

Issuer and rating

Issuer:	Danske Bank Plc
Owner:	Danske Bank A/S
Pool ID:	
Supervisory authority:	FIN-FSA
Reporting date:	30.6.2016

CRD-compliant
Yes

Long Term Rating	S&P	Moody's	Fitch
Covered bond		Aaa	
Issuer	A	A2	
Owner	A	A2	A

Outstanding covered bonds

Outstanding benchmark covered bonds						
ISIN	MEUR	Currency	Issue date	Maturity	Coupon	Fix/FRN
XS0640463062	1 000	EUR	21.6.2011	21.6.2021	3,88 %	Fix
XS0693226978	1 000	EUR	19.10.2011	19.10.2016	2,75 %	Fix
XS0798852660	1 000	EUR	27.6.2012	26.6.2017	0,43 %	FRN
XS0834714254	1 000	EUR	27.9.2012	27.9.2019	1,63 %	Fix
XS1325648761	1 000	EUR	26.11.2015	26.11.2020	0,25 %	Fix

	MEUR
Non-benchmark bonds	
Total of outstanding bonds	5 000
of which repos	

Bond redemptions (MEUR)	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-	Sum
Total					1000	4000			5 000

Cover pool

Cover pool assets (MEUR)	Volume	%
Loans (up to LTV limit)	6183	97
Substitute assets		
Other		
Eligible assets (*)	6183	97
Other eligible assets	168	3
Total assets	6351	100

Cover pool items	
Number of loans	91 440
Number of clients	91 440
Number of properties	78 639
Average loan size (EUR)	69 486

* calculated according to section 16 in MCBA

Volumes in stratification tables are presented | Total assets

Regional distribution, MEUR	Volume	%
Uusimaa	3 035	48
Itä-Uusimaa	153	2
Varsinais-Suomi	333	5
Satakunta	100	2
Kanta-Häme	149	2
Pirkanmaa	511	8
Päijät-Häme	206	3
Kymenlaakso	118	2
South Karelia	70	1
Etelä-Savo	144	2
Pohjois-Savo	168	3
North Karelia	75	1
Central Finland	243	4
South Ostrobothnia	62	1
Ostrobothnia	82	1
Central Ostrobothnia	35	1
North Ostrobothnia	303	5
Kainuu	66	1
Lapland	161	3
N/A	339	5
Sum	6 351	100

Type of loan collateral (N)	Volume	%
Single-family housing	3 251	51
Flats	3 100	49
Multi-family housing		
Commercial		
Forest & agricultural		
Public sector		
Sum	6 351	100

Interest rate type on loans, MEUR	Volume	%
Floating	5 641	88,8
Fixed	710	11,2
Sum	6 351	100

Repayments, MEUR	Volume	%
Amortizing	6 136	97
Interest only (*)	215	3
Sum	6 351	100

*) Contract level, not ci

LTV distribution	<=10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	Eligible assets	>70% up to 100%	Total loans
Loan volume, MEUR	1 514	1 297	1 088	873	659	466	290	6 187	164	6 351
Percentage	24	20	17	14	10	7	5	97	3	100

Loan maturity MEUR	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-
Contractual amortizations	232	473	464	446	426	402	378	354	330	308
Percentage	4	7	7	7	7	6	6	6	5	5

Seasoning	0-12 M	12-24 M	24-36 M	36-60 M	> 60 M	Sum
Loan volume, MEUR	399	847	540	1 631	2 934	6 351
Percentage	6	13	9	26	46	100

Credit quality	31-60 d	60-90 d	>90 d	Sum
Past due	8	2	4	14
Loan volume, MEUR	0,13 %	0,03 %	0,06 %	
Percentage	0,00 %			
Impaired loans, %				

Key ratios

Key ratios	
OC, nominal	27 %
OC, nominal	24 %
OC, NPV	34 %
WALTV total	54 %
FX-risk	0

Calculated according to:

Total assets, including loan balances up to 100% LTV limit

Eligible assets, section 16 in Mortgage Credit Bank Act

Eligible assets, section 16 in Mortgage Credit Bank Act

Total assets, including loan balances up to 100% LTV limit

Remaining average maturity (MCBA)	Years
Assets	9,0
Liabilities	3,1

Calculated according to:

Section 17 in Mortgage Credit Bank Act

Section 5.4.3 Finnish FSA regulation and guidelines 6/2012 Mortgage bank authorisation procedure and risk management

Currency risk	Before hedges		Hedges		After hedges	
	Pool assets	Covered bonds	Pool assets	Covered bonds	Pool assets	Covered bonds
SEK						
EUR	6351	5000			6351	5000
USD						
Other						
Sum	6351	5000	0	0	6351	5000

All transactions are in euros, no cr

According to Section 13 of the MCBA, collateral entered in the register of covered bonds must be in the same currency as the covered bond. This also applies to derivatives contracts concluded to hedge against risks relating to covered bonds and the assets placed as collateral for them.

