Nordea Kredit
Investor Presentation 2016 Q1

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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) 101 (as per 2015 Q4)
- 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, DKK 1,913m and Cost/Income ratio 10.6%
- Mortgage loans at nominal value 2016 Q1: DKK 390.7bn (2015 Q4: DKK 383.8bn)
- Mortgage loans at fair value 2016 Q1: DKK 384.9bn (2015 Q4: DKK 385.9bn)
- Market share 2016 Q1: 15.0% (2015 Q4: 15.0%)
  (Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

Nordea Kredit – in brief II

- Weighted average LTV 2016 Q1: 64% (2015 Q4: 63%)
- Total capital ratio at end of 2015: 29.7% and Tier 1 capital ratio 29.7% (excl. transitional rules)
- Match-funded “Pass Through” setup complying with the Danish specific balance principle
- Late payments by borrowers 2015 Q4: 0.16% (2015 Q3: 0.17%) (Residential properties and holiday homes, 3½ months after the December 31, 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

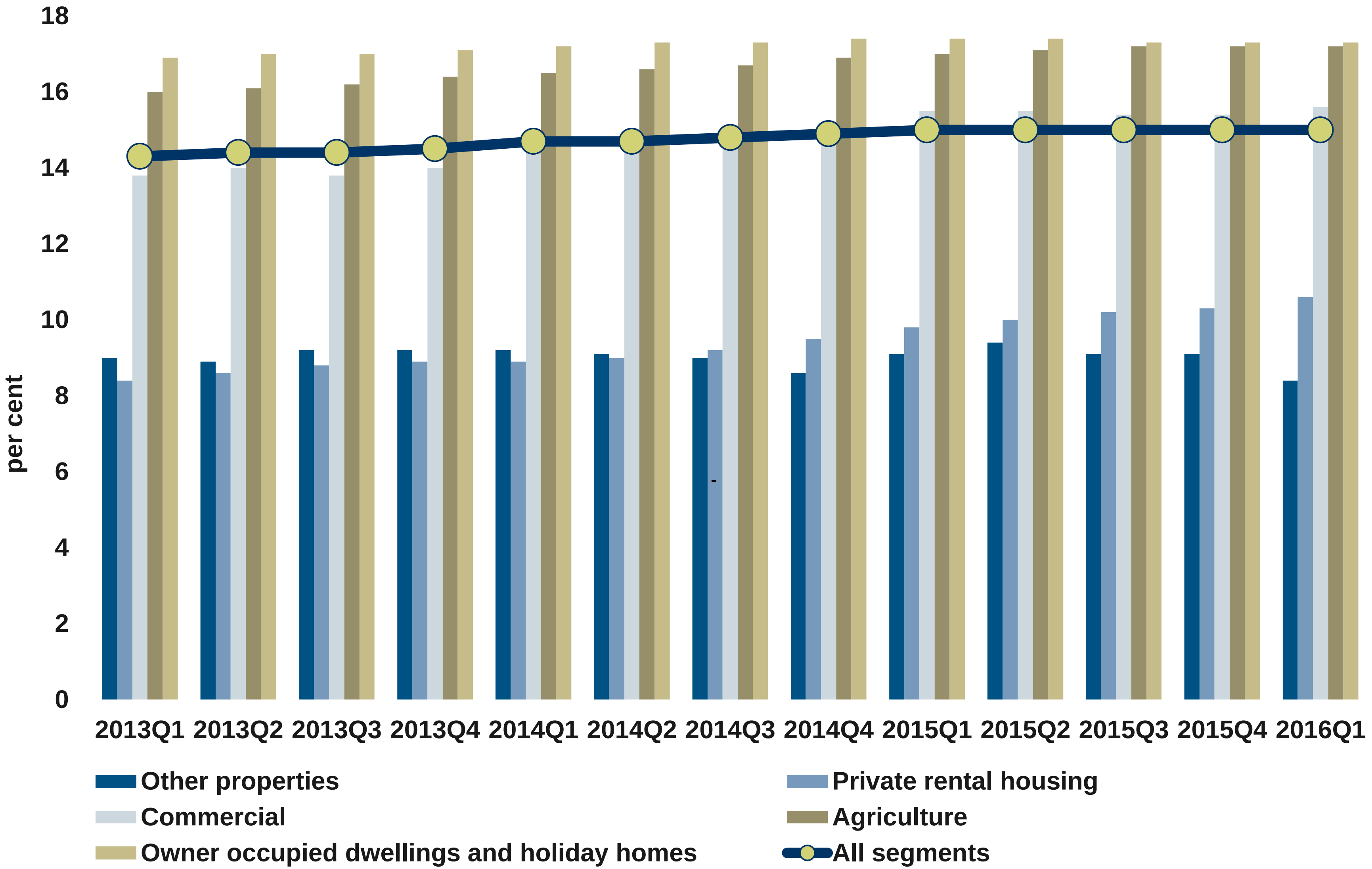
	Moody´s		S&P	
	CC 1	CC2	CC1	CC 2
Ratings of issued bonds	Aaa	Aaa	AAA	AAA
Required OC / CE for Aaa and AAA rating, %	0.0	0.0	4.44	2.69
TPI leeway/Unused uplift	7	6	4	4

