



Nordea Kredit Investor Presentation 2012 Q4

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Nordea Kredit

Making it possible

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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- Nordea Kredit – in brief
- Asset quality, losses and arrears
- Loan-to-value (*For detailed information on LTV please refer to “Nordea Kredit LTV report Covered bonds 4th quarter 2012”*)
- Legislation

Nordea Kredit – in brief I

- Founded in 1993, number of employees (in FTEs) 131 (as per 2012 Q4)
- Nordea Kredit issues covered mortgage bonds, exclusively
- All bonds issued by Nordea Kredit are rated AAA (by S&P) and Aaa (by Moody's)
- Profit before tax 2012, 938m DKK and Cost/Income ratio 14.0%
- Mortgage loans at nominal value 2012 Q4: 349.5 bn DKK
- Mortgage loans at fair value 2012 Q4: 358.5 bn DKK
- Market share 2012 Q4: 14.2% (2012 Q3: 14.1%)
(Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

Nordea Kredit – in brief II

- Late payments by borrowers 2012 Q4: 0.29% (2012 Q3: 0.31%)
(Residential properties and holiday homes, 3½ months after due date)
- Average LTV 2012 Q4: 72% (2012 Q3: 72%)
- Total capital ratio (2012 Q4) 16.2% and Tier 1 capital ratio 16.2%
(excl. transition rules)
- Completely match funded “Pass Through” setup using the Danish specific balance principle
- Danish mortgage banks are regulated and supervised by Finanstilsynet
(The Danish FSA)

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, %*	4.0	14.0	6.24	9.26
TPI leeway/Unused uplift	4	3	4	4

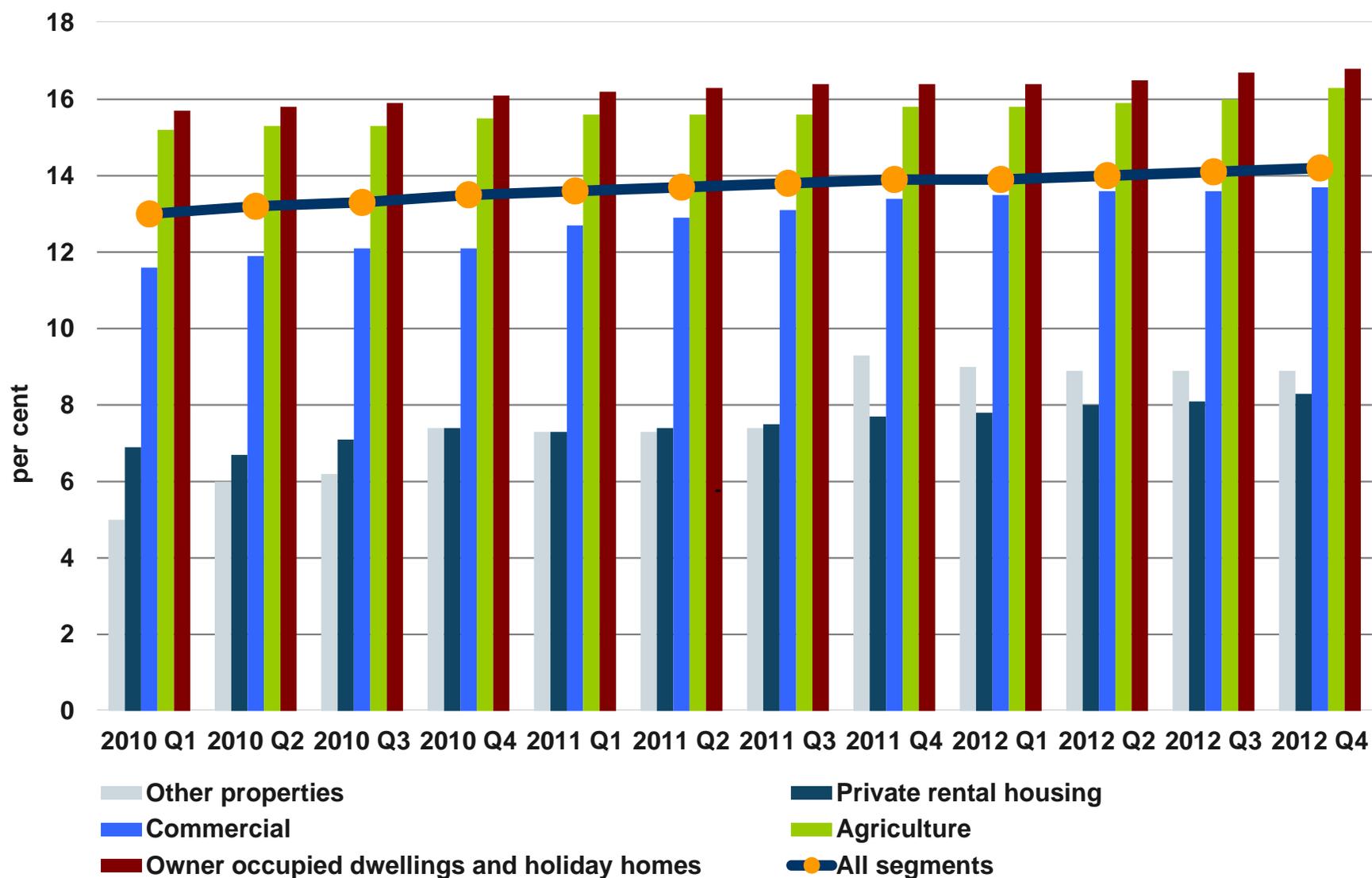
*OC (over-collateralisation) and TPI leeway as measured by Moody's
 CE (credit enhancement) and unused uplift as measured by S&P
 All data are the latest available prior to the publication of the report

