

# Covered Bond Report

## General Capital Centre, Q1 2014

Published 27 June 2014 • Data per 31 March 2014



### **General information:**

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

**Issuer type:** Specialized mortgage bank

**Cover pool:** General Capital Centre, RO

**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

**Frequency of updates:** Quarterly

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As of 31 March 2014



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**Table A. General Issuer Detail**



**Key information regarding issuers' balance sheet**

<i>(DKKbn – except Tier 1 and Solvency ratio)</i>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
Total Balance Sheet Assets	141,4	146,9	141,3	141,5
Total Customer Loans(fair value)	134,2	133,9	134,6	135,5
of which: Used/registered for covered bond collateral pool	134,2	133,9	134,6	135,5
Tier 1 Ratio (%)	13,6%	12,3%	12,3%	12,6%
Solvency Ratio (%)	13,6%	12,3%	12,3%	12,6%
Outstanding Covered Bonds (fair value)	151,7	185,2	154,1	137,3
Outstanding Senior Unsecured Liabilities	0,0	0,0	0,0	2,5
Senior Secured Bonds	6,0	6,0	6,0	6,0
Guarantees (e.g. provided by states, municipals, banks)	18,6	18,7	19,2	19,5
Net loan losses (Net loan losses and net loan loss provisions)	0,0	0,1	0,0	0,0
Value of acquired properties / ships (temporary possessions, end quarter)	0,0	0,0	0,1	0,1

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

Total customer loans (market value)	134,2	134,0	134,7	135,5
<b>Composition by</b>				
<b>Maturity</b>				
- 0 <= 1 year	0,1	0,1	0,1	0,1
- < 1 <= 5 years	0,6	0,6	0,7	0,8
- over 5 years	133,5	133,3	133,9	134,7
<b>Currency</b>				
- DKK	100,5	99,1	99,0	99,5
- EUR	33,7	34,9	35,7	36,0
- USD				
- Other				
<b>customer type</b>				
- Residential (owner-occ., private rental, corporate housing, holiday houses)	24,2	24,2	24,2	24,4
- Commercial (office and business, industry, agriculture, manufacture, social and cultural, ships)	109,4	109,1	109,8	110,5
- Subsidised	0,7	0,7	0,7	0,7
eligibility as covered bond collateral	134,2	134,0	134,7	135,5
Non-performing loans (See definition in table X1)	1,7	2,1	2,6	2,6
Loan loss provisions (sum of total individual and group wise loss provisions, end of quarter)	0,4	0,4	0,4	0,4

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Table G1.1 – General cover pool information

<b>DKKbn / Percentage of nominal outstanding CBs</b>		<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
Nominal cover pool (total value)		23,4	25,4	26,4	27,0
Overcollateralisation after correction for non-eligible assets		1,5	2,1	2,5	2,2
Overcollateralisation ratio	Total (percentage of nominal CBs)	6,8%	9,3%	9,5%	8,0%
	Mandatory (percentage of risk weighted assets, general, by law)	8,0%	8,0%	8,0%	8,0%
Nominal value of outstanding CBs		22,6	22,6	24,0	24,0
– hereof amount maturing 0-1 day		0,0	0,0	0,0	0,0
Proceeds from senior secured debt		0,0	0,0	0,0	0,0
Proceeds from senior unsecured debt		0,0	0,0	0,0	0,0
Tier 2 capital		0,0	0,0	0,0	0,0
Additional tier 1 capital (e.g. hybrid core capital)		0,5	0,5	0,5	0,5
Core tier 1 capital invested in gilt-edged securities		0,8	1,1	1,2	1,2
Total capital coverage (rating compliant capital)		1,5	2,1	2,3	2,0

