



Danske Bank Group

Interim Report January – June 2025

Danske Mortgage Bank Plc

Danske Mortgage Bank Plc's Interim Report for January – June 2025

Danske Mortgage Bank Plc's financial performance remained firm in January–June 2025. The housing loan portfolio matured at a constant pace, and it was complemented with loan purchases for the issuance purposes. In June a EUR 500 million covered bond was issued with 4.25 years maturity. Demand for mortgage loans has slightly increased compared to 2024 but has continued to be below long-term average. Still a sufficient amount of collateral eligible loans remains in Danske Bank Group's Finnish businesses. Therefore, the Bank is in a good position to issue covered bonds also during the second half of the year.

Total operating income decreased, being EUR 22.9 million for January–June 2025 (EUR 26.5 million for January–June 2024), driven by decreased net interest income due to decreasing interest rates. Loan impairment charges totalled to EUR 1.0 million for January–June 2025 (EUR 1.7 million on January–June 2024). Impairment charges are lower compared to the first half of 2024 but decreasing house prices still have somewhat negative impact on the credit quality.

The economic uncertainty has continued driven by geopolitical concerns, but Finns' financial confidence has improved slightly. Households' purchasing power is increasing, partly due to rate cuts by the European Central Bank. Even though there are positive signs, the pent-up demand in the housing market is not yet fully unleashed. The quality of the loan portfolio re-mains good. It includes housing loans to personal customers and is well diversified. Expectations regarding the possible development

of the economy have been taken into account in impairments, which are on a moderate level.

Danske Mortgage Bank Plc in brief

Danske Mortgage Bank Plc is a Finnish bank, which is part of the Danske Bank Group. The Danske Bank Group is one of the largest financial enterprises in the Nordic region. The Group has its headquarters in Copenhagen. Danske Bank A/S's share is quoted on the Nasdaq Copenhagen.

Danske Mortgage Bank Plc is operating as an issuer of covered bonds according to the Finnish Act on Mortgage Bank Operations (Act on Mortgage Credit Banks and Covered Bonds). Issuance of covered bonds is part of the Group's long-term funding and part of housing financing in Danske Bank's operations in Finland. The Bank does not grant housing loans, instead the loans used to cover the bonds are purchased from Danske Bank A/S, Finland Branch which offers customers a full range of banking services. As part of loan pool management process, the Bank sells loans with lower quality back to the Finland Branch.

Throughout this Interim Report the term "Bank" refers to Danske Mortgage Bank Plc.

Operating environment

The Finnish economy remained stable in the first quarter of 2025 compared to the end of 2024. However, the gross domestic product was 0.6% higher than year earlier due to growth seen during 2024. Statistics from spring 2025 on trade,

exports, and construction indicate a stable economic situation in the second quarter, with turnover increasing in most industries. Unemployment has risen compared to the previous year, but sector-specific differences are significant. Employment in the private sector stabilised in the spring, but consumer confidence surveys showed continued concern about unemployment, which weakened consumers' intentions to make larger purchases such as new homes.

Positive developments for consumers included a decrease in inflation and a fairly rapid rise in earnings, gradually improving purchasing power. The decline in interest rates eases the situation for debtors. The European Central Bank lowered key interest rates four times by 0.25 percentage points from January to June 2025. The one-year Euribor decreased by about half a percentage point from the end of 2024, ending around 2%.

In the housing market, sales of dwellings in housing companies in the first half of the year were about 10% below the average of previous years, even though the number of transactions was one-fifth higher than the year before. At the beginning of 2025, housing prices were still declining due to abundant supply, but in late spring, prices stabilised. Prices of used dwellings in housing companies rose by 1.3% from the previous quarter during April–June but were still 1.3% lower than a year ago. According to Statistics Finland's survey in June, consumer intentions to purchase a home remained below normal. The number of completed homes decreased at the beginning of the year, but

the number of new building permits already showed a slight increase.

Financial review¹

The Bank's profit before taxes for January–June 2025 was EUR 15.8 million (19.5 million). The result decreased to EUR 12.6 million (15.6 million). Annualized return on equity amounted to 7.3 per cent for the first half of 2025 (8.7 per cent).

Total operating income for the first half of 2025 decreased by 13.5 per cent compared to the same period in previous year totalling EUR 22.9 million (26.5 million). The net interest income developed as expected totalling to EUR 19.2 million (24.3 million) and decreased by 20.8 per cent compared to the same period last year. The development was due to decreasing interest rates. Net fee income was EUR 1.3 million (1.2 million). Net result from items at fair value was EUR 2.3 million (1.0 million).

Cost to income ratio weakened to 26.9 per cent (20.1 per cent). This was due to decreasing total operating income and increasing operating expenses, which were EUR 6.2 million (5.3 million).

Impairment charges and final write-offs totalled to EUR 1.0 million (1.7 million) of which final write-offs totalled to EUR 1.4 million (EUR 0.4 million). Non-performing loans are sold regularly to Danske Bank A/S, Finland Branch and final-write offs are realized from loan sales.

¹ The comparison figures in parentheses refer to the first six months of 2024.

Balance sheet and funding ²

The Bank’s balance sheet total was EUR 6,245.3 million (5,918.1 million) and loans and receivables from customers were EUR 5,795.0 million (5,694.8 million).

