

PROSPECTUS SUPPLEMENT NO. 1 DATED 23 SEPTEMBER 2019
TO THE BASE PROSPECTUS DATED 4 OCTOBER 2018



DANSKE MORTGAGE BANK PLC

(incorporated with limited liability in Finland)

EUR 10,000,000,000 Covered Bond Programme

This Prospectus Supplement dated 23 September 2019 (the “**Prospectus Supplement**” or “**Prospectus Supplement No. 1**”) to the Base Prospectus dated 4 October 2018 (together, the “**Base Prospectus**”) constitutes a prospectus supplement for the purposes of Article 16 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and is prepared in connection with the EUR 10,000,000,000 Covered Bond Programme (the “**Programme**”) established by Danske Mortgage Bank Plc (the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Prospectus Supplement.

This Prospectus Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Prospectus Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

INTERIM REPORT – FIRST HALF 2019

On 18 July 2019 Danske Mortgage Bank Plc published its unaudited interim report as at and for the first half year period ended 30 June 2019 (the “**Interim Report – First Half 2019**”). A copy of the Interim Report – First Half 2019 has been filed with the Central Bank of Ireland and, by virtue of this Prospectus Supplement, the Interim Report – First Half 2019 is incorporated by reference in, and forms part of, the Base Prospectus excluding section “Outlook for 2019” on page 8 thereof. Copies of the Base Prospectus, this Prospectus Supplement and all documents incorporated by reference in the Base Prospectus are available on the Issuer’s website <https://danskebank.com/investor-relations/debt/danske-mortgage-bank> .

CROSS REFERENCE LIST

Danske Mortgage Bank Plc

Interim Report – First Half 2019

30 June 2019

Comprehensive Income for the Danske Mortgage Bank Plc for the first half year ended 30 June 2019	page 9
Balance Sheet for the Danske Mortgage Bank Plc for the first half year ended 30 June 2019	page 9
Statement of Changes in Equity for the Danske Mortgage Bank Plc for the first half year ended 30 June 2019	page 10
Cash Flow Statement for the Danske Mortgage Bank Plc for the first half year ended 30 June 2019	page 11
Notes to the interim report for the first half year ended 30 June 2019	pages 13-21

The Interim Report – First Half 2019 is incorporated by reference as set out above, in compliance with Article 5.1 of the Prospectus Directive. The table above sets out the principal disclosure requirements which are satisfied by the information and is not exhaustive. Each page reference refers to the corresponding page in the Interim Report – First Half 2019.

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Directive.

GENERAL INFORMATION

The third paragraph starting with “The Parent has conducted - - -” under heading “The Issuer is dependent upon other Group companies, their business and the brand value of the Group”, on page 14 shall be deemed deleted and replaced with the following paragraph:

“The Issuer is dependent upon other Group companies, their business and the brand value of the Group”

“The Parent has conducted detailed and thorough money laundering investigations into the former so-called “non-resident portfolio” in the Parent’s Estonian Branch covering the period 2007-2015. The investigations comprise a thorough examination of customers and transactions and an investigation of the course of events, including whether managers and employees, members of the Executive Board or the Board of Directors have sufficiently fulfilled their obligations. The investigations were mandated by the Parent’s Board of Directors and led by external Danish legal counsel. On 19 September 2018, the Parent made public the conclusions from the investigations.

After this publication, the Danish Financial Supervisory Authority (the “**Danish FSA**”) announced that it will re-open its investigations into the Parent pertaining to the Estonian matter (the decision by the Danish FSA dated 3 May 2018). On 6 August 2018, the Danish Public Prosecutor for Serious Economic and International Crime (the “**SØIK**”) announced that it had opened an investigation into the Parent concerning transactions

passing through the Parent’s Estonian branch to examine whether there are grounds for a criminal case against the Parent for breach of the Danish AML Act and on 28 November 2018, the Parent was preliminarily charged by SØIK with violating the Danish AML Act. The Parent is cooperating with the authorities.

The Parent has also received requests for information from the U.S. Department of Justice (“DOJ”) and an inquiry from the U.S. Securities and Exchange Commission (the “SEC”), and was placed under a formal investigation by an investigating judge at the Tribunal de Grande Instance de Paris in connection with a criminal investigation relating to the Parent’s Estonian branch.

In March 2019, several law suits were filed against the Issuer in the City Court of Copenhagen. The total potential quantum of such lawsuits, including further threatened lawsuits, is not yet known. These court actions relate to alleged violations in the Parent’s Estonian branch of the rules on prevention of money laundering and alleged failure to timely inform the market of such violations. The timing of completion of any such lawsuits (pending or threatened) and their outcomes are uncertain. The Parent intends to defend itself against the claims.

On 9 January 2019, an action was filed in New York by an alleged holder of the Parent’s American Depositary Receipts, representing its ordinary shares, against the Parent. The complaint seeks unspecified damages on behalf of a putative class of purchasers of the Parent’s American Depositary Receipts. The timing of completion of the lawsuit and the outcome are uncertain.

