

MEMO

DANISH FINANCIAL
SUPERVISORY AUTHORITY

29 September 2010

BANK2

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Proposal to ensure the loss absorbency of regulatory capital at the point of non-viability

The Danish Financial Supervisory Authority has reviewed the document “Proposal to ensure the loss absorbency of regulatory capital at the point of non-viability”.

The Danish FSA agrees that it is important, that a public sector injection of capital needed to avoid the failure of a bank should not protect investors in regulatory capital instruments from absorbing the loss that they would have incurred had the public sector not chosen to rescue the bank.

The Danish FSA welcomes and supports the proposal from the Basel Committee.