



Nordea

Nordea Eiendoms-kreditt Covered Bonds

Q4 2017 Debt investor presentation

Nordea Eiendomskreditt – overview

Q4 2017

- A 100% owned subsidiary of Nordea Bank AB
- The purpose of the Issuer is to acquire and provide residential mortgage loans and finance its activities mainly through issuance of covered bonds
- Loans in Nordea Eiendomskreditt (NE) are originated by Nordea Bank AB, Norwegian branch and subsequently transferred to NE
 - Collateral must be in the form of mortgages in residential real estate or in shares in housing cooperatives
 - At the time of transfer, the loans are not in default, i.e. payments of installments and interest are not overdue at the time of transfer
- Covered bonds rated Aaa by Moody's
- 14.4% market share of outstanding covered issuance in Norwegian market
- Cost-effective loan origination and service through Nordea Bank's nationwide Norwegian branch network and internet

Cover pool key characteristics

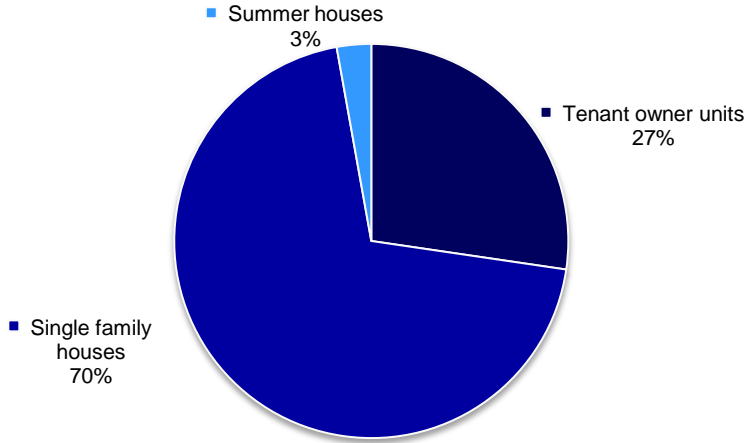
Q4 2017

Pool notional	NOK 127.5bn
Outstanding Covered Bonds	NOK 78.5bn
Cover pool content	Mortgage loans secured by Norwegian residential collateral
Geographic distribution	Throughout Norway with concentration to urban areas
Asset distribution	100% residential
Weighted average LTV	50.8% (indexed, calculated per property)
Average loan size	NOK 1.5m
Over Collateralisation (OC)	62.5%, (2% legal requirement)
Rate type	Floating 98.5%, Fixed 1.5%
Amortisation	Bullet/ interest only 32.3%, Amortizing 67.7%
Substitute assets	None
Pool type	Dynamic
Loans originated by	Nordea Bank AB, Norway Branch

