



Nordea Kredit Investor Presentation 2015 Q4

Published 22 February, 2016

Nordea Kredit

Making it possible

Introduction and contact information

This Investor Presentation has been compiled by Nordea Kredit for information purposes only and offers facts and figures on Nordea Kredit and the mortgage collateral supporting outstanding covered mortgage bonds and mortgage bonds.

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

Finn Nicolaisen, First Vice President, Nordea - TALM Exposures,
phone +45 3333 1625

Juho-Pekka Jääskeläinen, Senior Treasury Manager, Nordea - TALM Exposures,
phone +45 3333 1626

Contents:

- Nordea Kredit – in brief
- Ratings and OC
- Loan portfolio
- LTV

Nordea Kredit – in brief I

- Founded in 1993, number of employees (in FTEs) 101 (as per 2015 Q4)
- New issues are covered mortgage bonds (SDROs), exclusively
- All bonds issued by Nordea Kredit are rated AAA (by S&P) and Aaa (by Moody's)
- Profit before tax 2015, DKK 1,913m and Cost/Income ratio 10.6%
- Mortgage loans at nominal value 2015 Q4: DKK 383.8bn (2015 Q3: DKK 381.3bn)
- Mortgage loans at fair value 2015 Q4: DKK 385.9bn (2015 Q3: DKK 383.0bn)
- Market share 2015 Q4: 15.0% (2015 Q3: 15.0%)
(Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

Nordea Kredit – in brief II

- Weighted average LTV 2015 Q4: 63% (2015 Q3: 63%)
- Total capital ratio at end of 2015: 29.7% and Tier 1 capital ratio 29.7% (excl. transitional rules)
- Match-funded “Pass Through” setup complying with the Danish specific balance principle
- Late payments by borrowers 2015 Q3: 0.17% (2015 Q2: 0.18%)
(Residential properties and holiday homes, 3½ months after the September 30, 2015 payment date)
- Danish mortgage banks are regulated and supervised by Finanstilsynet
(The Danish FSA)
- All covered bonds issued by Nordea Kredit are ECBC-labeled – see <http://nordeakredit.dk/> - Investor information

Nordea Kredit – ratings and over-collateralisation

	Moody's		S&P	
	CC 1	CC2	CC1	CC 2
Ratings of issued bonds	Aaa	Aaa	AAA	AAA
Required OC / CE for Aaa and AAA rating, %	0.0	0.0	4.44	2.69
TPI leeway/Unused uplift	7	6	4	4

