



# Nordea Kredit Investor Presentation 2013 Q1

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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 1<sup>st</sup> quarter 2013”*)
- 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 2013 Q1: 350.4 bn DKK
- Mortgage loans at fair value 2013 Q1: 360.3 bn DKK
- Market share 2013 Q1: 14.3% (2012 Q4: 14.2%)  
(Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

## Nordea Kredit – in brief II

- Late payments by borrowers 2013 Q1: 0.30% (2012 Q4: 0.29%)  
(Residential properties and holiday homes, 3½ months after due date)
- Average LTV 2013 Q1: 72% (2012 Q4: 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)
- All covered bonds issued by Nordea Kredit are now ECBC-labeled – see <http://nordeakredit.dk/> - Investor information

# 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, %*	5.0	14.0	7.35	9.44
TPI leeway/Unused uplift	4	3	4	4

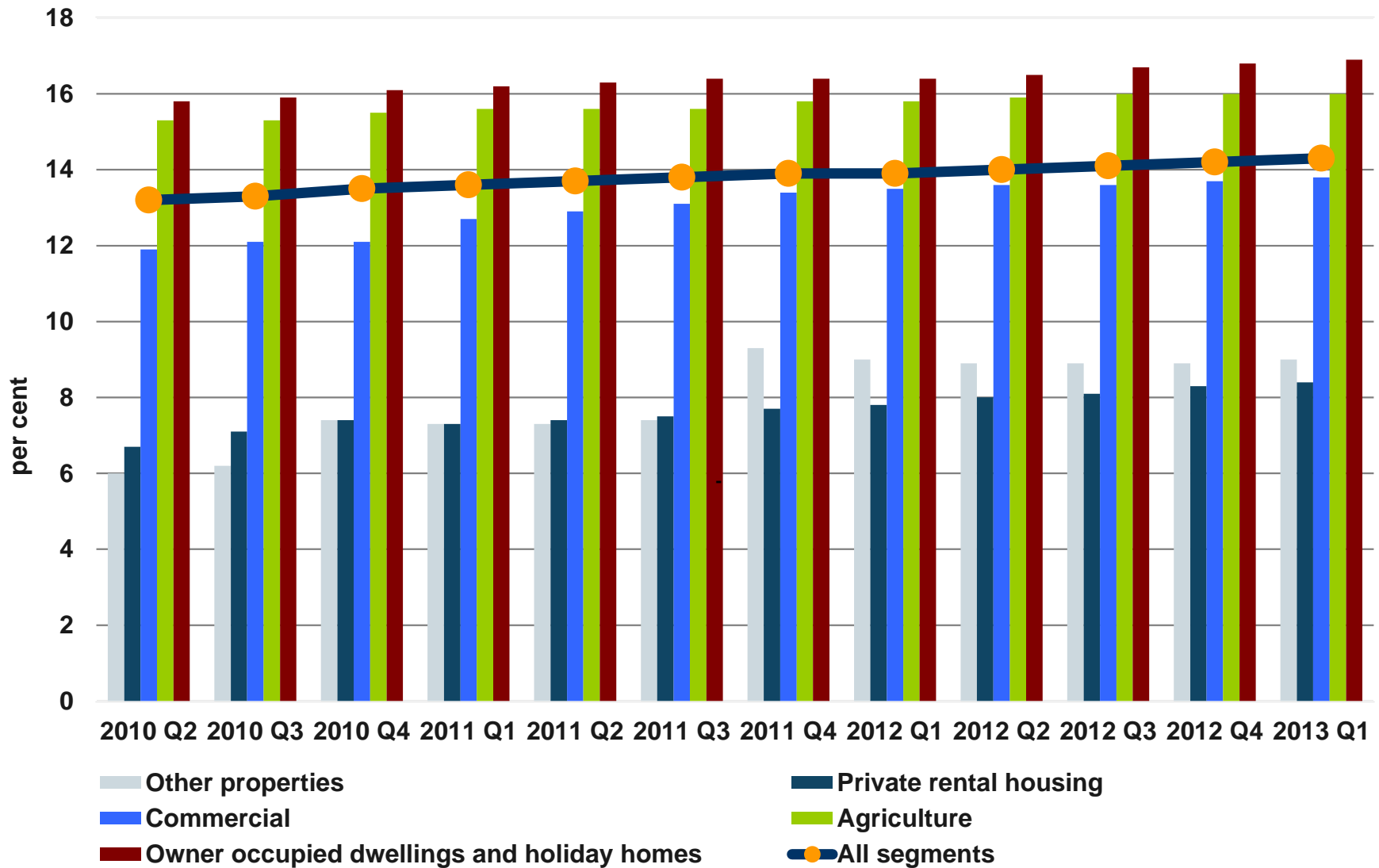
\*OC (over-collateralisation) and TPI leeway as measured by Moody's  
CE (credit enhancement) and unused uplift as measured by S&P  
All data are the latest available prior to the publication of the report

