

**CREDIT OPINION**

9 April 2025

New Issue



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**Closing date**

9 April 2025

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**Contacts**

Martin Lenhard +49.69.70730.743  
VP-Sr Credit Officer  
martin.lenhard@moodys.com

# Danske Hypotek AB - Mortgage Covered Bonds

New Issue Report – Swedish covered bonds

**Ratings**

Exhibit 1

Cover Pool (SEK)	Ordinary Cover Pool Assets	Covered Bonds (SEK)	Rating
142,793,127,390	Residential & Commercial Mortgage Loans	107,308,000,000	Aaa

All data in the report is as of 31 December 2024 unless otherwise stated  
Source: Moody's Ratings

**Summary**

The covered bonds issued by Danske Hypotek AB (Danske Hypotek or the issuer, Aa3(cr)) under its mortgage covered bond programme are full recourse to the issuer and are secured by a cover pool mainly consisting of residential mortgage loans backed by properties in Sweden.

Credit strengths include the full recourse of the covered bonds to the issuer and support provided by the Sweden's legal framework for covered bonds, which provides for the issuer's regulation and supervision.

Credit challenges include, as with most covered bonds in Europe, the refinancing risk stemming from mismatches between long-term loans and covered bonds with a shorter remaining term.

Our credit analysis takes into account the cover pool's credit quality, which is reflected in the collateral score of 4.7%, and the current over-collateralisation (OC) of 33.1% (on a nominal basis) as of 31 December 2024.

**Credit strengths**

- » **Recourse to highly-rated issuer:** The covered bonds are full recourse to Danske Hypotek (Aa3(cr)). (See "Covered bond analysis")
- » **The issuer is located in Sweden (Aaa, stable):** Sweden's credit profile reflects its very high economic resilience. Furthermore, the Swedish banking sector remains resilient to downside risks from high house prices and household debt, and its capitalization is robust. (See "Covered bond description")

- » **Support provided by the Swedish legal framework:** The covered bonds are governed by the Swedish covered bond legislation, which provides for the issuer's regulation and supervision and sets certain minimum requirements for the covered bonds and the cover pool. (See "[Sweden's legal framework for covered bonds](#)" and "Covered bond description")
- » **High credit quality of the cover pool:** The covered bonds are supported by a cover pool of high-quality assets. The cover pool consists of single family housing loans (49.1%), loans to tenant owner rights (31.9%), multi-family loans (12.3%) and co-operative loans (6.7%), 99.5% of all loans are backed by residential properties in Sweden. The collateral quality is reflected in the collateral score, which is currently 4.7%. Furthermore, by law, cover pools are stress-tested against declines of property values of up to 30% and loans backed by commercial property are not permitted to exceed 10% of the cover pool. (See "Cover pool analysis")
- » **No currency risk:** Danske Hypotek's covered bonds are currently not exposed to currency risk, because all assets and liabilities under the programme are denominated in SEK.
- » **Interest rate risks are largely mitigated:** Interest rate risks are hedged via swaps provided by the parent, Danske Bank A/S (Aa3(cr)). (See "Covered bond analysis")
- » **Commingling risk is mitigated:** The Swedish covered bond law requires that after issuer default collections received are recorded in the cover pool register and that covered bond holders benefit from these segregated amounts. (See "Covered Bonds Description")

## Credit challenges

- » **High level of dependency on the issuer:** As with most covered bonds, before the insolvency of the issuer, the issuer can materially change the nature of the programme. For example, the issuer can add new assets to the cover pool, issue new covered bonds with varying promises and enter into new hedging arrangements. Also similar to most covered bonds in Europe, this programme has few restrictions on the future composition of the cover pool. These changes could affect the credit quality of the cover pool, as well as the overall refinancing and market risks. Further, if the quality of the collateral deteriorates below a certain threshold, the issuer would have the ability, but not the obligation, to increase the OC in the cover pool. (See "Covered bond analysis")
- » **Refinancing risk:** Following a CB anchor event, covered bondholders may need to rely on proceeds that are raised via the sale of, or borrowed against, cover pool assets to make timely payments of the principal on the bonds. This is because we expect the cover pool assets will have a significantly higher weighted average life (WAL) than the outstanding covered bonds. The market value of these assets may be subject to high volatility after a CB anchor event. **Mitigants reduce refinancing risk:** (i) the level of support expected for covered bonds in Sweden, and (ii) the issuer can reset loan rates on floating rate loans (79.3% of the cover pool) on a quarterly basis (in the event of issuer's default, the insolvency administrator will be able to similarly reset the loan rates every three months), which improves the expected market value of the cover pool. (See "Covered bond analysis")
- » **Lack of liquidity facility:** The programme would not benefit from any designated source of liquidity if cash flow collections are interrupted. (See "Covered bond analysis")
- » **Time subordination:** After a CB anchor event, later-maturing covered bonds are subject to time subordination. Principal cash collections may be used on a first-come, first-served basis, paying earlier-maturing covered bonds before later-maturing covered bonds. This subordination could lead to the erosion of OC before any payments are made to later-paying covered bonds. (See "Covered bond analysis")

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody's.com> for the most updated credit rating action information and rating history.

## Key characteristics

Exhibit 2

### Covered bond characteristics

Moody's Programme Number:	534
Issuer:	Danske Hypotek AB
Covered Bond Type:	Mortgage covered bonds
Issued under Covered Bonds Law:	Yes
Applicable Covered Bonds Law:	Swedish Legal Framework for Covered Bonds
Entity used in Moody's TPI analysis:	Danske Hypotek AB
CR Assessment:	Aa3(cr)
CB Anchor:	Aa2
Senior unsecured/deposit rating:	n/a
Total Covered Bonds Outstanding:	SEK 107,308,000,000
Main Currency of Covered Bonds:	SEK (100.0%)
Extended Refinance Period:	12 months
Principal Payment Type:	Hard and soft bullet
Interest Rate Type:	Fixed rate covered bonds (100.0%)
Committed Over-Collateralisation:	2% (on nominal and net present value basis)
Current Over-Collateralisation:	33.1% (on nominal value basis)
Intra-group Swap Provider:	Danske Bank A/S
Timely Payment Indicator:	Probable-High
TPI Leeway:	4 notches

Sources: Moody's Ratings and issuer data

Exhibit 3

### Cover pool characteristics

Size of Cover Pool:	SEK 142,793,127,390
Main Collateral Type in Cover Pool:	Single family (49.1%), Tenant owner (31.9%), Multi-family (12.3%), Co-operative assets (6.7%)
Main Asset Location of Ordinary Cover Assets:	Sweden
Main Currency:	SEK (100.0%)
Loans Count:	71,593 Single family, 41,402 Tenant owner, 707 Multi-family, 724 Co-operative assets
Number of Borrowers:	30,626 Single family, 23,255 Tenant owner, 544 Multi-family, 417 Co-operative assets
WA Unindexed LTV:	n/a
WA Indexed LTV:	57.3% Single family, 60.6% Tenant owner, 55.6% Multi-family, 31.0% Co-operative assets
WA Seasoning (in months):	83 Single family, 61 Tenant owner, 18 Multi-family, 23 Co-operative assets
WA Remaining Term (in months):	469 Single family, 489 Tenant owner, 64 Multi-family, 70 Co-operative assets
Interest Rate Type:	Floating rate assets (79.3%), Fixed rate assets (20.7%)
Collateral Score:	4.7%
Cover Pool Losses:	10.5%
Further Cover Pool Details:	See Appendix 1
Pool Cut-off Date:	31 December 2024

Sources: Moody's Ratings and issuer data

Exhibit 4

**Transaction counterparties**

Counterparty Type	Transaction Counterparty
Sponsor	n/a
Servicer	Danske Bank A/S
Back-up Servicer	n/a
Back-up Servicer Facilitator	n/a
Cash Manager	Danske Hypotek AB
Back-up Cash Manager	n/a
Account Bank	Danske Bank A/S
Standby Account Bank	n/a
Account Bank Guarantor	n/a

Sources: Moody's Ratings and issuer data

**Covered bond description**

The covered bonds issued under the mortgage covered bond programme of Danske Hypotek are full recourse to the issuer. Upon a CB anchor event, covered bondholders would have access to a cover pool of residential mortgage loan receivables.

**Structure description****The bonds**

Currently there are legacy hard bullet and more recently issued soft bullet covered bonds outstanding. Soft bullet covered bonds have an extension period of 12 months. We expect that future issuances will feature a 12-month maturity extension.