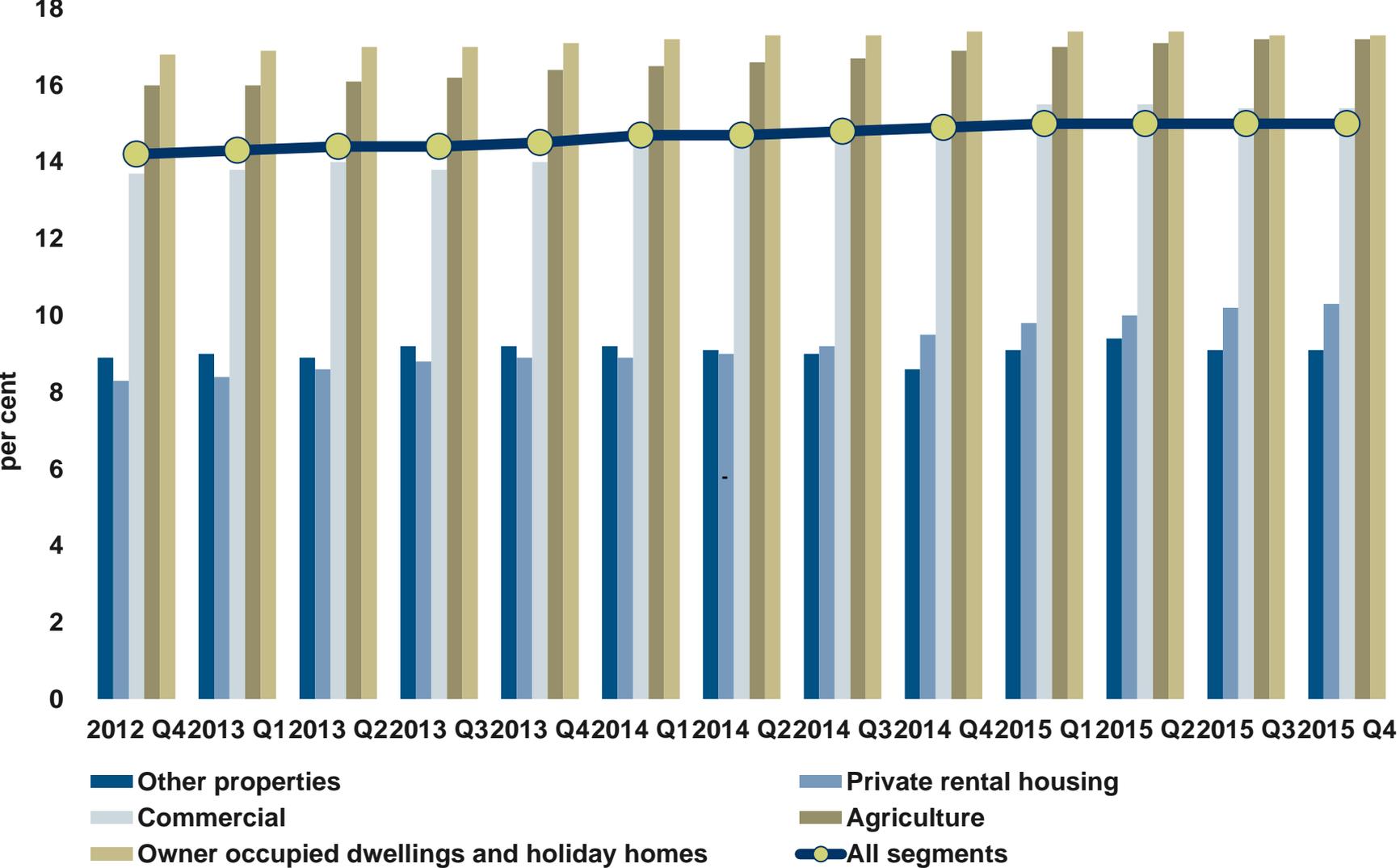
OC per Q4 2015, %

CC1: 7.8

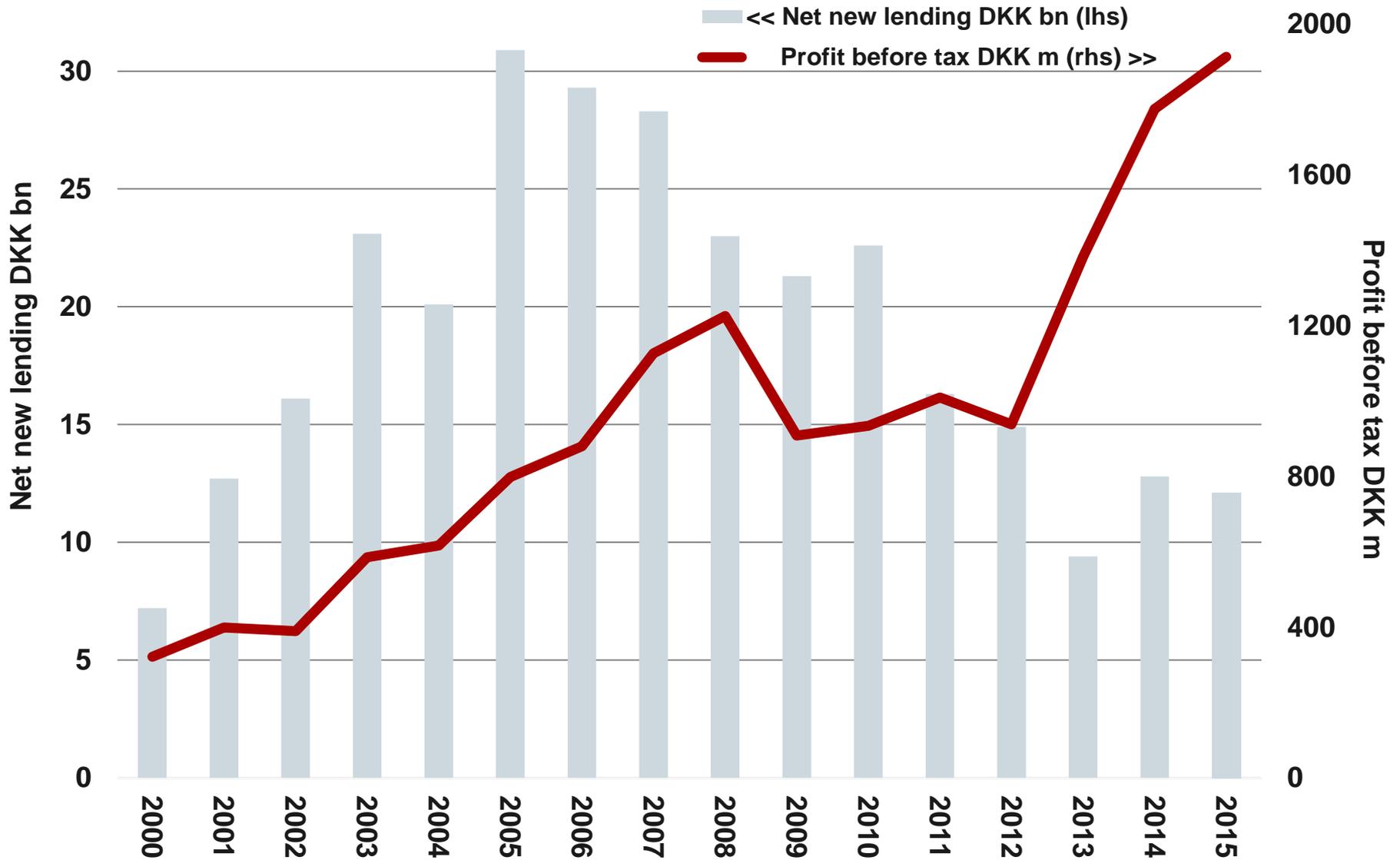
CC2: 9.8

OC and CE requirements as set by Moody's and S&P, respectively
 TPI leeway and unused uplift as defined by Moody's and S&P, respectively
 OC data in the lower right hand box as computed by Nordea Kredit

Nordea Kredit's market shares - outstanding loans in per cent of all Danish mortgage credit loans

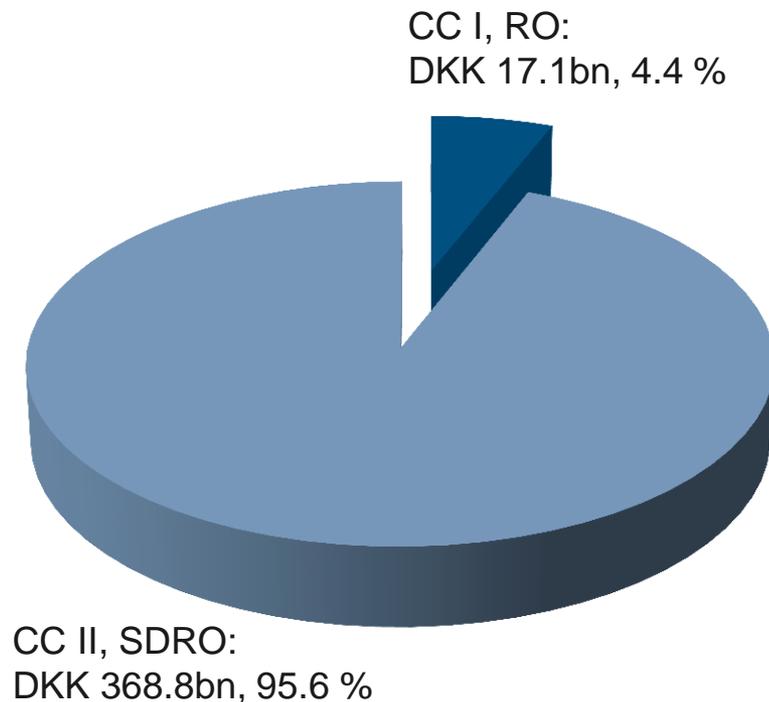


Nordea Kredit – profit and net new lending



Nordea Kredit capital centers

CCs I&II, 2015 Q4: DKK 385.9bn
(mortgage loans at fair value)



