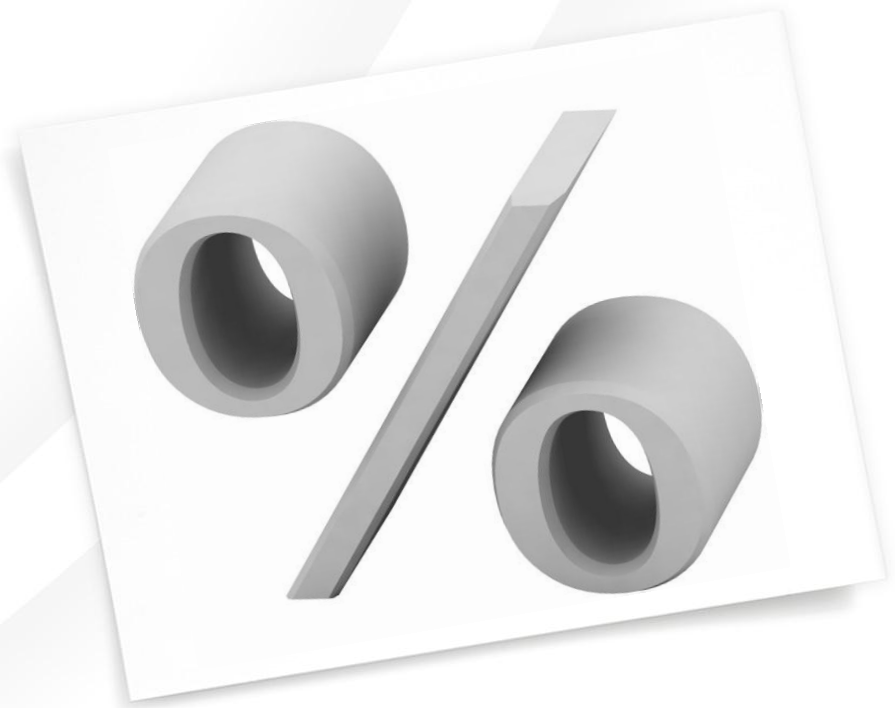




Nordea Kredit Investor Presentation – 2011 Q1

Published 18 May 2011



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 mortgage bonds and covered mortgage bonds.

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

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Contents:

- **Nordea Kredit – in brief**
- **Asset quality, losses and arrears**
- **Loan-to-value** (*For detailed information on LTV please refer to “LTV Report 2011 Q1”*)
- **Legislation**
- **Macro-economic factors**

