



Nordea Kredit Investor Presentation 2015 Q3

Published 11 November, 2015

Nordea Kredit

Making it possible

Introduction and contact information

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 covered mortgage bonds and mortgage bonds.

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- Nordea Kredit – in brief
- Ratings and OC
- Loan portfolio
- LTV

Nordea Kredit – in brief I

- Founded in 1993, number of employees (in FTEs) 111 (as per 2015 Q2)
- New issues are covered mortgage bonds (SDROs), exclusively
- All bonds issued by Nordea Kredit are rated AAA (by S&P) and Aaa (by Moody's)
- Profit before tax 2015, 1H, DKK 830m and Cost/Income ratio 11.1%
- Mortgage loans at nominal value 2015 Q3: DKK 381.3bn (2015 Q2: DKK 379.4bn)
- Mortgage loans at fair value 2015 Q3: DKK 383.0bn (2015 Q2: DKK 381.5bn)
- Market share 2015 Q3: 15.0% (2015 Q2: 15.0%)
(Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

Nordea Kredit – in brief II

- Weighted average LTV 2015 Q3: 63% (2015 Q2: 66%)
- Total capital ratio at end of 2015 Q2: 28.6% and Tier 1 capital ratio 28.6% (excl. transitional rules)
- Match-funded “Pass Through” setup complying with the Danish specific balance principle
- Late payments by borrowers 2015 Q2: 0.18% (2015 Q1: 0.20%)
(Residential properties and holiday homes, 3½ months after the June 30, 2015 payment date)
- Danish mortgage banks are regulated and supervised by Finanstilsynet
(The Danish FSA)
- All covered bonds issued by Nordea Kredit are 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, %	0.0	0.0	3.93	2.50
TPI leeway/Unused uplift	7	6	4	4

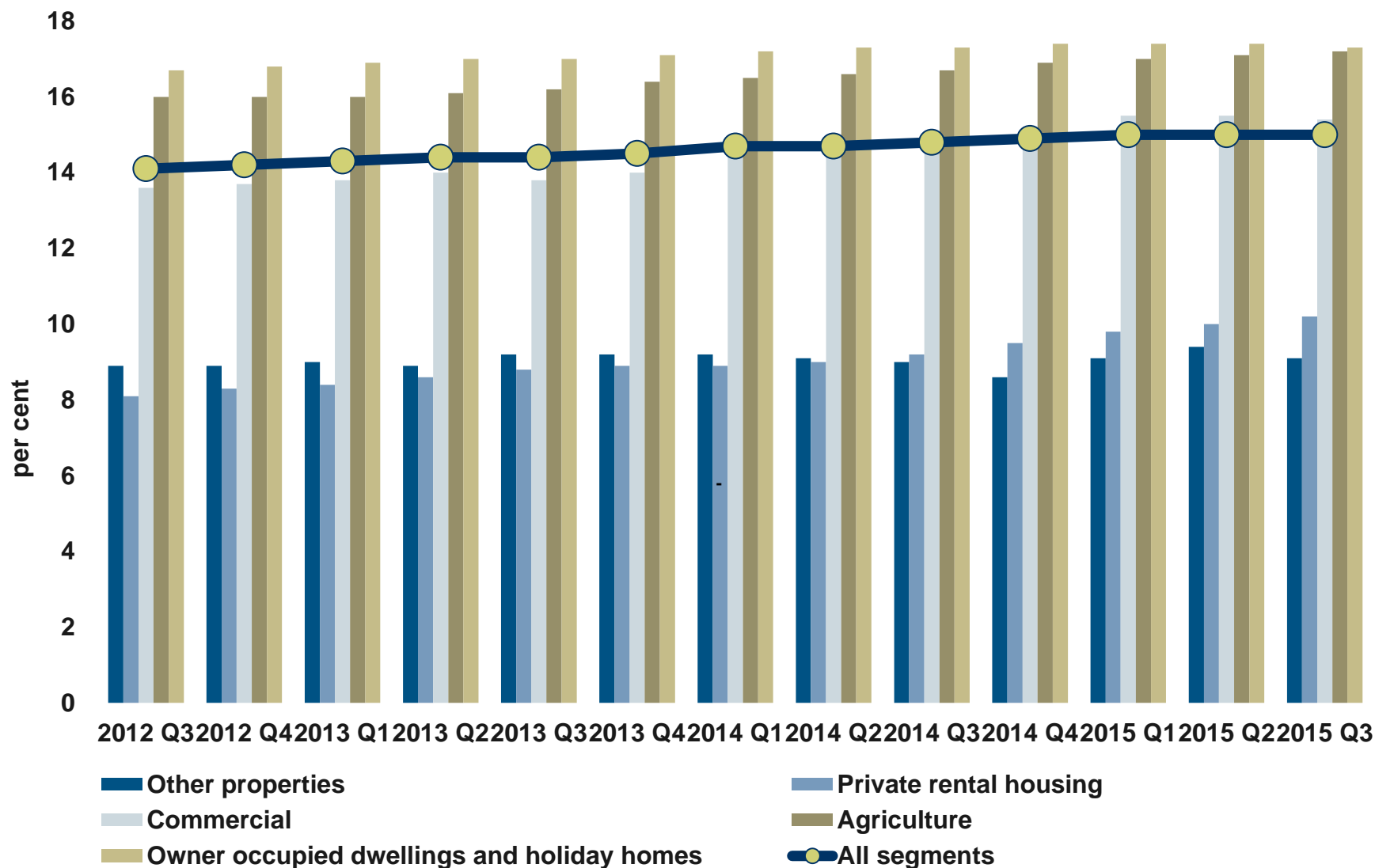
OC and CE requirements as set by Moody's and S&P, respectively
TPI leeway and unused uplift as defined by Moody's and S&P, respectively
OC data in the lower right hand box as computed by Nordea Kredit