OC per Q1 2016, %

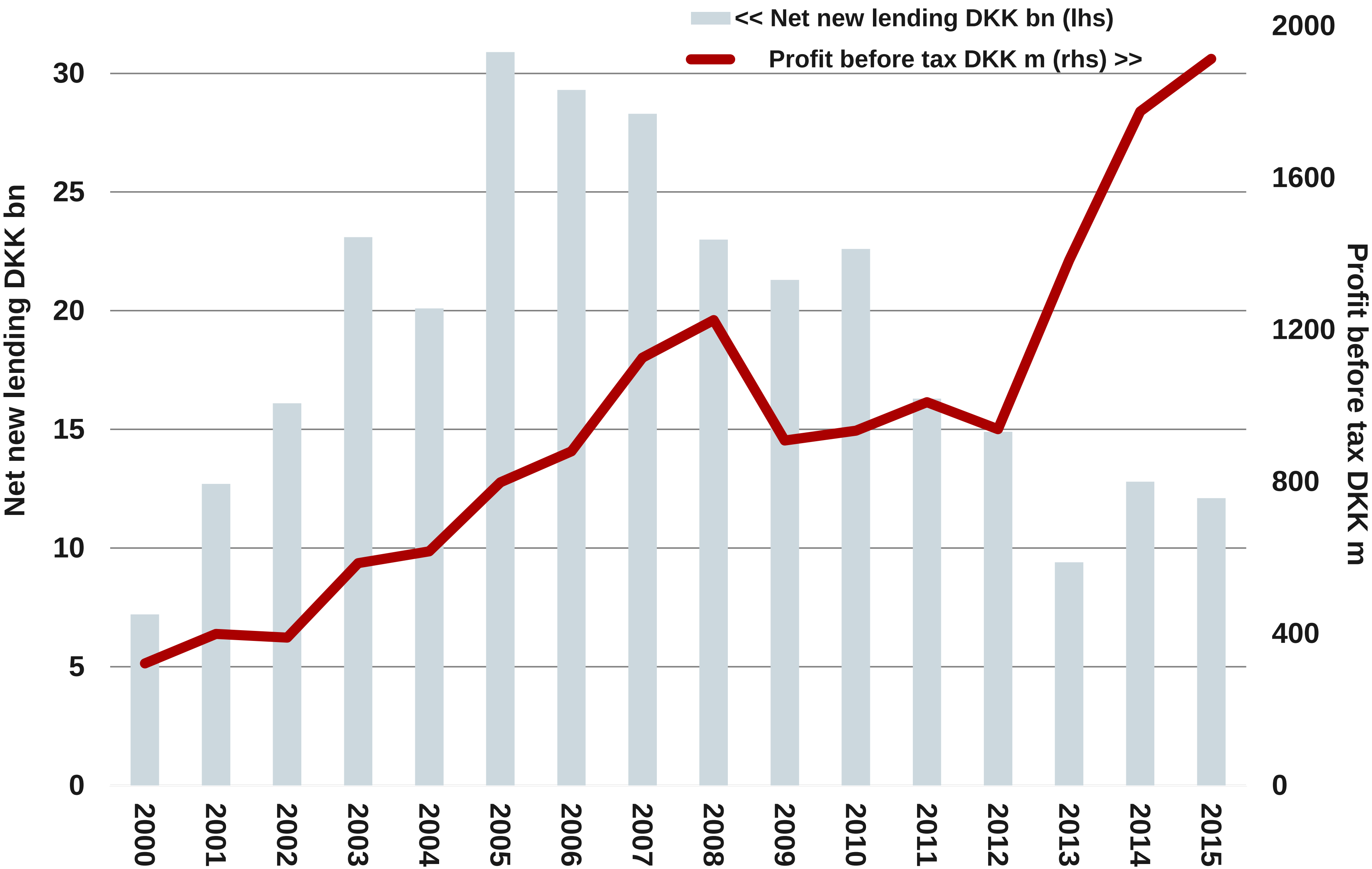
CC1: 8.1
CC2: 9.8

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

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

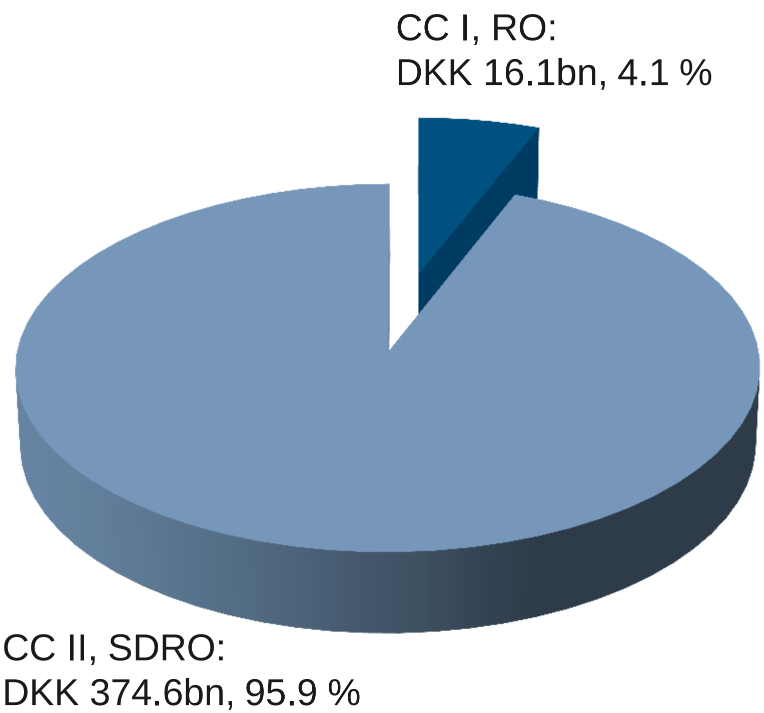


Nordea Kredit – profit and net new lending



Nordea Kredit capital centers

CCs I&II, 2016 Q1: DKK 390.7bn
(mortgage loans at fair value)

