



Nordea Kredit Investor Presentation 2013 Q3

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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 third quarter 2013”*)
- Legislation

Nordea Kredit – in brief I

- Founded in 1993, number of employees (in FTEs) 130 (as per 2013 Q2)
- 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 2013 1H, 757m DKK and Cost/Income ratio 10.3%
- Mortgage loans at nominal value 2013 Q3: 356.4 bn DKK
- Mortgage loans at fair value 2013 Q3: 360.9 bn DKK
- Market share 2013 Q3: 14.4% (2013 Q2: 14.4%)
(Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

Nordea Kredit – in brief II

- Late payments by borrowers 2013 Q3: 0.28% (2013 Q2: 0.31%)
(Residential properties and holiday homes, 3½ months after the June 30, 2013 payment date)
- Average LTV 2013 Q3: 69% (2013 Q2: 71%)
- Total capital ratio 2013 Q2: 15.7% and Tier 1 capital ratio 15.7%
(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 ECBC-labelled – 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 (Q4, 2012)	13.5 (Q1, 2013)	5.53 (Q3, 2013)	7.93 (Q3, 2013)
TPI leeway/Unused uplift	4	3	4	4

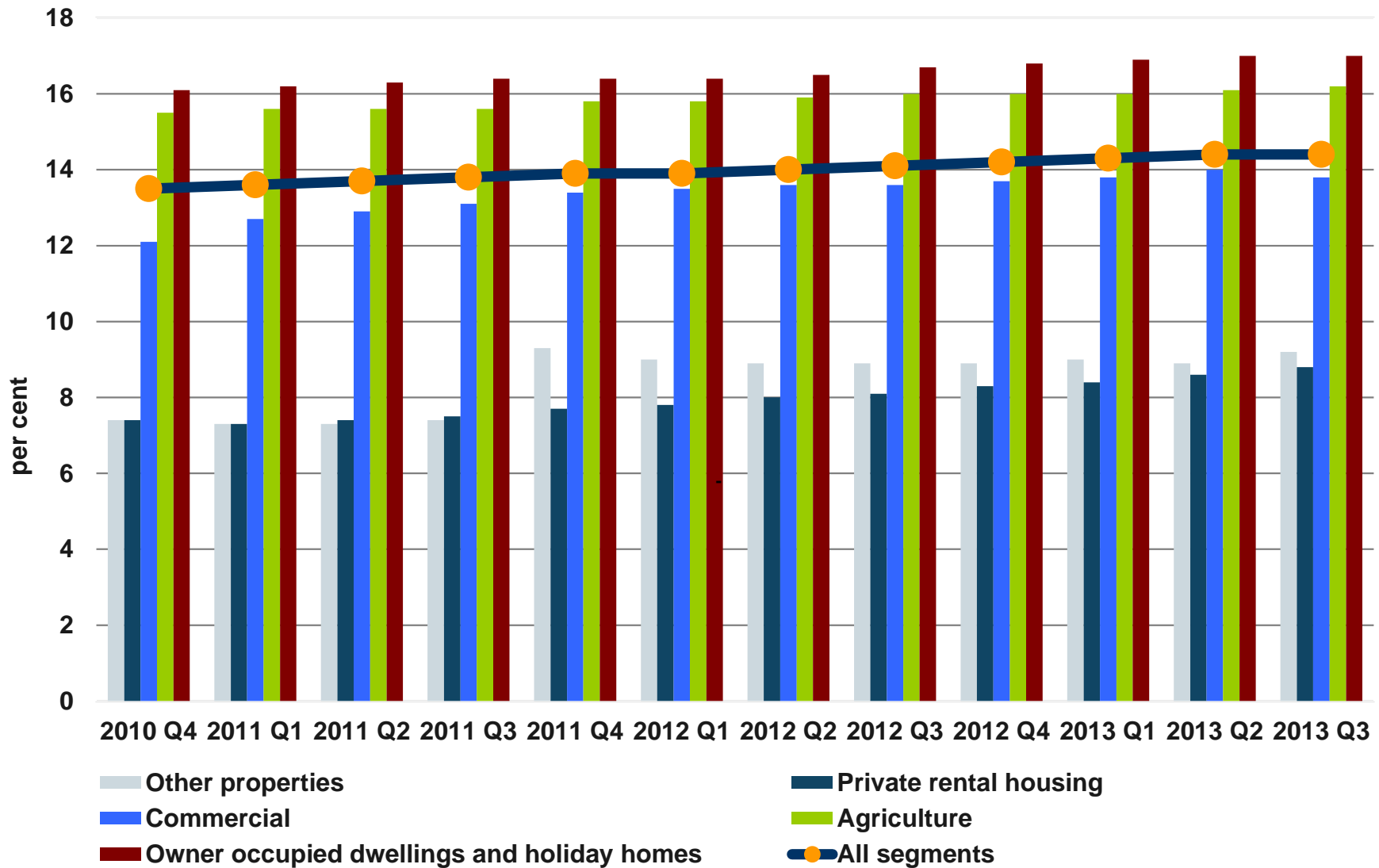
OC and CE requirements as set by Moody's and S&P, respectively (Date of change in brackets)
 TPI leeway and unused uplift as defined by Moody's and S&P, respectively
 OC data in the lower right hand box as measured by Nordea Kredit