OC per Q3 2015, %

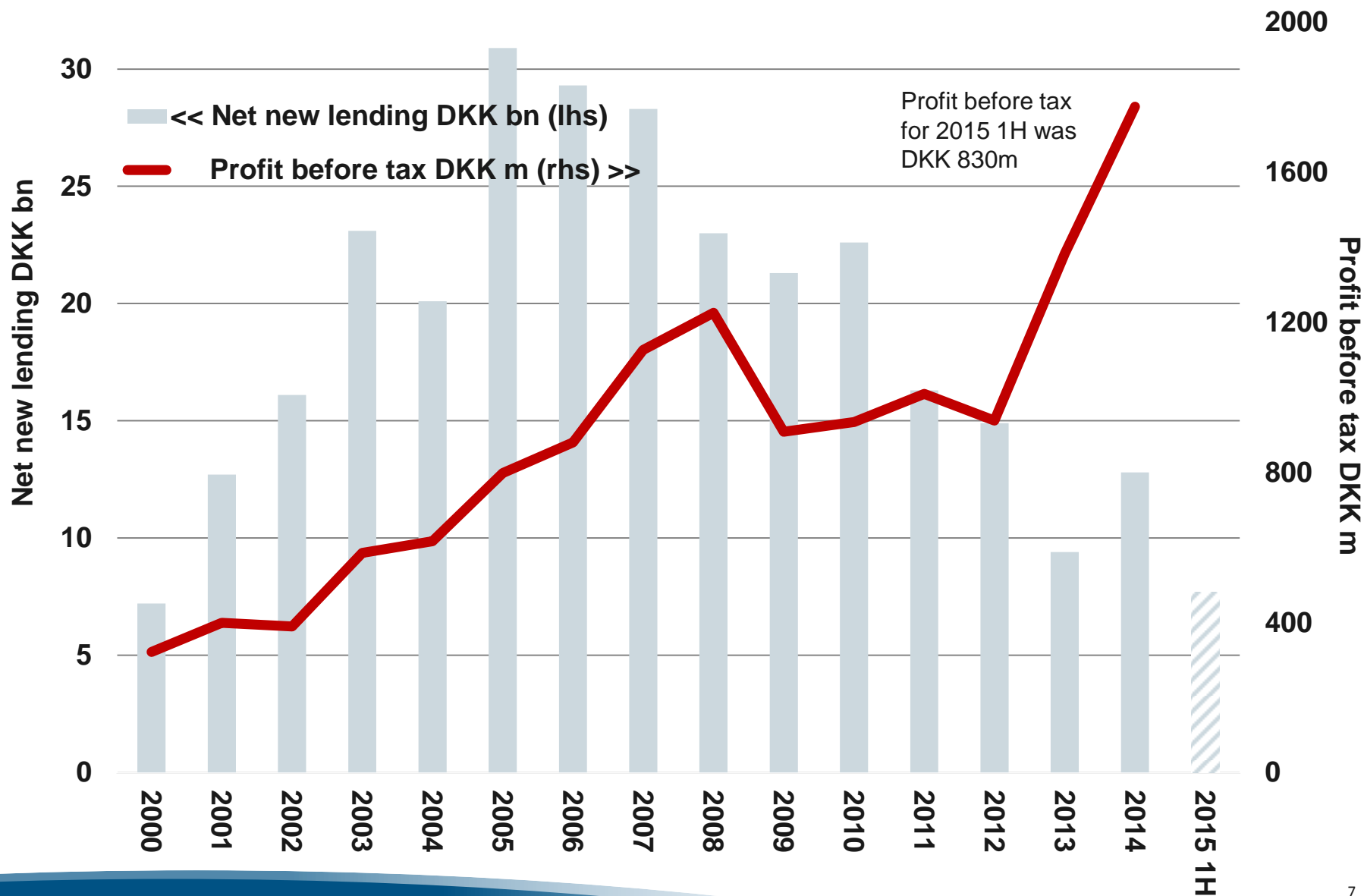
CC1: 7.3

CC2: 12.1

Nordea Kredit's market shares - outstanding loans in per cent of all Danish mortgage credit loans

