

An aerial photograph of Helsinki, Finland, taken from a high vantage point. The city is built on islands and connected by bridges. The foreground shows a large green park area with many trees and a few buildings. In the background, the city extends to the water's edge, with numerous buildings and a large white cathedral with a green dome. The water is a deep blue, and the sky is a pale blue with some light clouds. The overall scene is a mix of urban development and natural greenery.

Nordea

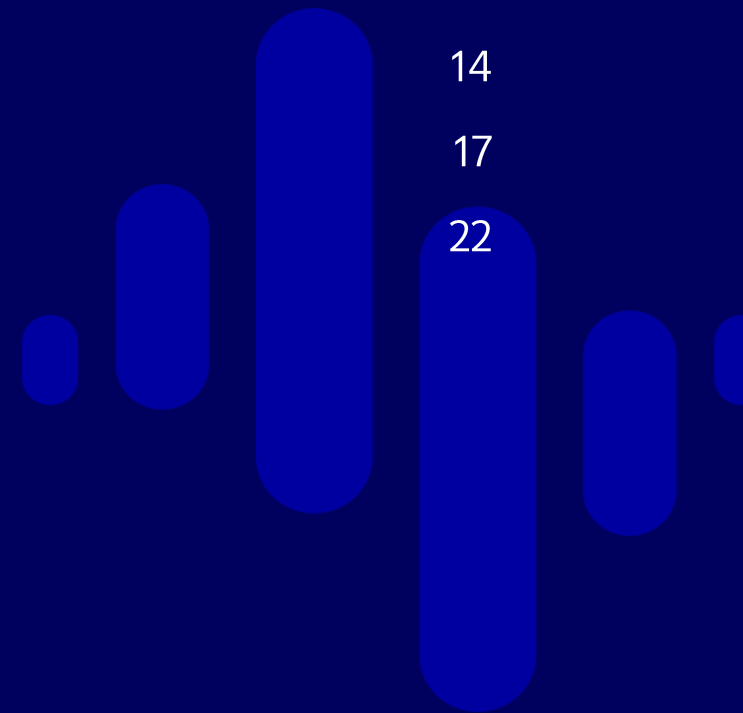
Q3 2024 Debt investor presentation

Nordea Mortgage Bank Covered Bonds

Cover pools 1 & 2

Table of contents

1. In brief	3
2. Cover pool key characteristics	6
3. Asset quality	10
4. Covered bond framework	14
5. Macroeconomy	17
6. Further information	22



1. In brief

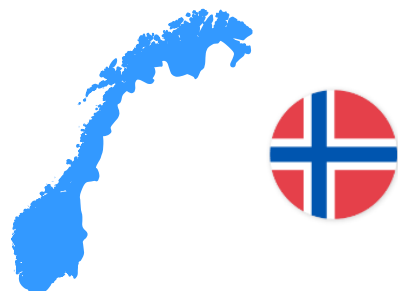


Covered bonds

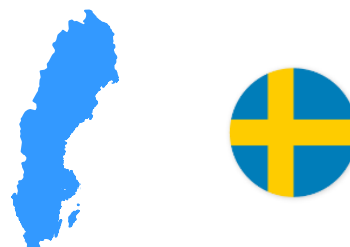
Nordea covered bond operations

Four aligned covered bond issuers with complementary roles

Nordea Eiendoms kreditt



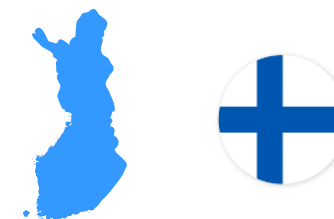
Nordea Hypotek



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 28.2bn (eq.)	EUR 62.2bn (eq.)	Balance principle	Pool 1: EUR 14.9bn Pool 2: EUR 11.9bn
Covered bonds outstanding	EUR 19.1bn (eq.)	EUR 30.8bn (eq.)	EUR 57.8bn (eq.)*	Pool 1: EUR 11.4bn Pool 2: EUR 7.8bn
OC	48%	102%	8%*	Pool 1: 30% / Pool 2: 53%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa/ -	Aaa/ -	- / AAA	Aaa/ -
Outstanding green covered bonds	EUR 1.2bn	EUR 1.1bn	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](#)⁰

¹⁾ 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 Mortgage Bank Plc – overview

