

Nordea

# Nordea Kredit Covered Bonds

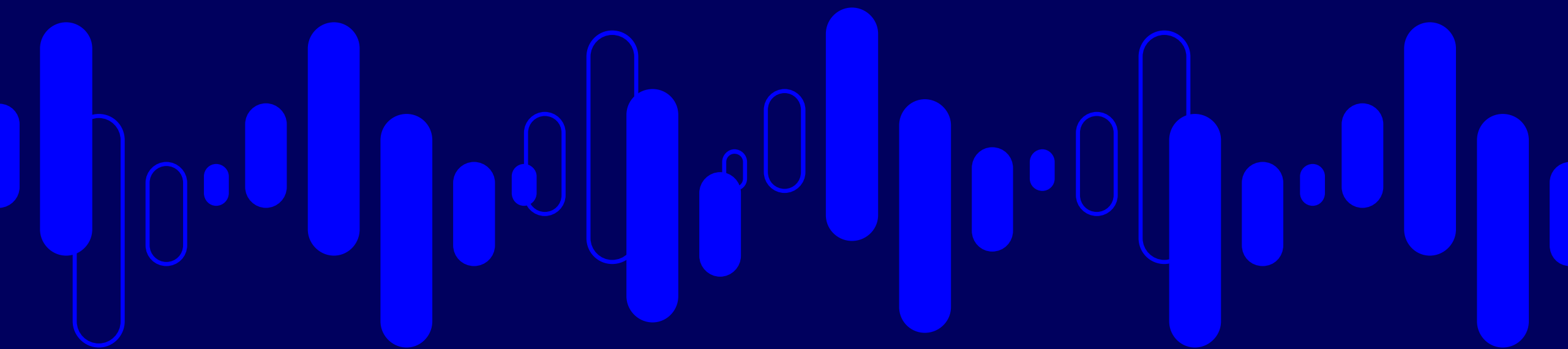
Q3 2025 Debt Investor Presentation



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# 1. Nordea covered bond operations

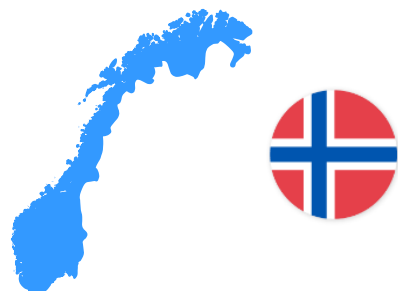


## Covered bonds

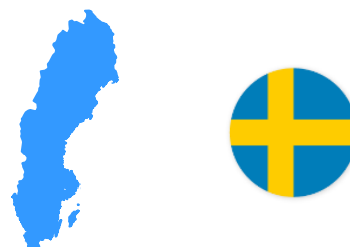
# Nordea covered bond operations

**Four aligned covered bond issuers with complementary roles**

Nordea Eiendoms kreditt



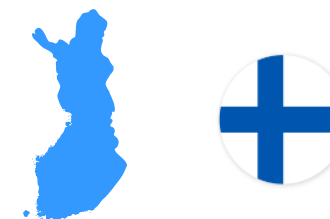
Nordea Hypotek



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 36.7bn (eq.)	EUR 67.3bn (eq.)	Balance principle	Pool 1: EUR 12.0bn Pool 2: EUR 15.3bn
Covered bonds outstanding	EUR 21.0bn (eq.)	EUR 30.3bn (eq.)	EUR 57.0bn (eq.) <sup>1</sup>	Pool 1: EUR 9.2bn Pool 2: EUR 12.5bn
OC	75%	122%	6.9% <sup>1</sup>	Pool 1: 30% / Pool 2: 22%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa / -	Aaa / -	- / AAA	Aaa / -
Outstanding green covered bonds	EUR 2.4bn	EUR 1.6bn	EUR 2.2bn <sup>1</sup>	EUR 2.8bn

- 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 2025 [Nordea green funding framework](#)

<sup>1)</sup> The figures for 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





## 2. Nordea Kredit - in brief

## Nordea Kredit – in brief

- 100% owned subsidiary of Nordea Bank Abp - the largest Nordic financial institution
- Operates as a mortgage credit institution with the purpose of granting mortgage credit loans funded by issuing mortgage credit bonds (covered bonds)
- Founded in 1993 and supervised by the Danish FSA (DFSA, Finanstilsynet)
- All mortgage credit bonds (covered bonds) issued by Nordea Kredit are rated AAA by Standard & Poor's
- Full support from Nordea Bank Abp to ensure compliant daily liquidity management
- More information at [nordeakredit.dk](https://nordeakredit.dk)

Key Figures and Ratios	Jan-Jun 2025	Jan-Jun 2024	Y/Y
Profit Before Tax, EURm	130	77	68.3%
Cost-Income Ratio	27.3%	58.5%	-31.2pp
Capital Ratio <sup>2</sup>	21.5%	31.0%	-9.5pp <sup>1</sup>
Tier 1 Capital Ratio <sup>2</sup>	20.0%	28.8%	-8.8pp

1) Nordea Kredit's capital ratio decreases from 31.0% to 21.5% due to implementation of new IRB retail risk models in Q3 2024.

2) Excluding profit for the period

### 3. Cover pool key characteristics

# Cover pool key characteristics

Q3 2025

<b>Outstanding covered bonds</b>	EUR 57.0bn
<b>Cover pool content</b>	Mortgage credit loans secured by mainly residential property (total: EUR 60.9bn including substitute assets) <sup>1</sup>
<b>Geographic distribution</b>	Throughout Denmark with concentration in urban areas
<b>Weighted average LTV (indexed)</b>	47.5%
<b>Average residential loan size</b>	EUR 213,990
<b>Over-collateralisation, OC</b>	6.9%
<b>Interest rate type (bonds)</b>	Fixed coupon 75.0% <sup>2</sup> , Floating rate 25.0%
<b>Amortization of underlying loans</b>	Interest only 54.1% <sup>2</sup> , Amortizing 45.9%
<b>Substitute assets</b>	EUR 5.9 bn
<b>Pool type</b>	Static
<b>Loans originated by</b>	Nordea Kredit CC2

1) Note that substitute assets includes pass-through funds that until passed on to investors are part of the collateral (in addition to the primary assets) for the outstanding covered bonds. Therefore, the over-collateralisation (OC) is comprised of only the remaining part of the substitute assets.