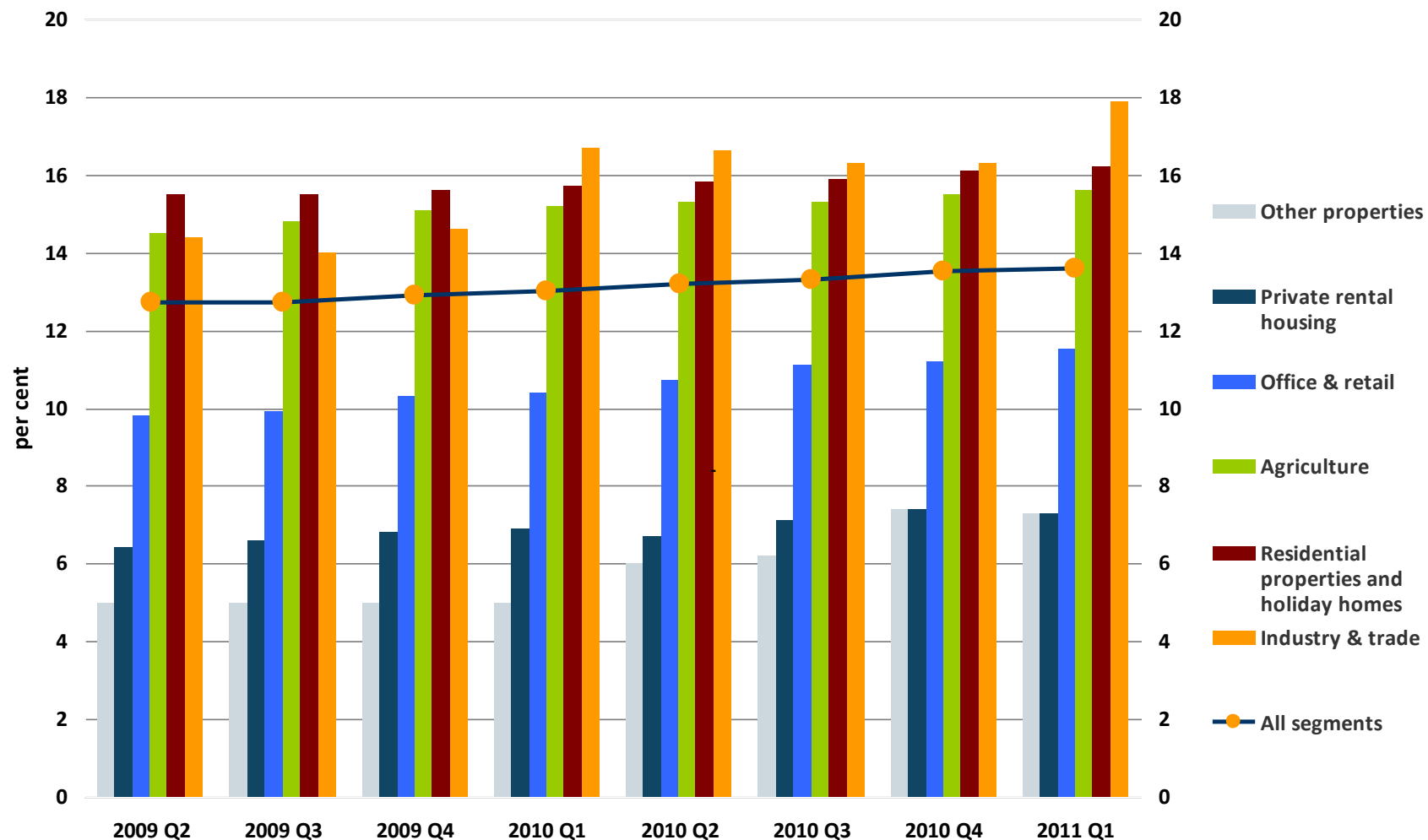
Nordea Kredit – in brief I

- **Founded in 1993, number of employees 143 (as per 2010, Q4)**
- **Nordea Kredit issues covered mortgage bonds**
- **All bonds issued by Nordea Kredit are rated AAA (by S&P) and Aaa (by Moody's)**
- **Profit before tax: 934 m DKK, RoE 6.4% and Cost/Income ratio 19.9% (2010)**
- **Mortgage loans at nominal value 2011, Q1: 322.5 bn DKK**
- **Mortgage loans at fair value 2011, Q1: 318.6 bn DKK**
- **Market share 2011, Q1: 13.6% (2010 Q4: 13.5%)**
(Mortgage loans at fair value as a share of all Danish mortgage loans)