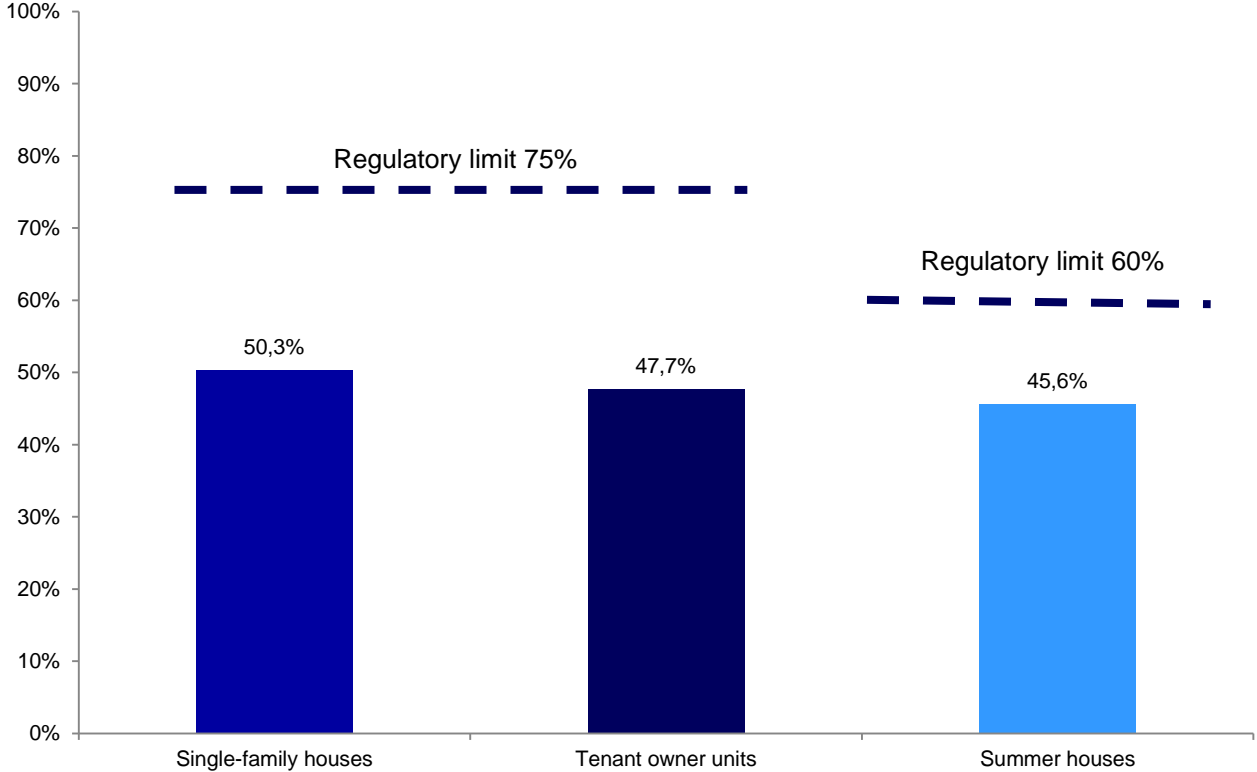
Cover pool key characteristics (2)

Q4 2017

Cover pool balance by loan category



Weighted Average LTV - Indexed



Loan to Value (LTV)

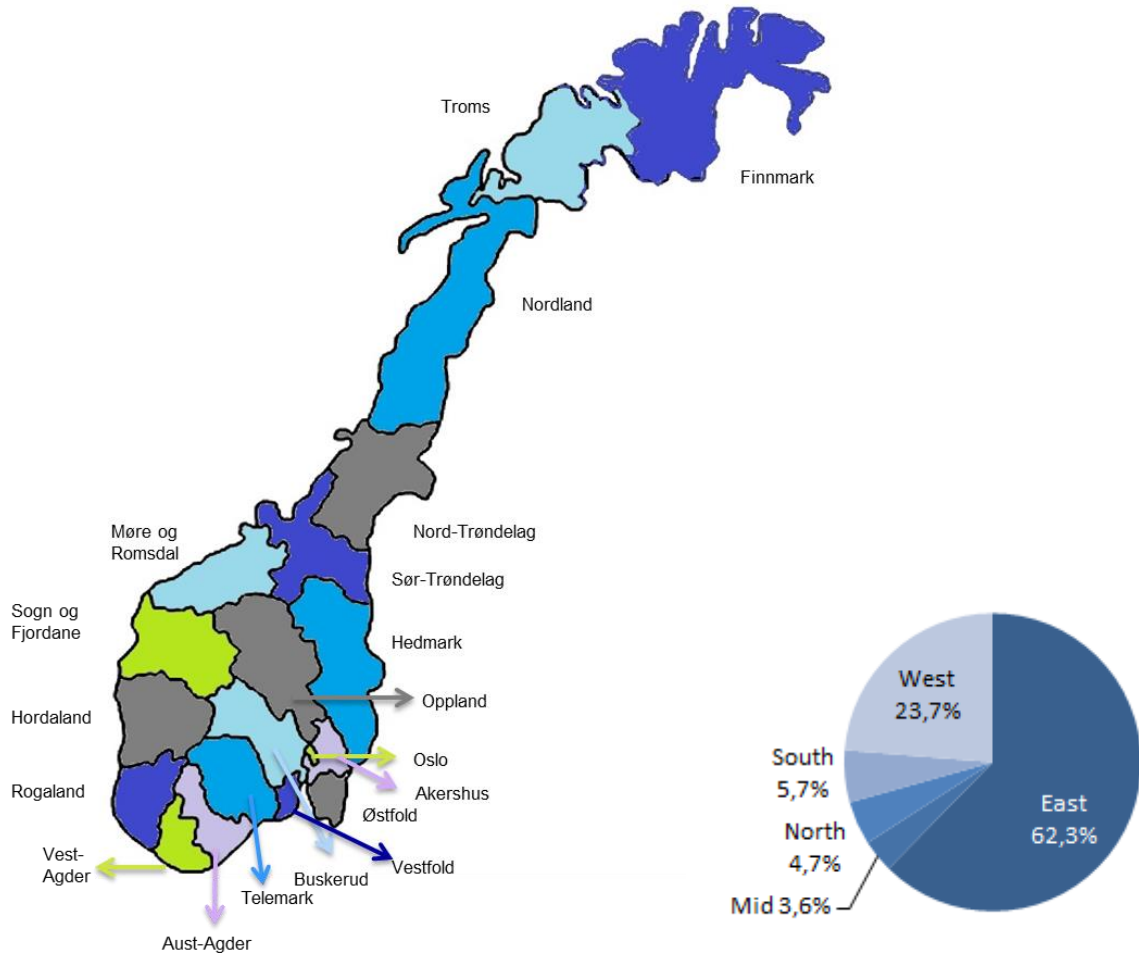
Each loan is reported in the highest bucket