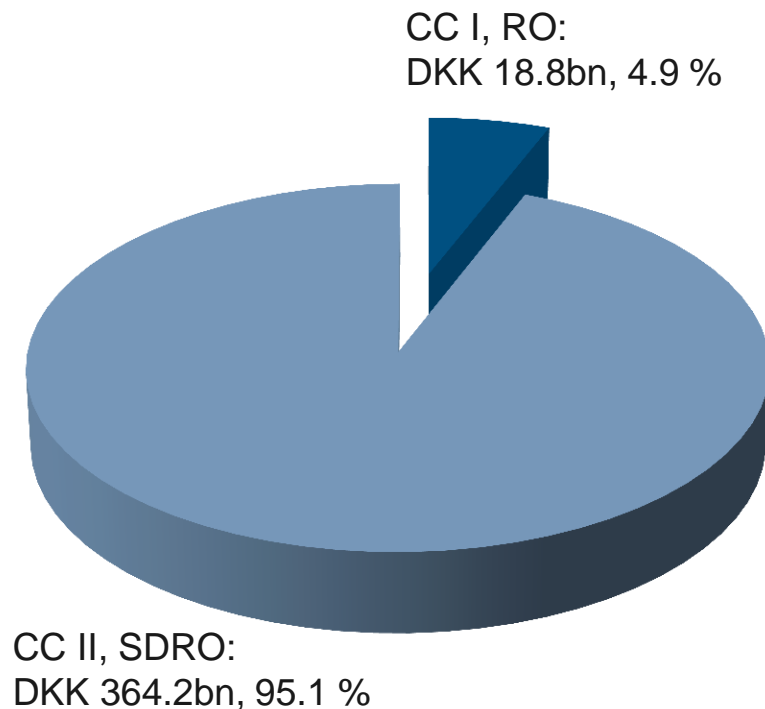


Nordea Kredit – profit and net new lending



Nordea Kredit capital centers

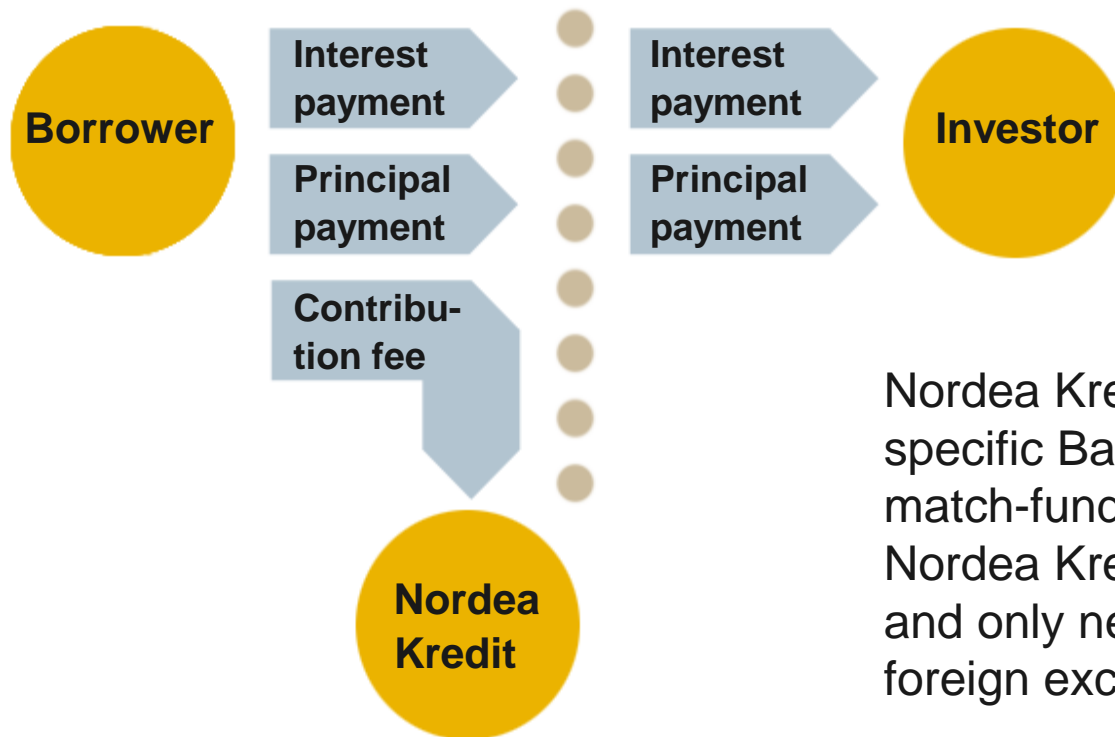
CCs I&II, 2015 Q3: DKK 383.0bn
(mortgage loans at fair value)



Nordea Kredit has two capital centers:

- **CC I: Mortgage Bonds**
(Realkreditobligationer, "RO") No open series. Close to 85% 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

