may reduce the buffer we consider within our additional loss absorption capacity. However, it could lead to an upgrade of the rated hybrids since they are notched from the SACP.

Rationale

The 'A-' long-term rating on DLR Kredit reflects our assessment of the Danish banking industry and our expectation that the vast majority of DLR Kredit's mortgage portfolio will continue to be covered by efficient loss-mitigation agreements with its owner banks, offsetting the risks arising from its revenue concentration on the Danish agriculture and real estate sectors.

We expect the COVID-19-induced downturn will put some pressure on the bank's earnings and asset quality over 2020-2021, especially within the commercial real estate segment. That said, we expect the bank's stable capital position and loss-mitigation agreements will continue to act as a robust buffer to absorb potential losses. In addition, the agricultural sector has shown resilience during the pandemic and we therefore expect limited credit losses from these exposures in 2020. Furthermore, DLR Kredit's improving funding and liquidity measures and its access to the well-functioning Danish covered bond market, which has shown resilience during the turbulence observed in March 2020, further support the rating.

Finally, we incorporate a one-notch uplift into the long-term rating on DLR Kredit. We expect the bank to maintain a buffer of senior nonpreferred instruments to comply with the Danish government's requirement that mortgage banks have issued at least 2% of nominal lending in additional buffers. As a result, we estimate that the bank's additional loss-absorption buffers will fluctuate between 6.5% and 9.0% of its risk-weighted assets (RWAs) through this period.

Anchor: bbb+' for banks operating only in Denmark

Our anchor for a commercial bank operating only in Denmark is 'bbb+', based on an economic risk score of '2' and an industry risk score of '4'. Despite the COVID-19-induced downturn, we maintain stable economic and industry risk trends for the Danish banking system (see "COVID-19: Resilient Fundamentals And Assertive Policy Measures Will Buoy Nordic Banking Systems," published June 16, 2020, on RatingsDirect).

Our assessment of low economic risks for Denmark balances the anticipated downturn and profitability pressures for banking in the wake of the COVID-19 pandemic and elevated private-sector debt (vis-à-vis international peers) with our view that Danish banks operate in a resilient and competitive economy, with demonstrated monetary and fiscal flexibility, and a historical focus on prudent management of public finances. We currently forecast Denmark's GDP will contract by 5.4% in 2020 before bouncing back to 4.8% growth in 2021.

We expect the structure of the Danish economy to lead to greater resilience amid the COVID-19 pandemic than that of other Nordic countries. We view this, along with the robustness of the Danish welfare system and the government's policy response to the COVID-19 pandemic, as a key mitigating factor against potential pressure that the situation creates for banks' asset quality. Overall, we expect bank provisioning needs to peak in 2020 at 35 basis points of total sector loans, mostly driven by nonmortgage credit exposures toward small and midsize enterprises, a level that rated systemic Danish banks can accommodate within their capital buffers. We expect the retail mortgage sector, which represents two-thirds of total lending, will continue to perform fairly well, supported by overall sound supply and demand fundamentals in the housing market. That said, we expect a modest house price correction in real terms as a result of the pandemic this year, followed by a return to slow appreciation.

Our industry risk assessment incorporates our expectation that higher credit losses and revenue attrition linked to COVID-19 will further hamper the sector's profitability. The frontloading of bail-in-able debt issuances, negative interest rates, significant investments in compliance, and competitive pressure in corporate lending constrain Danish banks' profitability. We now expect Danish banks' return on equity (ROE) will fall to 4% in 2020, close to the average of Denmark's peer countries, but below the remaining Nordic countries.

We consider the Danish banking sector relies more than peers on functioning wholesale markets. However, the Danish covered bond market demonstrates a continued stable and strong track record, even during the most recent market turbulence. We consider the regulatory environment in Denmark to be in line with that of other EU countries overall. This balances a generally robust track record of macroprudential policies and conservative bank supervision with the national anti-money laundering (AML) governance shortcomings highlighted in Danske Bank's Estonia case. We note, however, the progress made by local banks and regulators in strengthening the country's overall AML framework, and expect this focus will continue, considering significant public attention and overall political consensus.