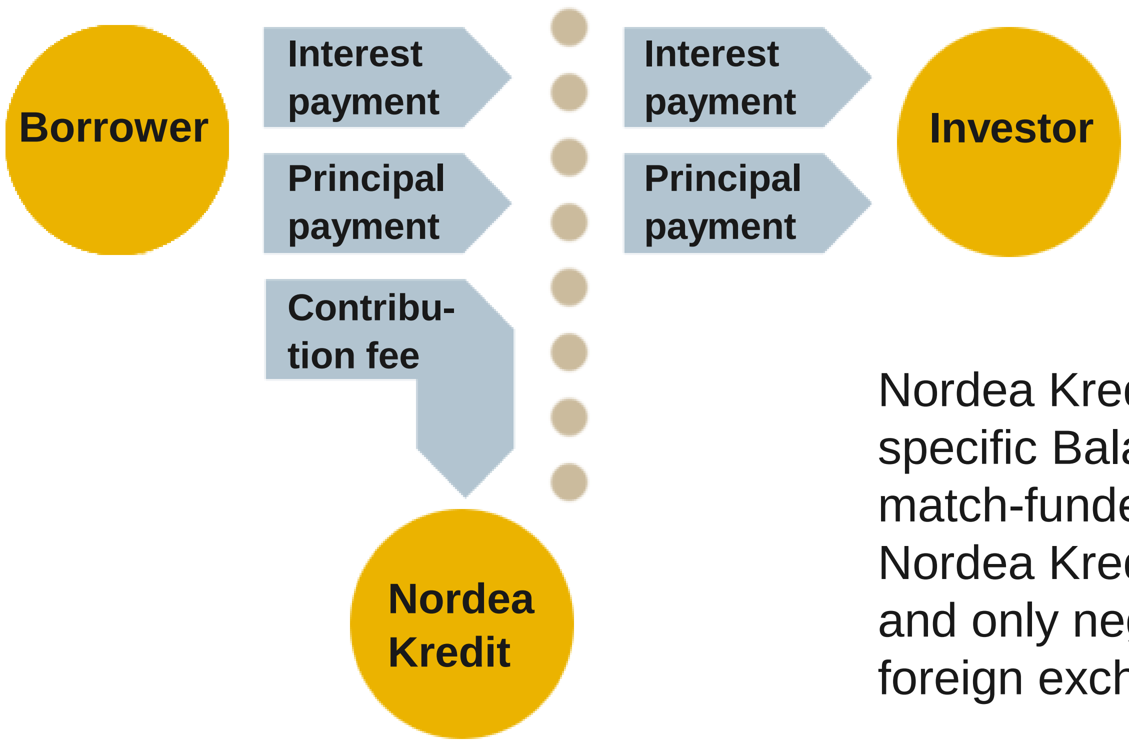


Nordea Kredit has two capital centers:

- CC I: Mortgage Bonds (Realkreditobligationer, "RO")
  No open series.
  About 83% of the bonds in CC I are grandfathered covered bonds according to UCITS/CRD.
- CC II: Covered Mortgage Bonds (Særligt dækkede realkredit-obligationer,"SDRO") are issued out of CC II (2007 -).

  All bonds in CC II are covered bonds according to UCITS/CRD.

