

SIFI BUFFER CAPITAL REQUIREMENT FOR DLR KREDIT

June 2015

On January 1, 2015, the Danish regulation regarding the SIFI buffer capital requirement for Systemic Important Financial Institutions (SIFI) appointed pursuant to section 308 in the Danish Financial Services Act entered into force.

For DLR Kredit A/S, the SIFI buffer capital requirement has been fixed at 1 per cent, given that DLR Kredit's systemic importance has been calculated at 1.9 as confirmed by the Danish Financial Supervisory Authority (DFSA) on June 26, 2015. The SIFI buffer capital requirement must be met with CET1 capital, and will be applied to the total exposures of the institution.

The requirement has been effective from January 1, 2015, and will be gradually phased in over the years 2015-2019. Thus, the SIFI buffer capital requirement for DLR Kredit will be 0.2 per cent in 2015, 0.4 per cent in 2016, 0.6 per cent in 2017, 0.8 per cent in 2018, and 1.0 per cent in 2019.

The Danish Ministry for Business and Growth evaluates the SIFI buffer capital requirement on an annual basis, based on the DFSA's actual calculation of the institution's systemicness. If a SIFI becomes more or less systemic, the institution's buffer capital requirement will be adjusted accordingly. The institution shall meet a potentially higher requirement at the end of the given year where its systemicness is changed. The Danish Ministry for Business and Growth will inform DLR Kredit of the fixing and/or re-fixing of the requirement, which will be published on the Ministry's website.