



Nordea Kredit Investor Presentation 2016 Q2

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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:

Morten Keil, Head of STF & IB, Copenhagen & Oslo, phone +45 3333 1875

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

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- 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 2016 1H)
- 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 2016 1H, DKK 999m and Cost/Income ratio 11.3%
- Mortgage loans at nominal value 2016 Q2: DKK 383.9bn (2016 Q1: DKK 384.9bn)
- Mortgage loans at fair value 2016 Q2: DKK 392.2bn (2016 Q1: DKK 390.7bn)
- Market share 2016 Q2: 14.9% (2016 Q1: 15.0%)
(Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

Nordea Kredit – in brief II

- Weighted average LTV 2016 Q2: 64% (2016 Q1: 64%)
- Total capital ratio at end of 2016, 1H: 30.4% and Tier 1 capital ratio 30.4% (excl. transitional rules)
- Match-funded “Pass Through” setup complying with the Danish specific balance principle
- Late payments by borrowers 2016 Q1: 0.16% (2015 Q4: 0.16%)
(Residential properties and holiday homes, 3½ months after the March 31, 2016 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

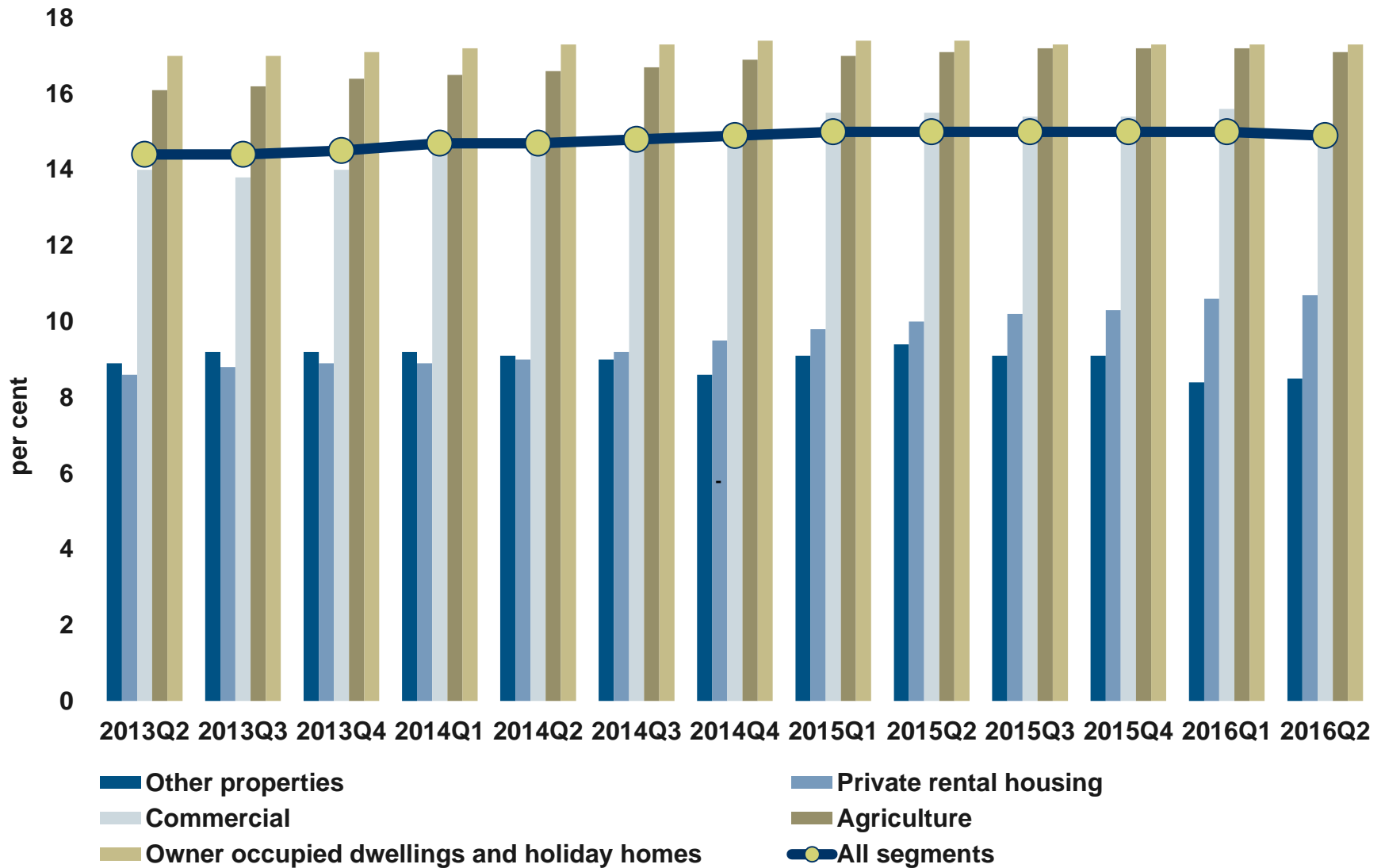
OC per Q2 2016, %

CC1: 10.4

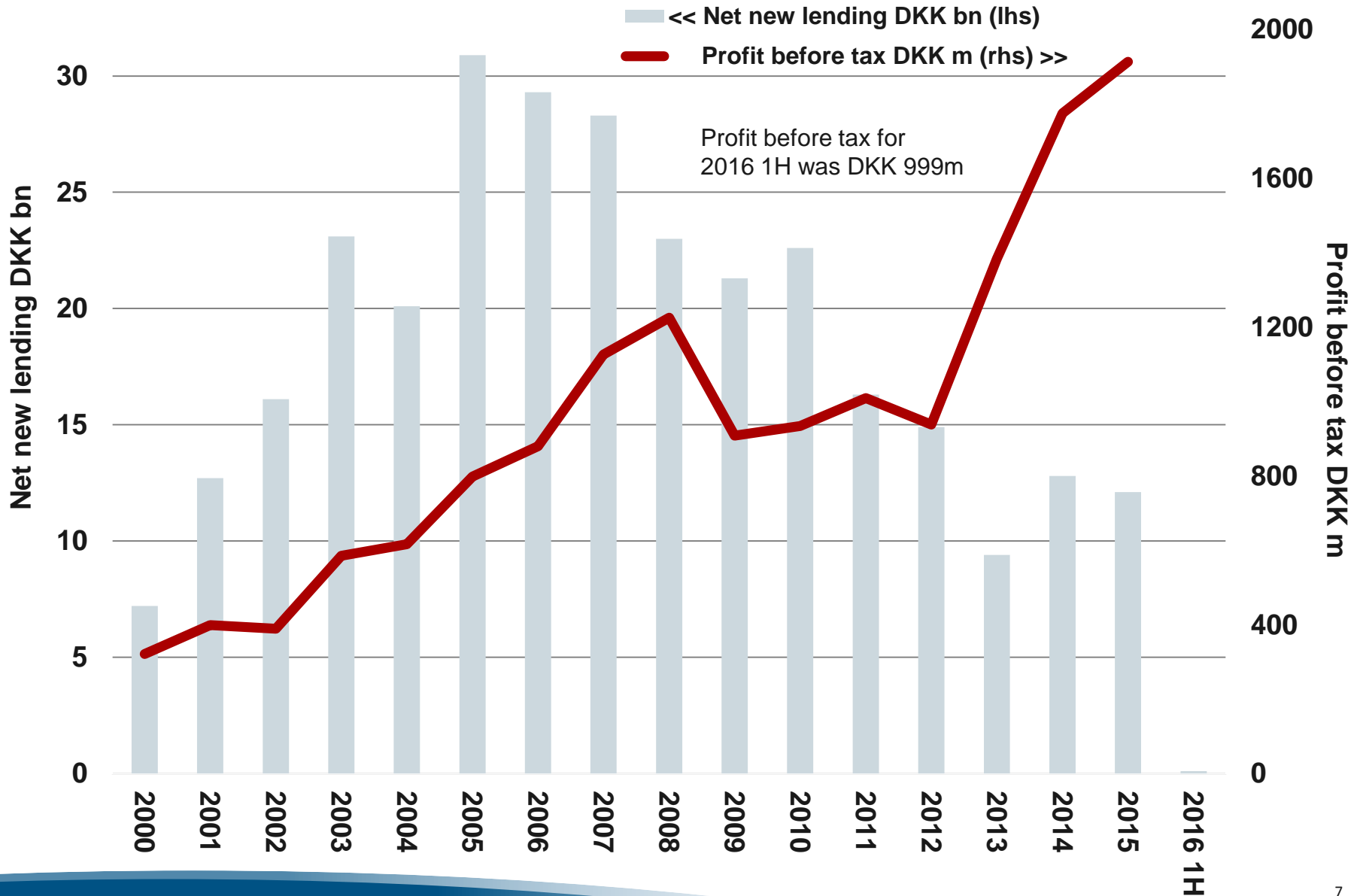
CC2: 11.3

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

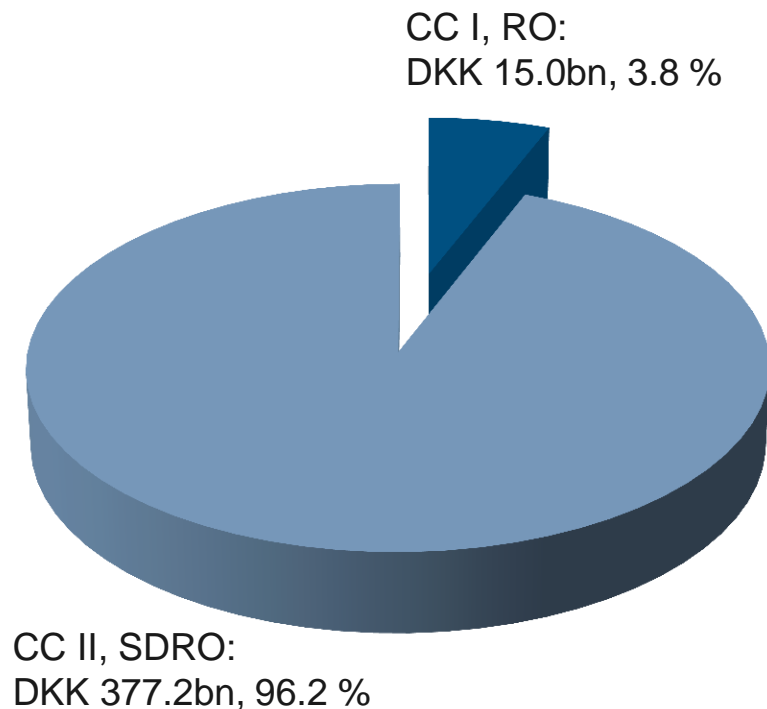


Nordea Kredit – profit and net new lending



Nordea Kredit capital centres

CCs I&II, 2016 Q2: DKK 392.2bn
(mortgage loans at fair value)