Interest rate risk	Before hedges		Hedges		After hedges	
	Pool assets	Covered bonds	Pool assets	Covered bonds	Pool assets	Covered bonds
Floating	5376	1000	975	4000	6351	5000
Fixed	710	4000	-710	-4000		
Prime	265		-265			
Capped floating						
Sum	6351	5000	0	0	6351	5000

Accrued interest cash flows, MEUR	1Y	2Y	3Y	4Y	5Y	6Y	7Y	8Y	9Y	10Y
Interest income	41	38	39	47	61	77	94	111	124	133
Interest expense	-18	-15	-16	-22	-33	-46	-60	-72	-83	-89
Net	24	23	23	25	28	31	35	38	41	44

Calculation method used: going concern

Calculated according to:

Section 17 in Mortgage Credit Bank Act

Section 5.4.4 Finnish FSA regulation and guidelines 6/2012 Mortgage bank authorisation procedure and risk management

Glossary

Key Concept's explanations

1 Covered Bond	A bond collateralised by a mortgage-backed credit (mortgage loan) or a public-sector credit (public-sector loan) entered in the register of bonds.
2 Register of Bonds	A register kept by the issuer required by Act on Mortgage Credit Bank Operations, which may also be referred to as Covered Bond Act.
3 Cover Pool	Cover pool consists of the Mortgage-backed credits, Public sector credits and Supplementary collateral entered into the Register of Bonds as security for the Covered Bonds. A mortgage bank may have several pools for managing different conditions for different bond issues.
4 Mortgage-backed credits / Mortgage loan	A mortgage-backed credit can be a) a housing loan: a loan/credit collateralised by a mortgage on mortgageable property for primarily residential purposes, shares in a housing company, comparable shares, participations and rights of occupancy, or collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area. b) a commercial property credit: a credit/loan collateralised by a mortgage on mortgageable property for commercial or office purposes, or shares of a housing company or a real estate company entitling to occupancy of the commercial or office premises or collateral comparable to the aforementioned collateral, situated in another State belonging to the European Economic Area
5 Public sector credits	A credit which has been granted to the Finnish State, a Finnish municipality or other public-sector entity which may, be considered equivalent to the Finnish State or Finnish municipality or a credit which is fully collateralised by a guarantee of a public-sector entity or a claim on such entity.
6 Intermediary credit/loan	A credit/loan which has been granted by a mortgage credit bank to a deposit bank or credit entity. The debtor of the Intermediary Loan shall provide collateral in the form of Mortgage-backed credits and public-sector credits to be registered in the Register of Bonds as security for the Covered Bonds of the mortgage credit bank.
7 Supplementary Collateral	The following supplementary collateral may temporarily be used as collateral for a covered bond: 1) bonds and other debt obligations issued by a central government, a municipality or another public-sector entity or another credit institution than one belonging to the same consolidation group as the issuer; 2) a guarantee as for own debt granted by a public-sector organisation or credit institution referred to in paragraph 1; 3) a credit insurance given by an insurance company other than one belonging to the same group, referred to in the Act on Supervision of Finance and Insurance Groups (699/2004), with the issuer; 4) assets of the issuer deposited in the Bank of Finland or a deposit bank; if the issuer is a deposit bank the deposit may not be in a deposit bank belonging to the same consolidation group as the issuer. Supplementary collateral may temporarily be used in situations where: 1) mortgage-backed credits or public-sector credits have not yet been granted or registered as collateral for the covered bond; or 2) the total amount of collateral is not otherwise sufficient The amount of supplementary collateral shall not exceed 20 per cent of the total amount of all the collateral entered in the register of bonds, however in such a manner that receivables from credit institutions shall not exceed 15 per cent of the total amount of collateral. The Financial Supervisory Authority may, on application by the issuer, for a special reason, grant an
8 Overcollateralisation	Overcollateralization is the ratio of eligible assets to issued bonds. The ratio may be expressed as notional or present value basis.
9 Guaranteed loans (if part of the cover pool)	Finnish mortgage-backed credits may have guarantees. Guarantees are in favor of the investor. The guarantees are not reported.
10 Non-Performing Loans	Exact definition ? Non performing loans are over 90 days past due date, impaired loans or in foreclosure.
11 Capped floating rate loan:	A cover pool may have capped loans. These should normally be hedged not to expose mortgage credit bank to optionality risk.