**Issuer recourse**

The covered bonds are full recourse to the issuer. Therefore, the issuer is obliged to repay principal and pay interest on the covered bonds.

**Recourse to cover pool and OC**

If the issuer becomes insolvent, the covered bondholders would have priority claims over a pool of assets (cover pool). (See "Cover pool description" for the cover pool characteristics and "Cover pool analysis" for our analysis of the pool)

As of 31 December 2024, the level of OC in the programme was 33.1% on a nominal basis.

The current covered bond rating relies on an OC over and above the minimum legal requirements by the Swedish covered bond framework. The Swedish legal framework requires that the cover pool value exceeds the value of the covered bonds by 2.0% on a nominal and a net present value (NPV) basis. Based on data as of 31 December 2024, 0% of OC is sufficient to maintain the current covered bond rating. This shows that our analysis currently does not rely on OC that is not in committed form.

Although the issuer has the ability to increase the OC in the cover pool if the collateral quality deteriorates below a certain threshold, the issuer does not have any obligation to do so. The failure to increase OC following a deterioration of the collateral could lead to a negative rating action.

**Legal framework**

The covered bonds are governed by the Swedish Covered Bond Issuance Act. There are a number of strengths in the Swedish covered bond legislation, including the regulation of the issuer by the Swedish Financial Supervisory Authority (SFSA or *Finansinspektionen*), as well as certain minimum requirements for the covered bonds and cover pool (see "Cover pool analysis - Additional cover pool analysis - Eligible assets"). A description of the general legal framework for Swedish covered bonds is available in Moody's covered bond legal framework report for Sweden. (See [Covered Bonds: Sweden - Legal Framework for Covered Bonds](#), April 2023, for a description of the general legal framework for Swedish covered bonds)

**Commingling risk**

After issuer default collections received and amounts paid in relation to cover pool assets must be recorded in the cover pool register and the cover pool has priority rights regarding these amounts. Accordingly, the issuer together with the administrator should be able to identify and successfully segregate the funds allocable to the cover pool.

## Covered bond analysis

Our credit analysis of the covered bonds primarily focuses on the issuer's credit quality, refinancing risk, interest rate risk and currency risk, as well as the probability that payments on the covered bonds would be made in a timely fashion following a CB anchor event, which we measure using the Timely Payment Indicator (See "Timely Payment Indicator").

### Primary analysis

#### Issuer analysis - Credit quality of the issuer

The issuer's CR Assessment is Aa3(cr).

The reference point for the issuer's credit strength in our analysis is the CB anchor, which for this covered bond programme under the Swedish covered bond law is the issuer's CR Assessment plus 1 notch (Aa2).

#### Issuer analysis - Dependency on the issuer's credit quality

The credit quality of the covered bonds depends primarily on the credit quality of the issuer. If the issuer's credit strength were to deteriorate, there would be a greater risk that a CB anchor event would occur, leading to refinancing risk for the covered bonds. Consequently, the credit quality of the covered bonds would deteriorate unless other credit risks were to decrease.

In the event that the CB anchor deteriorates, the issuer would have the ability, but not the obligation, to increase the OC in the cover pool. Failure to increase the level of OC under these circumstances could lead to a negative rating action.

Reasons for the high level of dependency of the covered bonds with the issuer also include exposure to decisions made by the issuer in its discretion as manager of the covered bond programme. For example, before a CB anchor event, the issuer may add new assets to the cover pool and remove assets from the cover pool, issue further bonds and enter new hedging arrangements. Such actions could reduce the value of the cover pool.

As with most covered bonds in Europe, there are few contractual restrictions on the future composition of the cover pool, which creates substitution risk. Nevertheless, cover pool quality over time will be protected by, among other things, the requirements of the Swedish covered bond framework. (See "Cover pool analysis - Additional cover pool analysis - Eligible assets" and "[Sweden's legal framework for covered bonds](#)")

#### Refinancing risk

Following a CB anchor event, the "natural" amortisation of the cover pool assets alone cannot be relied on to repay the principal. We assume that funds must be raised against the cover pool at a discount if covered bondholders are to receive timely principal payment. Where the portion of the cover pool that is potentially exposed to refinancing risk is not contractually limited, our expected loss analysis typically assumes that this amount is in excess of 50% of the cover pool.

After a CB anchor event, the market value of these assets may be subject to volatility. Examples of the stressed refinancing margins we use for different types of prime-quality assets are published in our Rating Methodology. (See "[Rating Methodology - Covered Bonds](#)")

The refinancing-positive aspects of this covered bond programme include the following:

- » The support provided by the Swedish legal framework. The bankruptcy administrator has the ability to enter into senior-ranking liquidity loans and other financial arrangements to mitigate refinancing risk following issuer default. We understand that the administrator would also have the power to sell assets under the general law.
- » The relative size and depth of the Swedish market, its reliable domestic base and the importance of the covered bonds as a source of funding. These factors may incentivize existing market participants to acquire a cover pool at a better price.
- » The ability of the issuer to reset and increase loan rates at the interest reset date. This right will also apply to any bankruptcy administrator in charge of the cover pool after an issuer default. This possibility to reset margins should materially reduce the level of refinancing risk compared with other markets where borrower's interest rates are fixed for long periods.
- » We expect that future issuances will have a 12-month soft bullet repayment feature, so that once the currently still outstanding legacy hard bullet covered bonds are repaid, all covered bonds will benefit from the extension feature.

- » Danske Hypotek must maintain a liquidity buffer that covers the maximum daily accumulated net liquidity outflow falling due over the next 180 days. For the calculation of the principal outflow of soft bullet covered bonds, Swedish issuers use the extended maturity date according to the provisions of the legal framework.

The refinancing-negative aspects of this covered bond programme include the following:

- » In line with other European covered bond programmes, upon a CB anchor event we expect the cover pool assets will have a significantly higher weighted average life (WAL) than the outstanding covered bonds. While the WAL of the covered bonds is 2.9 years, the WAL of the loans in the cover pool is 25.6 years. The main reasons are (i) loans usually have long terms in Sweden, and (ii) 49.3% of the loans in the cover pool are interest-only with no scheduled principal repayments (it is common that borrowers take more than one loan per financing while often only one loan per borrower is amortising; 27.7% of borrowers do not amortise any of their loans).
- » The covered bonds do not benefit from liquidity reserves or structural features that provide liquidity support.
- » There are legacy hard bullet covered bonds outstanding. While all outstanding soft bullet covered bonds benefit from a 12-month maturity extension (see above), the features of covered bond maturity extensions for bonds issued under the new Swedish legal framework are different than in most other countries. As required by the European Union covered bond directive, the Swedish covered bond law provides that extendable covered bonds can only be issued if the issuer provides certain information about the extension, including specifying the permitted extension trigger. The only permissible trigger for extension is the approval of the Swedish Financial Services Authority (SFS), having determined that the extension is likely to prevent the issuer from becoming insolvent. The SFS must give the Riksbank and the National Debt Office opportunity to provide feedback first, and the law provides that the request must be dealt with promptly. The requirement that the extension must help prevent the issuer's insolvency means that if the issuer is already insolvent, an extension cannot be initiated to provide additional time for the refinancing of the covered bonds. This narrows the potential time frame for making extensions and therefore limits the credit benefit of extensions after issuer default.
- » According to the Swedish covered bonds legal framework, for the calculation of the required 180-day liquidity buffer, the issuer can assume the repayment of the covered bonds to be due on the extended maturity date of the respective covered bond. Together with the provision that the maturity extension cannot be triggered once the issuer is insolvent (described above), this exposes the covered bonds to a scenario in which the liquidity buffer does not cover the repayment of the covered bonds on the initial maturity date while at the same time, the extension of the covered bonds is not possible anymore. The combination of these two features increases refinancing risk in this scenario.

### Interest rate and currency risk

As with most European covered bonds, there is potential for interest rate and currency risks to arise from the different payment promises and durations of the cover pool and the covered bonds.