The financial and liquidity situation remained good and the short-term funding from Danske Bank A/S performed well during the period. The LCR liquidity buffer was EUR 321.0 million (93.6 million) and remained at a good level.

With a liquidity coverage ratio (LCR) of 3,896 per cent end of June 2025 (433 per cent), the Bank complies with the current regulatory minimum requirement of 100 per cent.

Net Stable Funding Ratio (NSFR) presents the available stable funding compared to required stable funding. The Bank’s NSFR was 108 per cent end of June 2025 (118 per cent) which complies with the 100 per cent requirement. Available stable funding totalled to EUR 4,841.1 million end of June 2025 (5,106.0 million), which is EUR 349.0 million (795.3 million) above the required stable funding. Average remaining maturity of the funding received from the parent company remained above one year.

Capital and solvency²

The Bank is using the internal rating based (IRB) approach for calculation of capital requirements for credit risk for retail exposures. Otherwise, standard method is applied for credit risk. For operational risk standard method is applied in calculating capital requirement.

Total capital consists of tier 1 capital that is common equity tier 1 capital after deductions. On 30

June 2025, the total capital amounted to EUR 304.6 million (334.0 million), and the total capital ratio was 40.8 (42.3) per cent. The common equity tier 1 capital ratio was 40.8 (42.3) per cent. Implementing CRR3 during the first quarter of the year had only minor impact on Bank’s solvency. Profit after taxes for January-June 2025 is not included in Tier 1 distributable capital. In March an extraordinary dividend of EUR 30 million was paid to shareholders.

On 30 June 2025, Risk exposure amount (REA) was EUR 746.2 million (790.0 million).

Leverage ratio

The Bank’s leverage ratio was 4.9 per cent on 30 June 2025 (5.7 at the end of December 2024). The leverage ratio is calculated based on the second quarter end figures whereby the tier 1 capital was EUR 304.6 million (334.0 million) and leverage ratio exposure EUR 6,192.5 million (5,857.5 million).

Leverage ratio table is presented after the solvency table as per 30 June 2025.

Capital buffers

On 26 June 2025 the Fin-FSA decided to maintain the countercyclical capital buffer (CCyB) at 0 per cent and to maintain systemic risk buffer (SyRB) requirement at 1.0 per cent.

The minimum own funds requirements and capital buffers for the Bank are listed under the leverage ratio table.

² The comparison figures in parentheses refer to December 2024 figures.

Solvency

Own funds			
EURm	30.6.2025	31.12.2024	30.6.2024
Common Equity Tier 1 capital before deductions	321.8	368.8	354.8
Share capital	70.0	70.0	70.0
Reserves for invested unrestricted equity	215.0	215.0	215.0
Retained earnings	24.2	54.2	54.2
Total comprehensive income for the period	12.6	29.6	15.6
Deductions from CET1 capital	-17.2	-34.8	-22.5
Proposed/paid dividends /part of profit not included in CET1	-12.6	-29.6	-15.6
Value adjustments due to the requirements for prudent valuation	-0.1	-0.2	-0.3
IRB shortfall of credit risk adjustments to expected losses	-4.5	-5.0	-6.6
Common Equity Tier 1 (CET1)	304.6	334.0	332.4
Additional Tier 1 capital (AT1)	-	-	-
Tier 1 capital (T1 = CET1 + AT1)	304.6	334.0	332.4
Tier 2 capital (T2)	-	-	-
Total capital (TC = T1 + T2)	304.6	334.0	332.4
Total risk exposure amount (REA)	746.2	790.0	888.6
Capital requirement (8% of risk exposure amount)	59.7	63.2	75.0
Credit and counterparty risk	54.3	58.7	71.1
Operational risk	5.4	4.5	4.0
Common equity tier 1 capital ratio (%)	40.8 %	42.3 %	37.4 %
Tier 1 capital ratio (%)	40.8 %	42.3 %	37.4 %
Total capital ratio (%)	40.8 %	42.3 %	37.4 %

Company's capital adequacy ratio has been calculated both in accordance with Credit Institutions Act Sect 9-10 and EU Capital Requirement Regulation [CRR].

Leverage Ratio

EURm	30.6.2025	31.12.2024	30.6.2024
Total assets	6,245.3	5,918.1	5,972.3
Derivatives accounting asset value	-88.3	-94.8	-37.6
Derivatives exposure to counterparty risk ex. collateral	40.0	39.2	43.9
Adjustment to CET1 due to prudential filters	-4.5	-5.0	-6.6
Total exposure for leverage ratio calculation	6,192.5	5,857.5	5,972.0
Reported tier 1 capital (transitional rules)	304.6	334.0	332.4
Tier 1 capital (fully phased-in rules)	304.6	334.0	332.4
Leverage ratio (transitional rules)	4.9 %	5.7 %	5.6 %
Leverage ratio (fully phased-in rules)	4.9 %	5.7 %	5.6 %

