

Nordea



Nordea Eiendoms-kreditt Covered Bonds Investor presentation Q3 2016

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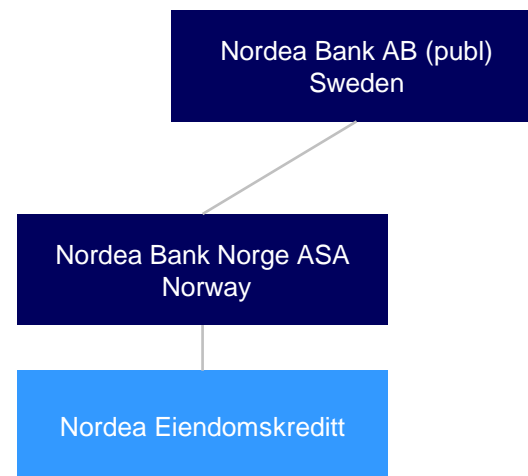
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Nordea Eiendomskreditt – A snapshot

Q3 2016

- Nordea Eiendomskreditt (NE) is a 100% owned subsidiary of Nordea Bank Norge
- NE's history goes back to 1927. It was acquired by Nordea 1996 and changed name to Nordea Eiendomskreditt in 2008
- The purpose of the Issuer is to acquire and provide residential mortgage loans and finance its activities mainly through issuance of covered bonds
- Loans in NE are originated by Nordea Bank Norge and subsequently transferred to NE
 - Collateral must be in the form of mortgages in residential real estate or in shares in housing cooperatives
 - At the time of transfer, the loans are not in default, i.e. payments of installments and interest are not overdue at the time of transfer
- Covered bonds rated Aaa by Moody's
- 17.3% (Q3 2016) market share of outstanding covered issuance

Nordea Eiendomskreditt in the organization*



*Partial organization is shown.

Cover pool key characteristics

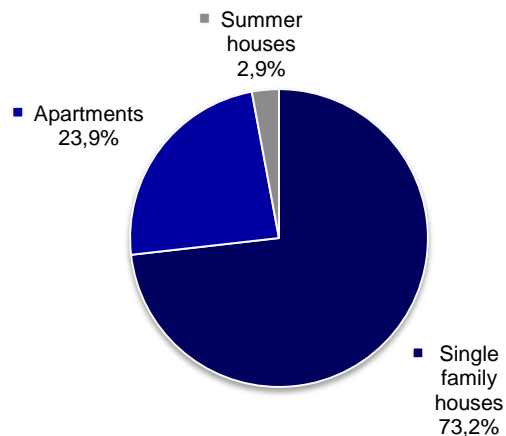
Q3 2016

Pool notional	NOK 108.2bn (EUR 11.7bn)
Cover pool content	Mortgage loans secured by Norwegian residential collateral
Geographic distribution	Throughout Norway with concentration to urban areas
Asset distribution	100% residential
Weighted average LTV	50.9% (indexed, calculated per property)
Average loan size	NOK 1.38m (EUR 0.150m). Customers can have more than one loan
Rate type	Floating 98%, Fixed 2%
Substitute assets	None
Pool type	Dynamic
Loans originated by	Nordea Bank Norge ASA

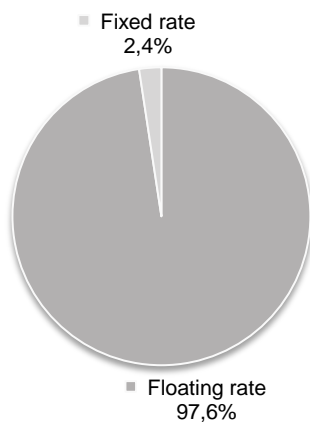
Cover pool key characteristics – 100% Single Family Real Estate with low LTVs