OC per Q3 2013 %

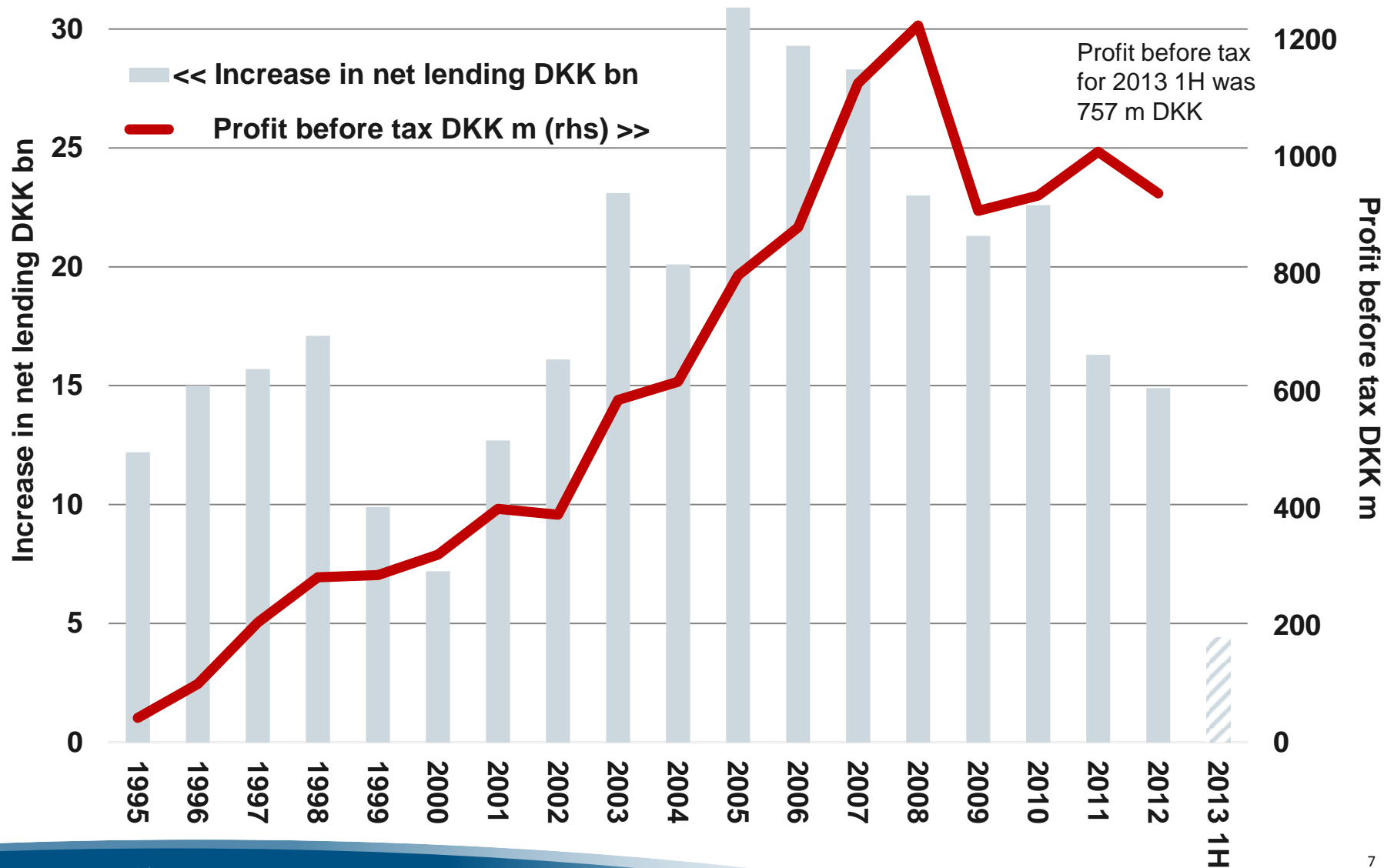
CC1: 8.97

CC2: 14.40

Nordea Kredit – market shares in per cent of total market

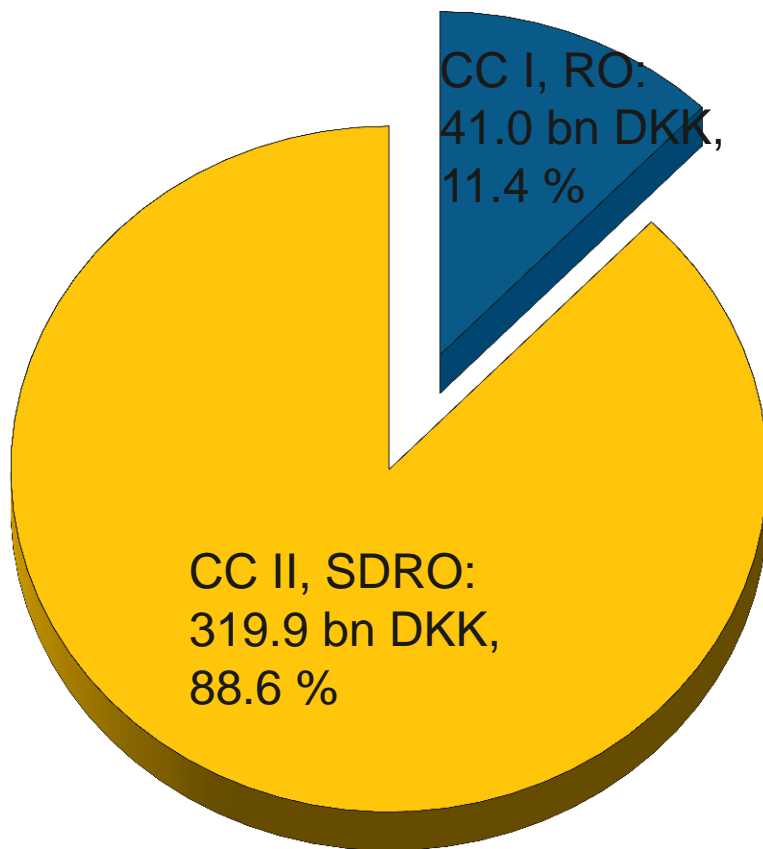


Nordea Kredit – profit and increase in net lending



Nordea Kredit – mortgage loans at fair value