Table 1

DLR Kredit A/S--Key Figures

	--Year ended Dec. 31--				
(Mil. DKK)	**2020***	**2019**	**2018**	**2017**	**2016**
Adjusted assets	173,243.0	173,444.0	160,738.0	163,375.0	155,737.0
Customer loans (gross)	161,120.0	157,272.0	149,148.0	143,585.0	139,646.0
Adjusted common equity	13,704.0	13,249.0	12,912.0	12,372.0	10,916.0

Table 1

DLR Kredit A/S--Key Figures (cont.)

	--Year ended Dec. 31--				
(Mil. DKK)	**2020***	**2019**	**2018**	**2017**	**2016**
Operating revenues	650.0	1,286.0	1,216.0	1,299.0	1,397.0
Noninterest expenses	151.0	287.0	287.0	267.0	248.0
Core earnings	345.0	846.0	707.0	880.0	811.0

*Data as of June 30. DKK--Danish krone.

Business position: The main Danish funding vehicle for the agriculture sector and growing presence in the commercial real estate sector

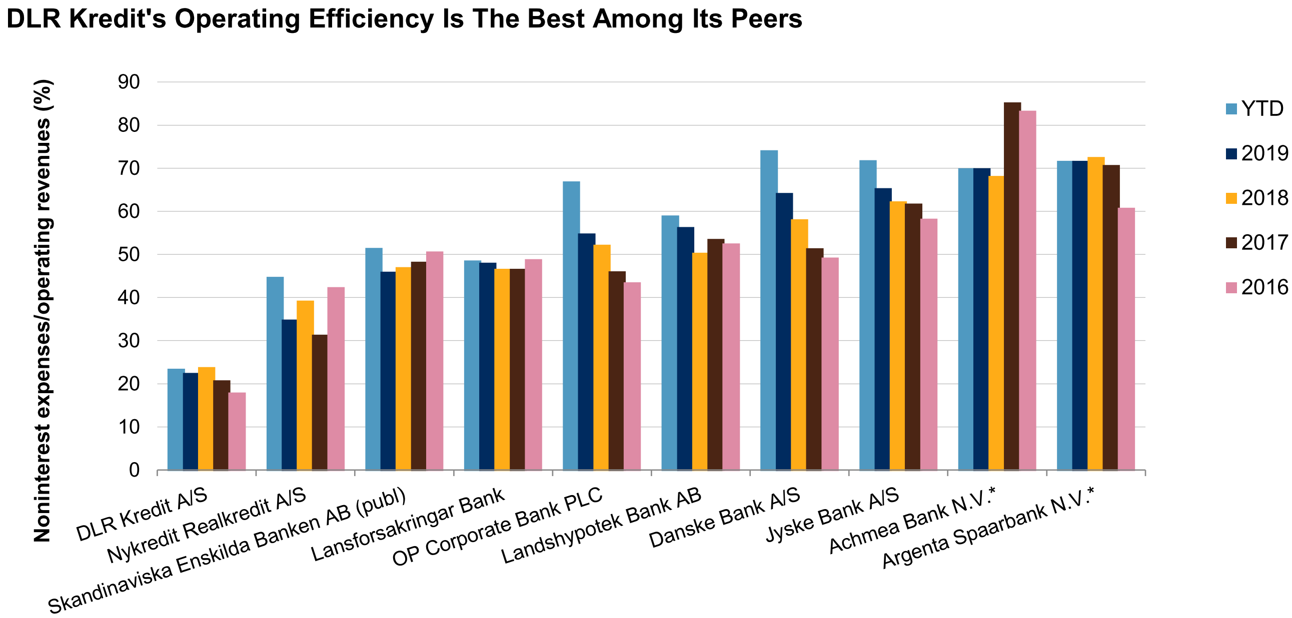
In our view, DLR Kredit's comparatively limited and concentrated client base and revenue, from the Danish agriculture and commercial real estate sector, constrain the bank compared with more diversified peers. Still, we expect the agriculture sector to show resilience during the pandemic and the bank has limited exposure to vulnerable commercial real estate sectors, such as hotels, retail stores, and restaurants. We therefore continue to expect fairly stable earnings through 2022.

DLR Kredit's business model is concentrated on the agriculture industry, which represents about 56% of its loan portfolio with a market share of 33.6%, in June 2020. Furthermore, the bank is also active within commercial real estate, such as residential (18% of the loan portfolio), offices/retail (17%), and owner-occupied dwellings (5%). In residential and office and retail, the bank holds a market share of about 8%-10%, which we expect will increase over 2022.