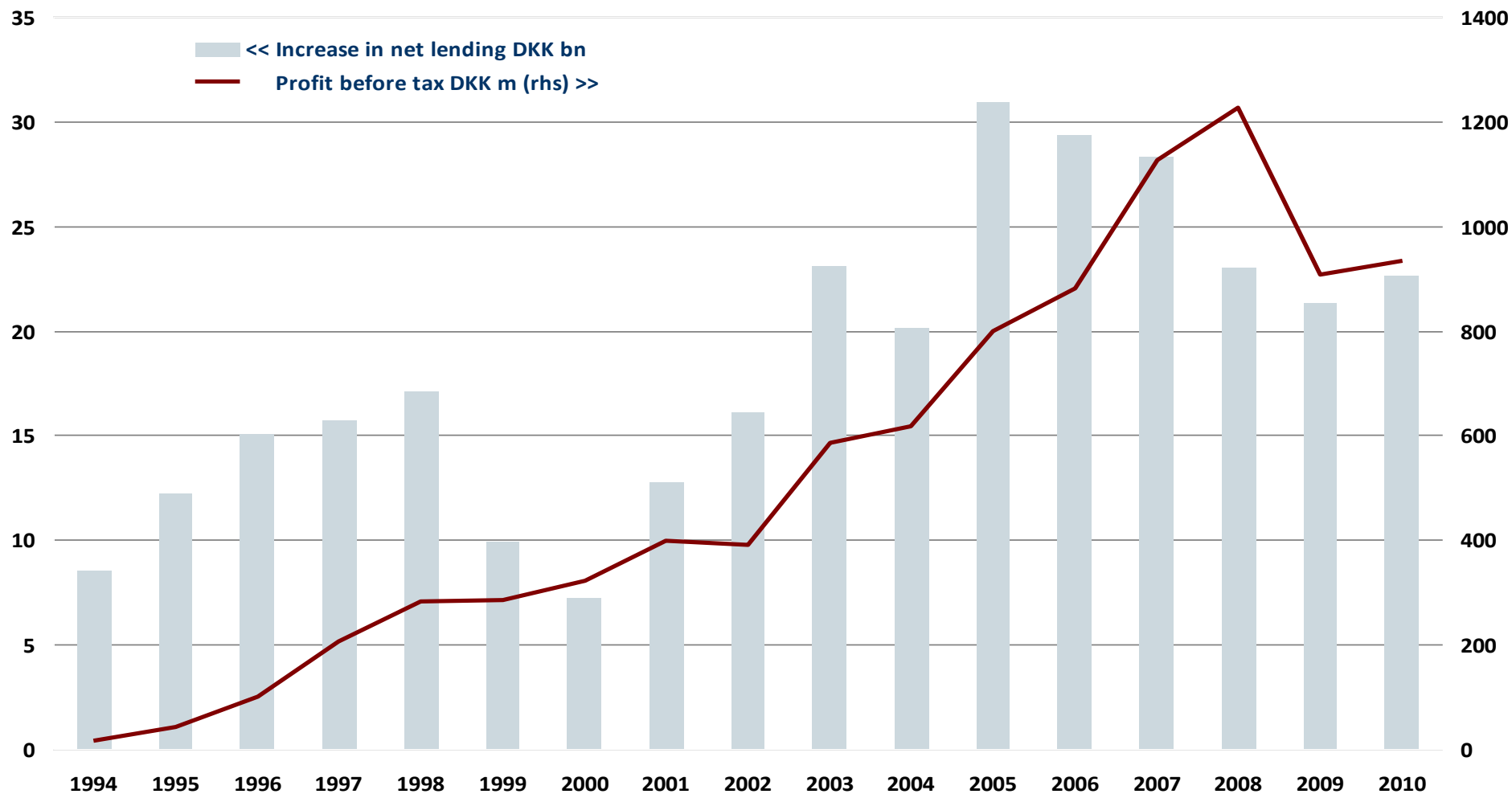
Nordea Kredit – in brief II

- **Late payments by borrowers 2011 Q1: 0.42% (2010 Q4: 0.46%)**
Residential properties and holiday homes, 3½ month after due date
- **Average LTV 2011 Q1: 65% (2010 Q4: 66%)**
- **Total capital ratio 9.6% and Tier 1 capital ratio 9.6% (incl. transition rules)**
- **Total capital ratio 16.3% and Tier 1 capital ratio 16.3% (excl. transition rules)**
- **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

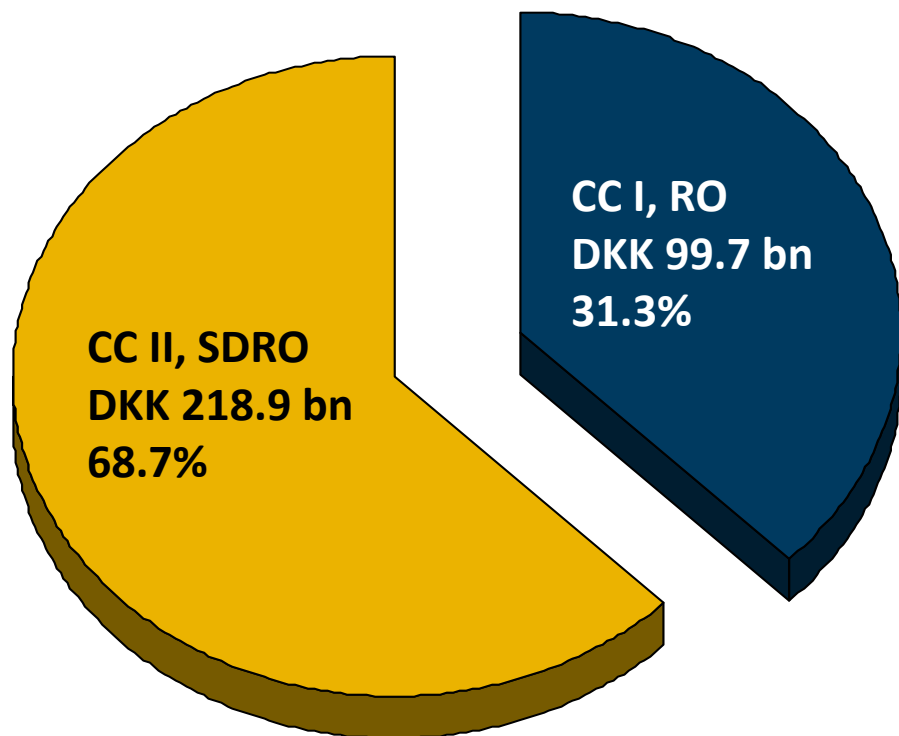


Nordea Kredit – profit and increase in net lending



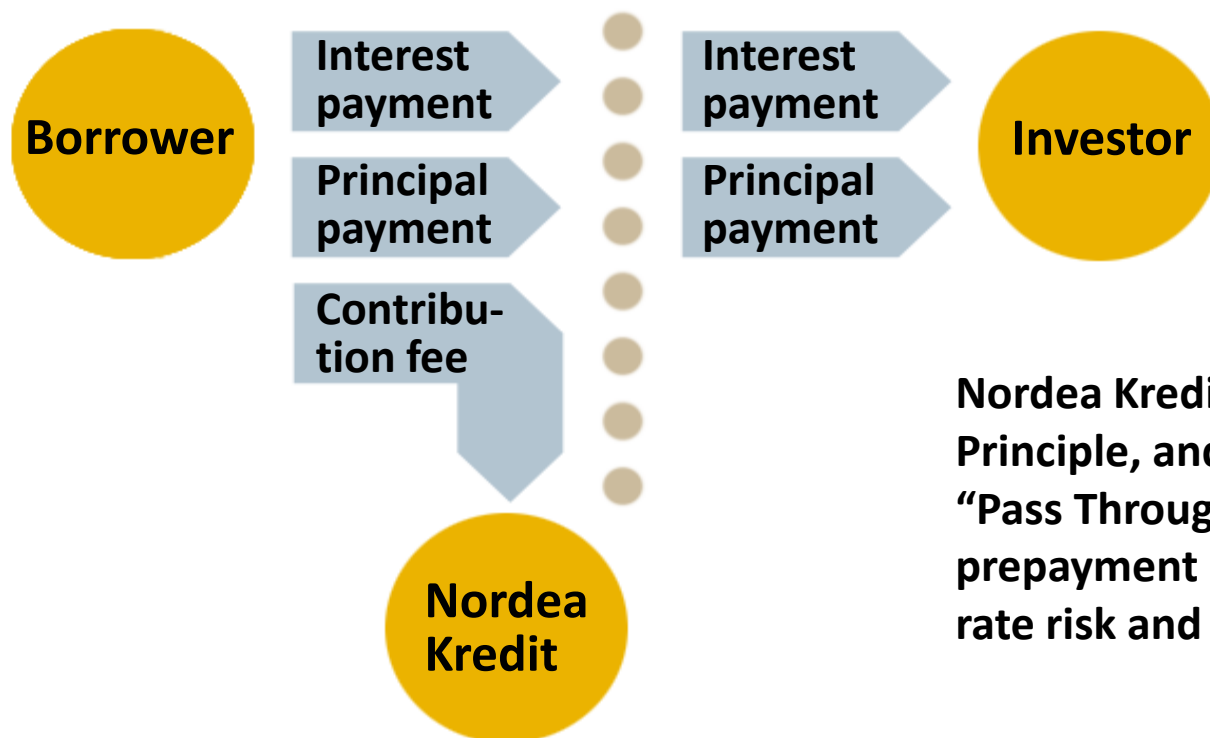
Nordea Kredit – Capital centres 1 & 2 (CC I & II)