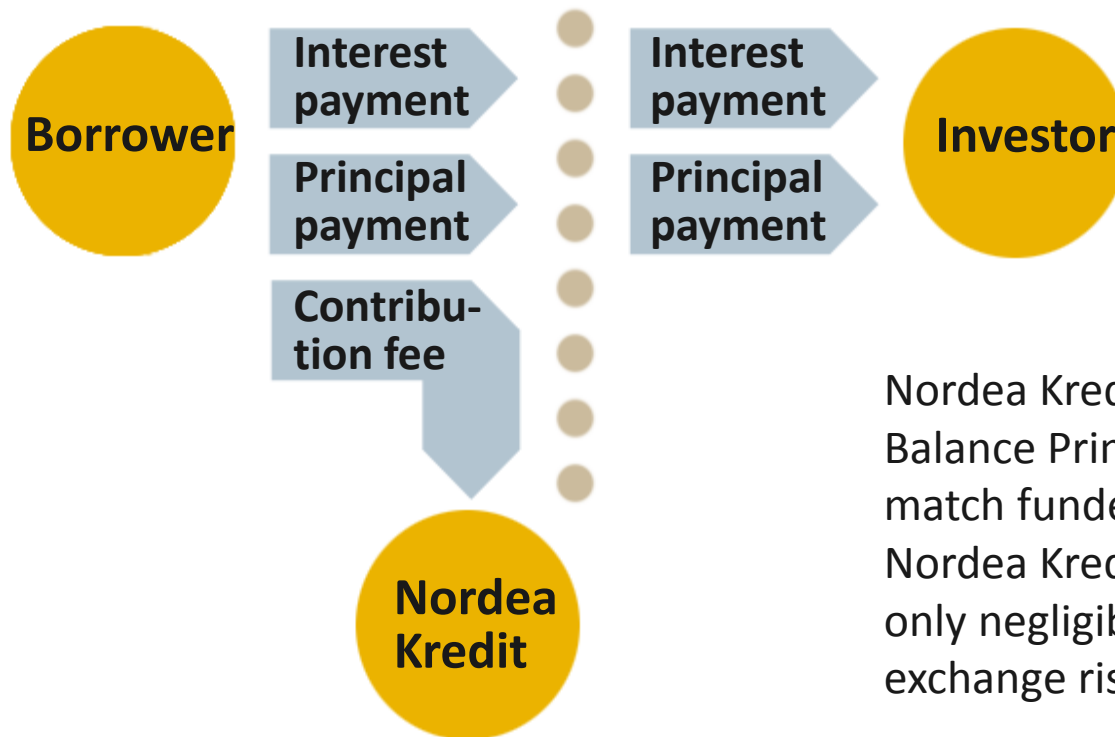
CCs I&II, 2013 Q3: DKK 360.9 bn



Nordea Kredit has two capital centres:

- CC I: Mortgage Bonds (Realkreditobligationer, "RO") No open series. 91.8% 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