Nordea Kredit has two capital centers:

- CC I: Mortgage Bonds (Realkreditobligationer, "RO")

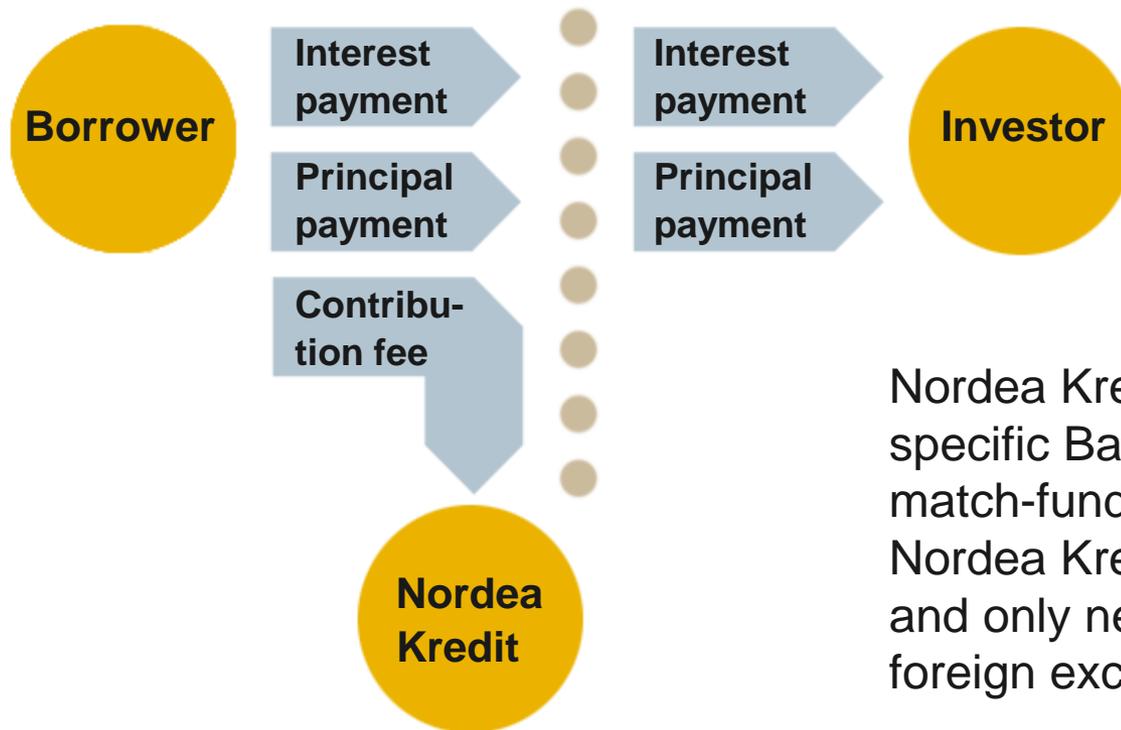
No open series.

About 66% of the bonds in CC I are grandfathered covered bonds according to UCITS/CRD.

- CC II: Covered Mortgage Bonds (Særligt dækkede realkreditobligationer, "SDRO") are issued out of CC II (2007 -).

All bonds in CC II are covered bonds according to UCITS/CRD.

