Danske Mortgage Bank Plc

# Investor presentation Q3/2026

Danske Bank

# Key messages

Provider of EUR covered bond funding to the Group's Finnish housing loans

Expected to issue 1-2 benchmark covered bonds per year, subject to the Group's funding plan

Danske Mortgage Bank Plc operates a single cover pool compliant with the Covered Bond Directive (Covered Bond Premium)

Cover pool LTV distribution remains robust despite downturn in the Finnish housing market

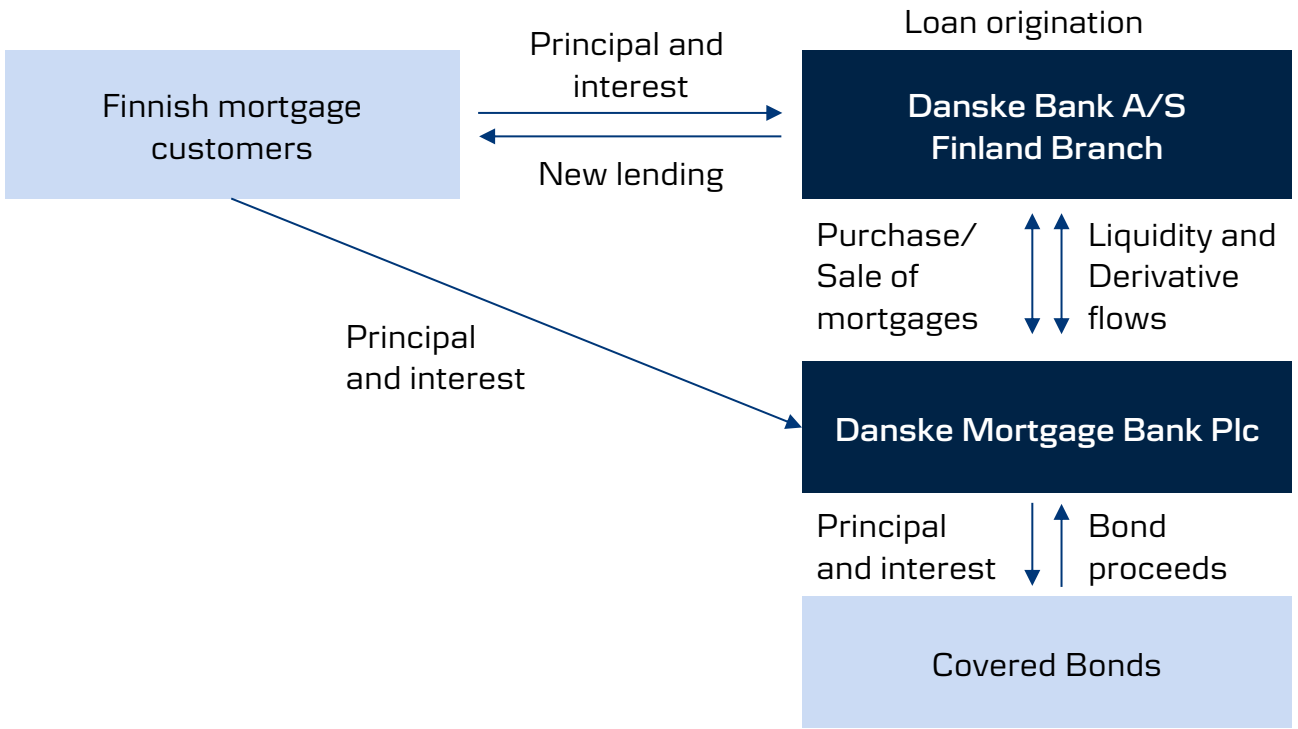
Liquidity and solvency risks are managed by term funding, access to euro covered bond market and high capitalisation

