

# Credit Rating

Covered Bonds



## Realkredit Danmark A/S

SDRO - Cap Center S -  
Residential & Commercial Mortgage Covered Bonds  
Performance Report - 2023Q3

### Summary

The AAA rating with a Stable Outlook assigned to the covered bonds (SDRO - Cap Center S) issued by Realkredit Danmark A/S are based on the bank's issuer rating (A+ / Stable), enhanced by four notches of governance-support based uplift.

Governance support factors, in total, provide an rating uplift of up to six notches and, effectively, a floor against a deterioration in cover pool credit quality. This reflects our assessment of the strong governance support provided by the legal covered bond and resolution framework in Denmark.

We have classified the interplay between complexity and transparency with a cover pool complexity (CPC) category of 'Low', allowing for a three-notch uplift on top of governance support factors, which translates into a maximum cover pool uplift of nine notches. Considering the regularly provided level of overcollateralisation, the cover pool could provide a five-notch buffer against an issuer rating downgrade.

The last credit rating action and its supporting rating rationale can be found on [scoperatings.com](https://scoperatings.com).

Covered Bonds

AAA

Outlook

Stable

Issuer

A+

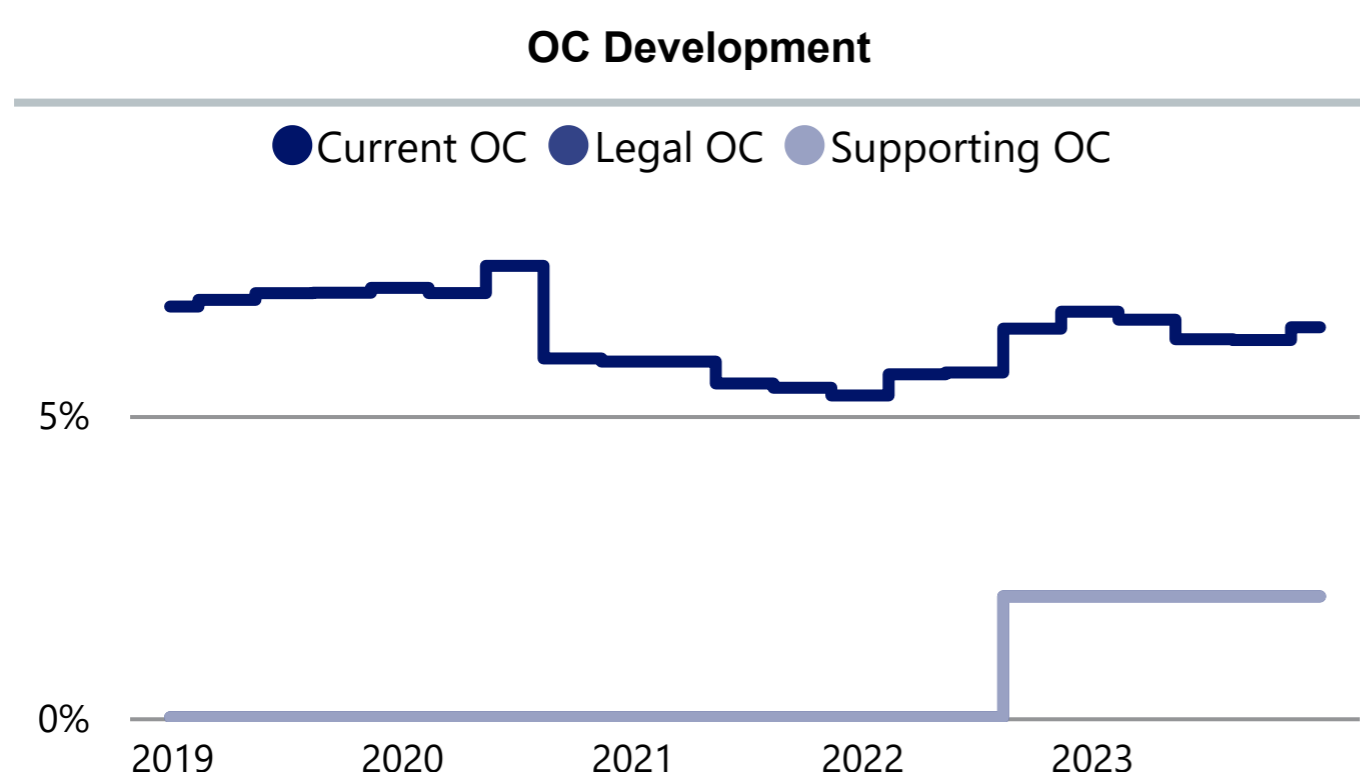
Outlook

Stable

### Covered Bonds building blocks

GOVERNANCE SUPPORT	COVER POOL SUPPORT	MAXIMUM RATING DISTANCE	RATING UPLIFT
	Cover pool support +3	D9	(unused)
	Cover pool support +2	D8	(unused)
	Cover pool support +1	D7	(unused)
Resolution regime +4	Governance support = Covered bond rating floor	D6	(unused)
Resolution regime +3		D5	(unused)
Resolution regime +2		D4	AAA
Resolution regime +1		D3	AA+
Legal framework +2		D2	AA
Legal framework +1		D1	AA-
Issuer Rating		D0	A+

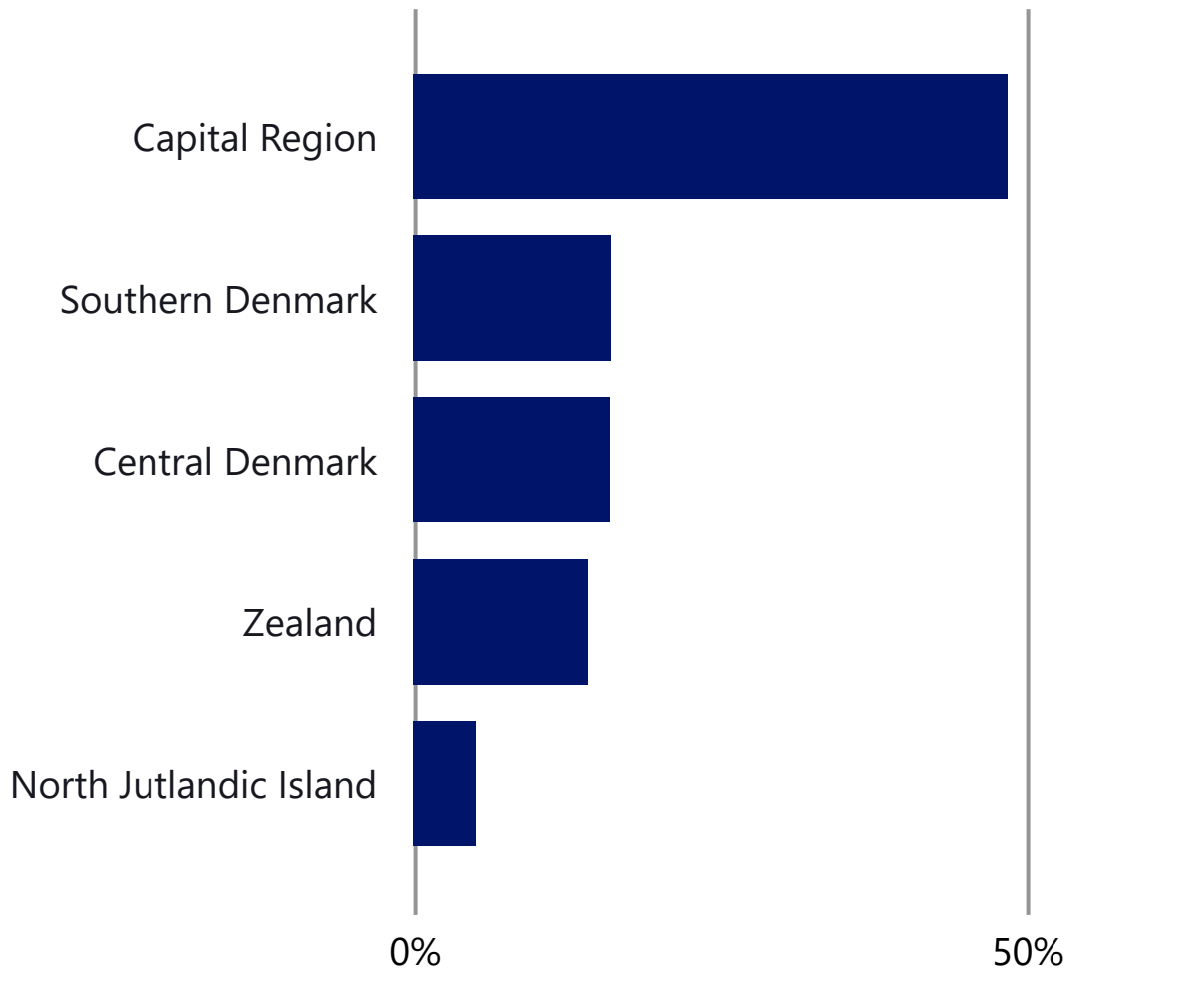
### OC & Rating History



<sup>1</sup>The credit rating(s) and outlook(s) provided in this document may not be shared with any unauthorised third party. Data shown is current as of 30 September 2023. This performance report has been created on 09 April 2024 but might have been made available on [scoperatings.com](https://scoperatings.com) on a later date.