Q4 2017

Weighted Average LTV – Unindexed	51.0%	
LTV buckets	Nominal (NOKm)	% Residential Loans
>0 - <=40 %	34 290	26,90%
>40 - <=50 %	20 545	16,12%
>50 - <=60 %	26 848	21,06%
>60 - <=70 %	25 637	20,11%
>70 - <=80 %	20 146	15,81%
Total	127 466	100%
Weighted Average LTV - Indexed	50.8%	
LTV buckets	Nominal (NOKm)	% Residential Loans
>0 - <=40 %	34 741	27,25%
>40 - <=50 %	20 723	16,26%
>50 - <=60 %	26 843	21,06%
>60 - <=70 %	25 521	20,02%
>70 - <=80 %	19 638	15,41%
Total	127 466	100%

Cover pool – geographic distribution

Q4 2017



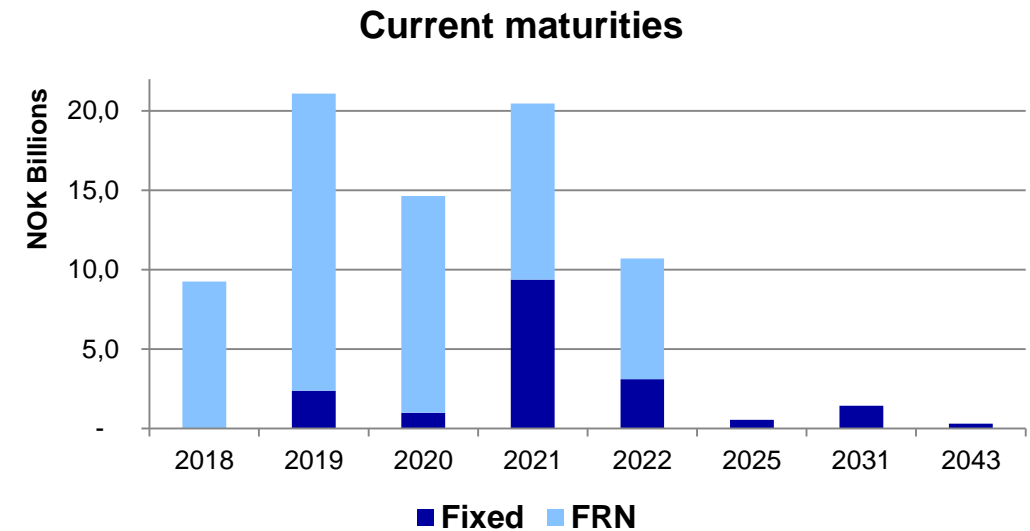
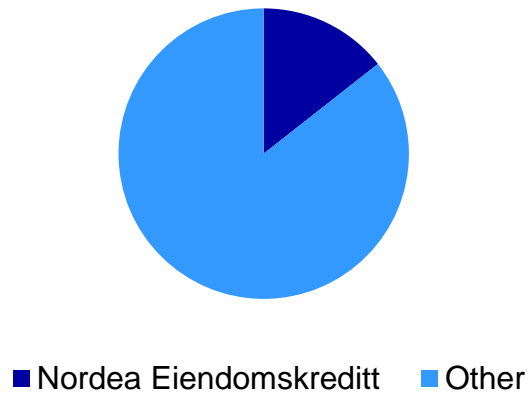
Fylke	Loan balance	Region