# Purpose and structure

## Danske Bank Group is committed to the Finnish mortgage market

- Danske Mortgage Bank Plc (DMB) is a wholly owned subsidiary of Danske Bank A/S. DMB is a mortgage credit institution and conducts its activities in cooperation with branches and other customer service points of the Group in Finland
- DMB was established in demerger in October 2017 and continues the mortgage banking activities of Danske Bank Plc which was merged into Danske Bank A/S Finland Branch
- DMB does not grant loans, but purchases residential mortgage loans from Danske Bank A/S Finland Branch monthly
- DMB's loan purchases are financed through; the issuance of covered bonds, a credit facility with Danske Bank A/S Finland Branch, and principal repayments and interest payments from loans in the cover pool
- DMB uses Danske Bank A/S as its sole counterparty for short-term funding and derivative hedging of the cover pool

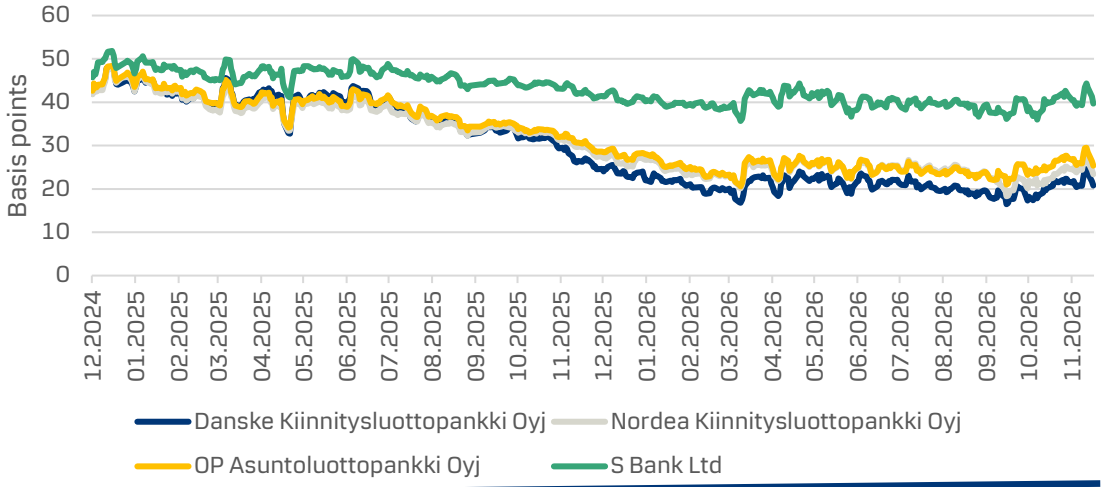
## Danske Mortgage Bank Plc – Business Model