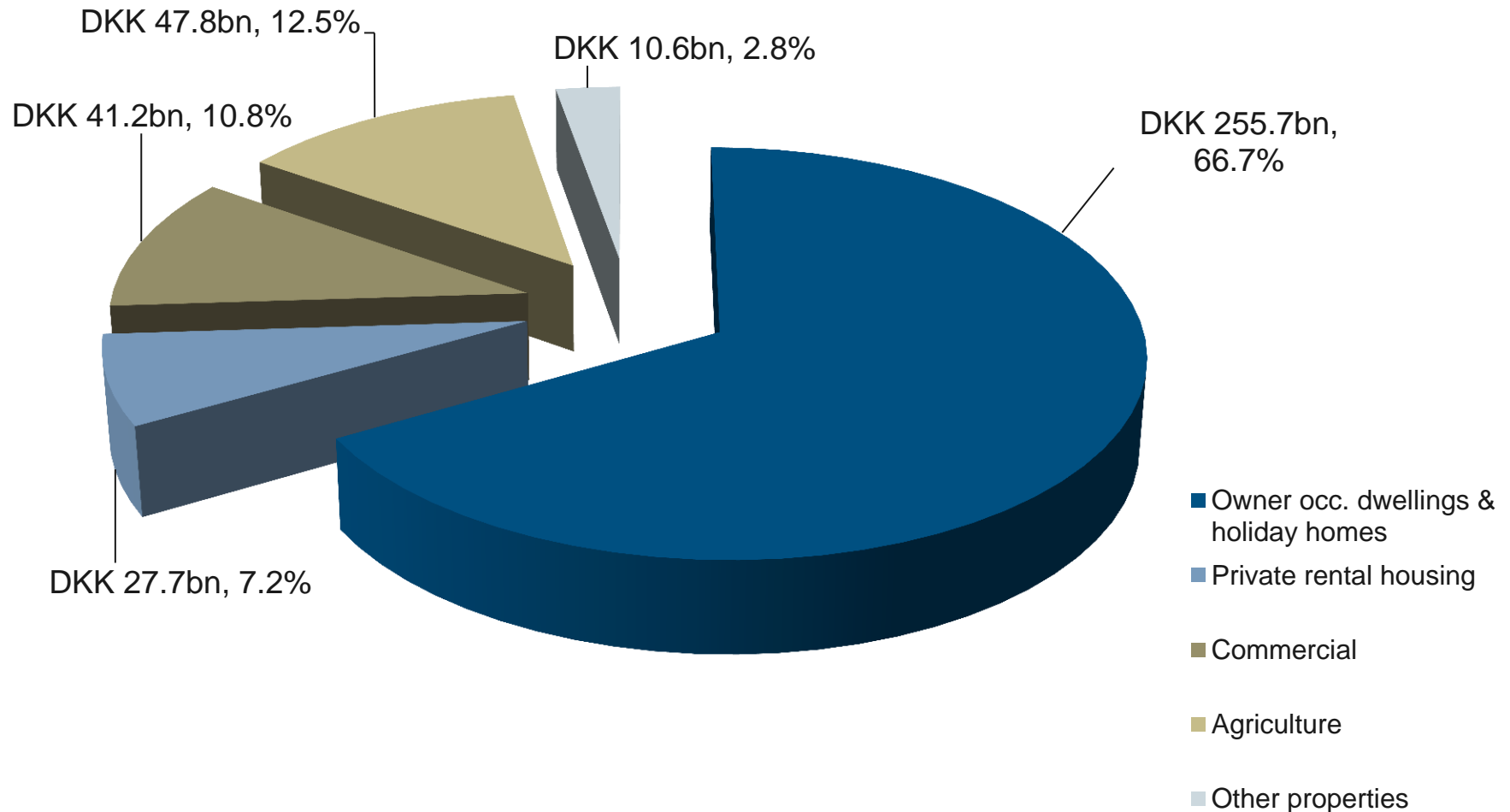


Nordea Kredit complies with the specific Balance Principle and has a match-funded “Pass Through” setup. Nordea Kredit has no prepayment risk and only negligible interest rate and foreign exchange risk.

Nordea Kredit – loan portfolio split by property categories

Capital centres I & II, 2015, Q3 at fair value: DKK 383.0bn

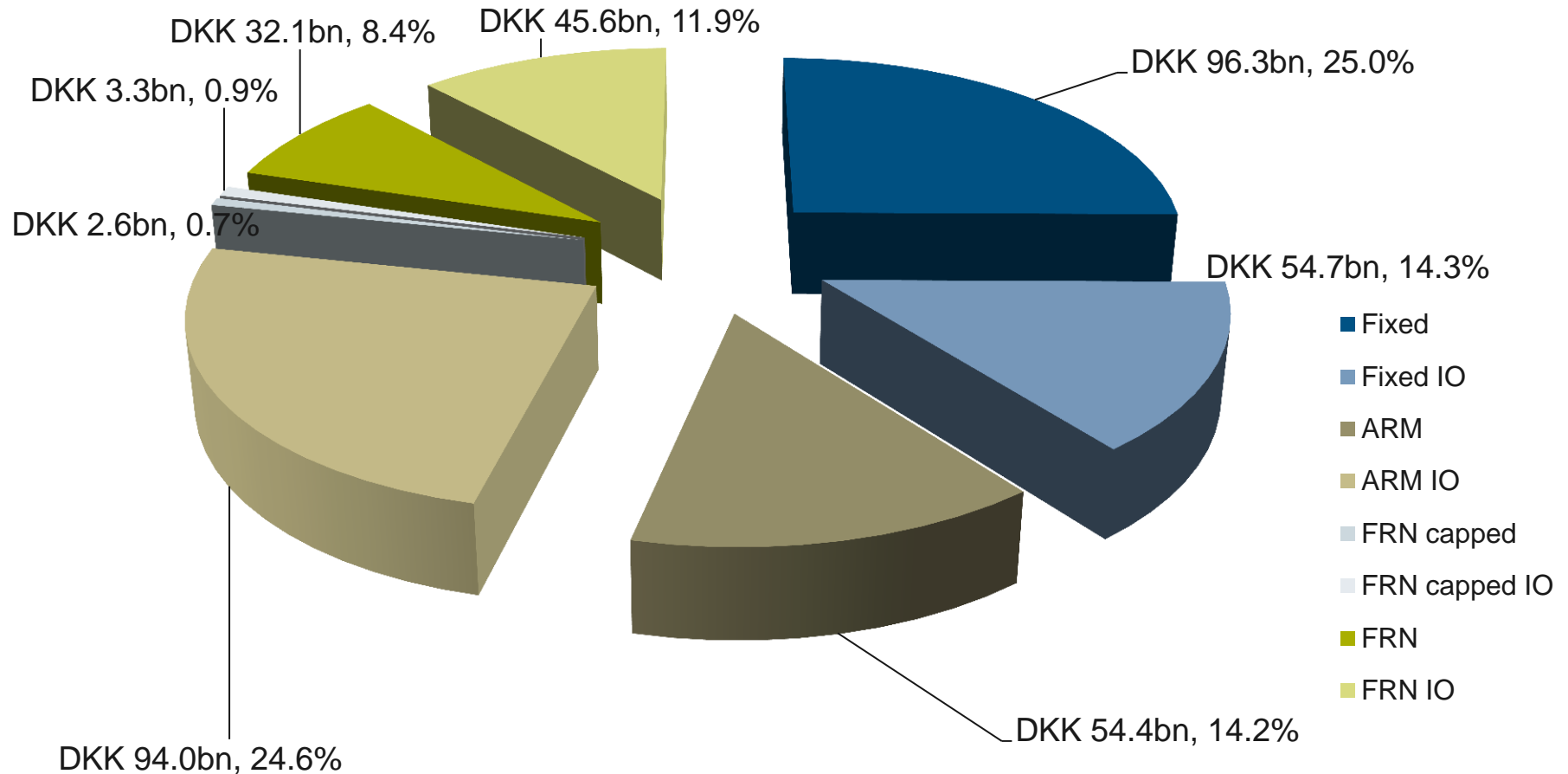
Distribution of all loans by property category



