



# Nordea Eiendomskreditt Covered Bonds

Investor presentation  
Q2 2016

*Making it possible*

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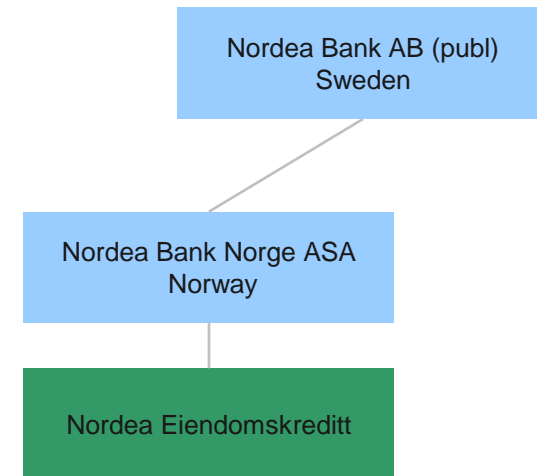
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# Nordea Eiendoms kreditt – a snapshot

- Nordea Eiendoms kreditt (NE) is a 100% owned subsidiary of Nordea Bank Norge
- NE's history goes back to 1927. It was acquired by Nordea 1996 and changed name to Nordea Eiendoms kreditt in 2008
- 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 NE are originated by Nordea Bank Norge 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
- 17.2% (Q1 2016) market share of outstanding covered issuance

## Nordea Eiendoms kreditt in the organisation\*



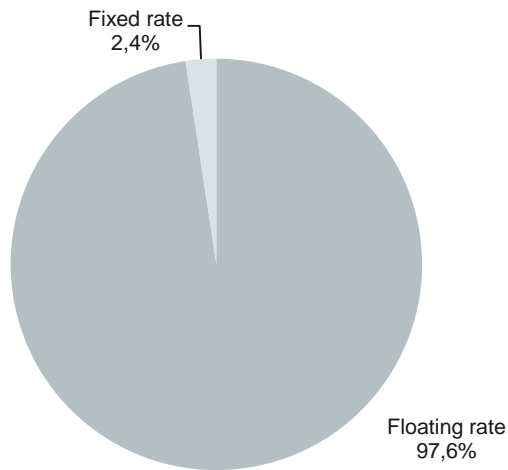
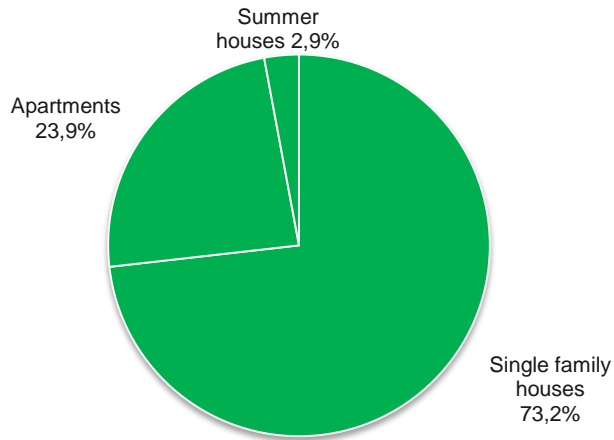
# Cover pool key characteristics