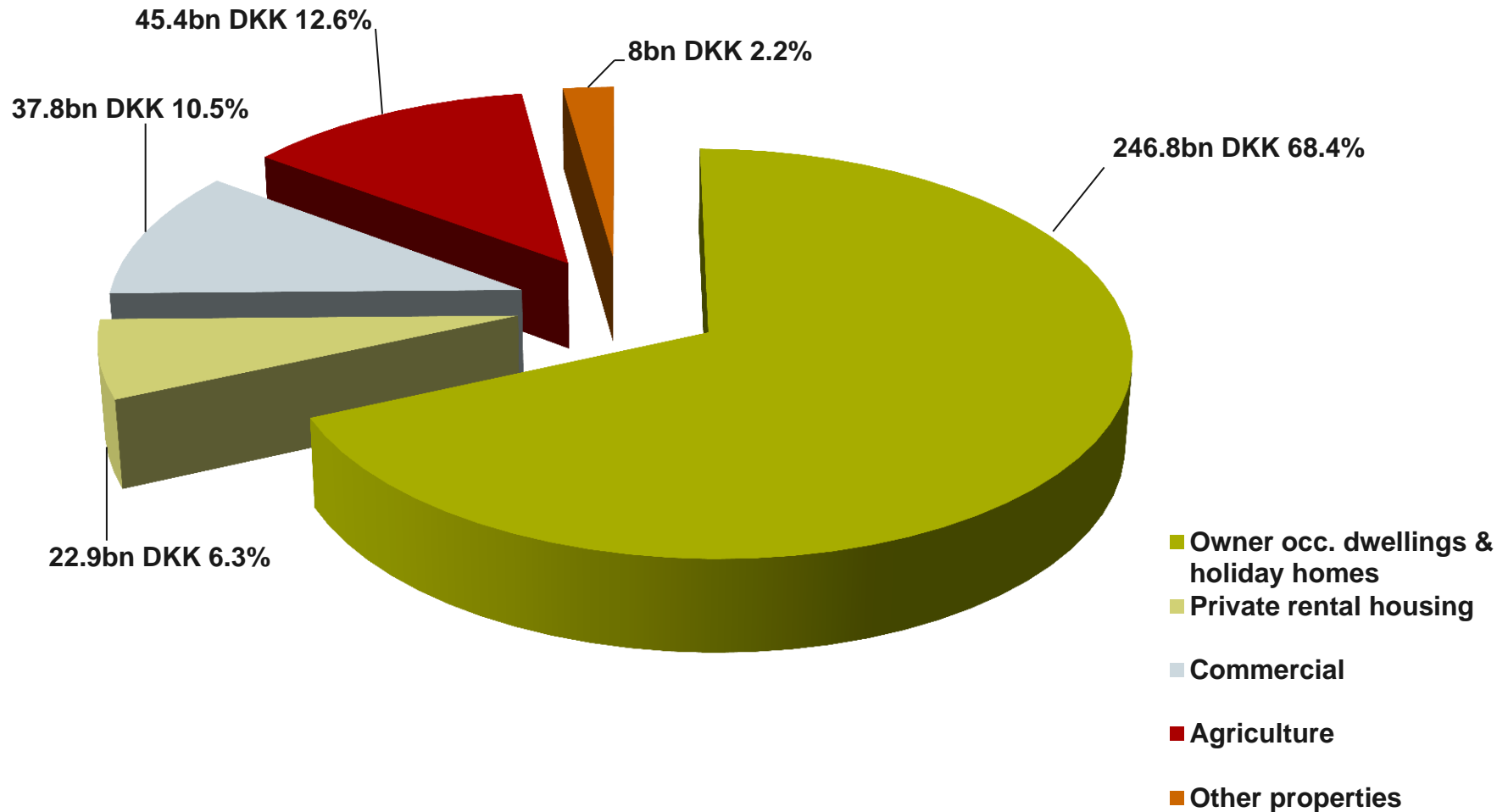


Nordea Kredit complies with the specific Balance Principle, and has a completely match funded “Pass Through” setup. Nordea Kredit has no prepayment risk and only negligible interest rate and foreign exchange risk.