OC per Q3 2012 %

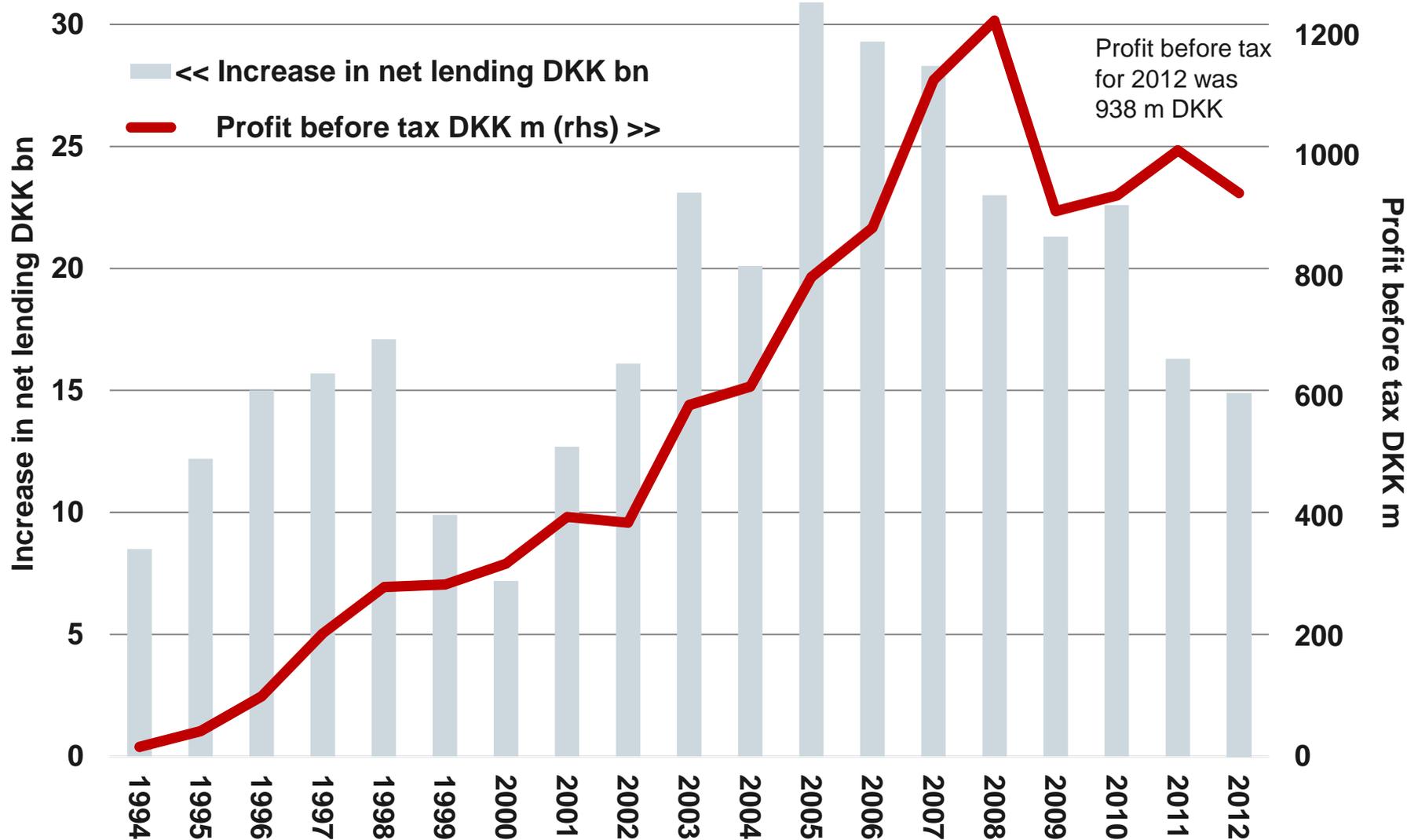
CC1: 8.5

CC2: 17.9

Nordea Kredit – market shares in per cent of total market

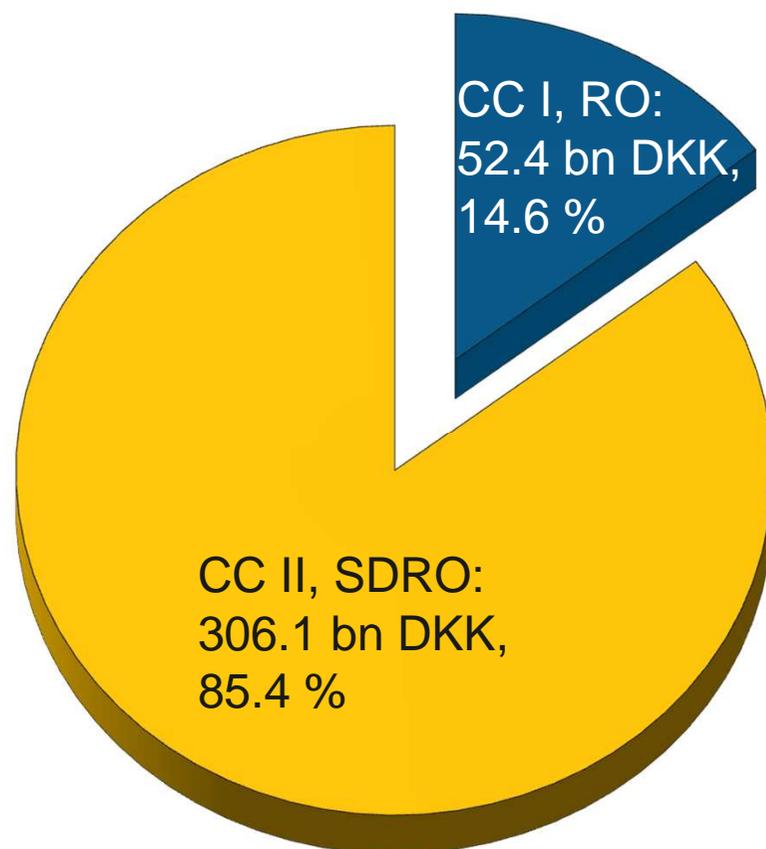


Nordea Kredit – profit and increase in net lending



Nordea Kredit – mortgage loans at fair value