2) Including Bonds funding ARMs

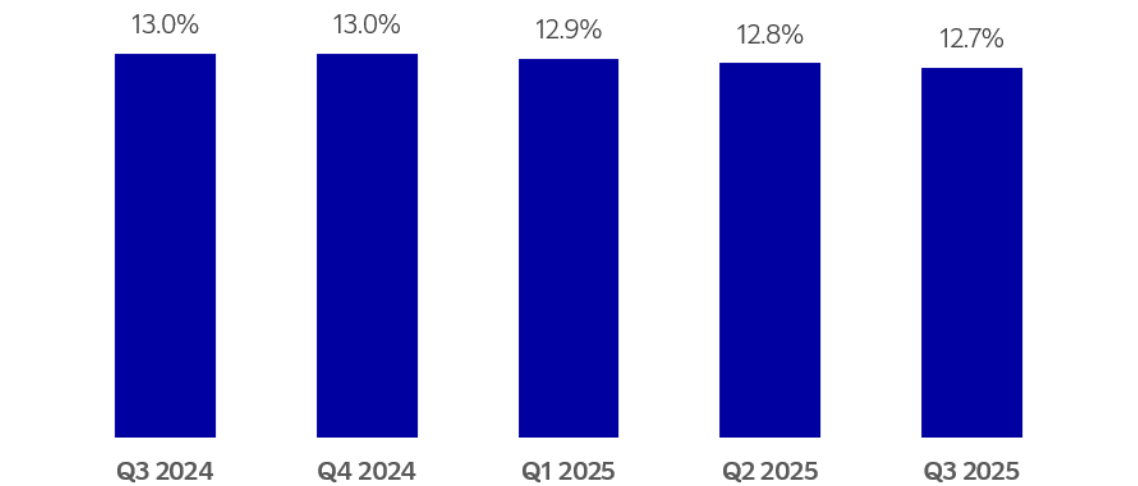
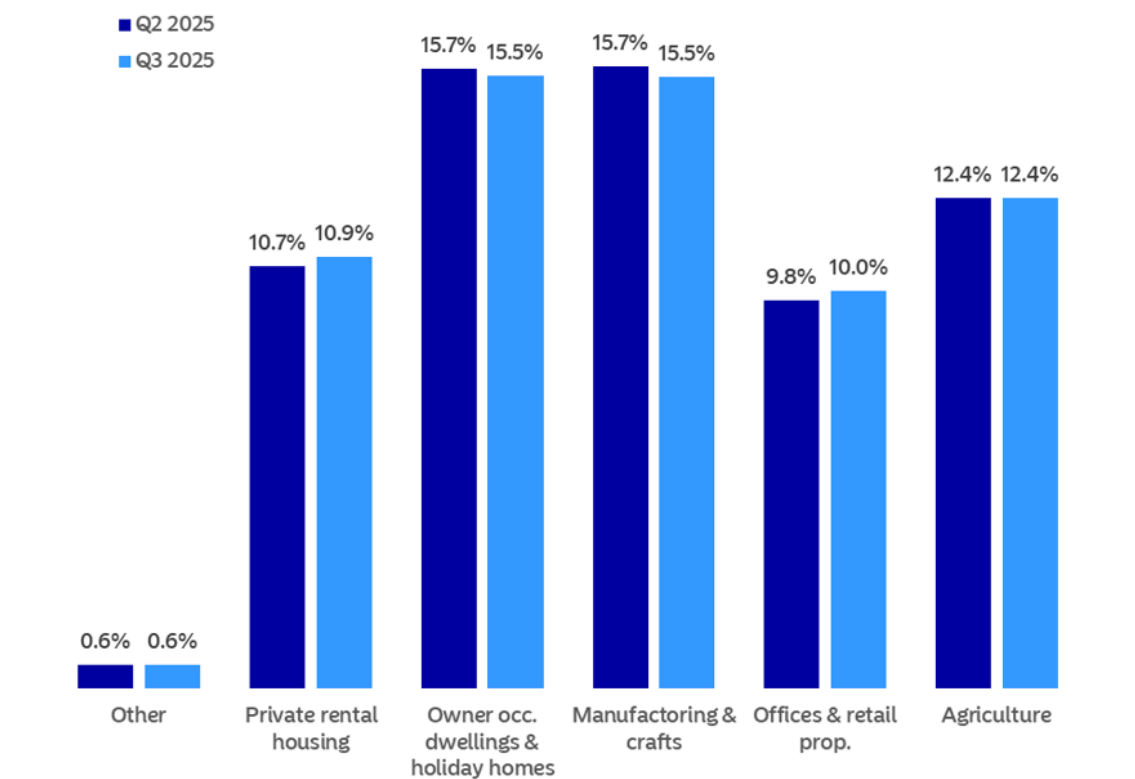


# Loan portfolio

Q3 2025

Market share<sup>1</sup> by property category

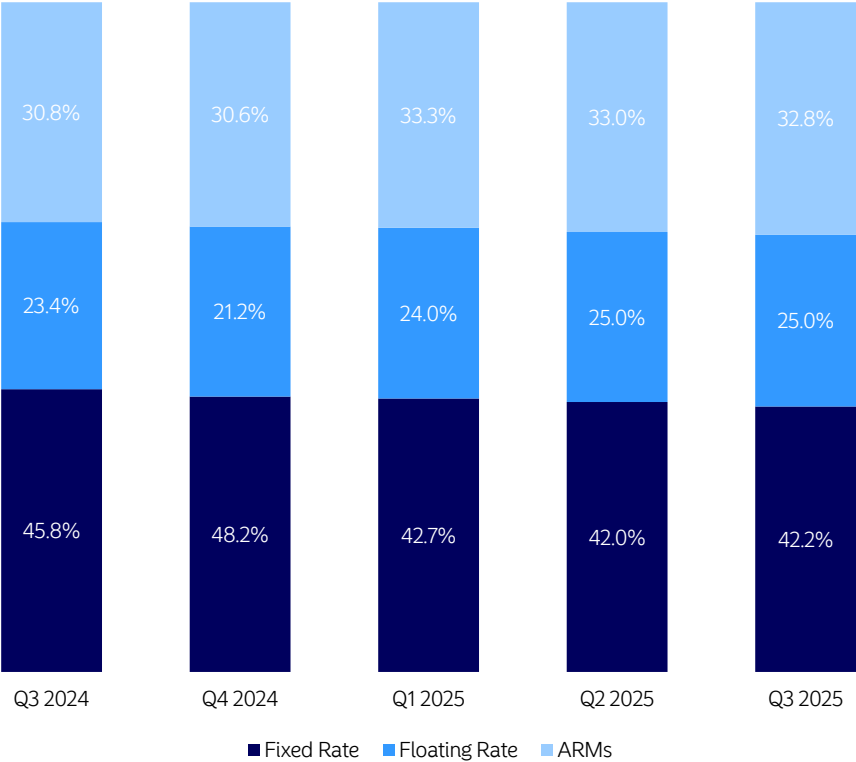
Market share<sup>1</sup> – overall



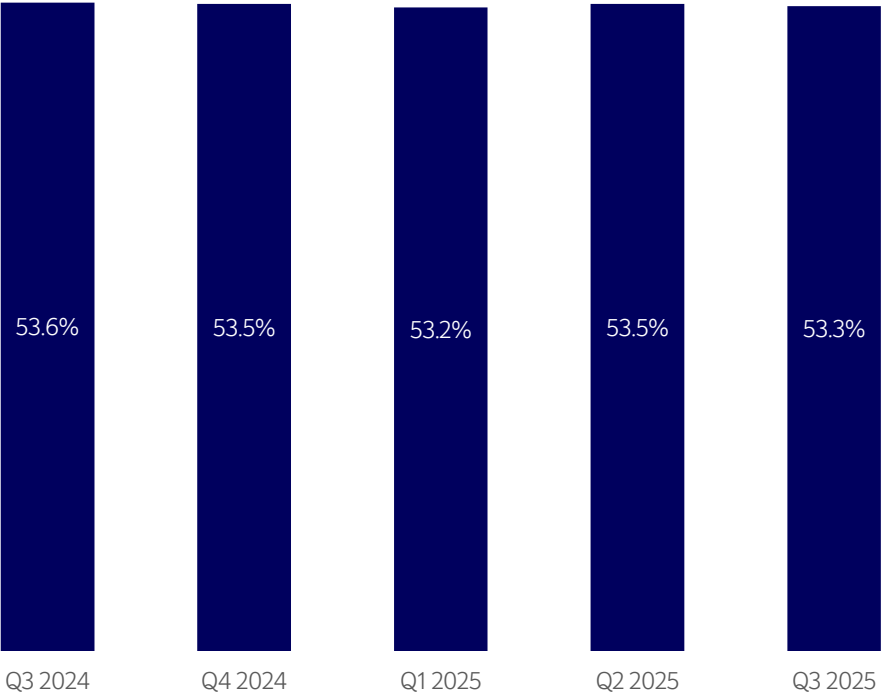
# Total loan portfolio (CC1 and CC2)