Mortgage loans at fair value 2011 Q1: DKK 318.6 bn



- **Nordea Kredit has two capital centres:**
 - CC I: Mortgage Bonds (Realkreditobligationer, “RO”) are issued out of CC I (1993 -). More than 97% 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 EU-regulations.
- **All new issuance in 2011, Q1, exclusively in covered mortgage bonds (SDROs)**

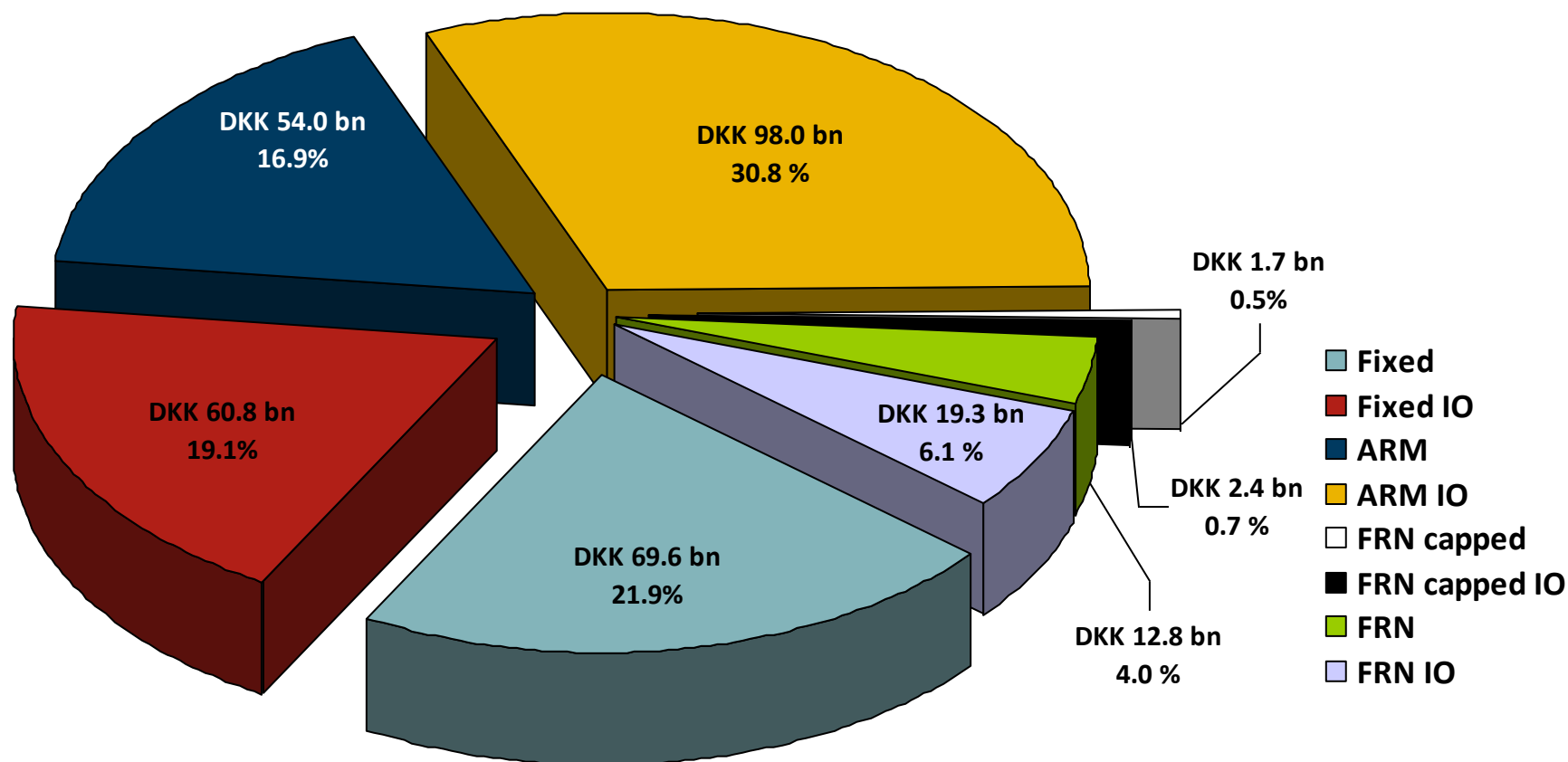
Match funded setup due to the strict Balance Principle



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 and foreign exchange risk.