Match-funded setup due to the specific Balance Principle

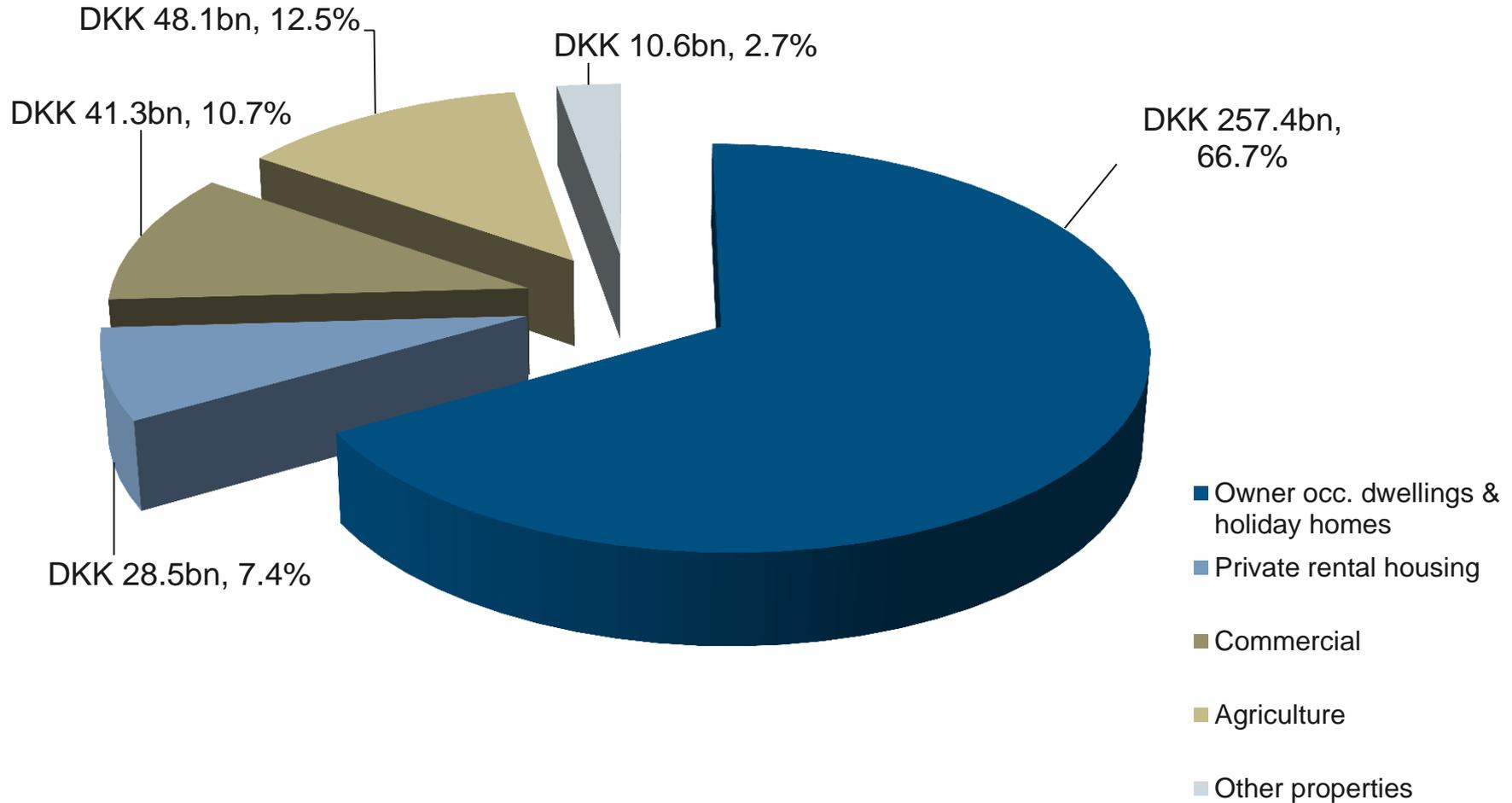


Nordea Kredit complies with the specific Balance Principle and has a match-funded “Pass Through” setup. Nordea Kredit has no prepayment risk and only negligible interest rate and foreign exchange risk.

Nordea Kredit – loan portfolio split by property categories

Capital centres I & II, 2015, Q4 at fair value: DKK 385.9bn

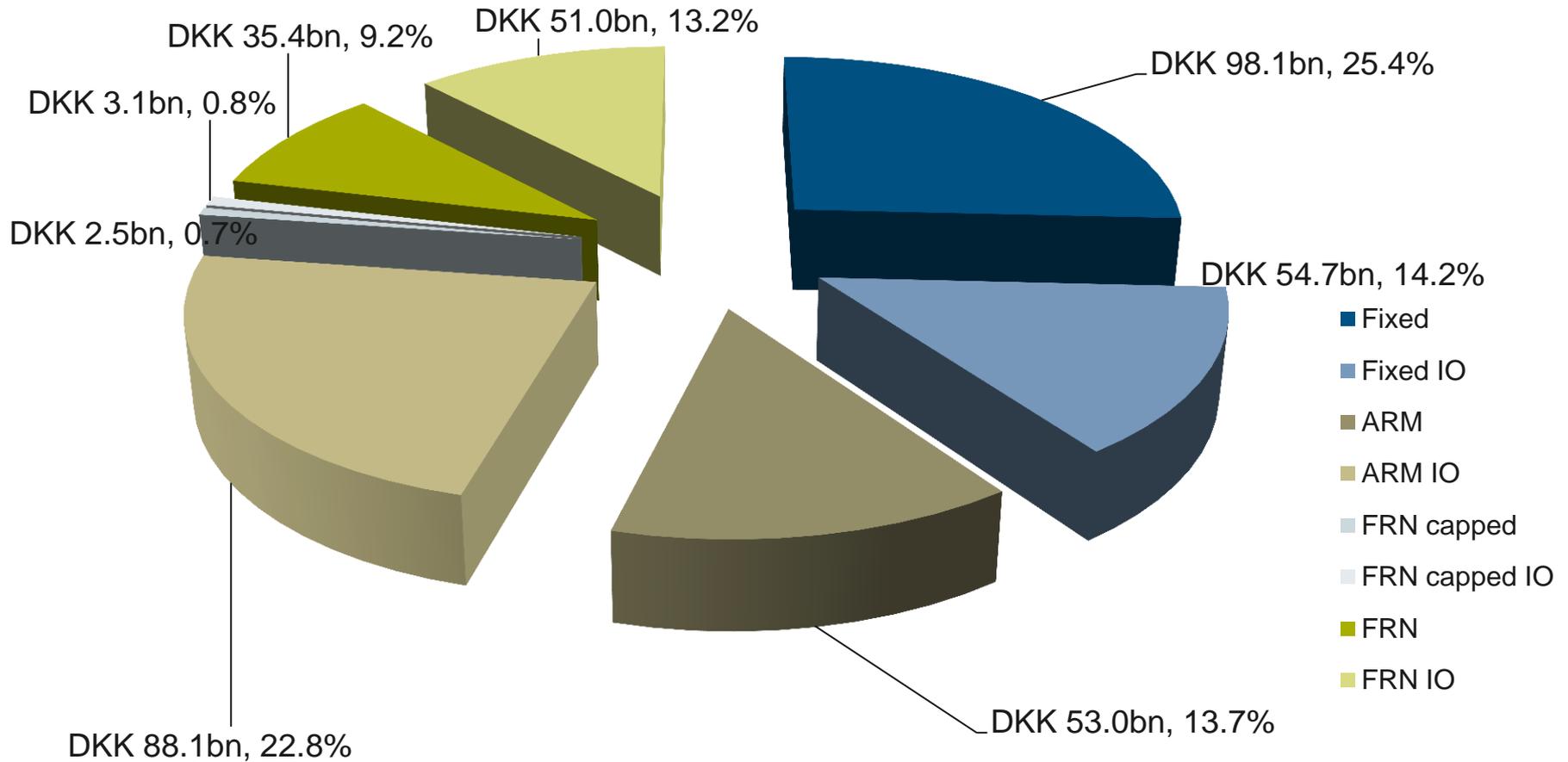
Distribution of all loans by property category