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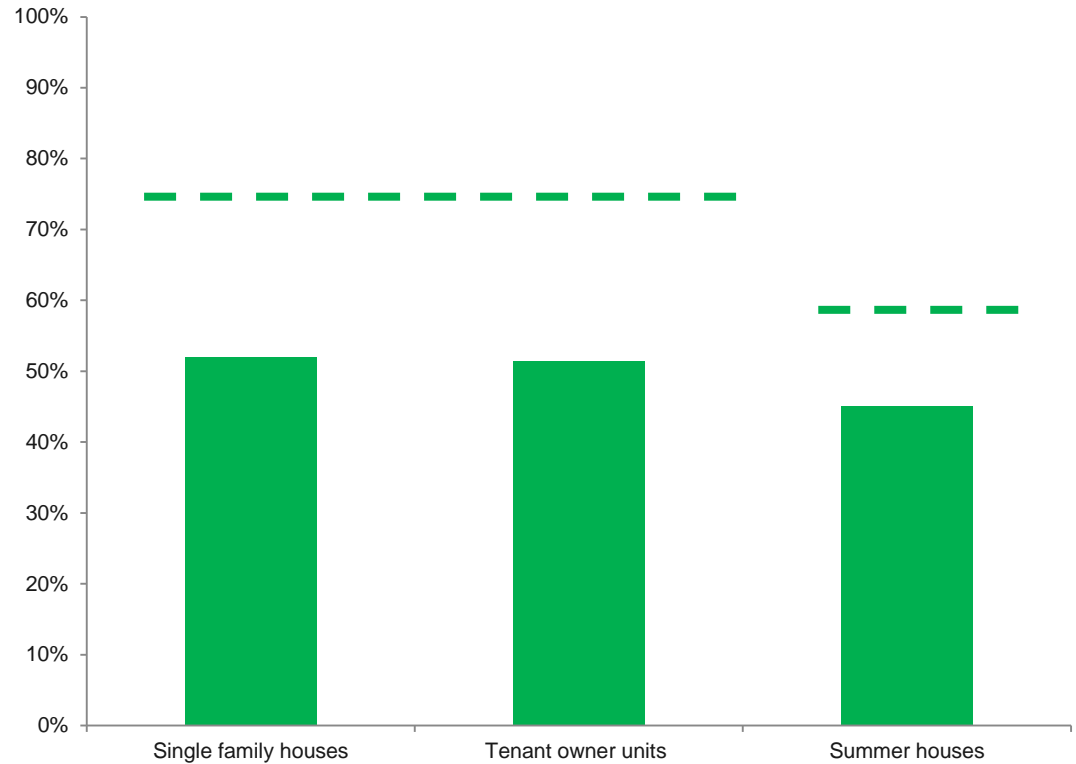
Pool notional	NOK 110.8 bn (EUR 12.0bn)
Cover pool content	Mortgage loans secured by Norwegian residential collateral
Geographic distribution	Throughout Norway with concentration to urban areas
Asset distribution	100% residential
Weighted average LTV	51.6% (indexed, calculated per property)
Average loan size	NOK 1.37m (EUR 0.149m). Customers can have more than one loan
Rate type	Floating 98%, Fixed 2%
Substitute assets	None
Pool type	Dynamic
Loans originated by	Nordea Bank Norge ASA

# Cover pool key characteristics – 100% single family real estate with low LTVs

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### Weighted Average LTV - Indexed

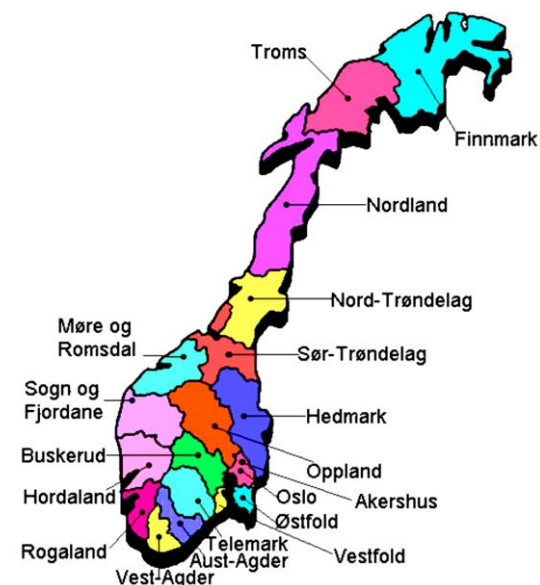


- 100% single family real estate in the cover pool.
- Majority of loans in the cover pool are floating rate.
- Low weighted average LTVs compared to legislative LTV limits which is 75% for single family real estate and 60% for commercial including summer houses.

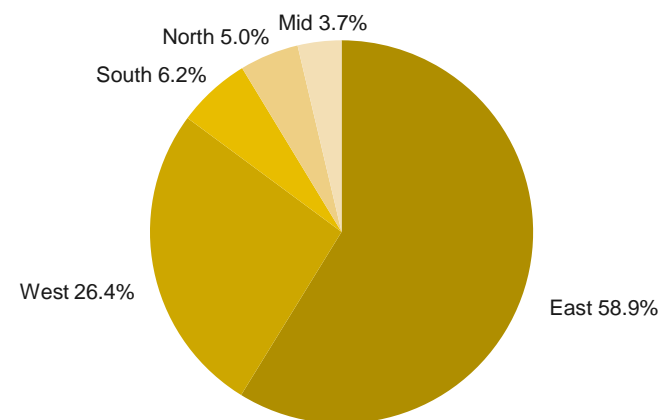
# Cover pool key characteristics - Geographic distribution