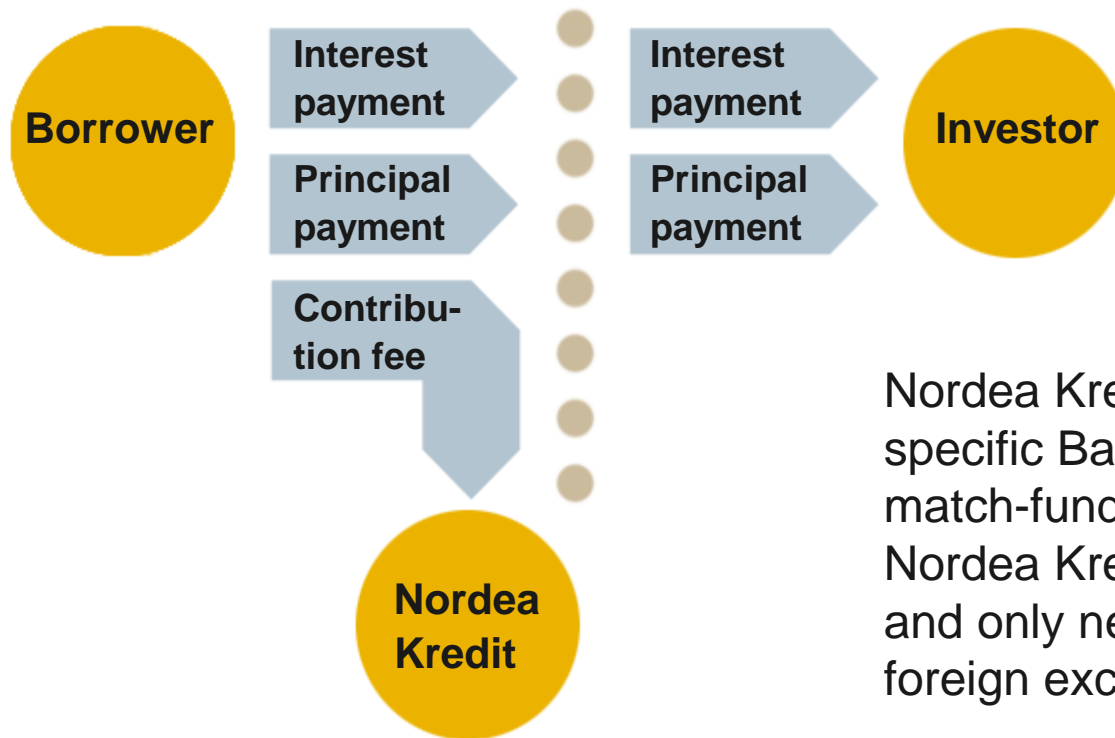


Nordea Kredit has two capital centers:

- CC I: Mortgage Bonds (Realkreditobligationer, "RO")
No open series.
About 82% 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

