

Q1 2025



Danske Mortgage Bank Plc – Investor presentation

Danske Bank

Agenda

1. Danske Bank Group - Covered Bond Universe
2. Danske Bank – Personal Customers Finland
3. Danske Mortgage Bank Plc
4. Appendix – Nordic macro
5. Contacts



Danske Bank Group – Covered Bond Universe



Danske Bank covered bond universe

A transparent pool structure, with EUR issuance by Danske Mortgage Bank & Danske Bank A/S “D-pool” and “C-pool”

Residential mortgages

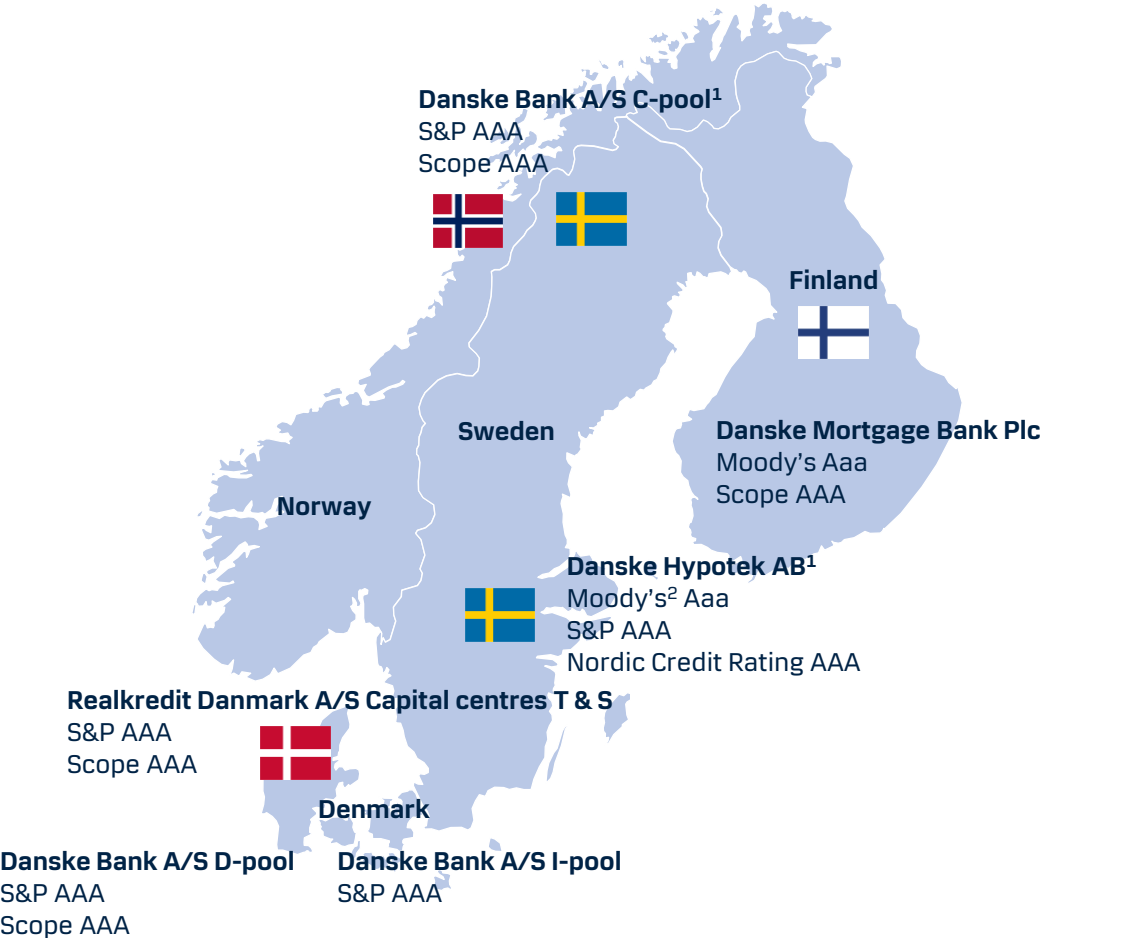
- Denmark, D-pool and I-pool
- Sweden, Danske Hypotek AB
- Finland, Danske Mortgage Bank Plc

Commercial mortgages

- Sweden and Norway, C-pool

Residential and commercial mortgages

- Capital Centre T (adjustable-rate mortgages)
- Capital Centre S (fixed-rate callable mortgages)



1. The migration of Swedish mortgage loans from Danske Bank's C-pool to Danske Hypotek AB is ongoing
2. Moody's appointed rating agency on 9 April 2025
Note: Details of the composition of individual cover pools can be found on the respective issuers' websites



Danske Bank – Personal Customers Finland

Danske Bank Finland

Personal customers



We enable individuals to control their daily finances and make better financial decisions at every life stage, providing financial peace of mind



Personal Customers



Helping individuals make better informed financial decisions in order to realise their ambitions is and always has been a central part of our business. As a bank, we do this by discussing individual needs, helping to identify durable opportunities as well as by considering the pros and the cons of any decision – or the most viable alternatives to it. We offer a wide range of services from holistic wealth planning to buying a home, from young people's finances to retirement.