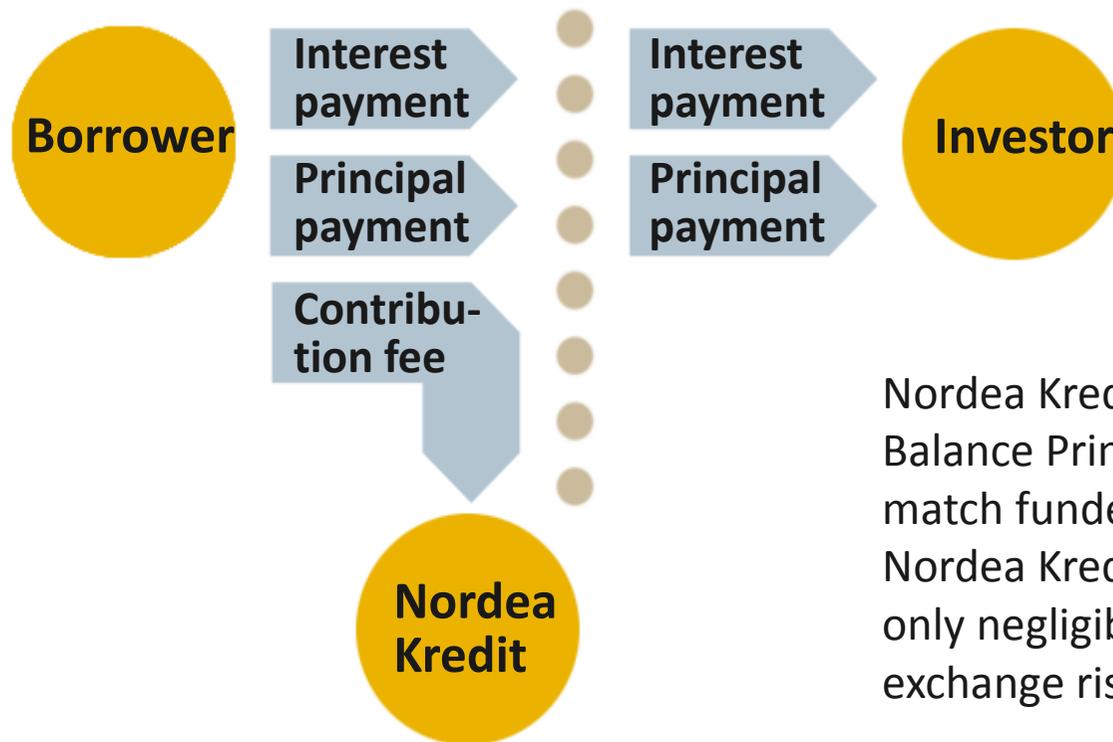
CCs I&II, 2012 Q4: DKK 358.5 bn



Nordea Kredit has two capital centres:

- CC I: Mortgage Bonds (Realkreditobligationer, "RO") No open series. More than 93% 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