Nordea Kredit – loans by property category

Capital centres I & II, 2013, Q3 at fair value: 360.9 bn DKK

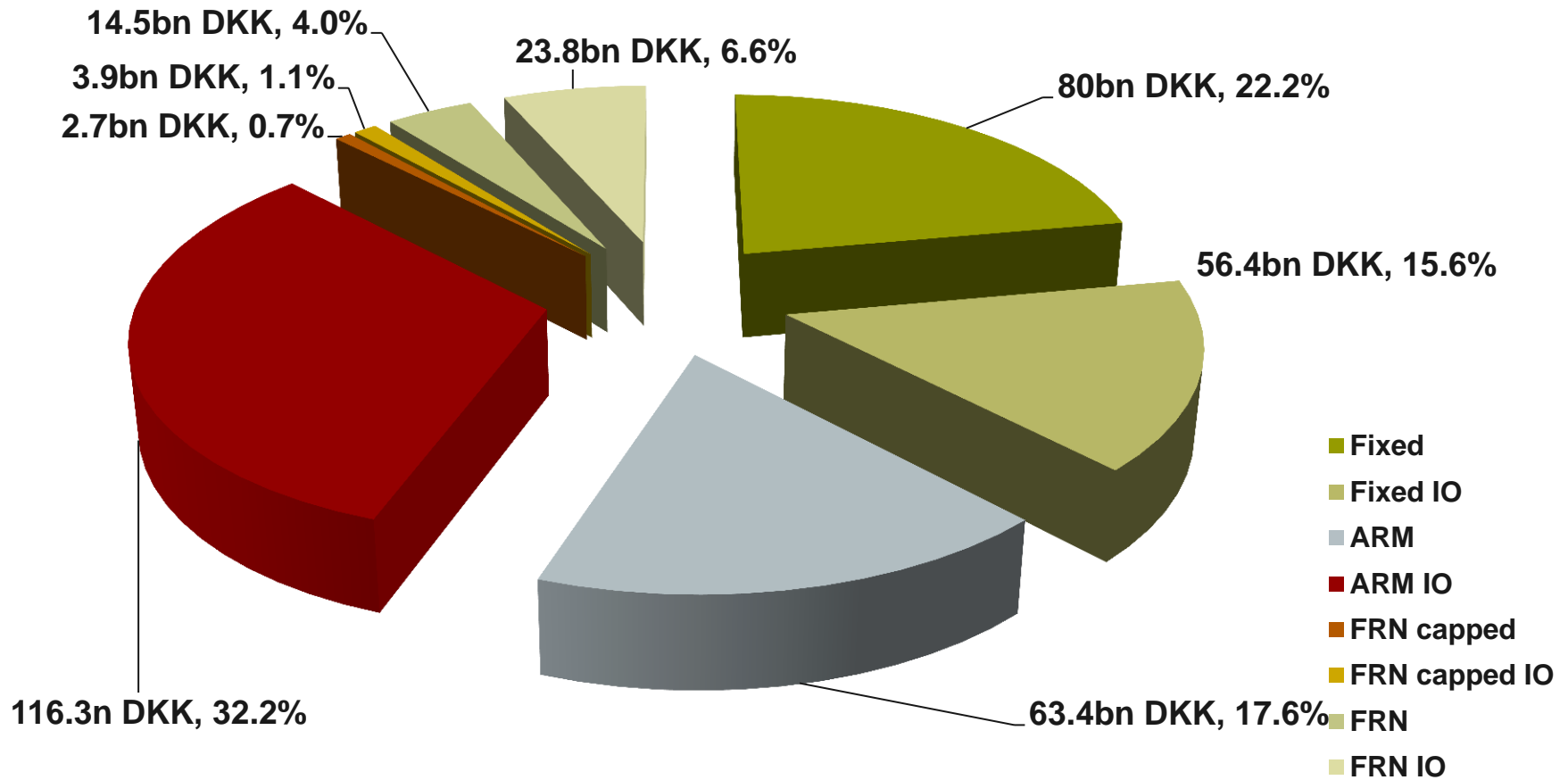
Distribution of all loans by property category



