SOLVENCY NEED AT END-JUNE 2012

The Bank's calculation methods and model for calculating the individual solvency requirement are unchanged compared with the past:

Breakdown of overall solvency requirement by risk area

The total solvency requirement is broken down by risk area according to the following principles:

Credit risks: The risk as a result of borrowers or other counterparties defaulting on their payment obligations, including the risks attaching to customers having financial difficulties, large exposures, concentration risks and risks attaching to granted, unutilized credit lines.

Market risks: The risk of loss due to the fact that the fair value of the Bank's assets or obligations changes on account of changes in prices on the financial markets.

Operational risks: The risk of financial loss as a result of deficient or inexpedient or internal procedures, human or system errors and similar errors, or losses as a result of external events.

Other risks: The risk of loss as a result of business profile, strategic risks, reputation risks, real property risks, risks in connection with capital procurement, liquidity risks and other risks (Group risks, the Bank's size, settlement risks, external risks, etc.). The capital requirement for covering these risks is reduced by the recognized positive results before impairment of loans, etc.

Statutory requirements: The situations in which the requirements laid down in the Danish Financial Business Act stipulate a lower limit for the solvency requirement.

At end-June 2012, the necessary capital base stood at DKK 3.6 billion, and is thus unchanged relative to the calculation at end-March 2012. There have been some underlying minor shifts in capital requirements to cover the various risks, which outbalanced each other on an overall basis. The Group recorded a slight decline of DKK 0.4 billion in risk-weighted items from end-March 2012 to end-June 2012. The solvency need calculated in per cent stood at an unchanged 8.8% at end-June 2012 compared with end-March 2012.

Of the total capital need, DKK 2,756 million, or 78%, is attributable to credit risks, while market risks and operational risks account for 22% and 10%, respectively, of the total capital need.

The capital need in connection with other risks has been calculated at DKK -345 million (net), as the capital need for covering these risks is reduced by the recognized positive results before impairment of loans, etc.

SOLVENCY REQUIREMENTS BY RISK AREA, END-JUNE 2012

Risk area	Adequate capital base DKK m	The Group Solvency requirement %	Parent Company Solvency requirement %
Credit risks	2,756	6.8	6.9
Market risks	770	1.9	1.9
Operational risks	369	0.9	0.9
Other risks	-345	-0.9	-0.9
Supplement, if required by law	0	0.0	0.0
Total	**3,550**	**8.8**	**8.8**

Excess coverage relative to statutory requirement and internal targets

The solvency ratio at Group level stood at 15.7% at end-June 2012. The excess capital coverage amounted to 78% relative to the necessary capital base.

EXCESS COVERAGE RELATIVE TO THE STATUTORY REQUIREMENT, END-JUNE 2012

	The Group	Parent Company
Core capital after deductions, DKK m	6,329	6,329
Adequate capital base, DKK m	3,550	3,550
Excess coverage, DKK m	2,779	2,779
Solvency ratio, %	15.7	15.8
Individual solvency requirement, %	8.8	8.8
Excess coverage, %	78	78

The internal capital goals are that the Common Equity (Tier 1) ratio (the core capital ratio, excl. hybrid capital), must be at least 9%, and that the core capital ratio, incl. hybrid capital, must be at least 12%. In addition, the Bank's objective is to have a solvency ratio that is at least 3 percentage points higher than the solvency need ratio. At end-June 2012, the solvency ratio was thus 6.9 percentage points higher than the solvency need ratio.