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Region	Loan Balance %	Region
Oslo	20,8%	East
Akerhus	16,2%	East
Østfold	7,1%	East
Vestfold	4,3%	East
Buskerud	3,8%	East
Oppland	3,6%	East
Hedmark	1,9%	East
Telemark	1,2%	East
Sør-Trøndelag	3,4%	Mid
Nord-Trøndelag	0,3%	Mid
Troms	2,3%	North
Nordland	2,1%	North
Finnmark	0,6%	North
Svalbard	0,0%	North
Vest-Agder	4,4%	South
Aust-Agder	1,8%	South
Hordland	12,2%	West
Møre og Romsdal	8,2%	West
Rogaland	4,9%	West
Sogn og Fjordane	1,1%	West



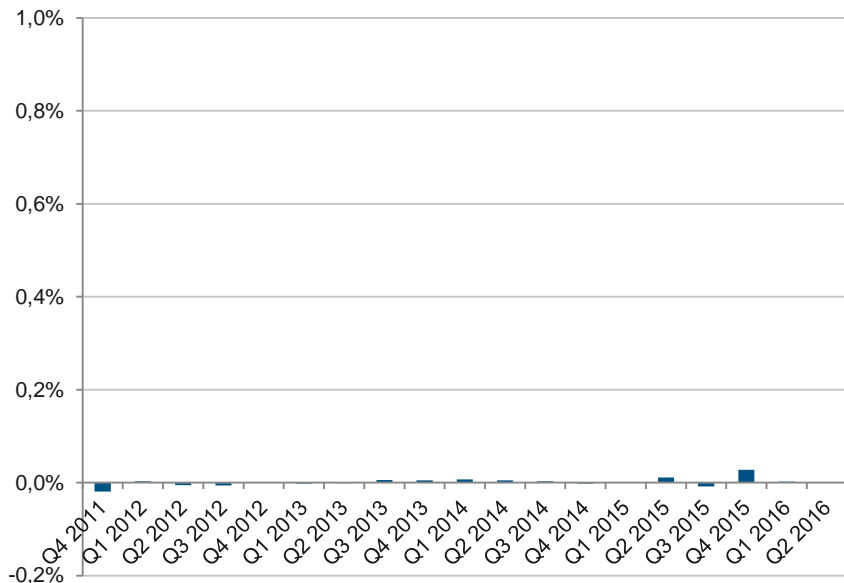
Cover Pool Balance by Region



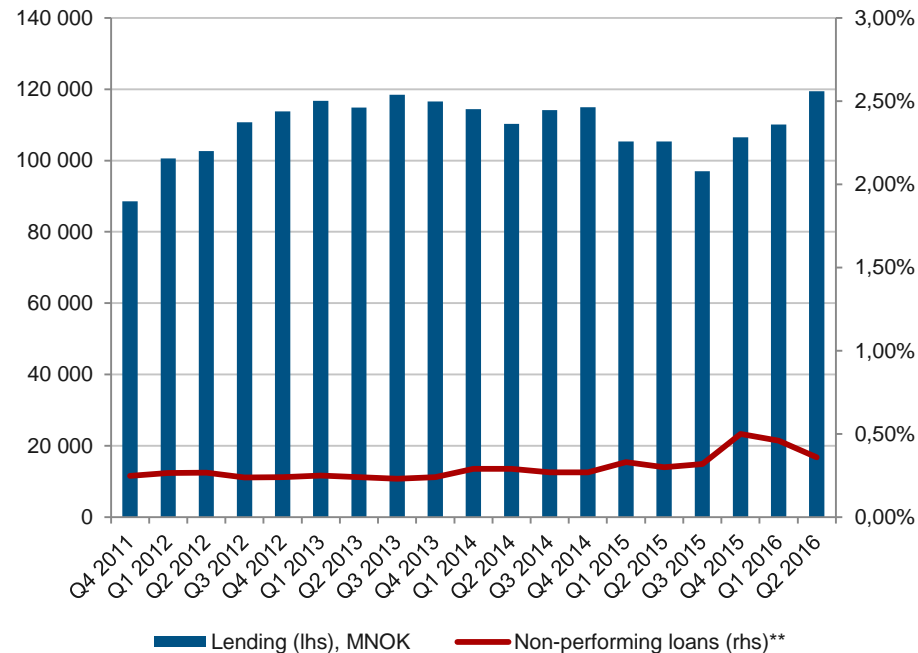
# Nordea Eiendoms kreditt – Performance of loan portfolio