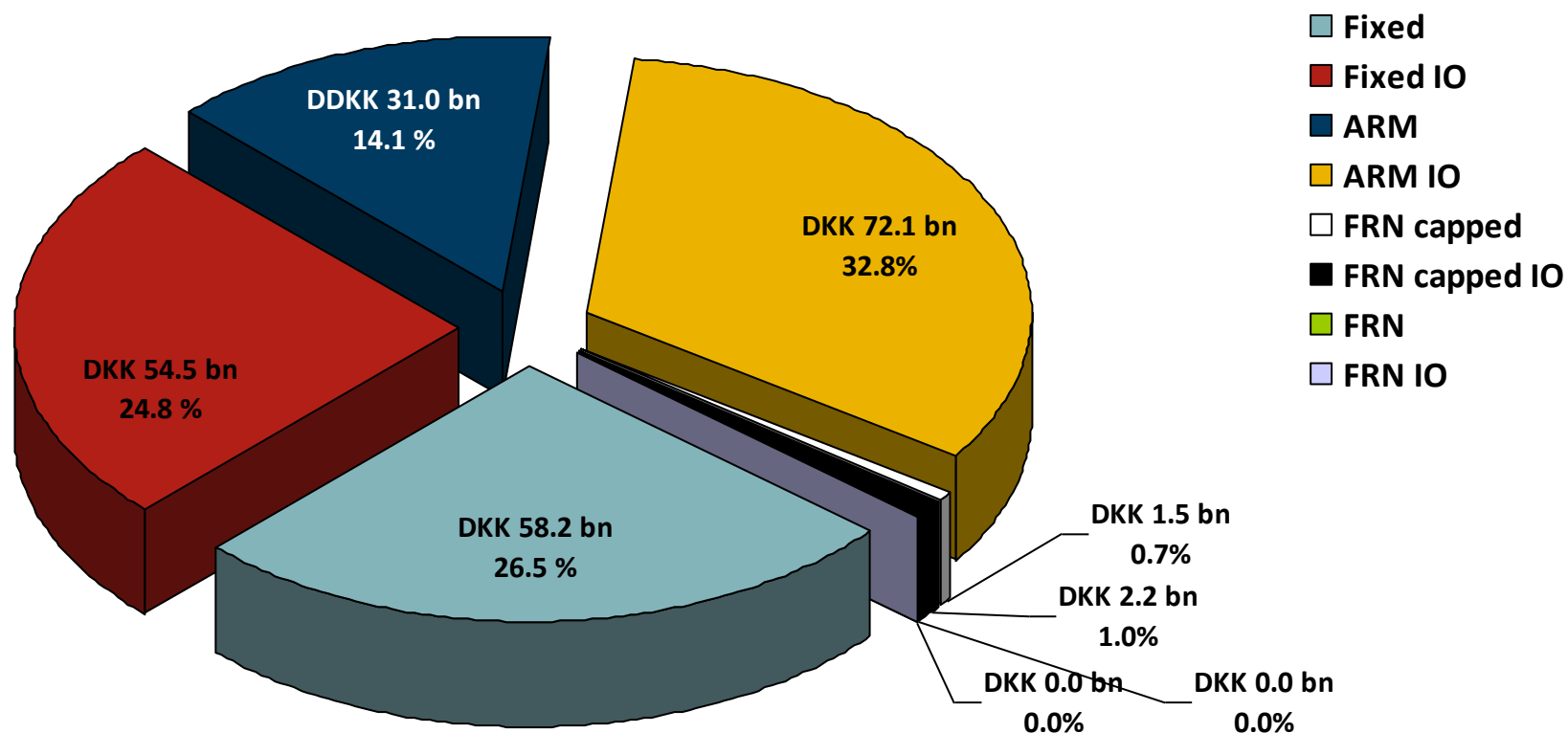
Nordea Kredit – distribution of loans by type

