

An aerial photograph of a city skyline at dusk. Two tall, modern skyscrapers are the central focus, both under construction. They have a grid-like facade of windows and balconies. Two large tower cranes are positioned next to the taller building. In the foreground, there are lower-rise buildings, some with glass roofs, and a road with a tram. A body of water is visible in the background on the left, with another crane on the far shore. The sky is a mix of blue and orange from the setting sun.

Nordea

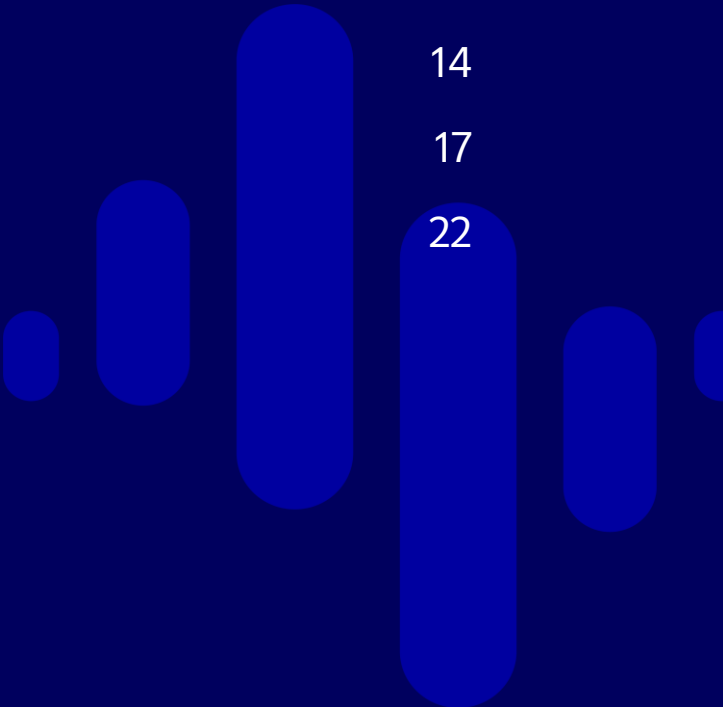
Q1 2025 Debt investor presentation

## **Nordea Mortgage Bank Covered Bonds**

Cover pools 1 & 2

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## 1. In brief

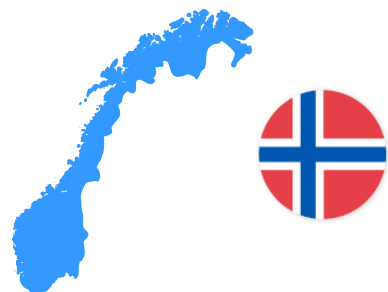


## Covered bonds

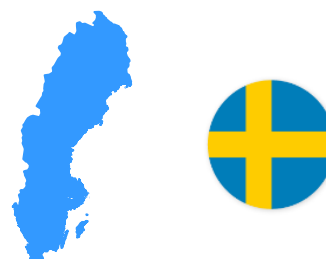
# Nordea covered bond operations

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

Nordea Eiendoms kreditt



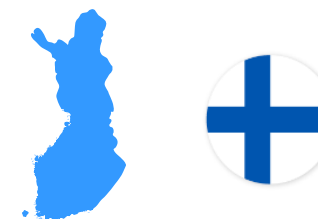
Nordea Hypotek



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 37.0bn (eq.)	EUR 66.3bn (eq.)	Balance principle	Pool 1: EUR 11.9bn Pool 2: EUR 15.3bn
Covered bonds outstanding	EUR 23.0bn (eq.)	EUR 35.7bn (eq.)	EUR 58.8bn (eq.)*	Pool 1: EUR 10.4bn Pool 2: EUR 10.8bn
OC	61%	86%	8%*	Pool 1: 15% / Pool 2: 43%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa / -	Aaa / -	- / AAA	Aaa / -
Outstanding green covered bonds	EUR 1.8bn	EUR 1.7bn	EUR 2.3bn	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 in Nordea Kredit only include capital center 2 (SDRO). Nordea Kredit no longer reports for CC1 (RO), as this capital center only accounts for a minor part (<0.5%) of the outstanding volume of loans and bonds

# Nordea Mortgage Bank Plc – overview

Q1 2025



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



Operates as a mortgage credit institution with the main purpose of issuing covered bonds



Issuing covered bonds according to the Finnish covered bond legislation

Legacy bonds

Old Covered Bond Act (688/2010), secured by Covered Pool I

New covered bonds

New Mortgage and Covered bond Act (151/2022), secured by Covered Pool II



Acting in a healthy and conservative Finnish housing market. Market share of Nordea ~30% of the Finnish mortgage market (housing loans)



Dedicated liquidity line provided by Nordea Bank Abp to manage daily cash needs and ensure compliance with external and internal requirements regarding liquidity management