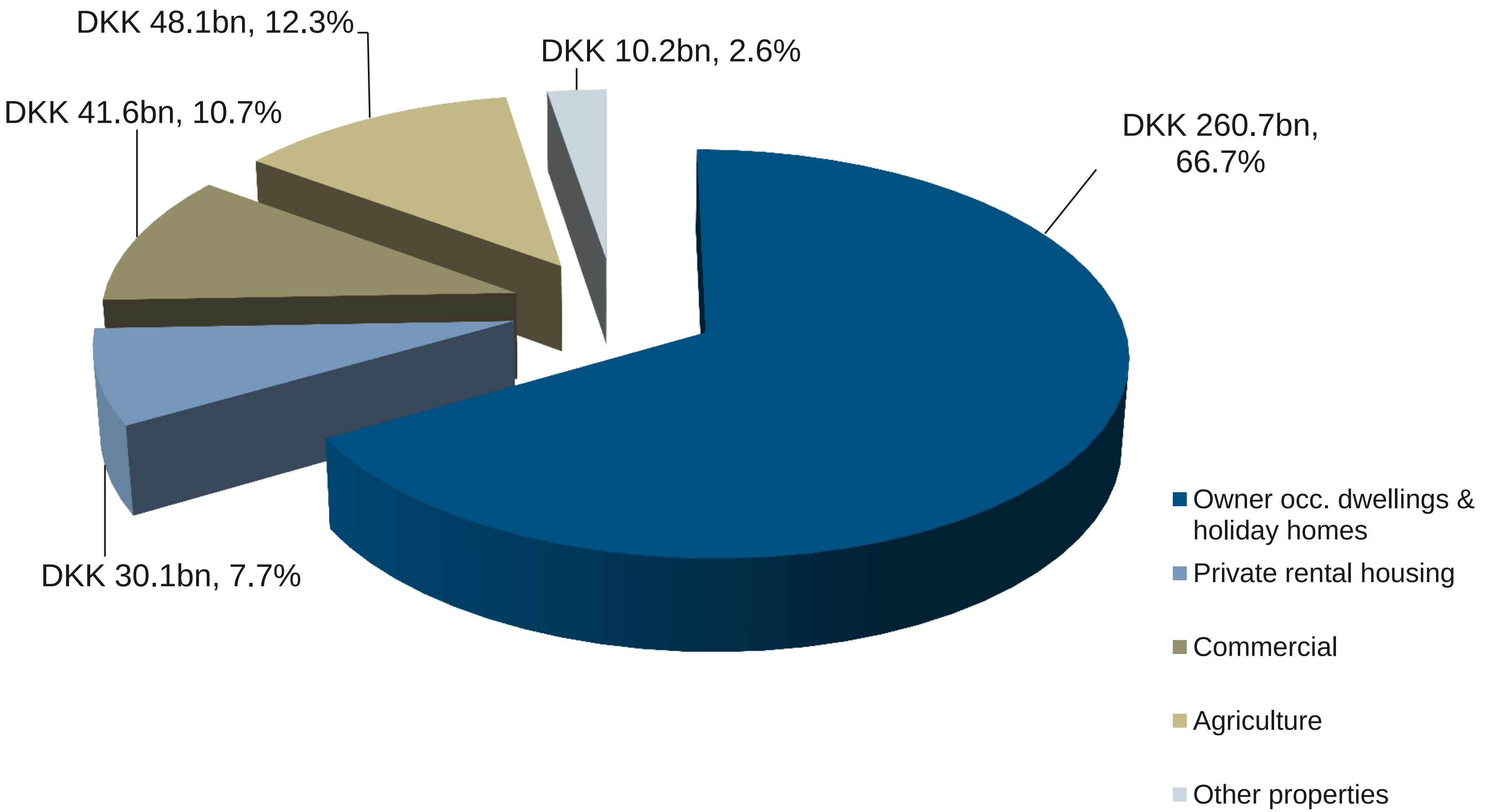
Match-funded setup due to the specific Balance Principle



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.

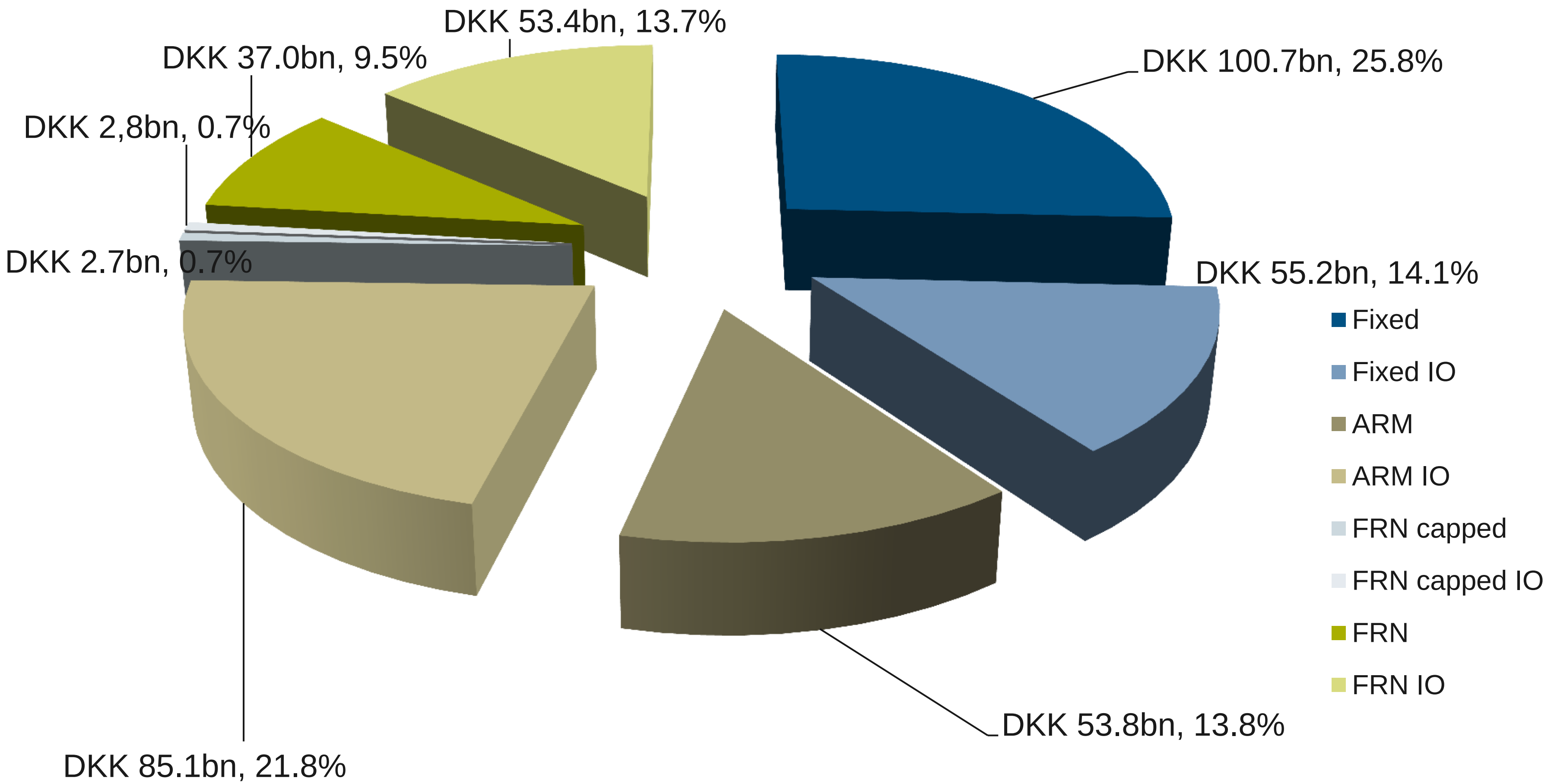
Nordea Kredit – loan portfolio split by property categories

