



Nordea Hypotek Covered Bonds

Q2 2016



Making it possible

Nordea Hypotek – a snapshot

- 100% owned subsidiary of Nordea Bank AB - the largest Nordic financial institution
- Third largest mortgage lender in Sweden with SEK 518bn (EUR 56.1bn) in loan portfolio
- 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

Cover pool - Key characteristics

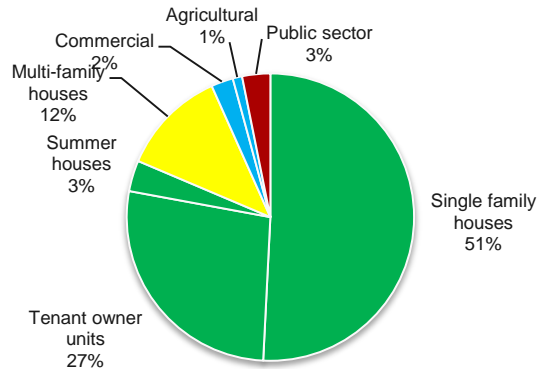
Q2 2016

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|-------------------------|--|
| Loans in cover pool | SEK 495.8bn (EUR 53.7bn). 96% of total lending |
| Cover pool content | Mortgage loans secured by residential or commercial property. Loans to public sector. |
| Geographic distribution | Throughout Sweden with concentration to urban areas |
| Asset distribution | 94.3% residential, 3.2% public sector, 2.5% commercial |
| Weighted average LTV | 50.9% (indexed, calculated per property) |
| Average loans size | SEK 567k (EUR 61.4k). Customers can have more than one loan. |
| Rate type | Floating 79%, Fixed 21% |
| Pool type | Dynamic |
| Loans originated by | Nordea Bank AB |

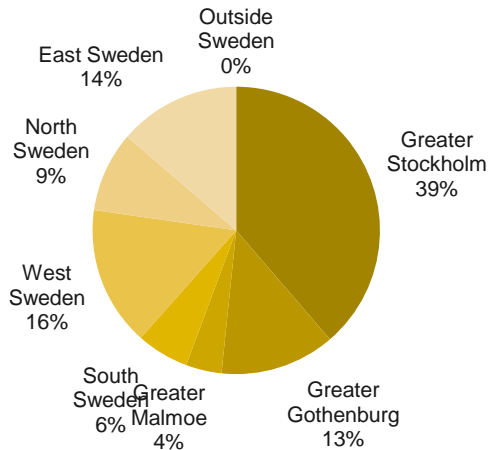
Cover pool key characteristics – 94.0% residential real estate and low LTVs

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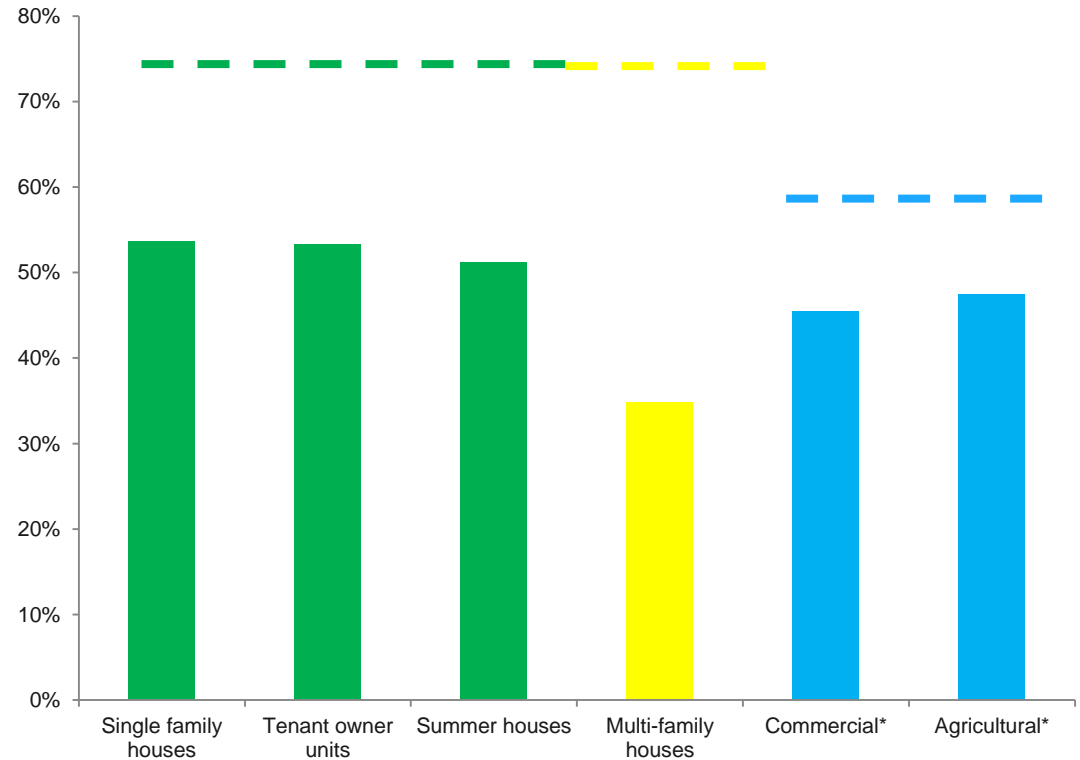
Cover pool balance by loan category