Q3 2024



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

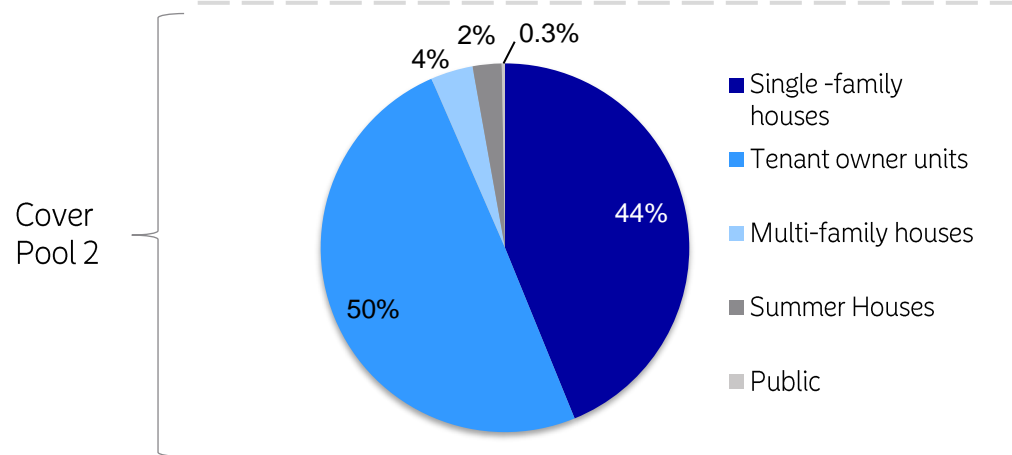
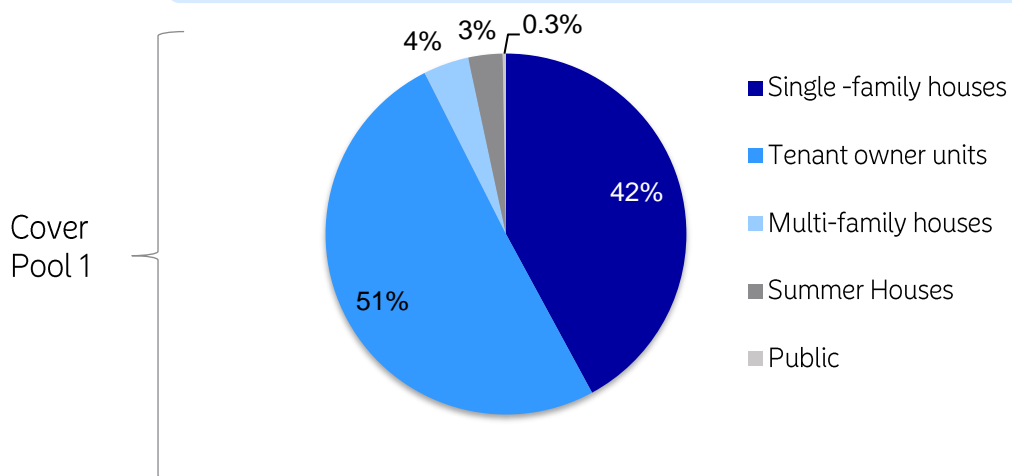
Q3 2024

Cover pool summary	Cover pool 1 (Legacy)	Cover Pool 2 (New)
Pool notional	EUR 14.9bn	EUR 11.9bn
Outstanding Covered Bonds	EUR 11.4bn	EUR 7.8bn
Cover pool content	Mortgage loans secured by residential property. Loans guaranteed by public sector	Mortgage loans secured by residential property. Loans guaranteed by public sector
Geographic distribution	Throughout Finland with concentration in urban areas	Throughout Finland with concentration in urban areas
Asset distribution	99.7% residential, 0.3% public sector	99.7% residential, 0.3% public sector
Weighted average LTV*	51.0% (indexed, calculated per property)	55.3% (indexed, calculated per property)
Average loan size*	EUR 76.5k	EUR 88.1k
Over collateralisation, OC	30.1%	53.0%
Rate type*	Fixed rate 0.9%, Floating rate 99.1%	Fixed rate 0.9%, Floating rate 99.1%
Amortisation*	Bullet/ interest only 2.5%, Amortising 97.5%	Bullet/ interest only 2.3%, Amortising 97.7%
Substitute assets	None	None
Pool type	Dynamic	Dynamic
Loans originated by	Nordea Bank Abp. (as of 1 October 2018)	Nordea Bank Abp. (as of 1 October 2018)

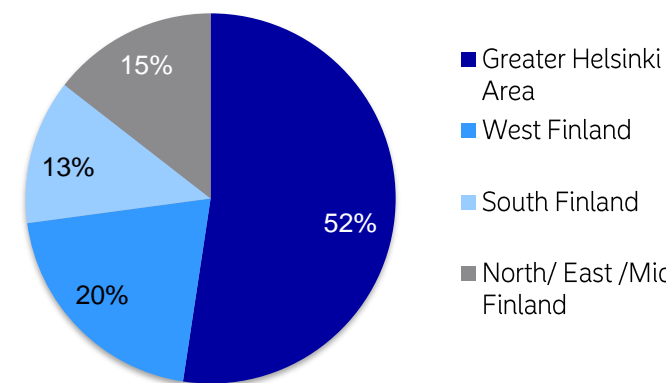
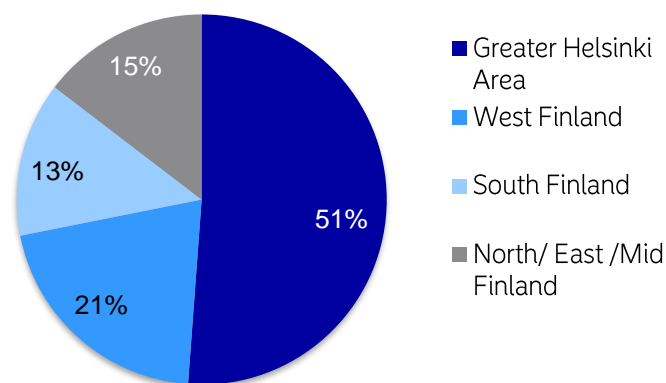
Cover pool key characteristics (2)