OC per Q4 2012 %

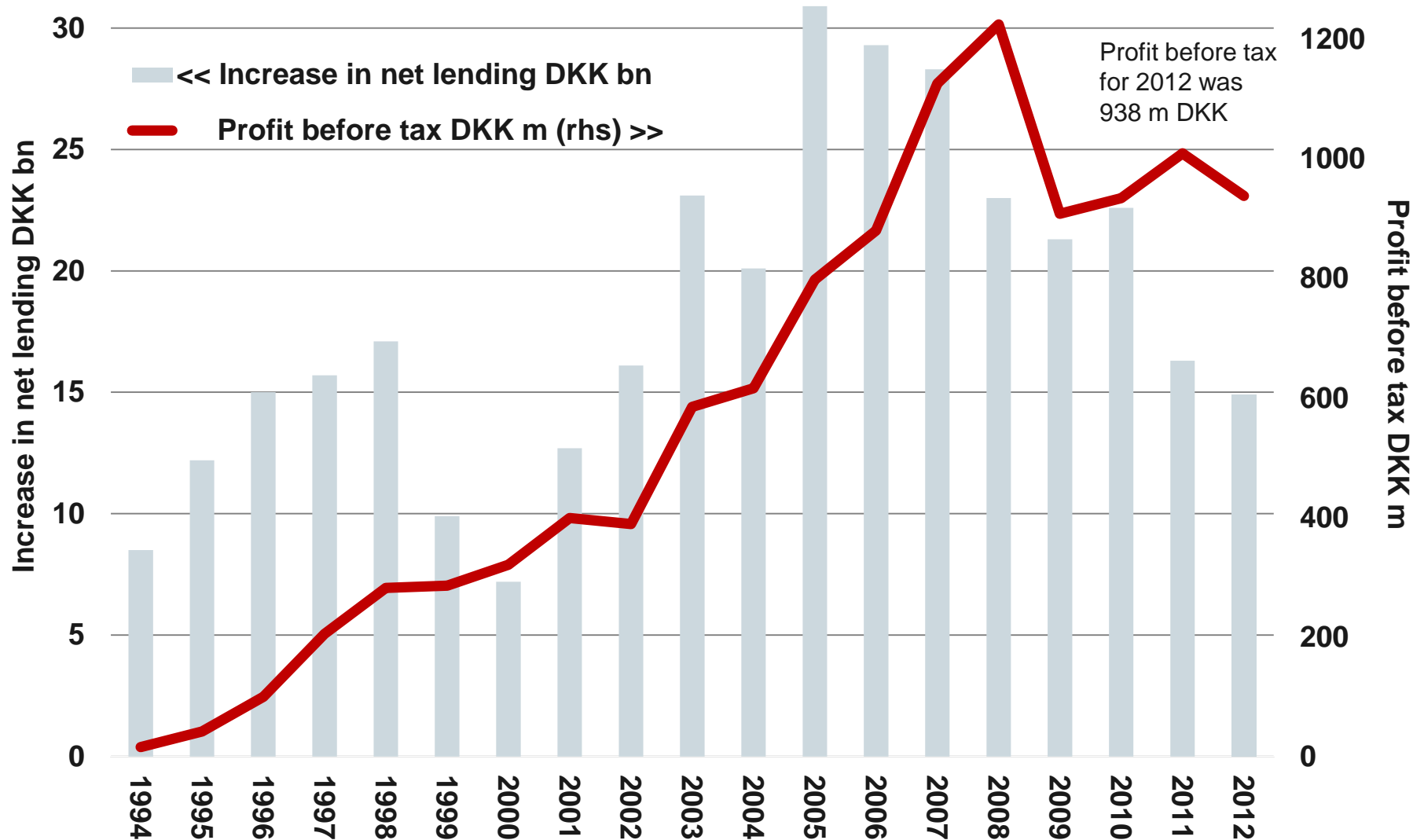
CC1: 9.7

CC2: 15.5

# Nordea Kredit – market shares in per cent of total market

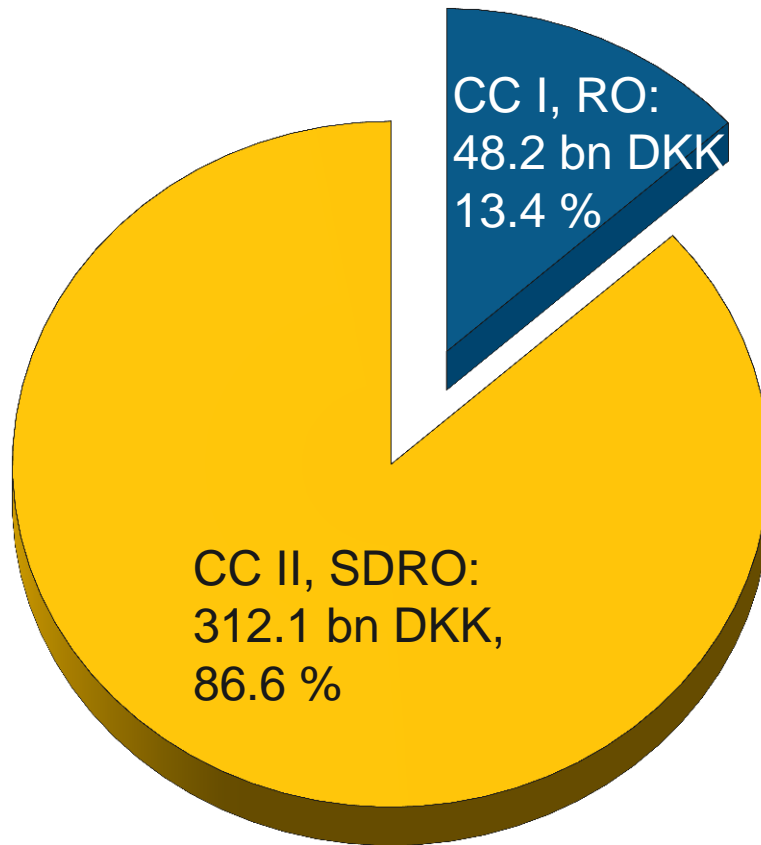


# Nordea Kredit – profit and increase in net lending



# Nordea Kredit – mortgage loans