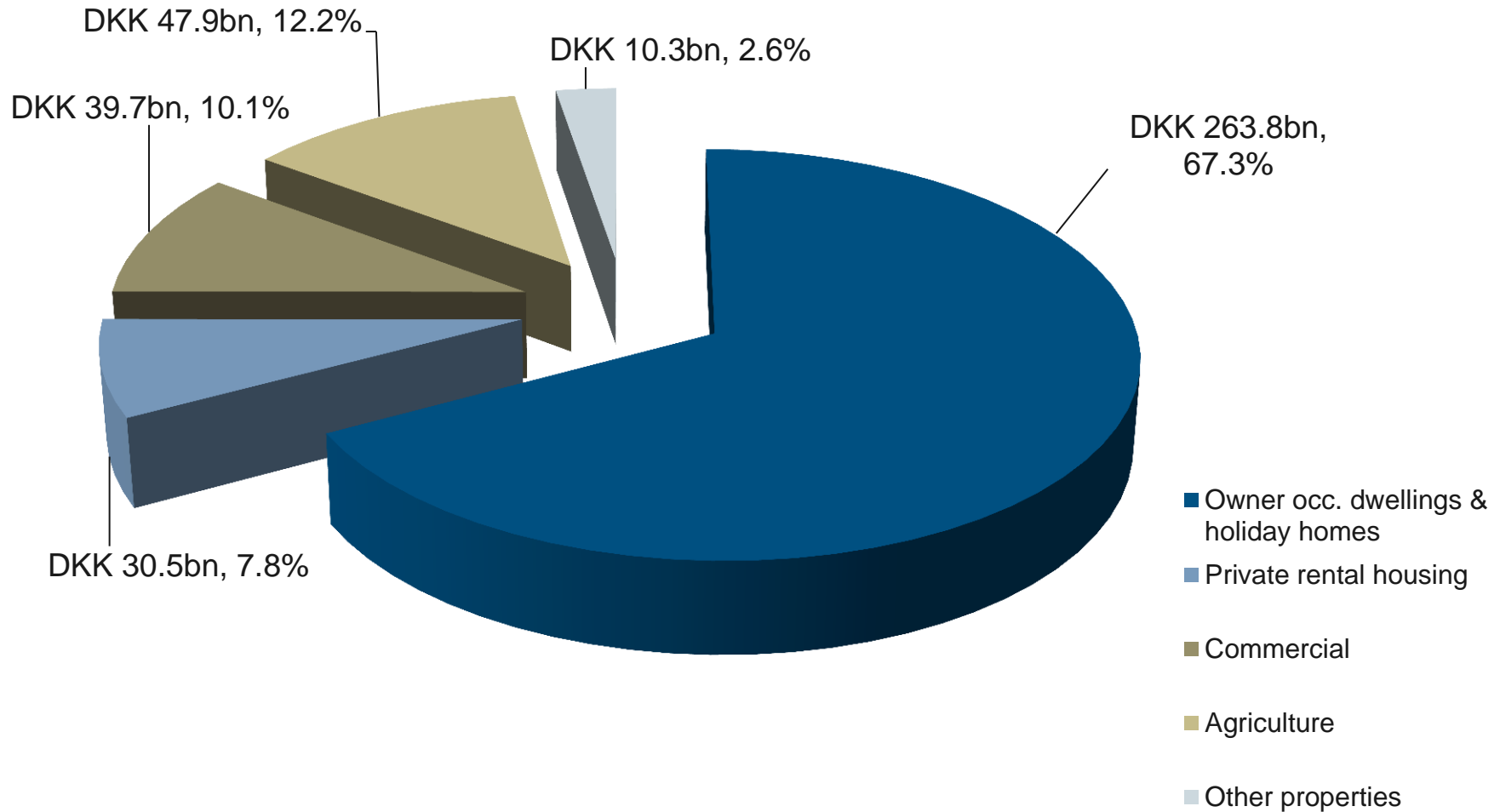


Nordea Kredit complies with the specific Balance Principle and has a match-funded “Pass Through” setup. Nordea Kredit has no prepayment risk and only negligible interest rate and foreign exchange risk.

Nordea Kredit – loan portfolio split by property categories

Capital centres I & II, 2016, Q2 at fair value: DKK 392.2bn

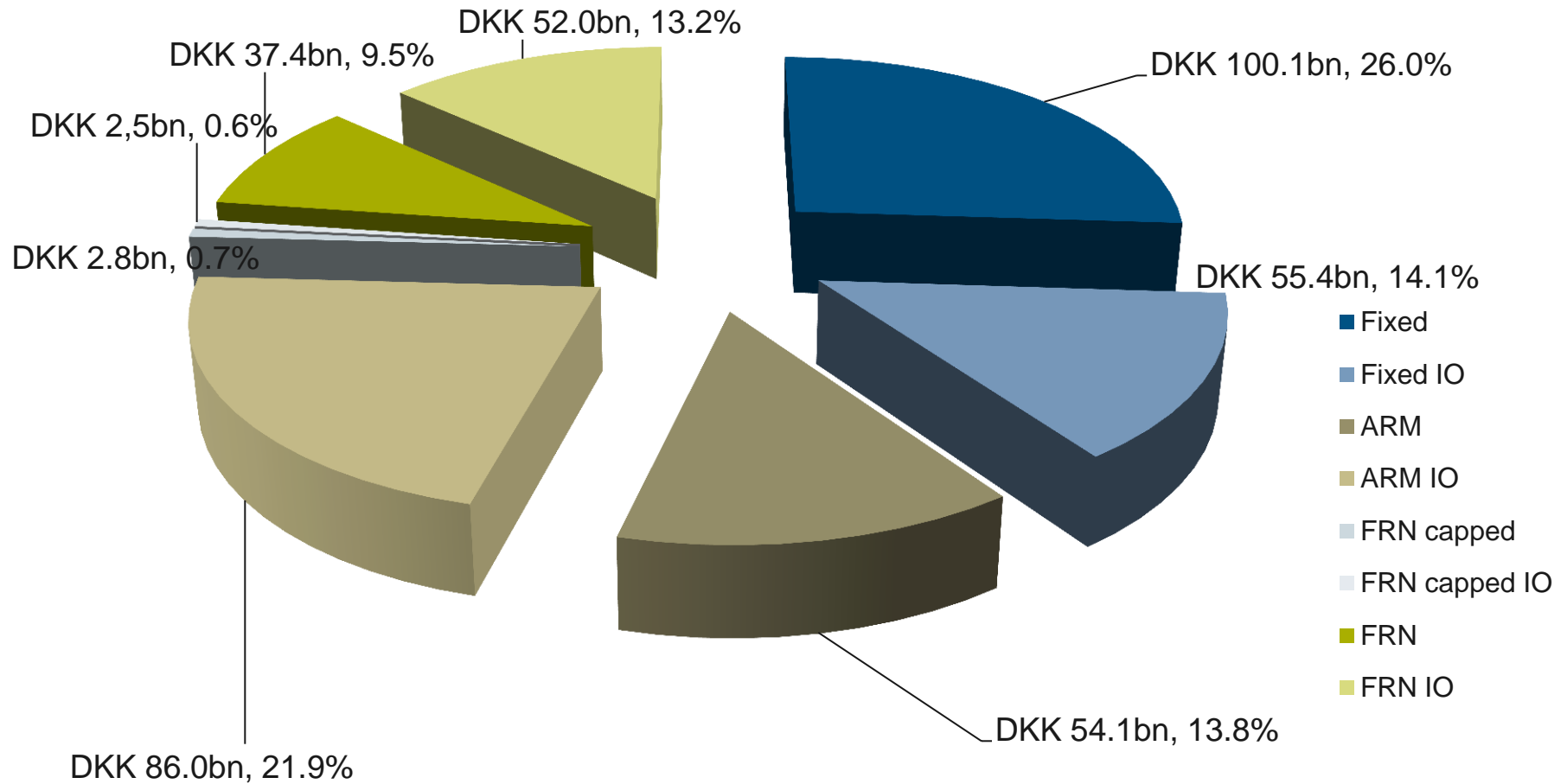
Distribution of all loans by property category



