

Ratings Affirmed At 'AA-' On Realkredit Danmark's Capital Center S And T Section 15 Bonds; Outlook Stable

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OVERVIEW

- Our ratings on Realkredit Danmark's section 15 bonds issued from capital centers S and T reflect the reference rating level for the issuer and the outlooks on the senior unsecured debt ratings on the issuer.
- Consequently, we have affirmed our 'AA-' ratings on the section 15 bonds from capital centers S and T.
- Our outlook on the ratings is stable.

LONDON (S&P Global Ratings) Nov. 17, 2016--S&P Global Ratings today affirmed its 'AA-' credit ratings on all Danish section 15 bonds issued from Realkredit Danmark A/S' capital centers S and T. Our outlook on the ratings is stable.

In December 2015, we revised our approach to analyzing section 15 bonds and aligned our ratings on the section 15 bonds to the reference rating level (RRL) of the senior covered bonds (see "Ratings Raised On Danish Section 15 Bonds From Six Capital Centers Following Clarification On Bank Resolution," published on Dec. 11, 2015). This was because we considered that, if there is a bank resolution, the section 15 bonds would have the same protection as senior covered bonds. In particular, it also reflected the clarification that section 15 bonds will not be subject to a payment deferral if the issuer enters a resolution procedure.

We do not assign any jurisdictional support uplift to section 15 bonds, as we

do not consider their volume to be systemically important enough to warrant jurisdictional intervention. Furthermore, we do not consider any collateral-based uplift because we do not believe that the issuers of section 15 bonds will manage their overcollateralization levels in the same way as what we typically expect for covered bonds.

Our ratings on Realkredit Danmark's section 15 bonds issued from capital centers S and T reflect the RRL for the issuer and the outlooks on the senior unsecured debt ratings on the issuer. We have consequently affirmed our 'AA-' ratings on the section 15 bonds. Our outlook on the ratings is stable.

RELATED CRITERIA AND RESEARCH

Related Criteria

- General Criteria: Use Of CreditWatch And Outlooks - September 14, 2009
- General Criteria: Methodology: Credit Stability Criteria - May 03, 2010
- Legal Criteria: Europe Asset Isolation And Special-Purpose Entity Criteria--Structured Finance - September 13, 2013
- Criteria - Structured Finance - Covered Bonds: Covered Bond Ratings Framework: Methodology And Assumptions - June 30, 2015
- Criteria - Structured Finance - Covered Bonds: Covered Bonds Criteria - December 09, 2014

Related Research

- Global Covered Bond Characteristics And Rating Summary Q3 2016, Oct. 24, 2016
- Assessments For Jurisdictional Support According To Our Covered Bonds Criteria, July 20, 2016
- Danske Bank AS, July 22, 2016
- Ratings Raised On Danish Section 15 Bonds From Six Capital Centers Following Clarification On Bank Resolution, Dec. 11, 2015

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