Jens Wiklund

Head of Personal Customers and
Country Manager Finland



Starting studies

Buying
a first home

Working life and
wealth
accumulation

Starting a family

Transitioning to
retirement

Estate planning

Our strategic direction I We will make a difference to our customers on four strategic focus areas



Advisory

Simple,
Efficient &
Secure



Digital



Sustainability

Forward '28 Strategy - key focus areas

Advisory

We want to further enable our customers to make better informed financial decisions by deepening the strength and proactivity of our advisory services.

Digital

We want to further strengthen our digital platforms and services to enable our customers to independently manage their own finances.

Sustainability

We want to leverage our abilities to support customers and the societies in which we operate in the transition to a more sustainable future.

Simple, efficient, and secure

We want to meet the demands of our customers and society through a relentless focus on simplicity, efficiency and security.



Danske Mortgage Bank Plc

Danske Mortgage Bank Plc – key messages

1

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

2

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

3

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

4

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

5

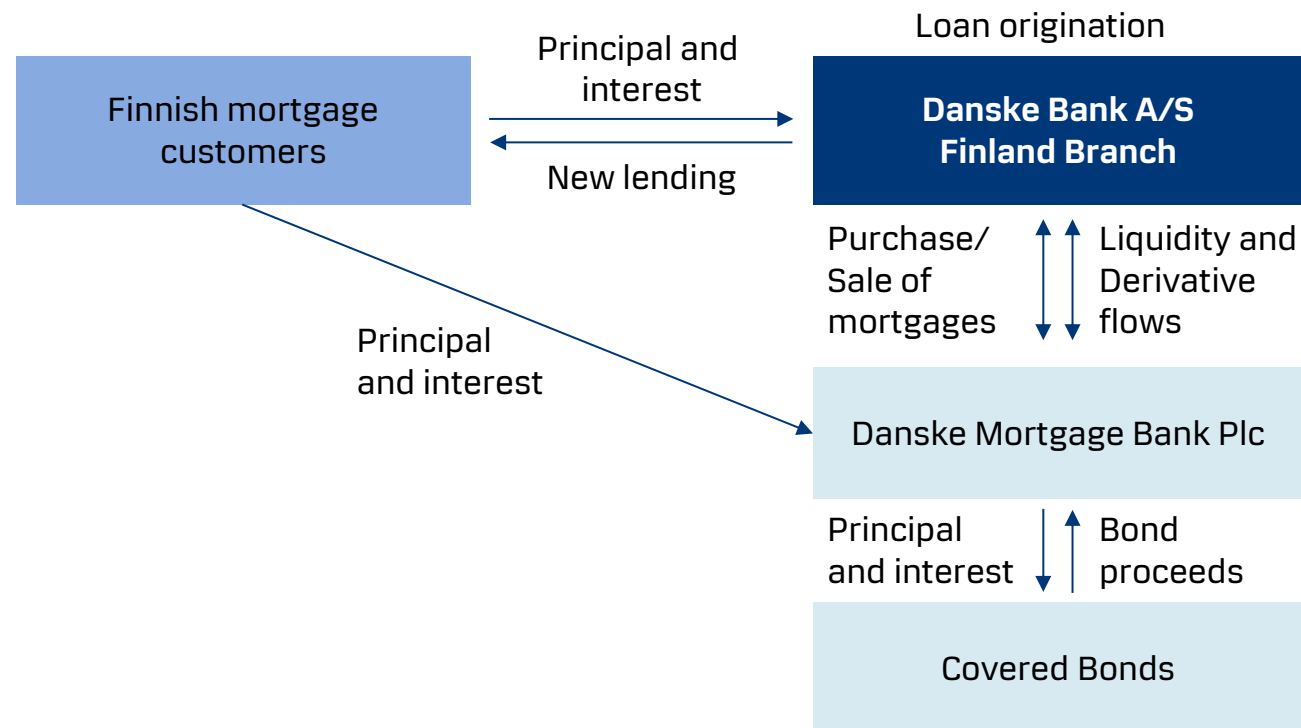
Liquidity and solvency risks are managed by term funding, access to euro covered bond market and high capitalisation