Q3 2025

Loan portfolio by loan type



Share of interest-only mortgages

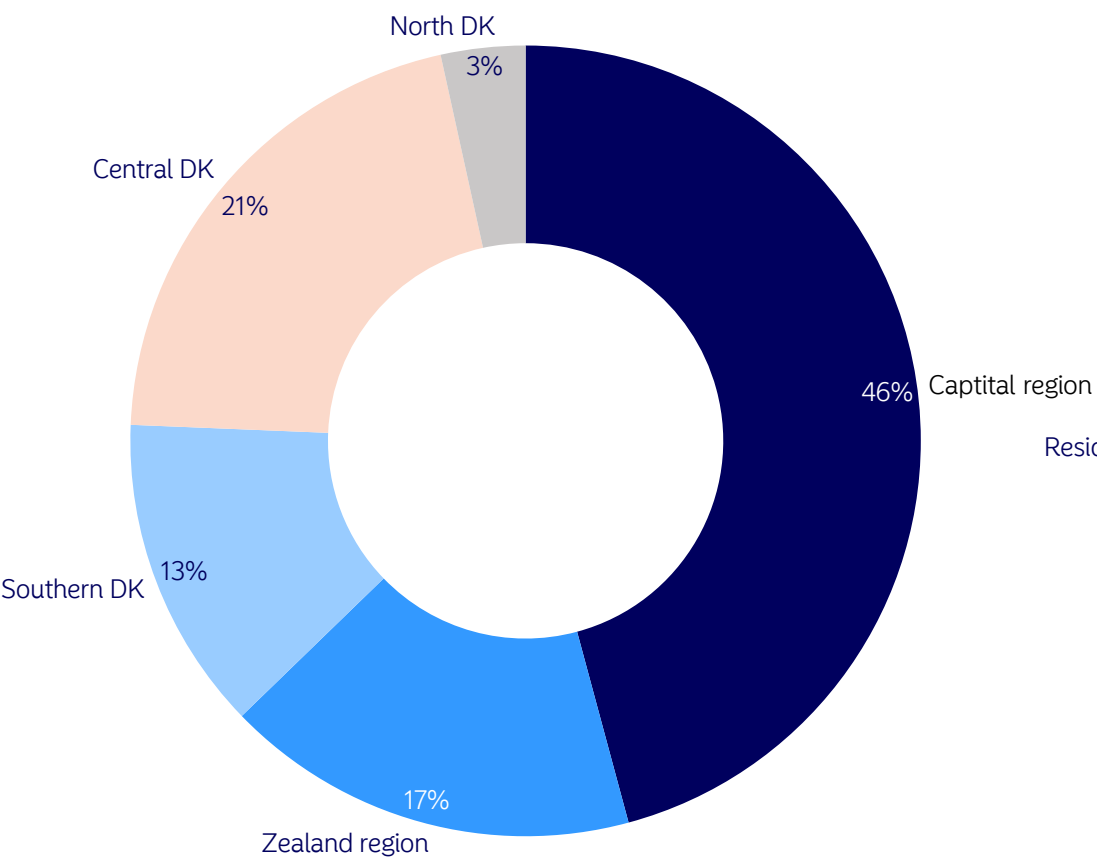


Note: In percent of the total loan balance

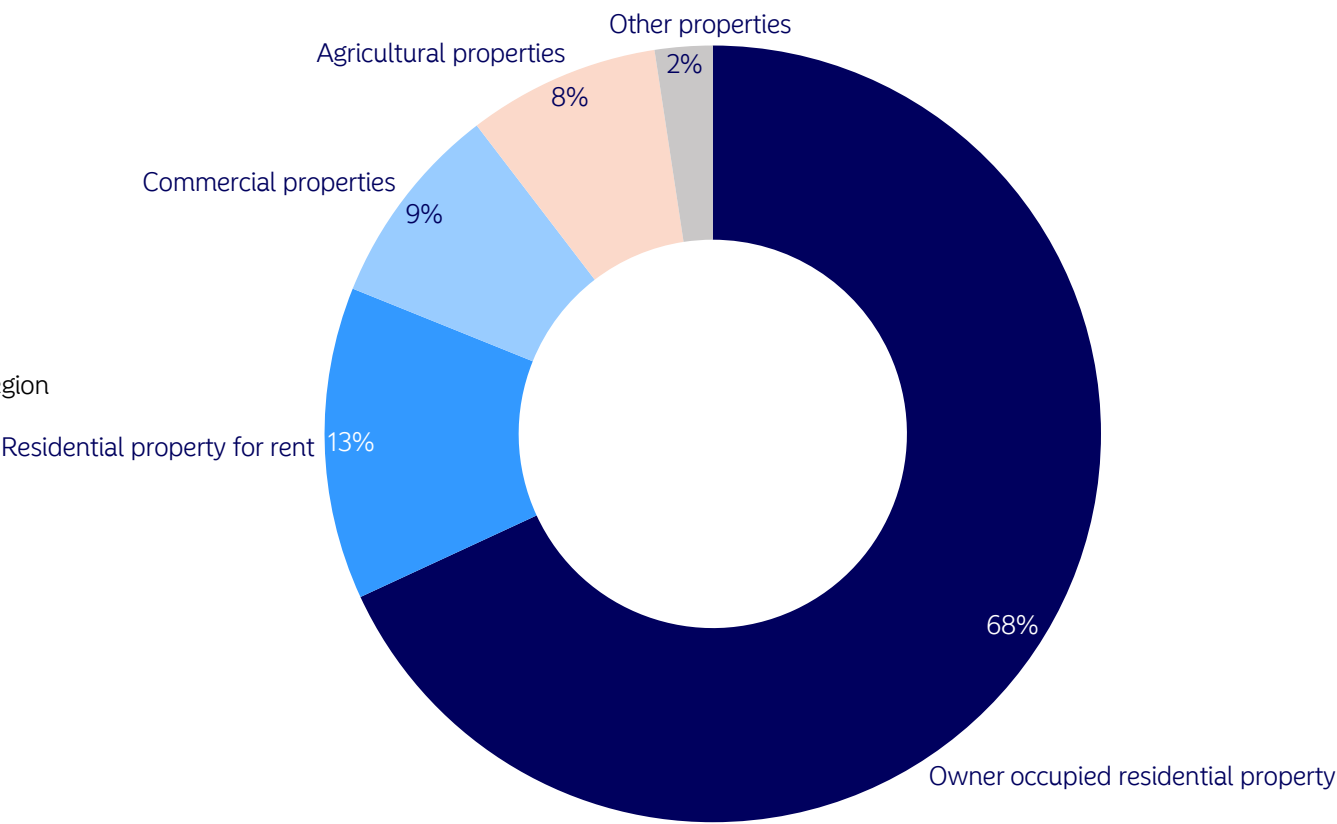
# Loan portfolio

Q3 2025

Loan balance by region



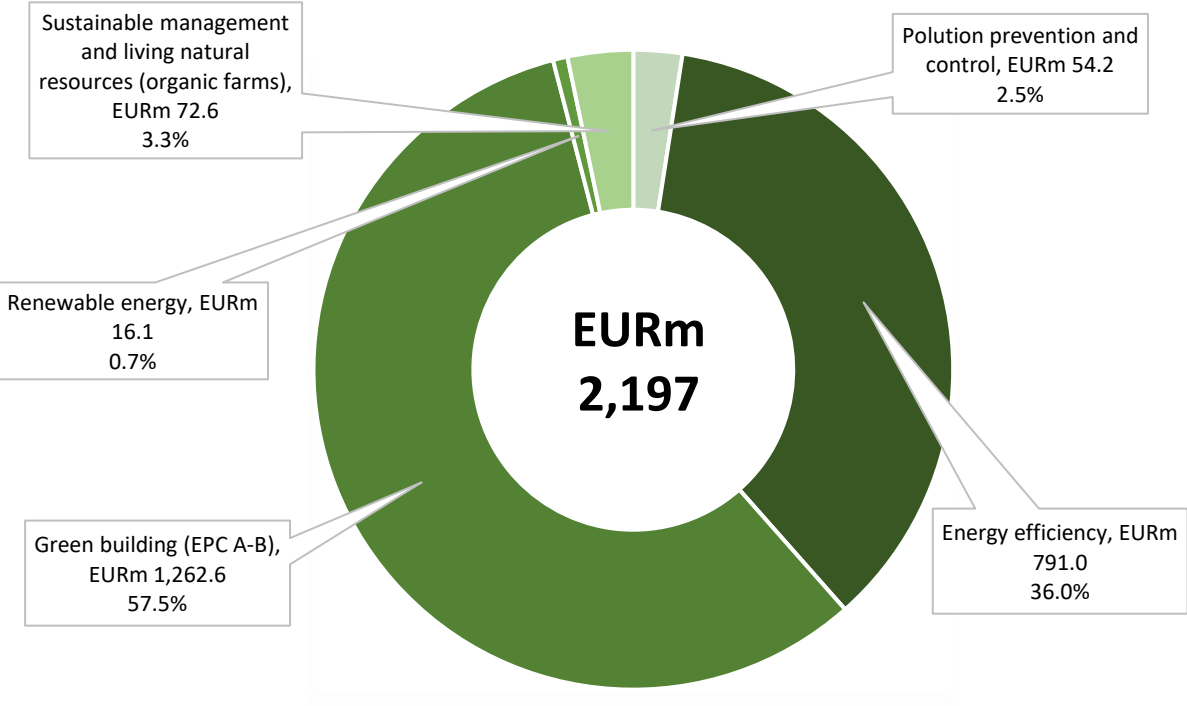
Loan balance by property category



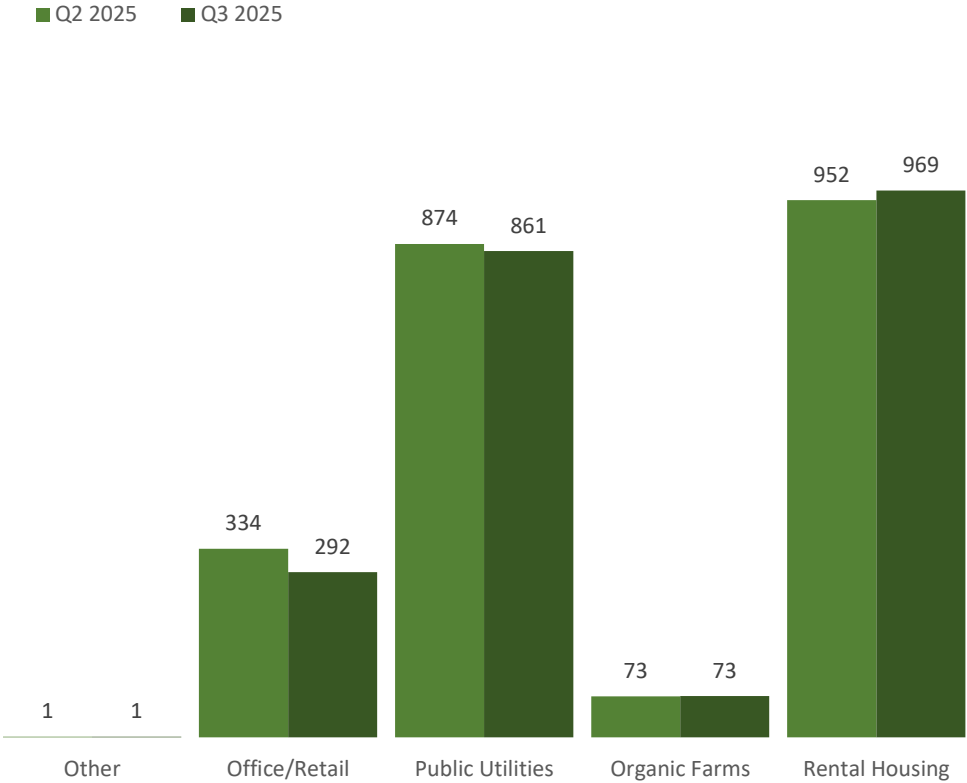
# Green Bonds

Q3 2025

Green lending by asset category



Green lending by property category - EURm



# Financed emissions – and portfolio by EPCs

Q3 2025

Type of property	Total volume DKKbn		Coverage (volume)		Financed emissions <sup>1)</sup>		Financed emissions <sup>1)</sup>		Financed emissions <sup>1)</sup>		Financed emissions <sup>1)</sup>	
					Total emission tCO2	Q2	Total emission tCO2	Q2	Financed emission CO2/DKKbn	Q2	Total emission CO2/sqm	Q2
Owner. occ. dwellings	257	256	98.8%	98.5%	271,668	278,900	125,563	132,284	0.49	0.52	12	12
Commercial residential	49	47	95.5%	94.6%	58,002	58,885	21,580	21,925	0.44	0.47	7	8
Offices & retail prop.	26	26	81.8%	83.9%	84,571	88,408	31,969	33,572	1.21	1.29	12	13
Other properties <sup>2)</sup>	46	46	0.0%	0.0%								
<b>Total</b>	<b>378</b>	<b>375</b>	<b>84.6%</b>	<b>84.4%</b>	<b>414,241</b>	<b>426,193</b>	<b>179,112</b>	<b>187,781</b>				

## Notes

- 1) Calculations and portfolio as of end of September 2025.
- 2) Other properties include agriculture, manufacturing and manual industries etc.
- 3) Energy Performance Certificate (EPC): Theoretical calculation of the building's energy consumption.