Exhibit 5

#### Overview of assets and liabilities

	WAL Assets (Years)	WAL Liabilities (Years)	Assets (%)	Liabilities (%)
Fixed rate	n/a	2.9	20.7%	100.0%
Variable rate	n/a	n/a	79.3%	0.0%

WAL: weighted average life; assets with a fixed rate period of less than 12 months are considered as variable rate assets

n/a: not applicable

Sources: Moody's Ratings and issuer data

In the event of issuer insolvency, we currently do not assume that the insolvency administrator would always be able to efficiently manage any natural hedge between the cover pool and the covered bonds. Therefore, following a CB anchor event, our model would separately assess the impact of increasing and decreasing interest rates on the expected loss of the covered bonds, taking the path of interest rates that leads to the worst result. The interest rate and currency stresses used over different time horizons are published in our Rating Methodology.

Aspects of this covered bond programme that are market-risk positive include the following:

- » The Swedish covered bond law requires issuers to consider market risks (including interest-rate and currency stresses) in the NPV asset coverage test if these risks are not mitigated by hedging arrangements.
- » There is no currency risk in the programme, because all the assets and liabilities are denominated in SEK.

Aspects of this covered bond programme that are market-risk negative include the following:

- » The existing interest rate risk is hedged via swaps with the issuer's parent entity, Danske Bank A/S. We consider these swaps as hedges in our assessment. Danske Bank A/S' strong credit quality and the adherence to market standards regarding collateral posting and counterparty replacement triggers reduce the counterparty risk for the issuer.

### Timely Payment Indicator

Our Timely Payment Indicator (TPI) assesses the likelihood that timely payments would be made to covered bondholders following a CB anchor event, and thus determines the maximum rating a covered bond programme can achieve with its current structure while allowing for the addition of a reasonable level of OC. We have assigned a TPI of Probable-High to these covered bonds.

The TPI leeway measures the number of notches by which we might lower the CB anchor before the rating agency downgrades the covered bonds because of TPI framework constraints. Based on the current TPI of Probable-High, the TPI leeway for this programme is four notches.

The TPI-positive aspects of this covered bond programme include:

- » The refinancing-positive aspects discussed in the "Refinancing Risk" section.
- » The level of support expected for covered bonds in Sweden.
- » The credit quality of the cover pool assets, which is evidenced by the collateral score of 4.7%. The Swedish covered bond law also requires a minimum OC of 2.0% on a nominal value and a NPV basis. As of 31 December 2024, the OC was 33.1% on a nominal value basis.

The TPI-negative aspects of this covered bond programme include:

- » The refinancing-negative aspects discussed in the "Refinancing Risk" section.
- » The covered bond programme does not benefit from any designated source of liquidity if cash flow collections are interrupted.

### Additional analysis

#### Liquidity

The covered bond programme does not benefit from any designated source of liquidity if cash flow collections are interrupted. After an issuer default, the bankruptcy administrator has the ability to enter into senior-ranking liquidity loans to make timely payments on the bonds. Although not specifically addressed by the covered bond law, we understand that the administrator would also be empowered to sell cover pool assets under the general law.

#### Time subordination

After a CB anchor event, later-maturing covered bonds would be subject to time subordination. Principal cash collections may be used on a first-come, first-served basis, paying earlier-maturing covered bonds before later-maturing covered bonds. Such payments could result in the erosion of OC before any payments are made to later-paying covered bonds. If the law's matching requirements can no longer be met, the cover pool no longer has to be maintained as a unit and bondholders can be paid pari passu and in principle, at the same time. However, this may not prevent the erosion of OC before a determination that the matching requirements can no longer be met.

## Cover pool description

### Pool description as of 31 December 2024

As of 31 December 2024, the cover pool consisted of residential and some commercial mortgage loans backed by properties in Sweden.

On a nominal value basis, the cover pool assets total SEK 142.8 billion, which back SEK 107.3 billion in covered bonds, resulting in an OC level of 33.1% on a nominal basis.

#### Single family housing loans

As Exhibit 6 below shows, residential mortgage loans backed by single family housing amount to SEK 70.13 billion (49.1% of the cover pool). All the properties backing these residential loans are located in Sweden with particular geographical concentration in the Stockholms län (31.2%) and Östra mellansverige (22.7%) region of Sweden. All assets in the cover pool are performing.

The weighted average indexed LTV for single family housing residential loans is 57.3%.

Exhibits 6 to 11 show more details about the cover pool characteristics.

#### Loans to tenant owner rights

Individual apartments are usually not for sale in Sweden — only the right to reside in an apartment (through becoming a member of a co-operative) can generally be purchased.

The co-operative owns the property (e.g. an apartment block) in which the tenant owner apartment is situated. The co-operative is an incorporated, non-profit association with limited liability whose members consist of the individuals living in the various tenant owner apartments within the co-operative's apartment block. The co-operative usually has a mortgage outstanding (the major part of which would have been taken out by the cooperative upon its establishment to purchase the apartment block), secured by mortgage deed (*pantbrev*) over its apartment block.

By becoming a member of the co-operative, the borrower is granted a perpetual right to reside in the relevant tenant owner apartment. The borrower funds the purchase of this right through a tenant owner right loan. Co-operative memberships together with these associated perpetual rights command a market value and can be bought and sold in the residential market. The borrower will also have to pay a monthly fee to the co-operative to cover a proportion of the servicing of any mortgage taken out by the co-operative and any on-going fees to cover maintenance of the co-operative's apartment block.

As Exhibit 13 below shows, residential mortgage loans backed by tenant owner rights amount to SEK 45.60 billion (31.9% of the cover pool). All the properties backing these residential loans are located in Sweden with particular geographical concentration in *Stockholms län* (61.6%). All assets in the cover pool are performing.

The weighted average indexed LTV for the loans to tenant owner rights is 60.6%.

Exhibits 12 to 17 below show more details about the cover pool characteristics.

#### Multi-family housing loans

As Exhibit 20 below shows, mortgage loans backed by multi family housing loans and some commercial mortgage loans (3.6% of this sub-pool or 0.5% of total cover pool) amount to SEK 17.49 billion (12.3% of the cover pool). All the properties backing these loans are located in Sweden with particular geographical concentration in the Östra mellansverige (20.7%) region of Sweden. All assets in the cover pool are performing.

The weighted average indexed LTV for multi-family housing residential loans is 55.6%.

Exhibits 18 to 23 show more details about the cover pool characteristics.

#### Co-operative housing loans

As Exhibit 27 below shows, residential mortgage loans backed by co-operative housing amount to SEK 9.57 billion (6.7% of the cover pool). All the properties backing these residential loans are located in Sweden with particular geographical concentration in the Stockholms län (49.5%) region of Sweden. All assets in the cover pool are performing.

The weighted average indexed LTV for co-operative housing residential loans is 31.0%.

Exhibits 24 to 29 show more details about the cover pool characteristics.

## Residential - single family housing

Exhibit 6

### Cover pool summary

Overview		Specific Loan and Borrower characteristics	
Asset type:	Residential - Single family	Loans with an external guarantee in addition to a mortgage:	n/a
Asset balance:	70,128,932,515	Interest only Loans (loan level)	60.9%
Average loan balance:	979,550	Loans for second homes / Vacation:	6.1%
Number of loans:	71,593	Buy to let loans / Non owner occupied properties:	0.0%
Number of borrowers:	30,626	Limited income verified:	n/d
Number of properties:	29,783	Adverse credit characteristics (**)	n/d
WA remaining term (in months):	469		
WA seasoning (in months):	83	Performance	
		Loans in arrears ( ≥ 2months - < 6months):	0.0%
		Loans in arrears ( ≥ 6months - < 12months):	0.0%
		Loans in arrears ( ≥ 12months):	0.0%
		Loans in a foreclosure procedure:	0.0%
Details on LTV		Multi-Family Properties	
WA unindexed LTV (*)	n/d	Loans to tenants of tenant-owned Housing Cooperatives:	n/a
WA Indexed LTV:	57.3%	Other type of Multi-Family loans (***)	n/a
Valuation type:	Market Value		
LTV threshold:	80.0%		
Junior ranks:	n/d		
Loans with Prior Ranks:	2.4%		

(note \*) may be based on property value at time of origination or further advance or borrower refinancing