All property categories - CCs I & II, 2011 Q1 at fair value: 318.6 bn DKK



Nordea Kredit – distribution of loans by type

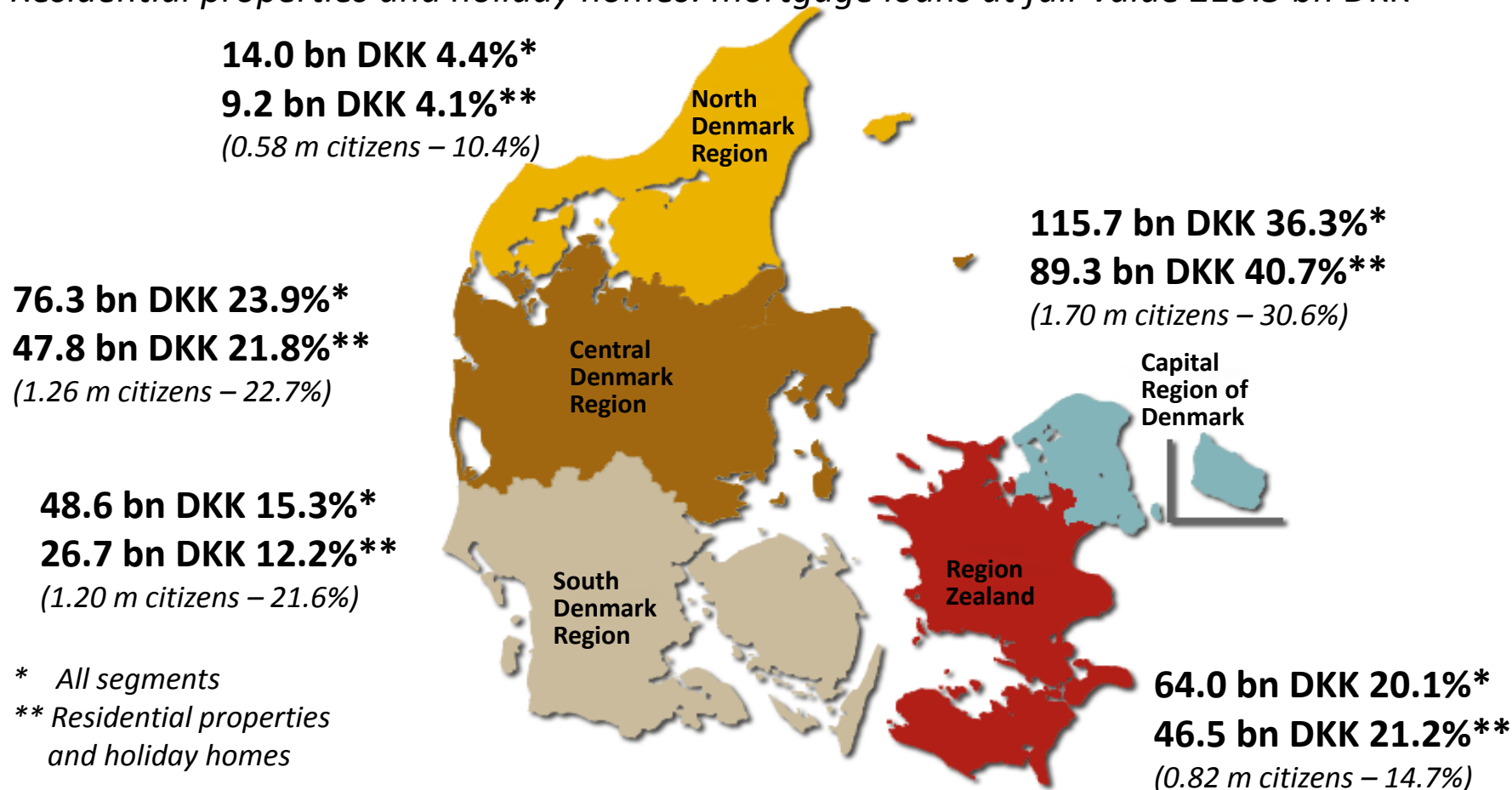
Residential properties and holiday homes - CCs I & II, 2011 Q1 at fair value: 219.5 bn DKK



Nordea Kredit – geographical distribution of loans

CC I & CC II 2011 Q1, all segments: mortgage loans at fair value 318.6 bn DKK

Residential properties and holiday homes: mortgage loans at fair value 219.5 bn DKK