Danske Mortgage Bank Plc – 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

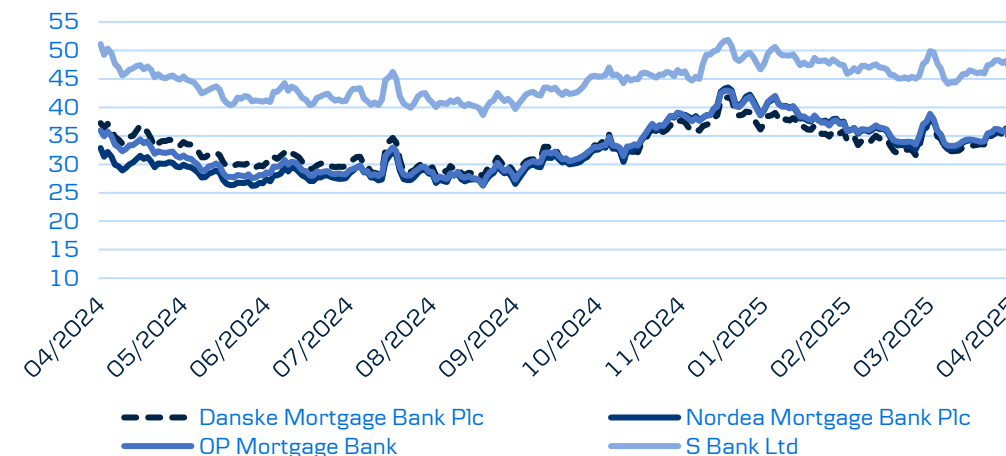
Danske Mortgage Bank Plc – Business Model



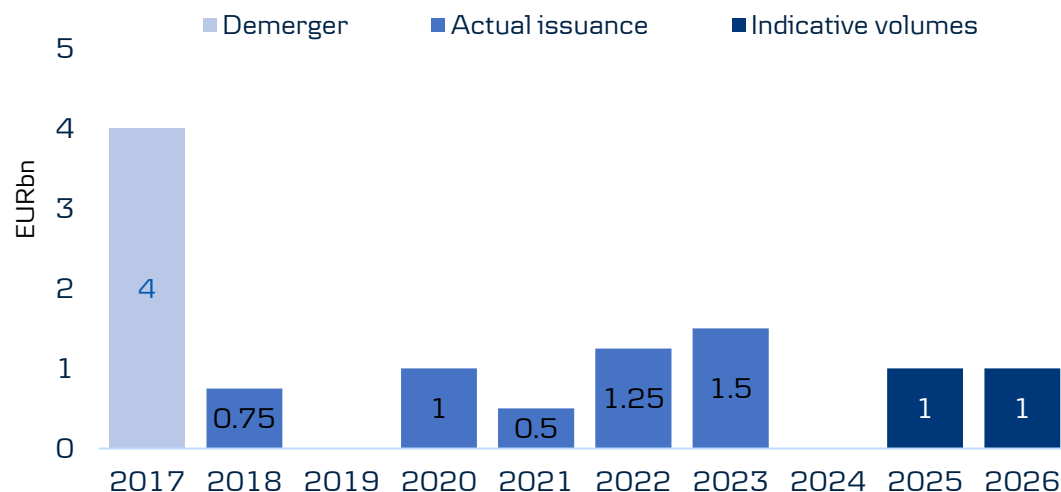
Danske Mortgage Bank Plc – 2025 and beyond, more of the same

- EUR 4.25bn covered bonds outstanding at end-Mar 2025
- EUR 9.0bn 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