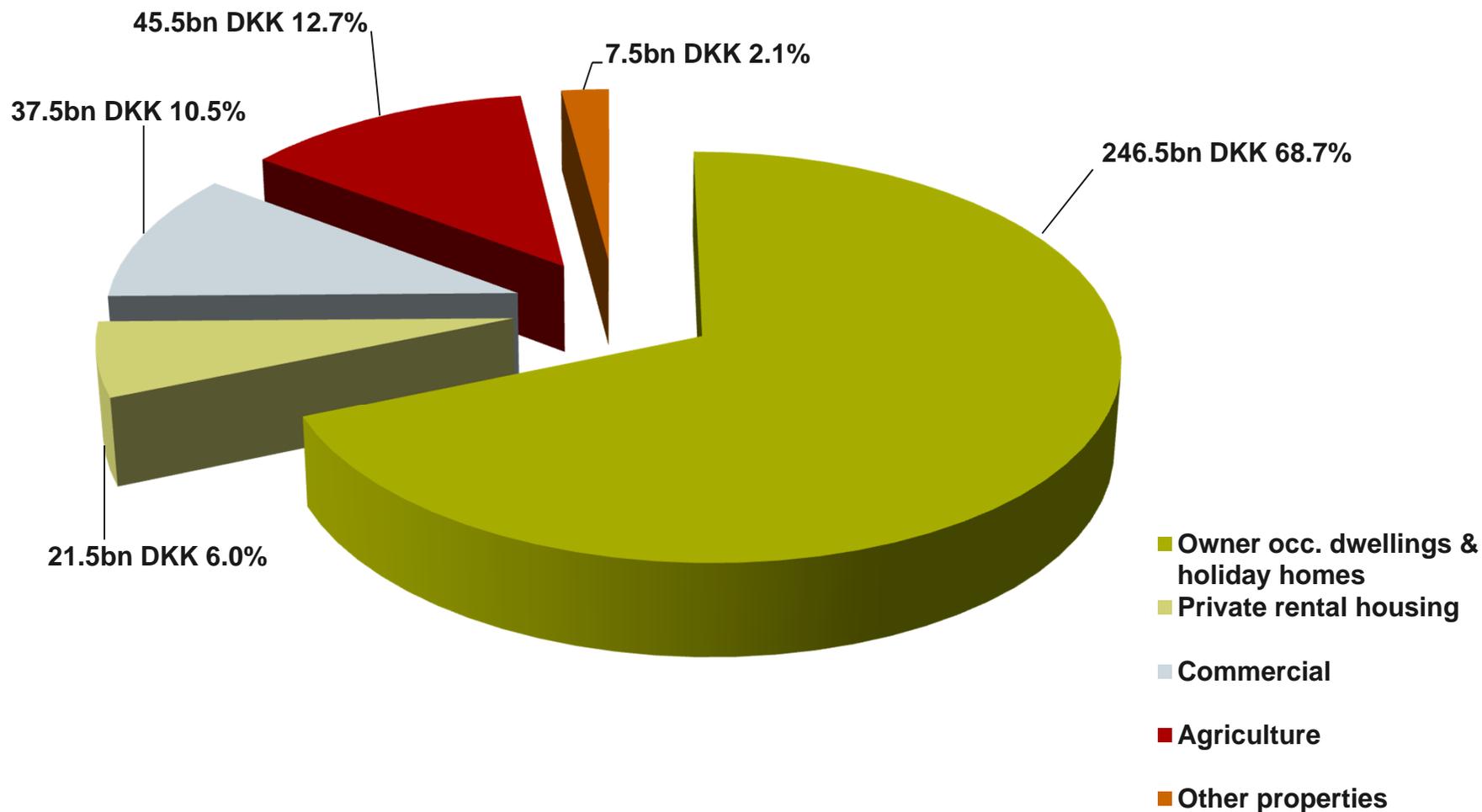


Nordea Kredit complies with the specific Balance Principle, and has a completely match funded “Pass Through” setup. Nordea Kredit has no prepayment risk and only negligible interest rate and foreign exchange risk.