Nordea Kredit - loans by loan type

Capital centres I & II, 2013, Q3 at fair value: DKK bn 360.9

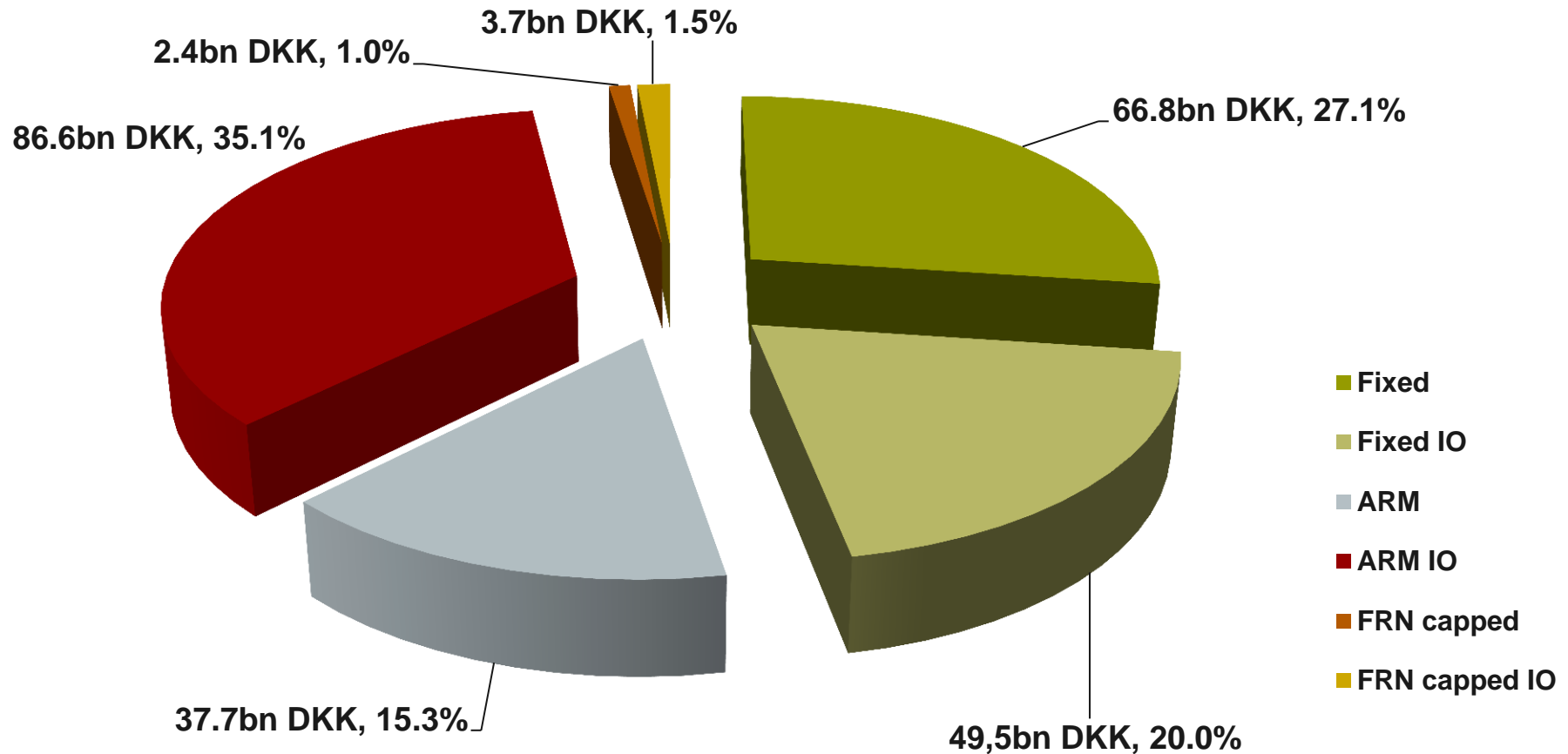
Distribution of all loans by loan type



Nordea Kredit - loans by loan type II

Owner occupied dwellings and holiday homes, capital centres I & II, 2013, Q3 at fair value: DKK 246.8bn