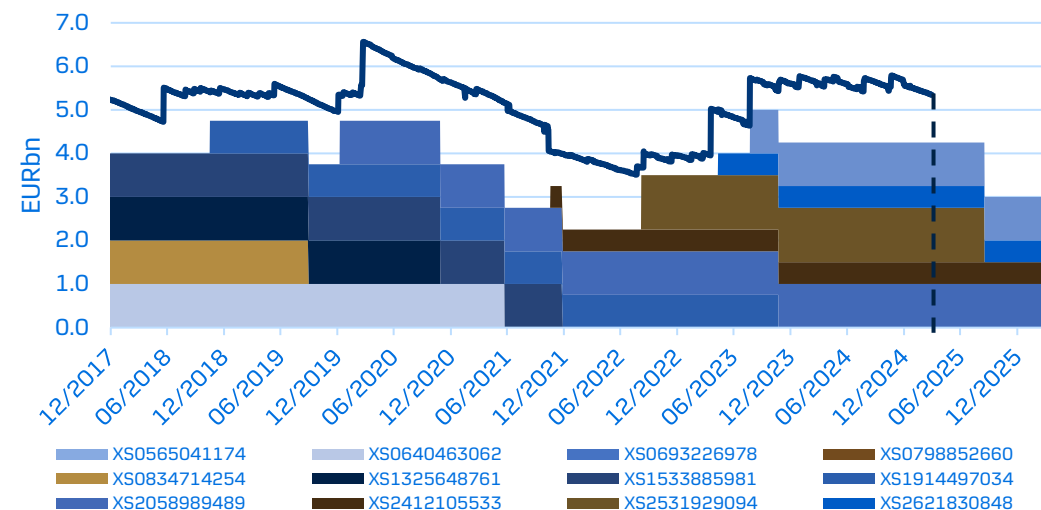
The Finnish covered bond benchmark curve



Funding plan 2025 and indicative volumes



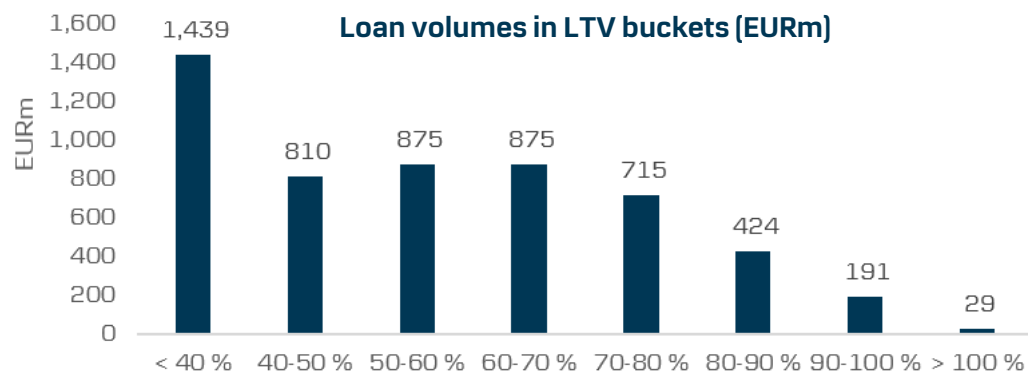
Bond issuance and redemptions, and cover pool volume



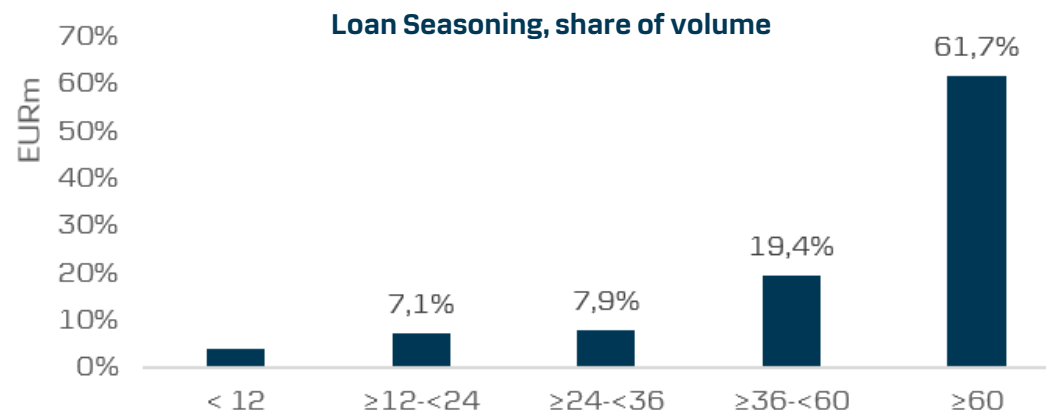
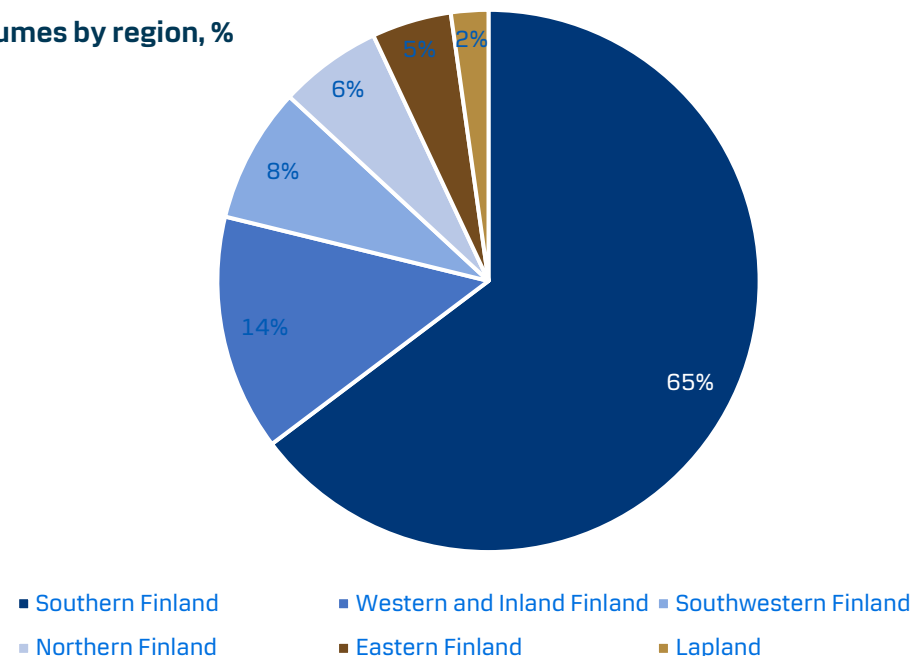
Danske Mortgage Bank Plc - cover pool characteristics, Q1 2025