Capital centres I & II, 2016, Q1 at fair value: DKK 390.7bn
Distribution of all loans by property category



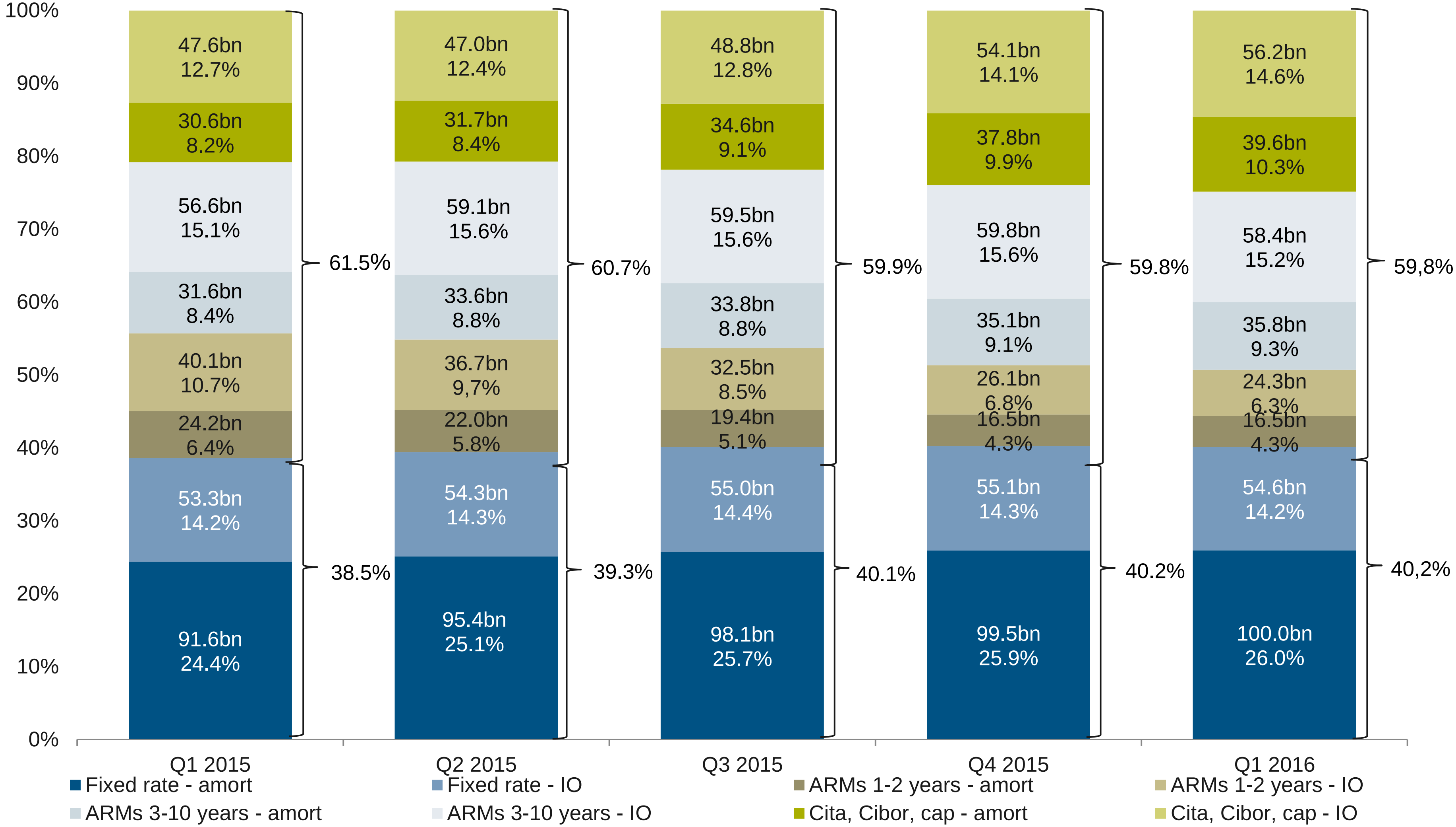
Nordea Kredit – loan portfolio - loan type split

Capital centres I & II, 2016, Q1 at fair value: DKK 390.7bn
Distribution of all loans by loan type