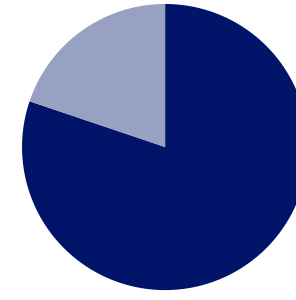
Mortgage Cover Pool Credit Risks as of 30 September 2023

Geographical Distribution



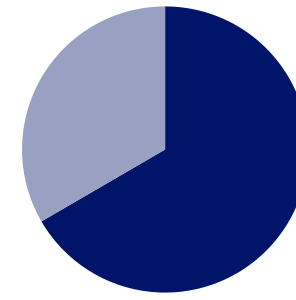
Collateral Type Distribution

Residential Commercial



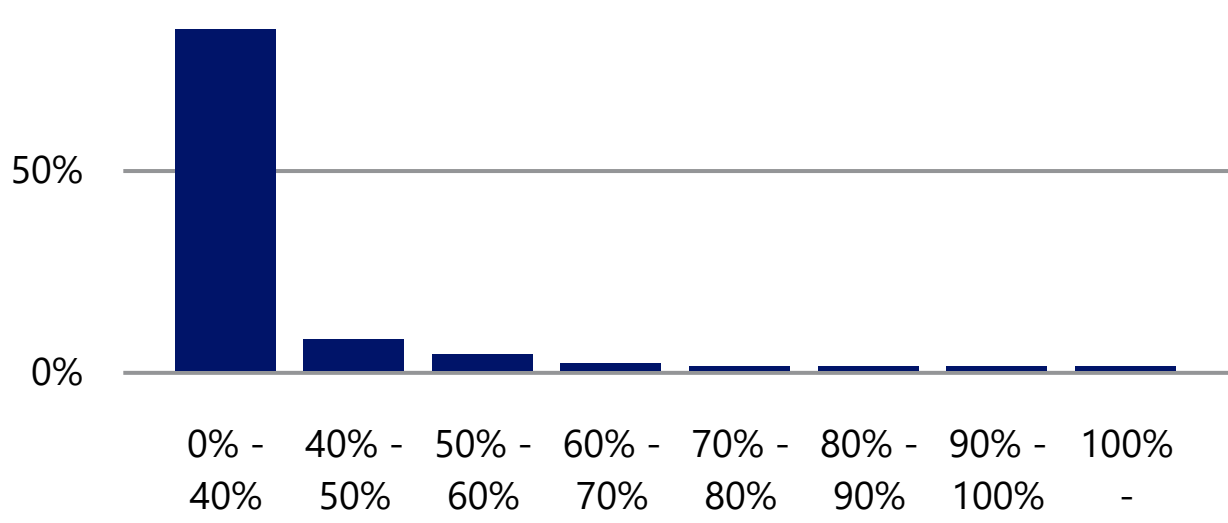
Repayment Type Distribution

Amortising Bullet