(note \*\*) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination

(note \*\*\*) This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let)

n/d : information not disclosed by issuer

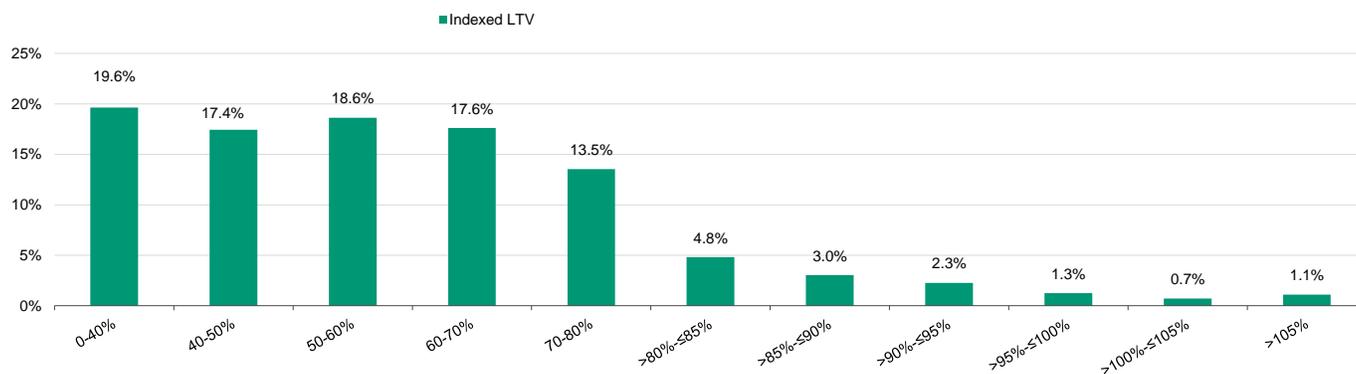
n/a: not applicable

Sources: Moody's Ratings and issuer data

### Cover pool characteristics

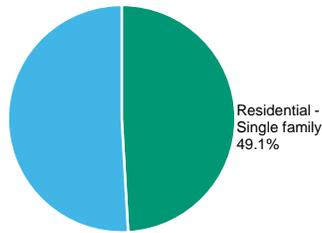
Exhibit 7

#### Balance per LTV band - including both, the 1st lien and the 2nd lien part of all loans



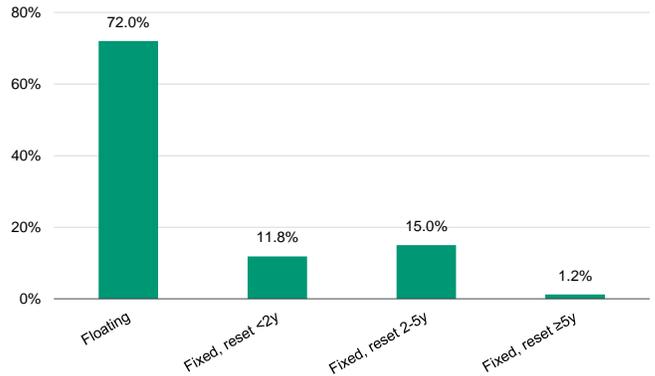
Sources: Moody's Ratings and issuer data

Exhibit 8  
Percentage of residential assets



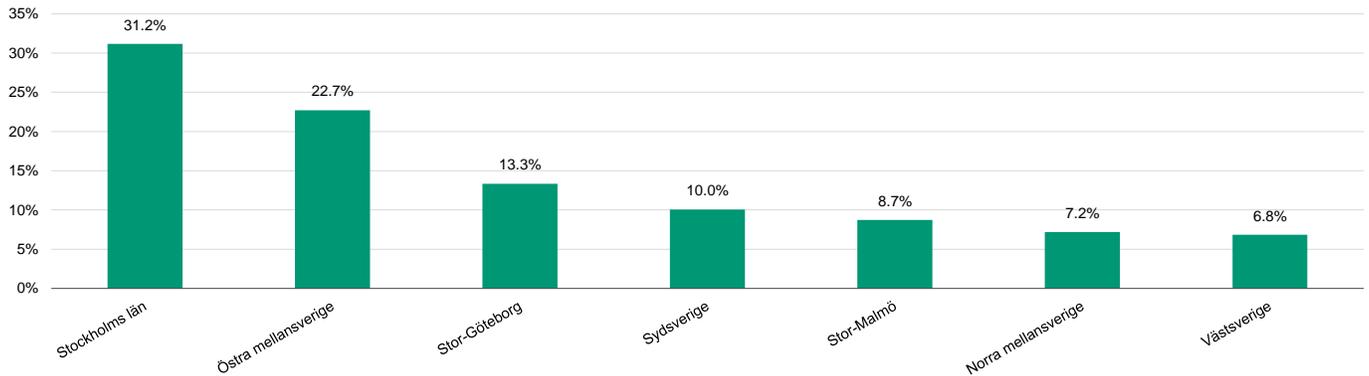
Sources: Moody's Ratings and issuer data

Exhibit 9  
Interest rate type



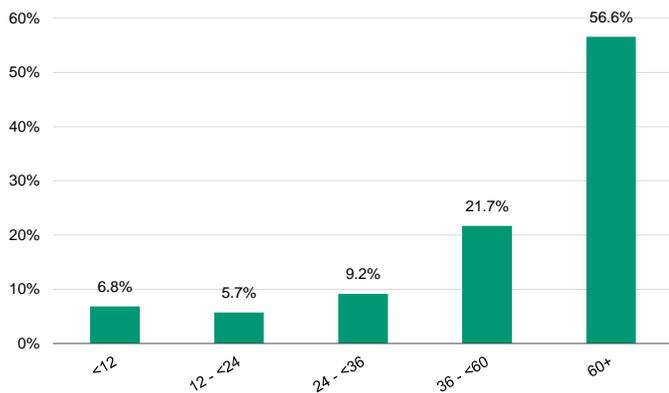
Sources: Moody's Ratings and issuer data

Exhibit 10  
Main country regional distribution



Sources: Moody's Ratings and issuer data

Exhibit 11  
Seasoning (in months)



Sources: Moody's Ratings and issuer data

## Residential - tenant owner rights

Exhibit 12

## Cover pool summary

Overview		Specific Loan and Borrower characteristics	
Asset type:	Residential - tenant owner rights	Loans with an external guarantee in addition to a mortgage:	n/a
Asset balance:	45,599,855,464	Interest only Loans (loan level)	44.8%
Average loan balance:	1,101,393	Loans for second homes / Vacation:	0.0%
Number of loans:	41,402	Buy to let loans / Non owner occupied properties:	0.0%
Number of borrowers:	23,255	Limited income verified:	n/d
Number of properties:	23,386	Adverse credit characteristics (**)	n/d
WA remaining term (in months):	489		
WA seasoning (in months):	61	<b>Performance</b>	
		Loans in arrears (≥ 2months - < 6months):	0.0%
		Loans in arrears (≥ 6months - < 12months):	0.0%
		Loans in arrears (≥ 12months):	0.0%
		Loans in a foreclosure procedure:	0.0%
<b>Details on LTV</b>		<b>Multi-Family Properties</b>	
WA unindexed LTV (*)	n/d	Loans to tenants of tenant-owned Housing Cooperatives:	n/a
WA Indexed LTV:	60.6%	Other type of Multi-Family loans (***)	n/a
Valuation type:	Market Value		
LTV threshold:	80%		
Junior ranks:	n/d		
Loans with Prior Ranks:	0.1%		

(note \*) may be based on property value at time of origination or further advance or borrower refinancing

(note \*\*) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination

(note \*\*\*) This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let)