at fair value

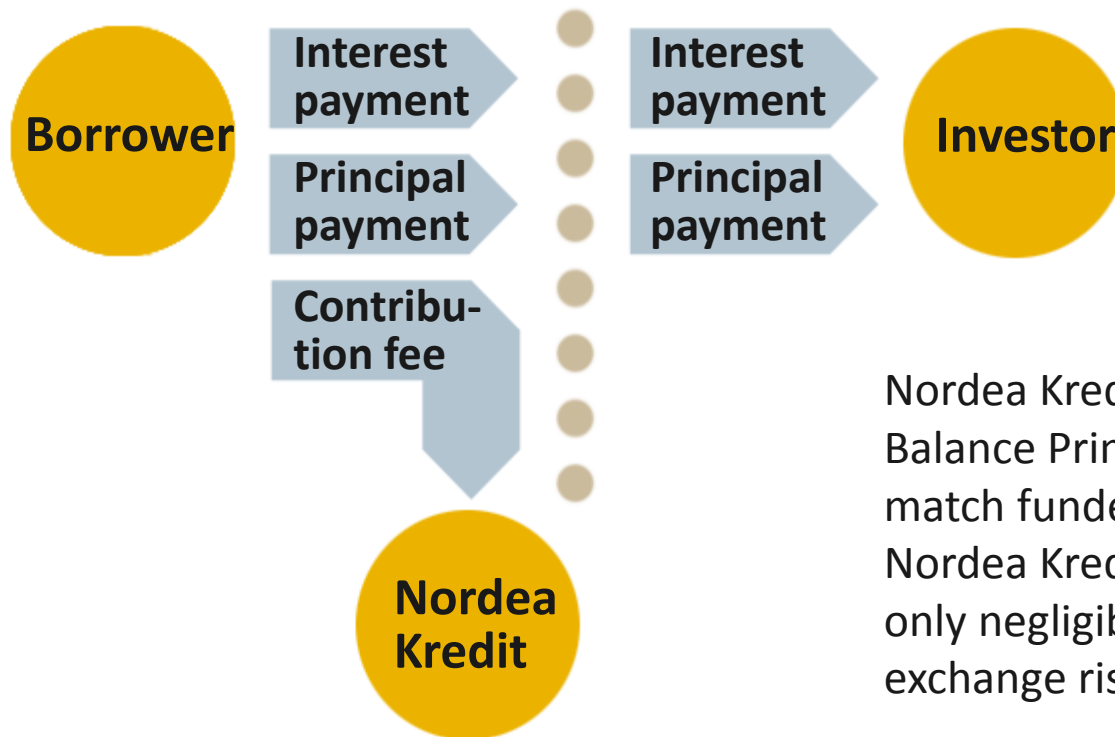
CCs I&II, 2013 Q1: DKK 360.3 bn



Nordea Kredit has two capital centres:

- CC I: Mortgage Bonds (Realkreditobligationer, "RO") No open series. More than 92% 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