Table G2 – Outstanding CBs

<b>DKKbn / Percentage of nominal outstanding CBs</b>		<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>	<b>Q2 2013</b>
Nominal value of outstanding CBs		22,6	22,6	24,0	24,0
Fair value of outstanding CBs (marked value)		23,3	23,2	24,5	24,7
Maturity of issued CBs	0-1 day	0,0	0,0	0,0	0,0
	1 day – < 1 year	0,1	0,1	0,0	0,0
	1 year	0,0	0,0	0,0	0,0
	> 1 and ≤ 2 years	0,1	0,1	0,2	0,2
	> 2 and ≤ 3 years	0,3	0,3	0,0	0,1
	> 3 and ≤ 4 years	12,7	12,7	0,3	0,3
	> 4 and ≤ 5 years	0,1	0,1	12,9	12,9
	5-10 years	0,2	0,2	0,3	0,3
	10-20 years	2,5	2,5	2,8	2,8
	> 20 years	6,8	6,8	7,4	7,4
Amortisation profile of issued CBs	Bullet	0,0%	0,0%	0,0%	0,0%
	Annuity	99,9%	99,9%	99,9%	99,9%
	Serial	0,13%	0,13%	0,15%	0,15%
Interest rate profile of issued CBs	Fixed rate (Fixed rate constant for more than 1 year)	37,6%	37,6%	37,7%	37,6%
	Floating rate ( Floating rate constant for less than 1 year)	53,5%	53,5%	53,4%	53,5%
	Capped floating rate	8,9%	8,9%	8,9%	8,9%
Currency denomination profile of issued CBs	DKK	55,2%	55,2%	57,3%	57,2%
	EUR	44,8%	44,8%	42,7%	42,8%
	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	AAA
	Fitch	-	-	-	-

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

	<b>Issue adherence</b>
General balance principle	
Specific balance principle	x

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

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

	<b>Issue adherence</b>	
	<b>Yes</b>	<b>No</b>
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

## General Capital center

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

Reporting date 31-03-2014



**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	1.925	-	9	119	900	50	2.071	13.748	2	6	<b>18.830</b>
In %	10%	0%	0%	1%	5%	0%	11%	73%	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	1,2	-	0,1	0,6	1,3	0,1	2,5	15,8	0,0	0,0	<b>21,7</b>
In %	6%	0%	0%	3%	6%	1%	12%	73%	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	7,3	5,0	8,1	1,1	0,2	-	<b>21,7</b>
In %	34%	23%	37%	5%	1%	0%	<b>100%</b>

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Table M4a

Lending, by-loan to-value (LTV), current property value, DKKbn

	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	0,5	0,4	0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,0	54,44
Holiday houses	-	-	-	-	-	-	-	-	-	-	-
Subsidised Housing	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	85,95
Cooperative Housing	0,2	0,2	0,1	0,0	0,0	0,0	0,0	0,0	0,0	0,0	64,53
Private rental	0,4	0,4	0,3	0,1	0,1	0,0	0,0	0,0	0,0	0,0	72,39
											48,6
Manufacturing and Manual Industries	0,1	0,0	0,0	0,0	-	-	-	-	-	-	48,6
Office and Business	1,1	0,8	0,4	0,1	0,0	0,0	0,0	0,0	0,0	0,0	52,71
Agricultural properties	8,2	4,7	2,2	0,5	0,2	0,0	0,0	0,0	0,0	0,0	46,76
Properties for social and cultural purposes	0,0	0,0	0,0	0,0	0,0	-	-	-	-	-	69,39
Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	50,16
<b>Total</b>	<b>10,5</b>	<b>6,6</b>	<b>3,3</b>	<b>0,7</b>	<b>0,3</b>	<b>0,1</b>	<b>0,1</b>	<b>0,0</b>	<b>0,0</b>	<b>0,1</b>	<b>50,1</b>

