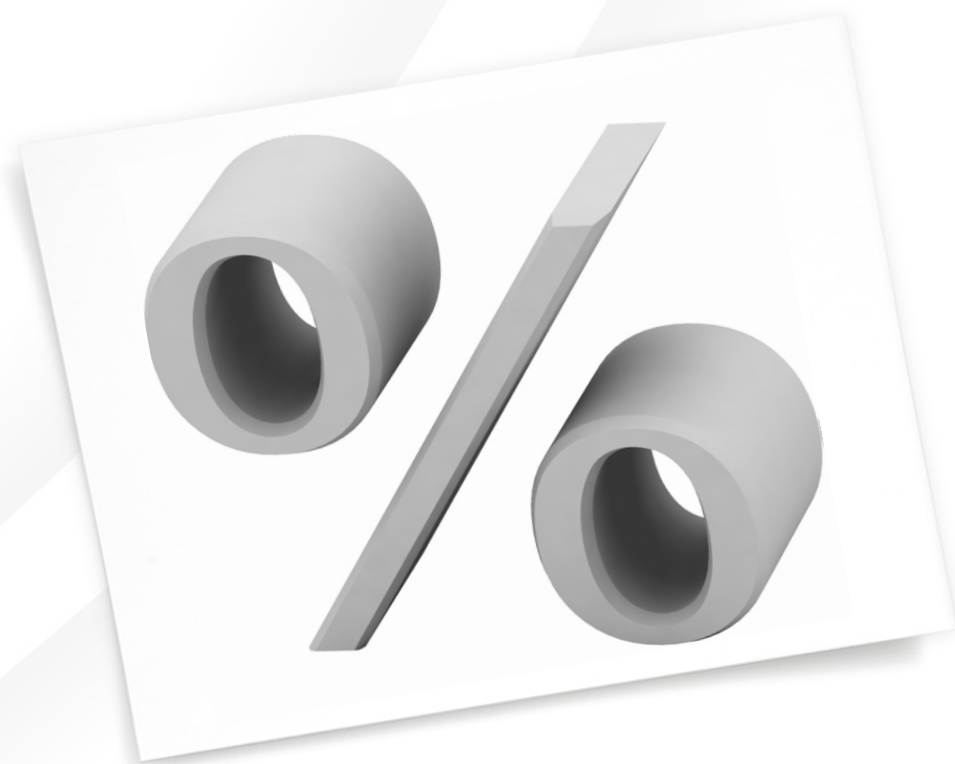




Nordea Kredit Investor Presentation – 2010 Q3

Published 25 November 2010



The 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 mortgage bonds and covered mortgage bonds.

If you have any questions, please feel free to contact us:

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- **Asset quality, losses and arrears**
- **Loan-to-value** (*For detailed information on LTV please refer to “LTV Report 2010 Q3”*)
- **Legislation**
- **Macroeconomic factors**