Asset quality - loss guarantee by Nordea Bank Danmark

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

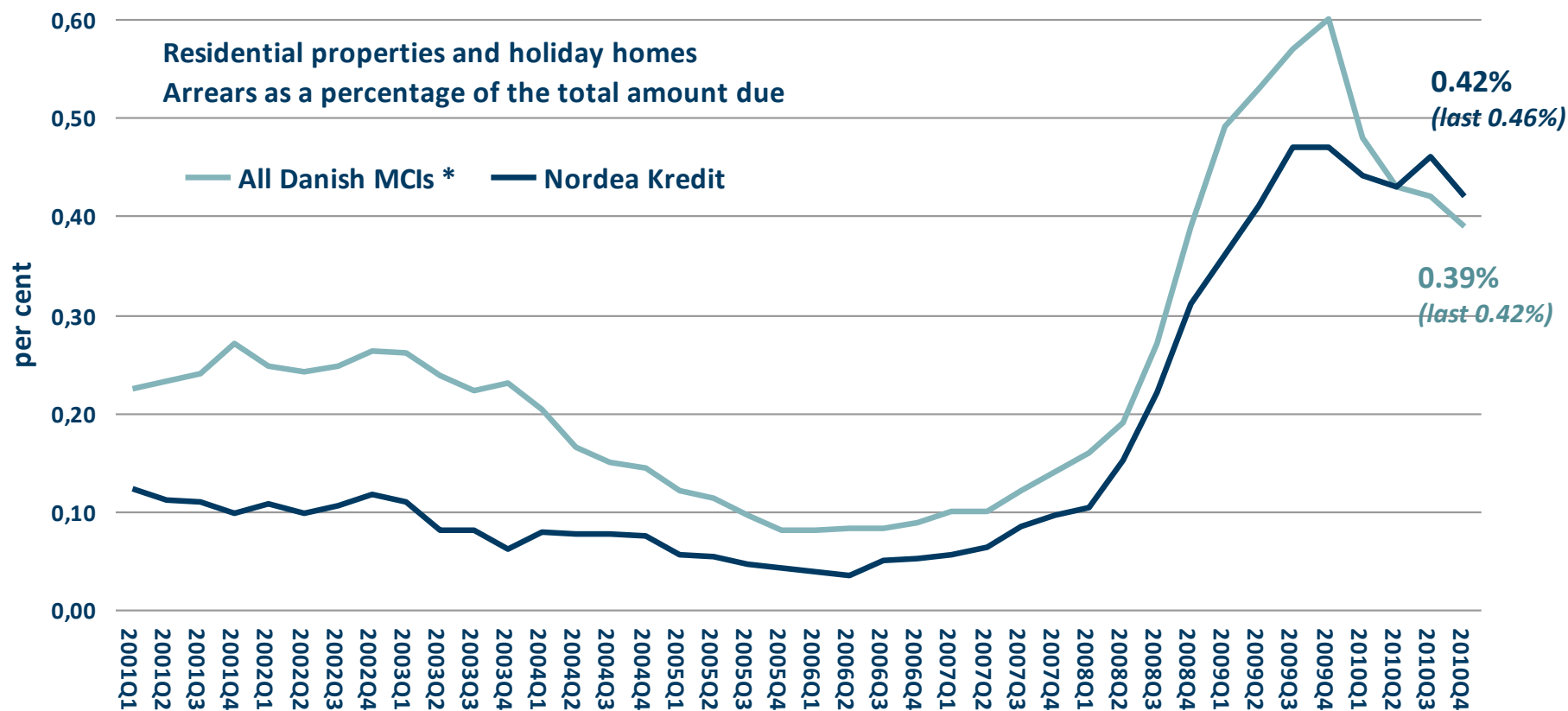
Property type	Guarantee period *	Guarantee level **
Owner occupied housing	5 years	25 per cent
Holiday homes	5 years	25 per cent
Subsidized property	10 years	10 per cent
Housing for youth/elderly	10 years	10 per cent
Agricultural property	10 years	25 per cent
Commercial property	10 years	25 per cent

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

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

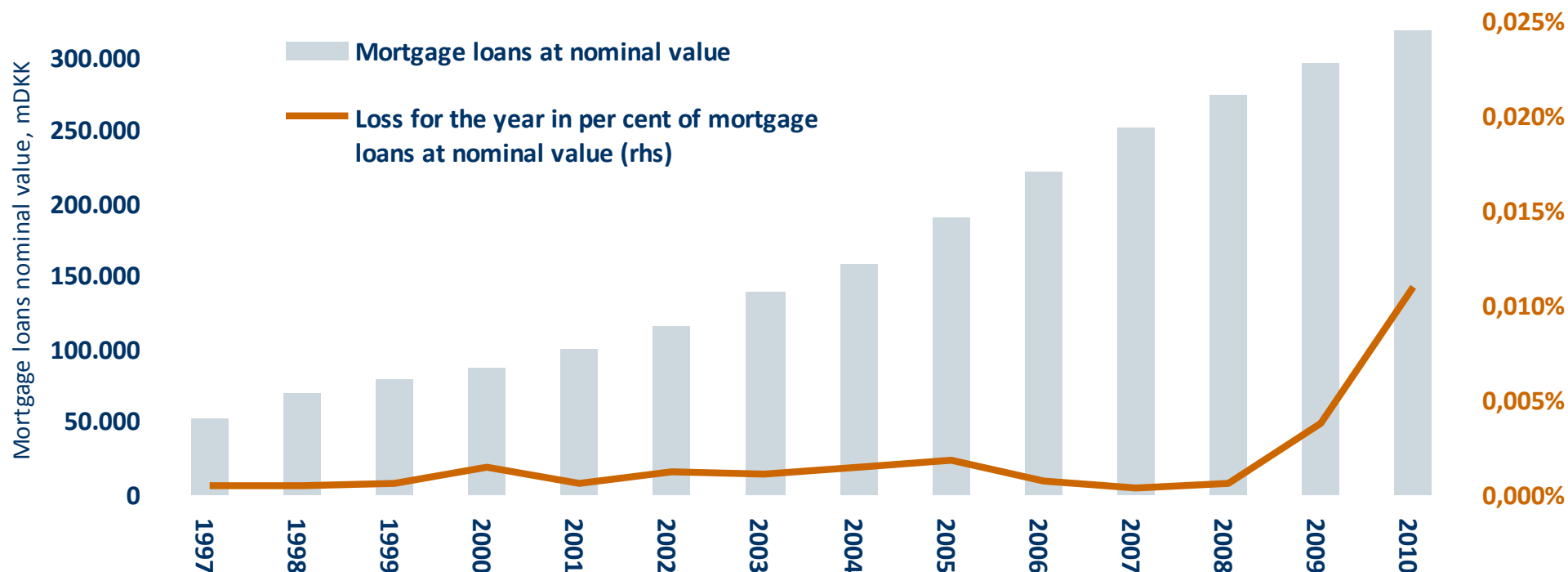
The guarantee amount is not reduced during the guarantee period, but cannot exceed the debt outstanding. A new guarantee period starts when the loan is changed e.g. due to remortgaging.

