

Ratings On Realkredit Danmark Capital Center T Covered Bonds Affirmed; Outlook Stable

Primary Credit Analyst:

Tristan Gueranger, London + (44)2071763628; tristan.gueranger@spglobal.com

Secondary Contact:

Matteo Lanza, London + (44)2071766026; matteo.lanza@spglobal.com

OVERVIEW

- As part of our ongoing surveillance, we have reviewed the performance of Realkredit Danmark's Capital Center T mortgage covered bond program and related issuances.
- The program's available credit enhancement and features remain commensurate with the currently assigned ratings.
- We have therefore affirmed our 'AAA' ratings on the covered bond program and related issuances.
- At the same time, we have affirmed our 'A-1+' short-term rating on the program.
- The stable outlook on our ratings reflects that there are three unused notches of collateral-based uplift from the reference rating level.

LONDON (S&P Global Ratings) April 24, 2018--S&P Global Ratings today affirmed its 'AAA' credit ratings on Danish bank Realkredit Danmark A/S' capital center T residential and commercial mortgage covered bond program and all series of "Særligt Dækkede Realkreditobligationer" (SDRO) covered bonds issued under it. The outlook on our long-term ratings is stable. At the same time, we have affirmed our 'A-1+' short-term rating on the program.

We have conducted a credit and cash flow analysis based on our criteria for rating covered bond programs backed by European residential loans, subsidized

housing loans, substitute assets, and our criteria for rating covered bonds (see "Related Criteria").

Based on our credit and cash flow results, we consider the overcollateralization available to support this covered bond program to be commensurate with our 'AAA' ratings on the program and its related issuances.

There are no rating constraints related to counterparty, legal, country, or administrative and operational risks.

The stable outlook on the SDROs reflects that we would not lower our ratings on the covered bond program if we lowered our long-term rating on the issuer's parent, Danske Bank A/S, by up to three notches, all else being equal.

Our 'A-1+' short-term rating reflects the creditworthiness of the short-term maturity bonds that can be issued under this capital center, using the mapping methodology set out in the criteria article "Methodology For Linking Long-Term And Short-Term Ratings," published on April 7, 2017.

POTENTIAL EFFECTS OF PROPOSED CRITERIA CHANGES

Our ratings are based on our applicable criteria, including our "Covered Bonds Criteria," published on Dec. 9, 2014. However, the resolution regime analysis section of these criteria is under review (see "Methodology For Assigning Financial Institution Resolution Counterparty Ratings," published on April 19, 2018, and "Request For Comment: Methodology For Incorporating The Effect Of Resolution Regimes Into Covered Bond Ratings," published on Jan. 31, 2017). As a result of this review, we may amend certain paragraphs of our covered bonds criteria. This change may affect the ratings on the outstanding covered bonds issued under this covered bond program. Until this time, we will continue to rate and surveil these covered bonds using our existing criteria (see "Related Criteria").

RELATED CRITERIA

- Criteria - Structured Finance - General: Methodology And Assumptions: Assessing Pools Of European Residential Loans, Aug. 4, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria - Structured Finance - General: Ratings Above The Sovereign - Structured Finance: Methodology And Assumptions, Aug. 8, 2016
- Criteria - Structured Finance - Covered Bonds: Counterparty Risk Analysis In Covered Bonds, Dec. 21, 2015
- Criteria - Structured Finance - Covered Bonds: Covered Bond Ratings Framework: Methodology And Assumptions, June 30, 2015
- Criteria - Structured Finance - Covered Bonds: Methodology And

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Assumptions: Analyzing European Commercial Real Estate Collateral In European Covered Bonds, March 31, 2015

- Criteria - Structured Finance - Covered Bonds: Covered Bonds Criteria, Dec. 9, 2014
- Criteria - Structured Finance - Covered Bonds: Methodology And Assumptions For Assessing Portfolios Of International Public Sector And Other Debt Obligations Backing Covered Bonds And Structured Finance Securities, Dec. 9, 2014
- Criteria - Structured Finance - General: Counterparty Risk Framework Methodology And Assumptions, June 25, 2013
- Criteria - Structured Finance - Covered Bonds: Methodology And Assumptions For Analyzing Mortgage Collateral In Danish Covered Bonds, May 2, 2012
- General Criteria: Methodology: Credit Stability Criteria, May 3, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

RELATED RESEARCH

- Danske Bank And Jyske Bank Outlooks Revised To Positive On Requirements To Issue Bail-In-Able Debt, April 5, 2018
- Kingdom of Denmark 'AAA/A-1+' Ratings Affirmed; Outlook Stable, March 16, 2018
- Banking Industry Country Risk Assessment: Denmark, March 7, 2018
- Global Covered Bond Characteristics And Rating Summary Q4 2017, Jan. 24, 2018
- Danske Bank A/S, Nov. 22, 2017
- Assessments For Target Asset Spreads According To Our Covered Bonds Criteria, Nov. 3, 2017
- Assessments For Jurisdictional Support According To Our Covered Bonds Criteria, Nov. 3, 2017
- Danish Covered Bond Index Report H2 2016: Collateral Performance Improves As Economic Growth Prevails, June 1, 2017
- Request For Comment: Methodology For Incorporating The Effect Of Resolution Regimes Into Covered Bond Ratings, Jan. 31, 2017
- Credit FAQ: The Danish Covered Bond Market Explained, July 15, 2014

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