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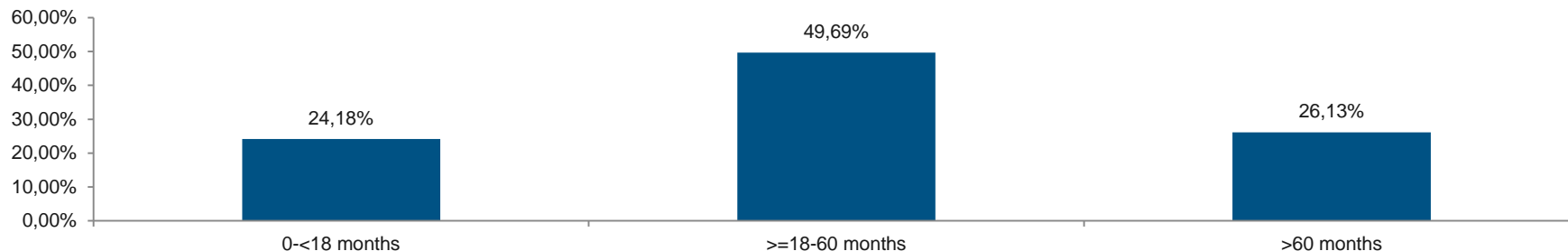
Nordea Eiendoms kreditt - Net Credit loss



Nordea Eiendoms kreditt – Lending and non-performing loans



Cover pool - Seasoning of loans



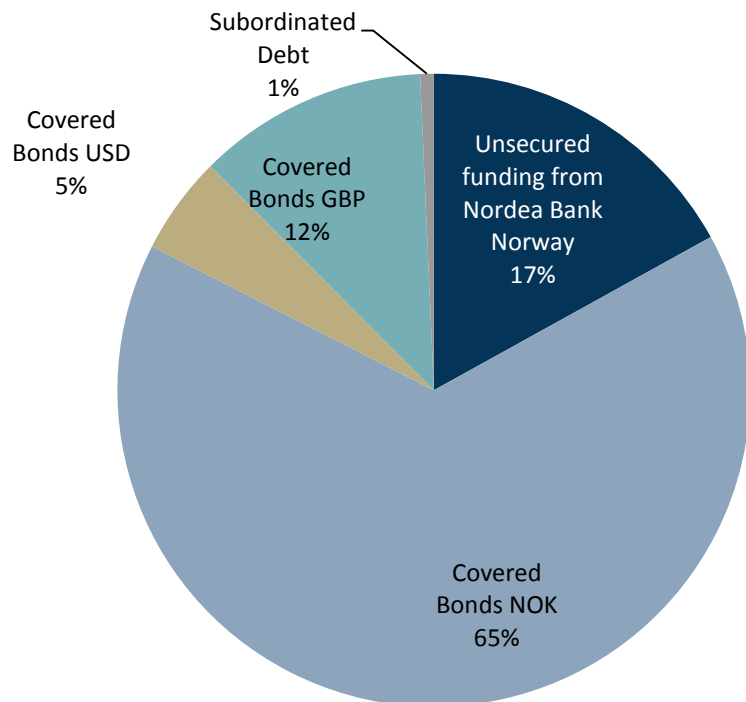
\*Includes non-performing loans which are impaired and non-impaired

\*\*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 Eiendoms kreditt - Funding structure

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## Funding structure



- Nordea Eiendoms kreditt is an active, regular issuer of covered bonds in the Norwegian domestic market
- Outstanding volumes as per June 30<sup>th</sup>, 2016:
  - NOK 4.018bn maturity 21.06.17 4,05%
  - NOK 10.0bn maturity 21.06.17 FRN
  - NOK 10.896bn maturity 20.06.18 FRN
  - NOK 12.195bn maturity 19.06.19 FRN
  - NOK 2.380bn maturity 19.06.19 3,05%
  - NOK 9.015bn maturity 17.06.20 FRN
  - NOK 1.0bn maturity 17.06.20 1,75%
  - NOK 9.383bn maturity 16.06.21 4,25%
  - NOK 8.355bn maturity 16.06.21 FRN
  - NOK 1.720bn maturity 15.06.2022 1,80%
  - NOK 3.290bn maturity 15.06.2022 FRN
  - NOK 0.550bn maturity 18.06.25 4,80%
  - NOK 0.5bn maturity 18.06.2031 1,75%
  - USD 1bn maturity 22.09.16 2,125%
  - GBP 0.5bn maturity 11.09.17 FRN
  - GBP 0.125bn maturity 30.03.2020 FRN
  - GBP 0.5bn maturing 14.01.2019 FRN



# Underwriting criteria – Common Nordea policy

- 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