

Nordea



Investor Presentation Q2 2018

Nordea Kredit

15.11.2018

Introduction and contact information

This Investor Presentation has been compiled by Nordea Kredit for information purposes only.

The presentation offers data on Nordea Kredit and the mortgage collateral supporting outstanding covered mortgage bonds and mortgage bonds.

If you have any questions, please feel free to contact:



Morten Keil,
Nordea, Long Term Funding
+45 3333 1875



Finn Nicolaisen,
Nordea, Long Term Funding
+45 3333 1625

Content:

- Nordea Kredit – in brief
- Ratings and OC
- Loan portfolio
- Asset quality
- Legislation

Average LTV for Q2 2018 has been adjusted since the first issue of this investor presentation. (See slide 7)

(All data as per 29 June 2018 unless otherwise indicated)

In brief

Profile

Founded	1993
Number of employees (FTEs) (H1 2018)	109
Profit before tax (H1 2018)	DKK 873m
Cost-income ratio (H1 2018)	11.8%
Capital ratio (of which Tier 1) (Q2 2018)	32% (28.9%)
100% owned by Nordea Bank AB	
All covered mortgage bonds and mortgage bonds are ECBC labelled	
More information at nordeakredit.dk	

Asset quality

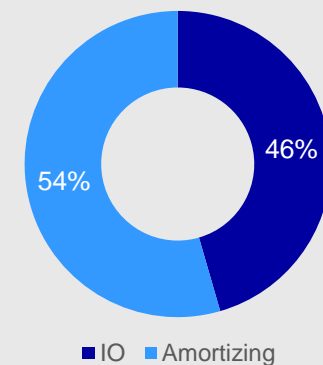
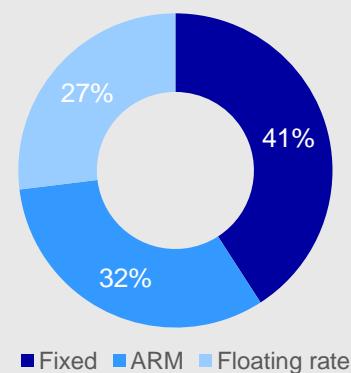
LTV overall average (Q2 2018)	60.4%
Arrears (Owner occupied dwellings and holiday homes) ¹	0.17%

Portfolio

Mortgage loans, nom. value (Q2 2018) DKK 386.1bn

Market share (Q2 2018) 14.2%

Portfolio by type of loan:



Rating of bonds

Moody's	Aaa
Standard & Poor's	AAA

¹ Arrears as a percentage of the Q1, 2018 scheduled payments – 3½ months after due date

Ratings and over-collateralisation

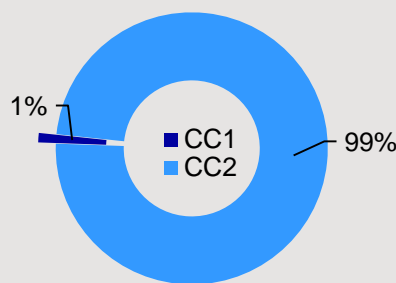
	Moody's		S&P		OC	
	CC1	CC2	CC1	CC2	CC1	CC2
Rating of issued bonds	Aaa	Aaa	AAA	AAA	27.3%	9.0%
Required OC/CE for Aaa and AAA rating	0	0	10.74%	3.48%		
TPI leeway / Unused uplift	7	6	4	4		

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.

Capital Centre 1 (DKK 4.5bn)

- Mortgage Bonds (Realkreditobligationer, "RO")
- No series are open for issuance and all are grandfathered covered bonds