Minimum Capital Requirements and Capital Buffers

	30.6.2025	31.12.2024	30.6.2024
Minimum requirements [% of total risk exposure amount]:			
Common Equity Tier [CET] 1 capital ratio	4.5 %	4.5 %	4.5 %
Tier 1 capital ratio	6.0 %	6.0 %	6.0 %
Total capital ratio	8.0 %	8.0 %	8.0 %
Capital buffers [% of total risk exposure amount]:			
Capital conservation buffer ¹⁾	2.5 %	2.5 %	2.5 %
Institution-specific countercyclical capital buffer	0.0 %	0.0 %	0.0 %
Countercyclical buffer ²⁾	-	-	-
Systemic risk buffer ³⁾	1.0 %	1.0 %	1.0 %
Minimum requirement including capital buffers [% of total risk exposure amount]:			
Common Equity Tier [CET] 1 capital ratio	8.0 %	8.0 %	8.0 %
Pillar 2 add-ons (EUR million)			
Interest rate risk in the banking book (IRRBB)	10.0	10.0	10.0
Leverage ratio requirement: ⁴⁾	3.0%	3.0 %	3.0%

1) Valid from 1.1.2015 onwards.
2) On 26 June 2025, the FIN-FSA decided not to set any countercyclical buffer.
3) On 26 June 2025, the FIN-FSA decided to maintain 1 percent systemic risk buffer requirement, which came to force on 1 April 2024.
4) Valid from 28.6.2021 onwards.

Credit ratings

Issued covered bonds are rated ‘Aaa’ by Moody’s Investors Service and ‘AAA’ by Scope Ratings. In addition, Danske Mortgage Bank has A+/Positive Issuer rating from Scope Ratings.

Employees and organisation

The Bank had 5 employees at the end of the reporting period (31 December 2024: 5). The average amount of personnel in January-June was 5 (financial period 2024: 5).

Danske Mortgage Bank Plc’s Board of Directors and auditors

The Annual General Meeting of the Bank was held on 18 March 2025, where Jens Wiklund was elected as the chairman of the Board of Directors. The composition of the Board remained unchanged, with Jens Wiklund (Chairman), Robert Wagner (Deputy Chairman), Terese Dissing, Tomi Dahlberg and Marjo Tomminen continuing as members. Marjo Tomminen, however, resigned from the Board of Directors effective 27 April 2025.

The Annual General Meeting chose Deloitte Ltd Audit Firm, as its auditor, with Sonja Suosalo, APA, as the Key audit partner.

Danske Mortgage Bank Plc’s shares, ownership and group structure

Danske Mortgage Bank Plc is part of the Danske Bank Group. The parent company of the Danske Bank Group is Danske Bank A/S.

The Bank’s share capital is EUR 70 million, divided into 106,000 shares. Danske Bank A/S holds the entire stock of Danske Mortgage Bank Plc’s shares.

Material accounting policies

This interim report covers Danske Mortgage Bank Plc. The interim report has been drawn up

according to the same accounting principles as in the annual financial statements for 2024. Accounting policies are explained in the Notes to the Interim report and are presented in detail in the Notes to the 2024 financial statements.

Risk management

The Bank’s principles for risk management are based on legislation for mortgage banks. The main objective of risk management is to ensure that the capital base is adequate in relation to the risks arising from the business activities. The Board of Directors of the Bank establishes the principles of risk management, risk limits and other general guidelines according to which risk management is organized at the Bank.

To ensure that the Bank’s risk management organization meets both the external and internal requirements, the Board of Directors has also set up a Risk Council composed of the operative management members. The Risk Council’s main objective is to ensure that the Bank is compliant with the risk management guidelines issued by the Board of Directors and that the Bank monitors all types of risk and provides reports to concerned parties.

The main risks associated with the Bank’s activities are credit risk, interest rate and liquidity risks of banking book, non-financial and various business risks. Credit risk has the largest impact on capital requirement. The majority of the operative risks are related to outsourced services and processes.

The Bank’s risk position has been low. The main risks associate with the increased economic uncertainty and development in the general environment, investment market and future changes in financial regulations.

The Finnish Financial Stability Authority has determined the minimum requirement for own funds and eligible liabilities for the Bank. The internal MREL consists of requirement based on the total

risk exposure amount (TREA), amounting to 18.19 per cent, and requirement based on the leverage ratio exposure measure (LRE) amounting to 5.91 per cent.

The Bank’s Definition of Default for accounting aligns with the regulatory purposes. All exposures in stage 3 are considered defaulted. As a result, all non-performing loans are considered defaulted, and hence equal to the total of stage 3 exposures. Non-performing loans were at a low level in relation to the loan portfolio totalling to EUR 1.6 million (EUR 2.0 million at the end of December 2024).

More detailed information of risks and risk management can be found in the 2024 Annual report. More information regarding credit exposures can be found in this interim report on page 13.

Events after the reporting period

There are no material events after the reporting period.

Outlook for 2025

We expect the Finnish economic situation to recover slowly, the labour market to strengthen, and the housing market to gradually improve. Changes in US trade policy pose a significant risk to the outlook. The ECB is not expected to change key interest rates during 2025, but risk is tilted toward one additional rate cut. While market rates are unlikely to decrease further, the rollover of reference rates for housing loans will lower interest expenses for debtors.

We expect the Bank’s result for 2025 to decrease compared to 2024 due to falling market interest rates and rising funding costs although interest rate hedges will smooth out the impact.

The Bank’s solvency is expected to remain strong. In the future, the Bank seeks to issue at least one benchmark-size covered bond each year.

This guidance is generally subject to uncertainty related to future macroeconomic and business development.

Helsinki, 19 August 2025

Danske Mortgage Bank Plc

Board of Directors

Further information:

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The figures in this interim report have not been audited.

Releases and other company information can be found on the Bank’s website at danskebank.com/investor-relations/debt/danske-mortgage-bank.