Nordea Kredit – loan portfolio - loan type split

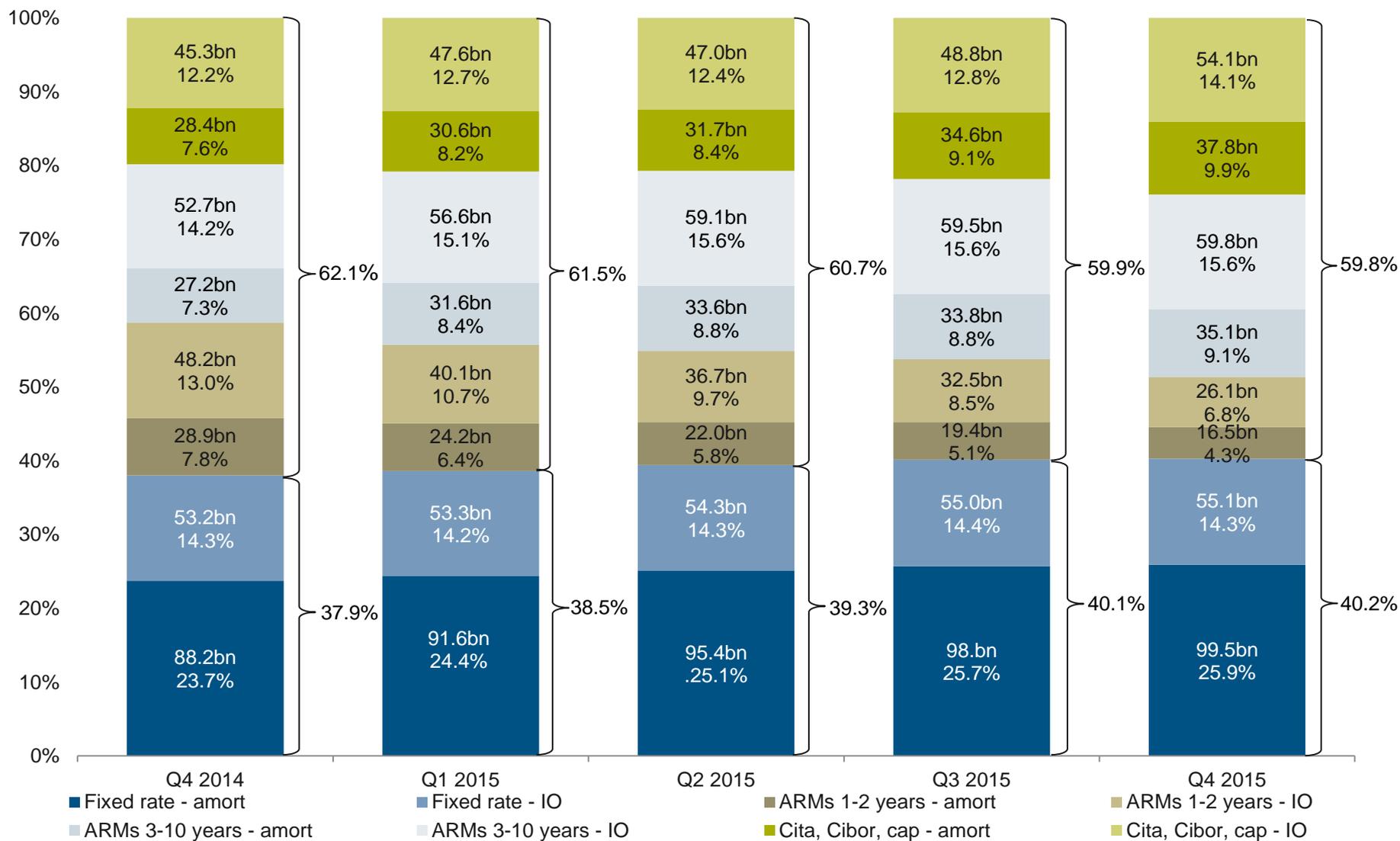
Capital centres I & II, 2015, Q4 at fair value: DKK 385.9bn

Distribution of all loans by loan type



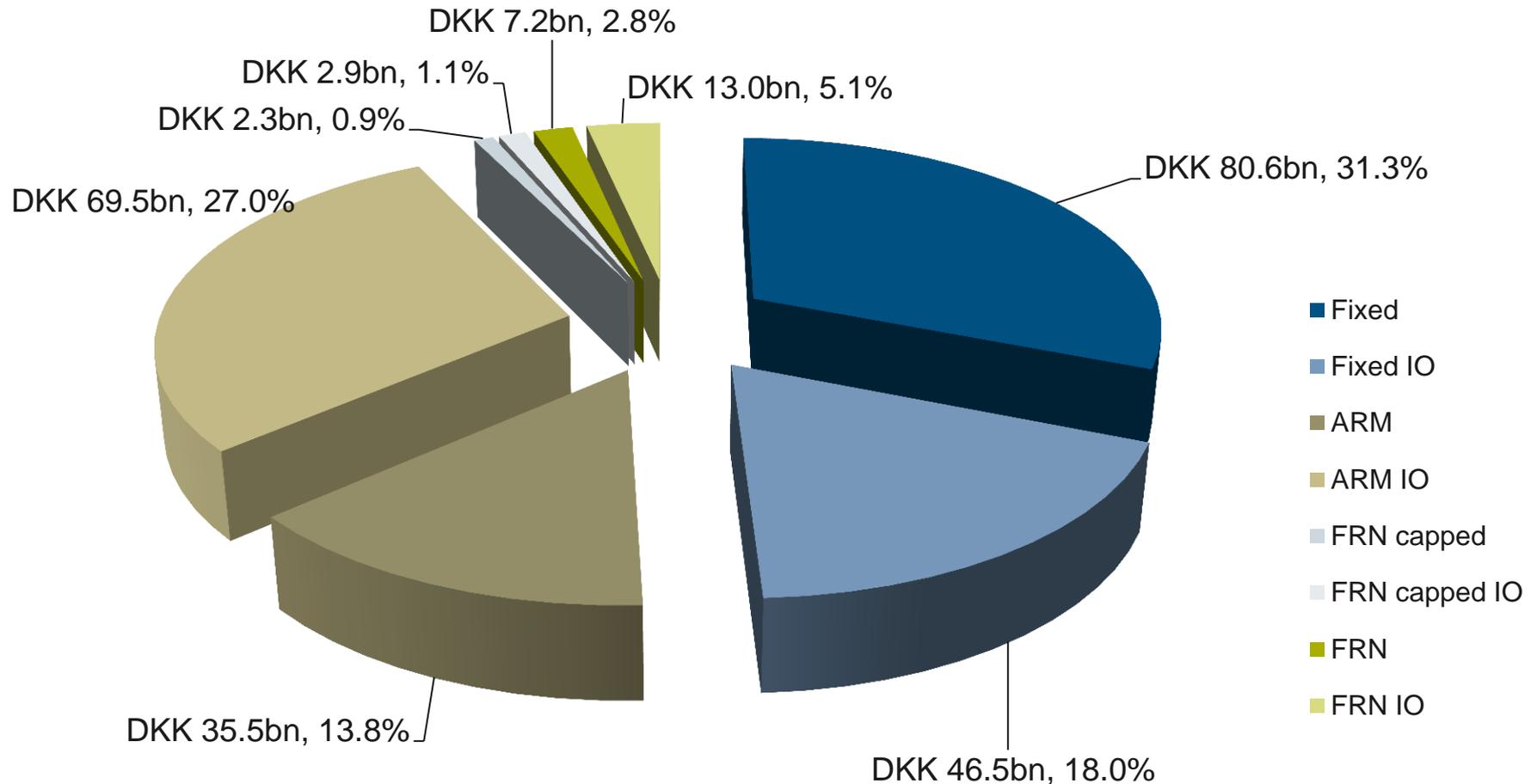
Nordea Kredit – loan portfolio - loan type split