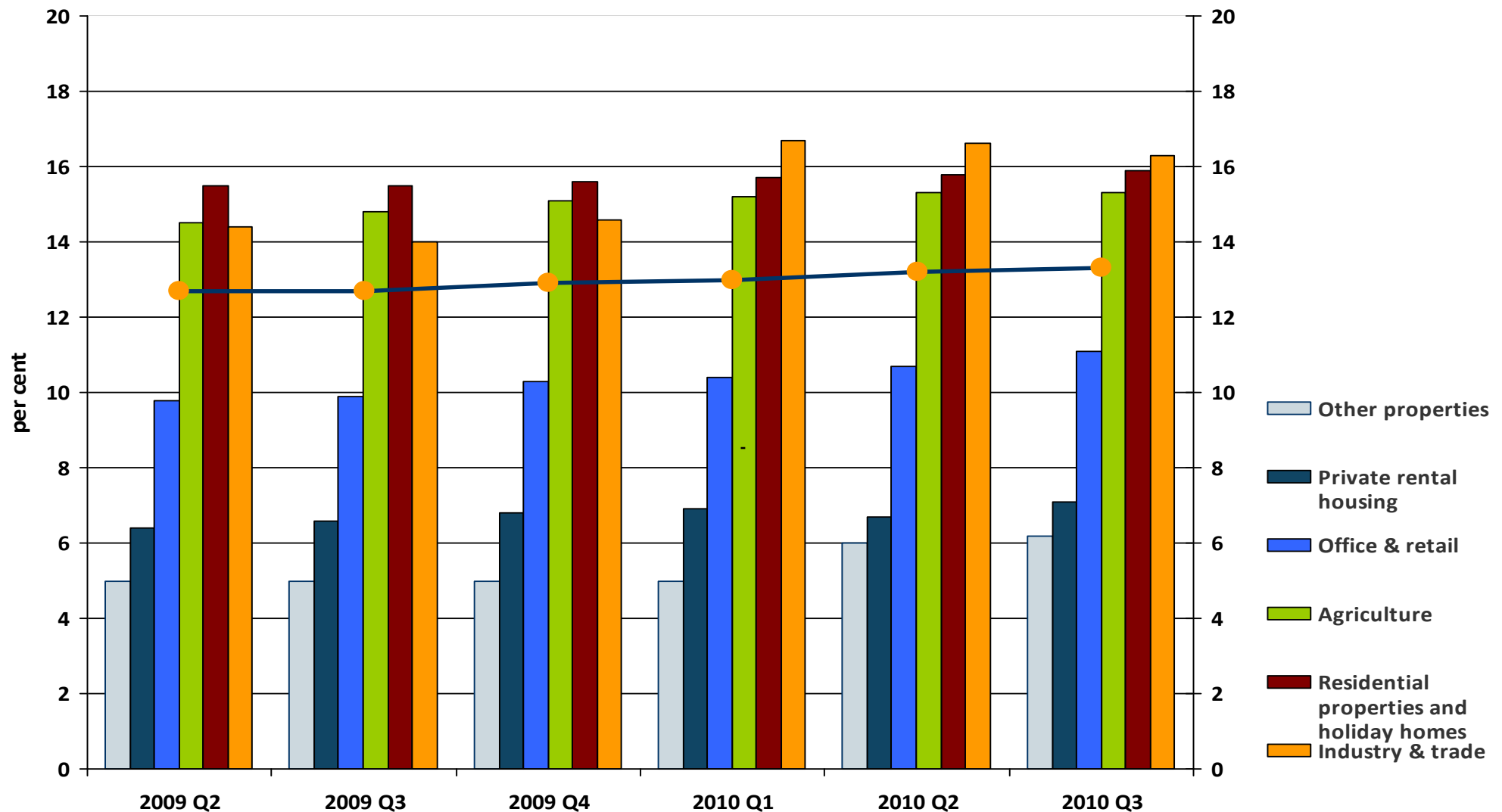
Nordea Kredit – in brief I

- **Founded in 1993, number of employees 141**
- **Nordea Kredit issues mortgage bonds and covered mortgage bonds**
- **All bonds issued by Nordea Kredit are rated AAA (S&P) and Aaa (Moody's)**
- **Profit before tax first-half 2010: 435 m DKK, RoE 3.0% and Cost/Income ratio 19.7%**
- **Mortgage loans at nominal value 2010 Q3: 311.5 bn DKK**
- **Mortgage loans at fair value 2010 Q3: 316.3 bn DKK**
- **Market shares 2010 Q3: All segments 13.3% (2010 Q2: 13.2%)**
(Mortgage loans at fair value)