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: 62 m DKK

Nordea Kredit – LTV, loan-to-value 2011 Q1 *(2010 Q4)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2011Q1	<i>2010Q4</i>	2011Q1	<i>2010Q4</i>	2011Q1	<i>2010Q4</i>
Owner occupied dwellings	71	72	65	66	74	75
Rental	62	63	60	61	63	64
Industry and Trade	51	52	42	42	68	68
Office and Retail	56	58	48	49	58	61
Agriculture	49	48	44	44	50	49
Other	40	42	41	42	40	42
Total	65	66	61	62	68	68

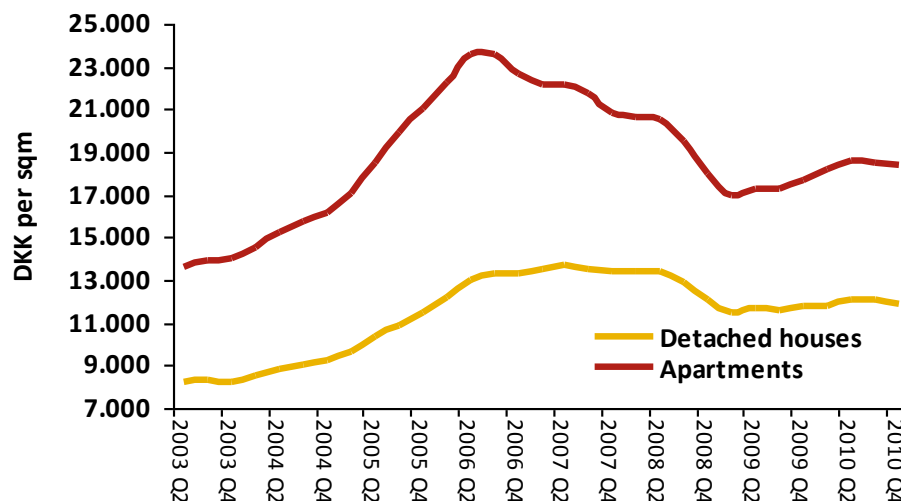
For more detailed information on LTV – please refer to “LTV Report 2011 Q1”

Legislation

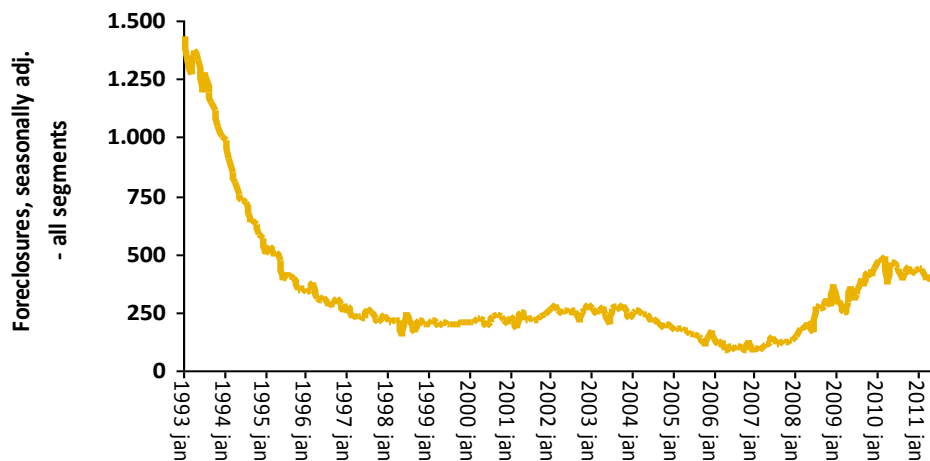
- Danish mortgage financing is closely regulated and supervised by the DFSA (Finanstilsynet): www.ftnet.dk
- Some legislation can be found in English at the DFSA's English website: <http://www.finanstilsynet.dk/en/Regler-og-praksis/Translated-regulations.aspx>
- All relevant legislation can be found in Danish at the DFSA's Danish website: <http://www.finanstilsynet.dk/da/Regler-og-praksis/Lovsamling.aspx>



The Danish economy - house prices and foreclosures



Source: Federation of Danish Mortgage Banks (*Realkreditforeningen*), Association of Danish Mortgage Banks (*Realkreditrådet*), The Danish Bankers Association (*Finansrådet*) and The Danish Association of Chartered Estate Agents (*Dansk Ejendomsmæglerforening*).



Source: Statistics Denmark (*Danmarks Statistik*)

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 macroeconomics please refer to the current issue of "[*Economic Outlook*](#)" published by Nordea Markets, Economic Research.

Please note that the top graph to the left is based on new, recalculated data for actual sales prices. The data in this new form were first published in December, 2010.

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