STATEMENT OF COMPREHENSIVE INCOME

MEUR	Note	1-6/2025	1-6/2024	1-12/2024
Interest income calculated using the effective interest method	1	103.6	134.7	261.0
Other interest income	1	4.0	5.3	8.6
Interest expense	1	88.4	115.7	223.6
Net interest income	1	19.2	24.3	45.9
Fee income		1.3	1.2	2.5
Fee expenses		0.0	0.0	0.0
Net result from items at fair value		2.3	1.0	1.8
Other income		0.1	0.1	0.2
Total operating income		22.9	26.5	50.4
Staff costs		0.4	0.4	0.7
Other operating expenses		5.8	5.0	10.5
Total operating expenses		6.2	5.3	11.2
Loan impairment charges	2	1.0	1.7	2.2
Profit before taxes		15.8	19.5	37.0
Taxes		3.2	3.9	7.4
Net profit after tax		12.6	15.6	29.6
Total comprehensive income for the financial year		12.6	15.6	29.6

Comparative period figures on Net interest income, Fee income and Net result from items at fair value adjusted to new presentation.

BALANCE SHEET

MEUR	Note	30 June 2025	30 June 2024	31 December 2024
Assets				
Cash and balances with central banks		285.7	202.5	57.1
Loans and receivables to credit institutions	2	0.4	4.0	16.3
Trading portfolio assets	5, 6	88.3	37.6	94.8
Loans and receivables to customers	2	5,795.0	5,662.5	5,694.8
Other investment securities		68.5	50.6	46.0
Other assets		7.5	15.1	9.2
Total assets		6,245.3	5,972.3	5,918.1
Liabilities				
Due to credit institutions and central banks	7	913.3	1,250.0	1,115.7
Trading portfolio liabilities	5, 6	78.5	150.9	106.6
Debt securities in issue	8	4,726.8	4,100.9	4,200.5
Non-preferred senior securities	8	160.0	70.0	70.0
Tax liabilities		0.5	1.1	0.3
Other liabilities		44.3	44.5	56.2
Total liabilities		5,923.4	5,617.4	5,549.3
Equity				
Share capital		70.0	70.0	70.0
Reserves		215.0	215.0	215.0
Retained earnings		36.8	69.8	83.8
Total equity		321.8	354.8	368.8
Total equity and liabilities		6,245.3	5,972.3	5,918.1

Statement of changes in equity

	EURm	Share capital	Reserves for invested unrestricted equity	Retained earnings	
Equity at 1 January 2024		70.0	215.0	81.9	366.9
Total comprehensive income				15.6	15.6
Dividend distribution				-27.7	-27.7
Equity at 30 June 2024		70.0	215.0	69.8	354.8
Equity at 1 January 2024		70.0	215.0	81.9	366.9
Total comprehensive income				29.6	29.6
Dividend distribution				-27.7	-27.7
Equit at 31 December 2024		70.0	215.0	83.8	368.8
Equity at 1 January 2025		70.0	215.0	83.8	368.8
Total comprehensive income				12.6	12.6
Dividend distribution				-59.6	-59.6
Equity 30 June 2025		70.0	215.0	36.8	321.8

Cash flow statement

EURm	1-6/2025	1-6/2024	1-12/2024
Cash flow from operations			
Profit before tax	15.8	19.5	37.0
Loan impairment charges	1.0	1.7	2.2
Tax paid	-2.9	-3.4	-7.7
Other non-cash operating items	-10.2	9.8	27.2
Total	3.6	27.6	58.7
Changes in operating capital			
Due to credit institutions	-202.4	-0.1	-134.4
Trading portfolio	-21.7	25.0	-76.4
Other financial instruments	-22.5	7.3	11.9
Loans and receivables	-101.2	-27.9	-60.7
Debt securities in issue net ¹⁾	526.4	-37.0	62.6
Other assets/liabilities	0.0	5.6	5.7
Cash flow from operations	182.3	0.4	-132.7
Cash flow from financing activities			
Non-preferred senior securities	90.0	-	0.0
Dividends	-59.6	-27.7	-27.7
Cash flow from financing activities	30.4	-27.7	-27.7
Cash and cash equivalents, beginning of period	73.4	233.7	233.7
Change in cash and cash equivalents	212.7	-27.2	-160.3
Cash and cash equivalents, end of period	286.0	206.5	73.4
Cash in hand and demand deposits with central banks ²⁾	285.7	202.5	57.1
Amounts due from credit institutions and central banks within 3 months	0.4	4.0	16.3
Total	286.0	206.5	73.4

1) Debt securities in issue are presented separately including both debt securities issued and matured during the financial year. Comparison period corrected correspondingly.

2) The minimum reserve is not included in the amount.

Reconciliation of liabilities arising from financing activities:

On 30th June 2025 there were no liabilities arising from financing activities.