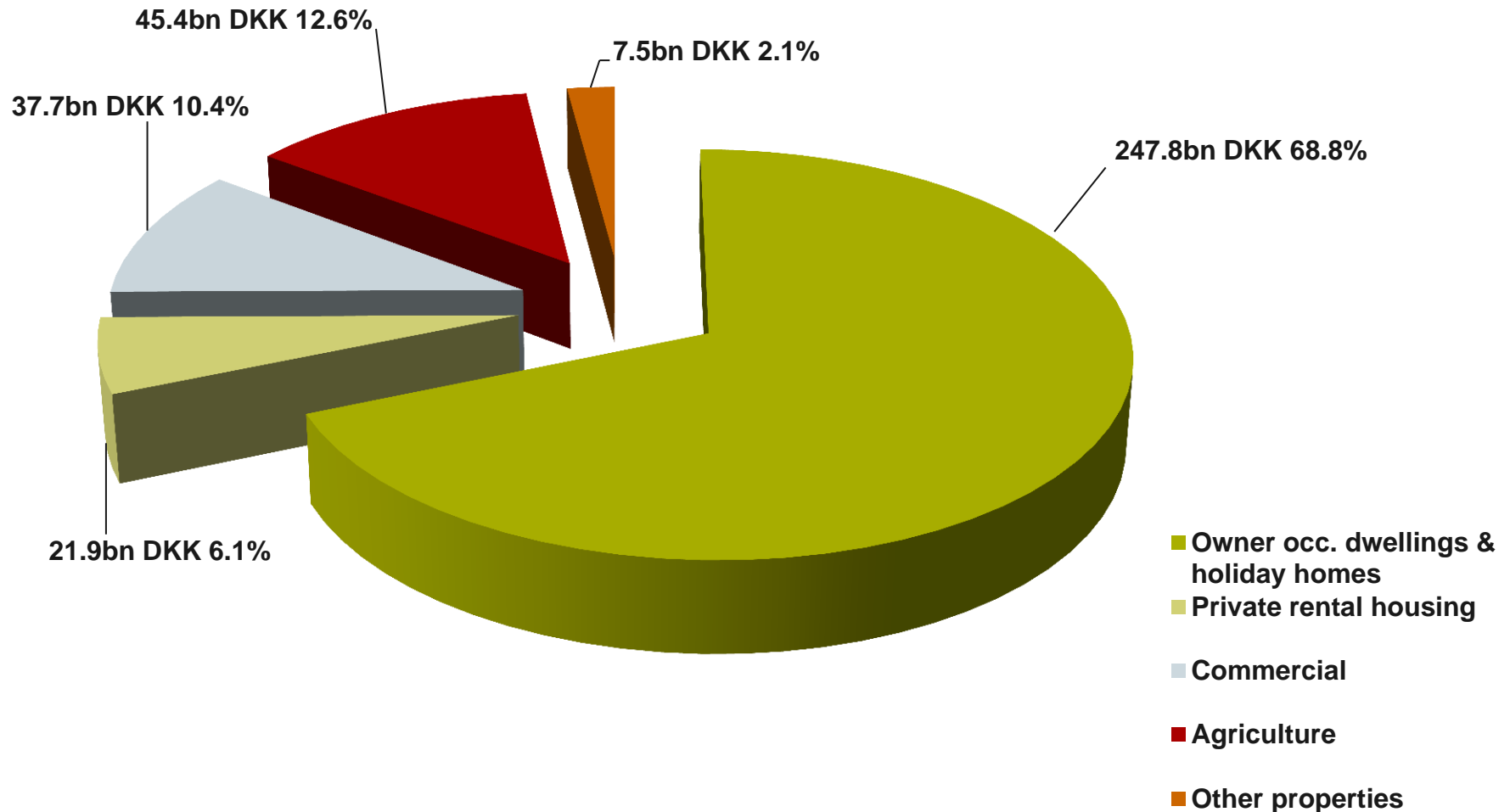


Nordea Kredit complies with the specific Balance Principle, and has a completely match funded “Pass Through” setup. Nordea Kredit has no prepayment risk and only negligible interest rate and foreign exchange risk.