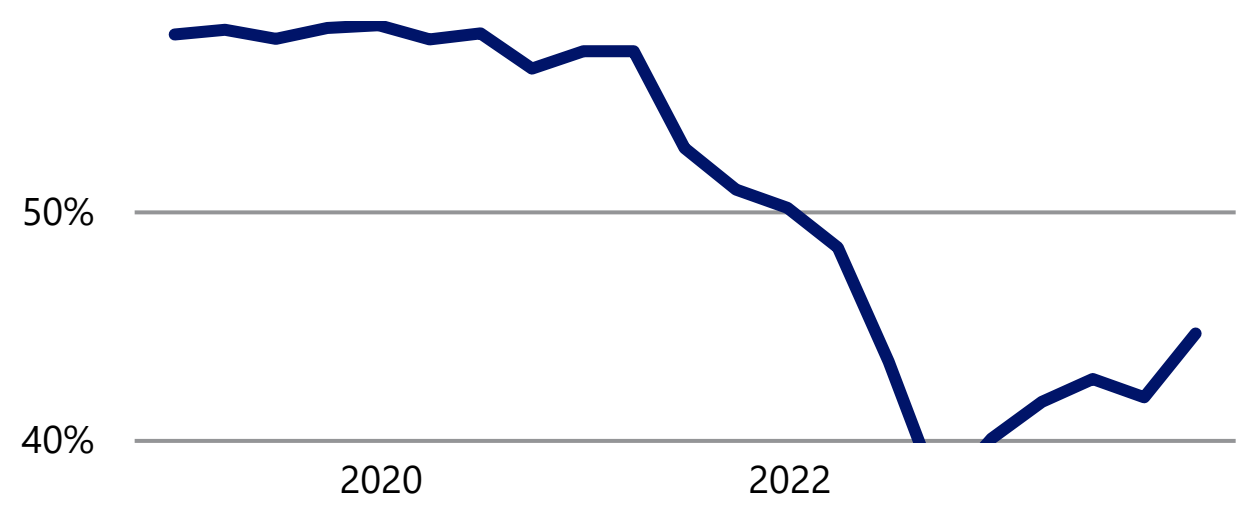
Loan to Value Distribution

Loan to Value - Indexed

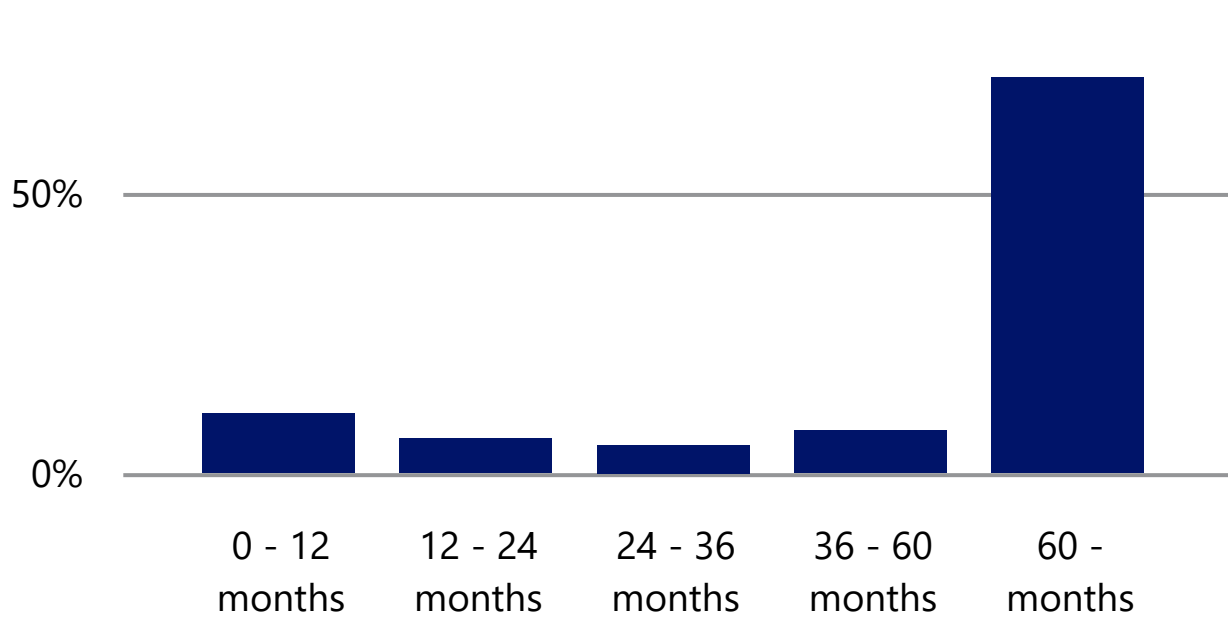


Weighted Average Loan to Value

Indexed WA LTV

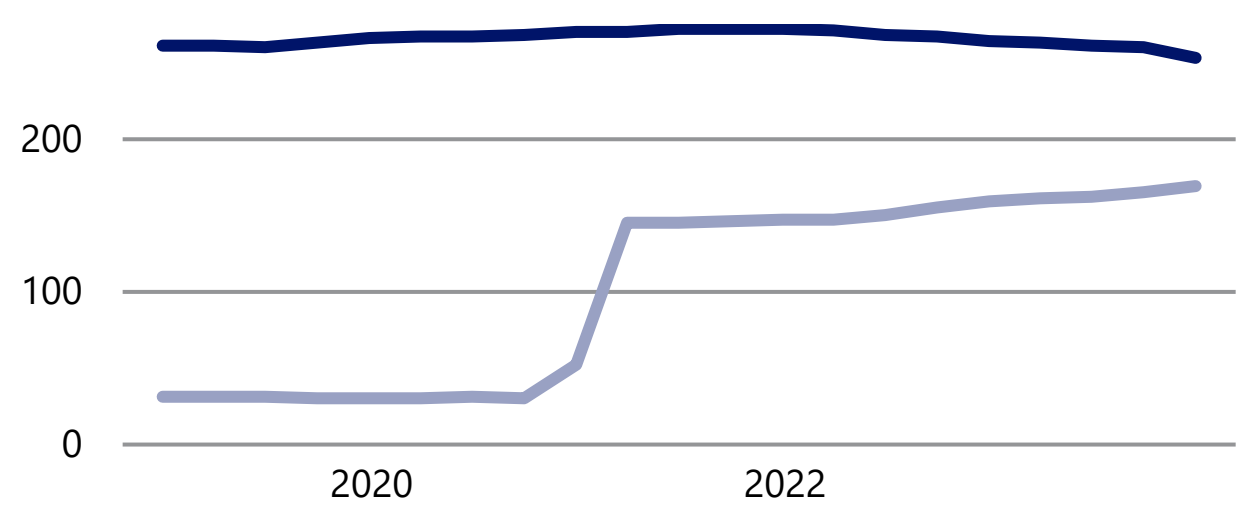


Seasoning Distribution



Weighted Average Seasoning & RTM (in months)