**MOODY'S**

Covered bonds rated Aaa by Moody's

## 2. Cover pool characteristics



# Cover pool key characteristics

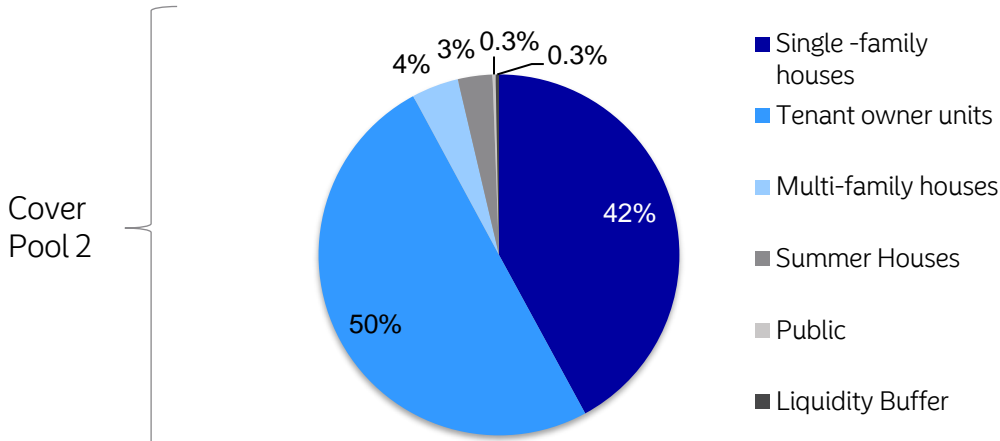
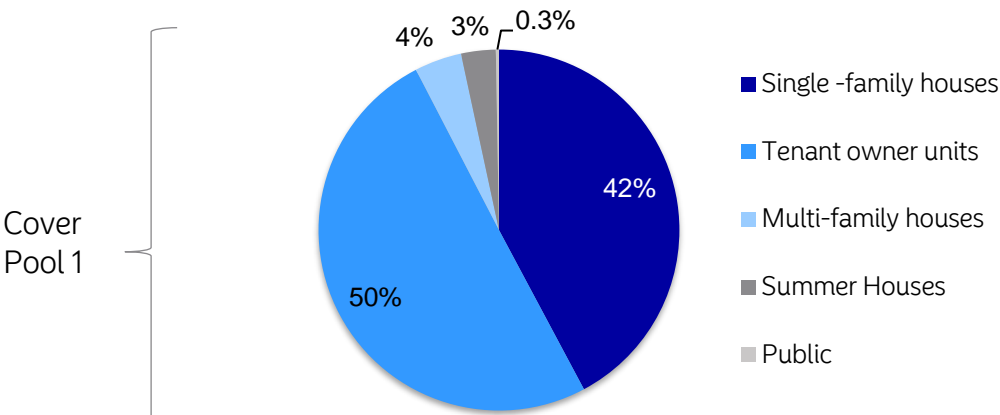
Q1 2025

Cover pool summary	Cover pool 1 (Legacy)	Cover Pool 2 (New)
<b>Pool notional</b>	EUR 11.9bn	EUR 15.3bn
<b>Outstanding Covered Bonds</b>	EUR 10.4bn	EUR 10.8bn
<b>Cover pool content</b>	Mortgage loans secured by residential property. Loans guaranteed by public sector	Mortgage loans secured by residential property. Loans guaranteed by public sector
<b>Geographic distribution</b>	Throughout Finland with concentration in urban areas	Throughout Finland with concentration in urban areas
<b>Asset distribution</b>	99.7% residential, 0.3% public sector	99.4% residential, 0.3% public, 0.3% liquidity buffer
<b>Weighted average LTV*</b>	50.6% (indexed, calculated per property)	55.8% (indexed, calculated per property)
<b>Average loan size*</b>	EUR 76.3k	EUR 88.5k
<b>Over collateralisation, OC</b>	14.8%	42.6%
<b>Rate type*</b>	Fixed rate 0.9%, Floating rate 99.1%	Fixed rate 0.9%, Floating rate 99.1%
<b>Amortisation*</b>	Bullet/interest only 2.5%, Amortising 97.5%	Bullet/interest only 2.4%, Amortising 97.6%
<b>Substitute assets</b>	None	None
<b>Pool type</b>	Dynamic	Dynamic
<b>Loans originated by</b>	Nordea Bank Abp. (as of 1 October 2018)	Nordea Bank Abp. (as of 1 October 2018)

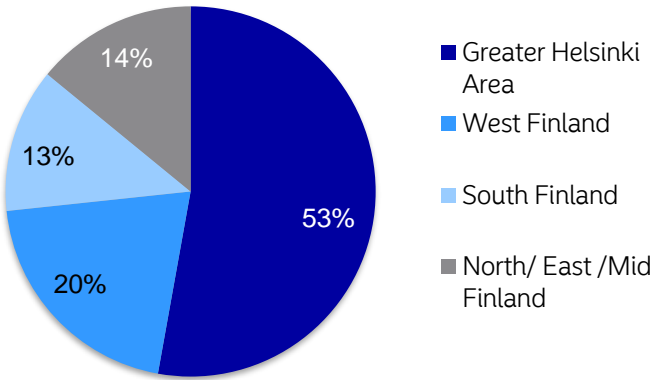
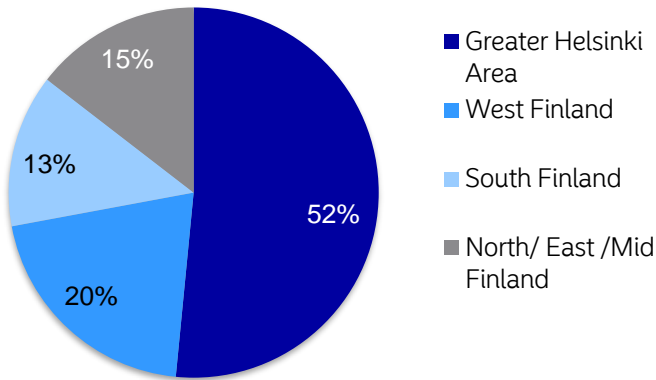
# Cover pool key characteristics (2)