n/d : information not disclosed by issuer

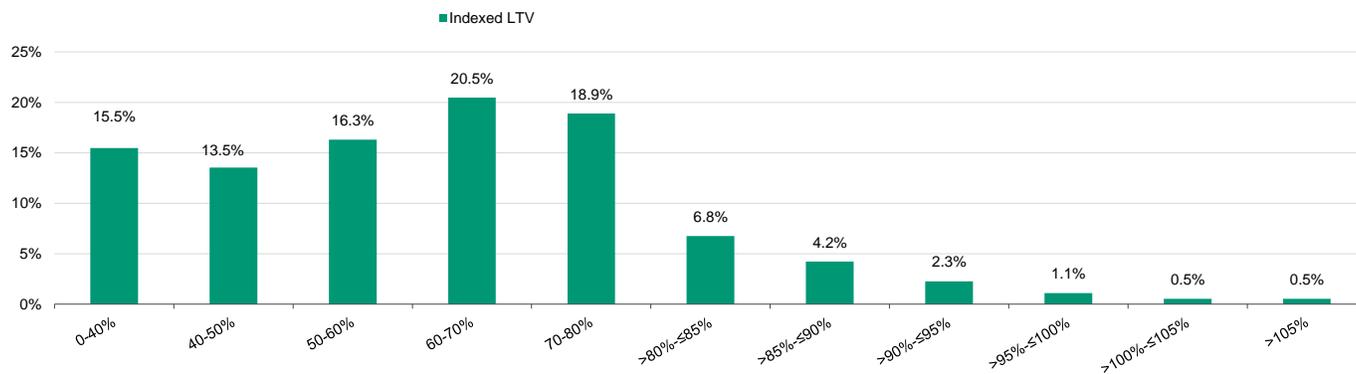
n/a: not applicable

Sources: Moody's Ratings and issuer data

## Cover pool characteristics

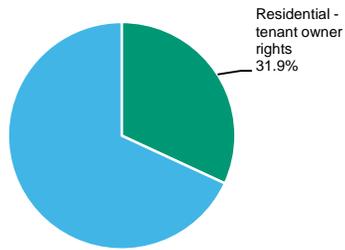
Exhibit 13

## Balance per LTV band - including both, the 1st lien and the 2nd lien part of all loans



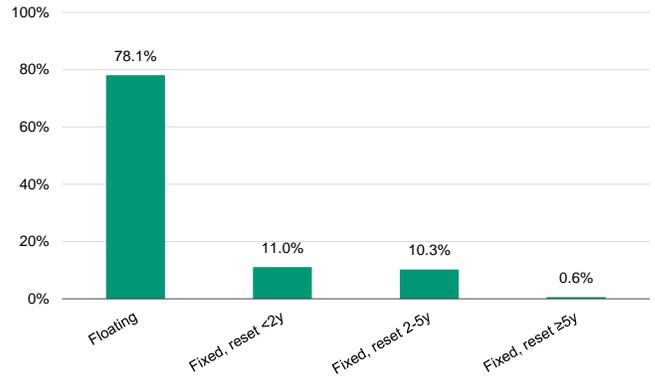
Sources: Moody's Ratings and issuer data

Exhibit 14  
**Percentage of residential assets**



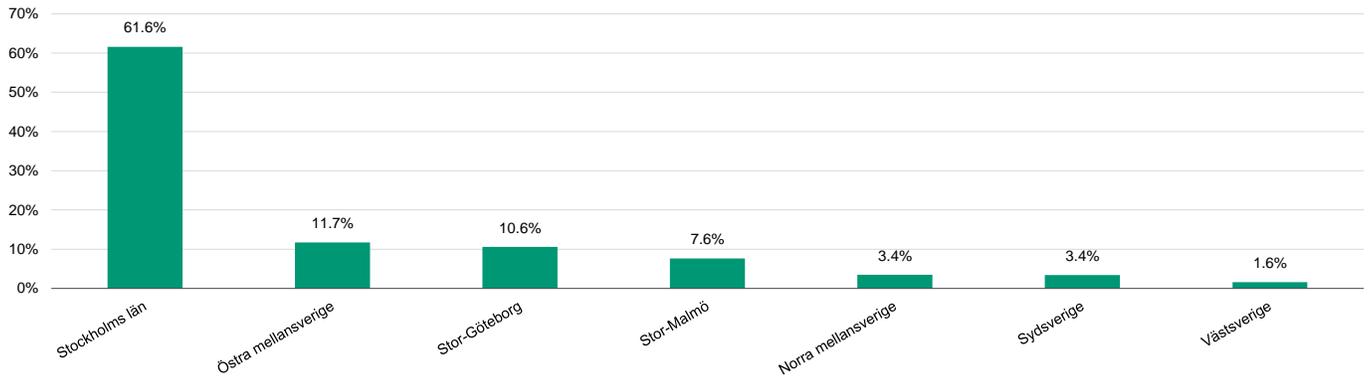
Sources: Moody's Ratings and issuer data

Exhibit 15  
**Interest rate type**



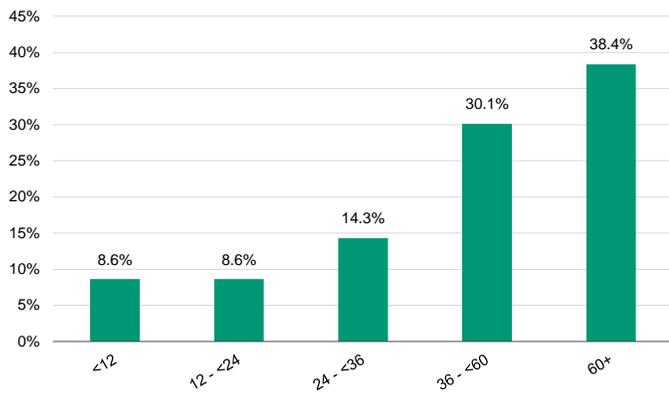
Sources: Moody's Ratings and issuer data

Exhibit 16  
**Main country regional distribution**



Sources: Moody's Ratings and issuer data

Exhibit 17  
**Seasoning (in months)**



Sources: Moody's Ratings and issuer data

## Residential - multi-family

Exhibit 18

## Cover pool summary

Overview		Specific Loan and Borrower characteristics	
Asset type:	Residential - multi-family	Loans with an external guarantee in addition to a mortgage:	n/a
Asset balance:	17,493,415,958	Interest only Loans (loan level)	23.6%
Average loan balance:	24,743,163	Loans for second homes / Vacation:	0.0%
Number of loans:	707	Buy to let loans / Non owner occupied properties:	0.0%
Number of borrowers:	544	Limited income verified:	n/d
Number of properties:	1,149	Adverse credit characteristics (**)	n/d
WA remaining term (in months):	64		
WA seasoning (in months):	18	<b>Performance</b>	
		Loans in arrears ( ≥ 2months - < 6months):	0.0%
		Loans in arrears ( ≥ 6months - < 12months):	0.0%
		Loans in arrears ( ≥ 12months):	0.0%
		Loans in a foreclosure procedure:	0.0%
<b>Details on LTV</b>		<b>Multi-Family Properties</b>	
WA unindexed LTV (*)	n/d	Loans to tenants of tenant-owned Housing Cooperatives:	n/a
WA Indexed LTV:	55.6%	Other type of Multi-Family loans (***)	n/a
Valuation type:	Market Value		
LTV threshold:	80%		
Junior ranks:	n/d		
Loans with Prior Ranks:	11.3%		

(note \*) may be based on property value at time of origination or further advance or borrower refinancing

(note \*\*) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination

(note \*\*\*) This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let)

n/d : information not disclosed by issuer

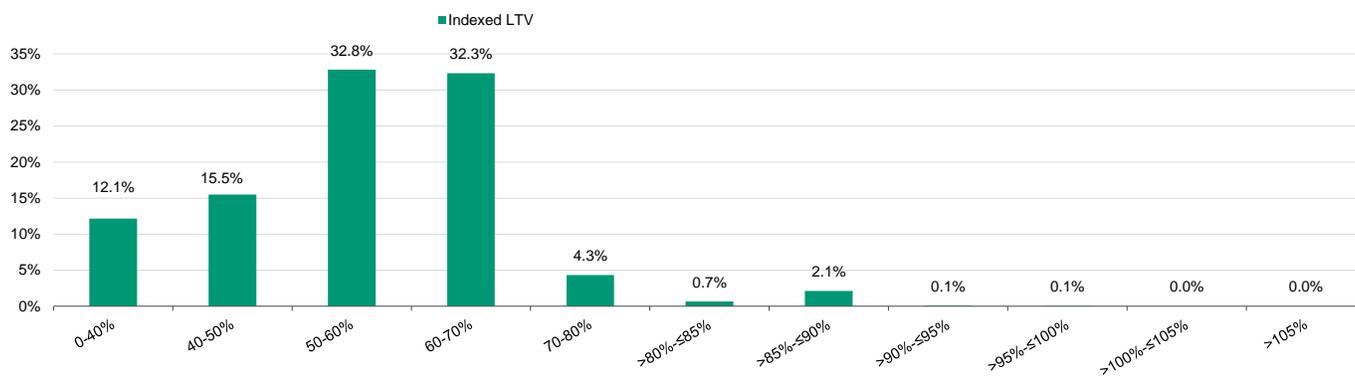
n/a: not applicable

Sources: Moody's Ratings and issuer data

## Cover pool characteristics

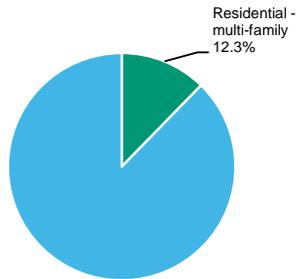
Exhibit 19

## Balance per LTV band - including both, the 1st lien and the 2nd lien part of all loans



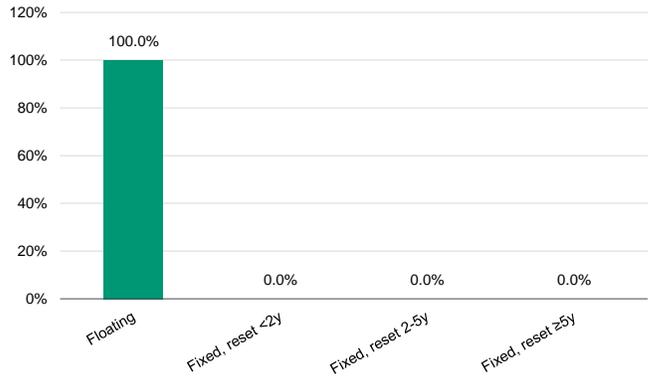
Sources: Moody's Ratings and issuer data