Nordea Kredit – loan portfolio - loan type split

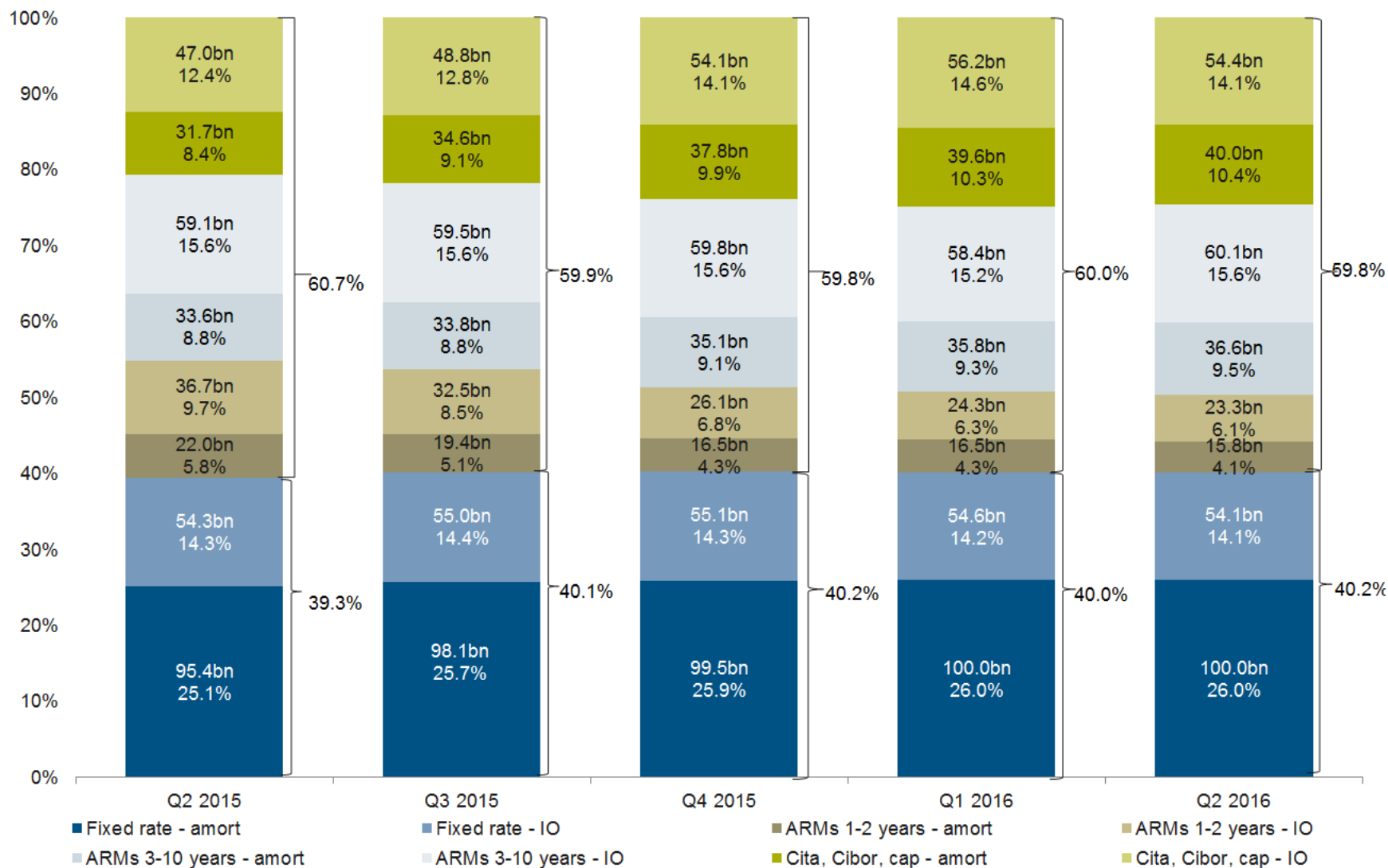
Capital centres I & II, 2016, Q2 at fair value: DKK 392.2bn