(Developments from 2014, Q4 - 2015, Q4 – nominal value)



Nordea Kredit – loan type split for owner occupied dwellings

Owner occupied dwellings and holiday homes, capital centres I & II, 2015, Q4 at fair value: DKK 257.4bn
 Distribution of loans by loan type

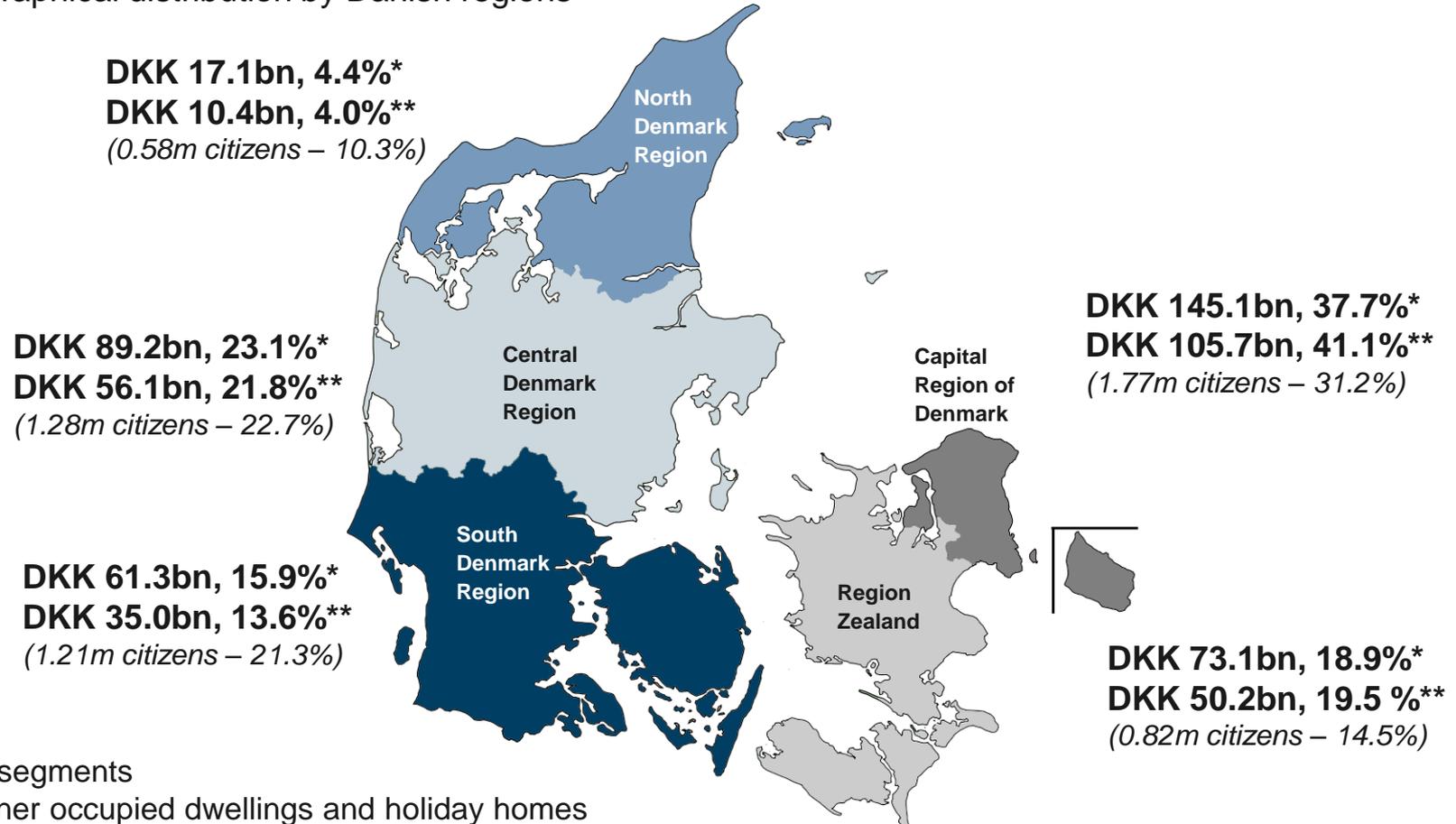


Nordea Kredit - loans by Danish regions and property categories

Capital centres I & II, 2015, Q4 at fair value: All property categories: DKK 385.9bn