Q1 2025

Cover pool balance by loan category



Cover pool balance by region

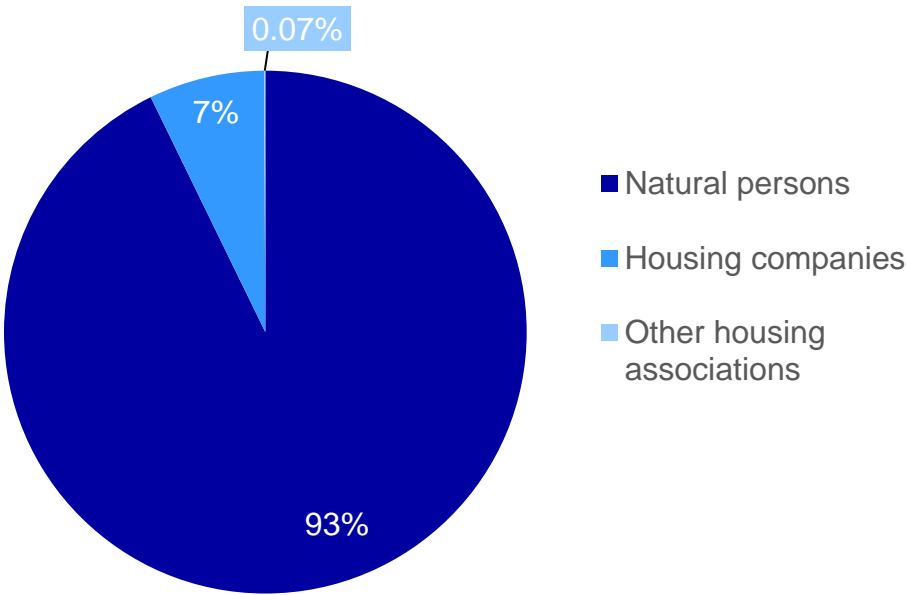




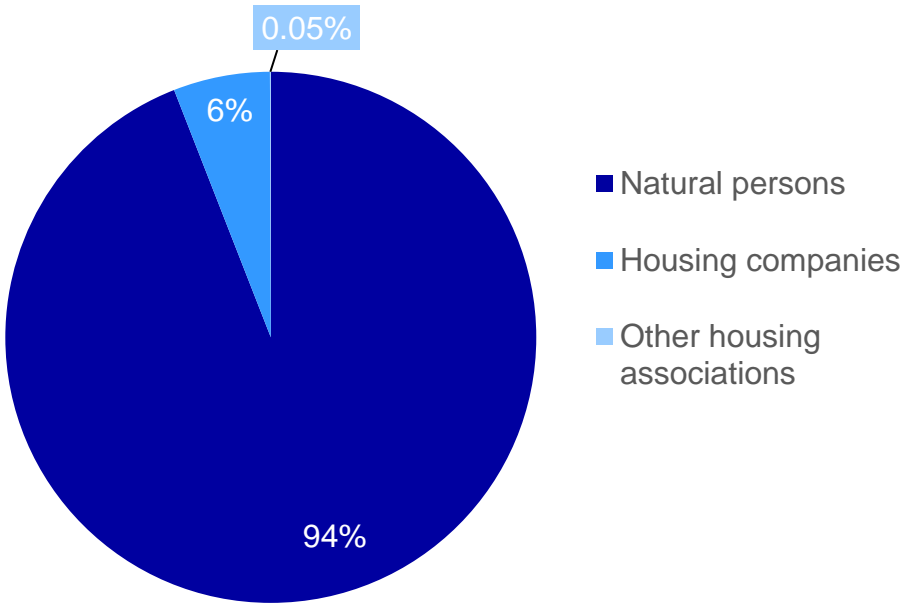
# Cover pool key characteristics (3)

Q1 2025

Distribution of collateral assets – Pool 1



Distribution of collateral assets – Pool 2



### 3. Asset quality

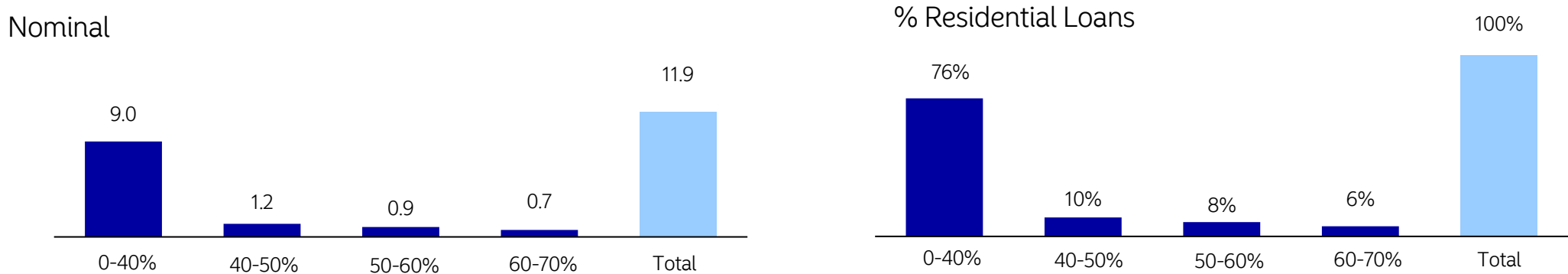


Continuous distribution where each loan can exist in multiple buckets

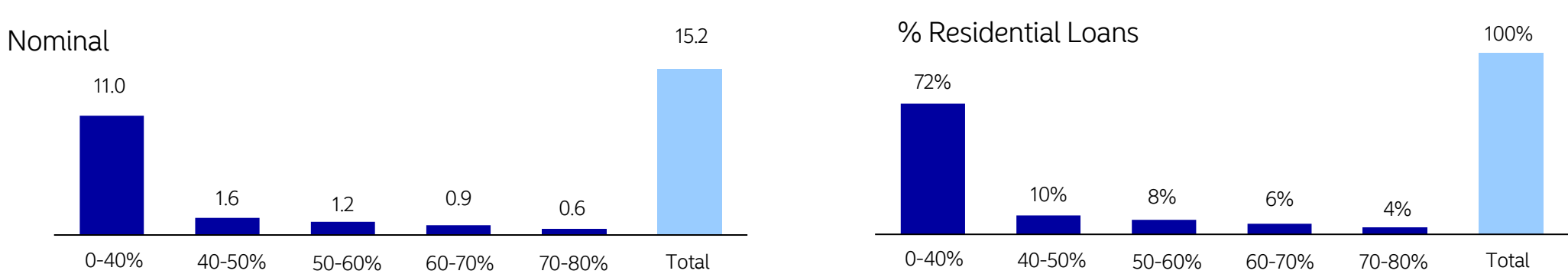
Loan To Value (LTV)