Nordea Kredit – loan portfolio - loan type split

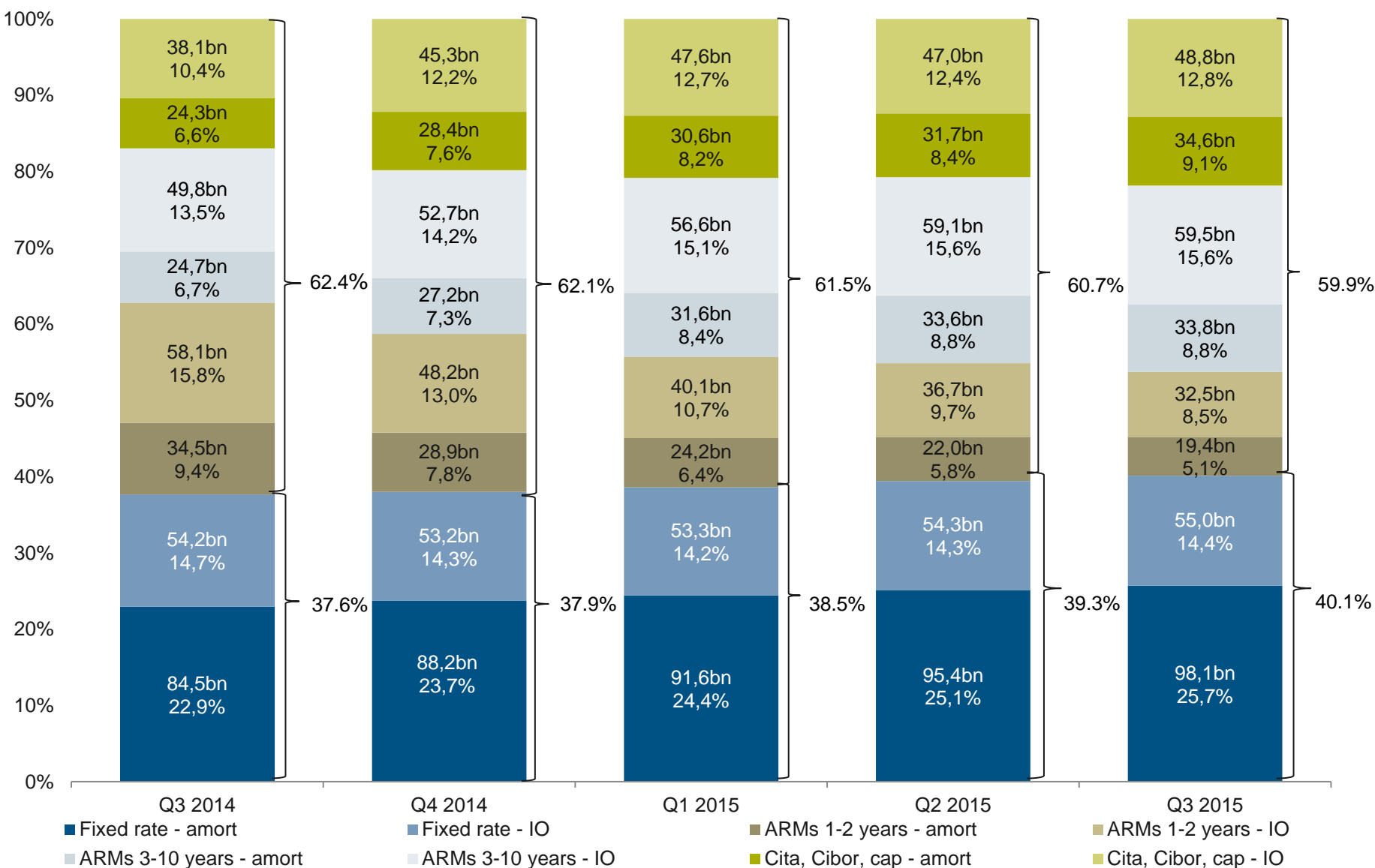
Capital centres I & II, 2015, Q3 at fair value: DKK 383.0bn

