

Nordea

Nordea Hypotek Covered Bonds

Q4 2018 Debt investor presentation


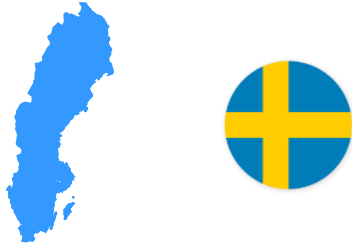

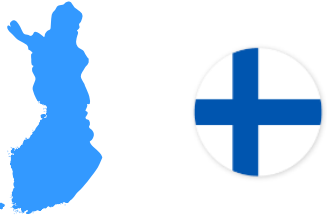


Table of contents

1. In brief	3
2. Cover pool key characteristics	6
3. Asset quality	9
4. Covered bond framework	13
5. Macro	15
6. Further information	19

1. In brief

Nordea covered bond operations

<p><i>Four aligned covered bond issuers with complementary roles</i></p>	<p>Nordea Eiendomskreditt</p> 	<p>Nordea Hypotek</p> 	<p>Nordea Kredit</p> 	<p>Nordea Mortgage Bank</p> 
Legislation	Norwegian	Swedish	Danish/SDRO	Finnish
Cover pool assets	Norwegian residential mortgages	Swedish residential mortgages primarily	Danish residential & commercial mortgages	Finnish residential mortgages primarily
Cover pool size	EUR 10.1bn (eq.)	EUR 51.9bn (eq.)	Balance principle	EUR 19.8bn
Covered bonds outstanding	EUR 8.4bn (eq.)	EUR 30.9bn (eq.)	EUR 51.9bn (eq.)	EUR 16.7bn
OC	21%	68%	CC1/CC2 31%/11%	19%
Issuance currencies	NOK, GBP, USD, CHF	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa / -	Aaa / AAA	Aaa / AAA	Aaa / -

- Covered bonds are an integral part of Nordea’s long term funding operations
- Issuance in Scandinavian and international currencies
- ECBC Covered Bond Label on all Nordea covered bond issuance

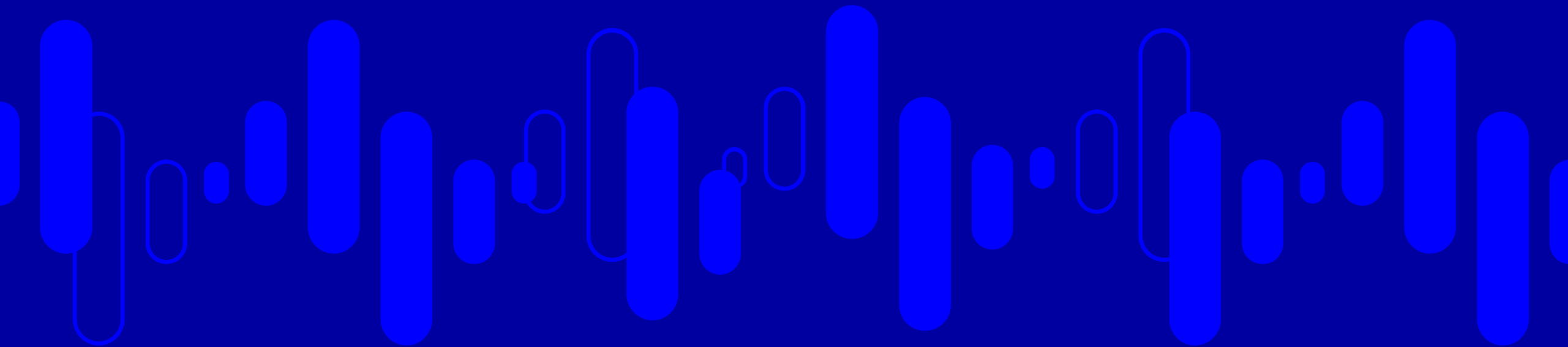


Nordea Hypotek – overview

Q4 2018

- 100% owned subsidiary of Nordea Bank Abp (as of October 1st) - 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