Q1 2025

Cover Pool 1 - Weighted Average LTV – Indexed – 50.6%

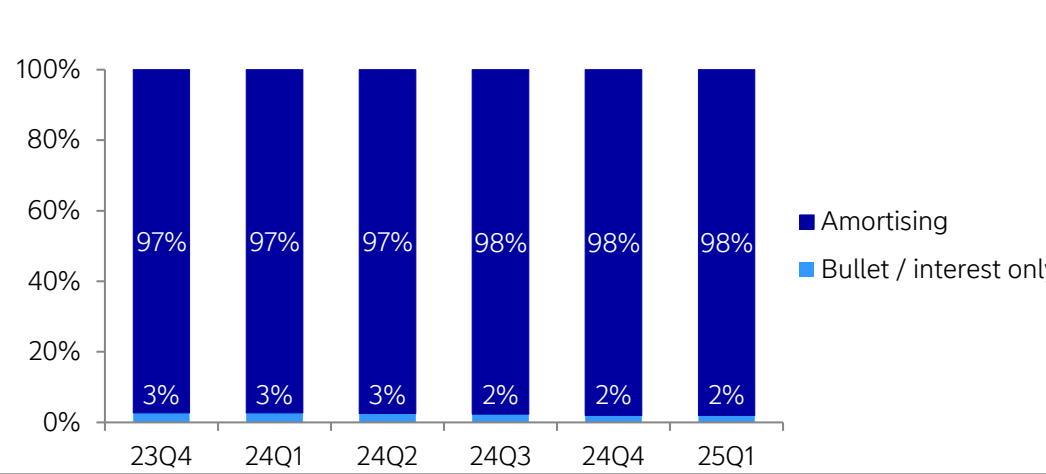
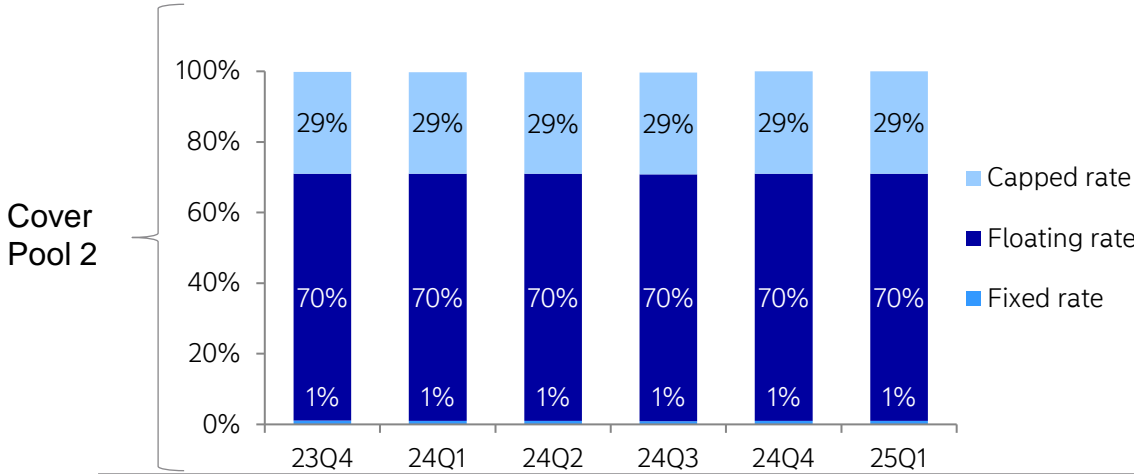
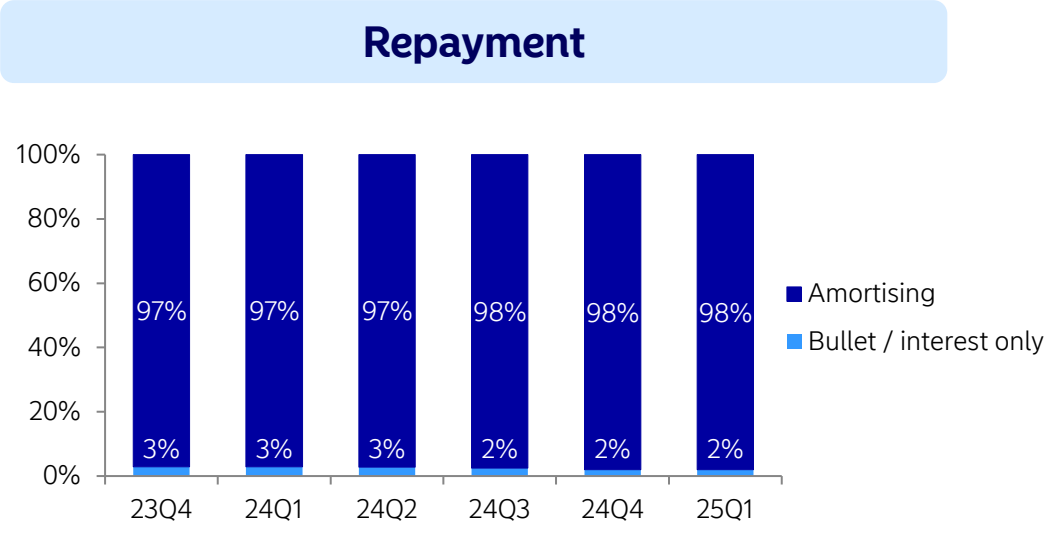
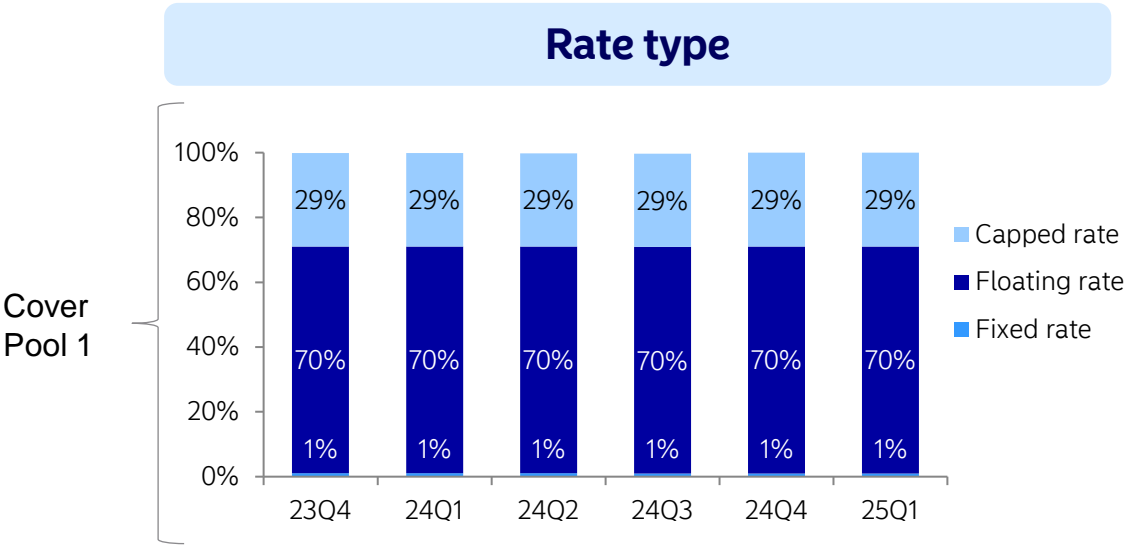