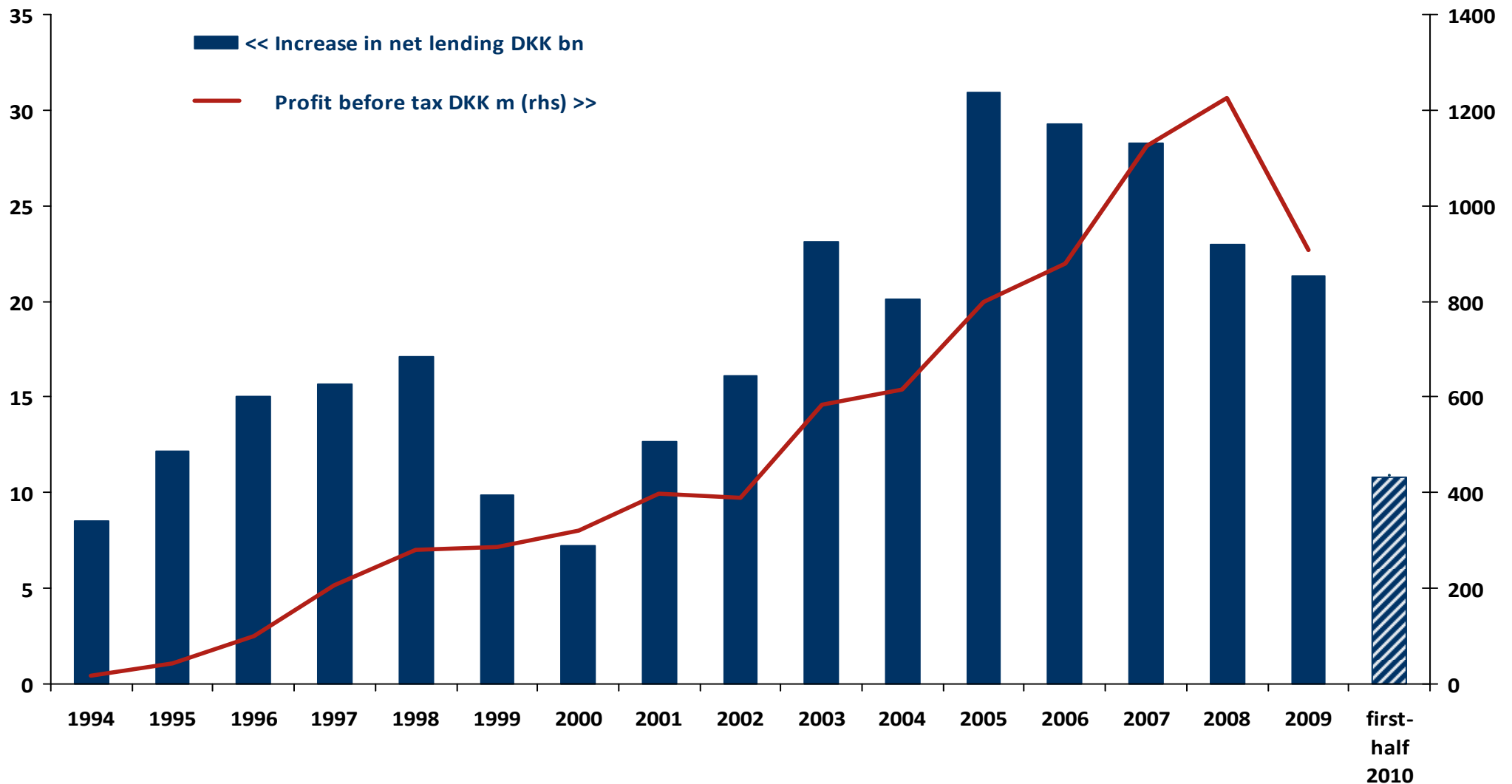
Nordea Kredit – in brief II

- **Late payments by borrowers 2010 Q3: 0.44% (2010 Q2: 0.44%)**
Residential properties and holiday homes, 3½ month after due date
- **Average LTV 2010 Q3: 67% (2010 Q2: 67%)**
- **Total capital ratio 9.3% and Tier 1 capital ratio 9.7% (first-half 2010)**
- **Completely match funded “Pass Through” setup - strict ALM**
(Asset Liability Management)
- **Danish MCIs are closely regulated and supervised by Finanstilsynet**
(The Danish FSA)