Distribution of loans by loan type

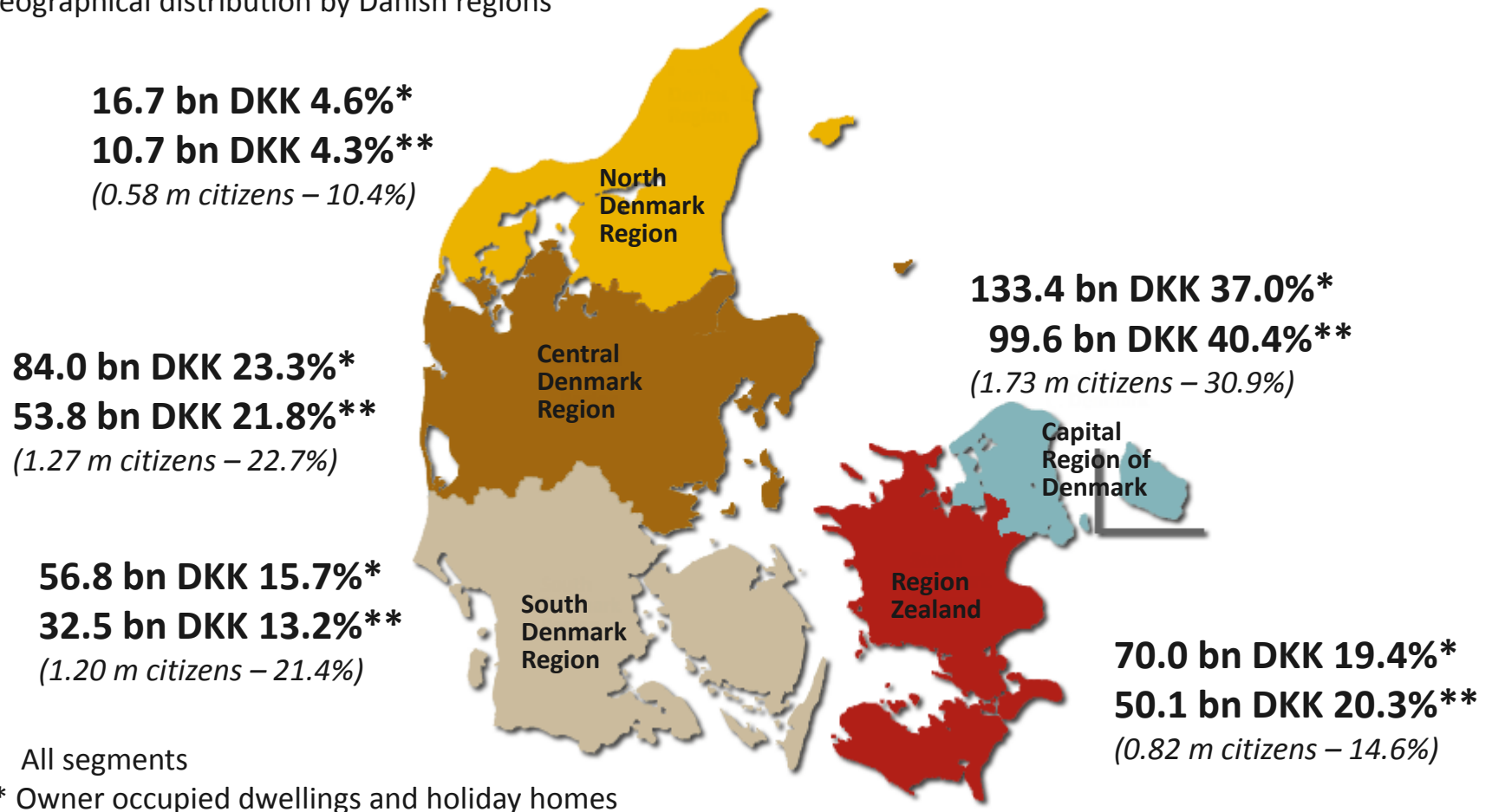


Nordea Kredit - loans by regions and property categories

Capital centres I & II, 2013, Q3 at fair value: All property categories: 360.9 bn DKK

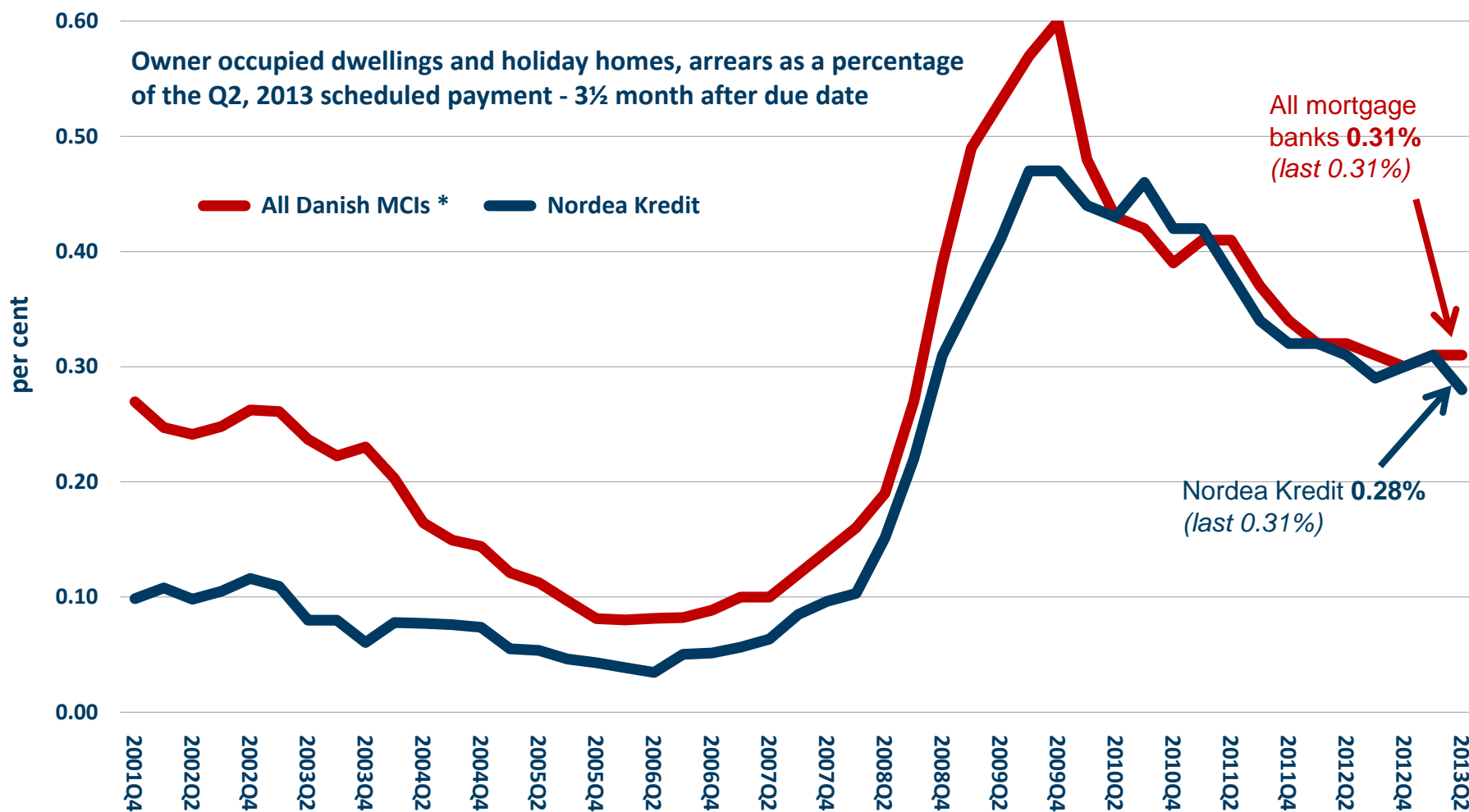
Owner occupied dwellings & holiday homes: 246.8 bn DKK