DLR Kredit funds and manages mortgages distributed by its 53 owner banks and pays commission in return, while its owner banks provide first-loss guarantees on the referred assets. We consider DLR Kredit's owners' support as critical to our assessment of the bank's business position. The owners' support contributes to the stability of revenue through a steady flow of loans; reduces credit risk to a minimum through extensive guarantee mechanisms; and allows for full profit retention.

We note that DLR's earnings remain resilient to the impact of very low interest rates, as its administrative margins are unaffected by interest rate moves. Potential pressure on income is counterbalanced by the bank's very lean operations, as evidenced by its exceptional cost-to-income ratio of 22.3% as of year-end 2019, compared with a peer average of 53%. DLR Kredit is able to remain more efficient compared with peers, as it does not have its own branch network, but relies solely on its owner-banks referring their customers to DLR Kredit to fund agricultural and commercial real estate exposure through covered bonds.

Chart 1



*Data as of Dec 2019. YTD--Year to date. Source: S&P Global Ratings.

Strategically, we believe DLR Kredit aims to maintain its dominant position in the agriculture sector while improving its market share in the commercial real estate sector. The management focus is to continue to improve and strengthen the collaboration with its owner banks while maintaining a prudent growth strategy. Throughout 2020-2021, DLR Kredit will continue to further enhance and develop the collaboration.

Table 2

DLR Kredit A/S--Business Position

	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Total revenues from business line (mil. DKK)	650.0	1,286.0	1,216.0	1,299.0	1,397.0
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	5.1	6.4	5.6	7.5	7.3

*Data as of June 30. DKK--Danish krone.

Capital and earnings: Strong capital is supported by stable profitability

We expect DLR Kredit's risk-adjusted capital will remain its rating strength. We forecast its RAC ratio, which stood at 14.8% at end-2019, will remain in the range of 14.5%-15.0% over the next 18-24 months, despite some earnings and asset quality pressure owing to the COVID-19-induced downturn.

We expect DLR Kredit's cost-to-income ratio will continue to be outstanding compared with domestic and international peers and that the net interest margin will be fairly stable throughout 2022. Furthermore, we expect that all profits will be retained, supporting business growth and capitalization over the next two years, and we anticipate modest loan growth at 3%-5% per year.

DLR Kredit's earnings buffer has been in the range of 50-70 basis points (bps) over the past three years, and we forecast that it will be about 60 bps in the years to come. Normalized losses (through-the–cycle proxy used by S&P Global Ratings) are considerably higher than experienced losses, partly due to the loan loss guarantees. Indeed, normalized losses are about Danish krone (DKK)378 million in 2020, while actual losses have never been above DKK200 million for the past 10 years. We therefore project a DKK125 million loss for 2020 (net loan loss guarantees and commission-recovery agreements) compared with DKK57 million for the first six months of 2020.

DLR Kredit's reliance and concentration on interest income reflects negatively on its earnings quality, in our view. That said, the covered bond funding with full pass-through of interests is a mitigating factor.

Table 3

DLR Kredit A/S--Capital And Earnings

	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Tier 1 capital ratio	15.5	15.5	16.0	15.1	12.7
S&P Global Ratings' RAC ratio before diversification	N/A	14.8	13.7	13.5	13.3
S&P Global Ratings' RAC ratio after diversification	N/A	10.1	9.7	9.4	10.5
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	89.4
Net interest income/operating revenues	144.2	126.1	141.9	131.5	121.8
Fee income/operating revenues	(33.1)	(25.4)	(26.8)	(19.8)	(16.8)
Market-sensitive income/operating revenues	(13.1)	(2.4)	(17.4)	(13.2)	(6.3)
Noninterest expenses/operating revenues	23.2	20.0	23.6	20.6	17.8
Preprovision operating income/average assets	0.6	0.7	0.6	0.6	0.8
Core earnings/average managed assets	0.4	0.5	0.4	0.6	0.5

*Data as of June 30. RAC--Risk adjusted capital. N/A--Not applicable.