The timing of the completion of the on-going investigations into the AML matters at the Estonian branch, the outcome and the subsequent discussions with the authorities regarding such matters are subject to uncertainty. It is not yet possible to reliably estimate the timing or amount of any potential settlement or fines, if any, which could be material. The impact of the investigations and the lawsuits on the Issuer may entail that the refinancing costs of its Covered Bonds may be higher and/or that its mortgage lending volumes become lower.”

The table in paragraph “Board of Directors” on page 95 of the Base Prospectus shall be deemed deleted and replaced with the following table:

“Name	Board member since	Position	Employment
Glenn Söderholm	2018	Chairman	Member of the Executive Board and Head of Banking Nordic, Danske Bank A/S
Tomi Dahlberg	2017	Member	Chief Executive Officer (Executive consultancy), Tomi Dahlberg Oy
Maisa Hyrkkänen	2017	Member	Chief Financial Officer, Yleisradio Oy
Robert Wagner	2018	Member	Senior Vice President, Head of Group Financial Steering, Danske Bank A/S
Riikka Laine-Tolonen	2019	Member	Head of Retail Banking, Retail Banking Finland, Danske Bank A/S, Finland Branch
Lisbet Kragelund	2018	Member	Senior Vice President, Head of Group Accounting, Group Finance, Danske Bank A/S”

The paragraph “Management” on page 96 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“Management”

“Pekka Toivonen is the Managing Director of the Issuer, Jari Raassina is the Deputy Managing Director, and Antti Pohjonen is Chief Risk Officer (interim).”

The paragraph “Dividends” on page 96 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“Dividends”

“In accordance with the proposal of the Board of Directors, it was decided at the Annual General Meeting of the Issuer on 18 March 2019 that a dividend of EUR 21,627,578.76 would be paid for the financial year ended 31 December 2018. The dividend was paid on 20 March 2019 in accordance with the Annual General Meeting decision.”

The paragraphs “Overview” and “Legal Proceedings” on page 97 and 98, respectively, of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“Overview”

“The Group is the leading financial service provider in Denmark (source: the DFSA) measured by total working capital as at 30 September 2018, and one of the largest in the Nordic region measured by total assets as at 31 December 2018. The Group offers customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities. Danske Bank is the largest bank in Denmark (source: the DFSA), is one of the larger banks in Finland and Northern Ireland, and has challenger positions in Sweden and Norway. As at 31 December 2018, the Group’s total assets amounted to DKK 3,578 billion (EUR 479.2 billion)¹ and the Group employed 20,683, full-time equivalent employees. As at the same date, the Group had approximately 3.3 million customers and approximately 2.2 million customers used the Group’s online services. The Group had 237 branches as at 31 December 2018. The Group has five business units, a Non-core unit and Other Activities. The five business units consist of: (i) Banking DK, (ii) Banking Nordic, (iii) Corporates & Institutions, (iv) Wealth Management and (v) Northern Ireland.”

“Legal Proceedings”

“The Parent has conducted detailed and thorough money laundering investigations into the former so-called “non-resident portfolio” in the Parent’s Estonian Branch covering the period 2007-2015. The investigations were mandated by the Parent’s Board of Directors and led by external Danish legal counsel. On 19 September 2018 the Parent made public the conclusions from the investigations.

Owing to its business volume, the Parent is continually a party to various lawsuits and disputes and has an ongoing dialogue with public authorities such as the DFSA. In particular, the investigations and events that took place in the Estonian branch are being discussed with the DFSA, the Danish State Prosecutor for Serious Economic and International Crime (“**SØIK**”) and other public authorities such as the Estonian Financial Supervisory Authority (“**Estonian FSA**”) the U.S. Department of Justice (the “**DOJ**”) and the U.S. Securities and Exchange Commission (the “**SEC**”).

Reference is made to **“The Issuer is dependent upon other Group companies, their business and the brand value of the Group”**

¹ Unless specified, DKK amounts are converted into EUR FX rate = 7.4673 DKK per EUR.

The paragraphs “Significant or Material Change” and “Litigation” on page 106 of the Base Prospectus shall be deemed deleted and replaced with the following paragraphs:

“Significant or Material Change”

- (a) There has been no significant change in the financial position of the Issuer since 30 June 2019, the last day of the financial period in respect of which the most recent unaudited financial statements of the Issuer have been prepared; and
- (b) there has been no material adverse change in the prospects of the Issuer since 31 December 2018, the last day of the financial period in respect of which the most recently audited financial statements of the Issuer have been prepared, save as disclosed in the documents incorporated by reference in this Base Prospectus.

“Litigation”

Save as outlined in the section “Legal and Regulatory Proceedings”, there are no governmental, legal or arbitration proceedings against or affecting the Issuer (and no such proceedings are pending or threatened of which the Issuer is aware) during a period covering at least the previous twelve months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Issuer or of the Issuer and its subsidiaries taken as a whole.

GENERAL

To the extent that there is any inconsistency between (a) any statement in this Prospectus Supplement or any statement incorporated by reference into the Base Prospectus by this Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

See “Risk Factors” in the Base Prospectus for a discussion of certain risks that should be considered in connection with certain types of Notes which may be offered under the Programme.