Cover Pool 2 - Weighted Average LTV – Indexed – 55.8%



# Loan structure

Q1 2025



# Underwriting criteria

## Residential mortgage loans

- Nordea's credit decision is based on the borrower's repayment capacity and collateral is always taken
- Collateral must be in the form of mortgages in real estate or in shares in housing companies
- Repayment ability of borrowers is calculated using stressed scenarios
- Credit bureau check is always conducted (Suomen Asiakastieto)
- Individual valuation of property based on market value
- Repayment schedules ranging from 20 to 30 years

## Multi-family residential mortgage loans

- Borrowers with strong EBITDA/debt and cash flow based on e.g. long-term high quality lease contracts and adequate interest rate hedging
- Individual credit decision based on credit policy and rating
- An evaluation of all property-related commitments is performed in the ordinary annual review against a background of quality issues/risk factors regarding the property itself, the lease, the management, the long-term cash flow and -strength of balance sheet/gearing. The analysis focuses on the repayment capacity
- Individual valuation of property based on market value

## 4. Covered bond framework



# Finnish covered bond framework

	Cover pool 1 – old until July 2022	Cover pool 2 – new as per July 2022
<b>Legal framework</b>	Finnish Covered Bond Act (statute 688/2010)	Finnish Mortgage Banks and Covered Bonds Act (statute 151/2022)
<b>LTV ratios</b>	Limit on LTV ratio – based on the current value <ul style="list-style-type: none"> <li>• 70% for housing loans (residential property)</li> <li>• 60% for commercial loans (commercial property)</li> </ul>	Limit on LTV ratio – based on the current value <ul style="list-style-type: none"> <li>• 80% for housing loans (residential property)</li> <li>• 60% for commercial loans (commercial property)</li> </ul>
<b>Coverage</b>	Matching cover requirements <ul style="list-style-type: none"> <li>• Total value of the cover pool must be greater than the aggregate outstanding principal amount of the covered bonds</li> <li>• Net present value of the cover pool must be at least 2% above the net present value of the liabilities under the covered bonds</li> </ul>	Overcollateralization requirements <ul style="list-style-type: none"> <li>• Value of the cover pool must be at least 2% above the value of the payment liabilities under the covered bonds calculated on a net present value basis or on a nominal value basis depending on which method provides a lower value for the cover pool</li> <li>• In addition, the overcollateralization must cover the estimated winding-down costs of the covered bonds</li> </ul>
<b>Liquidity risk mitigation</b>	Liquidity requirements <ul style="list-style-type: none"> <li>• Average maturity of the covered bonds must not exceed the average maturity of the loans entered in the register</li> <li>• Total amount of interest accrued from the cover pool assets, during any 12-month period, must be sufficient to cover the total amount payable under covered bonds and derivatives transactions during the same period</li> </ul>	Liquidity Buffer Requirement <ul style="list-style-type: none"> <li>• Cover pool must also include liquid assets in the amount that covers the maximum net liquidity outflow during the next following period of 180 days</li> <li>• When determining the net liquidity outflow, the issuer may use the soft bullet maturity date as the date when the covered bond matures</li> </ul>

## Finnish covered bond framework (2)

### Cover pool 1 & 2

#### Registration

- Collateral assets remain on the balance sheet of the issuer
- Covered bonds, collateral and relevant derivative contracts are entered in a separate register

#### Bankruptcy remoteness

Isolation of registered collateral assets and registered derivatives from all other assets and liabilities of the insolvent issuer

#### Preferential claim

Holders of covered bonds together with counterparties of registered derivatives and creditors of management and settlement costs in bankruptcy would rank pari passu and have a preferential claim to the cover pool assets

#### Post-bankruptcy procedures

- A bankruptcy administrator is appointed by the court (administration of estate) and a supervisor is appointed by the Finnish FSA (protection of covered bond creditors' rights)
- The cover pool, derivatives and covered bonds to be kept separated from the bankruptcy estate and remain outstanding until their maturity unless the coverage requirements can no longer be met, in which case the bankruptcy administrator will upon request or consent of the supervisor accelerate the covered bonds and liquidate the cover pool assets
- Covered bond creditors, counterparties of registered derivatives and creditors of management and settlement costs would rank pari passu and have a preferential claim on the proceeds of the liquidation of the cover pool

