



Nordea

# Nordea Hypotek Covered Bonds

Q4 2017 Debt investor presentation

# Nordea Hypotek – overview

Q4 2017

- 100% owned subsidiary of Nordea Bank AB - the largest Nordic financial institution
- Grants long-term loans to Swedish households, municipalities, municipal housing companies and corporates
- All loans secured by mortgages, tenant-owner units or municipal/state guarantees
- Cost-effective loan origination and service through Nordea Bank's nationwide Swedish branch network and internet
- Licensed by the Swedish Financial Supervisory Authority to issue covered bonds (Säkerställda Obligationer) according to the Swedish Covered Bond Act
- Covered bonds rated Aaa/AAA by Moody's/S&P
- Cover pool information at [nordea.com](http://nordea.com)

# Cover pool key characteristics

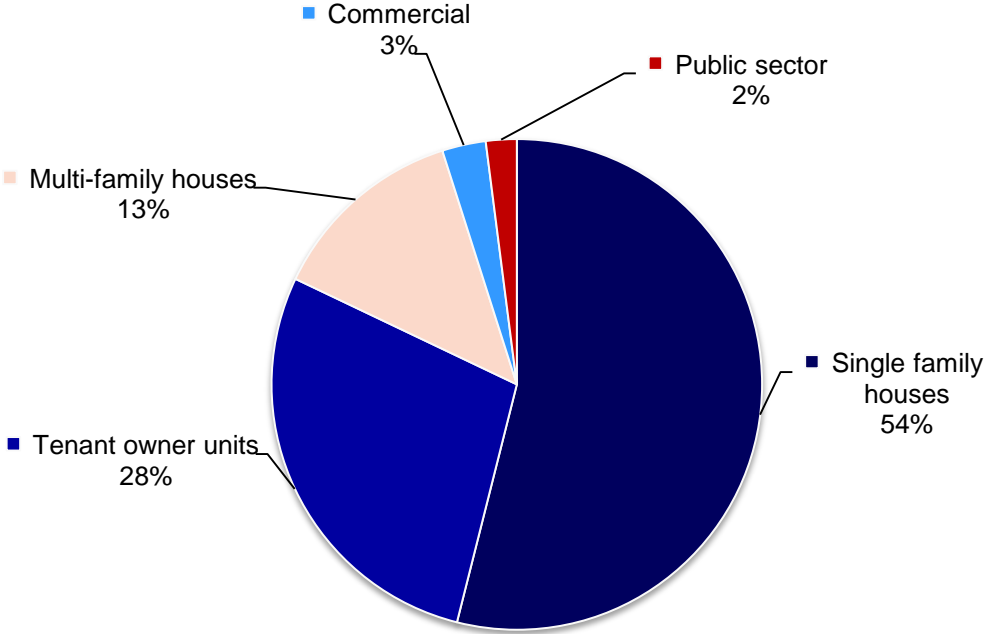
Q4 2017

<b>Loans in cover pool</b>	SEK 519.0bn
<b>Outstanding covered bonds</b>	SEK 310.5bn
<b>Cover pool content</b>	Mortgage loans secured by residential or commercial property. Loans to public sector
<b>Geographic distribution</b>	Throughout Sweden with concentration to urban areas
<b>Asset distribution</b>	95.1% residential, 2.9% commercial, 2.0% public sector
<b>Weighted average LTV*</b>	48.7% (indexed)
<b>Average loans size*</b>	SEK 561k
<b>Over collateralization, OC</b>	67.1%
<b>Rate type</b>	Floating 78.4%, Fixed 21.6%
<b>Amortization</b>	Bullet/ interest only 27.4%, Amortizing 72.6%
<b>Pool type</b>	Dynamic
<b>Loans originated by</b>	Nordea Bank AB

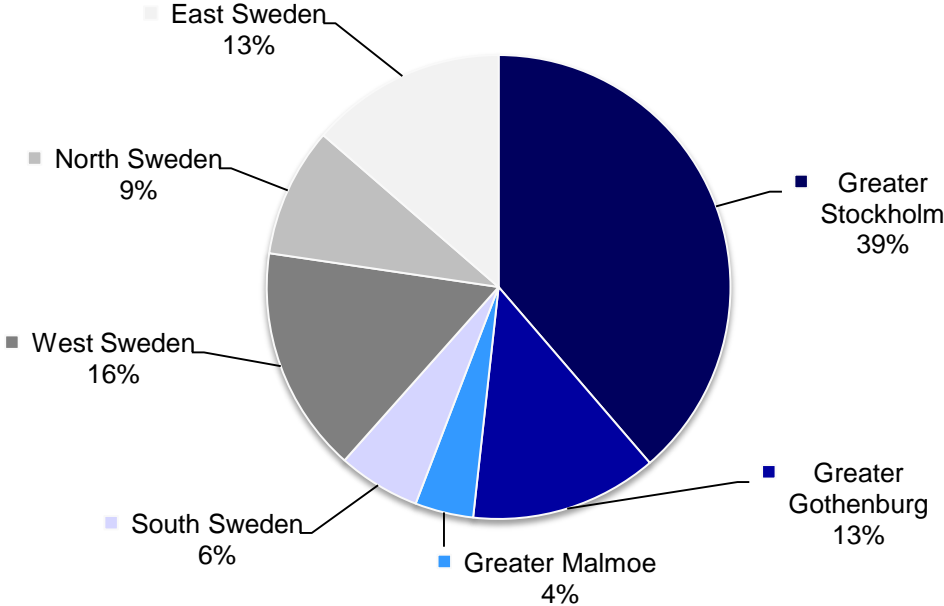
# Cover pool key characteristics (2)