# Nordea Kredit – loans by property category

Capital centres I & II, 2013, Q1 at fair value: 360.3 bn DKK

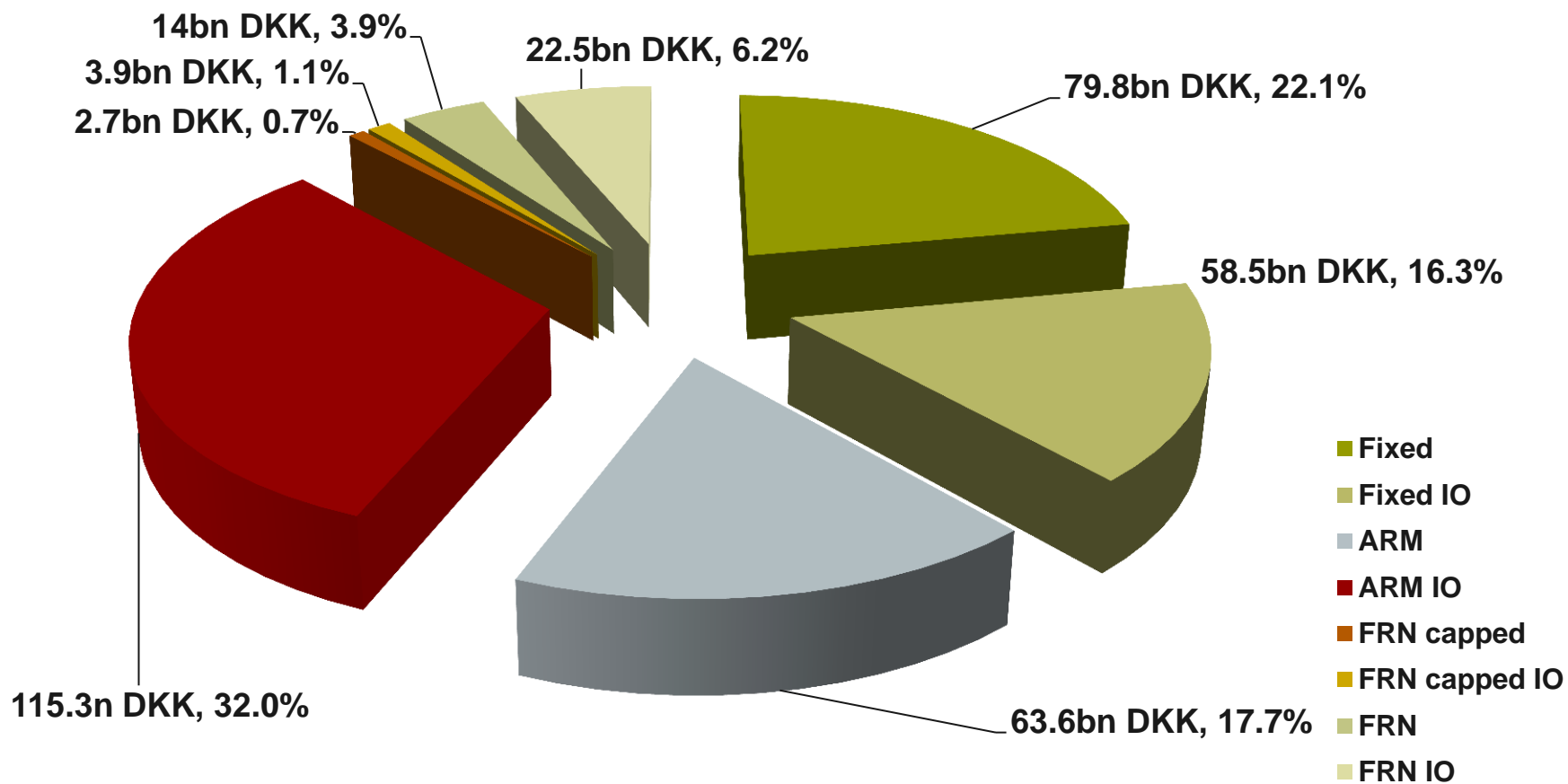
Distribution of all loans by property category