Nordea Kredit – market shares in per cent of total market

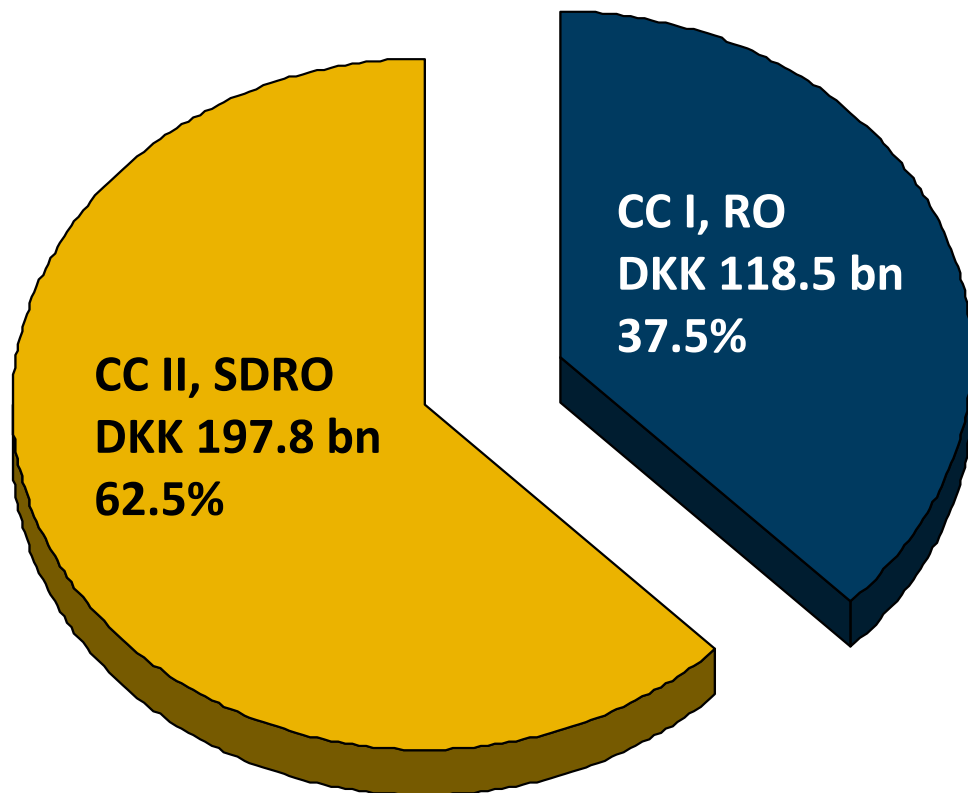


Nordea Kredit – profit and increase in net lending



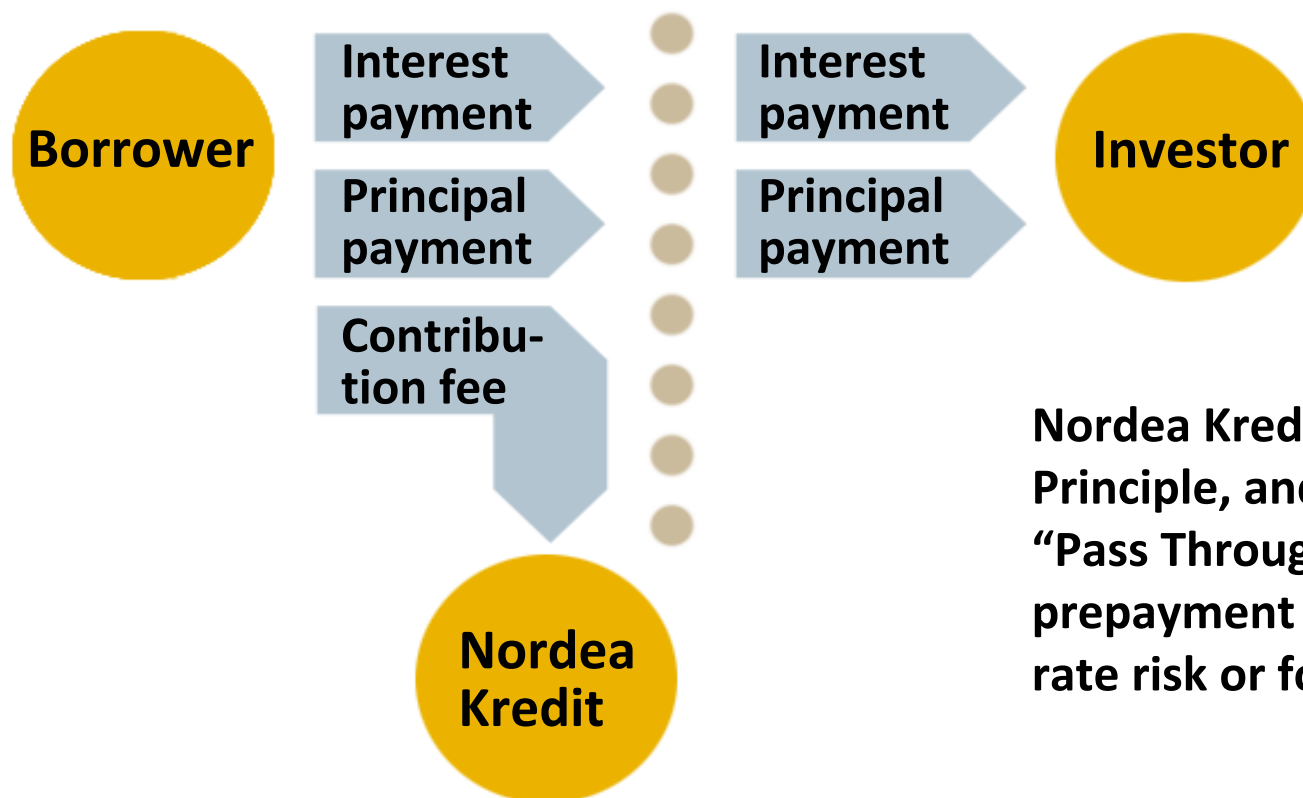
Nordea Kredit – Capital Centres 1 & 2 (CC I & II)

Mortgage loans at fair value 2010 Q3: DKK 316.3 bn



- **Nordea Kredit has two capital centres:**
 - CC I: Mortgage Bonds (Realkreditobligationer, “RO”) are issued out of CC I (1993 -), however only 1 ISIN is presently open for issuance. More than 97% of the bonds in CC I are grandfathered covered bonds.
 - CC II: Covered Mortgage Bonds (“Særligt Dækkede Realkreditobligationer”, SDRO) are issued out of CC II (2007 -). All bonds in CC II are covered bonds.
- **Issuance exclusively in covered mortgage bonds (SDROs)**

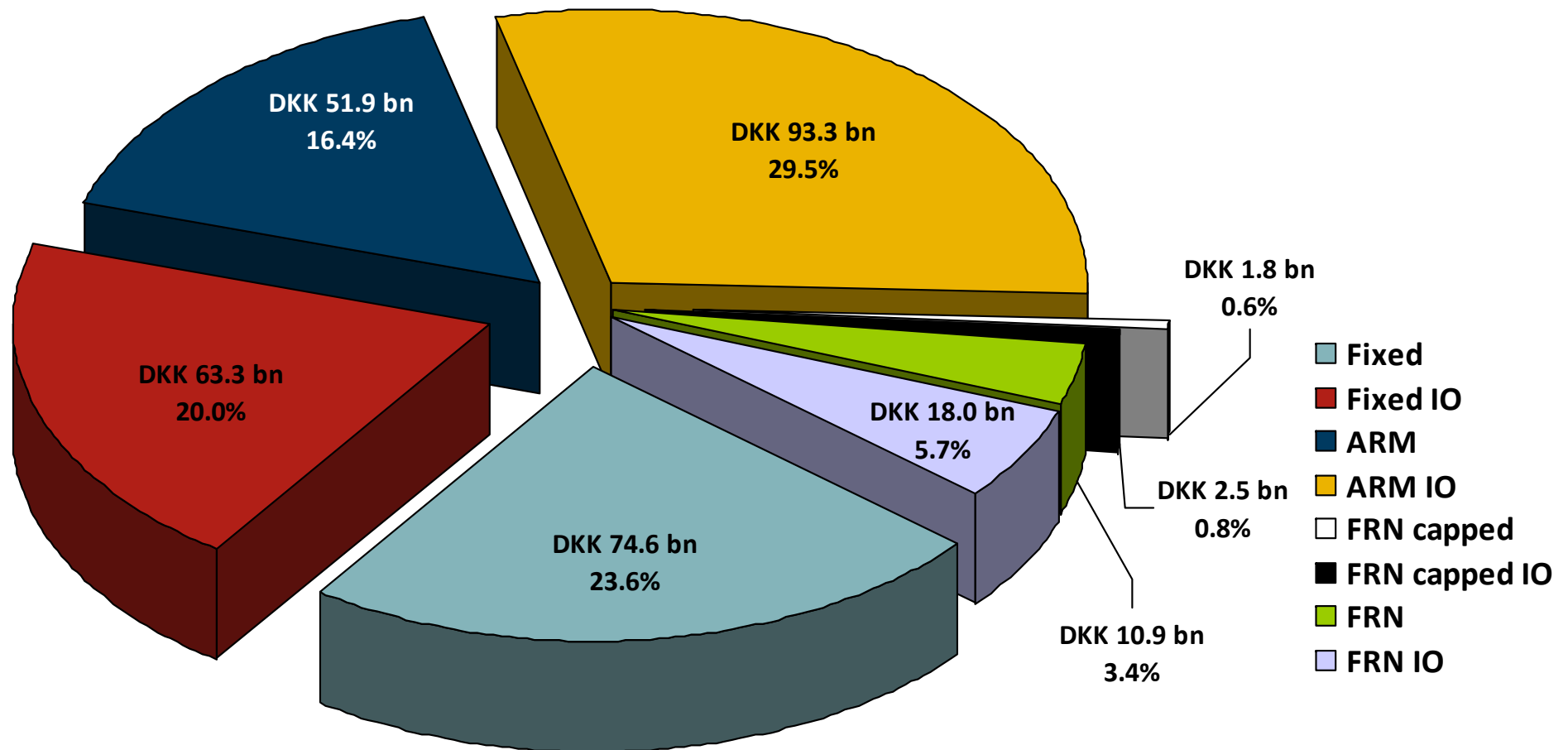
Match funded setup due to the strict Balance Principle