DANSKE MORTGAGE BANK PLC'S FINANCIAL HIGHLIGHTS

		1-6/2025	1-6/2024	1-12/2024
Net interest income	EURm	19.2	24.3	45.9
Total operating income	EURm	22.9	26.5	50.4
Total operating expenses	EURm	6.2	5.3	11.2
Impairment charges on loans and receivables ¹⁾	EURm	1.0	1.7	2.2
Profit before taxes	EURm	15.8	19.5	37.0
Cost to income ratio	%	26.9	20.1	22.2
Total amount of balance sheet at the end of the period	EURm	6,245.3	5,972.3	5,918.1
Equity at the end of the period	EURm	321.8	354.8	368.8
Return on equity ²⁾	%	7.3	8.7	8.0
Solvency ratio	%	40.8	37.4	42.3
Number of staff (FTE) at the end of the period		5	5	5
Average number of staff		5	5	5
Return on assets ²⁾	%	0.4	0.5	0.5
Equity/assets ratio	%	5.2	5.9	6.2

Comparative period figures adjusted to be in line with the new presentation of Net interest income, Net fee income and Net result from items at fair value. More information can be found in the Accounting Policies.

1) Impairment on loans and receivables includes impairment charges, reversals of them, write-offs and recoveries. [-] net loss positive.

2) Annualized

Definition of Alternative Performance Measures:

Danske Mortgage Bank Plc's management believes that the alternative performance measures (APMs) used in the Board of Directors' report provide valuable information to readers of the financial statements. The APMs provide more consistent basis for assessing the performance of the Bank. The APM's play an important role when the Bank's management monitors performance.

There are no adjusting items, which means that net profit is the same in the financial highlights and in the IFRS income statement. The differences between the financial highlights and the IFRS financial statements relate only to additional figures being presented in Board of Directors' disclosure which are not required by the IFRS -standards.

Definitions of additional performance measures presented in Financial Highlights:

Cost to income ratio, % :

Staff costs + other operating expenses + depreciations and impairments x 100

Net interest income + net trading income

+ net fee income + share profit from associated undertakings

+ other operating income

Return on equity, % :

Profit before taxes - taxes x 100

Equity + non-controlling interests (average)

Return on assets, % :

Profit before taxes - taxes x 100

Average total assets

Equity/assets ratio, % :

Equity + non-controlling interests x 100

Total assets

Notes to the Interim Report

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

General

Danske Mortgage Bank Plc prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS Accounting Standards), issued by the International Accounting Standards Board (IASB) and IFRIC Interpretations issued by IFRS Interpretations Committee, as adopted by the EU. In addition, certain requirements based on the Finnish Accounting Act, Finnish Act on Credit Institutions, Finnish Financial Supervisory Authority's regulations and guidelines as well as on the decision of the Ministry of Finance on financial statements of credit institutions have also been applied.

Danske Mortgage Bank Plc's Interim Report January - June 2025 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU. The report is condensed and should be read in conjunction with the Annual Report 2024.

On 1 January 2025, amendments to IAS 21 (lack of exchangeability) became effective and have no impact on the financial statements. The accounting policies are unchanged from those applied in Annual Report 2024. Annual Report 2024 provides a full description of the material accounting policies.

With effect from 1 January 2024, the Group has changed the presentation in the IFRS Income statement in relation to income and expenses in Markets, Operating leases and margins on customer transactions in foreign currencies. The changes in presentation have been applied retrospectively, resulting in reclassifications between lines in the IFRS Income statement. In the Bank, the main update resulting from reclassified presentation is that net interest

income and net fee income of liquidity portfolio with some other minor components being moved to net result from items at fair value. This does not have an effect on the total income or net profit.

Financial statements figures are stated in euro (EUR) and in whole millions with one decimal, unless otherwise stated. The figures in the notes are rounded so that combined individual figures might differ from the presented total amount.

Danske Mortgage Bank Plc has only one business segment and therefore separate segment report outlined in IFRS 8 is not presented.

Accounting estimates and assessments

The Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the financial statements. Management's judgement is also used with the adaption of accounting policies. The estimates and assumptions that are deemed critical to the financial statements are described in Notes to the Annual Report 2024.

Financial calendar

The interim report has not been audited. The financial statements for 2024 are available on Danske Mortgage Bank Plc's web site <https://danskebank.com/investor-relations/debt/danske-mortgage-bank>.

The Bank publishes one interim report during the financial year 2025.

Other notes

1. NET INTEREST INCOME

EURm	1-6/2025	1-6/2024	1-12/2024
Interest income calculated using effective interest method			
Loans and receivables to credit institutions	2.8	3.3	7.3
Loans and receivables to customers	100.8	131.4	253.6
Total	103.6	134.7	261.0
Other interest income			
Derivatives	4.0	5.3	8.6
Total	4.0	5.3	8.6
Interest expenses			
Amounts owed to credit institutions	17.4	26.4	50.6
Debt securities in issue	42.6	42.2	84.8
Derivatives	28.3	47.1	88.2
Other interest expenses	0.1	0.0	0.0
Total	88.4	115.7	223.6
Net interest income	19.2	24.3	45.9

Comparative period updated to be in line with the new presentation.

2. LOANS AND OTHER RECEIVABLES AND IMPAIRMENT

Loans and other receivables and impairment

EURm	6/2025	12/2024
Loans and receivables to customers		
Private customers	5,802.7	5,702.0
Impairment charges	-7.7	-7.3
Total	5,795.0	5,694.8
Cash and balances at central banks and loans and receivables from credit institutions		
Balances with central banks*	285.7	57.1
Loans and receivables from credit institutions		
Other loans	0.4	16.3
Allowances	0.0	0.0
Total	286.1	73.4
Loans and receivables total	6,081.0	5,768.1

* Balances with central banks are placed in Stage 1 under the three-stage expected credit loss impairment model in IFRS 9.