Distribution of all loans by loan type



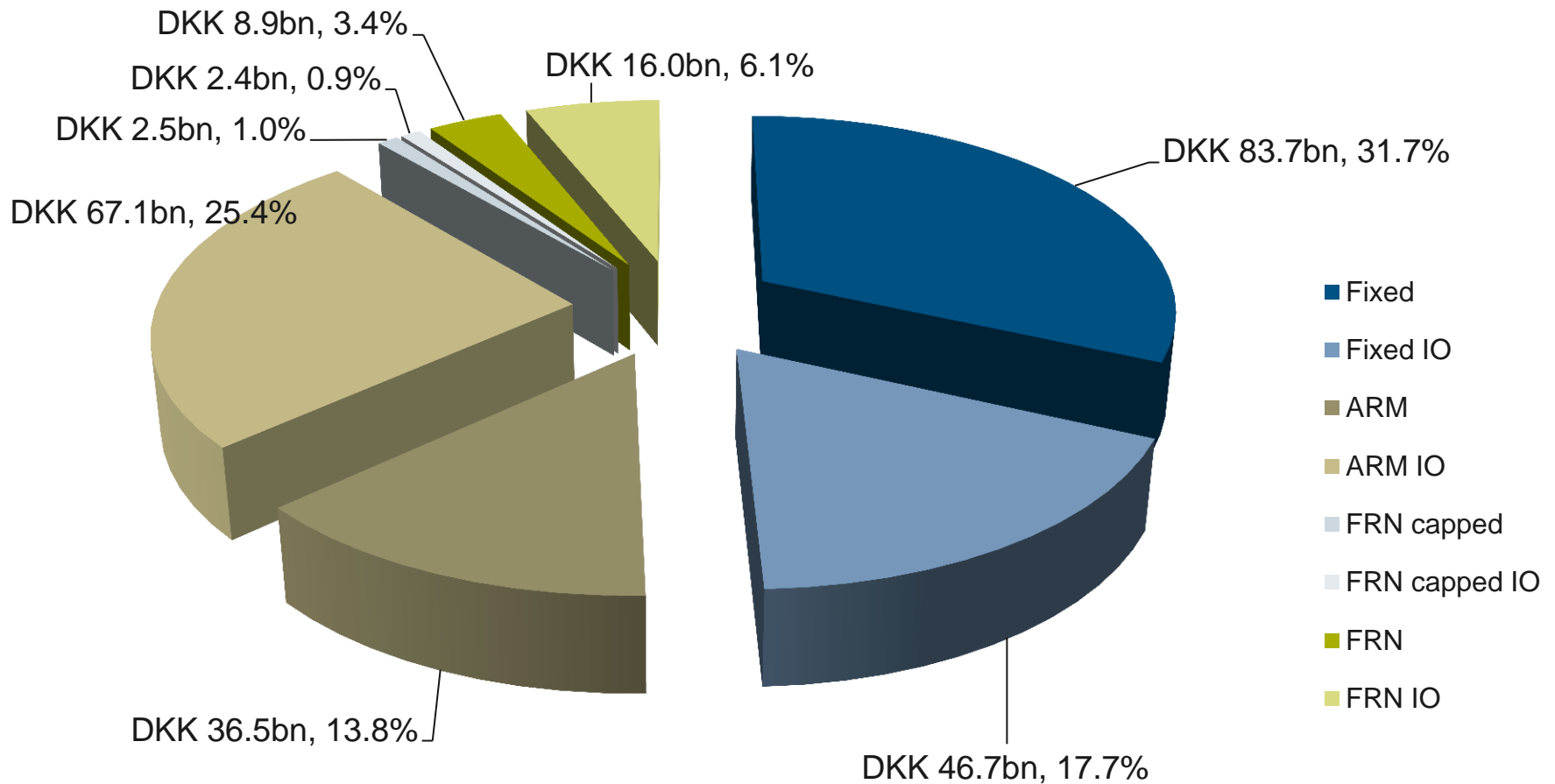
Nordea Kredit – loan portfolio - loan type split

(Developments from 2015, Q2 - 2016, Q2 – nominal value)



Nordea Kredit – loan type split for owner occupied dwellings

Owner occupied dwellings and holiday homes, capital centres I & II, 2016 Q2 at fair value: DKK 263.8bn
 Distribution of loans by loan type