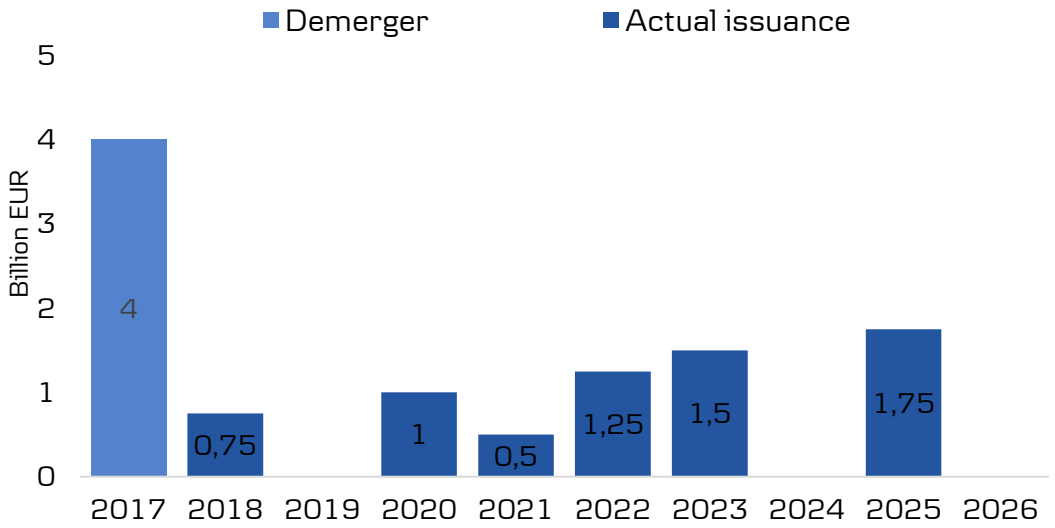
# Issuance activities

- EUR 4.75bn covered bonds outstanding at end-Sep 2026
- EUR 9.3bn available housing loan collateral in DMB and Finland Branch after 80% LTV haircut
- DMB aim is to issue 1-2 benchmark covered bonds per year
- Plan to maintain uncommitted nominal OC between 9 and 11%
- The quality of the cover pool is maintained by purchase of high-quality loans and the sale of non-performing loans

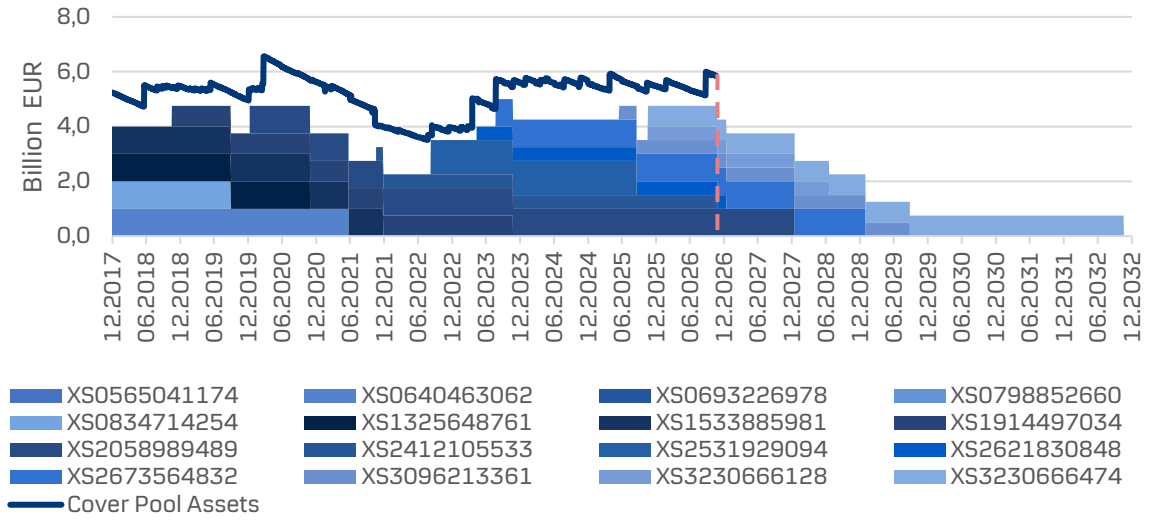
**The Finnish covered bond benchmark curve**