Loan impairment charges

1000 EUR	1-6/2025	1-6/2024	1-12/2024
Impact of net remeasurement of ECL (incl. changes in models)	1,409.7	1,289.4	2,892.8
ECL on assets derecognised	-405.3	390.0	-669.4
Decrease of provisions to cover realised loan losses	-1,365.2	-371.8	-1,562.9
Final write-offs	1,365.2	371.8	1,562.9
Interest income, effective interest method	-0.2	-	-2.4
Total	1,004.2	1,679.4	2,221.1

Reconciliation of total allowance account on loans

1000 EUR	6/2025			
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period, 1.1.2025	2,164.4	4,787.2	341.8	7,293.5
Transferred to Stage 1 during the period	1,551.3	-1,530.4	-20.9	-
Transferred to Stage 2 during the period	-392.5	418.3	-25.7	-
Transferred to Stage 3 during the period	-218.1	-317.8	535.8	-
ECL on new assets	-59.5	8.7	0.0	-50.8
ECL on assets derecognised	-132.3	-250.9	-22.1	-405.3
Impact of net remeasurement of ECL (incl. changes in models)	-1,816.1	2,250.5	977.7	1,412.1
Write-offs debited to the allowance account	-19.4	-24.9	-1,320.9	-1,365.2
Foreign exchange adjustments	0.1	0.5	0.2	0.0
Other changes	764.4	70.3	23.5	858.1
Balance at end of period, 30.6.2025	1,842.2	5,411.6	489.4	7,742.5

	6/2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period, 1.1.2024	2,110.4	3,619.3	154.7	5,884.4
Transferred to Stage 1 during the period	1,046.0	-1,044.5	-1.4	-
Transferred to Stage 2 during the period	-158.8	203.2	-44.4	-
Transferred to Stage 3 during the period	-15.1	-251.0	266.1	-
ECL on new assets	-401.8	64.1	18.5	-319.3
ECL on assets derecognised	-117.4	-199.1	706.5	390.0
Impact of net remeasurement of ECL (incl. changes in models)	-1,361.0	2,273.6	376.7	1,289.4
Write-offs debited to the allowance account	-1.5	-45.0	-325.3	-371.8
Other changes	980.9	-34.0	-754.9	192.0
Balance at end of period, 30.6.2024	2,081.7	4,586.5	396.4	7,064.7

Credit exposure from lending activities

Credit exposure from lending activities in the Danske Mortgage Bank Plc's core banking business includes loans, amounts due from central banks and irrevocable loan commitments. The exposure is measured net of expected credit losses. For reporting purposes, all collateral values are net of haircuts and capped at the exposure amount. The table below breaks down the credit exposure by rating categories and stages. Further information on classification of customers from the Annual Report 2024 Risk Management Disclosure starting from page 12. Further information regarding Loan impairment charges is presented in the Annual Report 2024, note 6.

Credit portfolio broken down by rating category and stages in IFRS 9

EURm															
6/2025	PD level	Gross exposure			Expected Credit Loss			Net exposure			Net exposure, ex collateral				
	Upper	Lower	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
1	0.00	0.01	-	-	-	-	-	-	-	-	-	-	-	-	
2	0.01	0.03	363.7	-	-	0.0	-	-	363.7	-	-	285.7	-	-	
3	0.03	0.06	640.9	0.1	-	0.0	0.0	-	640.9	0.1	-	2.0	0.0	-	
4	0.06	0.14	1,795.4	1.4	-	0.2	0.0	-	1,795.3	1.4	-	29.9	0.1	-	
5	0.14	0.31	1,615.4	2.6	-	0.4	0.0	-	1,615.0	2.6	-	32.1	0.0	-	
6	0.31	0.63	1,016.3	38.4	-	0.7	0.1	-	1,015.6	38.2	-	31.7	1.4	-	
7	0.63	1.90	284.6	141.8	-	0.5	0.9	-	284.1	140.8	-	20.8	3.3	-	
8	1.90	7.98	14.6	30.5	-	0.1	0.4	-	14.6	30.2	-	0.3	0.5	-	
9	7.98	25.70	19.6	22.0	-	0.0	0.5	-	19.6	21.6	-	0.4	0.2	-	
10	25.70	99.99	11.3	80.9	-	0.0	3.4	-	11.3	77.5	-	0.2	-1.2	-	
11 (default)	100.00	100.00	0.9	1.8	6.0	0.0	0.1	0.5	0.9	1.7	5.5	0.0	0.0	-0.4	
Total			5,762.9	319.6	6.0	1.8	5.4	0.5	5,761.0	314.1	5.5	403.1	4.4	-0.4	