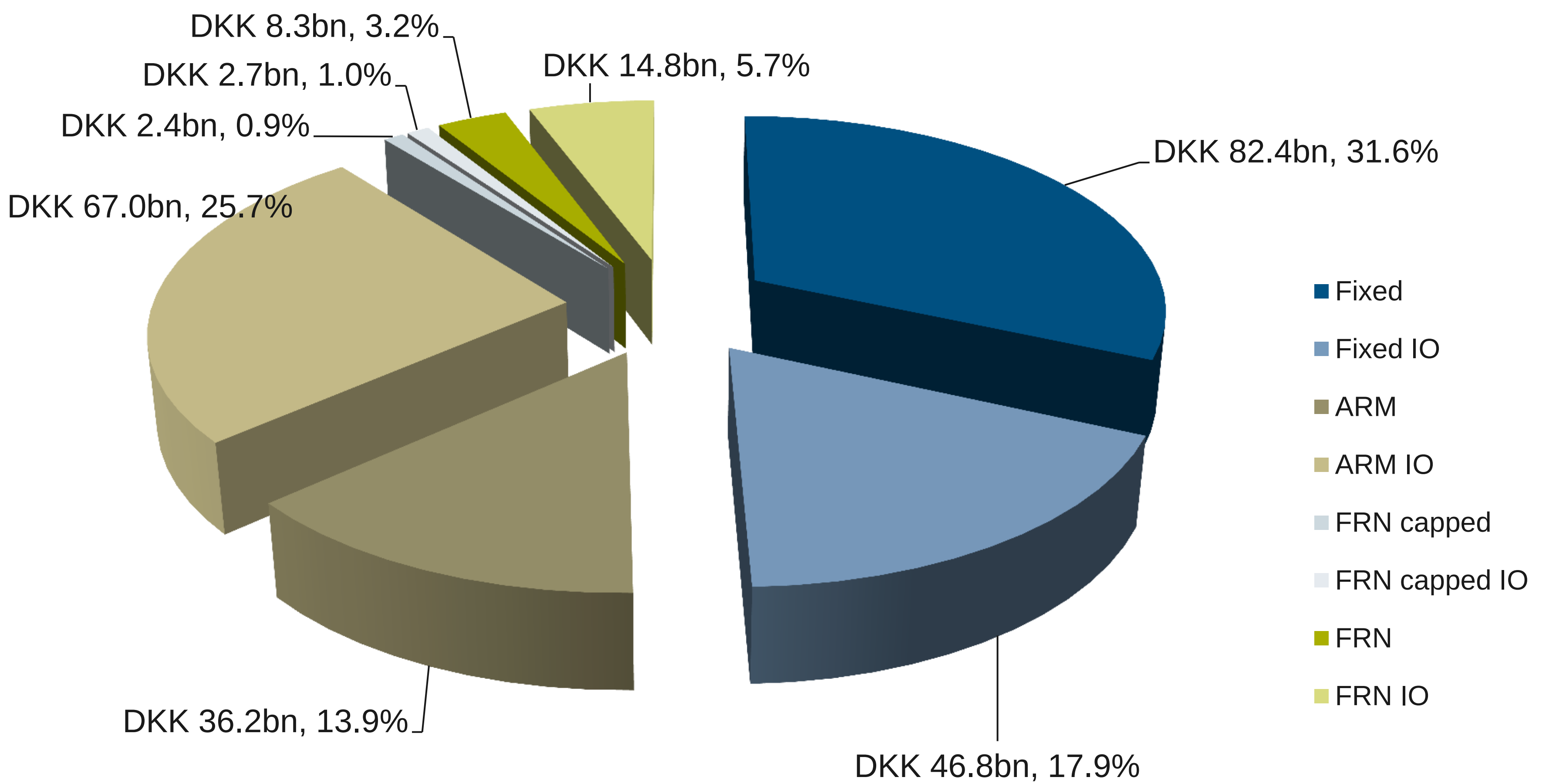
Nordea Kredit – loan portfolio - loan type split

(Developments from 2015, Q1 - 2016, Q1 **– nominal value**)



Nordea Kredit – loan type split for owner occupied dwellings

Owner occupied dwellings and holiday homes, capital centres I & II, 2016 Q1 at fair value: DKK 260.7bn
Distribution of loans by loan type



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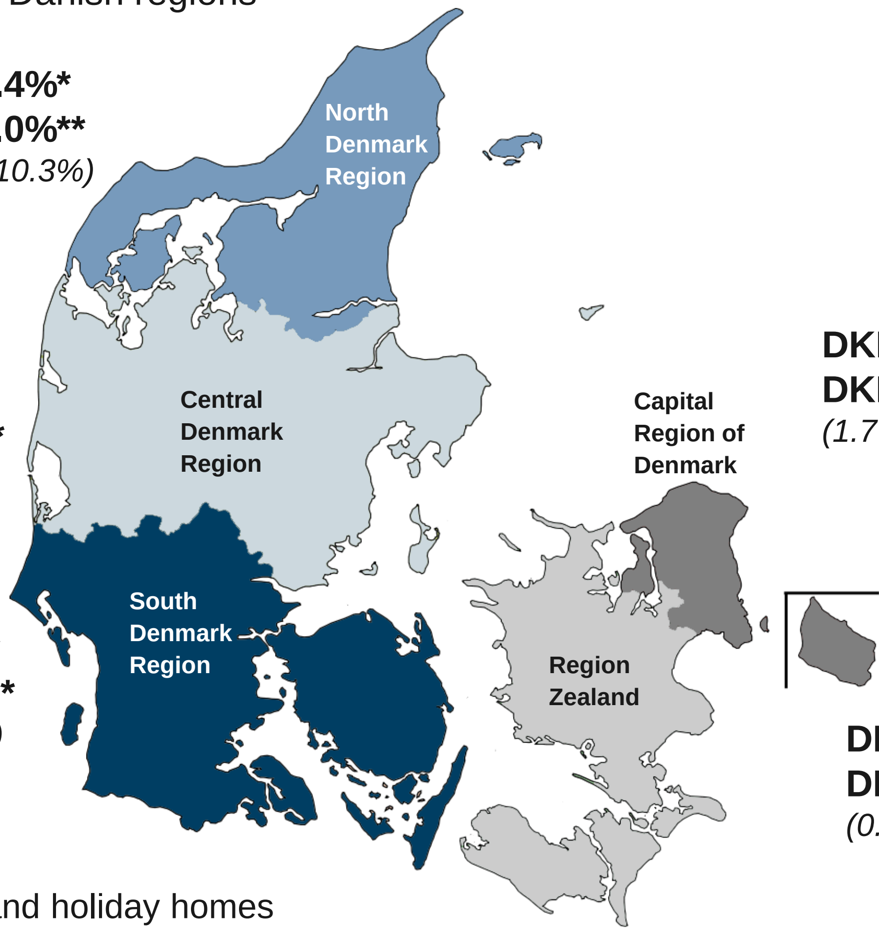
Nordea Kredit - loans by Danish regions and property categories