2. Cover pool characteristics



Cover pool key characteristics

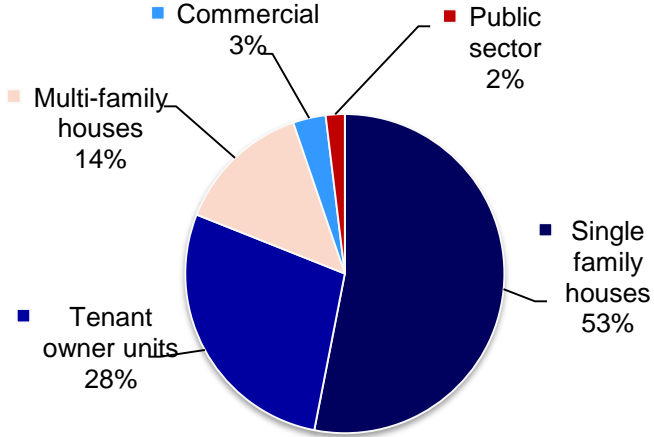
Q4 2018

Cover pool summary	
Loans in cover pool	SEK 530.9bn
Outstanding covered bonds	SEK 316.6bn
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	94.8% residential, 3.3% commercial, 1.9% public sector
Weighted average LTV*	51.2% (indexed)
Average loans size*	SEK 588k
Over collateralization, OC	68%
Rate type	Floating 80.4%, Fixed 19.6%
Amortization	Bullet/ interest only 22.9%, Amortizing 77.1%
Pool type	Dynamic
Loans originated by	Nordea Hypotek

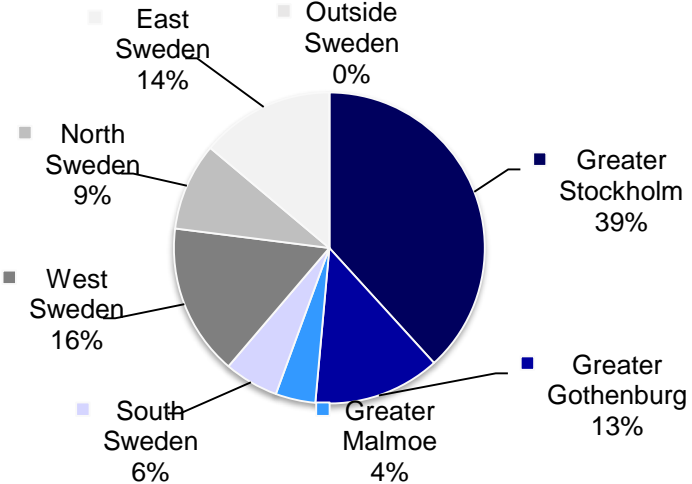
Cover pool key characteristics (2)