12/2024	PD level	Gross exposure			Expected Credit Loss			Net exposure			Net exposure, ex collateral				
		Upper	Lower	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1		0.00	0.01	-	-	-	-	-	-	-	-	-	-	-	-
2		0.01	0.03	134.4	-	-	0.0	-	-	134.4	-	-	57.1	-	-
3		0.03	0.06	647.1	0.1	-	0.0	0.0	-	647.1	0.1	-	1.8	0.0	-
4		0.06	0.14	1,770.3	6.0	-	0.2	0.0	-	1,770.1	6.0	-	25.3	0.2	-
5		0.14	0.31	1,535.5	34.9	-	0.4	0.1	-	1,535.2	34.8	-	27.1	0.6	-
6		0.31	0.63	890.5	132.0	-	0.5	0.3	-	890.0	131.8	-	23.7	4.6	-
7		0.63	1.90	270.9	163.1	-	0.5	0.9	-	270.4	162.1	-	22.1	3.7	-
8		1.90	7.98	22.1	25.3	-	0.2	0.3	-	21.9	25.1	-	0.3	0.6	-
9		7.98	25.70	16.0	15.6	-	0.0	0.3	-	16.0	15.3	-	0.4	0.1	-
10		25.70	99.99	12.6	73.0	1.1	0.2	2.9	-	12.3	70.0	1.1	0.1	-1.1	-
11 (default)		100.00	100.00	3.4	1.9	3.3	0.2	0.1	0.3	3.2	1.8	3.0	0.1	0.0	-0.1
Total				5,302.8	451.9	4.4	2.2	4.8	0.3	5,300.6	447.1	4.1	158.0	8.7	-0.1

3. THE BALANCE SHEET CLASSIFICATION

EURm	Amortised cost		Fair value through profit or loss			
ASSETS	Held to collect financial assets	Liabilities	Managed at fair value	Hedge	Non-financial assets and liabilities	Total
Cash and balances with central banks	285.7					285.7
Loans and receivables to credit institutions	0.4					0.4
Trading portfolio assets				88.3		88.3
Other investment securities			68.5			68.5
Loans and receivables to customers	5,784.1			10.9		5,795.0
Other assets					7.5	7.5
Total 30 June 2025	6,070.1	-	68.5	99.2	7.5	6,245.3
LIABILITIES						
Due to credit institutions and central banks		913.3				913.3
Trading portfolio liabilities				78.5		78.5
Debt securities in issue		4,711.4		15.4		4,726.8
Non-preferred senior securities		160.0				160.0
Tax liabilities					0.5	0.5
Other liabilities					44.3	44.3
Total 30 June 2025	-	5,784.7	-	93.9	44.9	5,923.4

3. THE BALANCE SHEET CLASSIFICATION CONTINUED

EURm	Amortised cost		Fair value through profit or loss		Non-financial assets and liabilities	Total
	Held to collect financial assets	Liabilities	Managed at fair value	Hedge		
ASSETS						
Cash and balances with central banks	57.1					57.1
Loans and receivables to credit institutions	16.3					16.3
Trading portfolio assets				94.8		94.8
Other investment securities			46.0			46.0
Loans and receivables to customers	5,680.1			14.6		5,694.8
Other assets					9.2	9.2
Total 31 December 2024	5,753.5	-	46.0	109.4	9.2	5,918.1
LIABILITIES						
Due to credit institutions and central banks		1,115.7				1,115.7
Trading portfolio liabilities				106.6		106.6
Debt securities in issue		4,159.4		41.0		4,200.5
Non-preferred senior securities		70.0				70.0
Tax liabilities					0.3	0.3
Other liabilities					56.2	56.2
Total 31 December 2024	-	5,345.1	-	147.7	56.5	5,549.3

4. MATURITY ANALYSIS OF THE BALANCE SHEET

EURm	Total	< 1 year	> 1 year
Assets			
Cash and balances with central banks	285.7	285.7	-
Loans and receivables to credit institutions	0.4	0.4	-
Trading portfolio assets	88.3	15.9	72.3
Other investment securities	68.5	36.2	32.2
Loans and receivables to customers	5,795.0	584.4	5,210.5
Other assets	7.5	7.5	-
Total 30 June 2025	6,245.3	930.2	5,315.1
Liabilities			
Due to credit institutions and central banks	913.3	-	913.3
Derivatives and other financial liabilities held for trading	78.5	47.4	31.0
Debt securities in issue	4,726.8	1,324.7	3,402.2
Non-preferred senior securities	160.0	-	160.0
Tax liabilities	0.5	0.5	-
Other liabilities	44.3	44.3	-
Total 30 June 2025	5,923.4	1,417.0	4,506.5
Assets			
Cash and balances with central banks	57.1	57.1	-
Loans and receivables to credit institutions	16.3	16.3	-
Trading portfolio assets	94.8	13.7	81.0
Other investment securities	46.0	41.2	4.8
Loans and receivables to customers	5,694.8	371.0	5,323.8
Other assets	9.2	9.2	-
Total 31 December 2024	5,918.1	508.5	5,409.6
Liabilities			
Due to credit institutions and central banks	1,115.7	0.7	1,115.0
Derivatives and other financial liabilities held for trading	106.6	51.0	55.7
Debt securities in issue	4,200.5	1,306.9	2,893.6
Non-preferred senior securities	70.0	-	70.0
Tax liabilities	0.3	0.3	-
Other liabilities	56.2	56.2	-
Total 31 December 2024	5,549.3	1,415.0	4,134.3

Maturity analysis of past due financial assets, net		
EURm	30 June 2025	31 December 2024
Assets past due 30-90 days	11.6	17.5
Unlikely to pay	6.6	6.0
Nonperforming assets past due at least 90 days but no more than 180 days	1.1	1.6
Nonperforming assets past due at least 180 days - 1 year	0.4	0.4
Nonperforming assets more than 1 year	0.1	-
Receivables with forbearance measures, gross carrying amount	69.2	66.3

5. FAIR VALUE INFORMATION FOR FINANCIAL INSTRUMENTS

Financial instruments are carried on the balance sheet at fair value or at amortised cost. There is more detailed description regarding classification of financial assets and liabilities by valuation type and measurement bases in Note 10 in the Annual Report 2024.