Capital centres I & II, 2016 Q1 at fair value: All property categories: DKK 390.7bn
Owner occupied dwellings & holiday homes: DKK 260.7bn
Geographical distribution by Danish regions

DKK 17.3bn, 4.4%*
DKK 10.5bn, 4.0%**
(0.58m citizens – 10.3%)

DKK 89.9bn, 23.0%*
DKK 56.8bn, 21.8%**
(1.28m citizens – 22.7%)

DKK 61.6bn, 15.8%*
DKK 35.4bn, 13.6%**
(1.21m citizens – 21.3%)



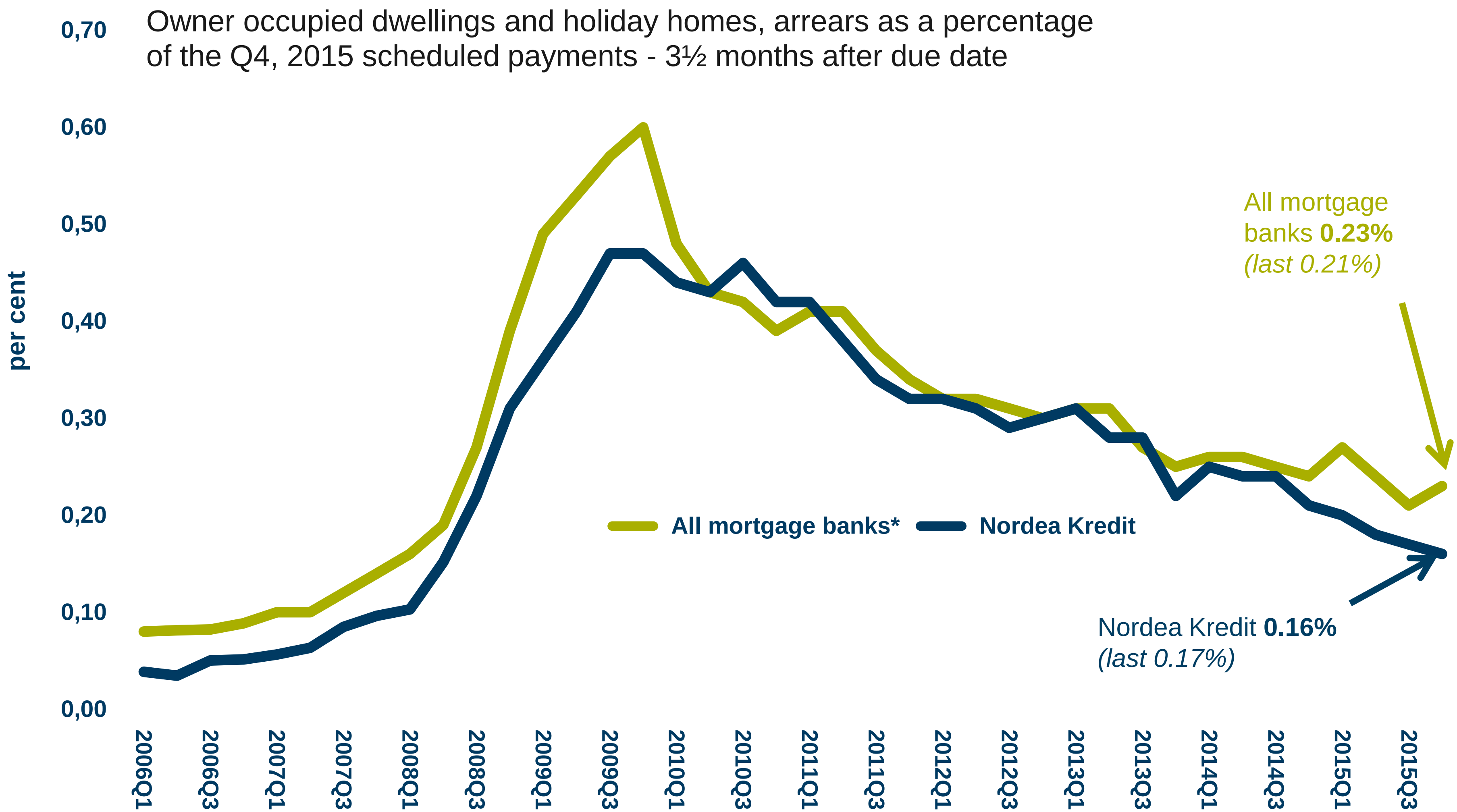
DKK 148.4bn, 38.0%*
DKK 107.3bn, 41.1%**
(1.77m citizens – 31.2%)