Akershus	17,48 %	East
Aust-Agder	1,53 %	South
Buskerud	4,17 %	East
Finnmark	0,47 %	North
Hedmark	1,91 %	East
Hordland	10,86 %	West
Møre og Romsdal	7,40 %	West
Nordland	2,03 %	North
Nord-Trøndelag	0,26 %	Mid
Oppland	3,62 %	East
Oslo	23,01 %	East
Rogaland	4,34 %	West
Sogn og Fjordane	1,09 %	West
Svalbard	0,00 %	North
Sør-Trøndelag	3,31 %	Mid
Telemark	1,16 %	East
Troms	2,24 %	North
Vest-Agder	4,12 %	South
Vestfold	3,58 %	East
Østfold	7,43 %	East

Nordea Eiendoms kreditt relative to market

Q4 2017

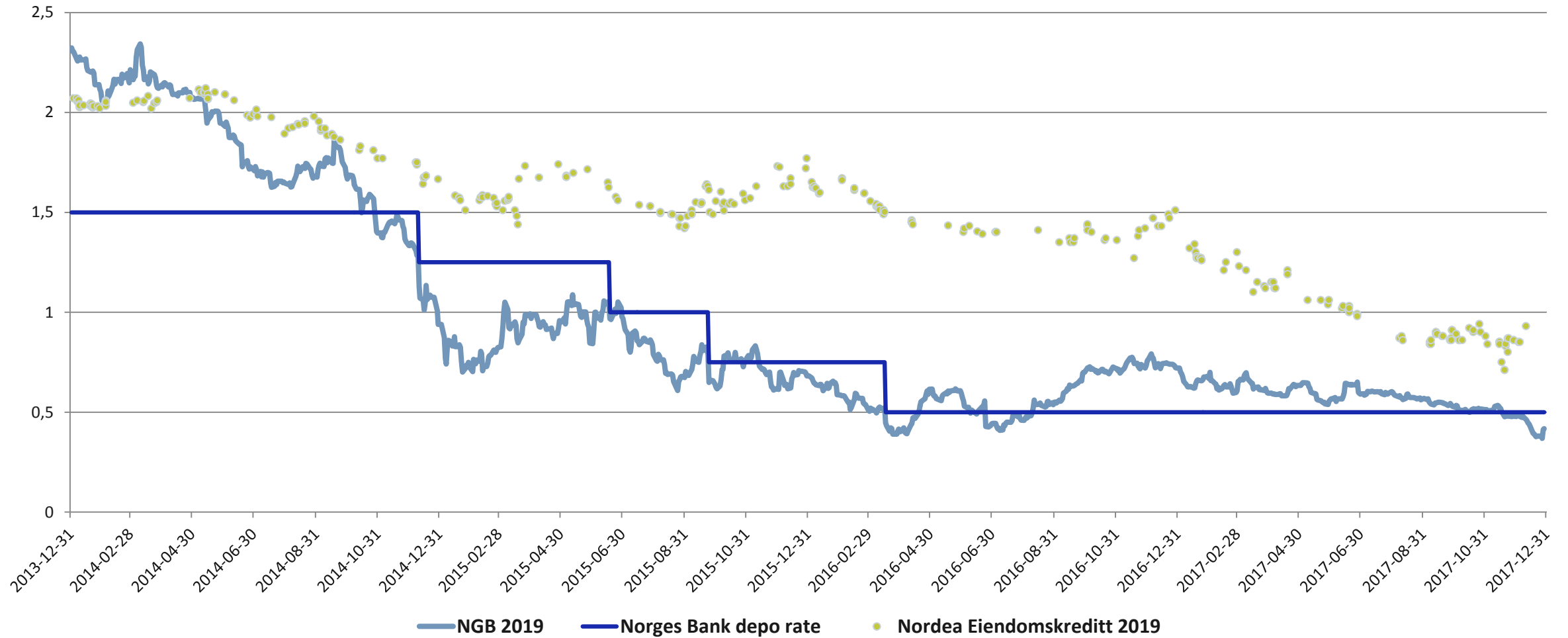
- Average amount outstanding covered bonds at Oslo Børs and ABM Nordic was NOK 481bn, and NEK's share was 14,4%