Exhibit 20  
**Percentage of residential assets**



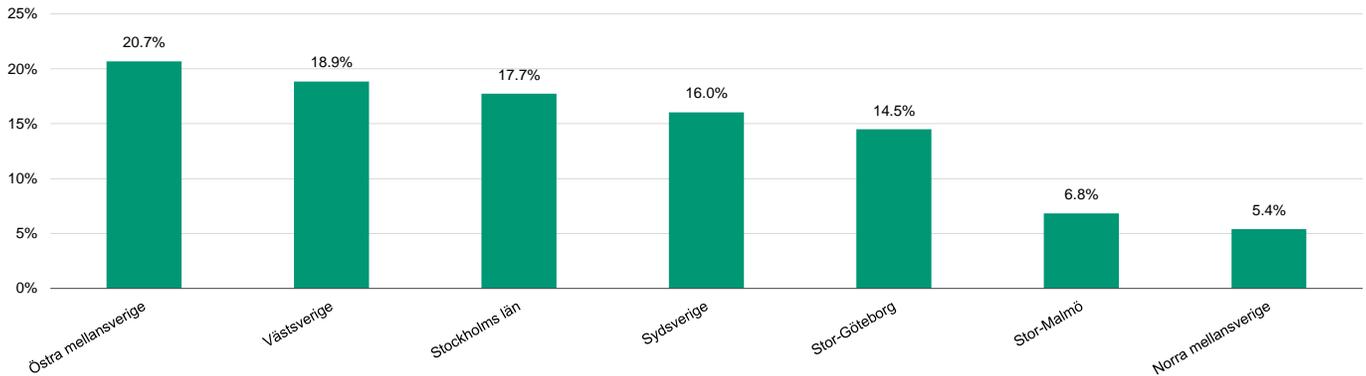
Sources: Moody's Ratings and issuer data

Exhibit 21  
**Interest rate type**



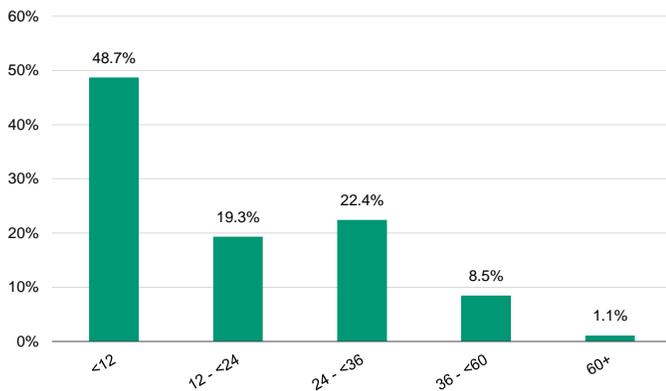
Sources: Moody's Ratings and issuer data

Exhibit 22  
**Main country regional distribution**



Sources: Moody's Ratings and issuer data

Exhibit 23  
**Seasoning (in months)**



Sources: Moody's Ratings and issuer data

## Residential - co-operative assets

Exhibit 24

### Cover pool summary

Overview		Specific Loan and Borrower characteristics	
Asset type:	Residential - co-operative assets	Loans with an external guarantee in addition to a mortgage:	n/a
Asset balance:	9,570,923,453	Interest only Loans (loan level)	33.6%
Average loan balance:	13,219,508	Loans for second homes / Vacation:	0.0%
Number of loans:	724	Buy to let loans / Non owner occupied properties:	0.0%
Number of borrowers:	417	Limited income verified:	n/d
Number of properties:	563	Adverse credit characteristics (**)	n/d
WA remaining term (in months):	70		
WA seasoning (in months):	23	<b>Performance</b>	
		Loans in arrears ( ≥ 2months - < 6months):	0.0%
		Loans in arrears ( ≥ 6months - < 12months):	0.0%
		Loans in arrears ( ≥ 12months):	0.0%
		Loans in a foreclosure procedure:	0.0%
		<b>Multi-Family Properties</b>	
		Loans to tenants of tenant-owned Housing Cooperatives:	n/a
		Other type of Multi-Family loans (***)	n/a

(note \*) may be based on property value at time of origination or further advance or borrower refinancing

(note \*\*) Typically borrowers with a previous personal bankruptcy or borrowers with record of court claims against them at time of origination

(note \*\*\*) This "other" type refers to loans directly to Housing Cooperatives and to Landlords of Multi-Family properties (not included in Buy to Let)

n/d : information not disclosed by issuer

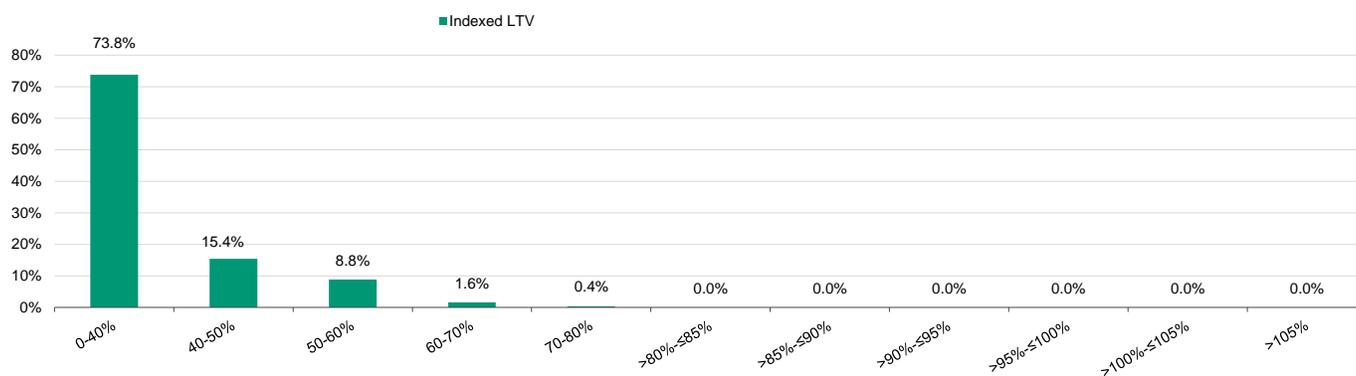
n/a: not applicable

Sources: Moody's Ratings and issuer data

### Cover pool characteristics

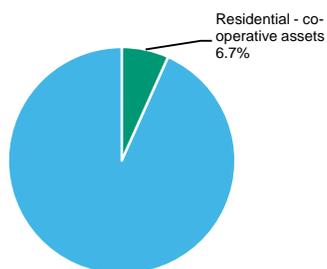
Exhibit 25

#### Balance per LTV band - including both, the 1st lien and the 2nd lien part of all loans



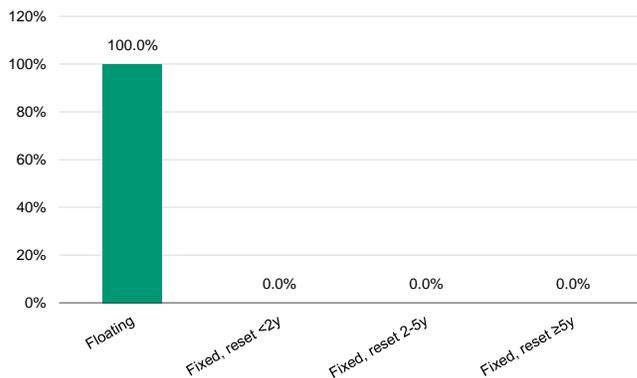
Sources: Moody's Ratings and issuer data