Characteristics	Assets
Collateral type	Finnish residential mortgages
Loans in cover pool	EUR 5.4bn
Number of Loans	68 043
Number of Borrowers	77 645
Number of Properties	62 691
Average Loan Size	EUR 78.7 thousand
Property Type	Shares of housing companies (60%), residential real estate (40%)
WA LTV	54.0%*
WA Seasoning	7.0 years
Rate type	99% Floating rate, 1% Fixed rate
Repayment type	100% Amortising
Issuance notional	EUR 4.25bn
OC	28% (nom), 29% (present value)
Geographical location	100% Finland
Pool type	Dynamic
Pool Cut Date	31-03-2025

*Based on priority distribution of mortgage. Danske Mortgage Bank has first priority over Danske Bank.



Loan volumes by region, %



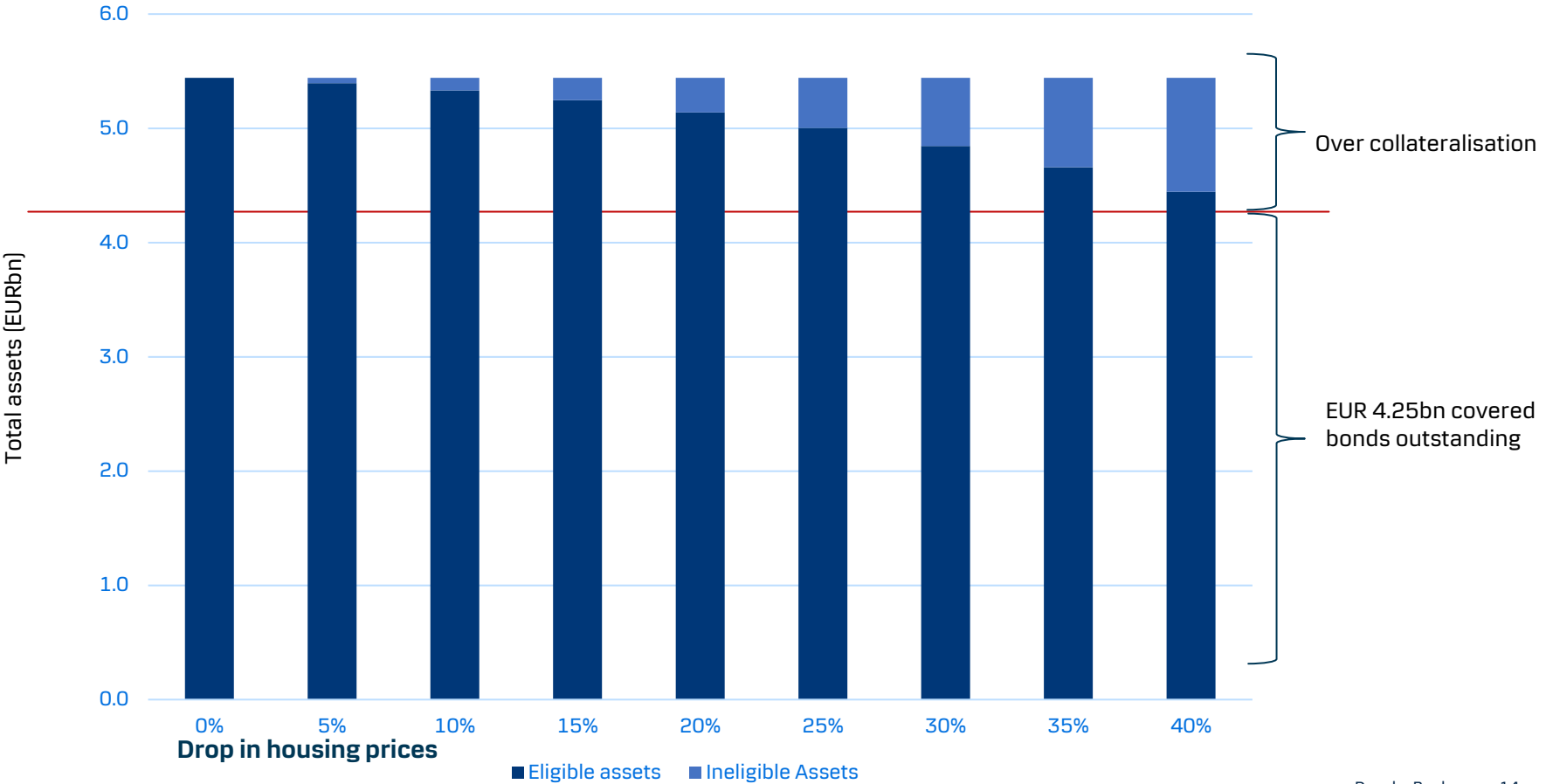
Danske Mortgage Bank Plc - effect of market value declines on LTVs and eligible assets