Financial instruments valued on the basis of quoted prices on an active market are recognised in the Quoted prices category (level 1). Financial instruments valued substantially on the basis of other observable input are recognised in the Observable input category (level 2). Other financial instruments are recognised in the Non-observable input category (level 3).

The classification of the instrument changes, if at the balance sheet date, a financial instrument's classification differs from its classification at the beginning of the year. Changes are considered to have taken place at the balance sheet date. During the reporting period ending 30 June 2025, there were no transfers between Level 1 (Quoted prices) and Level 2 (Observable input) fair value measurements, and no transfers into and out of Level 3 (Non-observable input) fair value measurement.

All financial assets and liabilities are measured at observable input. The company does not have any financial assets or liabilities that fall in the category non-observable input.

EURm	30 June 2025			
	Quoted prices	Observable input	Non-observable input	Total
Financial assets				
Investment securities, bonds	47.0	21.4	-	68.5
Derivative financial instruments	-	88.3	-	88.3
Total	47.0	109.7	-	156.7
Financial liabilities				
Derivative financial instruments	-	78.5	-	78.5
Total	-	78.5	-	78.5

EURm	31 December 2024			
	Quoted prices	Observable input	Non-observable input	Total
Financial assets				
Investment securities, bonds	24.7	21.4	-	46.0
Derivative financial instruments	-	94.8	-	94.8
Total	24.7	116.1	-	140.8
Financial liabilities				
Derivative financial instruments	-	106.6	-	106.6
Total	-	106.6	-	106.6

6. DERIVATIVE FINANCIAL INSTRUMENTS

EURm	30 June 2025		
	Fair value		Notional amount
Derivatives held for hedging	Assets	Liabilities	
Fair value hedges	88.3	78.1	9,615.4
Interest rate			
OTC derivatives	88.3	78.1	9,615.4
Total derivatives held for hedging	88.3	78.1	9,615.4
Nominal value of the underlying instrument			
Remaining maturity	Less than 1 year	1-5 years	Over 5 years
	1,251.1	8,364.3	-

	31 December 2024		
	Fair value		Notional amount
Derivatives held for hedging	Assets	Liabilities	
Fair value hedges	94.8	106.0	9,058.6
Interest rate			
OTC derivatives	94.8	106.0	9,058.6
Total derivatives held for hedging	94.8	106.0	9,058.6
Nominal value of the underlying instrument			
Remaining maturity	Less than 1 year	1-5 years	Over 5 years
	1,250.0	7,803.7	5.0

All of the Company's derivatives held for hedging are contracts with Group companies. Notional amount of all derivatives at 30.6.2025 totalled to EUR 10,559.7 million (31.12.2024 EUR 9,954.5 million).

7. AMOUNTS OWED TO CREDIT INSTITUTIONS

EURm	6/2025	6/2024	12/2024
Amounts owed to credit institutions	913.3	1,250.0	1,115.7
Total	913.3	1,250.0	1,115.7

8. DEBT SECURITIES IN ISSUE

EURm	30 June 2025	30 June 2024	31 December 2024
Finnish covered bonds	4,726.8	4,100.9	4,200.5

Debt securities in issue nominal value

EURm	1 January 2025	Issued	Redeemed	30 June 2025
Covered bonds	4,250.0	500.0	-	4,750.0

	1 January 2024	Issued	Redeemed	31 December 2024
Covered bonds	4,250.0	-	-	4,250.0

The fair value of Debt securities in issue amounted to EUR 4 878.4 million (2024: EUR 4,234.9 million) compared to the carrying amount of EUR 4 726.8 million (12/2024: EUR 4,200.5 million).

Milj. €	2025
At 1 January 2025	70.0
Issuance during the year	90.0
Balance at 30 June 2025	160.0

	2024
At 1 January 2024	70.0
Issuance during the year	-
Balance at 30 June 2024	70.0

The Bank has three Senior non-preferred loans from Danske Bank A/S, which are eligible for fulfilling the MREL (Minimum Requirement for Own Funds and Eligible Liabilities) requirements set by the Financial Stability Authority. The first 50 MEUR loan was withdrawn on 16 August 2023, the second 20 MEUR loan on 14 December 2023 and the third 90 MEUR loan on 14 March 2025. The interest basis for the loans are 3-month EURIBOR + 1.30%, 3-month EURIBOR + 1.25% and 3-month EURIBOR + 0.825% respectively. Two former loans mature on 23 September 2027 and the most recent on 23 March 2029. The loans are subject to regulatory approval and appropriate notice at least 30 days prior to call.

9. CONTINGENT LIABILITIES AND COMMITMENTS

Danske Mortgage Bank Plc does not have significant off-balance sheet items or significant non-cancellable operating leases. Company's off-balance sheet items consists undrawn loans that totalled EUR 10.0 thousand at 30.6.2025 (EUR 1.7 thousand at 31 December 2024).

10. RELATED PARTY TRANSACTIONS WITH GROUP COMPANIES AND OTHER RELATED PARTIES

Related party comprises the parent company, the key management personnel and other related-party companies. Parties with significant influence include the parent company and its branches. The key management personnel comprises Board of Directors and executive management, including close family members and companies, in which the key management personnel or their close family members have considerable influence.

Related party transactions have not changed materially since 31.12.2024.