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1. In brief



Covered bonds

Nordea covered bond operations

Four aligned covered bond issuers with complementary roles







Nordea Kredit



Nordea Mortgage Bank



Legislation	Norwegian	Swedish	Danish	Finnish
Cover pool assets	Norwegian residential mortgages	Swedish residential mortgages primarily	Danish residential & commercial mortgages	Finnish residential mortgages primarily
Cover pool size	EUR 36.3bn (eq.)	EUR 62.2bn (eq.)	Balance principle	Pool 1: EUR 12.2bn Pool 2: EUR 14.5bn
Covered bonds outstanding	EUR 22.9bn (eq.)	EUR 31.4bn (eq.)	EUR 57.8bn (eq.)*	Pool 1: EUR 10.4bn Pool 2: EUR 10.8bn
OC	59%	98%	8%*	Pool 1: 18% / Pool 2: 34%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa/ -	Aaa / -	-/AAA	Aaa / -
Outstanding green covered bonds	EUR 1.8bn	EUR 1.6bn	EUR 2.2bn	EUR 2.0bn

- Covered bonds are an integral part of Nordea's long term funding operations
- Issuance in Scandinavian and international currencies
- All Nordea covered bond issuance entities (MCIs) refer to Nordea's updated 2023 Nordea green funding framework

The figures in Nordea Kredit only include capital centre 2 (SDRO). Nordea Kredit no longer reports for CC1 (RO), as this capital centre only accounts for a minor part (<0.5%) of the outstanding volume of loans and bonds





Nordea Hypotek- overview

04 2024



100% owned subsidiary of Nordea Bank Abp - the largest Nordic financial institution



Grants long-term loans to Swedish households, municipalities, municipal housing companies and corporates



Licensed by the Swedish Financial Supervisory Authority to issue covered bonds (Säkerställda Obligationer) according to the Swedish Covered Bond Act



Cost-effective loan origination and service through Nordea Bank's nationwide Swedish branch network and internet

MOODY'S Covered bonds rated Aaa by Moody's



2. Cover pool characteristics



Cover pool key characteristics

Q4 2024

Cover pool summary

Loans in cover pool SEK 711.9bn

Outstanding covered bonds SEK 359.4bn

Cover pool contentMortgage loans secured by residential or commercial property. Loans to public sector

Geographic distribution Throughout Sweden with concentration to urban areas

Asset distribution 93.6% residential, 2.3% commercial, 1.7% agricultural, 2.4% public sector

Weighted average LTV* 53.7% (indexed)

Average loans size* SEK 808.8k

Over collateralization, OC 98%

Rate type** Floating 70.3%, Fixed 29.7%

Amortization**Bullet/ interest only 36.9%, Amortizing 63.1%

Pool type Dynamic

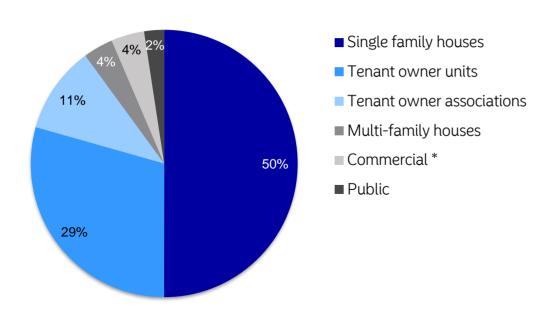
Loans originated byNordea Hypotek



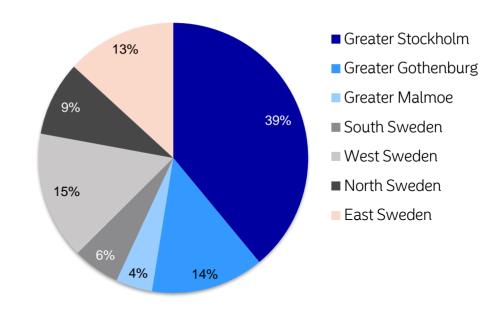
Cover pool key characteristics (2)