Residential real-estate price sensitivity: Effect of simulated market value declines on eligible asset volumes (pool cut-off date 31-03-2025)

Key points

Moderate effects:

- A 20% fall in prices makes 6% of today's eligible assets ineligible
- A 40% fall in prices makes 18% of today's eligible assets ineligible
- DMB can withstand a large decline in property prices without breaching over collateralisation requirements

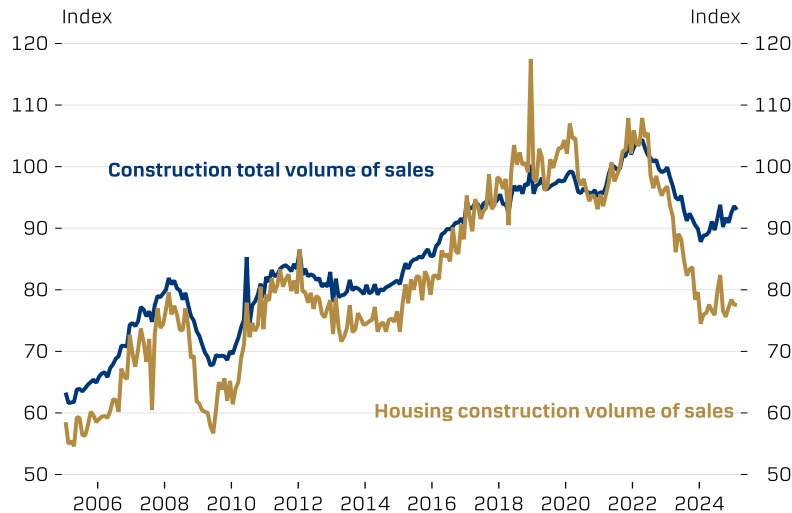


Danske Mortgage Bank Plc - Finnish housing market in early recovery phase

The number of transactions of pre-owned apartments increased in 2024 to a level about 10% below normal historical average. The recovery was helped by lower interest rates releasing some of the pent-up demand. The recovery has slowed in Q1 2025, because consumer confidence is weak.