Nordea Kredit – loans by property category

Capital centres I & II, 2012, Q4 at fair value: 358.5 bn DKK

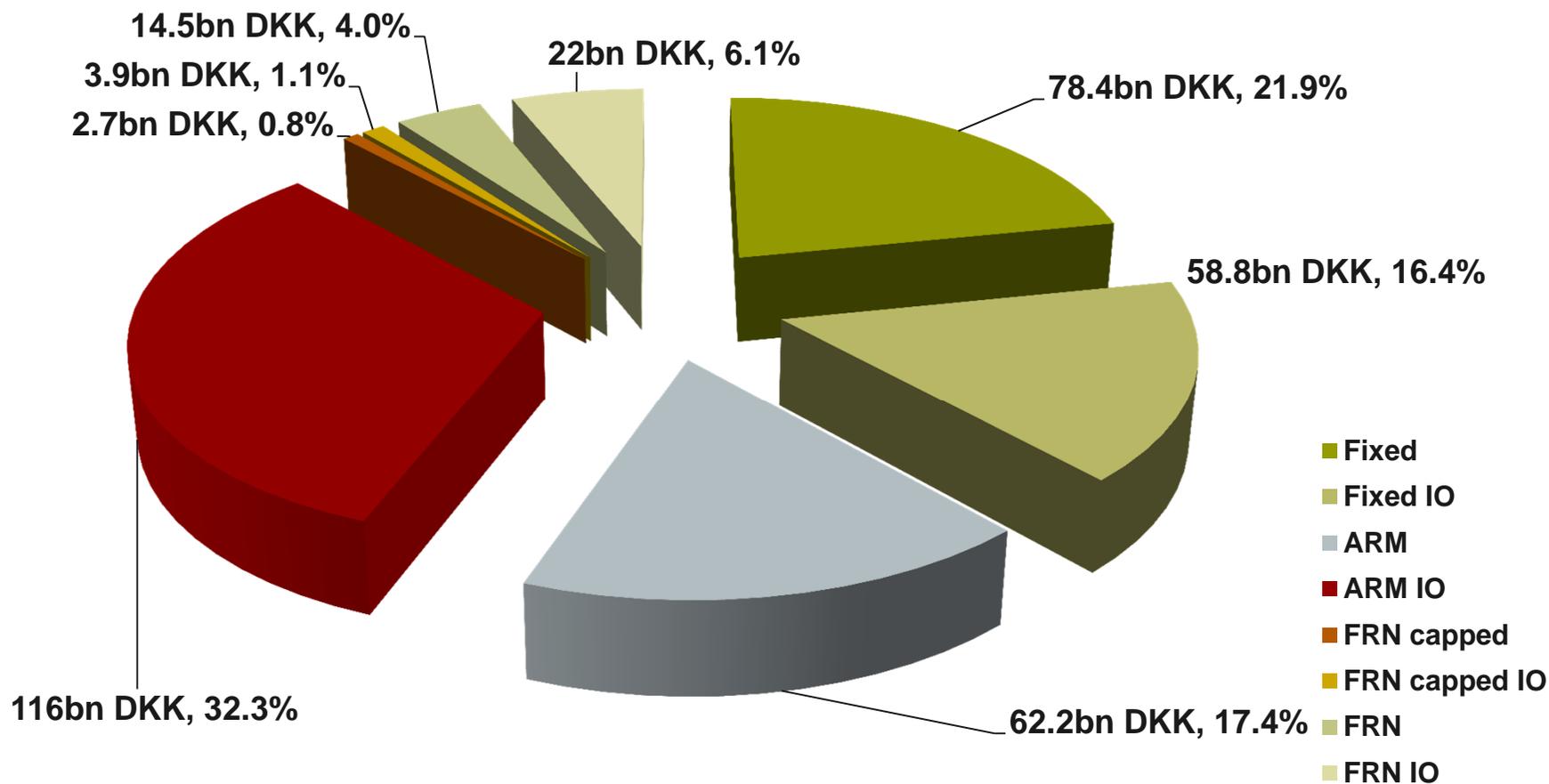
Distribution of all loans by property category



Nordea Kredit - loans by loan type

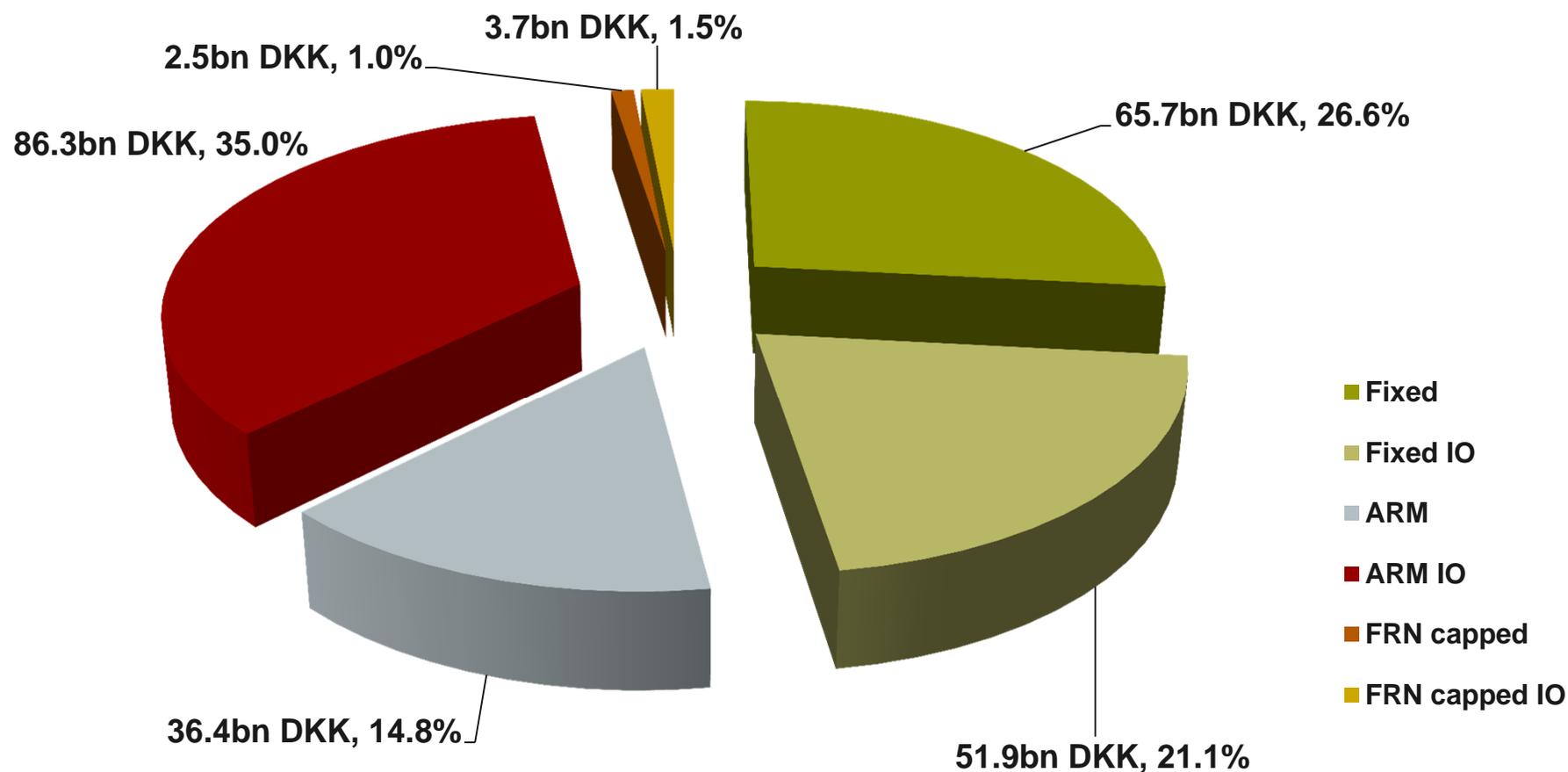
Capital centres I & II, 2012, Q4 at fair value: DKK bn 358.5