Q4 2024

Cover pool balance by loan category



Cover pool balance by region**





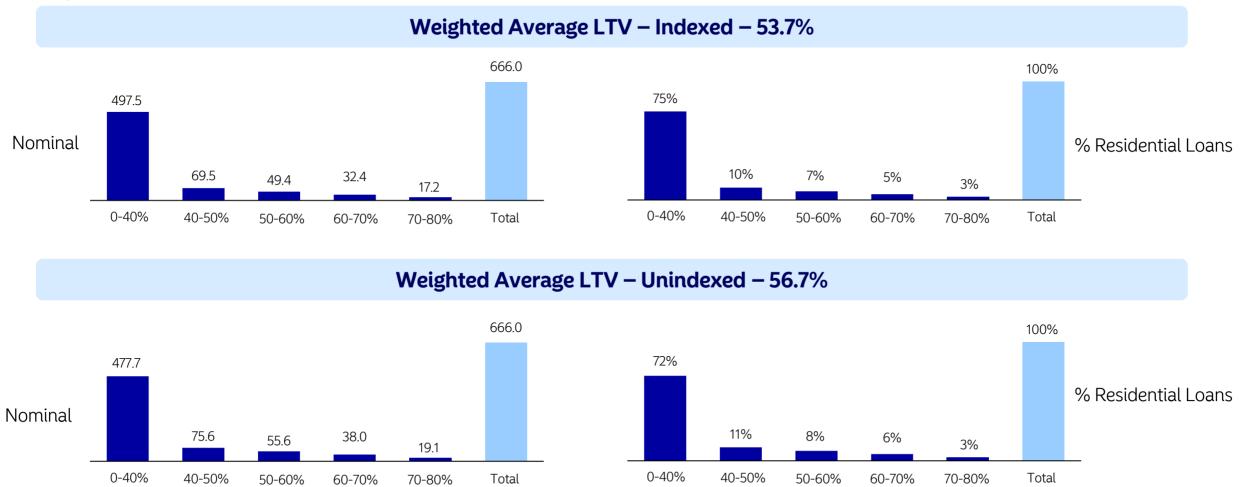
3. Asset quality



Continuous distribution where each loan can exist in multiple buckets

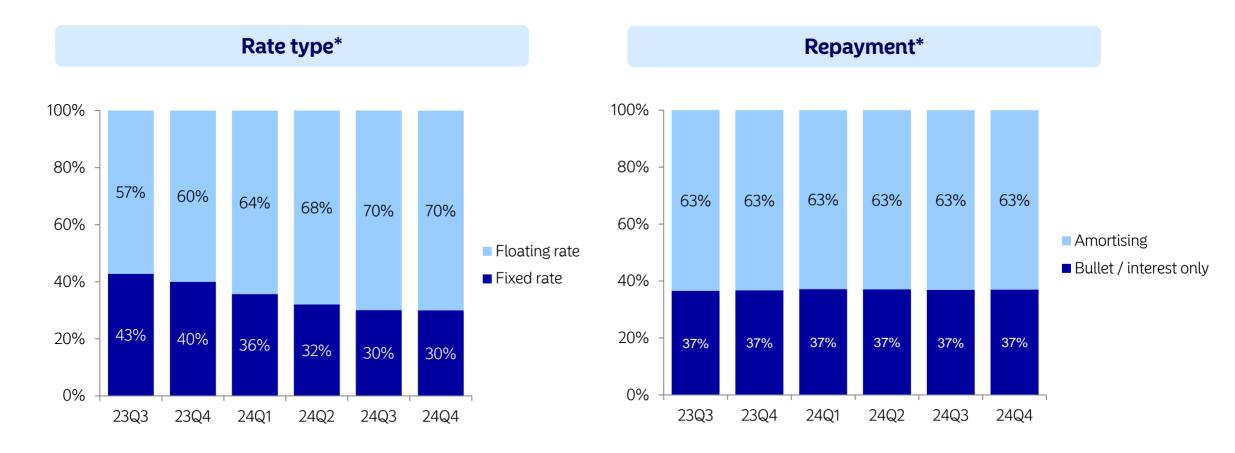
Loan To Value (LTV)*

Q4 2024



Loan structure

Q4 2024



Underwriting criteria

Private households

- Track record and income checked via UC and Tink
- Always household budget "before-after" with buffer requirement and stress test including behavioral analysis
- Individual valuation of the pledged property

Corporates/ Municipalities

- Financial analysis with adjustments to market conditions
- Verification of key ratios and other requirements in Nordea general real estate lending policy
- Rating according to Nordea's in-house models
- Individual valuation of the pledged property
- Yearly reassessments

4. Covered bond framework



Swedish covered bond framework

Legal framework

• Swedish Covered Issuance Act (SFS 2003:1223), came into force 1 July 2004 and amended on 8 July 2022 in order to implement the European covered bond directive

Registration

• An issuing institution is required to maintain a register on covered bonds, the cover pool and, if applicable, derivative agreements