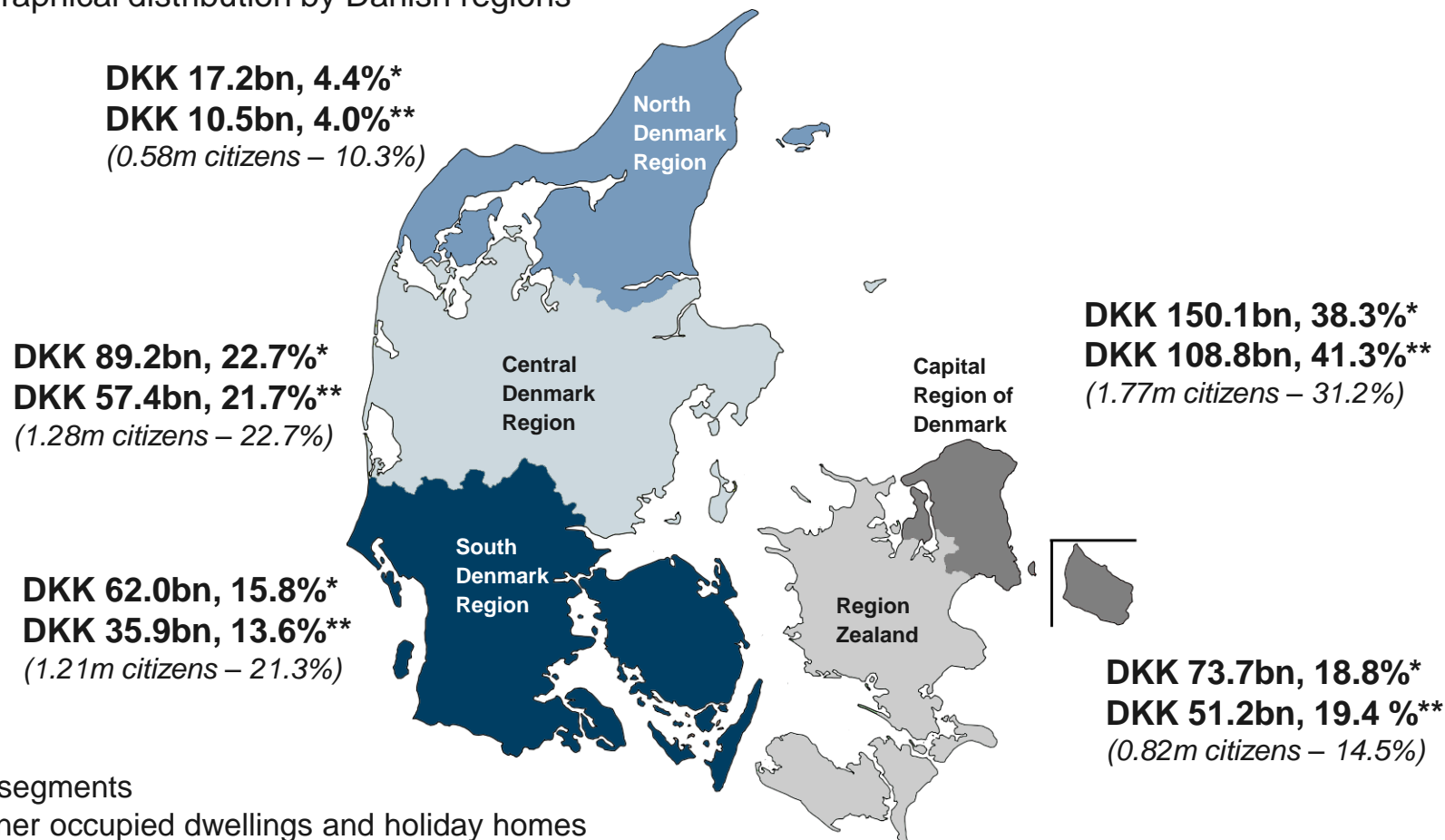


Nordea Kredit - loans by Danish regions and property categories

Capital centres I & II, 2016 Q2 at fair value: All property categories: DKK 392.2bn