Distribution of all loans by loan type



Nordea Kredit - loans by loan type II

Owner occupied dwellings and holiday homes, capital centres I & II, 2012, Q4 at fair value: DKK 246.5 bn
Distribution of loans by loan type

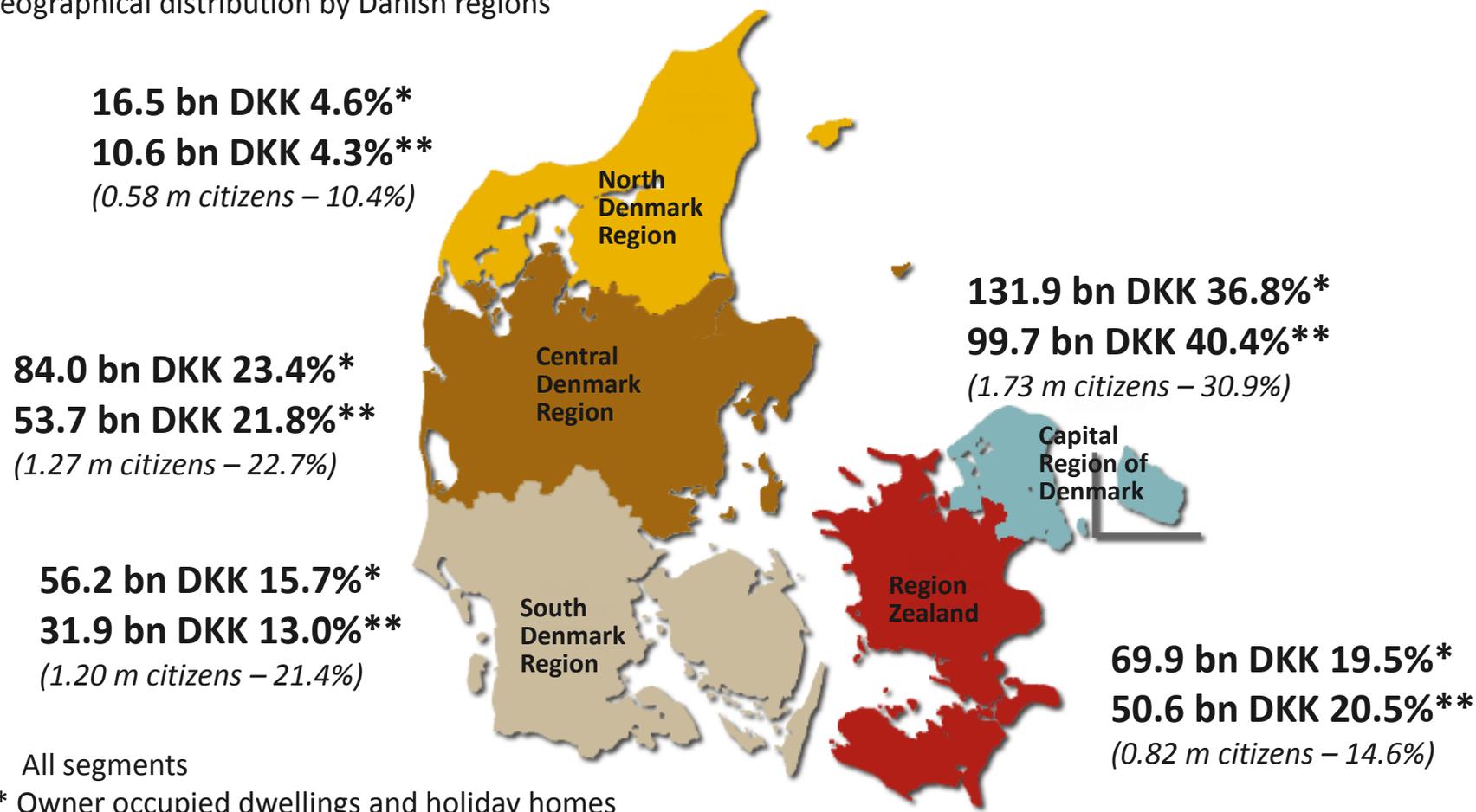


Nordea Kredit - loans by regions and property categories

Capital centres I & II, 2012, Q4 at fair value: All property categories: 358.5 bn DKK