Q3 2016

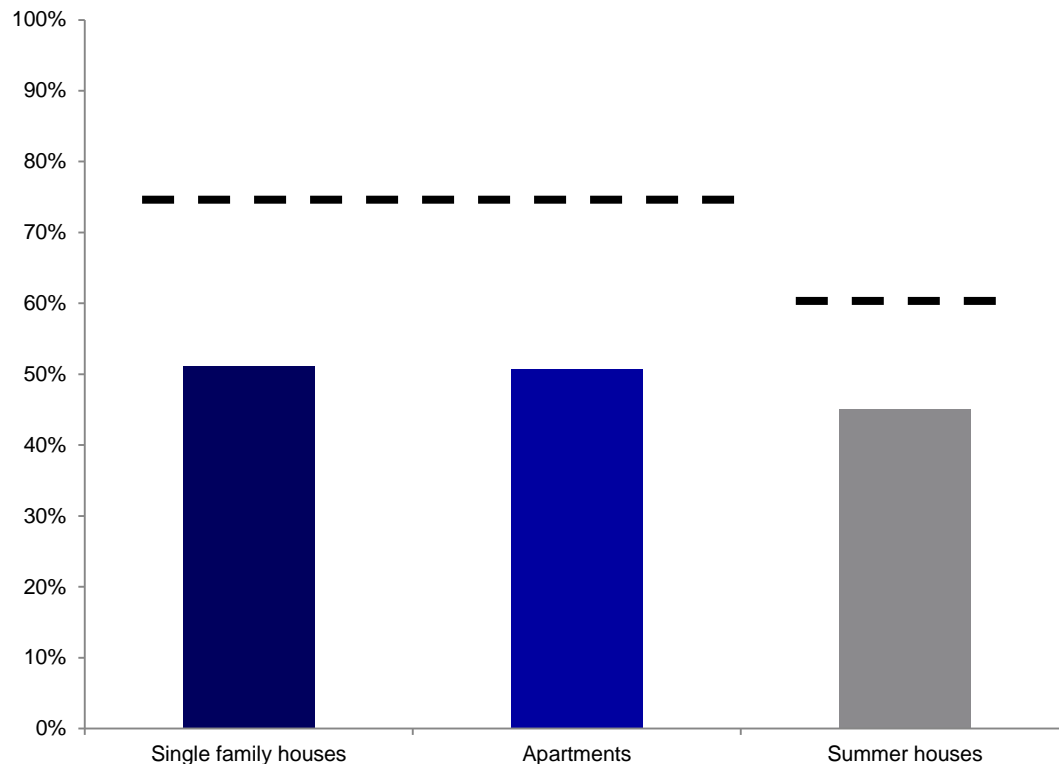
Cover pool balance by loan category



Rate type distribution



Weighted average LTV - Indexed



- 100% single family real estate in the cover pool
- Majority of loans in the cover pool are floating rate
- Low weighted average LTVs compared to legislative LTV limits which is 75% for single family real estate and 60% for commercial including summer houses

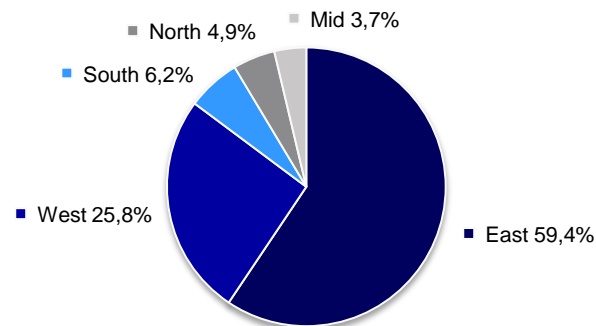
Cover pool key characteristics – Geographic distribution

Q3 2016

Region	Loan Balance %	Region
Oslo	21,0%	East
Akerhus	16,4%	East
Østfold	7,1%	East
Vestfold	4,4%	East
Buskerud	3,8%	East
Oppland	3,6%	East
Hedmark	1,9%	East
Telemark	1,2%	East
Sør-Trøndelag	3,4%	Mid
Nord-Trøndelag	0,3%	Mid
Troms	2,3%	North
Nordland	2,1%	North
Finnmark	0,5%	North
Svalbard	0,0%	North
Vest-Agder	4,5%	South
Aust-Agder	1,7%	South
Hordland	11,8%	West
Møre og Romsdal	7,9%	West
Rogaland	5,0%	West
Sogn og Fjordane	1,1%	West