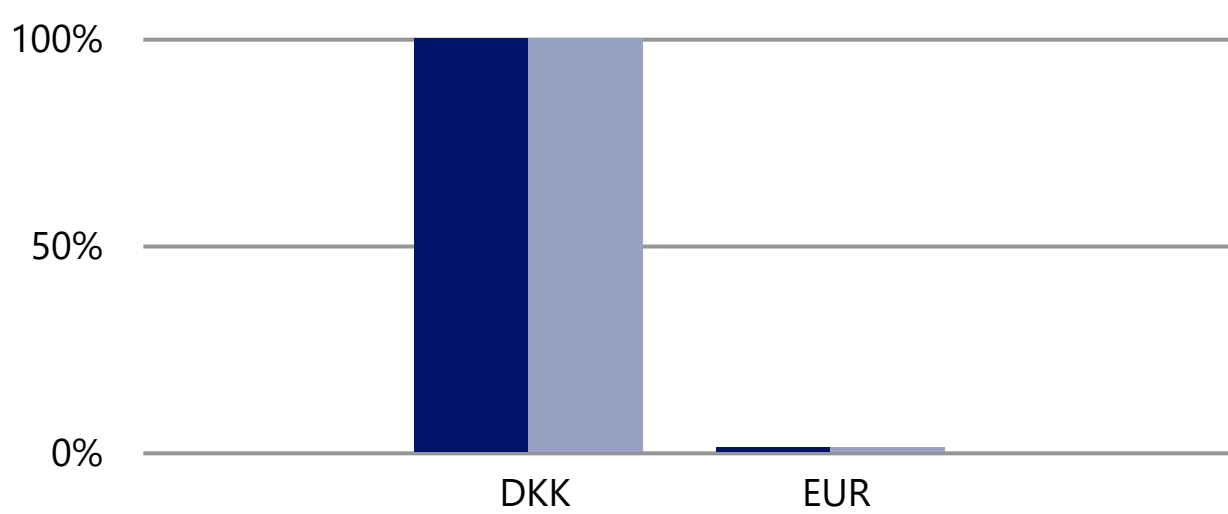
WA RTM WA Seasoning



Cover Pool Market Risks as of 30 September 2023

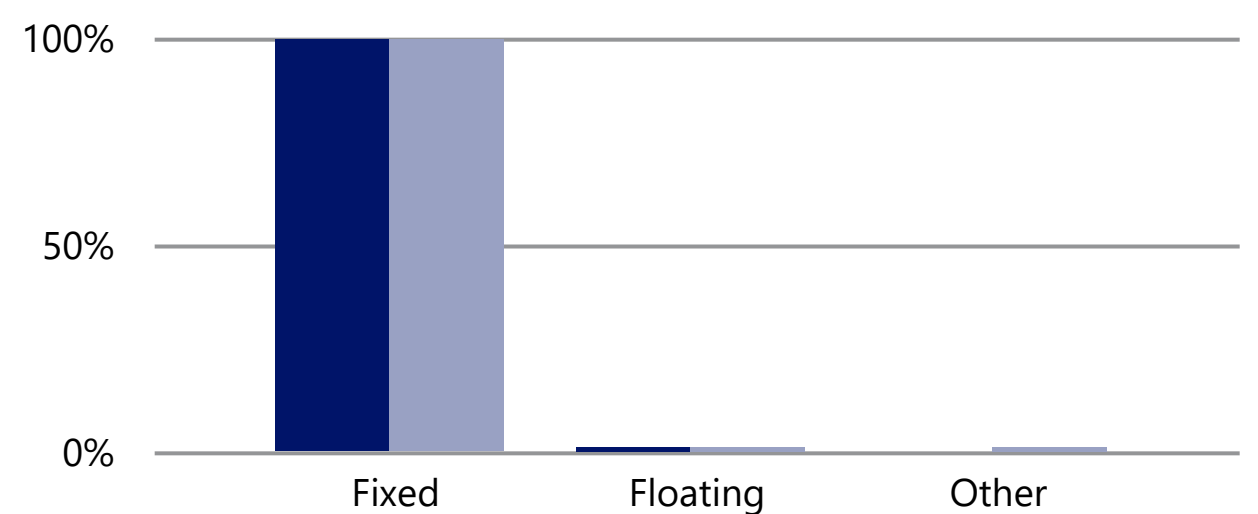
Currency Distribution

Covered Bonds Covered Pool



Interest Rate Type Distribution

Cover Pool Covered Bonds



**Summary of covered bond characteristics(Mo)**

Scope Metrics	2023Q3	2022Q3
CB Rating	AAA / Stable	AAA / Stable
Issuer Rating	A+ / Stable	A+ / Negative
Supporting OC	2.0%	2.0%
Legal Framework Uplift	2	2
Resolution Regime Uplift	4	4
CPC Category	Low	Low
Cover Pool Uplift (Max)	9	9
Cover Pool Uplift (Unused)	5	5
<b>General Information - Programme</b>		
Cover Pool Size	291,889,000,000	311,838,000,000
Outstanding Covered Bonds	274,742,000,000	293,000,000,000
Legal OC	2.0%	2.0%
Current OC	6.2%	6.4%
<b>Cover Pool Composition</b>		
Mortgages	94.1%	94.0%
Public Sector	0.0%	0.0%
Substitute Assets	5.9%	6.0%
<b>General information - Mortgage</b>		
Number of Loans/Borrowers	156,951	164,786
Average Loan/Borrower Amount ('000)	1,750.42	1,778.37
Top 10	1.0%	0.9%
NPL	0.0%	0.0%
Unindexed WA LTV	NR	NR