Distribution of all loans by loan type



Nordea Kredit – loan portfolio - loan type split

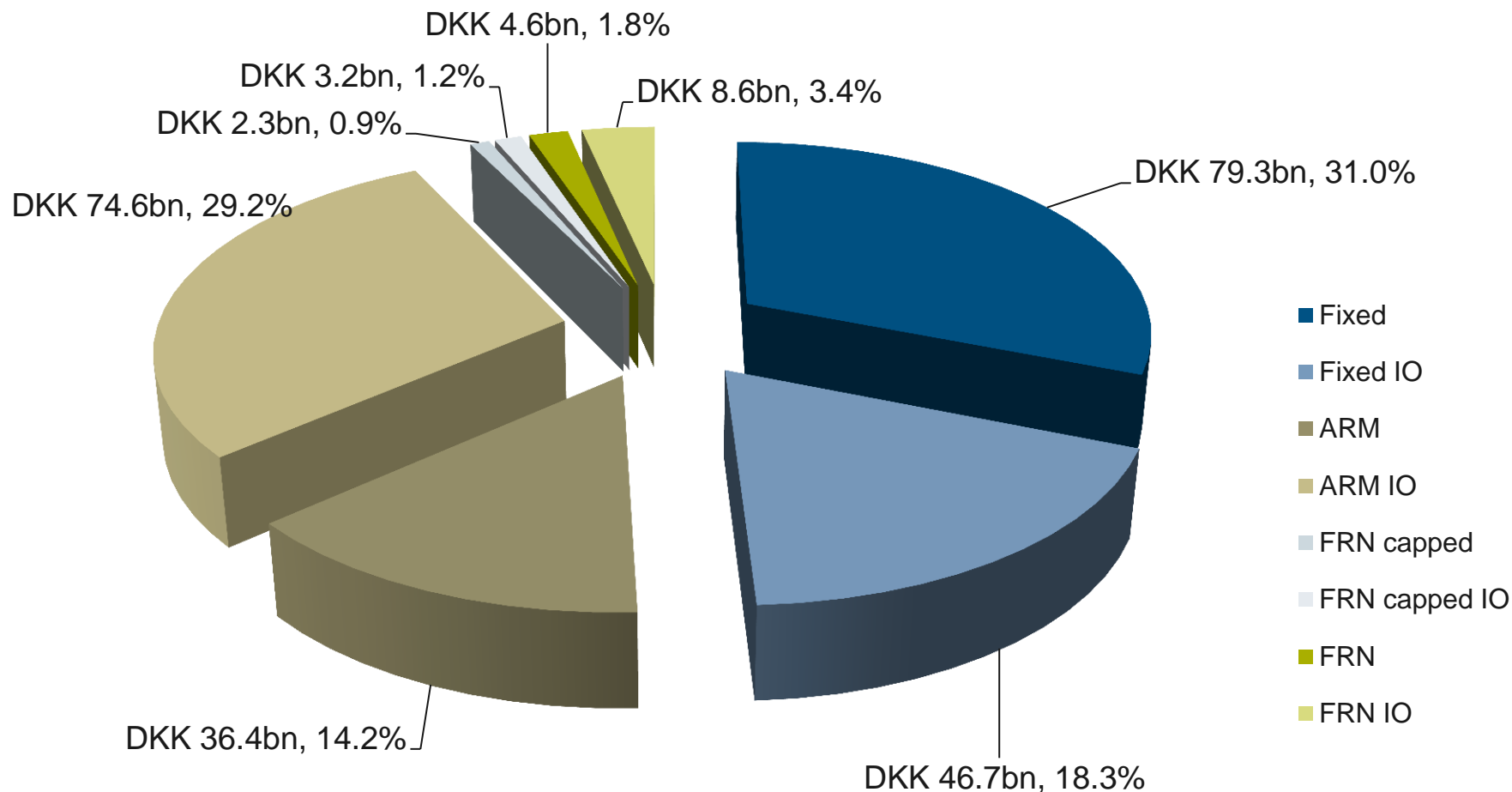
(Developments from 2014, Q3 - 2015, Q3 – nominal value)



Nordea Kredit – loan type split for owner occupied dwellings

Owner occupied dwellings and holiday homes, capital centres I & II, 2015, Q3 at fair value: DKK 255.7bn