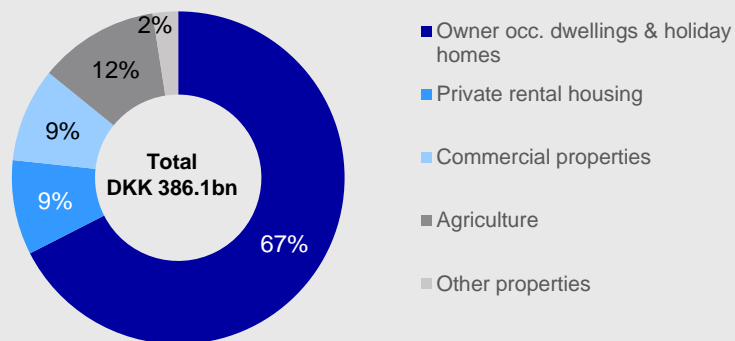


Capital Centre 2 (DKK 390.4bn)

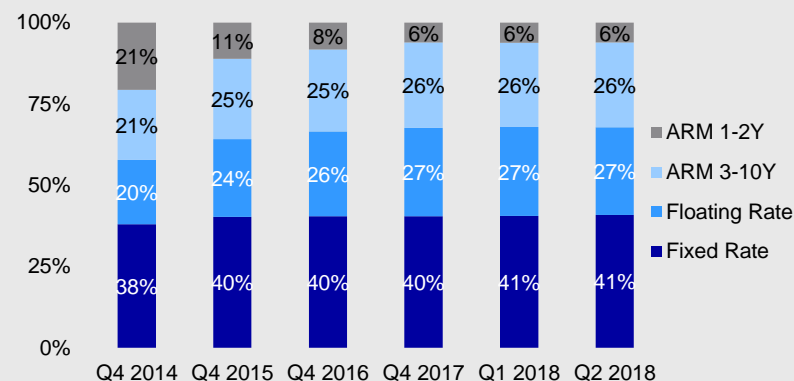
- Covered Mortgage Bonds (Særligt dækkede realkreditobligationer "SDRO")
- All bonds are covered according to UCITS/CRD