Q3 2024

Cover pool balance by loan category



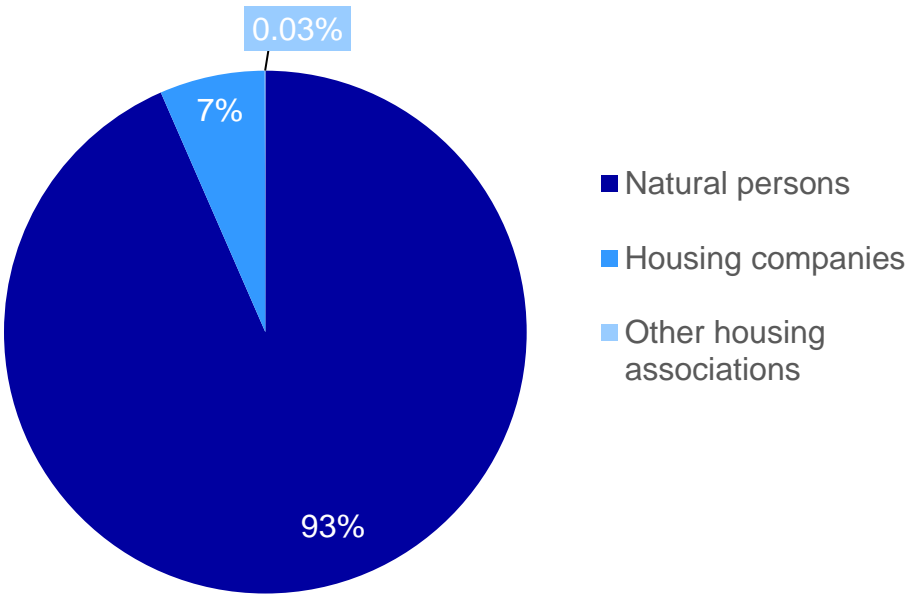
Cover pool balance by region



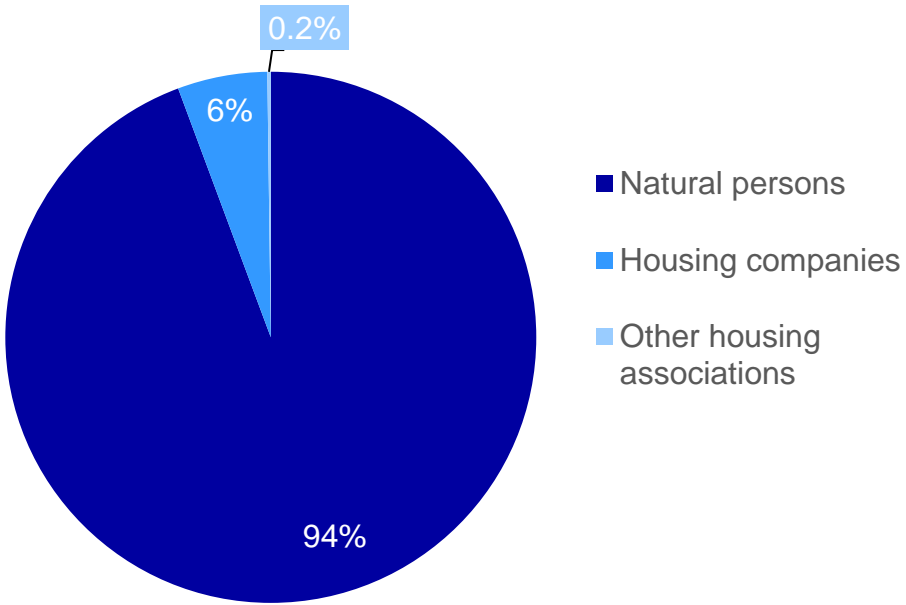
Cover pool key characteristics (3)

Q3 2024

Distribution of collateral assets – Pool 1



Distribution of collateral assets – Pool 2



3. Asset quality

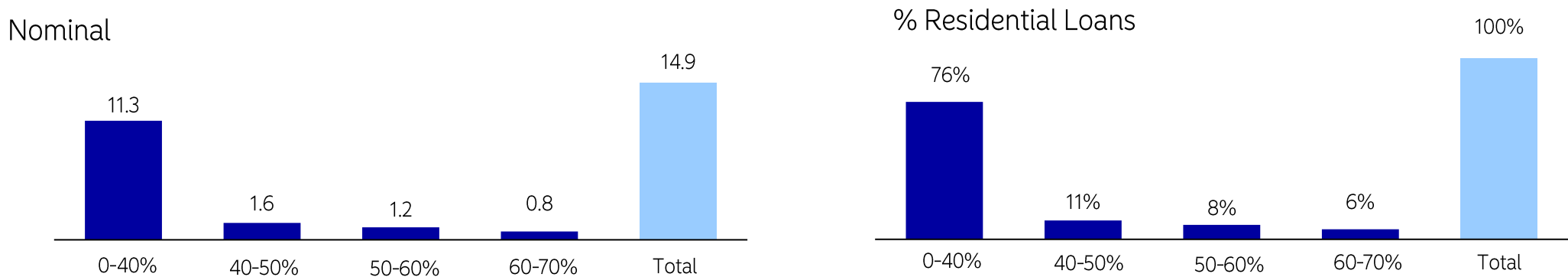


Continuous distribution where each loan can exist in multiple buckets

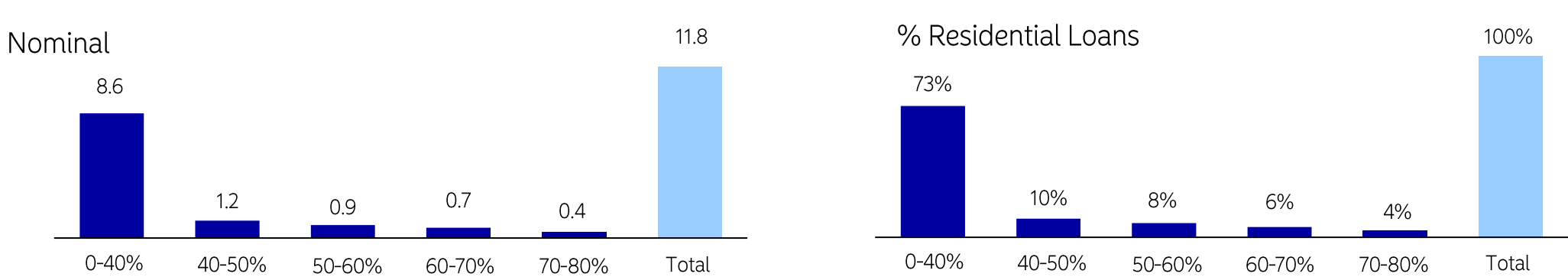
Loan To Value (LTV)