Owner occupied dwellings & holiday homes: DKK 263.8bn

Geographical distribution by Danish regions

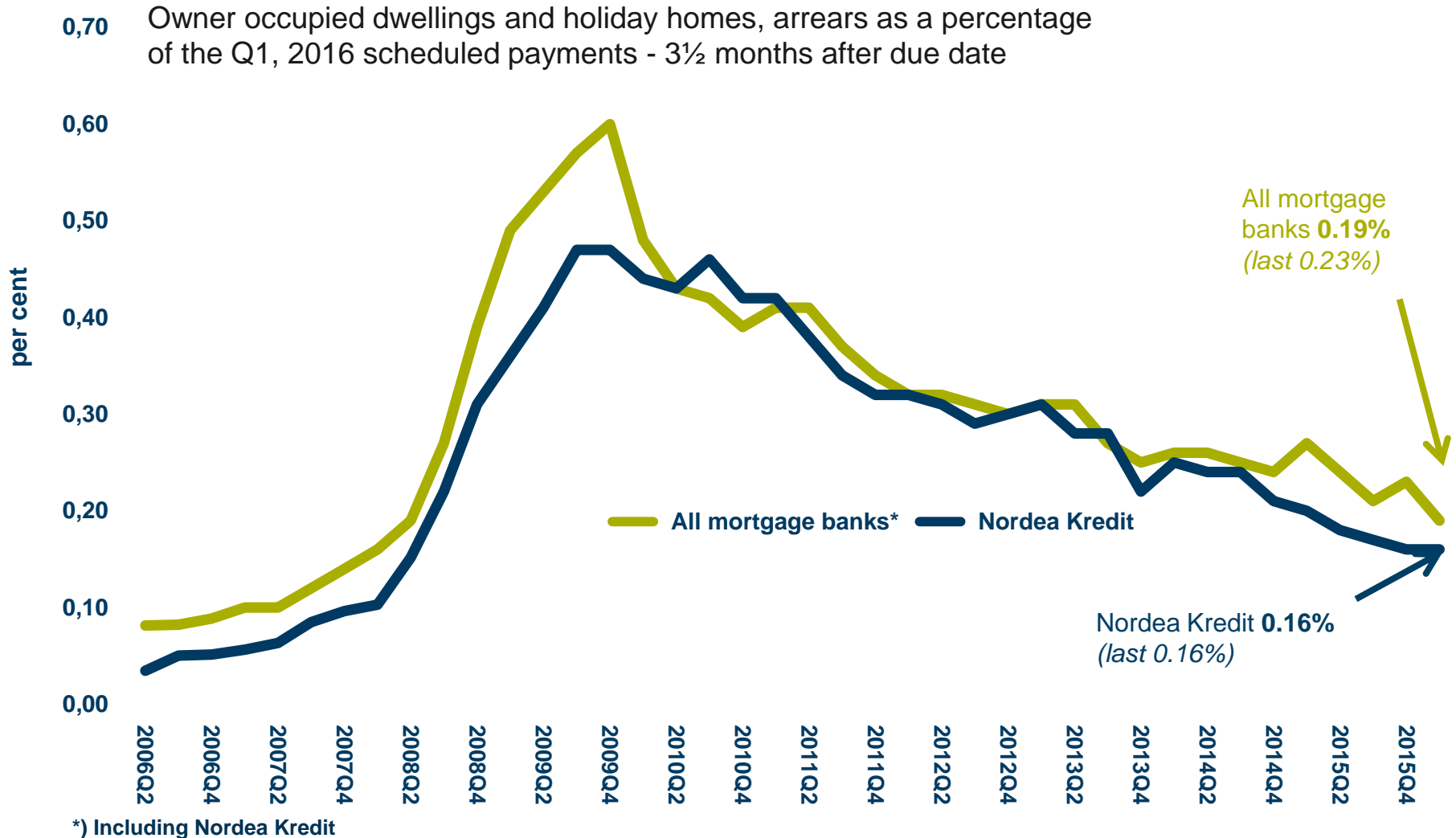


* All segments

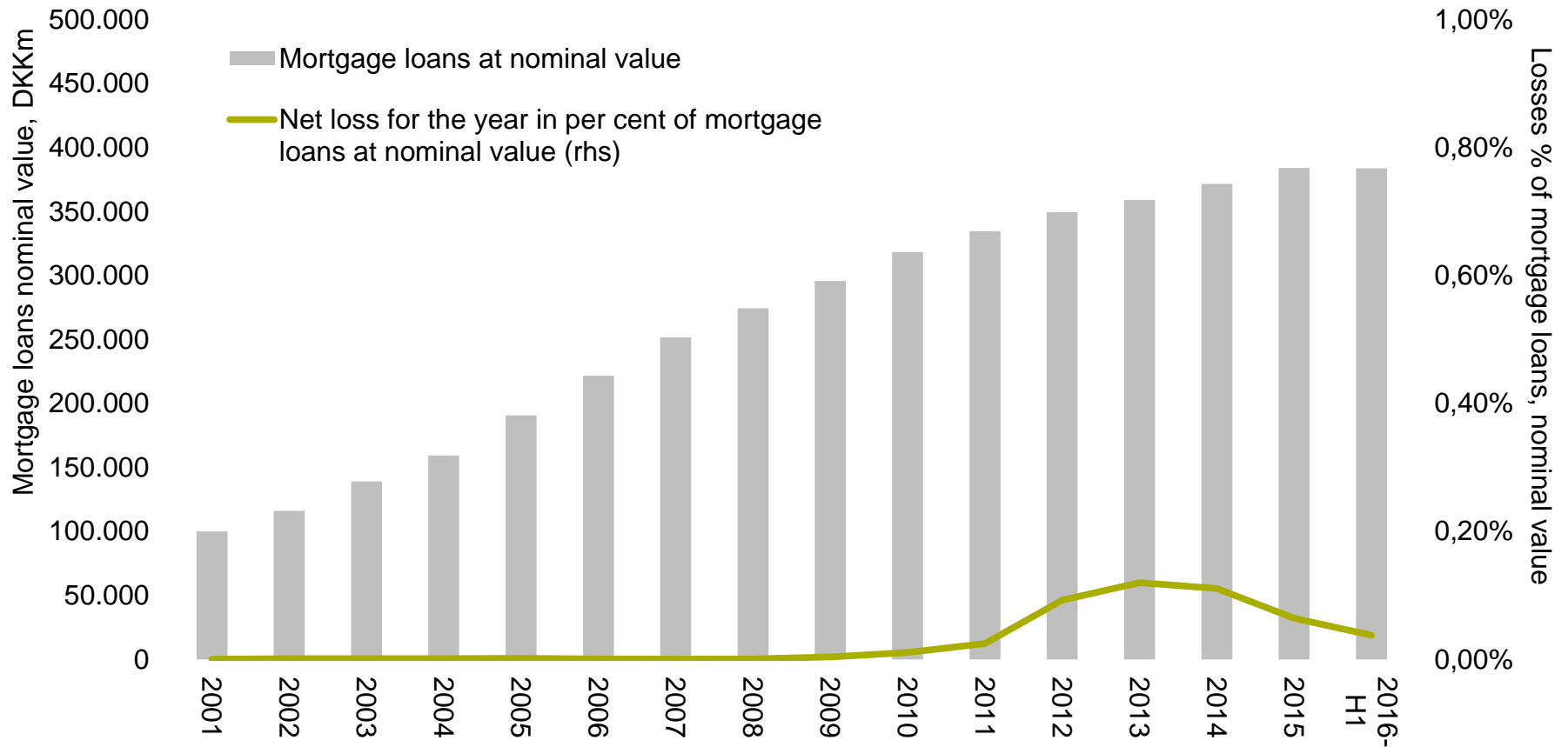
** Owner occupied dwellings and holiday homes

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

Asset quality - late payments by borrowers, 2016 Q1



Net losses in per cent of mortgage loans at nominal value



Nordea Kredit – LTV, loan-to-value 2016 Q2 *(2016 Q1)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2016Q2	2016Q1	2016Q2	2016Q1	2016Q2	2016Q1
Owner occupied dwellings	70	70	69	69	70	70
Private rental housing	58	58	76	76	57	57
Commercial	53	54	47	48	53	54
Agriculture	50	50	48	47	50	50
Other properties	36	36	39	39	35	36
Total	64	64	64	65	64	64

- The figures are weighted averages for the respective property categories
- Please also see the information about Nordea Kredit at www.coveredbondlabel.com

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>



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