Limit on LTV ratio – based on the current value

- 80% for housing loans (residential property)
- General limit of 60% for commercial loans (commercial property), and 70% if conditions of CRR Article 129 are met. Nordea Hypotek qualifies for and use the 70% limit

Matching rules

- The nominal value and net present value of the cover pool must at all times exceed the aggregate nominal value and the net present value of any claims (including estimated winding-down costs) that may be brought against the issuing institution in respect of covered bonds by a minimum of 2%
- The issuing institution must ensure that the flow of payments regarding assets in the cover pool, derivative agreements and covered bonds are such that the institution is, at all times, able to fulfil its payment obligations towards the holders of covered bonds and counterparties in derivative agreements

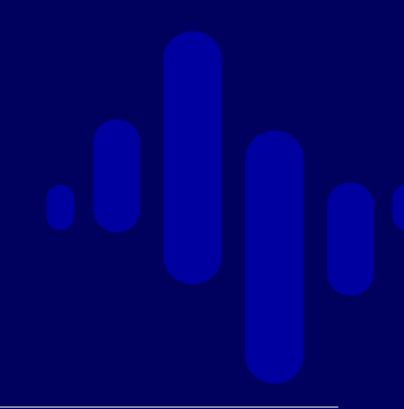
Liquidity buffer requirements

- The cover pool must include a liquidity buffer in an amount covering the maximum net liquidity outflow during the next following period of 180 days
- For covered bonds with an extendable maturity, the extended maturity date may be used when calculating the net liquidity outflow

Independent inspector

- Finansinspektionen will appoint an independent inspector for each issuing institution
- The inspector is required to look after that the register is maintained in a correct manner and in accordance with the provisions of the Act

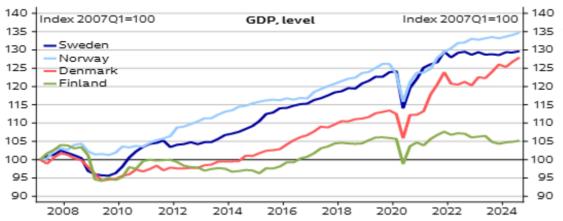
5. Macroeconomy



Nordic economic development

Better outlook ahead





Unemployment rate



- The Nordic economies have shown mixed trends on the back of surging inflation and higher interest rates
- Lower interest rates are expected to support economic activity going forward. GDP-growth in the Nordics will be positive in 2025 and 2026, according to Nordea's forecast
- Labour markets are still under pressure but are expected to stabilise soon

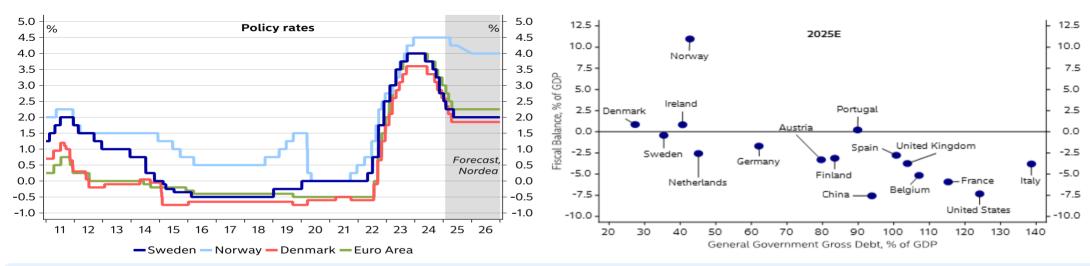
GDP, % y/y, Economic Outlook January 2025

Country	2023	2024E	2025E	2026E
Denmark	2.5	2.9	2.8	1.7
Finland	-1.2	-0.5	1.0	2.0
Norway (mainland)	0.7	1.0	1.8	1.8
Sweden	0.0	0.6	1.6	2.6

Less restrictive monetary policy

Policy rates

Public balance/debt, % of GDP, 2025E (IMF)

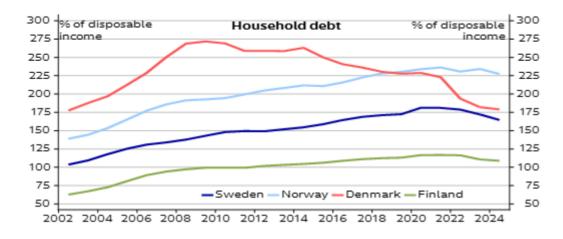


- The ECB and Danmarks Nationalbank lowered their policy rates by 0.25 percentage points in December
- The Riksbank is expected to cut the policy rate one more time before the summer, bringing down the policy rate to 2.00%
- The ECB is expected to lower rates by 0.25 percentage points at each meeting, until they reach 2.25% in April
- Norges Bank is expected to cut the policy rate in March by 0.25 percentage points down to 4.25%, according to Nordea's forecast. An additional rate cut is expected during the autumn, bringing down the policy rate to 4.00% by year-end
- The central banks are expected to stay on hold in 2026, leaving their policy rates unchanged, according to Nordea's forecast
- Solid public finances will help most of the Nordic governments to support the economic recovery ahead