Table M4b

Lending, by-loan to-value (LTV), current property value, per cent

	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	41,5%	33,5%	19,1%	4,0%	1,3%	0,2%	0,1%	0,1%	0,1%	0,2%	54,44
Holiday houses	-	-	-	-	-	-	-	-	-	-	-
Subsidised Housing	29,3%	27,8%	13,9%	6,4%	5,3%	2,6%	2,6%	2,6%	2,6%	6,8%	85,95
Cooperative Housing	38,1%	30,3%	16,2%	5,8%	5,1%	1,4%	0,8%	0,7%	0,5%	1,1%	64,53
Private rental	31,0%	27,9%	22,9%	8,0%	5,0%	1,5%	1,1%	0,8%	0,7%	1,1%	72,39
Manufacturing and Manual Industries	44,4%	36,8%	18,8%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	48,6
Office and Business	44,6%	33,8%	16,3%	2,9%	1,2%	0,2%	0,1%	0,1%	0,1%	0,8%	52,71
Agricultural properties	51,6%	29,7%	13,8%	2,9%	1,2%	0,3%	0,2%	0,1%	0,0%	0,2%	46,76
Properties for social and cultural purposes	28,9%	28,9%	28,9%	11,1%	2,1%	0,0%	0,0%	0,0%	0,0%	0,0%	69,39
Other	59,3%	27,7%	6,3%	0,5%	0,5%	0,2%	0,2%	0,2%	0,2%	4,7%	50,16
<b>Total</b>	<b>48,5%</b>	<b>30,4%</b>	<b>15,0%</b>	<b>3,4%</b>	<b>1,6%</b>	<b>0,4%</b>	<b>0,2%</b>	<b>0,1%</b>	<b>0,1%</b>	<b>0,4%</b>	<b>50,1</b>

Table M4c

Lending, by-loan to-value (LTV), current property value, DKKbn ("Sidste krone")

	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	0,0	0,2	0,5	0,3	0,2	0,0	0,0	0,0	0,0	0,0	54,44
Holiday houses	-	-	-	-	-	-	-	-	-	-	-
Subsidised Housing	-	0,0	0,0	0,0	0,0	-	-	-	-	0,0	85,95
Cooperative Housing	0,0	0,1	0,2	0,0	0,1	0,1	0,0	0,0	0,0	0,1	64,53
Private rental	0,0	0,1	0,2	0,3	0,2	0,2	0,1	0,0	0,0	0,2	72,39
Manufacturing and Manual Industries	0,0	0,0	0,1	0,0	-	-	-	-	-	-	48,6
Office and Business	0,1	0,6	1,0	0,4	0,3	0,0	0,0	0,0	0,0	0,1	52,71
Agricultural properties	1,8	4,5	5,0	2,0	1,5	0,3	0,3	0,2	0,1	0,1	46,76
Properties for social and cultural purposes	-	-	-	0,0	0,0	-	-	-	-	-	69,39
Other	0,0	0,0	0,0	0,0	-	-	-	-	-	0,0	50,16
<b>Total</b>	<b>2,0</b>	<b>5,5</b>	<b>6,9</b>	<b>3,1</b>	<b>2,2</b>	<b>0,6</b>	<b>0,4</b>	<b>0,3</b>	<b>0,1</b>	<b>0,5</b>	<b>50,1</b>

Table M4d/B4d

Lending, by-loan to-value (LTV), current property value, per cent ("Sidste krone")

	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	3,4%	17,4%	38,9%	22,0%	12,6%	2,9%	1,1%	0,4%	0,2%	1,2%	54,44
Holiday houses	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	-
Subsidised Housing	0,0%	16,4%	16,3%	5,0%	3,1%	0,0%	0,0%	0,0%	0,0%	59,3%	85,95
Cooperative Housing	2,9%	19,1%	24,4%	5,4%	15,3%	12,7%	4,7%	4,1%	0,8%	10,4%	64,53
Private rental	1,5%	5,8%	16,9%	22,3%	16,1%	11,5%	7,5%	1,3%	2,3%	14,7%	72,39
Manufacturing and Manual Industries	3,1%	16,4%	46,9%	33,6%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	48,6
Office and Business	4,4%	23,2%	41,6%	15,5%	10,0%	2,0%	0,6%	0,2%	0,0%	2,4%	52,71
Agricultural properties	11,7%	28,6%	31,3%	12,9%	9,3%	2,1%	1,7%	1,3%	0,4%	0,7%	46,76
Properties for social and cultural purposes	0,0%	0,0%	0,0%	46,3%	53,7%	0,0%	0,0%	0,0%	0,0%	0,0%	69,39
Other	30,2%	11,1%	42,9%	6,2%	0,0%	0,0%	0,0%	0,0%	0,0%	9,6%	50,16
<b>Total</b>	<b>9,4%</b>	<b>25,6%</b>	<b>31,9%</b>	<b>14,2%</b>	<b>10,1%</b>	<b>3,0%</b>	<b>2,0%</b>	<b>1,2%</b>	<b>0,4%</b>	<b>2,2%</b>	<b>50,1</b>