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

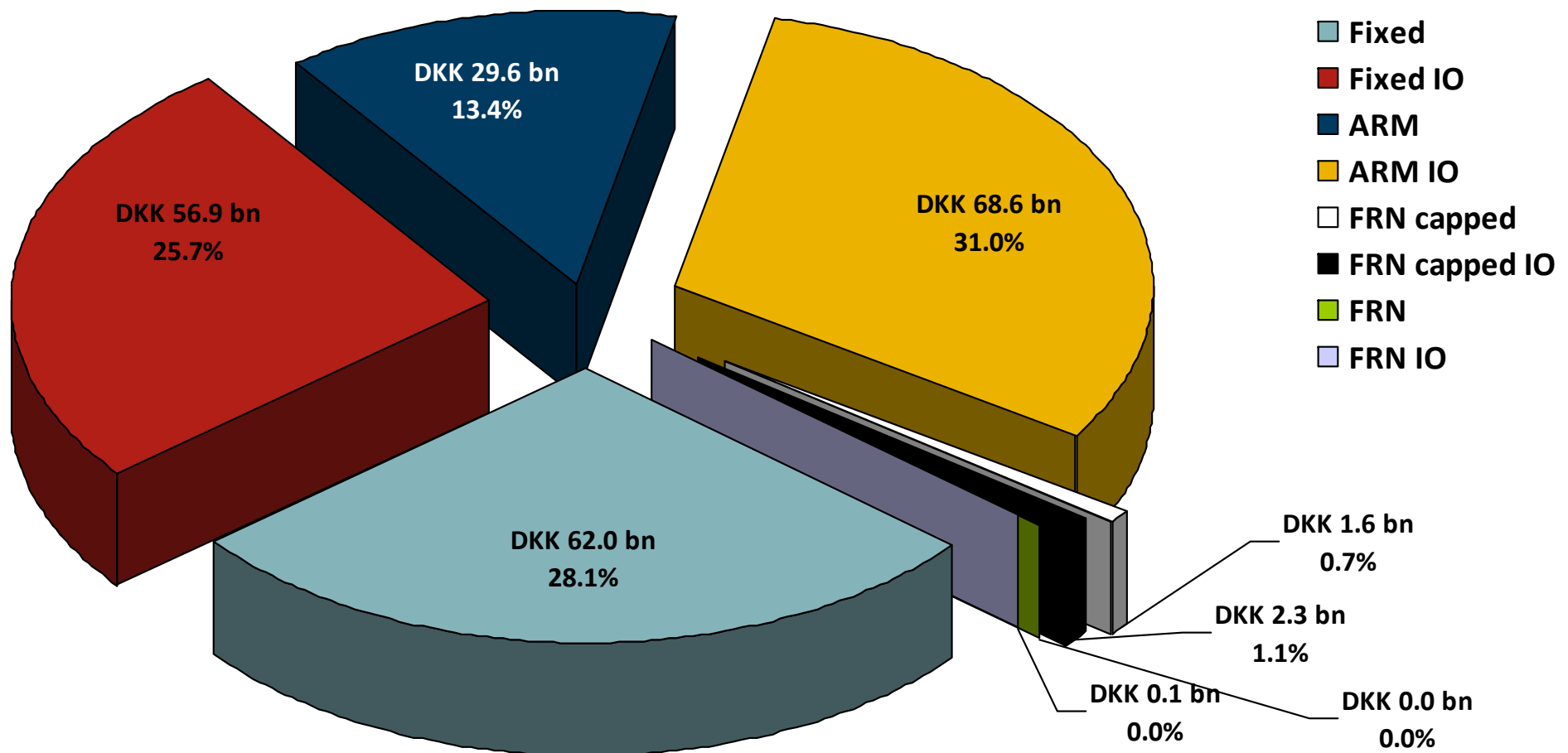
Nordea Kredit – distribution of loans by type