Q4 2018

Cover pool balance by loan category

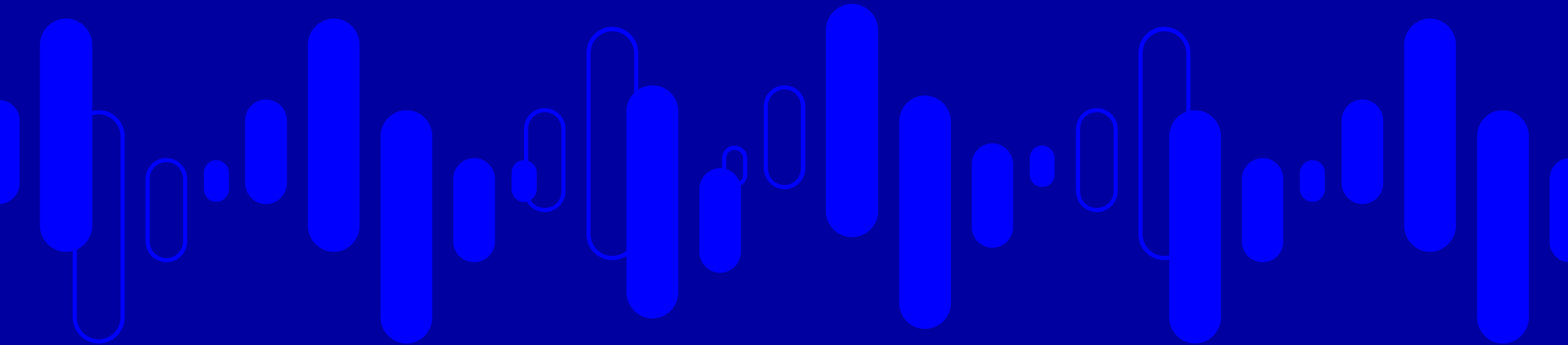


Cover pool balance by region*



* excluding Public sector

3. Asset quality



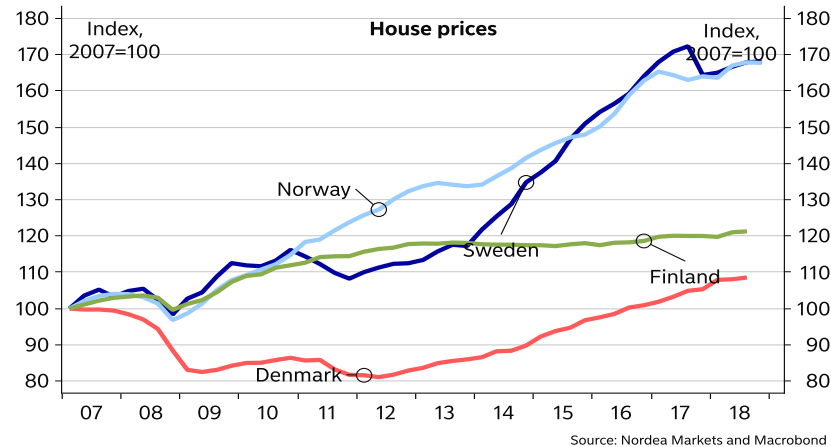
Loan To Value* (LTV)

Q4 2018

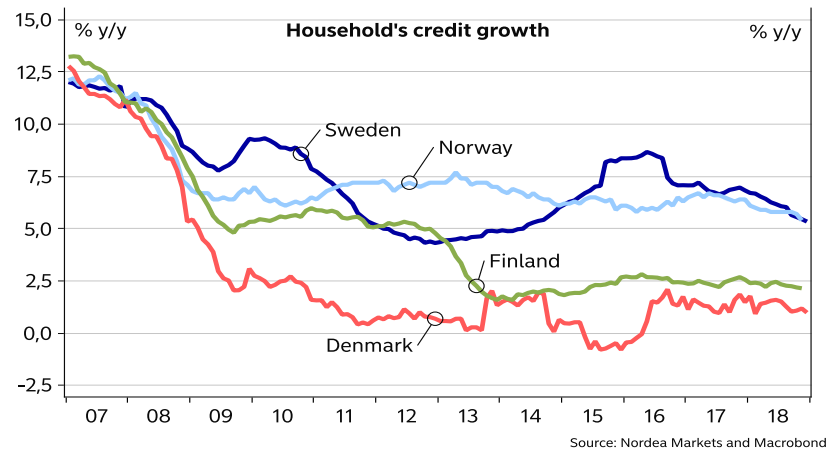
Weighted Average LTV – Unindexed		57.6%	
LTV buckets	Nominal (SEKm)		% Residential Loans
>0 - <=40 %	354 920		70,55%
>40 - <=50 %	58 559		11,64%
>50 - <=60 %	45 838		9,11%
>60 - <=70 %	33 268		6,61%
>70 - <=80 %	10 482		2,08%
Total	503 066		100%
Weighted Average LTV - Indexed		51.2%	
LTV buckets	Nominal (SEKm)		% Residential Loans
>0 - <=40 %	386 238		76,78%
>40 - <=50 %	53 489		10,63%
>50 - <=60 %	36 138		7,18%
>60 - <=70 %	21 306		4,24%
>70 - <=80 %	5 894		1,17%
Total	503 066		100%