Indexed WA LTV	41.8%	37.5%
<b>Maturity Profile</b>		
Cover Pool WAL (contractual; in years)	24.00	26.00
Covered Bonds WAL (initial; in years)	26.00	27.00
Covered Bonds WAL (extended; in years)	NR	NR
<b>Cover Pool - Interest Rate Types</b>		
Fixed	99.6%	99.5%
Floating	0.4%	0.5%
Other	0.0%	0.0%
<b>Covered Bonds - Interest Rate Types</b>		
Fixed	99.6%	99.5%
Floating	0.3%	0.3%
Other	0.1%	0.1%
<b>Cover Pool - Currencies</b>		
	DKK 100.0%	DKK 100.0%
	EUR 0.0%	EUR 0.0%
<b>Covered Bonds - Currencies</b>		
	DKK 100.0%	DKK 100.0%
	EUR 0.0%	EUR 0.0%
<b>Regions (Top 3)</b>		
	Capital Region 48.5%	Capital Region 47.9%
	Southern Denmark 16.1%	Central Denmark 16.5%
	Central Denmark 16.1%	Southern Denmark 16.2%

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**Latest related covered bond research (see [here](#))**

**Latest related financial institution research (see [here](#))**

**Current methodologies (see [here](#))**

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Bloomberg: RESO SCOP

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