Q3 2024

Cover Pool 1 - Weighted Average LTV – Indexed – 51.0%

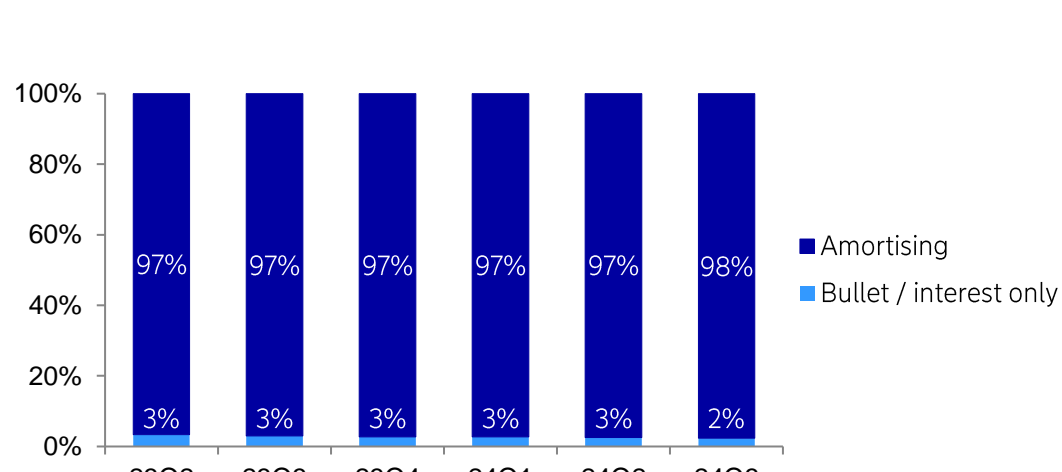
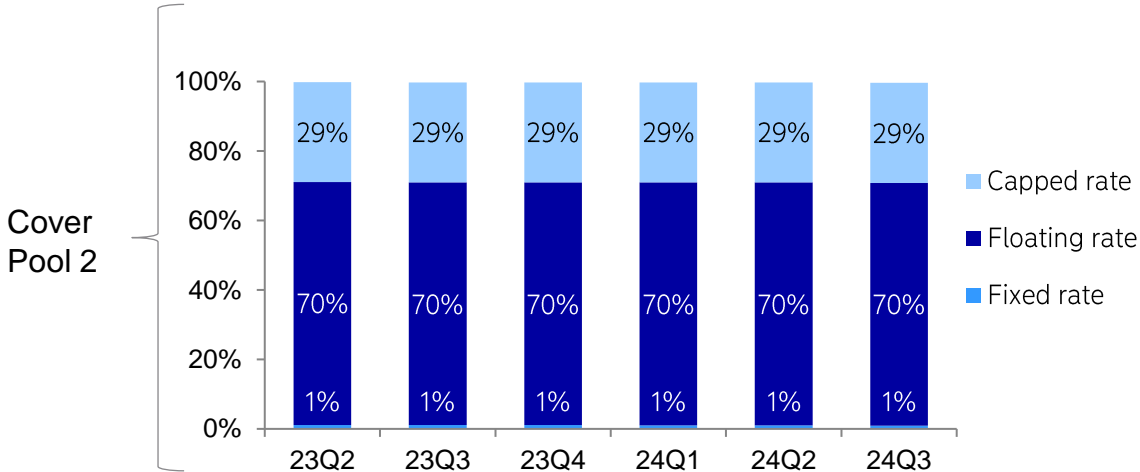
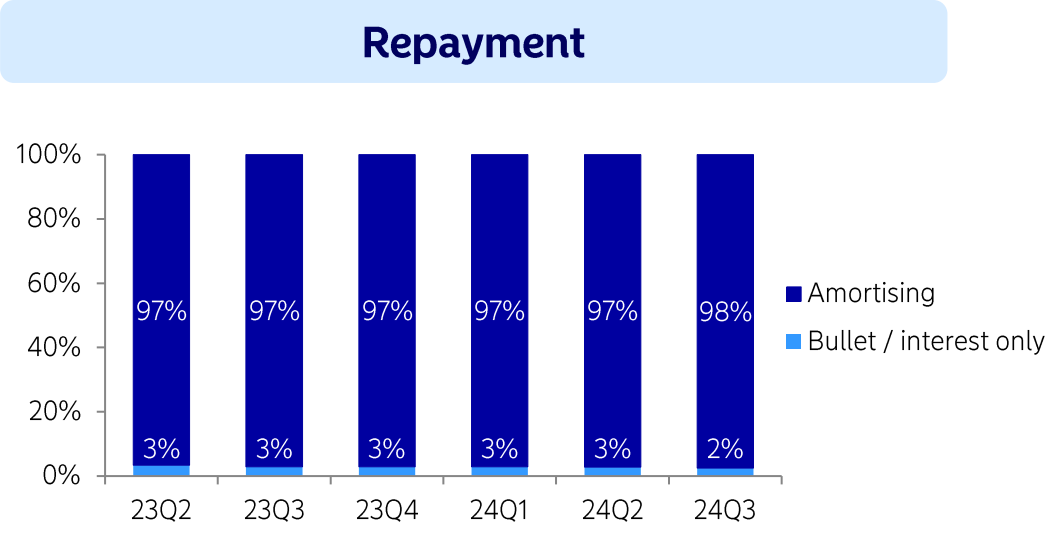
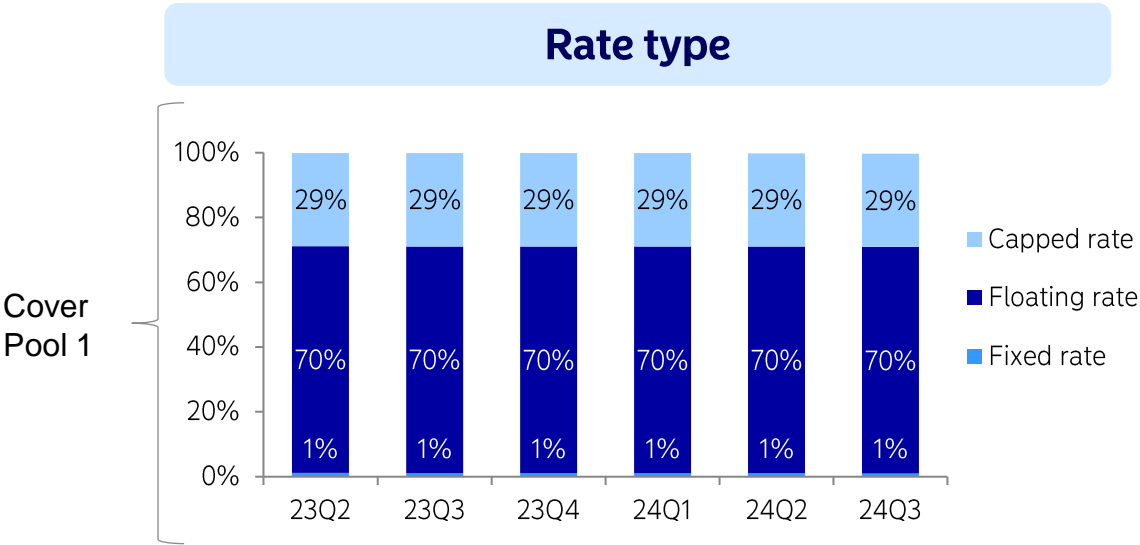