Table 4

DLR Kredit A/S RACF--Risk-Adjusted Capital Framework Data

(Mil. DKK)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	4,289.0	0.0	0.0	16.3	0.4
Of which regional governments and local authorities	88.5	0.0	0.0	3.2	3.6
Institutions and CCPs	15,676.2	3,422.2	21.8	3,653.4	23.3
Corporate	96,819.5	53,123.5	54.9	63,854.8	66.0
Retail	51,207.2	18,903.2	36.9	11,874.9	23.2
Of which mortgage	51,207.2	18,903.2	36.9	11,874.9	23.2
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	3,417.3	1,367.9	40.0	3,380.7	98.9
Total credit risk	171,409.2	76,816.8	44.8	82,780.2	48.3
Credit valuation adjustment					
Total credit valuation adjustment	--	0.0	--	0.0	--

Table 4

DLR Kredit A/S RACF--Risk-Adjusted Capital Framework Data (cont.)					
Market Risk					
Equity in the banking book	36.3	36.3	100.0	317.7	875.0
Trading book market risk	--	2,555.2	--	3,832.8	--
Total market risk	--	2,591.5	--	4,150.5	--
Operational risk					
Total operational risk	--	2,376.0	--	2,435.6	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	81,784.3	--	89,366.3	100.0
Total Diversification/ Concentration Adjustments	--	--	--	42,406.9	47.5
RWA after diversification	--	81,784.3	--	131,773.2	147.5
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		12,647.0	15.5	13,249.0	14.8
Capital ratio after adjustments‡		12,647.0	15.5	13,249.0	10.1

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. DKK--Danish krone. Sources: Company data as of Dec. 31, 2019, S&P Global Ratings.

Risk position: Loss guarantees mitigate credit risk and concentration within the agriculture sector

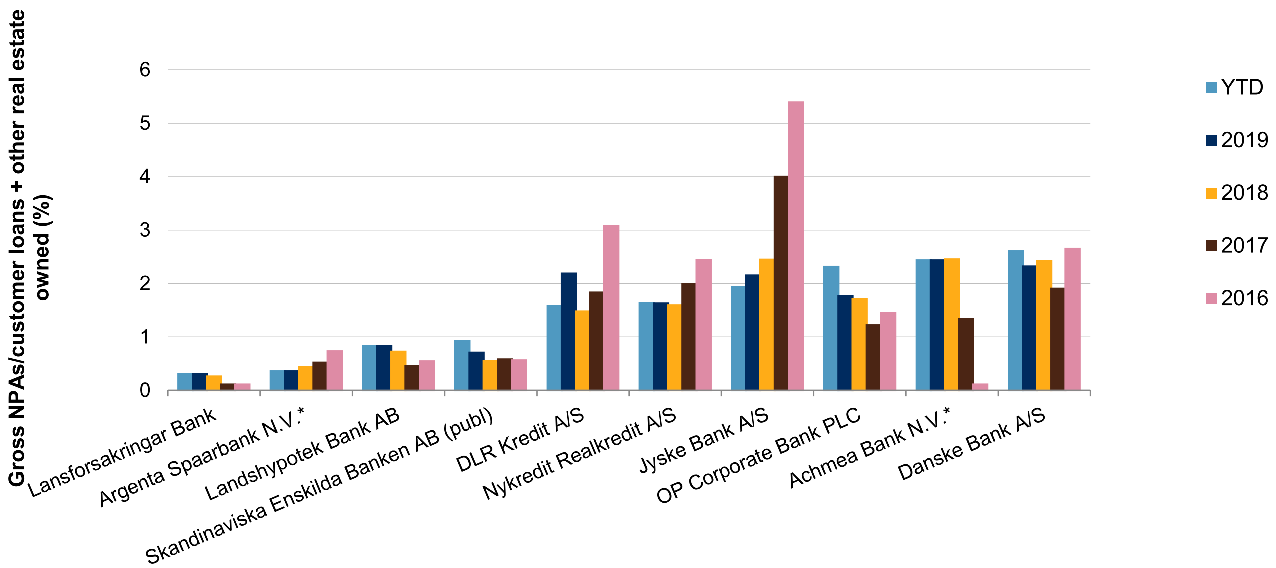
Our assessment reflects the guarantee structure provided by DLR Kredit's owner banks, including DLR Kredit's ability to reduce future commission to compensate for incurred losses. In our view, this compensates for the concentration on the agricultural and commercial real estate segments.