DKK 73.5bn, 18.8%*
DKK 50.7bn, 19.5 %**
(0.82m citizens – 14.5%)

*   All segments
** Owner occupied dwellings and holiday homes

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

Asset quality - late payments by borrowers, 2015 Q4



*) Including Nordea Kredit

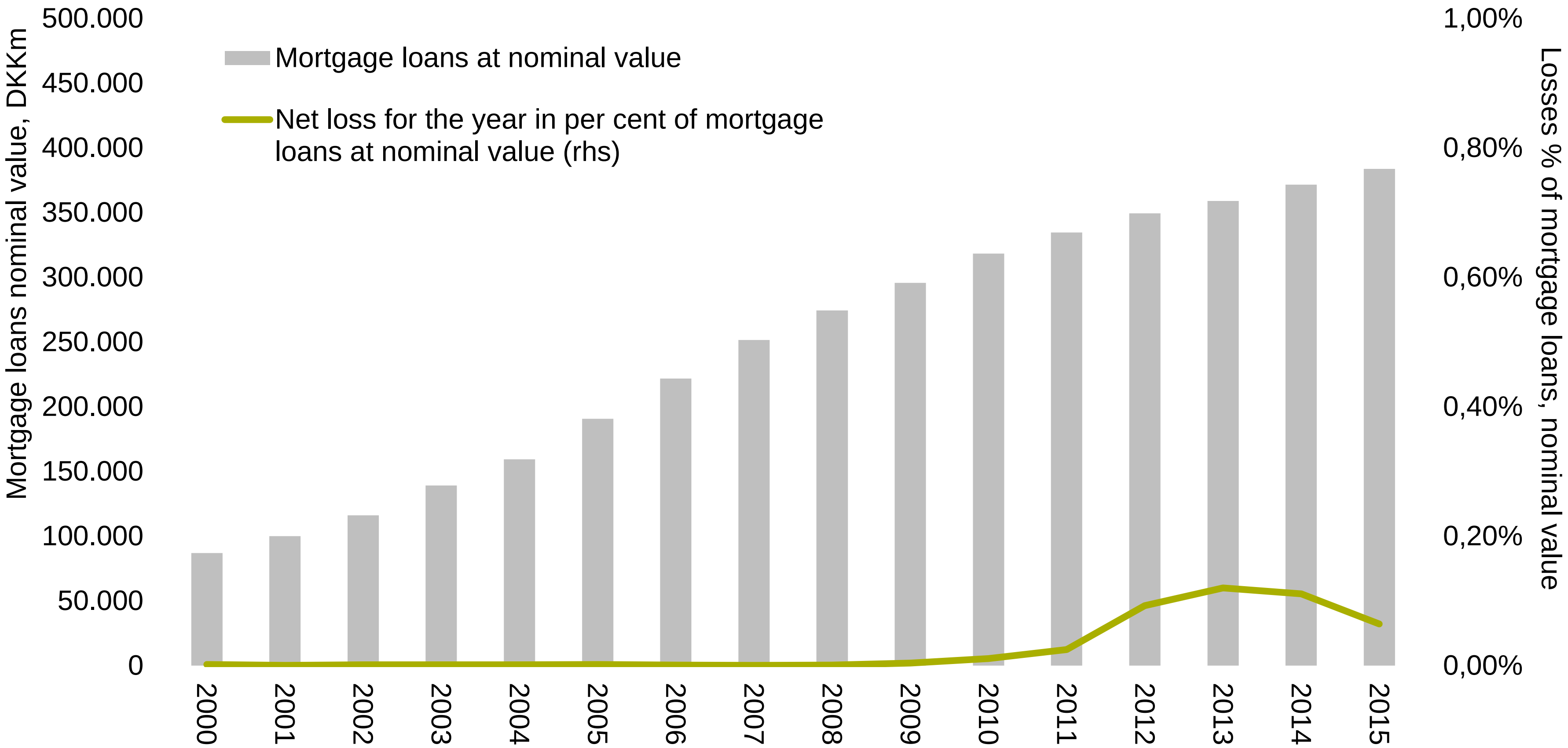
Asset quality - loss guarantee by Nordea Bank Danmark

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

Property type	Guarantee period *	Guarantee level **
Owner occupied dwellings	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 Q4 2015 loss guarantees from Nordea Bank comprised loans totalling DKK 357.6bn. The actual loss guarantees amounted to DKK 100.0bn.

Net losses in per cent of mortgage loans at nominal value



Nordea Kredit – LTV, loan-to-value 2016 Q1 *(2015 Q4)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2016Q1	*2015Q4*	2016Q1	*2015Q4*	2016Q1	*2015Q4*
Owner occupied dwellings	70	*69*	69	*68*	70	*69*
Private rental housing	58	*58*	76	*77*	57	*58*
Commercial	54	*54*	48	*47*	54	*54*
Agriculture	50	*50*	47	*47*	50	*50*
Other properties	36	*37*	39	*38*	36	*37*
Total	**64**	*63*	**65**	*64*	**64**	*63*

- The figures are weighted averages for the respective property categories
- Please also see the information about Nordea Kredit in the ECBC covered bonds labelling

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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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