Cover Pool 2 - Weighted Average LTV – Indexed – 55.3%



Loan structure

Q3 2024



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
Legal framework	Finnish Covered Bond Act (statute 688/2010)	Finnish Mortgage Banks and Covered Bonds Act (statute 151/2022)
LTV ratios	Limit on LTV ratio – based on the current value <ul style="list-style-type: none"> • 70% for housing loans (residential property) • 60% for commercial loans (commercial property) 	Limit on LTV ratio – based on the current value <ul style="list-style-type: none"> • 80% for housing loans (residential property) • 60% for commercial loans (commercial property)
Coverage	Matching cover requirements <ul style="list-style-type: none"> • Total value of the cover pool must be greater than the aggregate outstanding principal amount of the covered bonds • Net present value of the cover pool must be at least 2% above the net present value of the liabilities under the covered bonds 	Overcollateralization requirements <ul style="list-style-type: none"> • 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 • In addition, the overcollateralization must cover the estimated winding-down costs of the covered bonds
Liquidity risk mitigation	Liquidity requirements <ul style="list-style-type: none"> • Average maturity of the covered bonds must not exceed the average maturity of the loans entered in the register • 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 	Liquidity Buffer Requirement <ul style="list-style-type: none"> • 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 • When determining the net liquidity outflow, the issuer may use the soft bullet maturity date as the date when the covered bond matures

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

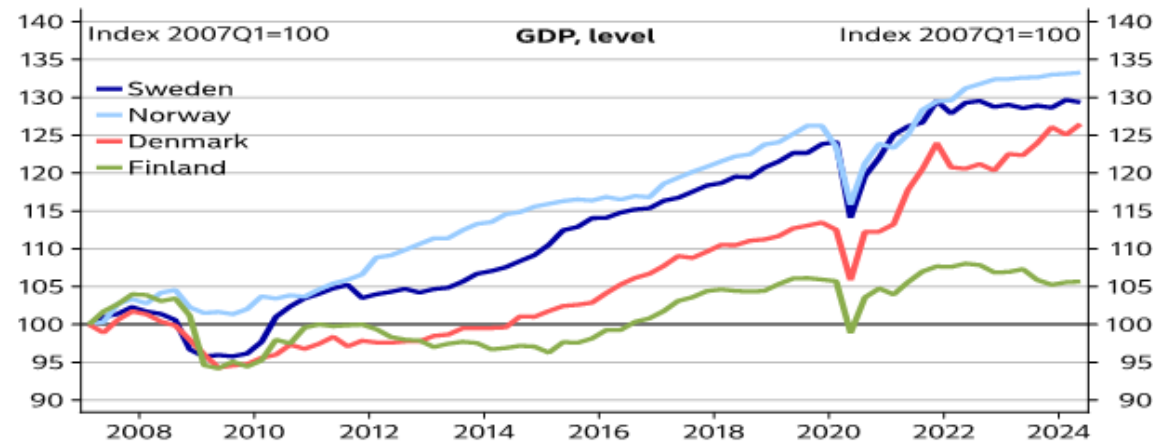
- A bankruptcy administrator is appointed by the court (administration of estate) and a supervisor is appointed by the Finnish FSA (protection of covered bond creditors' rights)
- The cover pool, derivatives and covered bonds to be kept separated from the bankruptcy estate and remain outstanding until 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