We note that the Danish agricultural sector still faces material challenges ahead due to its high debt burden, although low interest rates offer some relief to general repayment capacity and the agricultural sector's outstanding debt from banks and mortgage banks has been reduced by 5.6% over the past two years (2016-2018). However, despite a decline in product prices, particularly in second-quarter 2020, the main areas of agricultural production have enjoyed good terms of trade and satisfactory earnings in 2019-2020. Furthermore, the agriculture sector's credit quality has remained resilient. DLR Kredit's total arrears as a percentage of total lending were 5 bps at the end of June 2020, and have remained stable for past few quarters, while the number of COVID-19-related loan payment deferrals has also been low (40 deferrals as of first-half 2020).

Although DLR Kredit instituted additional impairments for its commercial property customers in the second quarter, the nonperforming loan (NPL) ratio remained stable at 1.6%, as of first-half 2020, in line with the peer average of 1.5% (see chart 2). We expect the NPL ratio will remain at 1.5-1.9% through 2020-2021, supported by fairly stable domestic house/property prices and predictable and satisfactory earnings in the agriculture sector. That said, we remain negative on property market prospects for hotels, restaurants, and retail stores, and note that exposure to these areas could weaken the NPL ratio temporarily.

Chart 2

DLR Kredit's Asset Quality Over The Years Is In Line With Peers



*Data as of Dec 2019. NPAs--Nonperforming assets. Source: S&P Global Ratings.

The risk of an outbreak of African swine fever (ASF; a severe viral disease affecting domestic and wild pigs) in Denmark seems elevated and could cause production and economic losses for DLR Kredit's customers. That said, the government is determined to prevent ASF reaching Denmark and has therefore implemented measures such as eased hunting restrictions and building new fences on the German border.

In our view, guarantees, and the ability for DLR Kredit to recapture losses in excess of the guarantees via reductions in current and future years' commission from the owner banks mitigate the downside risks. These structures reduce the bottom-line impact of credit losses considerably, although some timing differences between the commission expenditure and recovery could result in temporary reductions in equity during periods of extreme stress.

As mentioned earlier, DLR Kredit's loss history, compared with normalized losses, is a key strength in the bank's risk position and we expect it will continue to be a strength over the next two years. We expect cost of risk will increase to only 8 bps in 2020 from -6 bps in 2019 and we thereafter expect it to decrease to 4 bps-7 bps in 2021-2022.

Table 5

DLR Kredit A/S--Risk Position					
	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Growth in customer loans	4.9	5.4	3.9	2.8	4.5
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	47.5	41.1	43.8	26.6
Total managed assets/adjusted common equity (x)	12.6	13.1	12.4	13.2	14.3
New loan loss provisions/average customer loans	0.1	(0.1)	0.0	(0.1)	0.1

Table 5

DLR Kredit A/S--Risk Position (cont.)

	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Net charge-offs/average customer loans	0.0	0.0	0.0	0.0	0.1
Gross nonperforming assets/customer loans + other real estate owned	1.6	2.2	1.5	1.8	3.1
Loan loss reserves/gross nonperforming assets	19.1	12.7	24.4	20.0	13.9

*Data as of June 30. RWA--Risk weighted assets. N/A--Not applicable.

Funding and liquidity: Reduced reliance on short-term funding and access to the well-functioning Danish covered bond market

We view DLR Kredit's funding and liquidity as neutral factors for the ratings, reflecting measures taken by the bank and the industry as a whole to reduce the reliance on short-term interest rate fixing, as well as the proven liquidity of the Danish covered bond market over the past several years.