# Nordea Kredit - loans by loan type

Capital centres I & II, 2013, Q1 at fair value: DKK bn 360.3

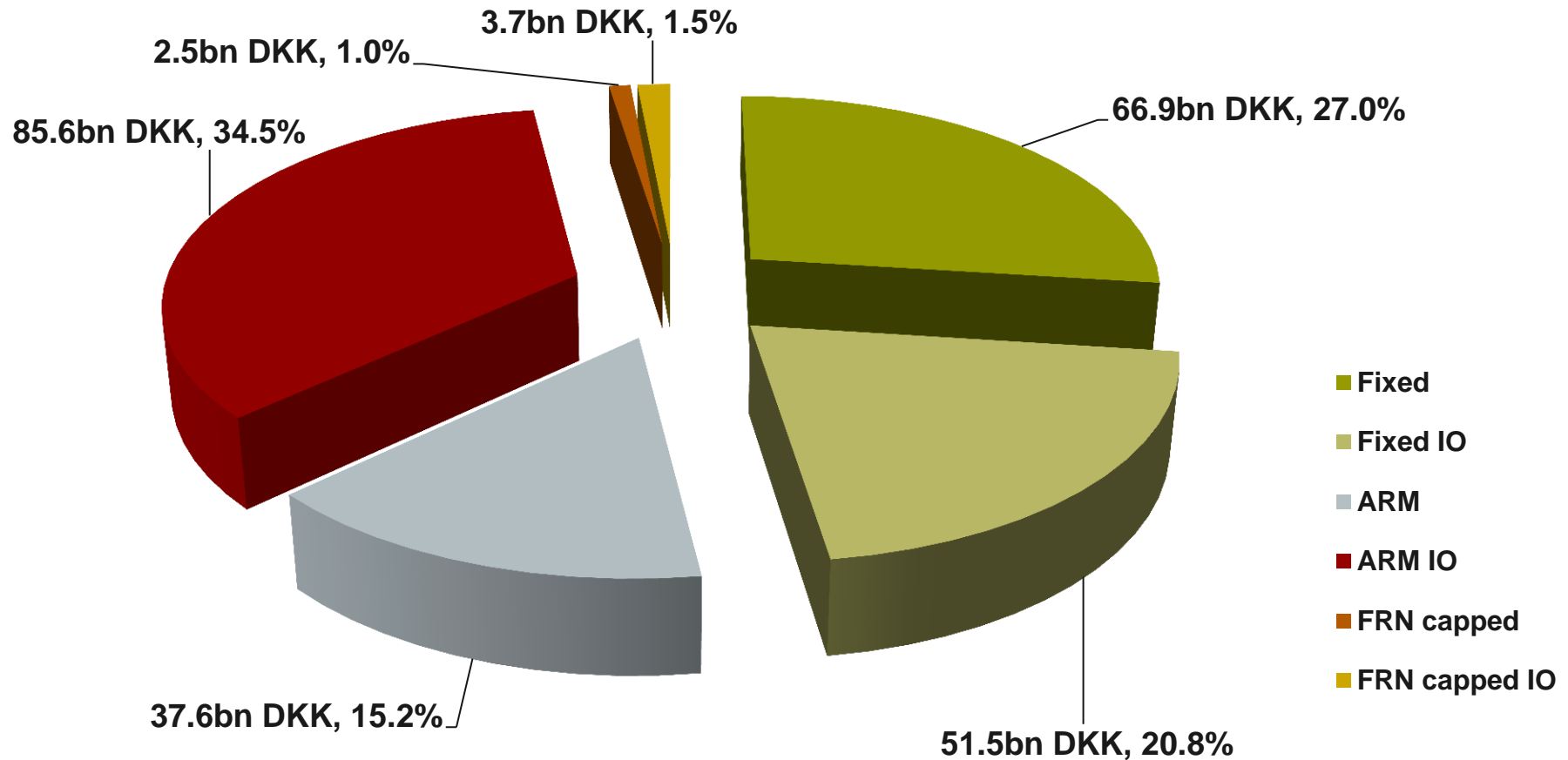
Distribution of all loans by loan type



# Nordea Kredit - loans by loan type II

Owner occupied dwellings and holiday homes, capital centres I & II, 2013, Q1 at fair value: DKK 247.8 bn