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 Q2



*) 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

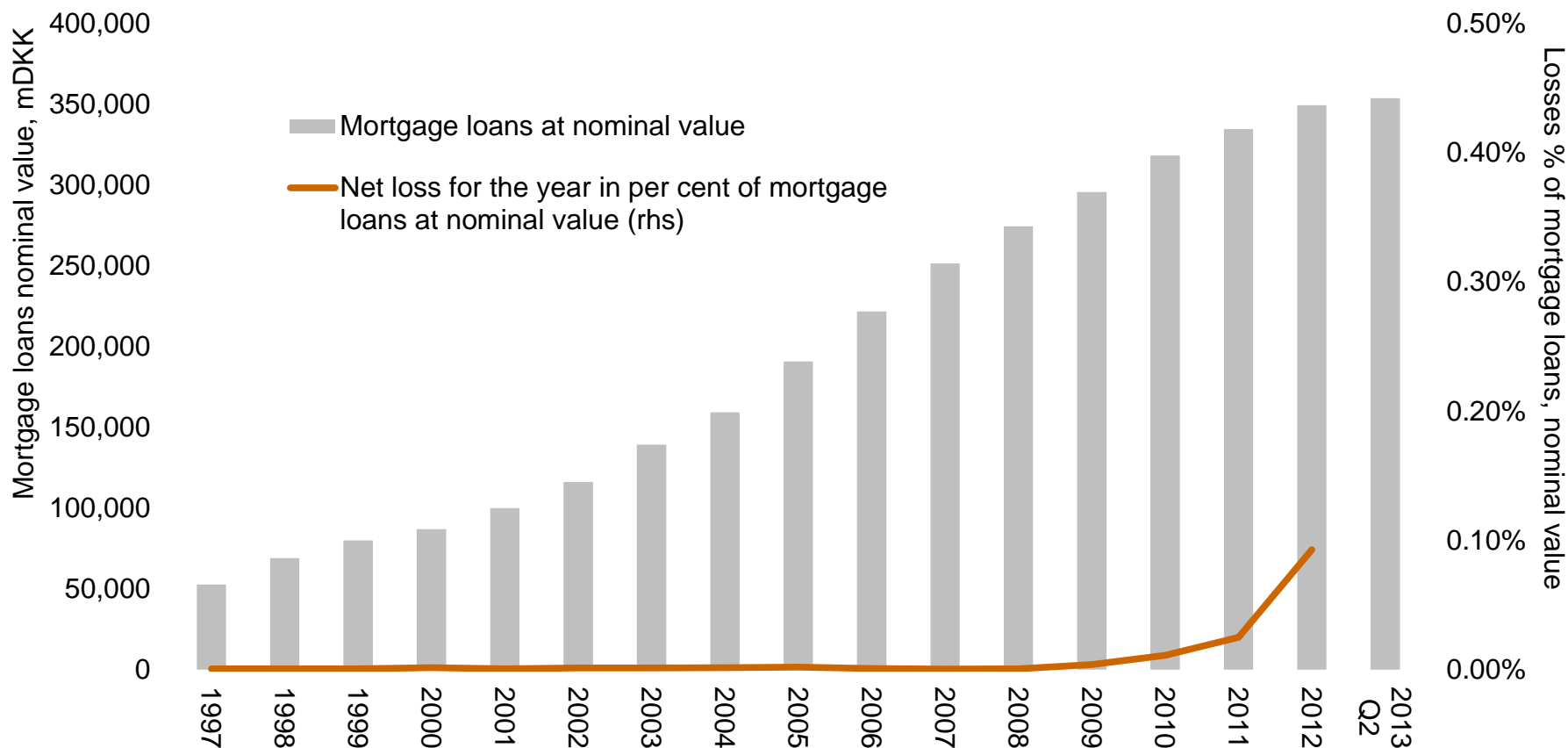
**) The guarantee period starts when a loan is disbursed or remortgaged*

****) 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.

-By the end of 2013 1H loss guarantees from Nordea Bank comprised loans totalling DKK 303bn. The actual loss guarantees covered a total of DKK 84.3bn.

Net losses in per cent of mortgage loans at nominal value



The net loss for 2013 1H was 0.063 per cent

Nordea Kredit – LTV, loan-to-value 2013 Q3 *(2013 Q2)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2013Q3	2013Q2	2013Q3	2013Q2	2013Q3	2013Q2
Owner occupied dwellings	76	78	74	75	76	78
Private rental housing	65	66	73	72	64	65
Commercial	59	59	46	46	60	60
Agriculture	50	50	47	47	50	50
Other properties	35	35	41	41	35	35
Total	69	71	69	71	69	71

- For more detailed information on LTV – please refer to “Nordea Kredit [LTV](#) report Covered bonds 3rd 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
- 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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