Reporting date 31-03-2014



**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	0,1	0,2	0,2	0,3	0,4	0,0	1,2
Holiday houses	-	-	-	-	-	-	-
Subsidised Housing	-	0,0	0,0	0,0	-	-	0,1
Cooperative Housing	0,2	0,1	0,1	0,1	0,1	0,0	0,6
Private rental	0,2	0,2	0,3	0,3	0,4	0,0	1,3
Manufacturing and Manual Industries	0,0	0,0	0,1	0,0	0,0	-	0,1
Office and Business	0,4	0,4	0,3	0,7	0,6	-	2,5
Agricultural properties	0,2	1,3	3,9	4,9	5,5	-	15,8
Properties for social and cultural purposes	-	-	-	-	0,0	-	0,0
Other	-	-	0,0	-	0,0	-	0,0
<b>Total</b>	<b>1,0</b>	<b>2,2</b>	<b>5,0</b>	<b>6,4</b>	<b>7,0</b>	<b>0,0</b>	<b>21,7</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 Manual Industries	Office and Business	Agriculture	Social and cultural		Total
	homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental				purposes	Other	
Index Loans	-	-	-	-	-	-	-	-	-	-	-
Fixed-rate to maturity	0,1	-	-	0,1	0,1	-	0,1	0,4	-	-	0,7
Fixed-rate shorter period than maturity (ARM's etc.)	-	-	-	-	-	-	-	-	-	-	-
- rate fixed ≤ 1 year	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 1 and ≤ 3 years	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 3 and ≤ 5 years	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 5 years	-	-	-	-	-	-	-	-	-	-	-
Money market based loans	0,2	-	0,0	0,2	0,6	0,0	0,6	8,1	-	-	9,8
- Non Capped floaters	0,0	-	0,0	0,1	0,5	0,0	0,6	7,6	-	-	8,9
- Capped floaters	0,1	-	0,0	0,1	0,1	0,0	0,1	0,5	-	-	0,9
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0,3</b>	-	<b>0,0</b>	<b>0,3</b>	<b>0,7</b>	<b>0,0</b>	<b>0,7</b>	<b>8,5</b>	-	-	<b>10,5</b>

\*Interest-only loans at time of completion. 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 Manual Industries	Office and Business	Agriculture	Social and cultural		Total
	homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental				purposes	Other	
Index Loans	-	-	-	-	-	-	-	-	-	-	-
Fixed-rate to maturity	0,7	-	0,0	0,3	0,4	0,0	1,4	4,3	0,0	0,0	7,2
Fixed-rate shorter period than maturity (ARM's etc.)	-	-	-	-	-	-	-	-	-	-	-
- rate fixed ≤ 1 year	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 1 and ≤ 3 years	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 3 and ≤ 5 years	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 5 years	-	-	-	-	-	-	-	-	-	-	-
Money market based loans	0,2	-	0,0	0,0	0,2	0,0	0,4	3,0	0,0	-	3,9
- Non Capped floaters	0,0	-	-	-	0,1	0,0	0,2	2,3	-	-	2,7
- Capped floaters	0,2	-	0,0	0,0	0,1	-	0,2	0,7	0,0	-	1,2
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0,9</b>	-	<b>0,0</b>	<b>0,3</b>	<b>0,6</b>	<b>0,1</b>	<b>1,8</b>	<b>7,4</b>	<b>0,0</b>	<b>0,0</b>	<b>11,1</b>