Exhibit 26  
**Percentage of residential assets**



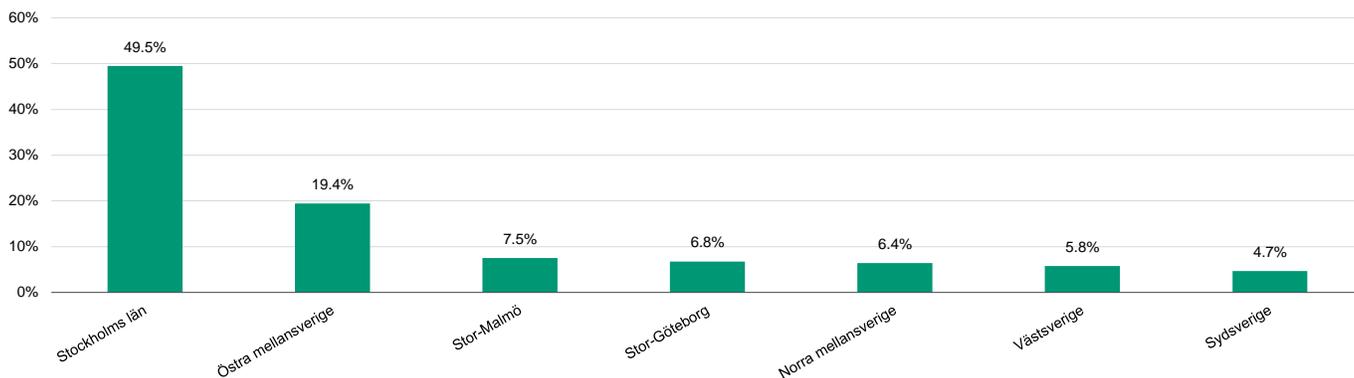
Sources: Moody's Ratings and issuer data

Exhibit 27  
**Interest rate type**



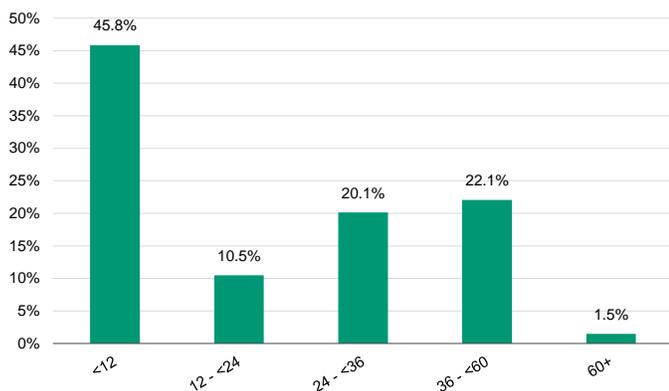
Sources: Moody's Ratings and issuer data

Exhibit 28  
**Main country regional distribution**



Sources: Moody's Ratings and issuer data

Exhibit 29  
**Seasoning (in months)**



Sources: Moody's Ratings and issuer data

**Cover pool monitor**

The SFSA appoints an independent inspector (cover pool monitor) whose duties include checking that the cover pool register is correctly maintained and reporting to the SFSA. For more details on the cover pool monitor's role, see "[Sweden's legal framework for covered bonds](#)".

## Cover pool analysis

Our credit analysis of the pool takes into account specific characteristics of the pool, as well as legal risks.

### Primary cover pool analysis

We calculate the collateral score for the residential mortgages using a scoring model that estimates loss in severe recession scenario. Our analysis takes into account, among other factors, the LTV ratios of the mortgage loans, the seasoning and the geographical distribution.

The strong collateral quality is reflected in the 4.7% collateral score of the pool, which is in line with the collateral score of most other mortgage covered bonds in Sweden. (For details, see "[Moody's Global Covered Bonds Sector Update, Q1 2025](#)")

From a credit perspective we view the following pool characteristics as credit positive:

- » All loans in the cover pool are currently performing. Non-performing assets are excluded from coverage tests at 60 days past due.
- » The loans in the cover pool have an average seasoning of 64 months.
- » Cover pools must be stress tested against falls of up to 30% in mortgaged property values. Issuers must report the outcome of the tests to the Swedish FSA and state how the issuer will improve cover pool matching if price falls are experienced.
- » 0.5% of the cover pool consists of loans that are backed by commercial properties. Loans backed by commercial property are not permitted to exceed 10% of the cover pool.

From a credit perspective, we regard the following characteristics of the residential mortgage loans as credit negative:

- » Property valuations may be performed using statistical valuation methods rather than physical inspection by an independent valuer. However, this is in line with market practice.
- » A material proportion of the loans in the cover pool (49.3%) have a bullet repayment, while 27.7% of borrowers only have non-amortising loans. Non-amortizing loans may be subject to increased default risk if there is a large one-off payment obligation for borrowers at loan maturity. However, we expect that new amortization rules for mortgage loans in Sweden will lead to a decrease of the outstanding amount of this loan type over time.
- » There is geographical concentration in the Stockholms län (40.5%) region of Sweden.

### Additional cover pool analysis

#### Eligible assets

The Swedish covered bond law provides that mortgage loans may be included in the cover pool to the extent that the eligible loan portion lies within:

- » 80% of the market value in relation to residential property (including loans backed by multi-family properties);
- » 60% of the market value in relation to property for commercial or office use.

Commercial mortgage loans may constitute no more than 10% of the cover pool, unless the property is mainly used for agricultural or forestry purposes.

The issuer must continually monitor property values. If these values decline significantly, the portion of the loan in the cover pool should be adjusted downwards so that it remains within the LTV limits specified above.

#### Set-off risk

Set-off rights would mainly arise where a mortgage loan borrower is also a deposit holder with the issuer. Following issuer default, it is likely that the borrower would seek to set off the amount of its deposit claim against its mortgage obligation, thereby depleting the cover pool of assets. We understand that Danske Hypotek does not accept deposits.

## Comparables

Exhibit 30

## Comparables - Danske Hypotek AB - Mortgage Covered Bonds and other selected Swedish covered bonds

PROGRAMME NAME	Danske Hypotek AB - Mortgage Covered Bonds	SEB - Mortgage Covered Bonds	Swedbank Mortgage AB - Mortgage Covered Bonds	The Swedish Covered Bond Corporation (SCBC) - Mortgage Covered Bonds	Nordea Hypotek AB - Mortgage Covered Bonds
<b>Overview</b>					
Programme is under the law	Sweden	Sweden	Sweden	Sweden	Sweden
Main country in which collateral is based	Sweden	Sweden	Sweden	Sweden	Sweden
Country in which issuer is based	Sweden	Sweden	Sweden	Sweden	Sweden
Total outstanding liabilities	107,308,000,000	381,199,164,750	346,131,982,127	308,504,670,566	348,267,475,000
Total assets in the Cover Pool	142,793,127,390	699,105,817,741	1,108,238,283,963	424,697,616,621	703,949,917,110
Issuer name	Danske Hypotek AB	SEB AB	Swedbank Mortgage AB	The Swedish Covered Bond Corporation	Nordea Hypotek AB
Issuer CR assessment	Aa3(cr)	Aa2(cr)	Aa3(cr)	n/a	n/a
Group or parent name	Danske Bank A/S	n/a	Swedbank AB	SBAB Bank AB (publ)	Nordea Bank Abp
Group or parent CR assessment	n/a	n/a	Aa3(cr)	Aa3(cr)	Aa2(cr)
Main collateral type	Residential	Residential	Residential	Residential	Residential
Collateral types	Residential 99.5%, Commercial 0.5%, Public Sector 0%, Other/Supplementary assets 0%	Residential 100%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 0%	Residential 92%, Commercial 6%, Public Sector 0%, Other/Supplementary assets 2%	Residential 100%, Commercial 0%, Public Sector 0%, Other/Supplementary assets 0%	Residential 94%, Commercial 4%, Public Sector 2%, Other/Supplementary assets 0%
<b>Ratings</b>					
Covered bonds rating	Aaa	Aaa	Aaa	Aaa	Aaa
Entity used in Moody's EL & TPI analysis	Danske Hypotek AB	Skandinaviska Enskilda Banken AB	Swedbank Mortgage AB	SBAB Bank AB	Nordea Bank Abp
CB anchor	Aa2	Aa1	Aa2	Aa2	Aa1
CR Assessment	Aa3(cr)	Aa2(cr)	Aa3(cr)	Aa3(cr)	Aa2(cr)
SUR / LT Deposit	n/a	Aa3	n/a	A1	Aa3
Unsecured claim used for Moody's EL analysis	Yes	Yes	Yes	No	No
<b>Value of Cover Pool</b>					
Collateral Score	4.7%	4.5%	4.6%	4.4%	4.9%
Collateral Score excl. systemic risk	n/a	n/a	n/a	n/a	4.9%
Collateral Risk (Collateral Score post-haircut)	3.2%	3.0%	3.1%	2.9%	3.3%
Market Risk	7.3%	9.4%	8.0%	8.3%	7.6%
<b>Over-Collateralisation Levels</b>					
Committed OC*	2.0%	2.0%	2.0%	2.0%	2.0%
Current OC	33.1%	83.4%	220.2%	37.7%	102.1%
OC consistent with current rating	0.0%	0.0%	0.0%	1.0%	0.0%
Surplus OC	33.1%	83.4%	220.2%	36.7%	102.1%
<b>Timely Payment Indicator &amp; TPI Leeway</b>					
TPI	Probable-High	Probable-High	Probable-High	Probable-High	Probable-High
TPI Leeway	4	5	4	4	5
Reporting date	31 December 2024	30 September 2024	30 September 2024	30 September 2024	30 September 2024