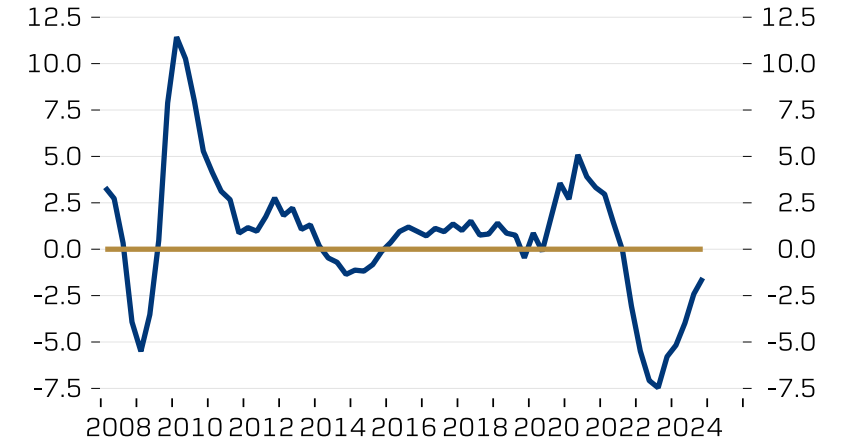
Prices of pre-owned apartments have fallen roughly 13% from the peak in June 2022. The price development stabilised during 2024, but the prices of old dwellings in housing companies were still 1.4% lower year-on-year in February 2025.

The high number of unsold new apartments weighs on construction of new homes. The backlog of unsold apartments slowly diminishes, and the construction outlook is improving. There exists a growing need especially for new family apartment already.



Housing construction has stabilised and is expected to slowly recover towards 2026. Other construction including infrastructure is already growing.