House price development in the Nordics

House prices



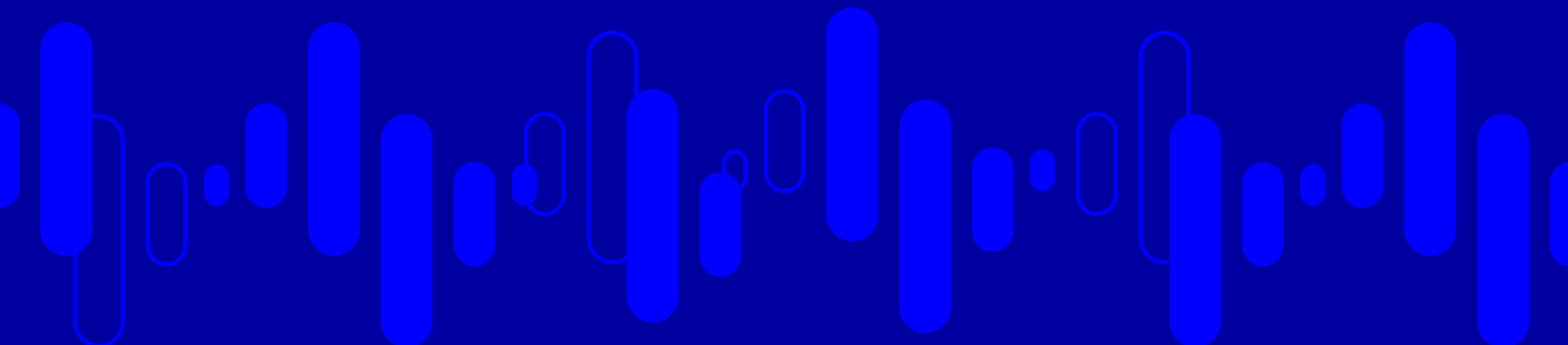
Household's credit growth



Comments

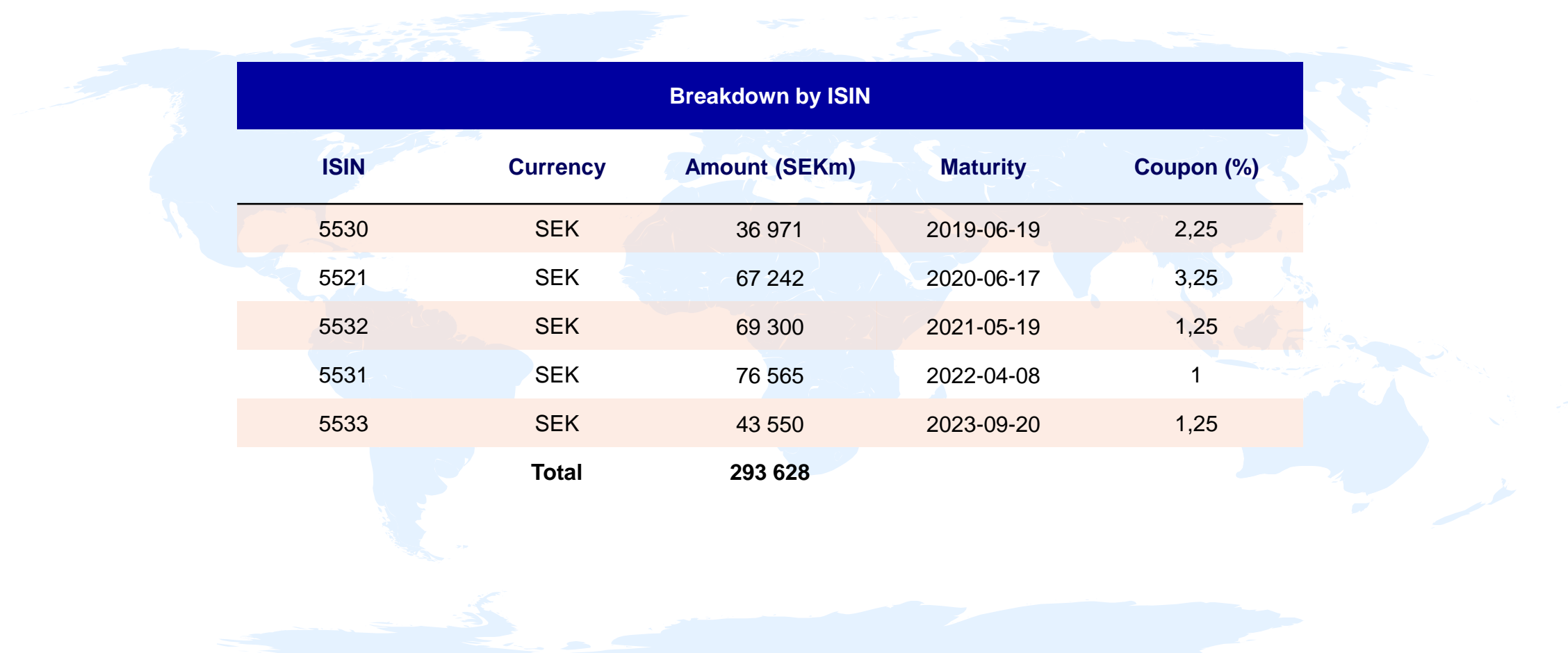
- Recent quarters have shown stabilisation in the Swedish and Norwegian housing markets, while prices continue to rise in Denmark and to some extent also in Finland.
- In Sweden house prices declined during H2 2017 but the trend has levelled out in 2018. The price correction was probably due to the marked rise in new buildings as well as the FSA's additional amortization requirement (March 2018). Going forward we expect house prices to remain stable as mortgage rates will remain low even though we see risks on the downside.
- In Norway, primarily in Oslo, house prices turned down during 2017. The downturn was primarily driven by stricter lending requirements introduced 1 January 2017. However, prices have levelled out, and even increased somewhat in Oslo. Largely unchanged prices are forecast ahead.

6. Further information



Nordea Hypotek – outstanding benchmark covered bonds

Q4 2018



Breakdown by ISIN				
ISIN	Currency	Amount (SEKm)	Maturity	Coupon (%)
5530	SEK	36 971	2019-06-19	2,25
5521	SEK	67 242	2020-06-17	3,25
5532	SEK	69 300	2021-05-19	1,25
5531	SEK	76 565	2022-04-08	1
5533	SEK	43 550	2023-09-20	1,25
	Total	293 628		

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