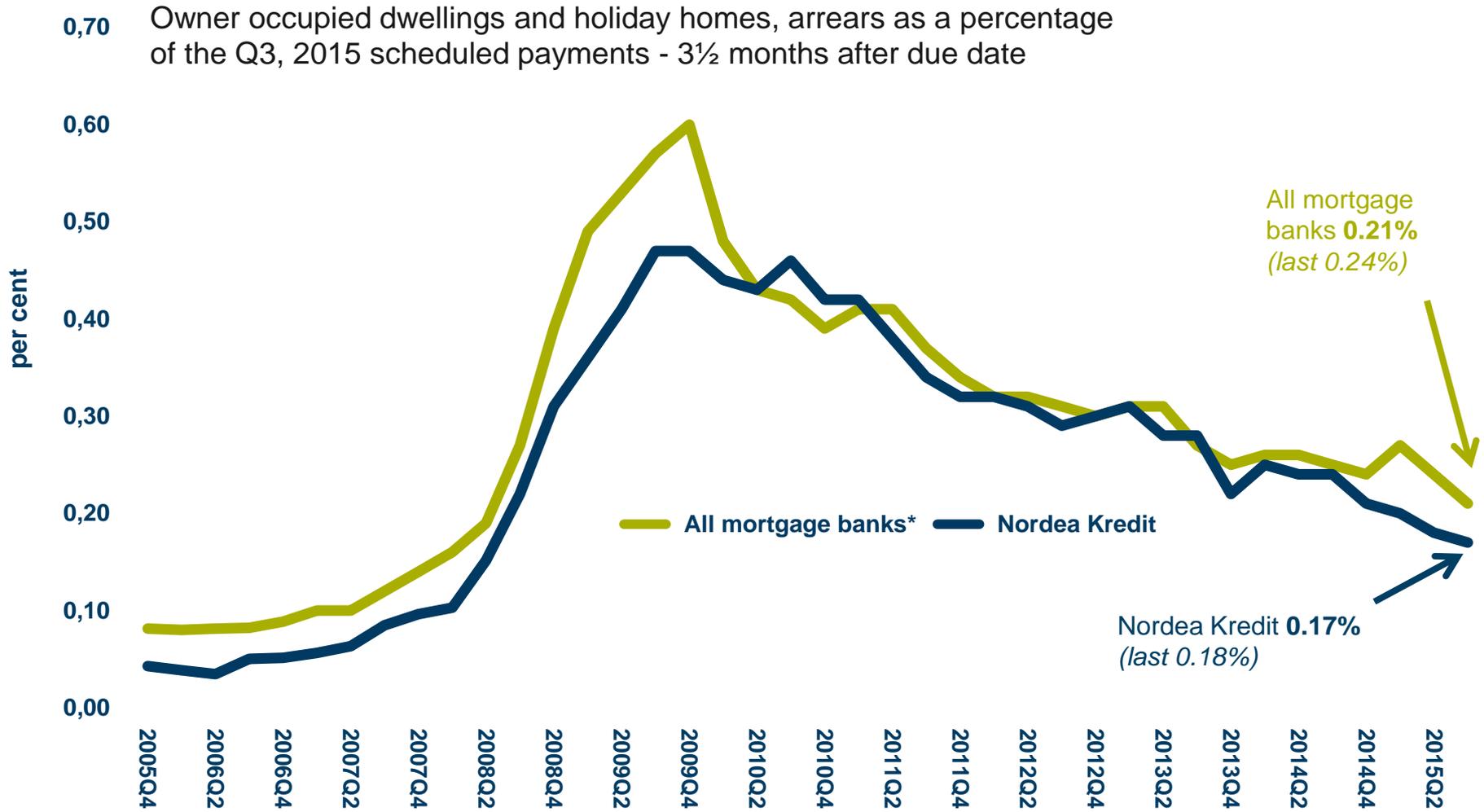
Owner occupied dwellings & holiday homes: DKK 257.4bn

Geographical distribution by Danish regions



Total number of citizens 5.7m, April 1, 2015 – Source: Statistics Denmark

Asset quality - late payments by borrowers, 2015 Q3



*) Including Nordea Kredit

Asset quality - loss guarantee by Nordea Bank Danmark

Nordea Bank Danmark takes “first losses” on Nordea Kredit loans according to the table below:

Property type	Guarantee period *	Guarantee level **
Owner occupied dwellings	Lifetime of loan	25 per cent
Holiday homes	Lifetime of loan	25 per cent
Subsidized property	Lifetime of loan	10 per cent
Housing for youth/elderly	Lifetime of loan	10 per cent
Agricultural property	Lifetime of loan	25 per cent
Commercial property	Lifetime of loan	25 per cent