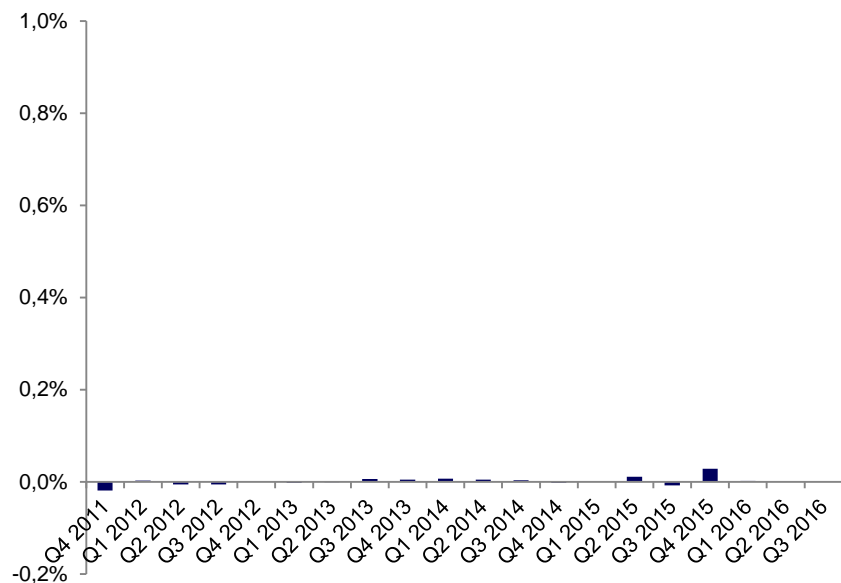
Cover pool balance by region



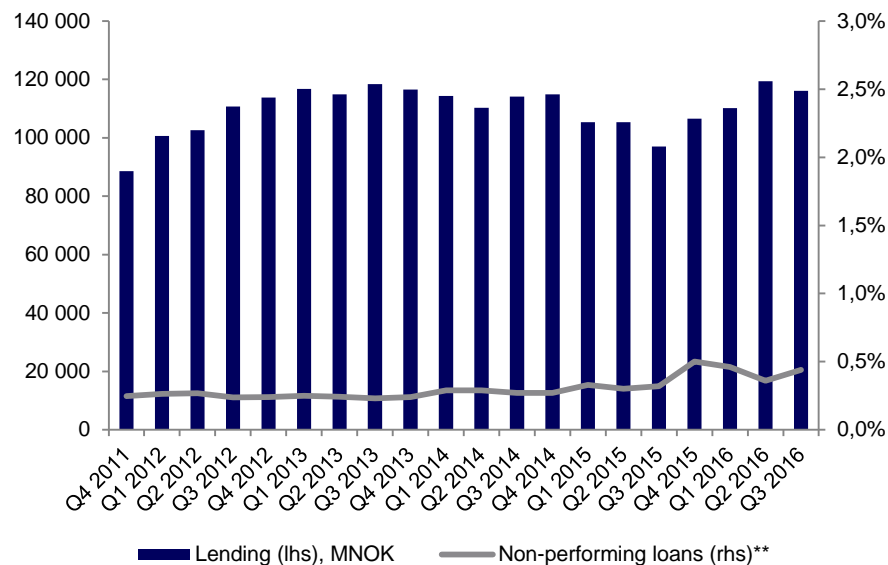
Nordea Eiendomskreditt – Performance of loan portfolio

Q3 2016

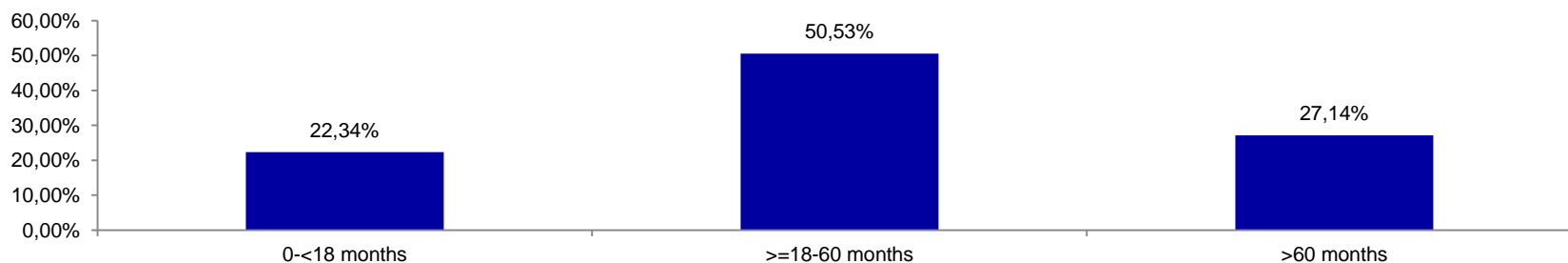
Nordea Eiendomskreditt - Net credit loss



