

Terms and Conditions for Credit Facilities at Danmarks Nationalbank on the Basis of Excess Capital Adequacy

1. Access to credit facility on the basis of excess capital adequacy

In the period from 26 September 2008 to 26 February 2011, Danmarks Nationalbank on the last business day of each week offers banks and mortgage-credit institutes credit facilities on the basis of their excess capital adequacy; such loans shall mature on the last business day of the following week, i.e. normally seven days later.

Any bank or mortgage-credit institute that is approved by the Danish Financial Supervisory Authority, resident in the Kingdom of Denmark and a monetary-policy counterparty of Danmarks Nationalbank may apply for credit under the new facility.

A financial institution wishing to make use of the credit facilities can temporarily obtain approval of a credit line on the basis of statements by the management and auditors concerning agreed working tasks, as well as provision of liquidity budgets and information about lending developments on a monthly basis. Within four months of the request for credit, the institution shall submit new statements by the management and auditors with a high degree of certainty, and it shall continue to submit liquidity budgets and provide information about lending developments on a monthly basis. In addition, the institution shall, by the end of the 1st quarter of a new year, send new statements by the management and auditors with a high degree of certainty, prepared on the basis of the audited financial statements.

To request access to the credit facility, the "Request for Access to Credit Facility on the Basis of Excess Capital Adequacy" and "Power of Attorney to Request Loans on the Basis of Excess Capital Adequacy" forms, as well as statements by the management and auditors must be submitted to Danmarks Nationalbank, Accounting.

The requirements of the statements by the management and auditors are specified in "Krav til ledelses- og revisionserklæringer", which is accessible at Danmarks Nationalbank's website (www.nationalbanken.dk).

Before submitting the request, the account holder should contact Danmarks Nationalbank, Accounting, tel. (+45) 33 63 69 39.

On the basis of the request from the bank or mortgage-credit institute, Danmarks Nationalbank will decide whether the institution shall have access to the credit facility. Upon approval, Danmarks Nationalbank will determine a credit line corresponding to the institution's excess capital adequacy less a margin of 1 percentage point. The maximum credit line is usually DKK 800 million.

A financial institution that has been granted access to the credit facility shall subsequently notify Danmarks Nationalbank, Accounting, on telephone (+45) 33 63 69 39 if it becomes aware of circumstances of major significance to the information on which the request for access to the credit facility was based.

2. Raising loans

On the last business day of each week, between 10 and 11 a.m., an institution that has been granted access to the credit facility can request a loan from Danmarks Nationalbank up to the maximum credit line granted. This is done by faxing the "Request for Loan on the Basis of Excess Capital Adequacy" form to Danmarks Nationalbank, Accounting. The request for a loan must be duly signed in accordance with the "Power of Attorney to Request Loans on the Basis of Excess Capital Adequacy".

When the loan is disbursed, the amount is debited to the institution's loan account at Danmarks Nationalbank and credited to its current account.

Apart from the account statements mentioned in the "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner, Swedish Kronor and Icelandic Kroner at Danmarks Nationalbank" no documentation is issued for the loan.

3. Redemption

The individual loans fall due for full redemption just before 10.00 am on the last business day of the following week, i.e. usually seven days after the loan was raised. Redemption takes place via the current account as Danmarks Nationalbank is authorised to debit the borrowed amount, including interest accrued, to the current account.

Premature redemption is not possible, even if the institution pays interest up to and including the maturity date.

4. Interest

The individual loans bear interest at Danmarks Nationalbank's lending rate plus 1 percentage points. As of 1 October 2010, the loans bear interest at Danmarks Nationalbank's lending rate plus 2 percentage points. Interest for the loan period concerning the individual loans is calculated at the time when the loan is raised on the basis of actual days/360 days and is added on the day the loan falls due.

5. Information

Information about the credit facility and the applicable rate of interest is normally given at 10.00 a.m. on the last business day of each week, via news agencies and at Danmarks Nationalbank's website (www.nationalbanken.dk).

6. Other terms and conditions

Reference is made to the "General Terms and Conditions for Monetary Policy Instruments and Settlement of Payments in Danish Kroner, Swedish Kronor and Icelandic Kroner at Danmarks Nationalbank".

7. Date of coming into force

These Terms and Conditions shall enter into force with effect from 25 June 2010 and shall replace Terms and Conditions for Credit Facilities at Danmarks Nationalbank on the Basis of Excess Capital Adequacy of 6 March 2009.

Copenhagen, 10 June 2010.

Danmarks Nationalbank