Change in the price of dwellings, quarterly, % y/y



Source: Swedbank Pay

New housing loan drawdowns, monthly, seasonally adjusted



Source: Swedbank Pay



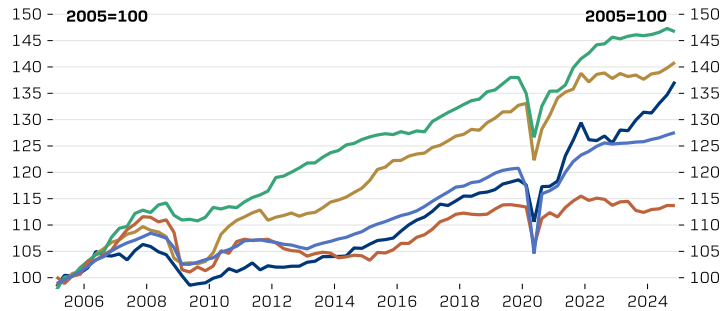
Appendix – Nordic macro



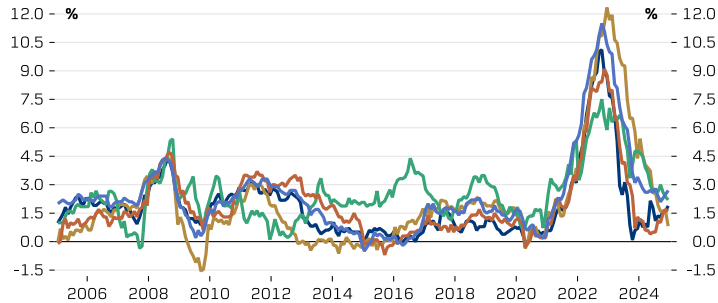
Nordic macroeconomics

- Denmark
- Sweden
- Norway
- Finland
- EU

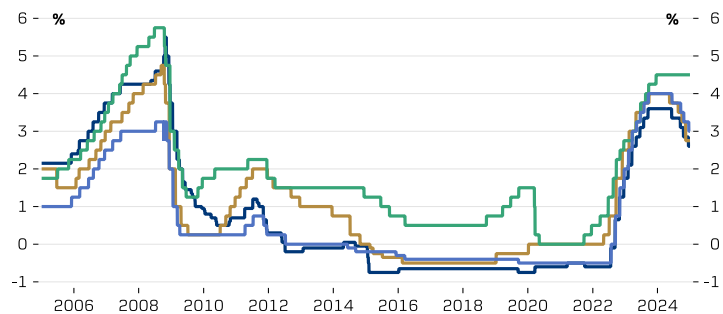
Real GDP; constant prices
SA



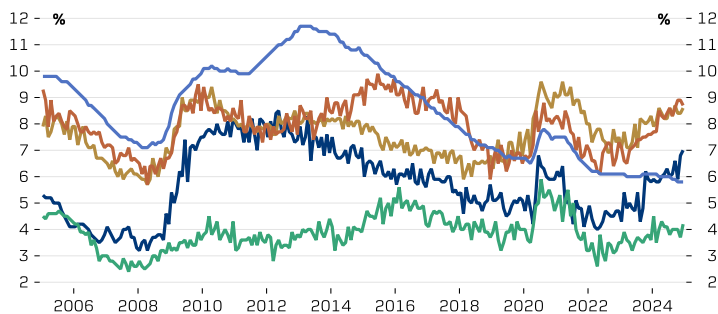
Inflation



Interest rates
Leading



Unemployment
SA

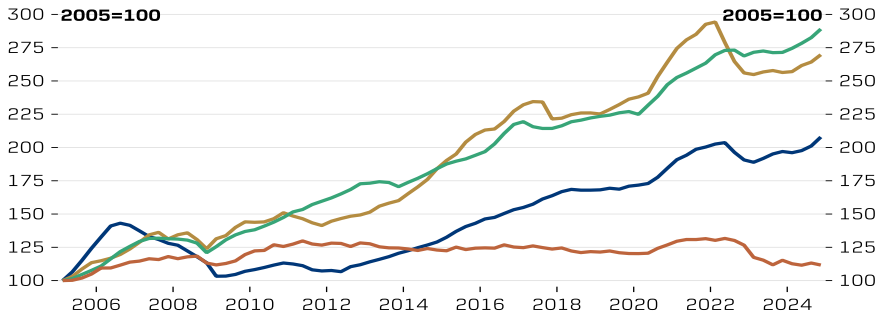




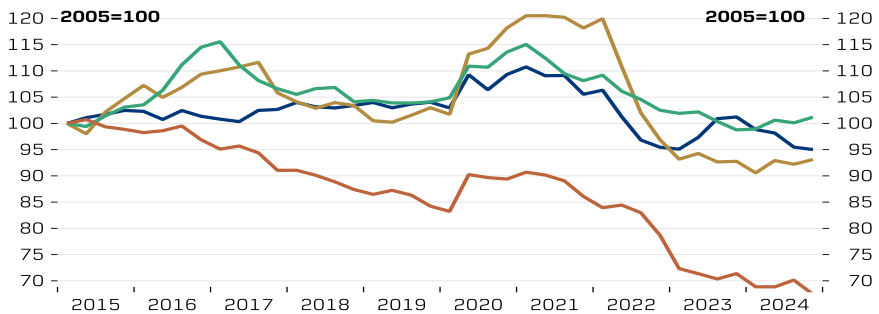
Nordic housing markets

- Denmark
- Sweden
- Norway
- Finland
- EU

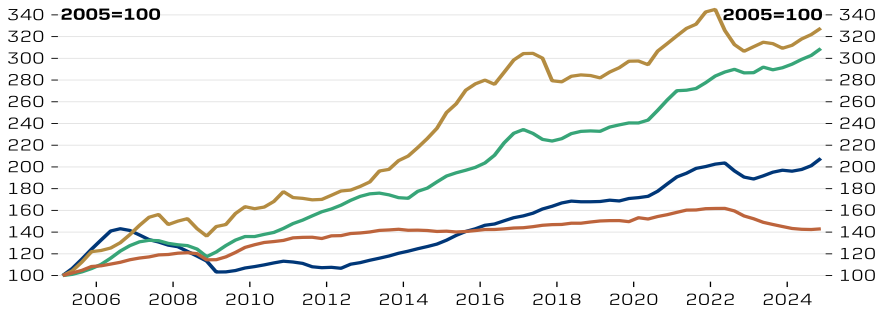
Property prices
SA



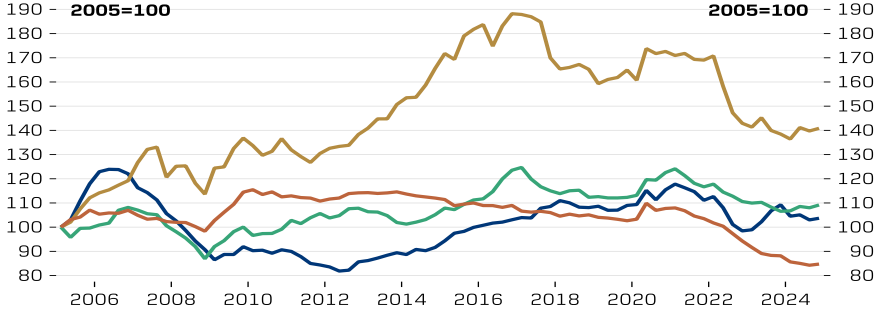
House prices/nom. GDP
SA



Apartment prices
SA



Apartment prices/nom. GDP
Index 2005 = 100, Seasonally Adjusted





Danske Mortgage Bank Plc – Contacts

<https://danskebank.com/investor-relations/debt/danske-mortgage-bank>



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