Nordea Eiendomskreditt – Lending and non-performing loans



Cover pool - Seasoning of loans



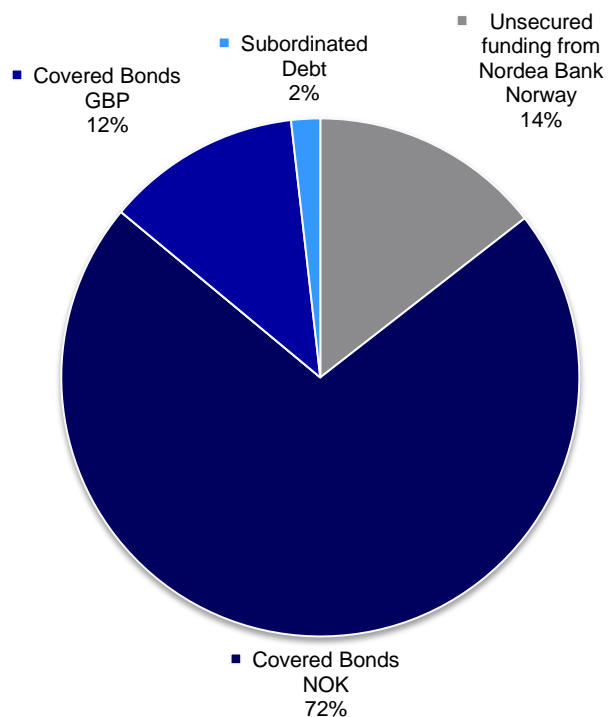
*Includes non-performing loans which are impaired and non-impaired

**The majority of the increase in Q4-2015 is model driven and is related to an improved way of calculating collectively assessed provisions on contract level, implemented in Q4-2015

Nordea Eiendoms kreditt – Funding structure

Q3 2016

Funding structure



- Nordea Eiendoms kreditt is an active, regular issuer of covered bonds in the Norwegian domestic market
- Outstanding volumes as per September 30th, 2016:

Currency	Amount (bn)	Maturity date	Type
NOK	9 190 000 000	2017-06-21	FRN
NOK	4 018 000 000	2017-06-21	4.05%
NOK	10 896 000 000	2018-06-20	FRN
NOK	12 195 000 000	2019-06-19	FRN
NOK	2 380 000 000	2019-06-19	3.05%
NOK	12 115 000 000	2020-06-17	FRN
NOK	1 000 000 000	2020-06-17	1.75%
NOK	10 455 000 000	2021-06-16	FRN
NOK	9 383 000 000	2021-06-16	4.25%
NOK	2 335 000 000	2022-06-15	1.80%
NOK	3 290 000 000	2022-06-15	FRN
NOK	550 000 000	2025-06-18	4.80%
NOK	500 000 000	2031-06-18	1.75%
GBP	500 000 000	2017-09-11	FRN
GBP	125 000 000	2020-03-30	FRN
GBP	500 000 000	2019-01-14	FRN
GBP	12 000 000	2021-09-09	FRN
EUR	100 000 000	2031-07-15	0.738%

Underwriting criteria – Common Nordea policy

Q3 2016

- Affordability
 - Customers ability to service its commitment out of its cash flow/income is critical
 - Repayment ability of borrowers is calculated using stressed scenarios. Customers must manage 5 percentage points increase on interest rate on all debt
 - Scoring of retail customers
- Payment history
 - Credit bureau check is always conducted. Potential external payment remarks are revealed
- Collateral
 - Information from Norwegian official property register in order to secure correct real estate ownership and priority
 - Nordea accepts four sources of real estate valuations:
 - Written statement from external authorized valuer
 - Last sales price (within 6 months)
 - Use of external evaluating system “Eiendomsverdi” (used by most banks and real estate agents in Norway)
 - Written statement from (external) real estate agent