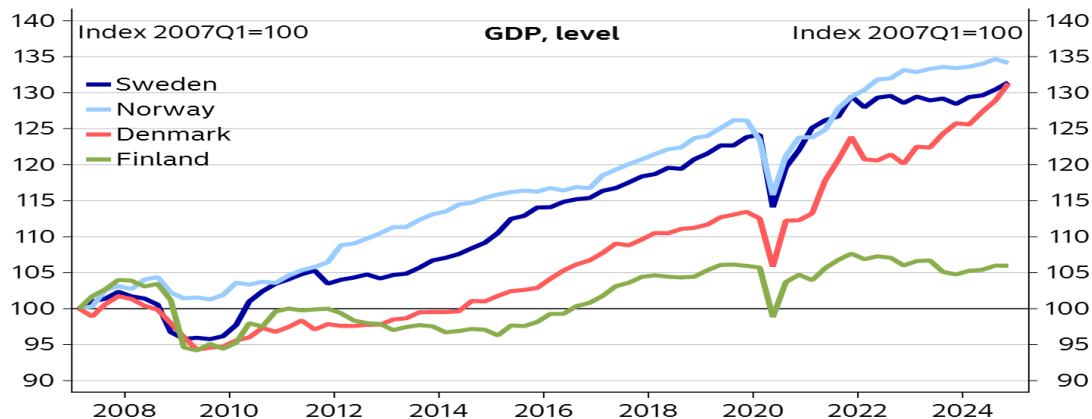


## 5. Macroeconomy

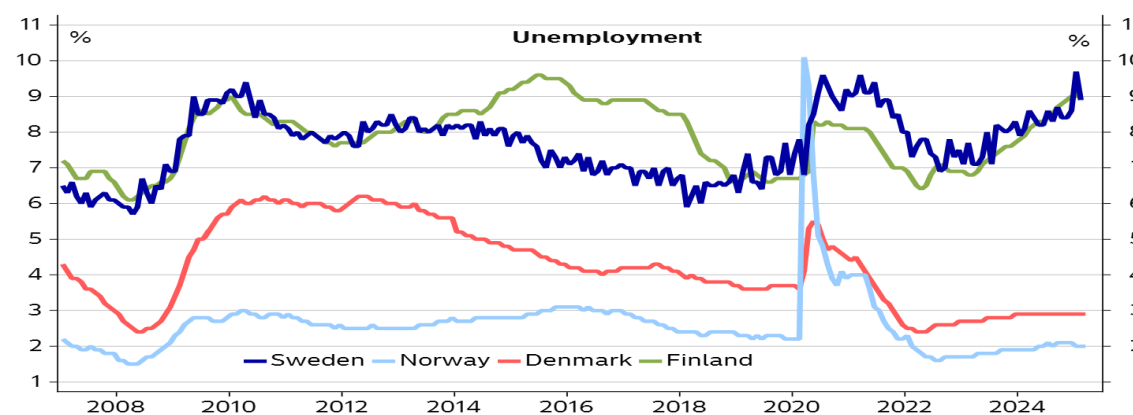


## Uncertainty

### GDP



### Unemployment rate



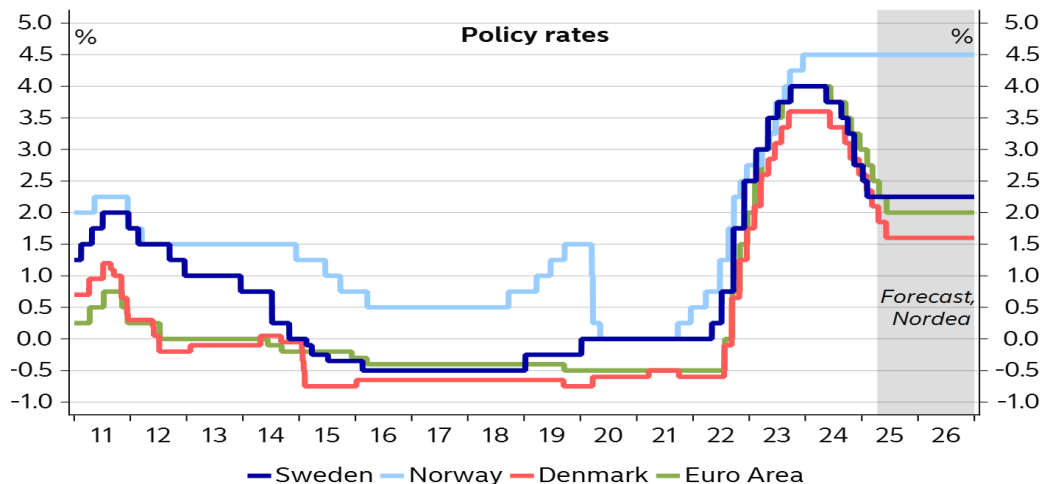
- The economic activity in the Nordics will be positive in both 2025 and 2026, according to Nordea's forecast, mainly attributed to lower interest rates
- Labour markets are still under pressure but are expected to stabilise soon
- However, the global, and thus the Nordic, economic outlook remains highly uncertain amid geopolitical risks and the escalation in trade tensions between the world's leading economies