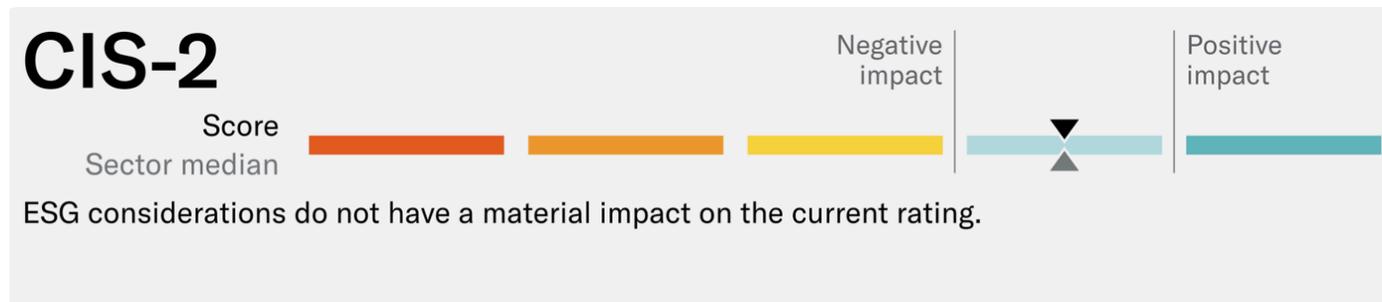
\*We consider this level of OC as committed according to our methodology even though the level of OC provided via the asset cover test might be higher because the issuer could reduce the level of OC down to this level without a rating impact on our covered bond rating.

Sources: Moody's Ratings and issuer data

## ESG considerations

Danske Hypotek AB - Mortgage Covered Bond's ESG credit impact score is CIS-2

Exhibit 31



Source: Moody's Ratings

The ESG CIS of CIS-2 reflects a limited impact from environmental, social and governance factors on the rating. The covered bond rating would not be higher in the absence of ESG considerations.

Exhibit 32



Source: Moody's Ratings

### Environmental

The Environmental IPS of E-2 reflects low exposure to environmental risks across all categories. Although the bank supporting the transaction may have exposure to carbon-intensive counterparties and hydrocarbon-reliant sectors, the residential mortgage assets' exposure to carbon transition will be gradual, with portfolios evolving over time.

### Social

The Social IPS of S-3 reflects the transaction's exposure to demographic and societal trends and customer relations risks. Social concerns in Europe related to housing and consumer protection give rise to the risk that borrower-friendly measures such as eviction bans, foreclosure limitations, and payment moratoriums could impair mortgage loan repayments. Customer relations risks to the bank supporting the transaction, such as the mis-selling of financial products and risks related to data security and customer privacy, could reduce the market value of loans in the cover pool if buyers face remediation costs.

### Governance

The Governance IPS of G-2 reflects the Governance IPS of the bank supporting the transaction as well as the governance support inherent in the jurisdiction's covered bond framework. The covered bond legal framework provides for supervision by regulatory authorities, management of the cover pool if the issuer is insolvent, reporting requirements, and restrictions on asset selection.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on [Moody's.com](https://www.moodys.com). In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

## Methodology and monitoring

The primary methodology we use in rating the issuer's covered bonds is "[Rating Methodology - Covered Bonds](#)", published in February 2025. Other methodologies and factors that may have been considered in the rating process can also be found on <http://www.moody's.com>. In addition, we publish a weekly summary of structured finance credit, ratings and methodologies, available to all registered users of our website, at [www.moody's.com/SFQuickCheck](http://www.moody's.com/SFQuickCheck).

We expect the issuer to deliver certain performance data to us on an ongoing basis. In the event that this data is not made available to us, our ability to monitor the ratings may be impaired. This lack of data availability could negatively impact the ratings or, in some cases, our ability to continue to rate the covered bonds.

## Appendix: Income underwriting and valuation

Exhibit 33

### Income underwriting and valuation - Residential assets

A. Residential Income Underwriting	
1 Is income always checked?	Yes
2 Does this check ever rely on income stated by borrower ("limited income verification")?	No. Income always needs to be verified and documented.
3 Percentage of loans in Cover Pool that have limited income verification	None
4 If limited income verification loans are in the Cover Pool, describe what requirements lender has in place for these loans.	N/a
5 Does income in all cases constrain the amount lent (for example through some form of Income Sufficiency Test ("IST"))?	Yes
6 If not, what percentage of cases are exceptions.	N/a
For the purpose of any IST:	
7 Is it confirmed that income after tax is sufficient to cover both interest and principal?	Yes. Income after tax must be sufficient to cover interest and principal as well as other living expenses.
8 If so over what period is it assumed principal will be paid (typically on an annuity basis)? Any exceptions?	Amortisation is a regulatory requirement and depends on the LTV and the debt to income ratio. This calculation is made on all loans that a customer may have. An amortization based on the actual amortization requirement (0-3%) is assumed. Other debt is amortized linearly at 2%.
9 Does the age of the borrower constrain the period over which principal can be amortised?	No
10 Are any stresses made to interest rates when carrying out the IST? If so when and for what type of products?	Yes. Stressed interest rates are applied to all debts. Currently 6% for residential mortgages
11 Are all other debts of the borrower taken into account at the point the loan is made?	Yes. The affordability assessment includes all loans stated by the borrower and loans included in the credit report.
12 How are living expenses of the borrower calculated? And what is the stated maximum percentage of income (or income multiple if relevant) that will be relied on to cover debt payments. (specify if income is pre or post tax)	Living expenses are a mix between expenses provided by the borrower as well as additional standard costs based on the household composition as provided by the Swedish Consumer Agency. In addition to the stressed affordability assessment there is a general debt to income (gross) maximum of 6 applied.
Other comments	
B. Residential Valuation	
1 Are valuations based on market or lending values?	Market values
2 Are all or the majority of valuations carried out by external valuers (with no direct ownership link to any company in the Sponsor Bank group)?	No
3 How are valuations carried out where an external valuer not used?	Valuations are based on either the automated valuation model (AVM), an internal valuation or a purchase price. In order to use a purchase price for loan origination the value needs to be validated by the AVM and/or by the internal valuation team.
4 What qualifications are external valuers required to have?	The external valuer needs to be either an authorised real estate agent or real estate valuer. This requires underlying requirements on education, competence and work experience. The external valuation needs to be done according to the set industry standard and internal requirements. If done according to set standards, and assessed reasonable, the value can be used for lending.
5 What qualifications are internal valuers required to have?	Internal valuers must be independent of the loan origination process and possess the necessary qualifications, ability and experience to execute a property valuation.
6 Do all external valuations include an internal inspection of a property?	Yes, an external valuation typically involves an internal and external inspection.
7 What exceptions?	N/a
8 Do all internal valuations include an internal inspection of a property?	No. For re-mortgage from another bank or increase of existing lending a value may be assessed by means of a desktop valuation, by an internal valuer, if the value also can be supported by the AVM. If not an internal inspection is needed.
9 What exceptions?	N/a
Other comments	

Source: Issuer

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