## Disclaimer

The information on CO2 emissions is presented on the basis of Finance Denmark's "[Framework for Financed Emissions Accounting](#)" and Nordea Kredit's "[Approach for estimations of CO2-emissions for the lending portfolio of Nordea Kredit](#)".

The reported information on CO2 emissions has been prepared by Nordea Kredit using publicly available information considered reliable – including e.g. The Building and Housing Register (heating source etc.) and The Danish Energy Agency ([information on EPCs](#)). However, Nordea Kredit has not independently verified the contents hereof.

Nordea Kredit has taken reasonable care to ensure that the information and data used are not misleading, however, no representation or warranty, should be placed on the accuracy or completeness of the information presented above.

Portfolio by EPCs <sup>1, 3)</sup>		
EPC	Volume DKKbn	Q2
A2020	9	8
A2015	26	25
A2010	13	13
B	20	19
C	74	72
D	52	54
E	19	20
F	7	8
G	4	4
N/A	154	152
<b>Total</b>	<b>378</b>	<b>375</b>

## 4. Asset quality



# Loan to value (LTV) – loans for residential and commercial properties

Q3 2025

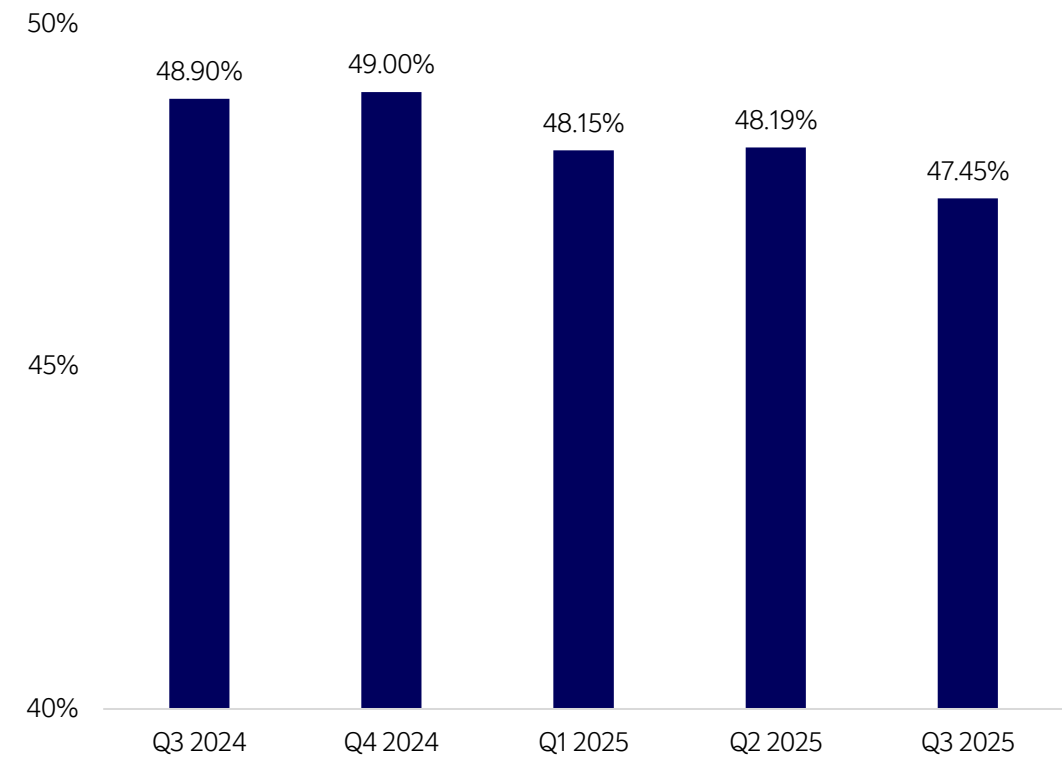
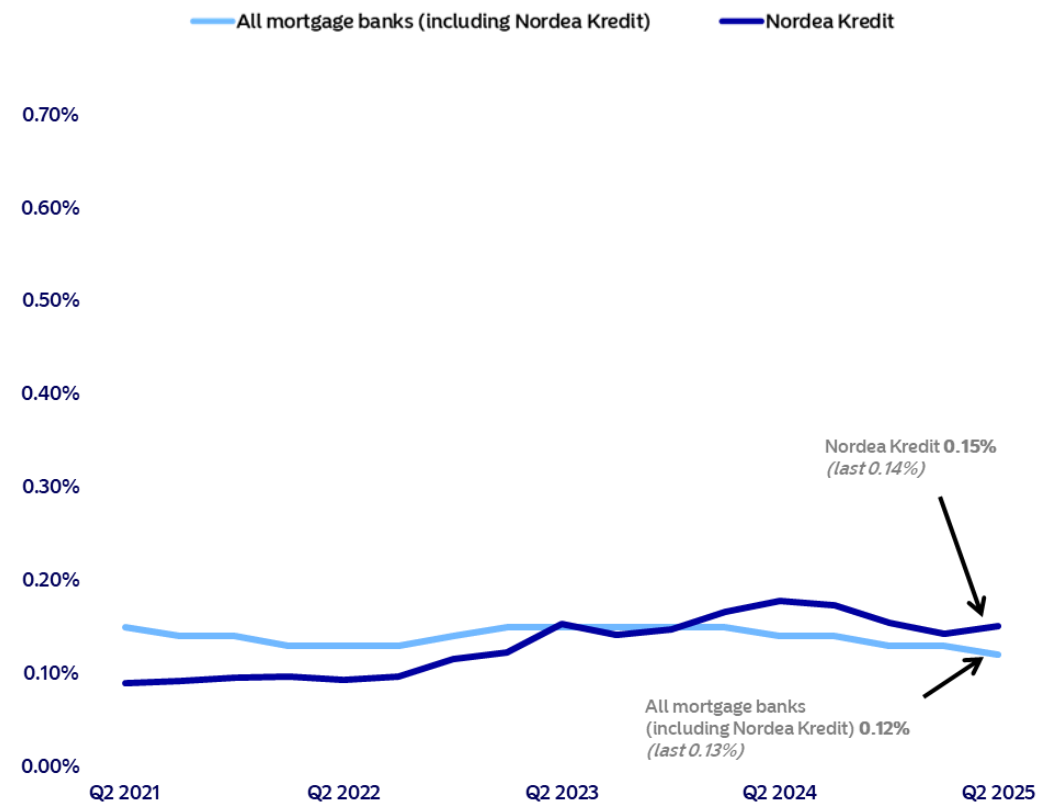
Loan type	Mortgage credit loans (residential)		Mortgage credit loans (commercial)	
Weighted average LTV – indexed	55.2%		40.4%	
LTV buckets	Nominal (EURm)	% Loans	Nominal (EURm)	% Loans
> 0 - ≤ 40 %	33,690	74.7%	7,771	78.5%
> 40 - ≤ 50 %	5,385	12.0%	1,362	13.8%
> 50 - ≤ 60 %	3,442	7.6%	663	6.7%
> 60 - ≤ 70 %	1,808	4.0%	91	0.9%
> 70 - ≤ 80 %	675	1.5%	7	0.1%
>80%	93	0.2%	1	0.0%
Total	45,093	100.0%	9,895	100.0%

# Asset quality

Q3 2025

Arrears (owner occupied dwellings and holiday homes) <sup>1)</sup>

Loan to value (LTV) weighted average (all loans)



1) Arrears as a percentage of the Q2, 2025 scheduled payments – 3½ months after due date  
2) The development in arrears for Nordea Kredit has been influenced by a pause of legal collection in Nordea Denmark in general since Q1 2023. Legal collection has been partly resumed since May 2024, including resuming of legal collection of loans in Nordea Kredit.