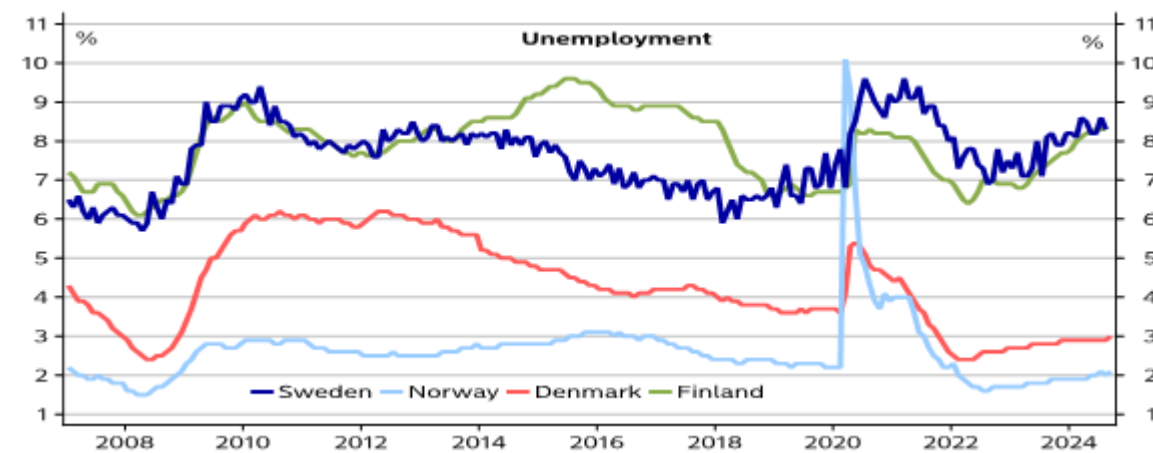
Activity picks up

GDP



- The Nordic economies have shown mixed trends on the back of surging inflation and higher interest rates. However, the overall economic development has been better than previously anticipated.
- Activity is expected to pick up in the Nordics going forward on the back of lower interest rates.
- The labour market is still under pressure and expected to further weaken before stabilising.

Unemployment rate

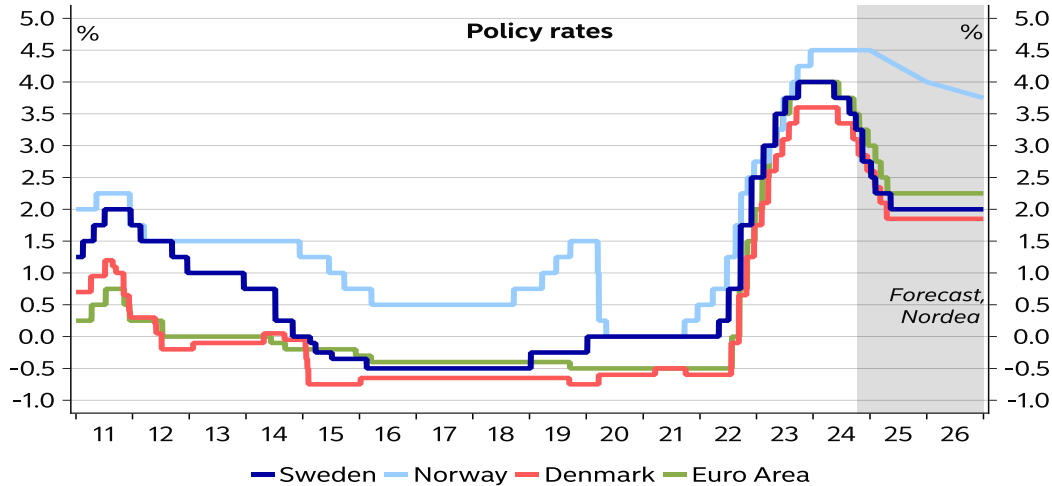


GDP, % y/y, Economic Outlook September 2024

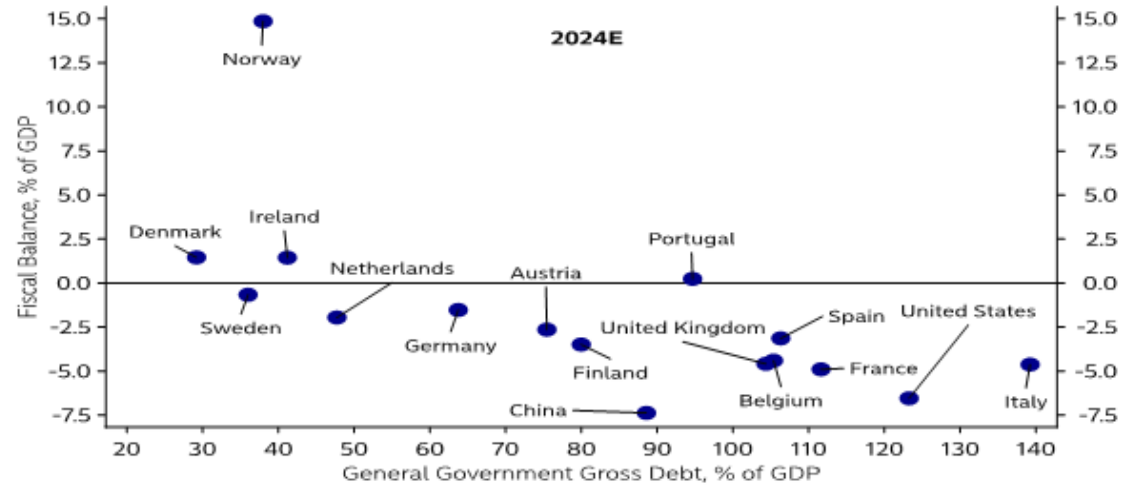
Country	2023	2024E	2025E	2026E
Denmark	2.5	1.5	1.7	1.7
Finland	-1.2	-0.5	1.5	2.0
Norway (mainland)	0.7	0.7	1.6	2.0
Sweden	-0.1	0.9	1.9	2.6