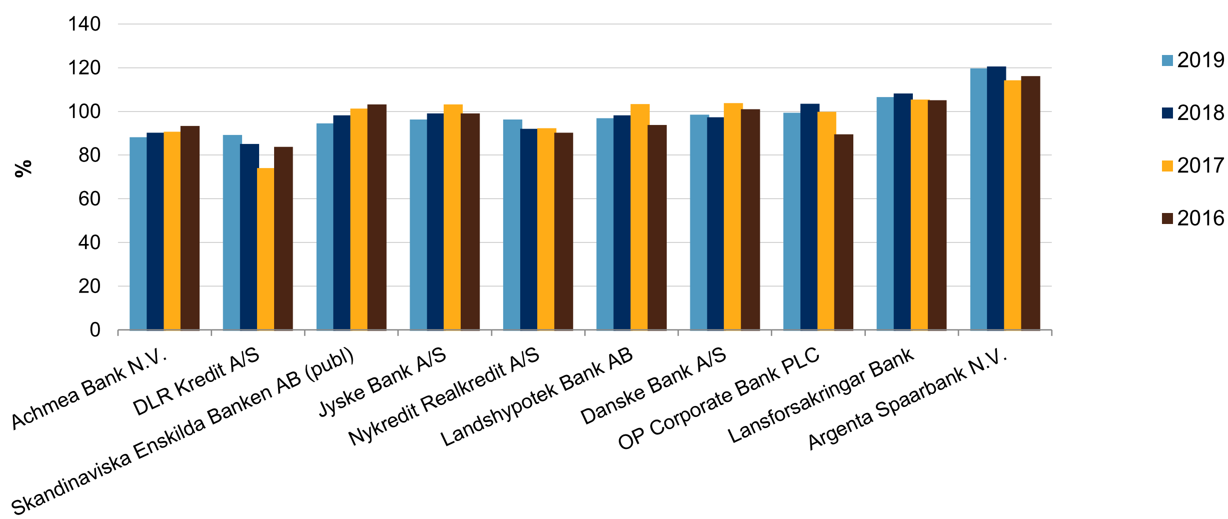
As of year-end 2019, DLR Kredit's broad liquid assets improved to 50% of its short-term funding, comparable with 36% as of end-2018 and 35% as of end-2017. Over the same period, DLR Kredit's stable funding ratio also improved to 88% versus 85% in 2018 and 74% in 2017. While these ratios remain weak in an international context, we compare them with the bank's domestic peers' and consider the importance of the supporting characteristics of the Danish covered bond market.

We note that the balance principle results in a high degree of matching of duration and cash flows, as well as of interest rate and currency. The industry and the regulator have worked to reduce the volume of one-year bond refinancing significantly, resulting in longer and more balanced debt maturity profiles. We note that only 3% of the outstanding loans granted by DLR Kredit are interest reset loans with yearly interest rate fixation periods. In our view, this improvement in stability is complemented by the 2014 Danish covered bond legislation that extends bond maturities by 12 months in the event of a failed auction, thus effectively passing refinancing risks to investors and repricing risks onto borrowers.

We expect DLR Kredit's stable funding ratio to continue gradually and slowly improving in the coming years. However, the ratio remains unlikely to reach 100% as the Danish Financial Supervisory Authority allows mortgage banks to refinance up to 25% of their loans annually.

Chart 3

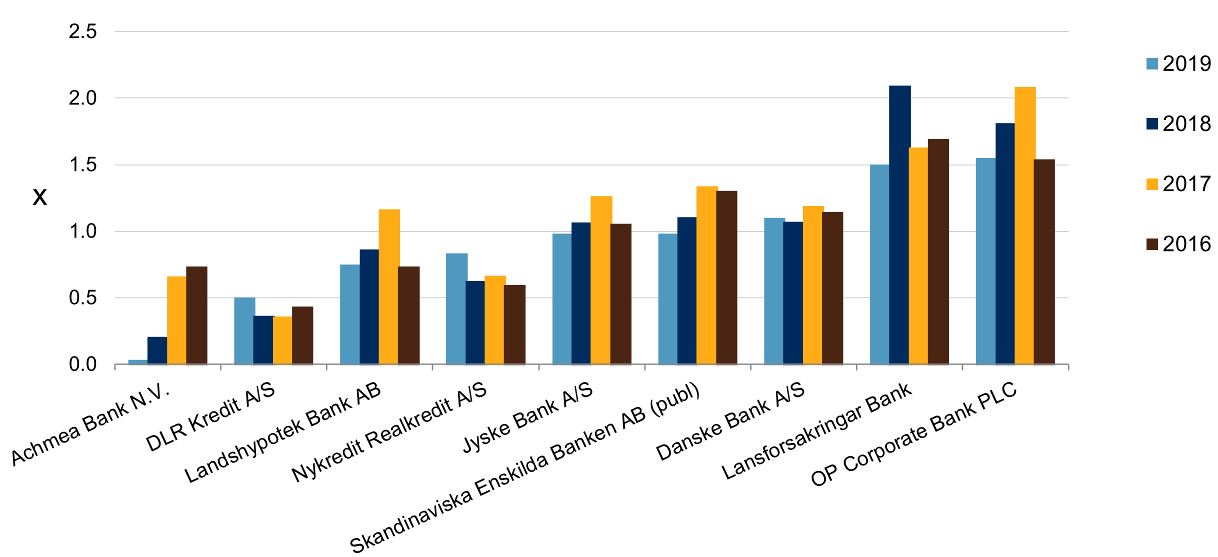
Funding Comparison - DLR Kredit's SFR Is Improving