All segments - CC I & II, 2010 Q3 at fair value: 316.3 bn DKK



Nordea Kredit – distribution of loans by type

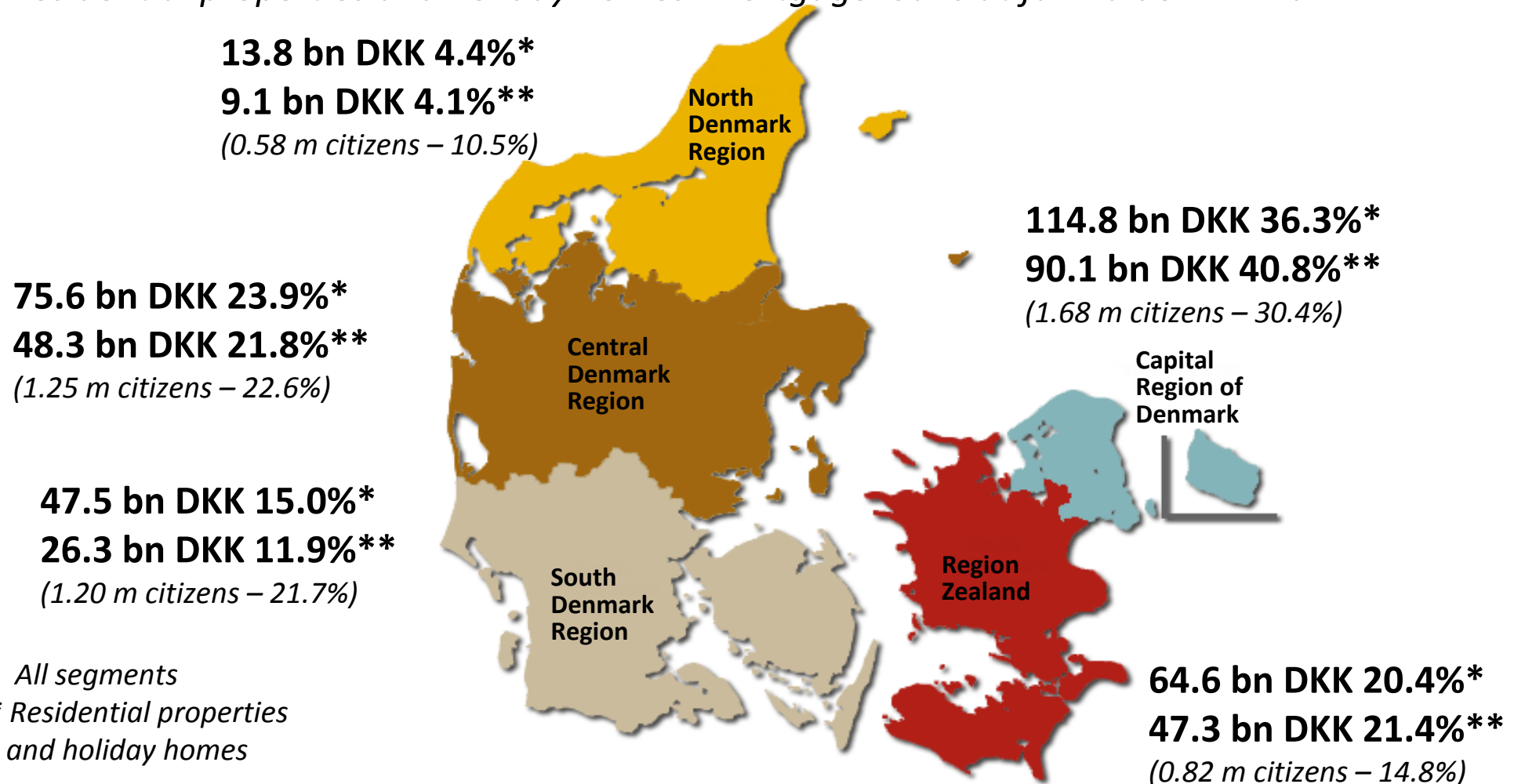
Residential properties and holiday homes - CC I & II, 2010 Q3 at fair value: 221.1 bn DKK



Nordea Kredit – geographical distribution of loans

CC I & CC II 2010 Q3, all segments: mortgage loans at fair value 316.3 bn DKK

Residential properties and holiday homes: mortgage loans at fair value 221.1 bn DKK



Total number of citizens 5.53 m end of 2009

Asset quality - loss guarantee by Nordea Bank Danmark

Nordea Bank Danmark takes “first losses” on Nordea Kredit loans according to the table below:

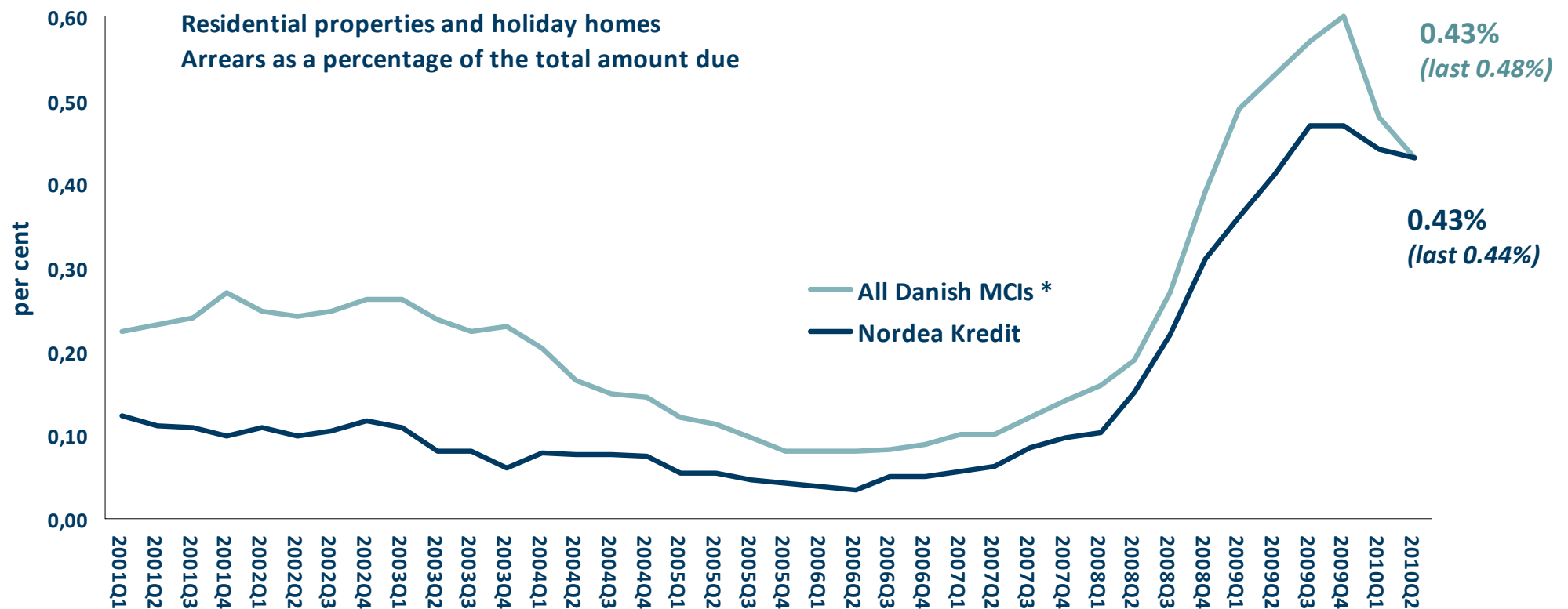
Property type	Guarantee period *	Guarantee level **
Owner occupied housing	5 years	25 per cent
Holiday homes	5 years	25 per cent
Subsidized property	10 years	10 per cent
Housing for youth/elderly	10 years	10 per cent
Agricultural property	10 years	25 per cent
Commercial property	10 years	25 per cent

**) Guarantee period starts when a loan is issued or remortgaged*

****) As a percentage of the original principal – disregarding all amortisation*

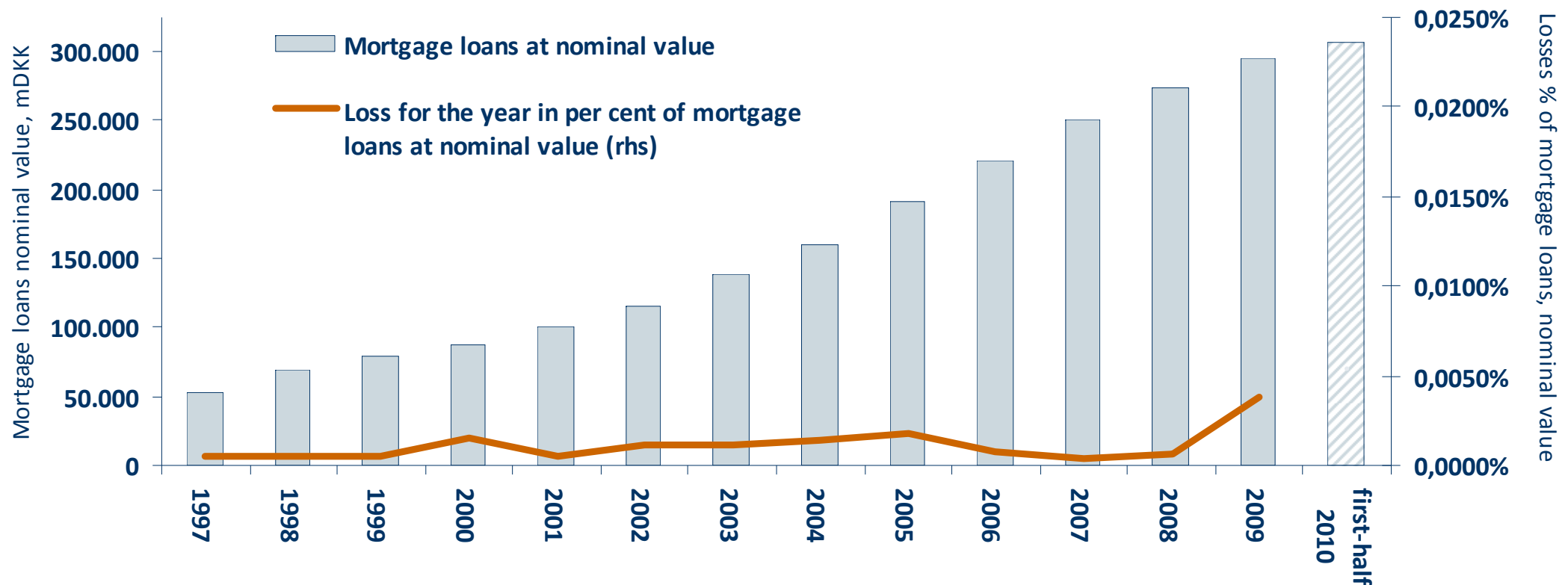
The guarantee amount is not reduced during the guarantee period, but cannot exceed the debt outstanding. A new guarantee period starts when the loan is changed e.g. due to remortgage.