Cover pool balance by region



Weighted Average LTV - Indexed



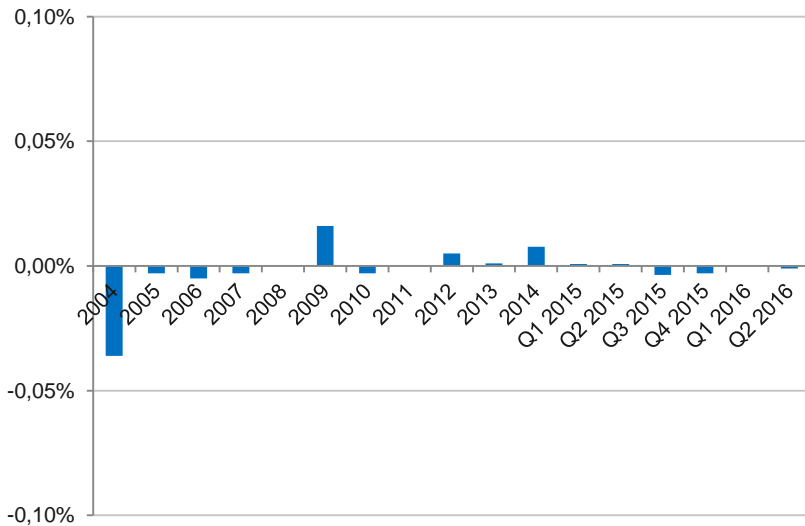
- Pool mainly includes residential real estate.
- The main part of real estates are located in greater Stockholm area but are otherwise evenly distributed between western, northern and southern part of Sweden.
- Low weighted average LTVs compared to legislative LTV limits which is 75% for residential real estate and 60% for commercial and agricultural real estate.

Performance of loan portfolio – Nordea Hypotek

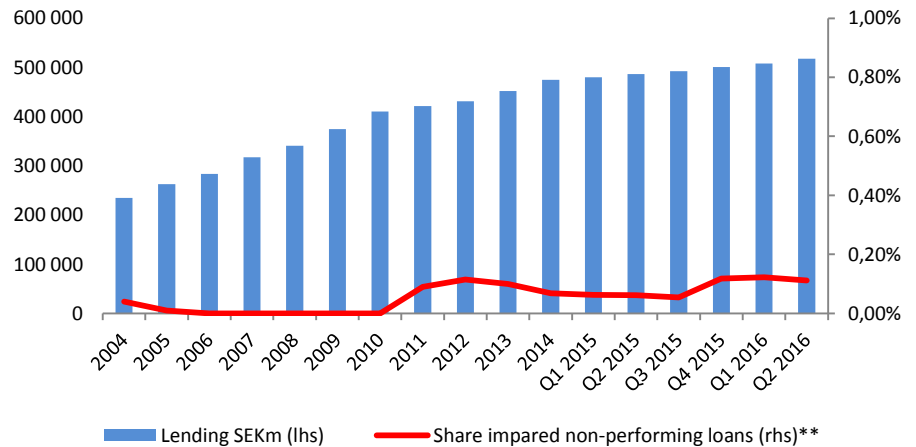
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- Very strong household sector and low level of losses from corporate sector.
- Impaired non-performing loans are at very low levels.

Loan losses/Lending (%)



Lending and impaired non-performing loans*

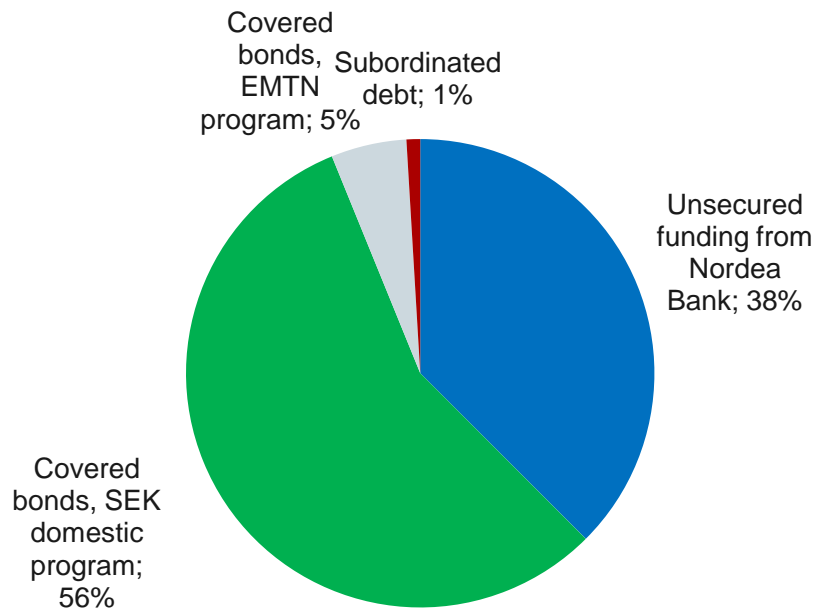


*As of 2012 impaired loans also include non significant defaulted loans. The figure for 2011 is re-stated in accordance to the new guideline.

**The majority of the increase in Q4-2015 is model driven and is related to an improved way of calculating collectively assessed provisions on contract level, implemented in Q4-2015

Nordea Hypotek funding structure

Q2 2016



- Covered bonds
 - SEK 316bn (EUR 34,3bn)
 - 92% in SEK
 - 8% in EUR or other currency
- Unsecured funding
 - SEK 187bn (EUR 20,3bn)
 - 100% from Nordea Bank
- Subordinated debt
 - SEK 4.7 bn (EUR 0.5bn)
 - 100% from Nordea Bank

Nordea Hypotek - Conservative underwriting criteria

- Private households
 - track record and income checked via UC
 - always household budget "before-after" with buffer requirement and stress test including behavioural 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