SFR--Stable funding ratio. Source: S&P Global Ratings.

Chart 4

Liquidity Comparison - DLR Kredit's BLAST Is Improving



BLAST--Broad liquid assets to short-term funding. Source: S&P Global Ratings.

Table 6

DLR Kredit A/S--Funding And Liquidity

	--Year ended Dec. 31--				
(%)	**2020***	**2019**	**2018**	**2017**	**2016**
Long-term funding ratio	85.1	81.4	79.3	65.1	75.4
Stable funding ratio	N/A	88.7	84.7	73.5	83.3
Short-term wholesale funding/funding base	16.2	20.2	22.6	37.8	26.7
Broad liquid assets/short-term wholesale funding (x)	N/A	0.5	0.4	0.4	0.4
Short-term wholesale funding/total wholesale funding	16.2	20.2	22.6	37.8	26.5
Narrow liquid assets/3-month wholesale funding (x)	1.0	2.4	1.3	0.8	1.1

*Data as of June 30. N/A--Not applicable.

External support: One-notch uplift for additional loss-absorbing capacity (ALAC)

We view Denmark's resolution regime as effective under our ALAC criteria because, among other factors, we believe it contains a well-defined bail-in process under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities.

We do not expect any material changes to the group's senior nonpreferred (SNP) issuance plans due to the pandemic, despite a momentary pause in issuance of SNP instruments during 2020 following less favorable market conditions. We expect DLR Kredit will issue SNP debt later in 2020 or in the first half of 2021 at the latest. As a result, we include one notch of uplift in the long-term rating on DLR Kredit since we estimate that the bank's additional loss-absorption buffers will fluctuate between 6.5% and 9.0% of its RWAs through 2022. If we were to move the capital score to the higher assessment, it is very likely that removing the material proportion of pure capital currently being included in our ALAC buffer would result in the removal of the additional notch of uplift.

Environmental, social, and governance

We believe ESG credit factors influence DLR Kredit's credit quality similarly to its industry and Danish peers. We see the main environmental risks that DLR Kredit faces as managing the potential impact of climate change on its borrowers, such as agriculture customers vulnerable to increasing flood, longer drought periods, or other climate risks. Furthermore, the bank is developing a framework for green loans to support its customers in their green transition.

Resolution counterparty ratings (RCRs)

Following the completion of our RCR jurisdiction assessments on Denmark, we assigned 'A/A-1' RCRs to DLR Kredit.

An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default with an effective bail-in resolution process for the issuing financial institution.

Related Criteria

- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

- Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011

Related Research

- Banking Industry Country Risk Assessment: Denmark, Aug 27, 2020
- Nordic Banks' Strong Capital Deflects COVID-19 Impact, Sept. 8, 2020
- Banking Industry Country Risk Assessment Update: September 2020, Sept. 25, 2020
- COVID-19: Resilient Fundamentals And Assertive Policy Measures Will Buoy Nordic Banking Systems, June 16, 2020
- EMEA Financial Institutions Monitor 2Q2020: Resilient But Not Immune To COVID-19, May 14, 2020

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	**bbb+**	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of October 6, 2020)*

DLR Kredit A/S	
Issuer Credit Rating	A-/Stable/A-2
Resolution Counterparty Rating	A/--/A-1
Senior Secured	A+/Stable
Senior Secured	AAA/Stable
Senior Subordinated	BBB

Ratings Detail (As Of October 6, 2020)*(cont.)	
Issuer Credit Ratings History	
23-Oct-2019	A-/Stable/A-2
13-Jul-2018	A-/Positive/A-2
19-May-2017	A-/Stable/A-2
Sovereign Rating	
Denmark	AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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