Owner occupied dwellings & holiday homes: 246.5 bn DKK

Geographical distribution by Danish regions

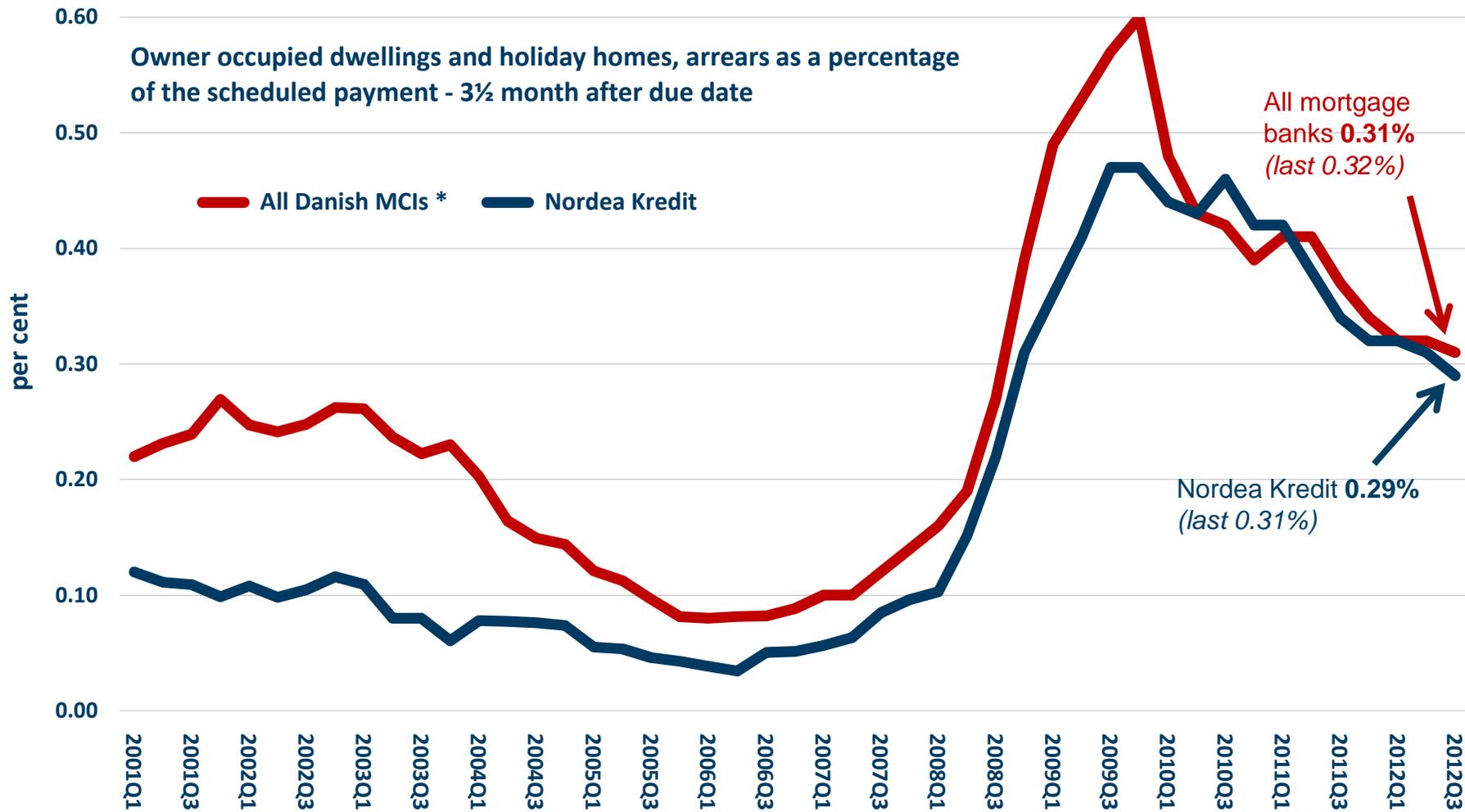


* All segments

** Owner occupied dwellings and holiday homes

Total number of citizens 5.6 m, October 1, 2012 – Source: Statistics Denmark

Asset quality - late payments by borrowers, 2012 Q4



*) Including Nordea Kredit

Asset quality - loss guarantee by Nordea Bank Danmark

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

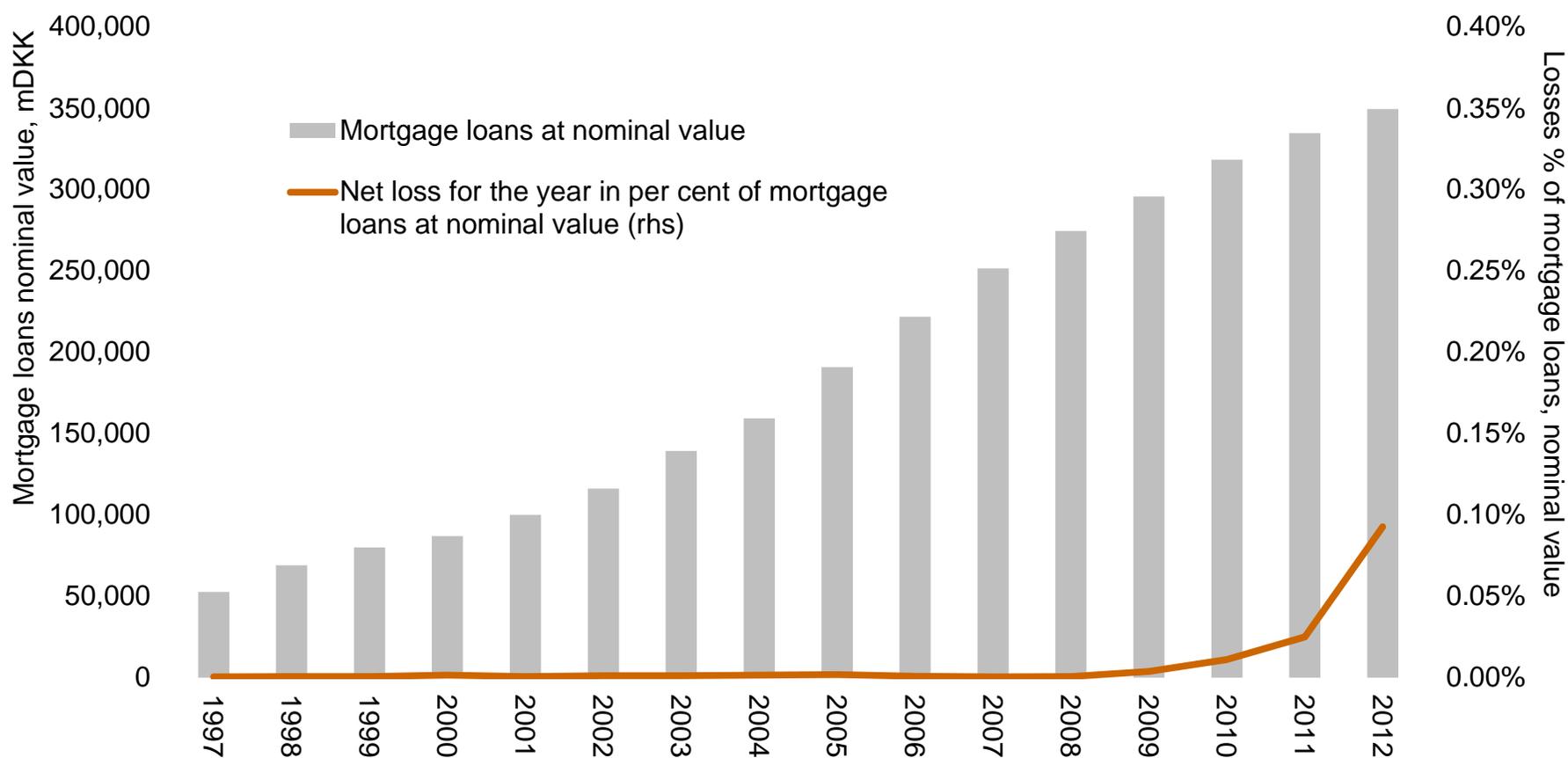
Property type	Guarantee period *	Guarantee level **
Owner occupied dwellings	5 years	25 per cent
Holiday homes	5 years	25 per cent
Subsidized property	10 years	10 per cent
Housing for youth/elderly	10 years	10 per cent
Agricultural property	10 years	25 per cent
Commercial property	10 years	25 per cent

**) The guarantee period starts when a loan is disbursed 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 outstanding debt. A new guarantee period starts when the loan is changed e.g. due to remortgaging.

Net losses in per cent of mortgage loans at nominal value



Nordea Kredit – LTV, loan-to-value 2012 Q4 2012 Q3

	LTV CC I & II		LTV CC I		LTV CC II	
	2012Q4	2012Q3	2012Q4	2012Q3	2012Q4	2012Q3
Owner occupied dwellings	79	79	75	74	80	80
Private rental housing	67	66	69	62	66	67
Commercial	60	61	46	44	60	62
Agriculture	51	51	47	46	51	51
Other properties	39	39	41	41	39	39
Total	72	72	70	69	72	72

For more detailed information on LTV – please refer to “Nordea Kredit LTV report Covered bonds 4th quarter 2012”

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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