Precision play

Policy rates



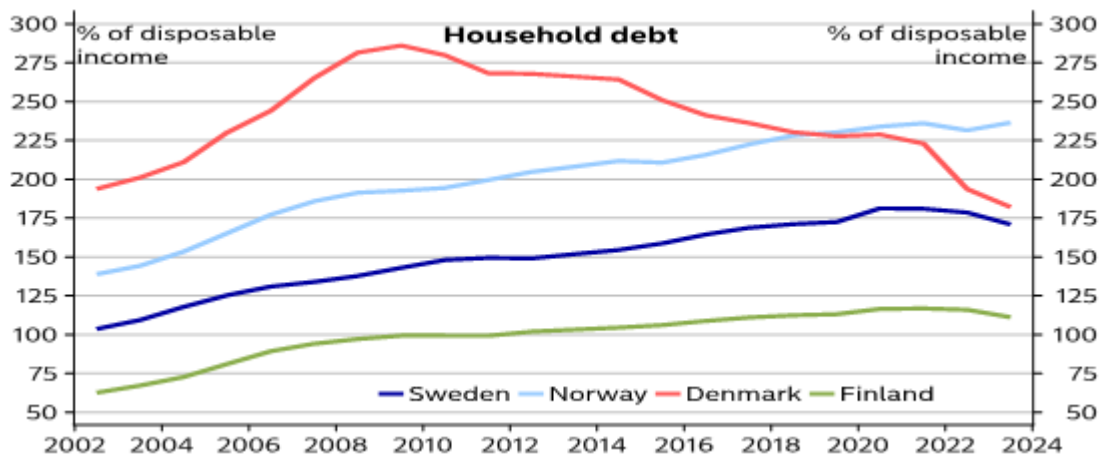
Public balance/debt, % of GDP, 2024E (IMF)



- The Riksbank and the ECB lowered their policy rates by 0.25 percentage points to 3.25% and 3.50%, respectively, in September
- The Riksbank is expected to cut the policy rate by 0.5 percentage points in November and 0.25 percentage points in December, according to Nordea's forecast. Two more rate cuts are expected in the first half of next year, bringing down the policy rate to 2.00%
- The ECB is expected to lower rates by 0.25 percentage points each meeting, until they reach 2.25% in April 2025
- Norges Bank is expected to stay on hold this year but cut the policy rate by 0.50 percentage points next year, from 4.50 to 4.00%
- Norges Bank will cut one more time in 2026, according to Nordea's forecast, while the other central banks stay on hold
- Solid public finances will help Nordic governments to support the economic recovery ahead

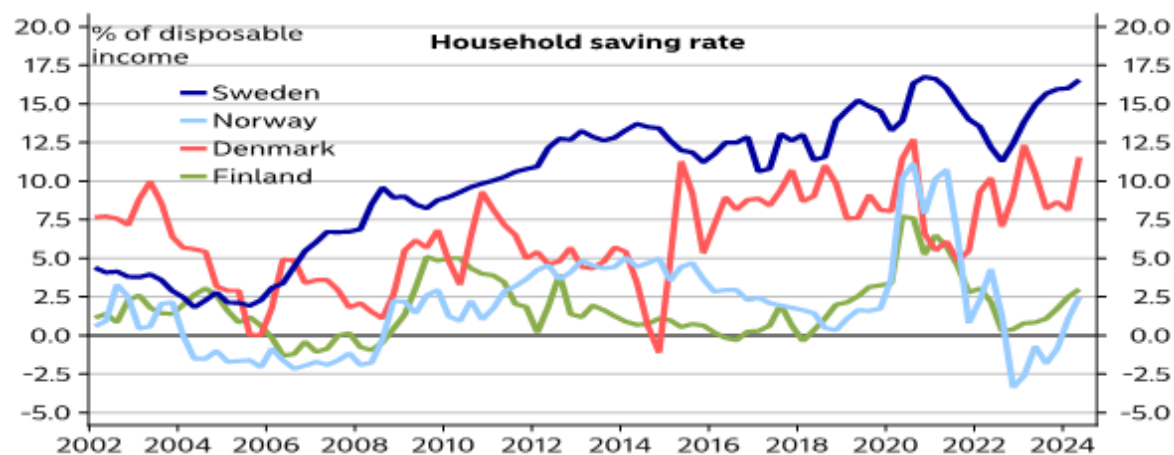
Purchasing power is increasing, but from low levels

Household debt

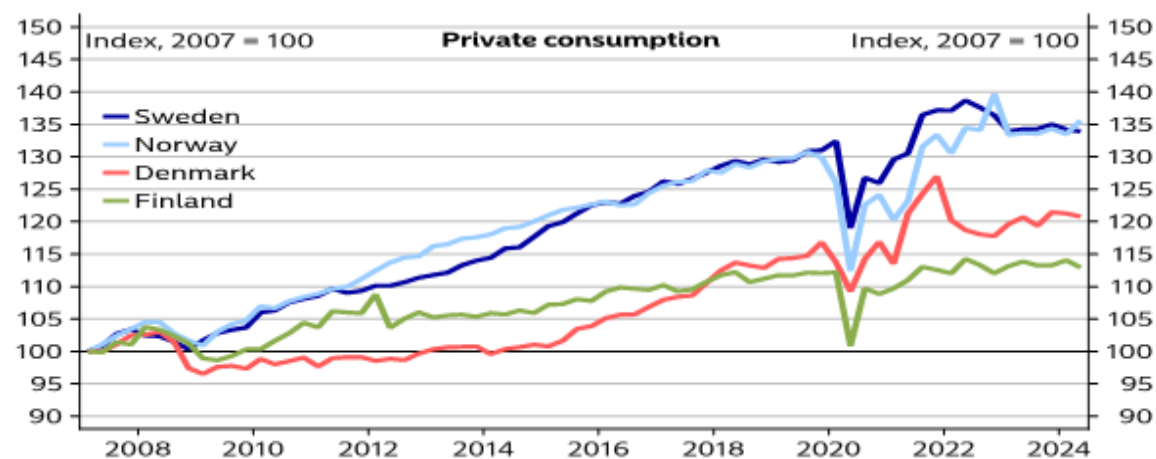


- Household consumption in most of the Nordics will only increase modestly throughout the rest of the year due to a continued high interest burden
- Danish and Norwegian households are expected to fare better than their Nordic counterparts, primarily due to higher positive real wage growth
- Going forward, households' purchasing power will continue to improve as inflation normalises, wage growth remains higher-than-normal and the debt burden eases