Loan portfolio and market share

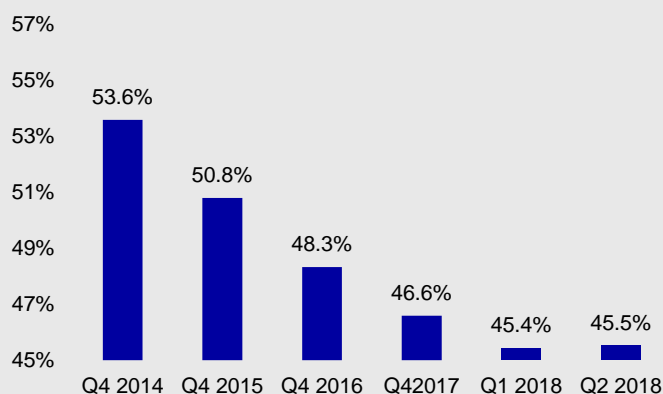
Loan portfolio by property category



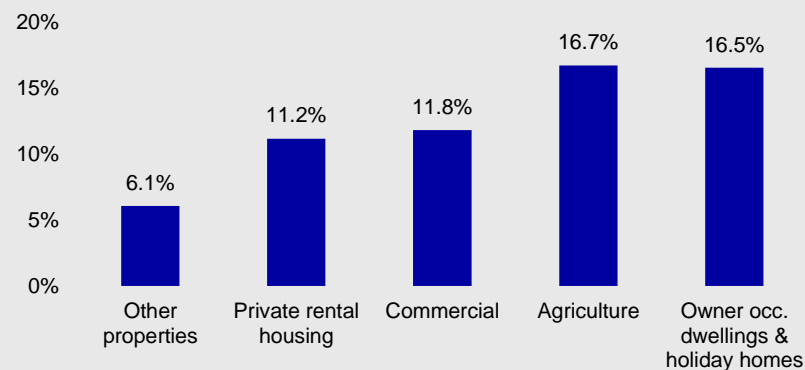
Portfolio by loan type



Share of interest-only mortgages



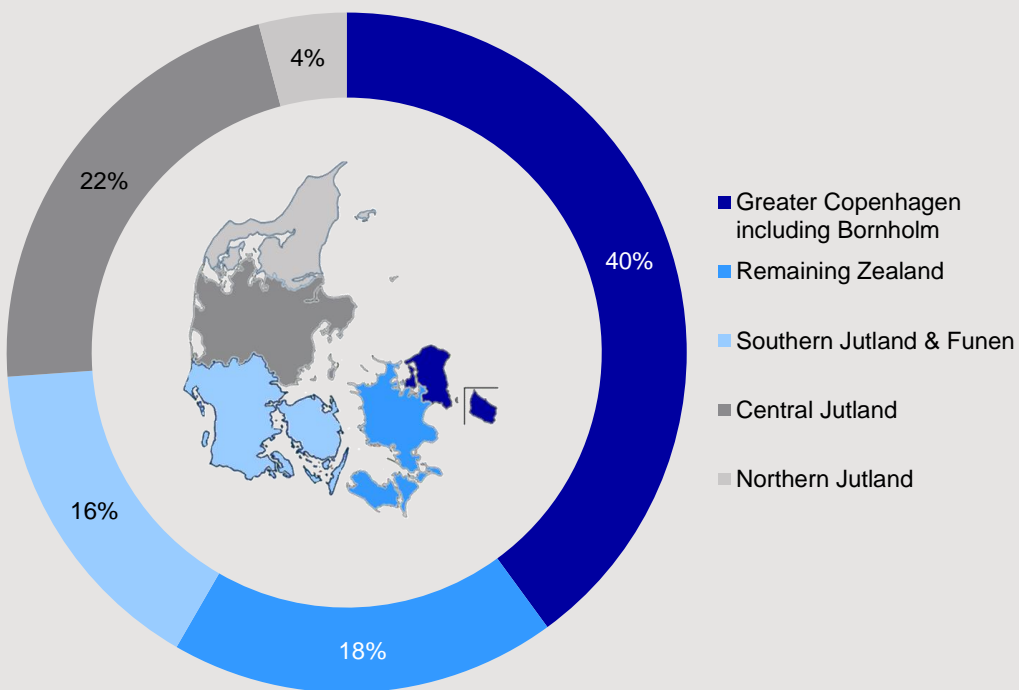
Market share¹ – 14.2% overall



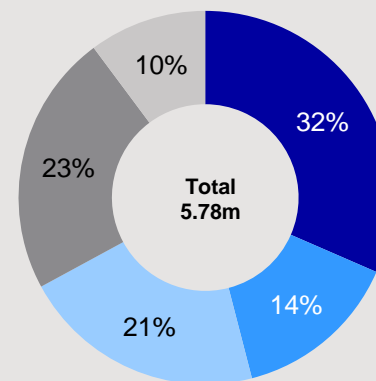
¹⁾ Market share of all Danish mortgage bank loans

