

Bulletin:

Danske Bank A/S Cover Pool I Mortgage Covered Bond Ratings Unchanged By Personal Banking Portfolio Sale

November 20, 2024

FRANKFURT (S&P Global Ratings) Nov. 20, 2024--S&P Global Ratings today said that its 'AAA' ratings on Danske Bank A/S' cover pool I mortgage covered bonds remain unchanged following the sale of Danske Bank's Norwegian personal banking portfolio to Nordea Bank Abp.

The sale was approved by the Norwegian Competition Authority and the Danish Financial Supervisory Authority in December 2023, and all required public authority approvals have been obtained.

Following the sale of the Norwegian portfolio, outstanding Norwegian krone-denominated mortgage covered bonds will be transferred to Nordea Bank Abp. Upon completion of the transfer, Danske Bank's cover pool I will have one Norwegian krone-denominated covered bond and several euro-denominated mortgage covered bonds outstanding.

After the sale, the issuer intends to transfer additional Danish mortgage loans to cover pool I, which will back the remaining outstanding mortgage covered bonds. The newly transferred mortgage assets are expected to have similar characteristics to the mortgage assets currently registered in Danske Bank's cover pool D and a cross-currency swap will be in place.

We understand that the issuer intends to maintain the available credit enhancement in cover pool I at a level sufficient to support the 'AAA' ratings on the covered bonds.

We will analyze credit pool I's credit quality once we receive updated information from the issuer.

This report does not constitute a rating action.

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