

# Nordea



## Nordea Hypotek Covered Bonds Investor presentation Q1 2017

## Nordea Hypotek – overview

- 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)

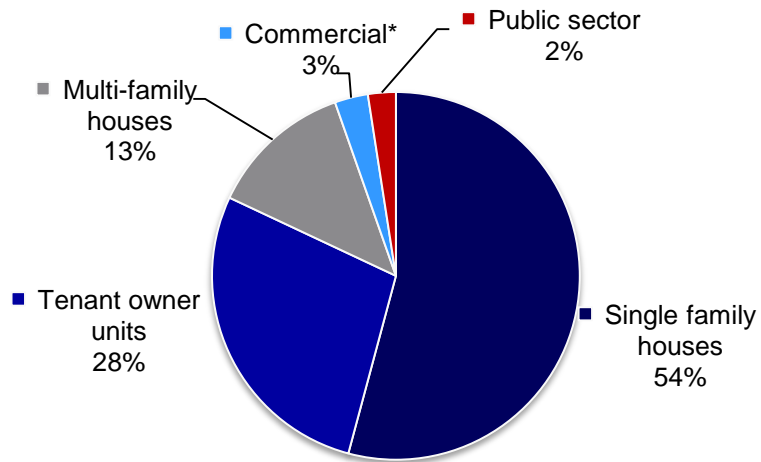
## Cover pool key characteristics

<b>Loans in cover pool</b>	SEK 514.7bn
<b>Outstanding covered bonds</b>	SEK 318.9bn
<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>	94.6% residential, 2.5% public sector, 2.9% commercial
<b>Weighted average LTV*</b>	50.3% (indexed)
<b>Average loans size*</b>	SEK 545k
<b>Over collateralization, OC</b>	61.4%
<b>Rate type</b>	Floating 78,6%, Fixed 21,4%
<b>Amortization</b>	Bullet/ interest only 31.9%, Amortizing 68.1%
<b>Pool type</b>	Dynamic
<b>Loans originated by</b>	Nordea Bank AB

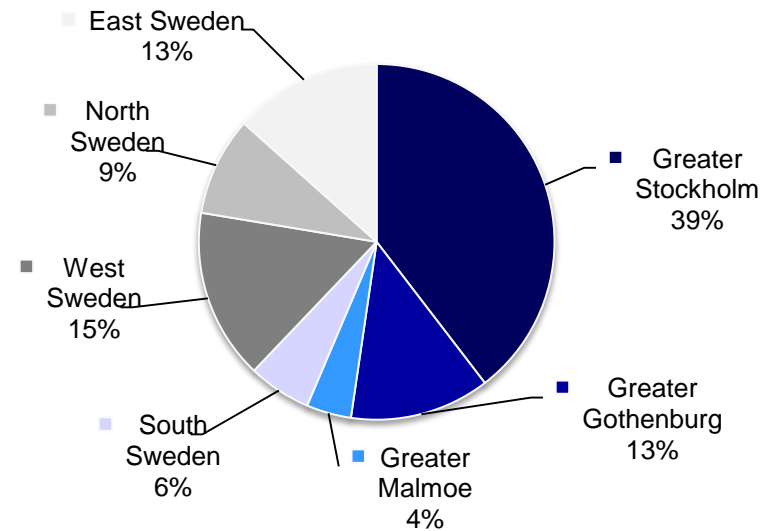
\* Residential

# Cover pool key characteristics

## Cover pool balance by loan category



## Cover pool balance\* by region



## Loan To Value\* (LTV)

Weighted Average LTV – Unindexed (%)	51,0	
<b>LTV buckets</b>	<b>Nominal (SEKm)</b>	<b>% Residential Loans</b>
>0 - <=40 %	336 948	69,2%
>40 - <=50 %	57 023	11,7%
>50 - <=60 %	46 056	9,5%
>60 - <=70 %	34 910	7,2%
>70 - <=80 %	12 119	2,5%
Total	487 056	100%
Weighted Average LTV - Indexed (%)	50,3	
<b>LTV buckets</b>	<b>Nominal (SEKm)</b>	<b>% Residential Loans</b>
>0 - <=40 %	377 982	77,61%
>40 - <=50 %	51 815	10,64%
>50 - <=60 %	34 574	7,10%
>60 - <=70 %	18 422	3,78%
>70 - <=80 %	4 262	0,88%
Total	487 056	100%

\* Residential

# Nordea Hypotek – Outstanding benchmark covered bonds

## Breakdown by ISIN

ISIN	Currency	Amount (SEKm)	Maturity	Coupon (%)
5528	SEK	23 130	2017-06-21	3
5529	SEK	63 100	2018-06-20	2
5530	SEK	60 050	2019-06-19	2,25
5521	SEK	64 742	2020-06-17	3,25
5532	SEK	39 100	2021-05-19	1,25
5531	SEK	40 025	2022-04-08	1
	<b>Total</b>	<b>290 147</b>		

# 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 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