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

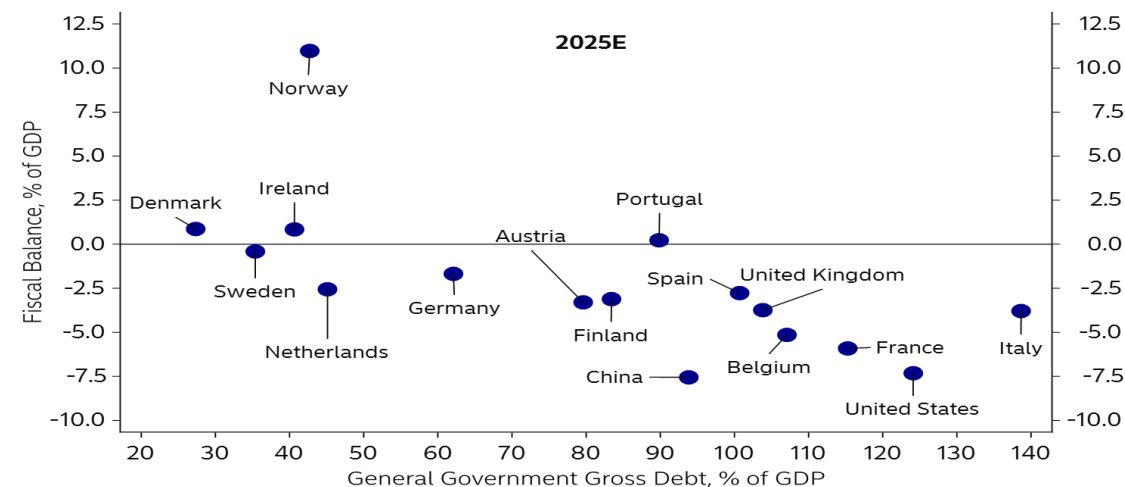
Country	2023	2024	2025E	2026E
Denmark	2.5	3.7	2.8	1.7
Finland	-0.9	-0.1	1.0	2.0
Norway (mainland)	0.7	0.6	1.8	1.8
Sweden	0.1	1.0	1.6	2.6

## On hold

### Policy rates



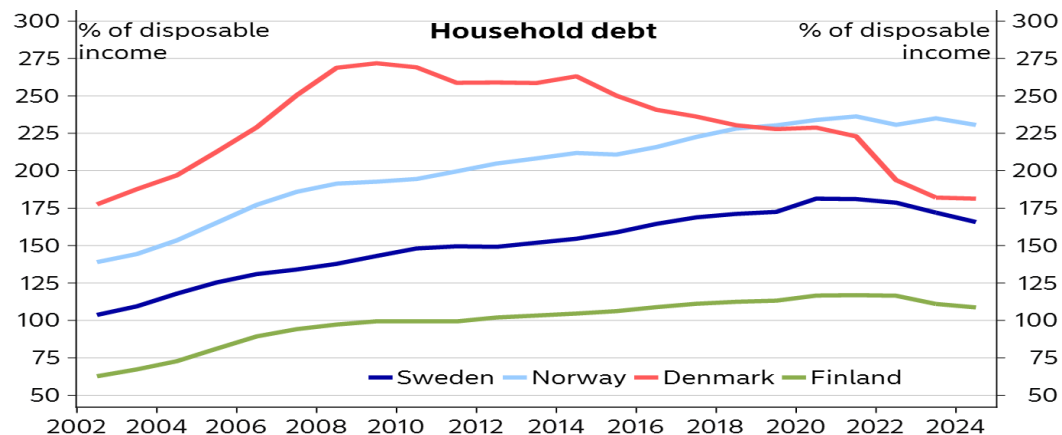
### Public balance/debt, % of GDP, 2025E (IMF)



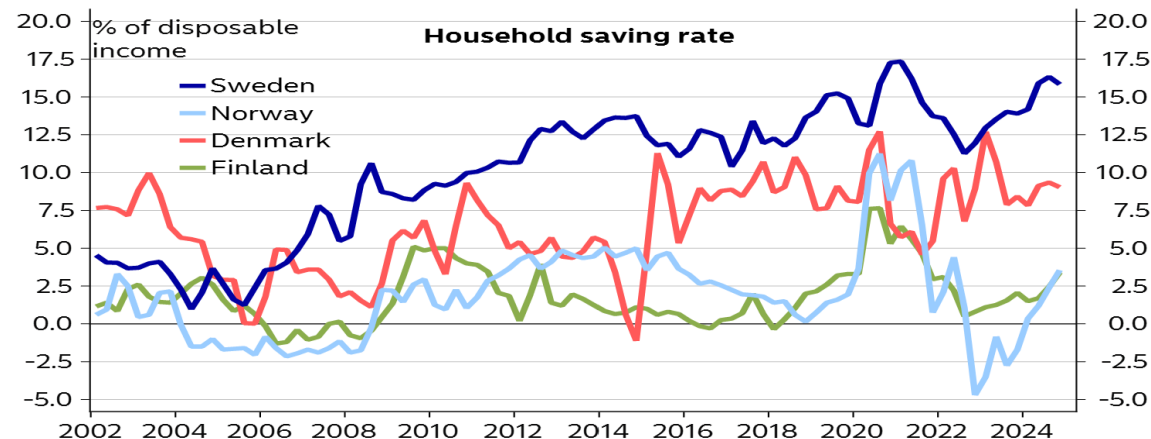
- The ECB and Danmarks Nationalbank lowered their policy rates by 0.25 percentage points in March, while the Riksbank and Norges Bank stayed on hold
- The Riksbank is expected to leave its policy rate unchanged at 2.25% this year, according to Nordea's forecast
- Norges Bank is expected to leave its policy rate unchanged at 4.50% this year, according to Nordea's forecast
- The ECB is expected to lower its policy rate by 0.25 percentage points in June, down to 2.00%
- 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