Households

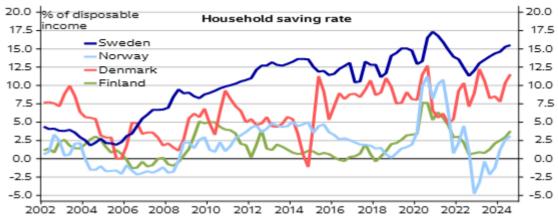
Increasing purchasing power

Household debt

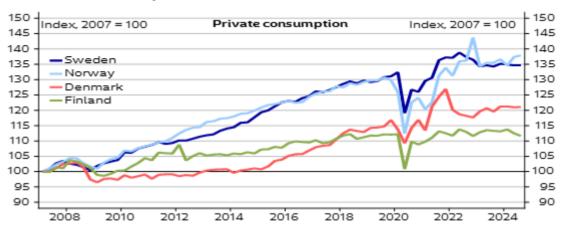


- Households' purchasing power and consumption are expected to improve as real disposable income continues to increase
- Consumer confidence have risen from very low levels but remains subdued, indicating caution among households
- Households' debt ratios have decreased whilst the savings rates have increased

Household savings



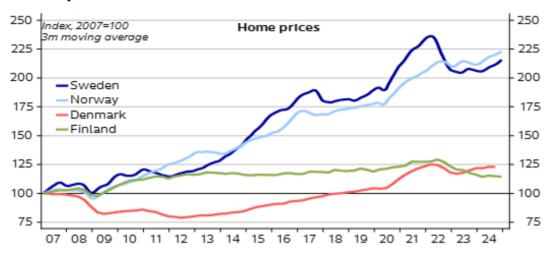
Private consumption



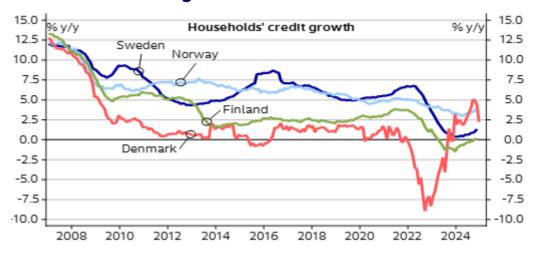
Housing markets

Increased activity

Home prices

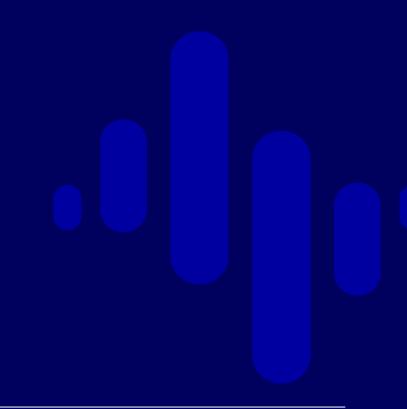


Households' credit growth



- Home prices have stabilised and modestly started to increase in most of the Nordic countries. Norwegian home prices have developed better than their Nordic counterparts and rose by 6.4% in 2024
- Monetary policy has become less restrictive in most of the Nordics which should support a recovery in home prices
- Transaction volumes are picking up from low levels. However, imbalances remain, and the higher-than-normal supply of homes suggests the markets can absorb a higher demand without sharp price increases
- Households' credit growth have turned positive in all the Nordic countries. Credit growth is expected to increase as central banks continue to lower their policy rates

6. Further information



Nordea Hypotek – outstanding benchmark covered bonds

Q4 2024

		at the same of the					
Breakdown by ISIN							
Serial no.	Currency	Amount (m)	Maturity	Coupon			
5535	SEK	82 800	17/09/2025	1%			
5536	SEK	78 550	16/09/2026	0.5%			
5537	SEK	70 350	16/06/2027	1%			
5731	SEK	6 000*	25/11/2027	3.375%			
5538	SEK	59 976	20/09/2028	3.5%			
5733	SEK	6 000*	27/10/2028	4.0%			
5734	SEK	6 000*	08/10/2029	2.269%			
5539	SEK	35 700	26/10/2029	3.5%			



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