Distribution of loans by loan type

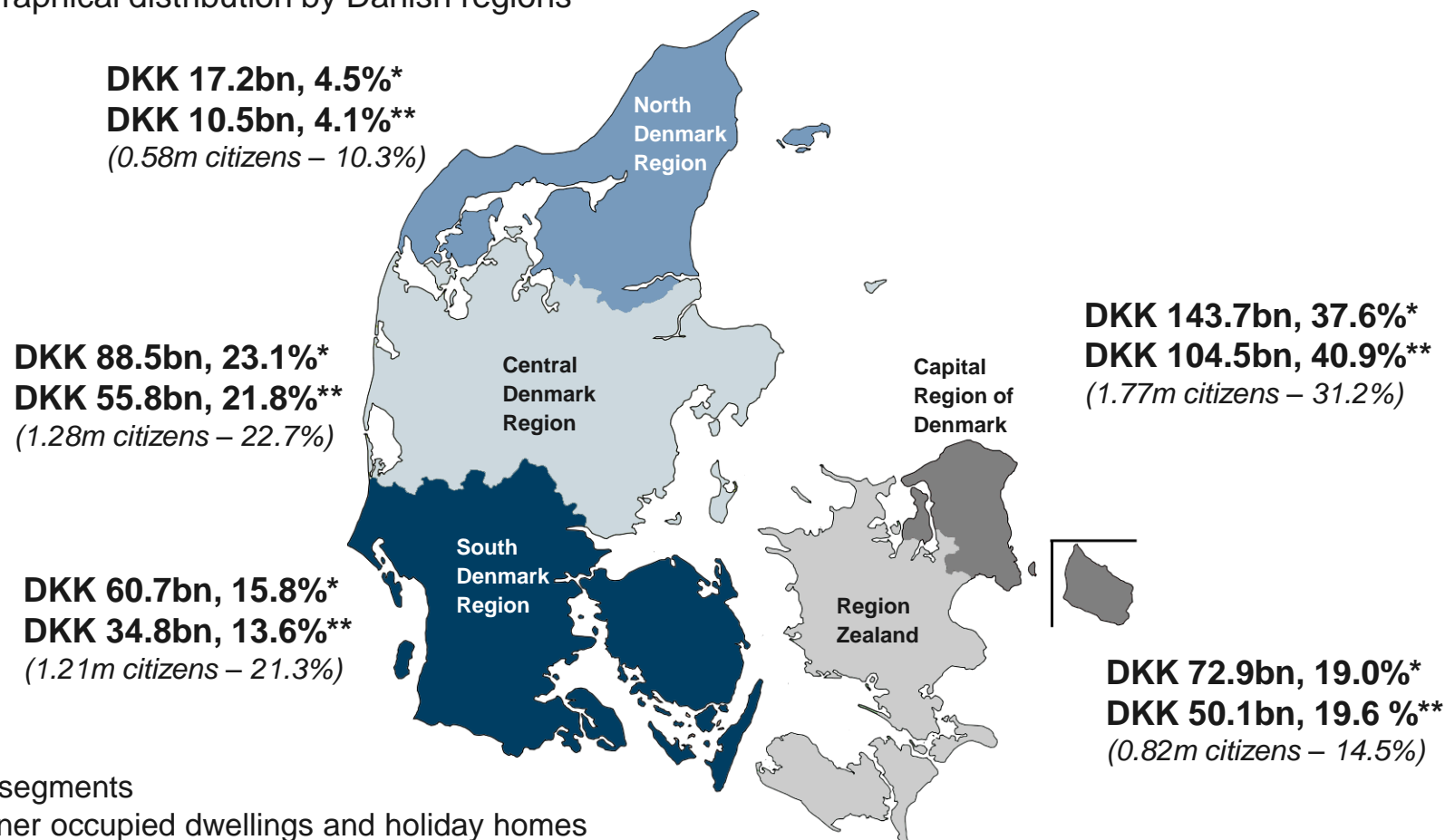


Nordea Kredit - loans by Danish regions and property categories

Capital centres I & II, 2015, Q3 at fair value: All property categories: DKK 383.0bn

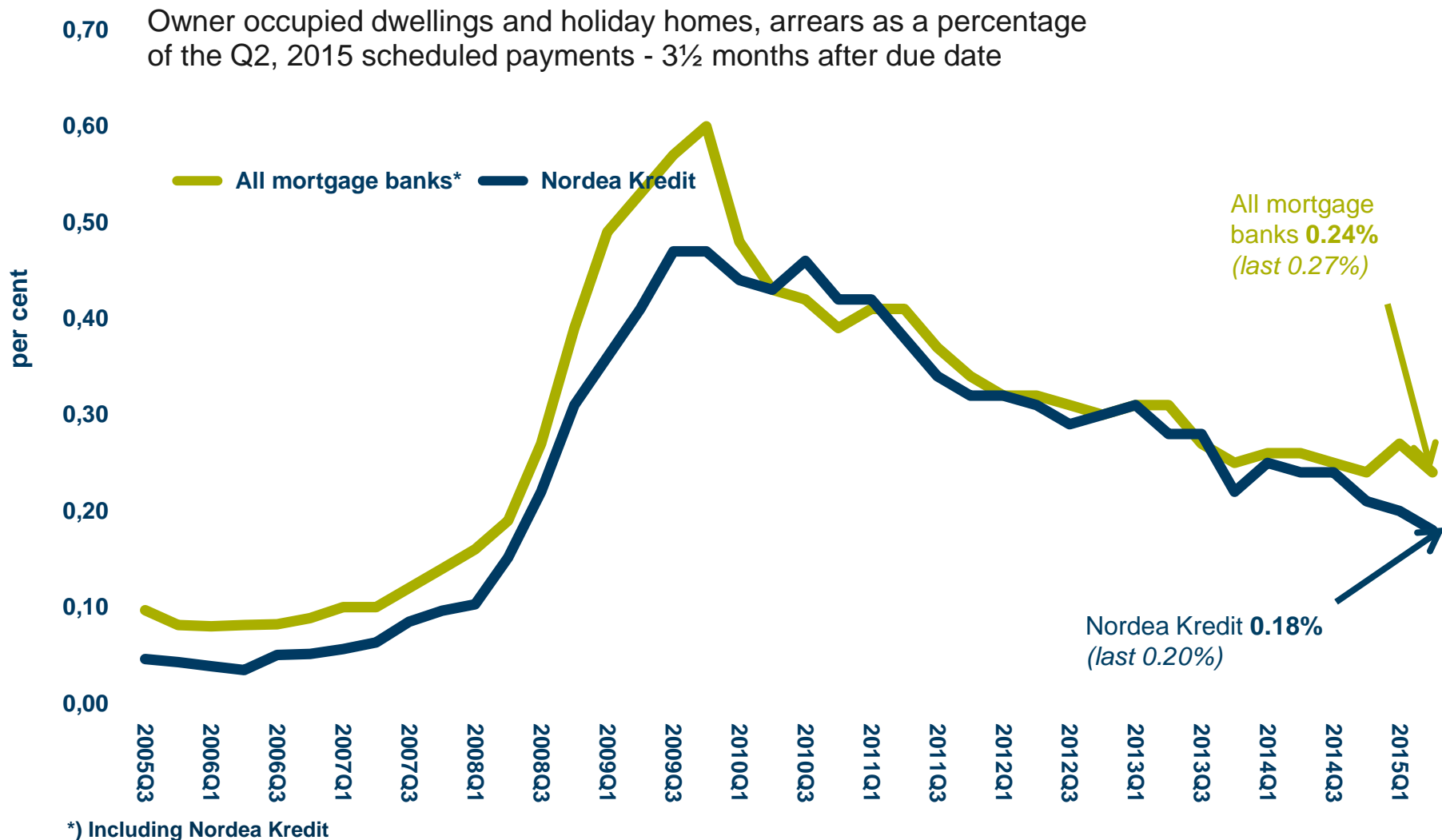
Owner occupied dwellings & holiday homes: DKK 255.7bn