Distribution of loans by loan type

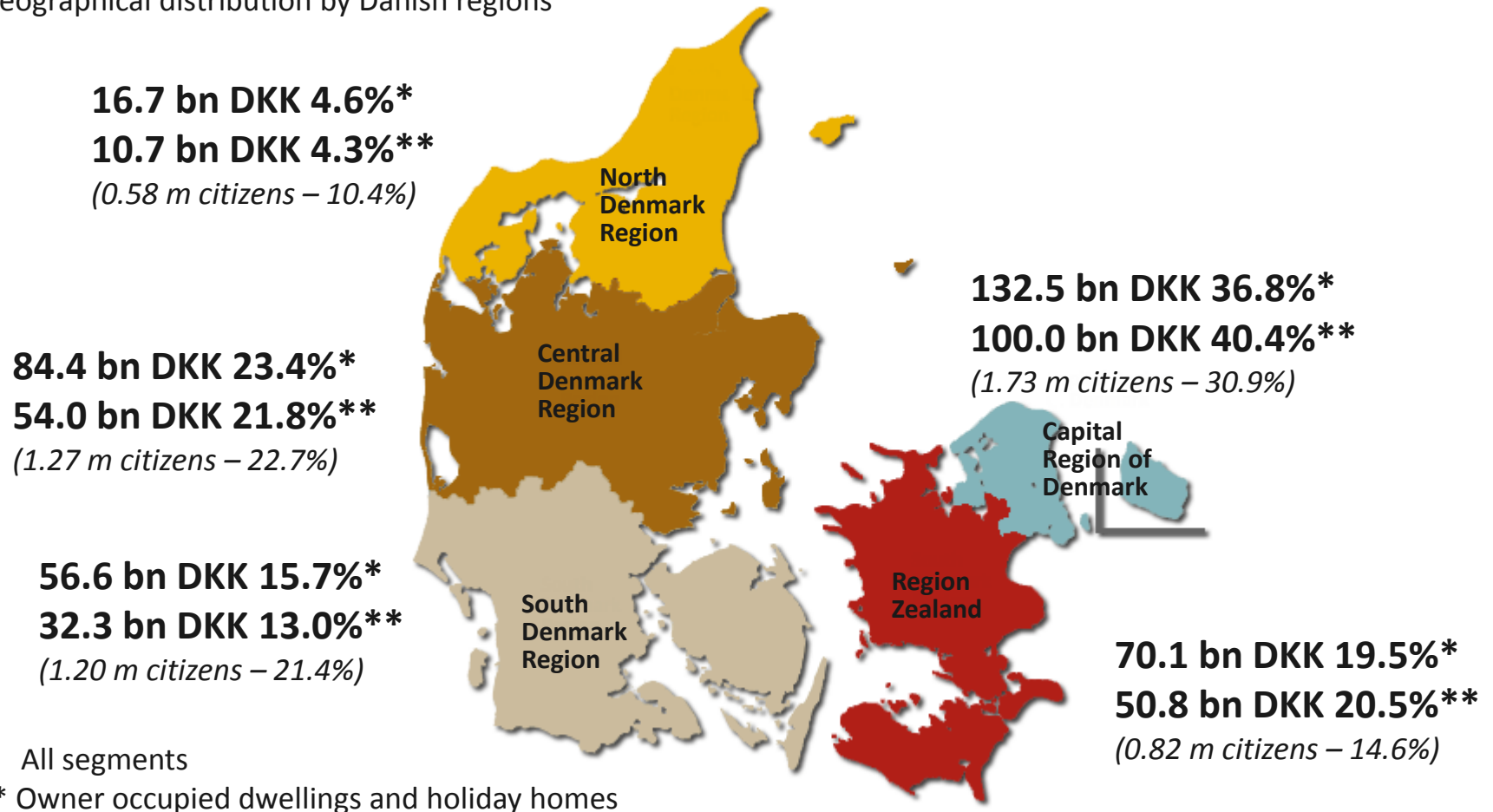


# Nordea Kredit - loans by regions and property categories

Capital centres I & II, 2013, Q1 at fair value: All property categories: 360.3 bn DKK

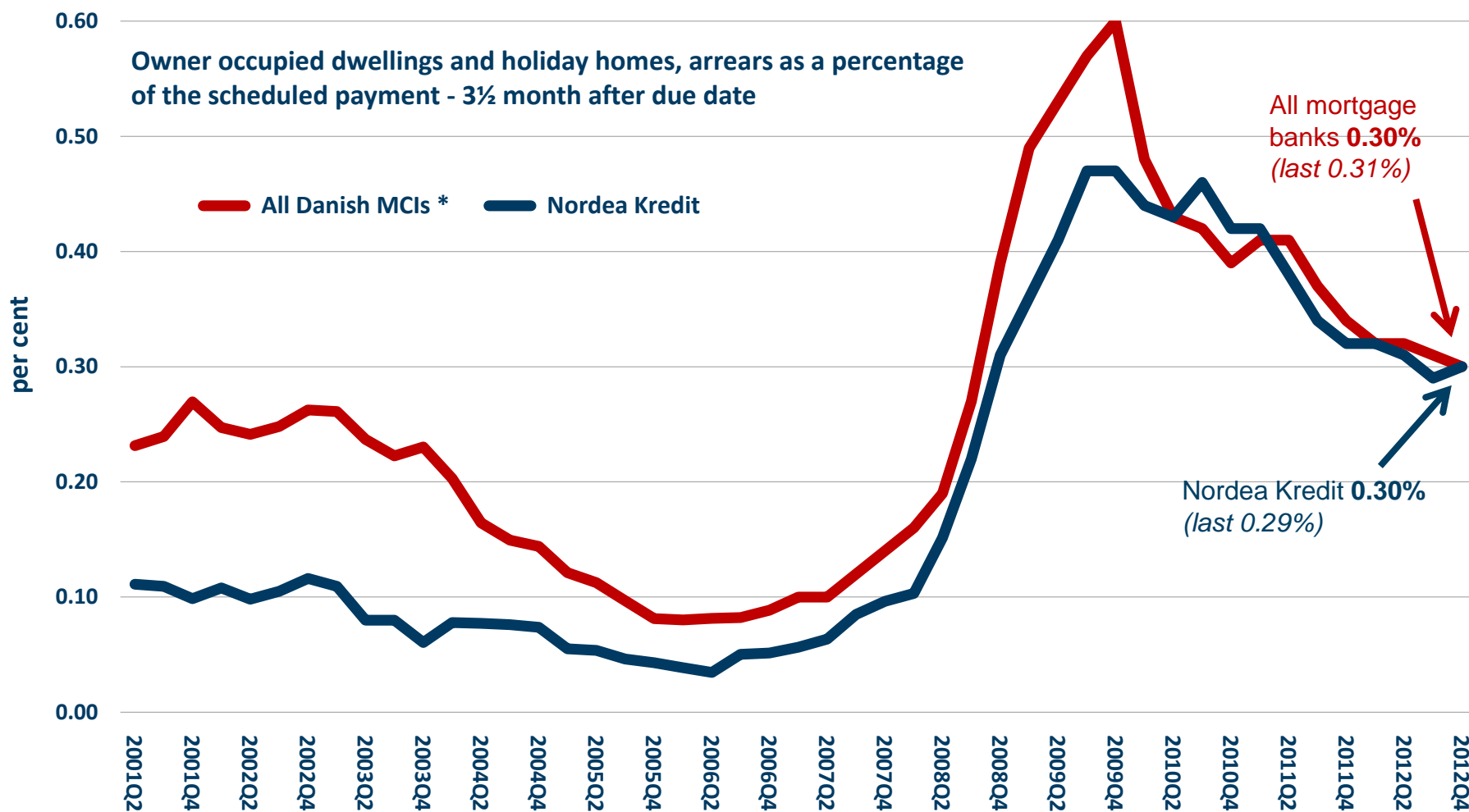
Owner occupied dwellings & holiday homes: 247.8 bn DKK