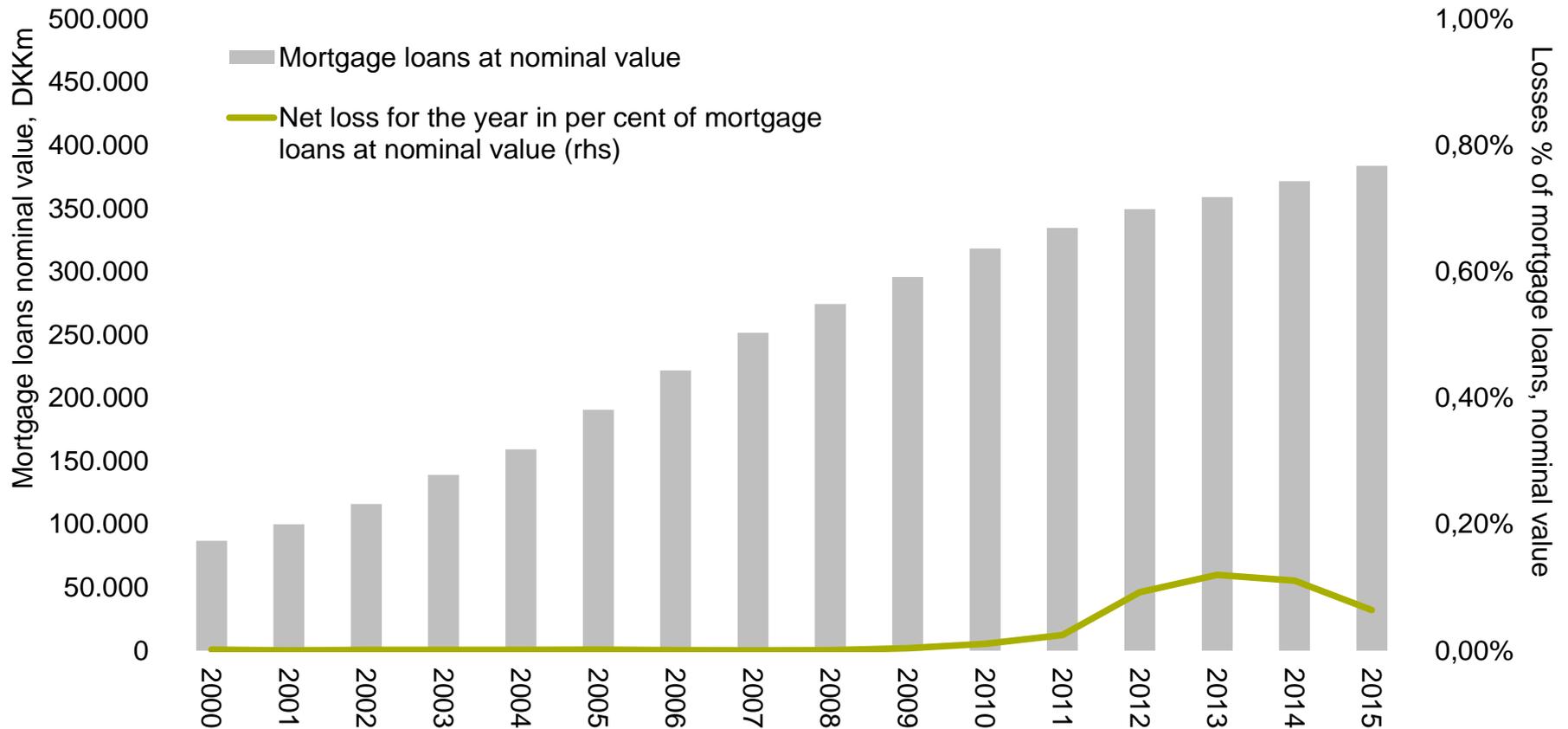
**) The guarantee period starts when a loan is disbursed or remortgaged. The former guarantee period of 5 or 10 years, respectively was changed to the lifetime of the loans on December 9, 2013.*

****) As a percentage of the original principal – disregarding all amortisation*

-The guarantee amount is not reduced during the guarantee period, but cannot exceed the outstanding debt.

-By the end of Q4 2015 loss guarantees from Nordea Bank comprised loans totalling DKK 357.6bn. The actual loss guarantees amounted to DKK 100.0bn.

Net losses in per cent of mortgage loans at nominal value



Nordea Kredit – LTV, loan-to-value 2015 Q4 *(2015 Q3)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2015Q4	2015Q3	2015Q4	2015Q3	2015Q4	2015Q3
Owner occupied dwellings	69	69	68	69	69	69
Private rental housing	58	59	77	77	58	58
Commercial	54	55	47	48	54	55
Agriculture	50	50	47	48	50	50
Other properties	37	36	38	38	37	36
Total	63	63	64	65	63	63

- The figures are weighted averages for the respective property categories
- Please also see the information about Nordea Kredit in the [ECBC covered bonds labelling](#)

Legislation

- Danish mortgage financing is regulated and supervised by the DFSA (Finanstilsynet): www.ftnet.dk
- Some legislation can be found in English at the DFSA's English website: <http://www.finanstilsynet.dk/en/Regler-og-praksis/Translated-regulations.aspx>
- All relevant legislation can be found in Danish at the DFSA's Danish website: <http://www.finanstilsynet.dk/da/Regler-og-praksis/Lovsamling.aspx>



DISCLAIMER – IMPORTANT NOTICE

This presentation and any information contained in this presentation or supplied in connection therewith, whether in writing or not, are provided for information purposes only. Nordea Bank AB (publ) including its subsidiaries (“Nordea”) is not acting as your financial adviser or in any other fiduciary capacity and this presentation should not be treated as if Nordea is giving investment advice.

This presentation and any information contained in this presentation or supplied in connection therewith, whether in writing or not, do not constitute or form a part of, and should not be construed as, an offer, recommendation, advertisement of an offer or invitation to subscribe for or purchase any securities of any Nordea Group company anywhere in the world or a solicitation of any such offer, and shall neither form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

Information contained in this presentation is derived from publicly available sources which Nordea believes are reliable, and includes market information based on data provided by third party sources identified herein and estimates, assessments, adjustments and judgments that are based on Nordea's experience and familiarity with the sectors in which it operates. Even though Nordea believes the third party sources to be reliable no independent verification has been made, consequently the correctness and completeness in the information can not be guaranteed. There is no assurance that such estimates, assessments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein. This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors. Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in interest rate and foreign exchange rate levels and (iv) change in the regulatory environment and other governmental actions. This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Neither Nordea nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither Nordea nor any its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation.

This presentation (i) does not and will not constitute or include an invitation to tender for purchase or sale, an advertisement or an offer of any securities in circumstances which could qualify as a public offer (oferta pública) or as a private offer (oferta particular) pursuant to the Portuguese Securities Code (Código dos Valores Mobiliários) enacted by Decree Law no. 486/99, of 13 November, and published by Decree Law no. 357-A/2007 of 31 October, as amended from time to time and (ii) complies with all applicable laws and regulations of the Republic of Portugal.

You may not distribute this presentation, in whole or part, without our prior express written permission. This presentation is not for release, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan or the United States of America.