## Increasing purchasing power

### Household debt

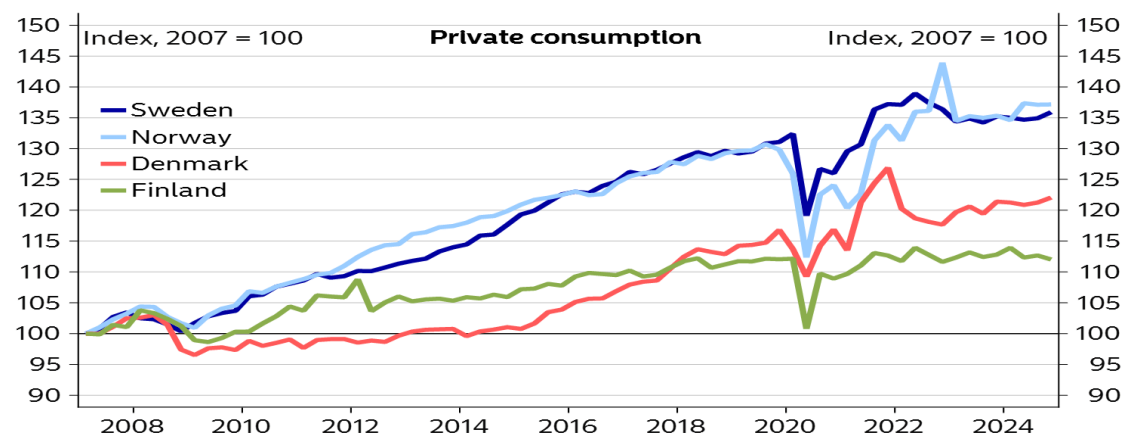


### Household savings



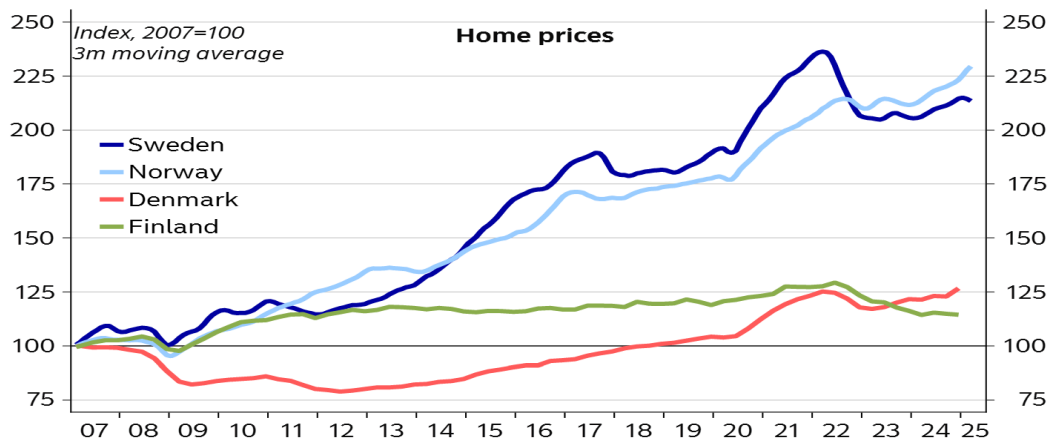
- Households' purchasing power and consumption are expected to improve as real disposable income continues to increase
- Consumer confidence has recovered from historical low levels. However, the level is subdued and has edged down in recent months, indicating increased caution among most Nordic households
- While households' debt ratio has decreased, the savings rate has increased

### Private consumption

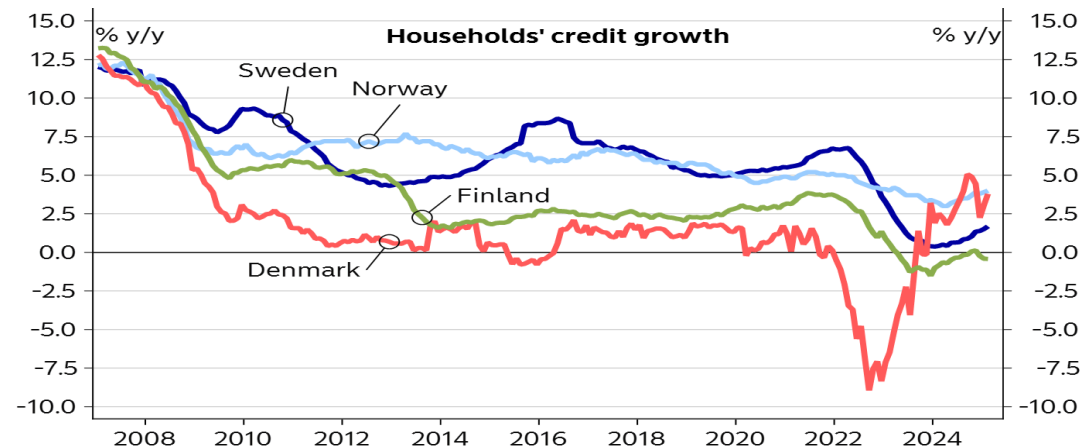


## Mixed developments

### Home prices



### Households' credit growth



- Home prices have stabilised, but developments have been mixed since the new year. Norwegian home prices have developed better than their Nordic counterparts and rose by 7.0% year-on-year in March 2025
- Monetary policy has become less restrictive in most of the Nordic countries and should support a recovery in home prices
- Transaction volumes are continuing to normalise. However, the higher-than-normal supply of homes suggests that the market can absorb higher demand without sharp price increases
- Households' credit growth has turned positive in all the Nordic countries except for Finland

## 6. Further information



# Nordea Mortgage Bank – outstanding benchmark covered bonds

Q1 2025

Breakdown by ISIN				
ISIN	Currency	Amount (EURm)	Maturity	Coupon
XS1825134742	EUR	1 000	23/05/2025	0.625%
XS2157194643	EUR	3 000	16/11/2025	FRN
XS2561746855*	EUR	1 000	01/12/2025	2.625%
XS1963717704	EUR	1 500	18/03/2026	0.250%
XS2673972795*	EUR	1 000	31/08/2026	3.500%
XS2758065010	EUR	750	31/01/2027	FRN
XS1204140971	EUR	1 000	17/03/2027	0.625%
XS2013525410	EUR	1 000	18/06/2027	0.125%
XS3036080367*	EUR	750	04/04/2028	2.375%
XS2708690685	EUR	1 000	26/10/2028	3.625%
XS2463702907	EUR	1 500	30/03/2029	1.000%
XS2962762436	EUR	3 000	13/12/2029	FRN
XS2589317697	EUR	1 000	20/02/2030	3.000%
XS2758065796	EUR	1 000	31/01/2031	3.000%
XS2532376949	EUR	1 000	14/09/2032	2.500%
XS1784071042	EUR	750	28/02/2033	1.375%
XS2802191937	EUR	1 000	12/04/2034	3.000%

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