## 5. Underwriting criteria

# Underwriting criteria

## Private households

- Behavioural score and individual credit assessment are conducted based on income information, e.g. payslips and tax information
- "Before-after loan" household budgets are made and used in the assessment (based on a 30-year fixed interest rate annuity loan)
  - If the borrower chooses adjustable or floating interest rate loans, an additional stress test based on the current fixed interest rate +1 percentage point is conducted
  - If the LTV (loan to value) is > 60 and the LTI (loan to income) is > 4, the customer can only choose:
    - Fixed rate loans OR
    - amortising floating rate, fixed for minimum 5 years
- An individual valuation is made of the pledged property

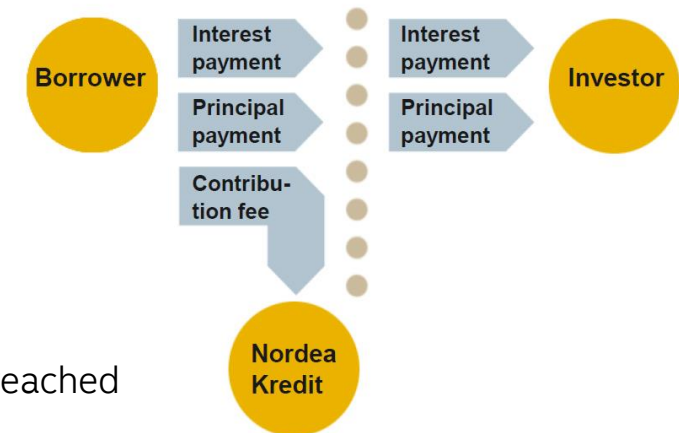
## Corporates, agriculture etc.

- A financial analysis of the customer is made, including adjustments for current market conditions
- Key ratios and other requirements in Nordea real estate lending policy are verified
- Rating of the customer according to Nordea's in-house models
- An individual valuation is made of the pledged property
- Yearly margin repricing based on reassessment

## 6. Danish covered bond framework

# Danish covered bond framework

- Legal framework
  - The Financial Business Act
  - The Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act with several implementing executive orders
- Registration
  - An issuing institution is required to maintain a static cover pool
  - Mortgage deeds must be registered in the Danish Public Land Registry
- Limits on LTV ratios – based on the value of the property at loan origination
  - 80% for mortgage loans in residential property
  - 60% for mortgage loans in commercial real estate (legislative limit 70%)
  - Static cover pools – issuer must provide supplementary capital if LTV-limits are breached
- Matching rules
  - Nordea Kredit complies with the specific balance principle utilising match funding, hence Nordea Kredit only has insignificant interest rate and currency risk
- Public supervision
  - The DFSA performs supervision and on-site inspections on an ongoing basis

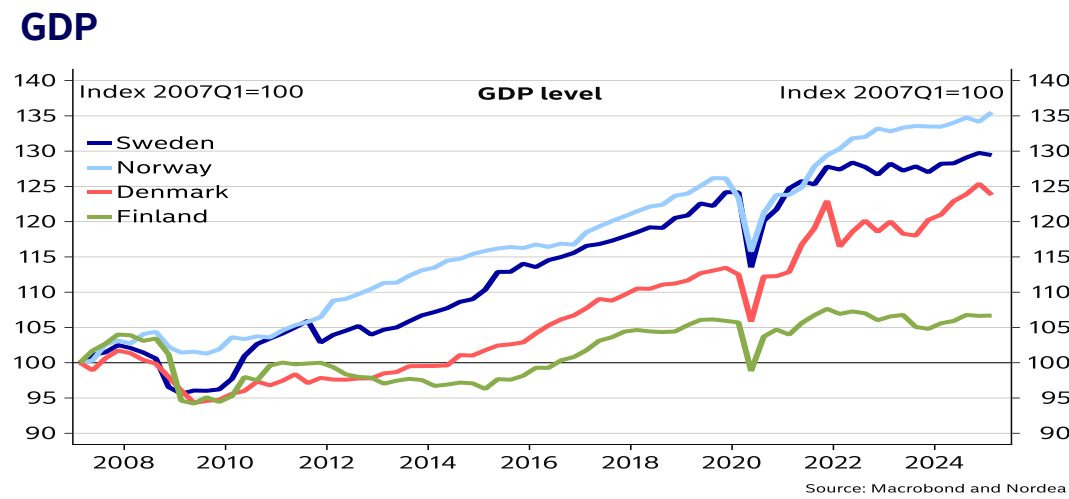




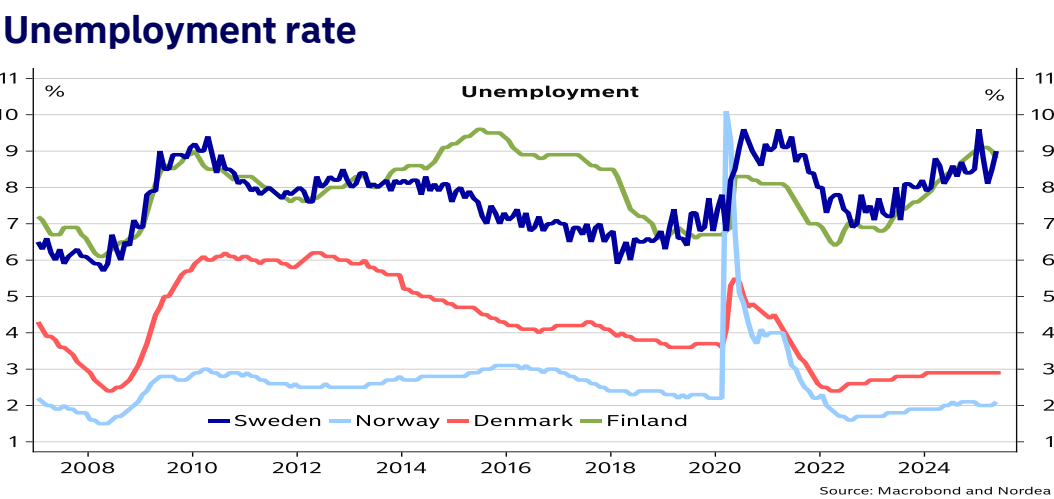
## 7. Macroeconomy

# Nordic economic development

## Weathering the storm



- The global economic outlook remains highly uncertain amid trade tensions and geopolitical risks. However, the Nordic economies are expected to weather the storm
- Economic activity in the Nordics will be positive in both 2025 and 2026, according to our forecast, mainly due to lower interest rates
- Labour markets are still under pressure, but are expected to stabilise soon