Asset quality - late payments by borrowers - 3½ month after due date



*) Including Nordea Kredit

Losses in per cent of mortgage loans at nominal value



Nordea Kredit did not experience any losses prior to 1997

– total accumulated losses in Nordea Kredit since 1997: 43.5 m DKK (*including first-half 2010*)

Nordea Kredit – LTV, loan-to-value 2010 Q3 *(2010 Q2)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2010Q3	<i>2010Q2</i>	2010Q3	<i>2010Q2</i>	2010Q3	<i>2010Q2</i>
Owner occupied dwellings	73	<i>73</i>	68	<i>69</i>	76	<i>76</i>
Rental	64	<i>64</i>	62	<i>62</i>	66	<i>67</i>
Industry and Trade	52	<i>51</i>	43	<i>43</i>	68	<i>65</i>
Office and Retail	58	<i>57</i>	49	<i>49</i>	61	<i>61</i>
Agriculture	48	<i>47</i>	44	<i>43</i>	49	<i>49</i>
Other	43	<i>44</i>	43	<i>43</i>	42	<i>44</i>
Total	67	<i>67</i>	63	<i>64</i>	69	<i>69</i>

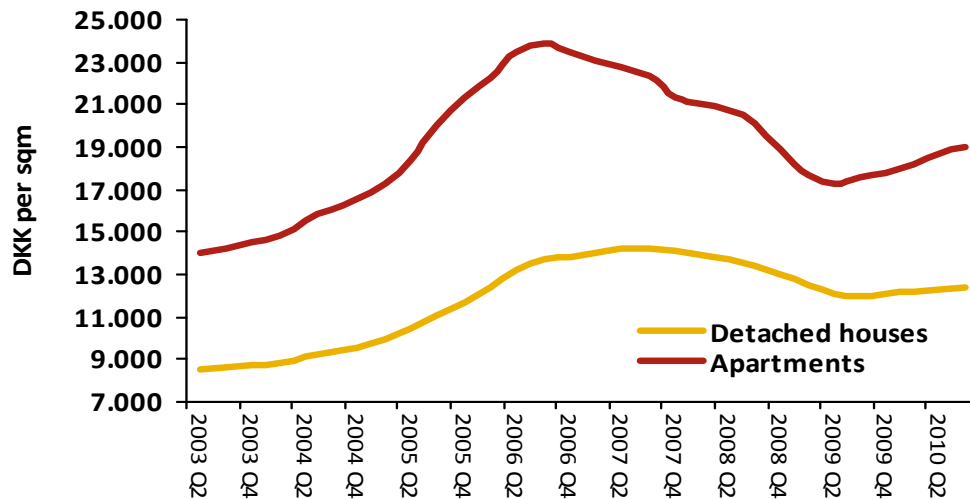
For more detailed information on LTV – please refer to “LTV Report 2010 Q3”

Legislation

- Danish mortgage financing is closely regulated and supervised by the Danish FSA (Finanstilsynet, DFSA)
- Some legislation can be found in English at the DFSA's English website: <http://www.dfsa.dk/sw7804.asp>
- All relevant legislation can be found in Danish at the DFSA's Danish website: <http://www.finanstilsynet.dk/sw22517.asp>



The Danish economy - house prices and foreclosures

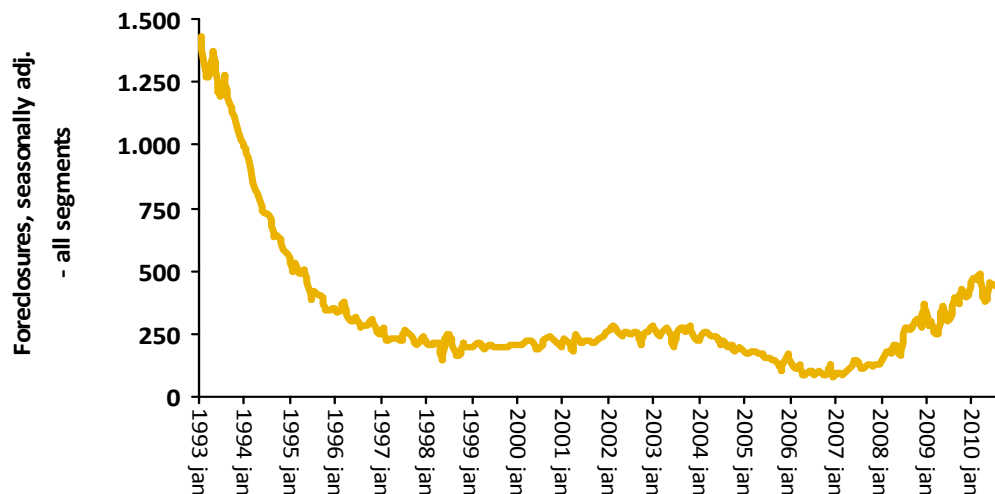


Source: Federation of Danish Mortgage Banks (Realkreditforeningen) and Association of Danish Mortgage Banks (Realkreditrådet)

For a number of years house prices increased but by mid-2006 house prices peaked and subsequently declined.

Recently, however, increases have been seen.

For more information on macro economics please refer to the current issue of “[*Economic Outlook*](#)” published by Nordea Markets, Economic Research.



Source: Statistics Denmark (Danmarks Statistik)

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