Geographical distribution by Danish regions



Total number of citizens 5.7m, April 1, 2015 – Source: Statistics Denmark

Asset quality - late payments by borrowers, 2015 Q2



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	Lifetime of loan	25 per cent
Holiday homes	Lifetime of loan	25 per cent
Subsidized property	Lifetime of loan	10 per cent
Housing for youth/elderly	Lifetime of loan	10 per cent
Agricultural property	Lifetime of loan	25 per cent
Commercial property	Lifetime of loan	25 per cent

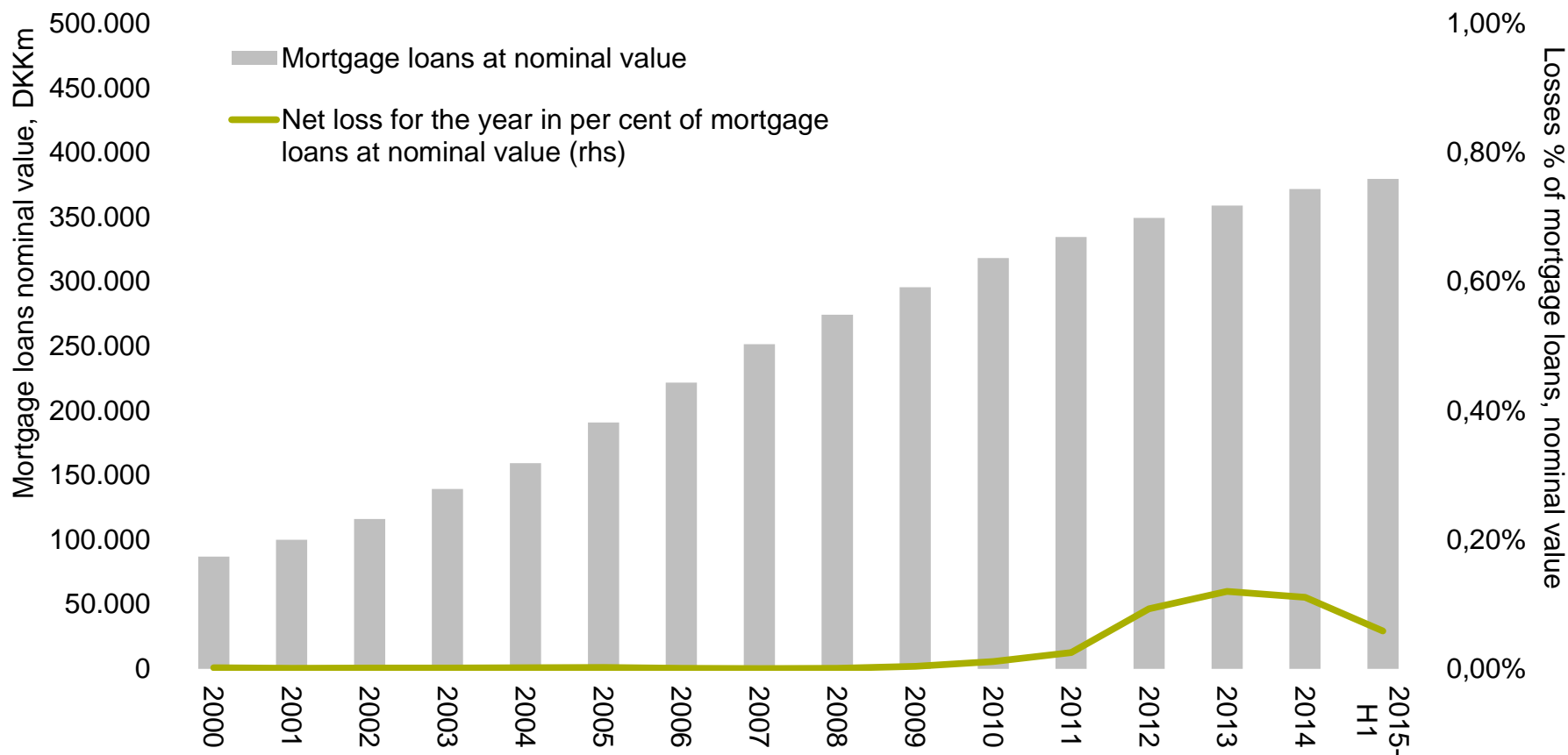
**) The guarantee period starts when a loan is disbursed or remortgaged. The former guarantee period of 5 or 10 years, respectively was changed to the lifetime of the loans on December 9, 2013.*

***) 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.

-By the end of Q2 2015 loss guarantees from Nordea Bank comprised loans totalling DKK 379.8bn. The actual loss guarantees amounted to DKK 98.1bn.

Net losses in per cent of mortgage loans at nominal value



Note : The net losses for 2015, 1H are calculated at an annualised rate

Nordea Kredit – LTV, loan-to-value 2015 Q3 *(2015 Q2)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2015Q3	2015Q2	2015Q3	2015Q2	2015Q3	2015Q2
Owner occupied dwellings	69	72	69	72	69	72
Private rental housing	59	60	77	76	58	59
Commercial	55	55	48	49	55	55
Agriculture	50	50	48	48	50	50
Other properties	36	44	38	38	36	44
Total	63	66	65	67	63	66

- The figures are weighted averages for the respective property categories
- Please also see the information about Nordea Kredit in the [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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