Table M8

## Lending by loan type - All loans, DKKbn

	Owner-occupied					Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural		Total
	homes	Holiday houses	Subsidised Housing	Cooperative Housing	Private rental				purposes	Other	
Index Loans	-	-	-	-	-	-	-	0,0	-	-	0,0
Fixed-rate to maturity	0,8	-	0,0	0,4	0,5	0,0	1,4	4,7	0,0	0,0	8,0
Fixed-rate shorter period than maturity (ARM's etc.)	-	-	-	-	-	-	-	-	-	-	-
- rate fixed ≤ 1 year	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 1 and ≤ 3 years	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 3 and ≤ 5 years	-	-	-	-	-	-	-	-	-	-	-
- rate fixed > 5 years	-	-	-	-	-	-	-	-	-	-	-
Money market based loans	0,4	-	0,0	0,2	0,8	0,1	1,1	11,1	0,0	-	13,7
- Non Capped floaters	0,1	-	0,0	0,1	0,6	0,1	0,8	9,9	-	-	11,6
- Capped floaters	0,3	-	0,0	0,1	0,2	0,0	0,3	1,2	0,0	-	2,1
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,2</b>	-	<b>0,1</b>	<b>0,6</b>	<b>1,3</b>	<b>0,1</b>	<b>2,5</b>	<b>15,8</b>	<b>0,0</b>	<b>0,0</b>	<b>21,7</b>



**Table M9**  
Lending by Seasoning, DKKbn (Seasoning defined by duration of customer relationship)

	Owner-occupied homes	Holiday houses	Subsided Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
< 12 months	-	-	-	-	-	-	-	-	-	-	-
≥ 12 - < 24 months	-	-	-	-	-	-	-	-	-	-	-
≥ 24 - < 36 months	-	-	-	-	-	-	-	-	-	-	-
≥ 36 - < 60 months	-	-	-	-	-	-	-	-	-	-	-
≥ 60 months	1,2	-	0,1	0,6	1,3	0,1	2,5	15,8	0,0	0,0	21,7
<b>Total</b>	<b>1,2</b>	<b>-</b>	<b>0,1</b>	<b>0,6</b>	<b>1,3</b>	<b>0,1</b>	<b>2,5</b>	<b>15,8</b>	<b>0,0</b>	<b>0,0</b>	<b>21,7</b>

**Table M10**  
Lending by remaining maturity, DKKbn

	Owner-occupied homes	Holiday houses	Subsided 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	0,1	-	-
≥ 1 - < 3 Years	0,0	-	-	-	-	0,0	0,0	0,0	0,3	-	-
≥ 3 - < 5 Years	0,0	-	-	0,0	0,0	-	0,0	0,1	-	-	-
≥ 5 - < 10 Years	0,0	-	-	0,0	0,0	0,0	0,1	0,4	-	-	0,6
≥ 10 - < 20 Years	0,3	-	0,0	0,0	0,2	0,1	1,4	1,6	0,0	0,0	3,5
≥ 20 Years	0,9	-	0,1	0,6	1,1	0,0	0,9	13,4	0,0	0,0	17,0
<b>Total</b>	<b>1,2</b>	<b>-</b>	<b>0,1</b>	<b>0,6</b>	<b>1,3</b>	<b>0,1</b>	<b>2,5</b>	<b>15,8</b>	<b>0,0</b>	<b>0,0</b>	<b>21,7</b>

**Table M11**  
90 day Non-performing loans by property type, as percentage of total payments, %

	Owner-occupied homes	Holiday houses	Subsided Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
90 day NPL	1,90	-	-	0,70	1,60	2,80	2,50	0,90	-	-	1,27

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	Subsided Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
90 day NPL	2,40	-	-	0,60	1,00	1,90	2,40	1,50	-	-	1,57

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	Subsided Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
< 60per cent LTV	2,17	-	-	-	-	1,08	2,83	1,73	1,29	-	1,36
60-69.9 per cent LTV	0,93	-	-	-	-	2,01	-	0,4	1,51	-	1,33
70-79.9 per cent LTV	6,88	-	-	-	-	1,76	-	1,5	0,75	-	1,32
80-89.9 per cent LTV	0,5	-	-	-	-	-	-	3,2	4,35	-	2,66
90-100 per cent LTV	-	-	-	-	-	-	-	-	4,81	-	3,57
>100 per cent LTV	-	-	-	5,38	-	-	-	35,81	5,92	-	6,58

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

**Table M12**  
Realised losses (DKKbn)

	Owner-occupied homes	Holiday houses	Subsided Housing	Cooperative Housing	Private rental	Manufacturing and Manual Industries	Office and Business	Agriculture	Social and cultural purposes	Other	Total
Total realised losses	7,6	-	-	0,1	0,8	-	1,6	6,9	-	-	17,0

Note: Losses are reported on a company level, i.e. as the total realised losses on DLR's total lending

**Table M12a**  
Realised losses (%)

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

Note: Losses are reported on a company level, as the annualised loss as percentage of average total outstanding lending

TBI: EVT: en total for restancer (DKKbn) som i LTV-tabellen?