**Issuance volumes**




**Bond issuance and redemptions, and cover pool volume**



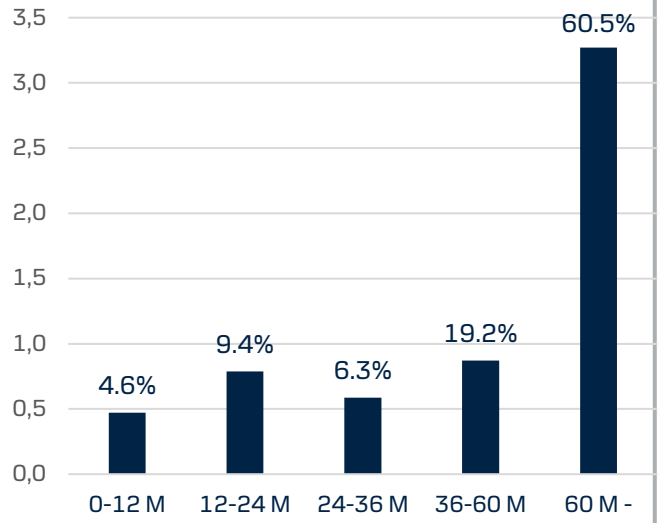
# Cover pool characteristics

## Key information (as of 30 September 2026)

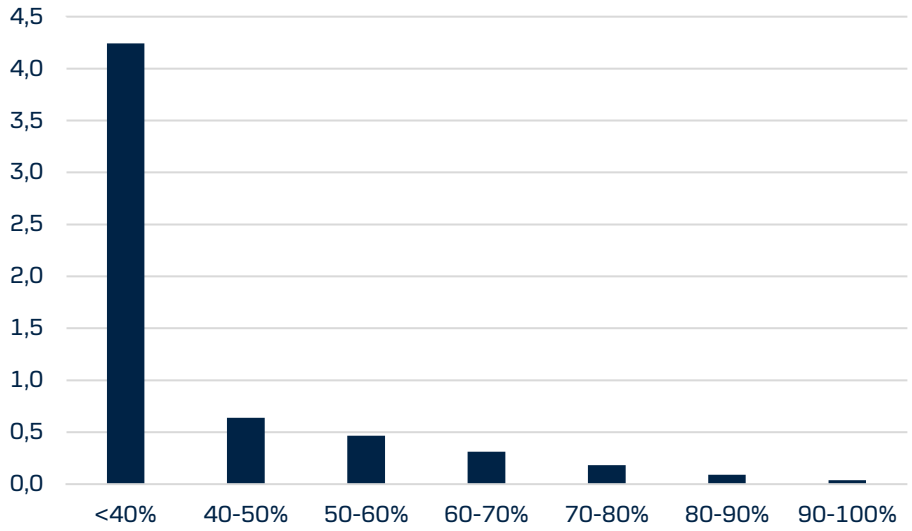
| | |
|---|---|
| Pool notional | EUR 5.995 bn |
| -hereof substitute assets | 0.007 bn |
| Collateral type | 100% residential |
| Number of loans | 69,313 |
| Number of borrowers | 54,143 |
| Number of properties | 64,391 |
| Average loan size | EUR 86,390 |
| Property type | 100% residential |

| | |
|---|---|
| WA LTV | 60.8% |
| WA seasoning | 6.5 years |
| Repayment type | 95.9% amortizing, 4.1% interest only period |
| Pool type | Dynamic |
| Rate type | 99.9% floating rate, 0.1% fixed rate |
| Issuance notional | EUR 4,750 bn |
| OC | 24.2% |
| Geographical location | 100% in Finland |
| Pool cut-off date | 30-09-2026 |

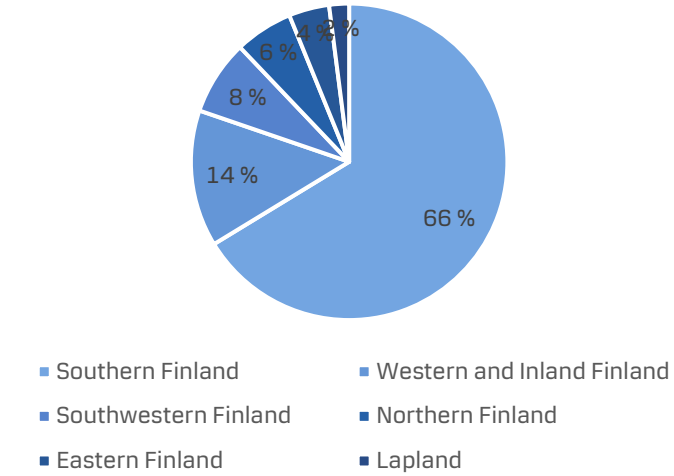
## Volumes by seasoning (months, EUR bn)




## Volumes by LTV buckets (EUR bn)




## Regional distribution by loan volume (%)



# Effect of market value declines on LTVs and eligible assets

Residential real-estate price sensitivity: Effect of simulated market value declines on eligible asset volumes (pool cut-off date 30-09-2026)

## Key points

Moderate effects:

- A 20% fall in prices makes 7% of today's eligible assets ineligible
- A 40% fall in prices makes 21% of today's eligible assets ineligible
- DMB can withstand a large decline in property prices without breaching over collateralisation requirements
- DMB's cover pool is dynamically managed through purchase of eligible assets from the parent