12 Soft Bullets (Extendable maturity)	A covered bond may have an extendable maturity. This could be 5 years + 1 year extendable. Legal maturity would be then 6 years.
13 Supervision	The Financial Supervisory Authority supervises mortgage credit bank operations referred to in the Act on Mortgage Credit Bank Operations. The Financial Supervisory Authority has the right to issue regulations for risk management and internal control in respect of mortgage credit bank operations.
14 Total Amount of Collateral	The total amount of collateral of covered bonds shall take into account: 1) an amount not exceeding 70 per cent of the current value of the shares or real estate placed as collateral for each housing loan; 2) an amount not exceeding 60 per cent of the current value of the shares or real estate placed as collateral for each commercial property credit; and 3) public-sector credits and supplementary collaterals at book value. Intermediary credits and credits entered in the register of bonds which must, in accordance with the regulations issued by the Financial Supervisory Authority, be booked as non-performing credit shall not be taken into account in the total amount of collateral. The total amount of collateral of covered bonds shall continuously exceed the remaining combined capital of the covered bonds. The net present value of the total amount of collateral of covered bonds shall continuously exceed by at least 2 per cent the total net present value of the payment liabilities resulting from the covered bonds. Mortgage-backed credits and public-sector credits of the debtor of the intermediary credit entered in the register of bonds are taken into account in the total amount of collateral. When calculating the current value of mortgage-backed credits, payments are taken into account in the proportion in which they are taken into account in the total amount of collateral. Derivatives contracts, concluded to hedge against risks relating to covered bonds and the assets placed as collateral for them, entered into the register of bonds shall also be taken into account when determining the total amount of collateral. The Financial Supervisory Authority may issue further provisions on the calculation of the current value.
15 Loan-to-Value (LTV)	LTV is calculated $([\text{Eligible loan balance}] + [\text{Higher Priority Pledge}]) / [\text{Property value}]$. Property value may be indexed or non-indexed depending on the purpose. A more exact formula may be used: $\text{LTV} = [\text{Remaining Notional}] / ([\text{Property Value}] - [\text{Share of Housing Company Loan}] + [\text{Cash Collateral}])$. There may be an occasional cash collateral in situations like where the client is buying a new property.
16 Indexed Property Value	Current value of the properties cannot be observed. The indexed property value is used to calculate an estimate for the current value of the property. Indexing is performed at least quarterly.
17 Derivatives	Derivatives contracts may only be concluded in mortgage credit bank operations to hedge risks.
18 Currency Risk	Collateral for a covered bond, entered in the register of bonds must be in the same currency as the covered bond. The derivatives contracts concluded to hedge against risks relating to covered bonds and the assets placed as collateral for them shall also be taken into account.
19 Seasoning	Seasoning measures the time elapsed since the origination of the loan.
20 Regional Distribution	Finland is divided into regions. Finnish land register has a registration number, which determines the region of the property.
21 Repayments	Amortising loans have an agreed non-bullet principal payment schedule. Classification is based on the loan level information.
22 Remaining Average Maturity	Amortising loans have an agreed non-bullet principal payment schedule. Classification is based on the loan level information.
23 Accrued Interest Cash Flow	Accrued interest cash flow is calculated using current forward rate forecasts taking the effect of the derivatives into account.
24 Loan Maturity	Loan maturity list the contractual loan principal cash flows. Because of the floating rate annuities the interest rates have a minor effect to the contractual schedule.
25 Table Currency Risk	Table lists the notionals of the assets and liabilities together with the notionals of the derivatives contracts used to modify the currency risk to show the net notional currency exposure.
26 Table Interest Rate Risk	Table shows the use of interest rate derivatives contracts to modify the interest rate risk of the mortgage credit institution. The textual part may tell the effect of 1% upward interest rate shift to the present value across all the financial contracts of the mortgage credit institution.