Q4 2017

### Cover pool balance by loan category



### Cover pool balance by region\*



\* Excluding Public sector

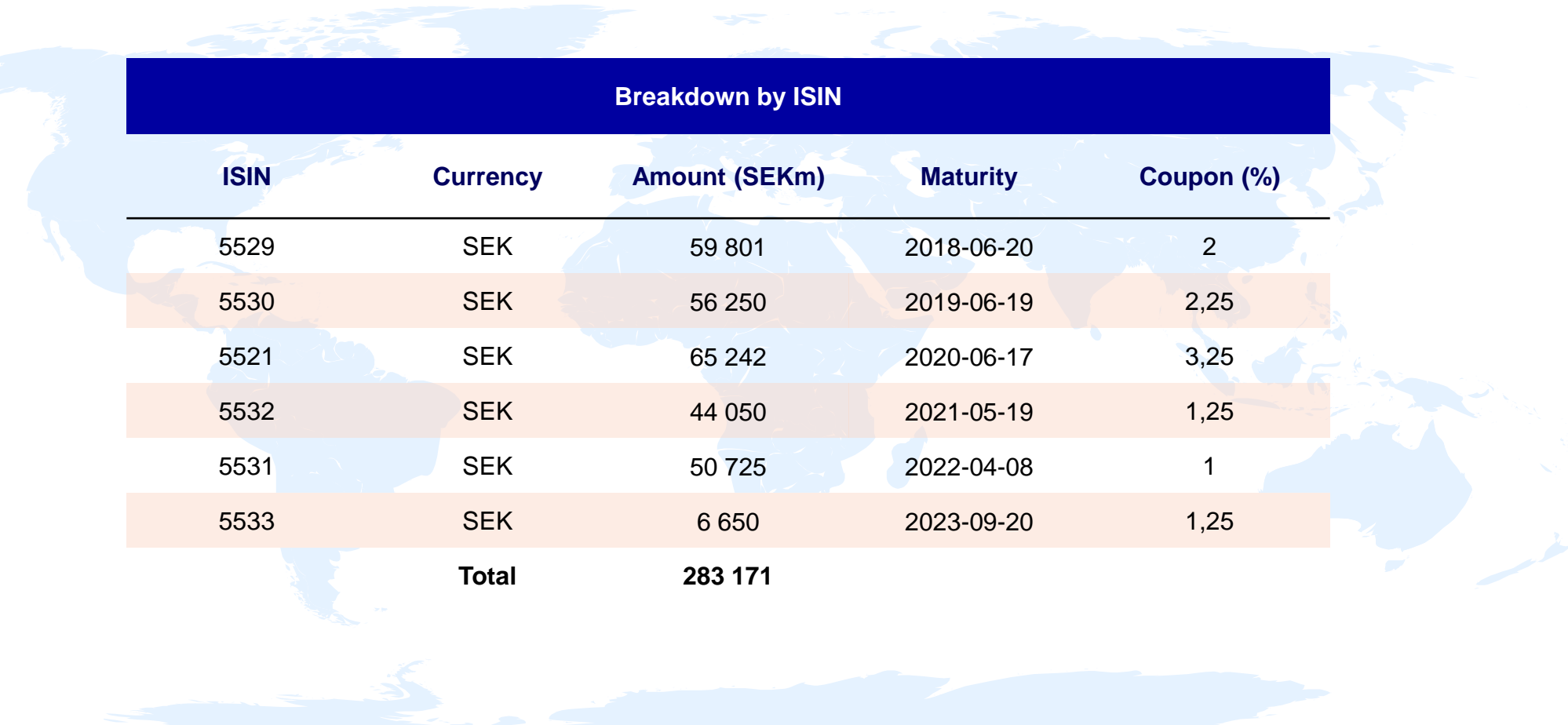
# Loan To Value\* (LTV)

Q4 2017

Weighted Average LTV – Unindexed	58.2%	
<b>LTV buckets</b>	<b>Nominal (SEKm)</b>	<b>% Residential Loans</b>
>0 - <=40 %	345 663	70,04%
>40 - <=50 %	57 432	11,64%
>50 - <=60 %	45 384	9,20%
>60 - <=70 %	33 667	6,82%
>70 - <=80 %	11 343	2,30%
Total	493 490	100%
Weighted Average LTV - Indexed	48.7%	
<b>LTV buckets</b>	<b>Nominal (SEKm)</b>	<b>% Residential Loans</b>
>0 - <=40 %	391 501	79,33%
>40 - <=50 %	50 813	10,30%
>50 - <=60 %	31 536	6,39%
>60 - <=70 %	15 970	3,24%
>70 - <=80 %	3 671	0,74%
Total	493 490	100%

# Nordea Hypotek – outstanding benchmark covered bonds

Q4 2017



Breakdown by ISIN				
ISIN	Currency	Amount (SEKm)	Maturity	Coupon (%)
5529	SEK	59 801	2018-06-20	2
5530	SEK	56 250	2019-06-19	2,25
5521	SEK	65 242	2020-06-17	3,25
5532	SEK	44 050	2021-05-19	1,25
5531	SEK	50 725	2022-04-08	1
5533	SEK	6 650	2023-09-20	1,25
	<b>Total</b>	<b>283 171</b>		

# Nordea Hypotek – conservative underwriting criteria

Q4 2017

- Private households
  - Track record and income checked via UC
  - Always household budget "before-after" with buffer requirement and stress test including behavioral analysis
  - Individual valuation of the pledged property
- Corporates / Municipalities
  - Financial analysis with adjustments to market conditions
  - Verification of key ratios and other requirements in Nordea general real estate lending policy
  - Rating according to Nordea's in-house models
  - Individual valuation of the pledged property
  - Yearly reassessments