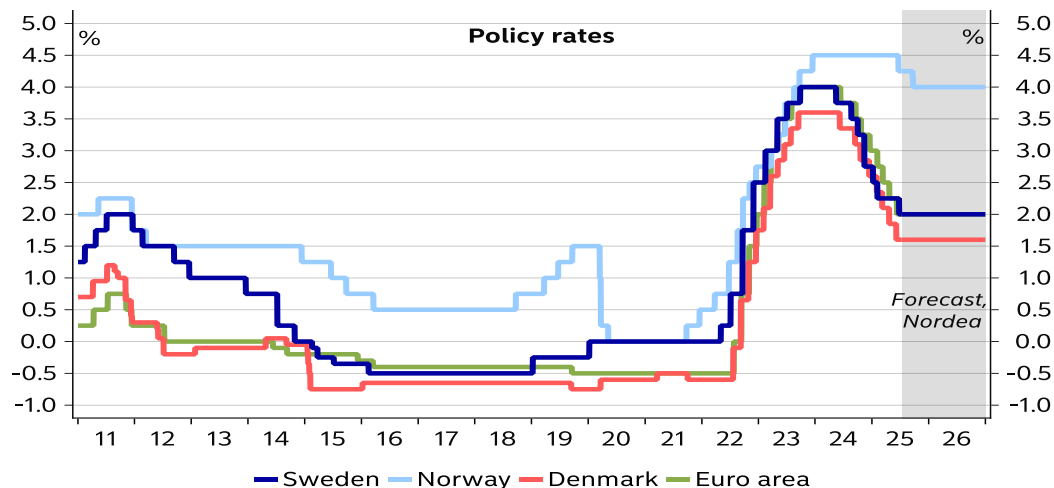


### GDP, % y/y, Economic Outlook May 2025

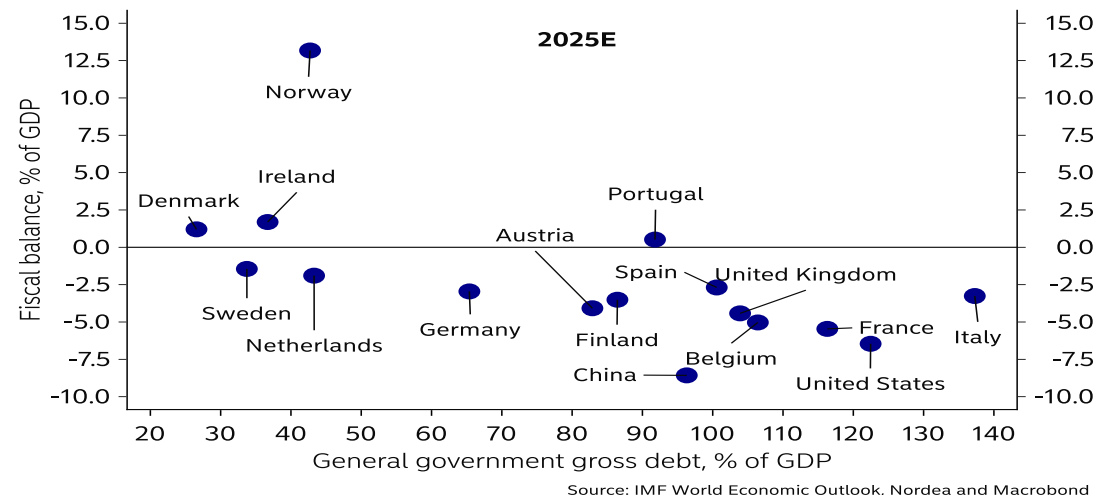
Country	2023	2024	2025E	2026E
Denmark	0.6	3.5	3.2	2.0
Finland	-0.9	0.4	1.0	2.0
Norway (mainland)	0.7	0.6	1.7	1.6
Sweden	0.0	1.0	1.8	2.5

# On hold

## Policy rates



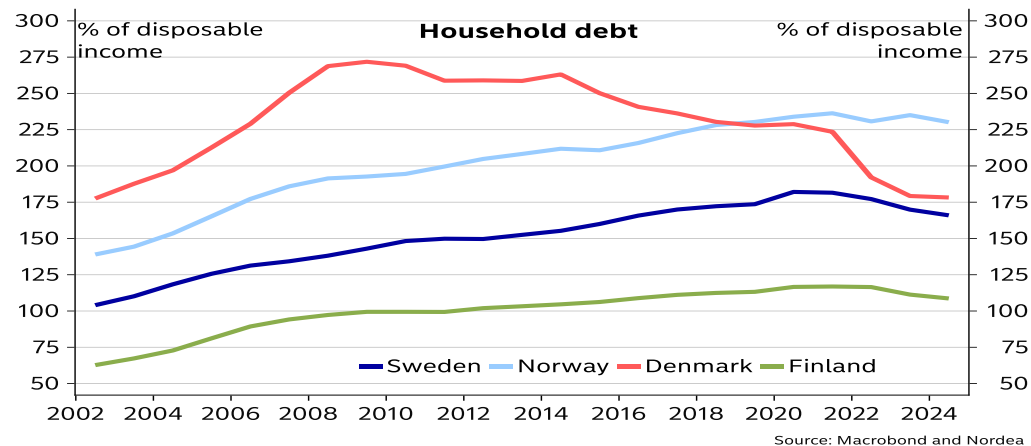
## Public balance/debt, % of GDP, 2025E (IMF)



- The ECB, Danmarks Nationalbank, Norges Bank and Sveriges Riksbank lowered their policy rates by 0.25pp in June
- The ECB and Sveriges Riksbank are expected to leave their policy rates unchanged at 2.00%, according to our forecast
- Norges Bank is expected to cut its policy rate once more, to 4.00%, in September according to our forecast
- The central banks are expected to keep their policy rates unchanged in 2026, according to our forecast
- Solid public finances will help most Nordic governments support the economic recovery ahead