**Table X1**

Key Concepts Explanation	General practice in Danish market
<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.	<p>The Danish FSA sets guidelines for the grouping of property in categories. Examples of application of which classifies property as commercial are:</p> <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.
Explain how you distinguish between performing and nonperforming loans in the cover pool?	The NPL rate is calculated at different time periods after the original payment date. Standard in Table A is 90 day arrear.
Are NPLs parts of eligible assets in cover pool? Are NPL parts of non eligible assets in cover pool?	No distinction made. Asset substitution is not allowed for specialised mortgage banks.
Are loans in foreclosure procedure part of eligible assets in cover pool?	Asset substitution is not allowed for specialised mortgage banks, hence NPLs 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?	Asset substitution is not allowed for specialised mortgage banks, hence loans in foreclosure are part of the cover pool.
	The Danish FSA set rules for loss provisioning. In case of objective evidence of impairment provisioning for loss 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 are covered by a joint guarantee and loss deduction agreement with the loan distributing banks.

The loans to urban trade properties, e.g. private rental and cooperative housing properties, and office and business properties, 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.

Please provide details of guarantors

The guarantors are at the same time shareholders of DLR Kredit A/S.

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**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 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)

Frequency of collateral valuation for the purpose of calculating the LTV

For RO-loans, there is no legal requirement of on-going valuation of properties. A property is valued at the time of loan disbursement, and subsequent valuation can take place in case of re-mortgaging or supplementary mortgaging of the property.

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**Table X3**

General explanation Table A	General practice in Danish market
Total Balance Sheet Assets	Total balance sheet assets as reported in the issuer's interim or annual reports, 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-requirements
Senior Secured Bonds	Senior secured bonds - formerly known as JCB (Section 15)
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 mark
Maturity	Maturity distribution of all mortgage credit loans
Non-performing loans (See definition in table X1)	Please see NPL definition 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 Table G1.1	General practice in Danish market
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 - nominal value of covered bonds
Senior secured debt	Total nominal value of senior secured debt
Senior unsecured debt	Issuers senior unsecured liabilities targeted to finance OC-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 Table G3	General practice in Danish market
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 SDRD, 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 Table G4	General practice in Danish market
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 to fund the loans. During the loan terms, borrowers make principal and interest payments to mortgage banks which transfer the amounts to investors. Mortgage banks charge a fee 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 bond 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 Table M1-M5	General practice in the Danish market
Owner-occupied homes	Private owned residentials used by the owner. Max LTV 80 % (legislation).
Holiday houses	Holiday houses for owners own use or for renting. Max LTV 60 % (legislation).
Subsidised Housing	Residential renting subsidised by the government. Max LTV 80 %. LTVs above 80 % can be granted against full governmental 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 manufacture buildings and warehouse for own use or for rent. 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).
Social and cultural purposes	Property used for education, kindergartens, museum and other buildings for public use. Max LTV 70 % (legislation).
Other	Property, that can not be placed in the categories above. Max LTV 70 % (legislation).

General explanation Table M6-M8	General practice in the Danish market
Index Loans	These are loans where instalments and outstanding debt are adjusted with the development of an index which
Fixed-rate loans	The long-term – typically 30-year – fixed-rate, callable loan is considered the most traditional mortgage loan.
Adjustable Rate Mortgages	Adjustable-rate mortgages (ARMs) were introduced in 1996 and the main advantage of ARMs is that interest
Money market based loans	The loan rate changes at generally three or six months. In addition, this loan type differs from ARMs as this
Non Capped floaters	These are loans where the rate changes at generally three or six months. The reference rate of DKK-  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 of 6%, then the interest rate can never be higher than 6%. The loan rate will track Cibor (or Euribor / Cita), as long as it does not exceed 6%. A floating-rate loan may be prepaid in two ways: either at an agreed price – typically 100 or 105 – or the borrower may buy the underlying bonds at market price.
Capped floaters	
Other	Any other loan types, which not comply with the above mentioned.

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