Market share NOK Covered 2017-Q4



Nordea Eiendoms-kreditt bonds offer a pick-up

Q4 2017



Covered bonds – outstanding volumes

Q4 2017

Breakdown by ISIN				
ISIN	Currency	Amount (NOKm)	Maturity	Coupon (%)
NO0010674971	NOK	9 254	2018-06-20	FRN
NO0010647241	NOK	12 195	2019-06-19	FRN
NO0010692767	NOK	2 380	2019-06-19	3,05
NO0010703531	NOK	12 115	2020-06-17	FRN
NO0010741903	NOK	1 000	2020-06-17	1,75
NO0010729817	NOK	10 955	2021-06-16	FRN
NO0010584345	NOK	9 383	2021-06-16	4,25
NO0010758931	NOK	3 115	2022-06-15	1,08
NO0010759632	NOK	7 590	2022-06-15	FRN
NO0010593064	NOK	550	2025-06-18	4,8
NO0010766827	NOK	550	2031-06-18	1,75
NO0010812084	NOK	300	2043-06-17	2,20
XS1210746134	GBP	1 526	2020-03-30	FRN
XS1342698047	GBP	6 518	2019-01-14	FRN
XS1487838291	GBP	133	2021-09-09	FRN
XS1451306036	EUR	938	2031-07-15	0,74
	Total	78 452		

Underwriting criteria – common Nordea policy

Q4 2017

- Affordability
 - Customers ability to service its commitment out of its cash flow/income is critical
 - Repayment ability of borrowers is calculated using stressed scenarios. Customers must manage 5 percentage points increase on interest rate on all debt
 - Scoring of retail customers
- Payment history
 - Credit bureau check is always conducted. Potential external payment remarks are revealed
- Collateral
 - Information from Norwegian official property register in order to secure correct real estate ownership and priority
 - Nordea accepts four sources of real estate valuations:
 - Written statement from external authorized valuer
 - Last sales price (within 6 months)
 - Use of external evaluating system “Eiendomsverdi” (used by most banks and real estate agents in Norway)
 - Written statement from (external) real estate agent

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 is not acting as your financial adviser or in any other fiduciary capacity and this presentation should not be treated as 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 covered bonds or 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.

This presentation is a very brief summary of some of the characteristics and data concerning Nordea Eiendomskreditt AS' covered bonds. Further information regarding Nordea Eiendomskreditt AS and its covered bonds, including risk factors, can, in particular, be found in the prospectuses relating to its covered bond programmes.

Some of the 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. 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 may contain 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 and (iii) change in interest rate and foreign exchange rate levels. This presentation does not imply that Nordea has undertaken to revise any 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, Nordea Eiendomskreditt AS 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. Among other things, this presentation contains data and figures derived from reports that may include further information, such as definitions, explanations and references, which are necessary for understanding the data and figures in question. 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.

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