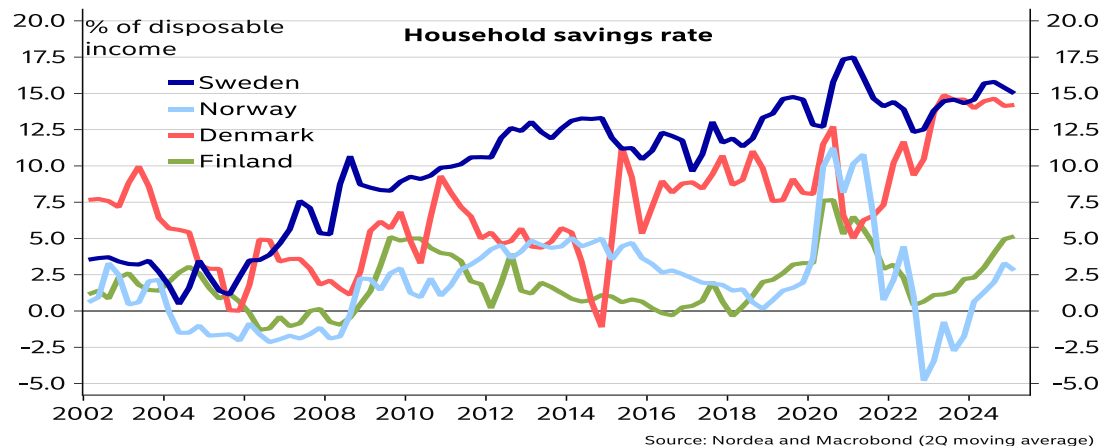
## Cautious consumers

### Household debt

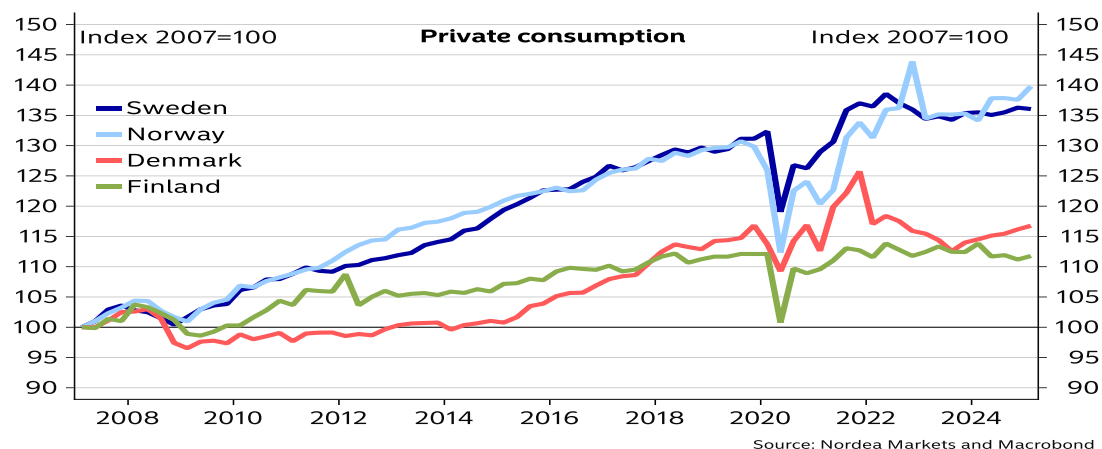


- The elevated global uncertainty contributed to falling consumer confidence at the start of the year. The level has improved in recent months, albeit marginally, indicating continued caution among Nordic households
- Household purchasing power and consumption are expected to improve as real disposable income continues to increase
- Household savings rates turned positive in the Nordics last year, while the debt ratio declined

### Household savings

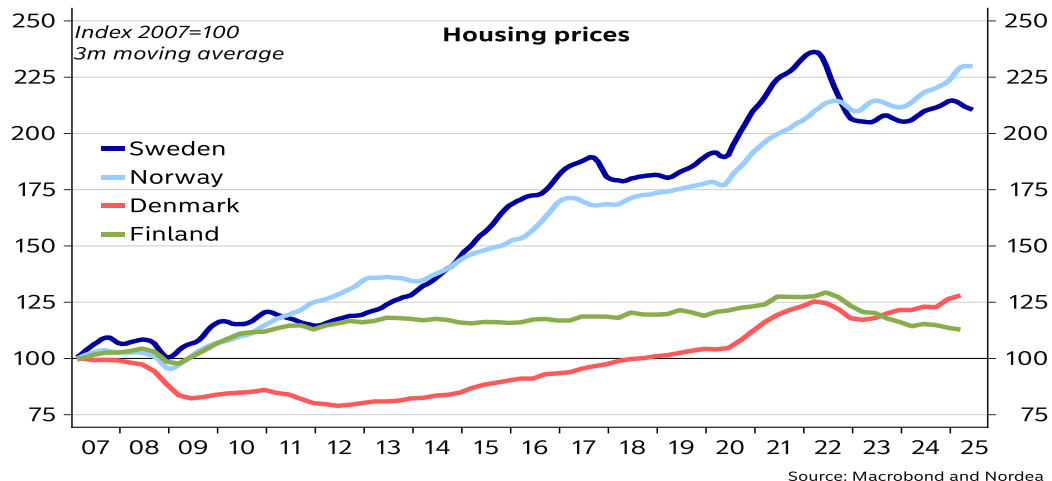


### Private consumption

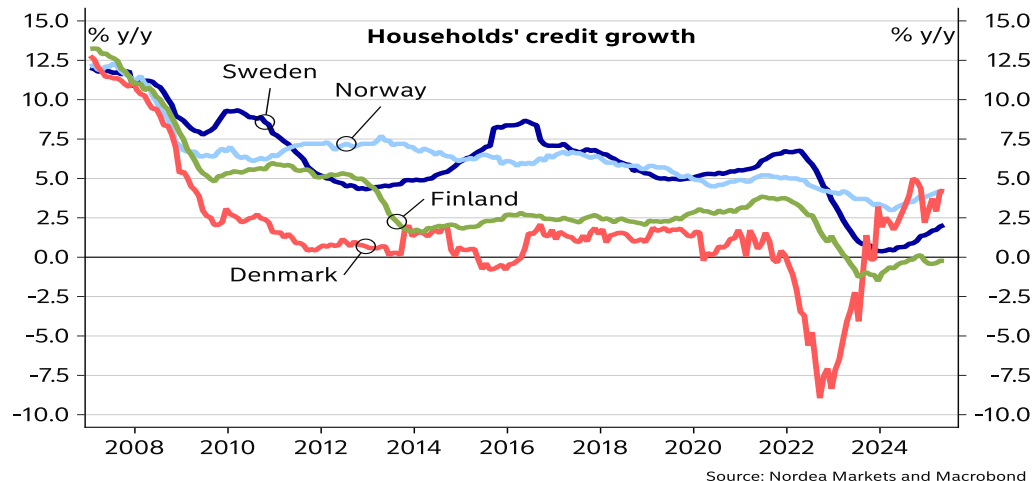


## Mixed developments

### Housing prices



### Households' credit growth



- Housing price developments have been mixed since the start of the year. Danish and Norwegian housing prices have fared better than those of their Nordic counterparts. Norwegian housing prices were up 5.1% year on year in June 2025
- Monetary policy has become less restrictive in most of the Nordic countries. In addition, improved financial conditions for households should support a recovery in housing prices
- Transaction volumes have normalised. However, the higher-than-normal supply of homes suggests the market can absorb higher demand without sharp price increases
- Household credit growth has turned positive in all the Nordic countries except Finland

## 8. Relevant links and Contacts



# Links for more information

## Nordea Kredit

- Nordea Kredit [ECBC harmonised transparency templates](https://www.nordea.com/en/investor-relations/reports-and-presentations/bonds/nordea-kredit-covered-bonds/).  
*Link: <https://www.nordea.com/en/investor-relations/reports-and-presentations/bonds/nordea-kredit-covered-bonds/>*
- Nordea Kredit [financial reports](https://www.nordea.com/en/investor-relations/reports-and-presentations/subsidiary-reports/nordeas-danish-subsiidiary-reports/).  
*Link: <https://www.nordea.com/en/investor-relations/reports-and-presentations/subsidiary-reports/nordeas-danish-subsiidiary-reports/>*

## Legislation

- Danish mortgage credit institutions are supervised by the Danish FSA (Finanstilsynet).  
*Link: English: <https://www.dfsa.dk/> - Danish: <https://www.finanstilsynet.dk/>*
- Selected legislation can be found in English at the Danish FSA's English website.  
*Link: <https://www.dfsa.dk/rules-and-practice/governance/acts>*
- All mortgage credit institution legislation can be found in Danish at the Danish FSA's Danish website.  
*Link: <https://www.finanstilsynet.dk/lovgivning/dansk-lovsamling/kreditinstitutomraadet>*

## Contacts

If you have any questions, please feel free to contact:

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