Household savings

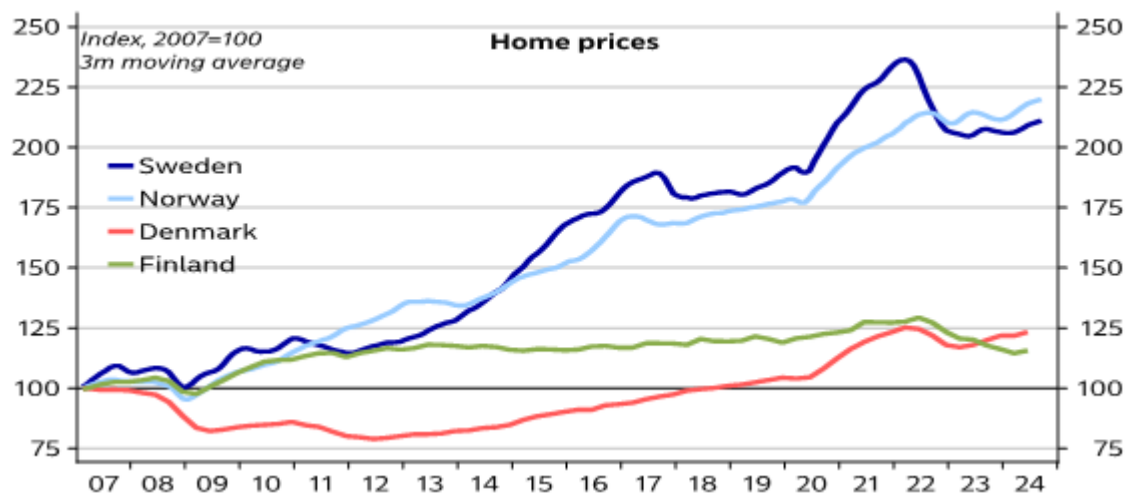


Private consumption

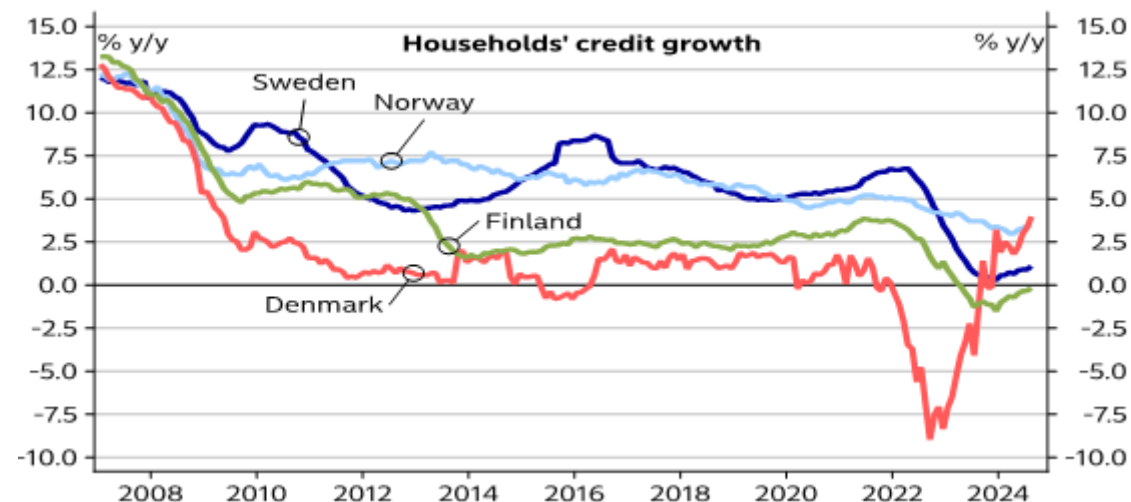


Brighter outlook

Home prices



Households' credit growth



- Home prices have stabilised in the Nordics and modestly started to increase
- Monetary policy will remain restrictive this year despite most central banks commencing their policy rates cutting cycles. Accordingly, home prices in most of the Nordics are expected to only gradually recover going forward
- In addition, the higher-than-normal supply of homes suggests there is room for the markets to absorb a higher demand, without sharp price increases
- Households' credit growth has stabilised close to zero in Sweden and Finland. Credit growth is expected to increase as central banks continue to cut their policy rates

6. Further information



Nordea Mortgage Bank – outstanding benchmark covered bonds

Q3 2024

Breakdown by ISIN

ISIN	Currency	Amount (EURm)	Maturity	Coupon
XS1132790442	EUR	1 000	05/11/2024	1.000%
XS1825134742	EUR	1 000	23/05/2025	0.625%
XS2157194643	EUR	6 000	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%
XS2708690685	EUR	1 000	26/10/2028	3.625%
XS2463702907	EUR	1 500	30/03/2029	1.000%
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%

Contacts

Investor Relations

Maria Caneman

Head of Debt IR and Ratings
Tel: +46 10 156 50 19
Mobile: +46 768 24 92 18
maria.caneman@nordea.com

Group Treasury

Christian Peschel

Dealer
Tel: +46 8 429 3251
Mobile: +46 72 142 17 51
christian.peschel@nordea.com

Morten Kiel

Head of Covered bonds
Tel: +45 3333 1875
Mobile: +45 6177 3100
morten.keil@nordea.com