Geographical distribution by Danish regions



Total number of citizens 5.6 m, January 1, 2013 – Source: Statistics Denmark

# Asset quality - late payments by borrowers, 2013 Q1



\*) 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

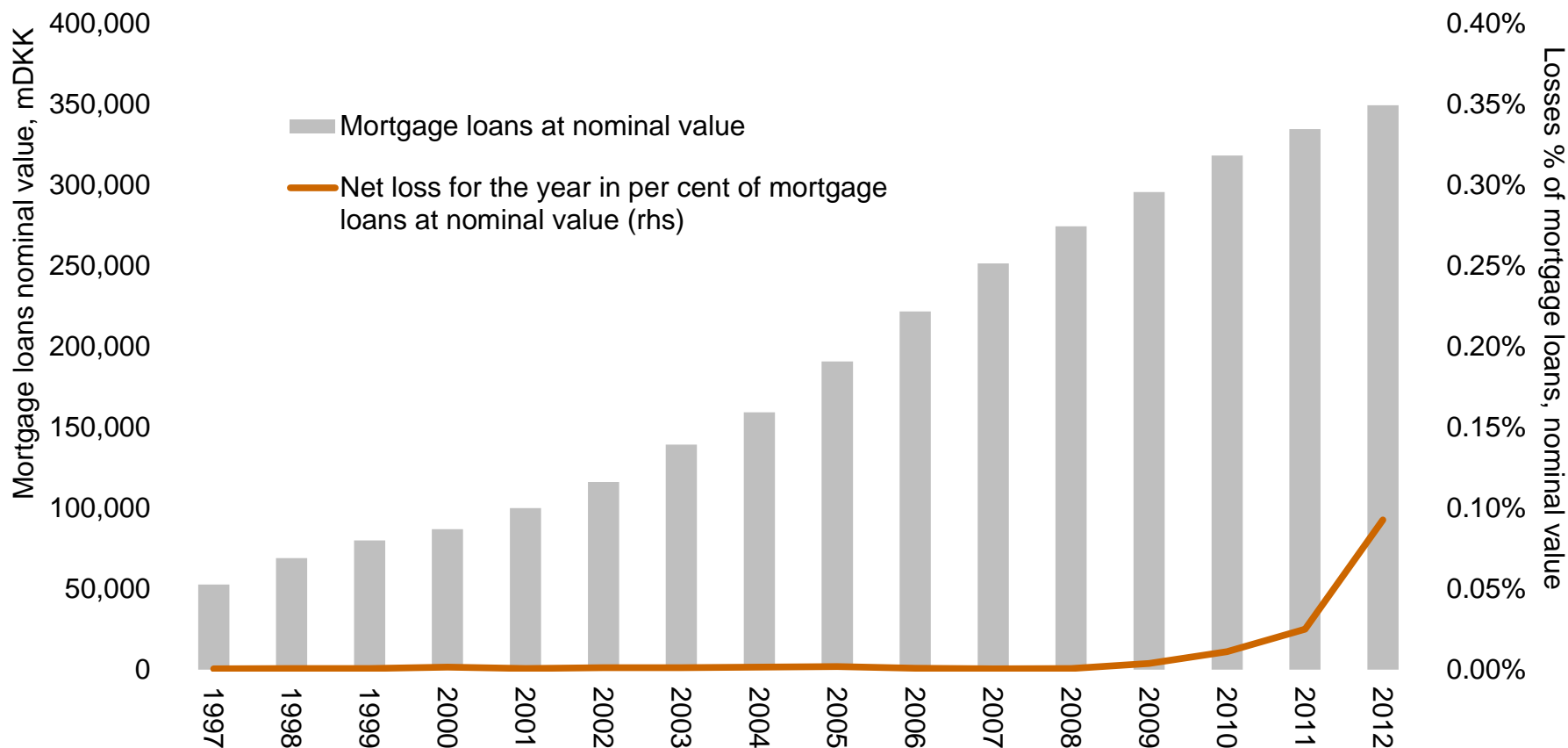
*\*) The guarantee period starts when a loan is disbursed or remortgaged*

*\*\*\*) 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.

-At the end of 2012 loss guarantees from Nordea Bank comprised loans totalling DKK 292bn. The actual loss guarantees covered a total of DKK 82bn.

# Net losses in per cent of mortgage loans at nominal value



## Nordea Kredit – LTV, loan-to-value 2013 Q1 2012 Q4

	LTV CC I & II		LTV CC I		LTV CC II	
	2013Q1	2012Q4	2013Q1	2012Q4	2013Q1	2012Q4
Owner occupied dwellings	79	79	76	75	80	80
Private rental housing	66	67	70	69	66	66
Commercial	60	60	46	46	61	60
Agriculture	51	51	47	47	51	51
Other properties	38	39	41	41	38	39
<b>Total</b>	<b>72</b>	<b>72</b>	<b>71</b>	<b>70</b>	<b>72</b>	<b>72</b>

- For more detailed information on LTV – please refer to “Nordea Kredit [LTV](#) report Covered bonds 1st quarter 2013”
- Also see detailed information about Nordea Kredit in the new [ECBC covered bonds labelling](#)

# Legislation

- Danish mortgage financing is regulated and supervised by the DFSA (Finanstilsynet): [www.ftnet.dk](http://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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