Loan portfolio by regions

All property categories

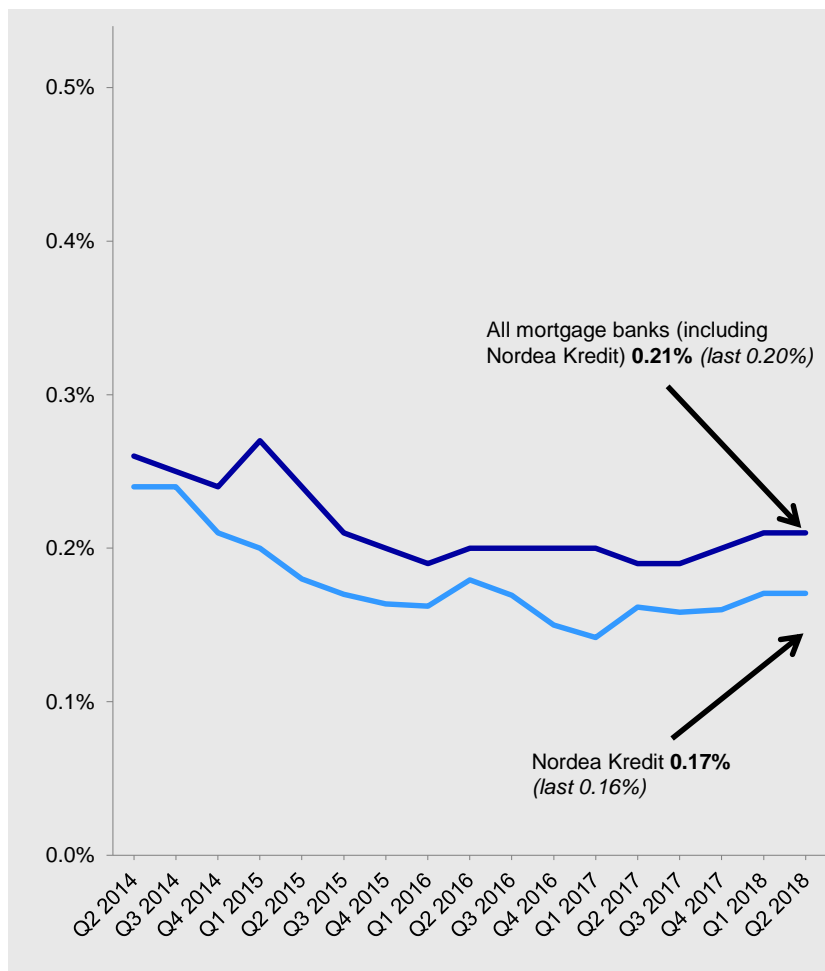


Danish population by regions

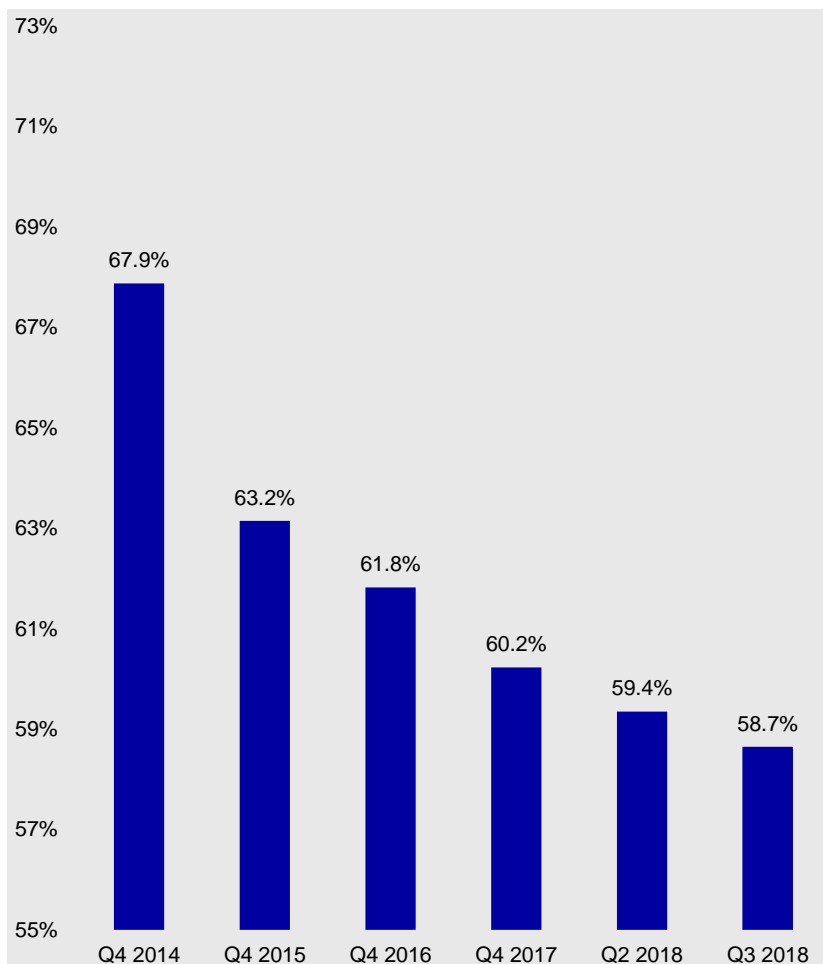


Asset quality

Arrears (Owner occupied dwellings and holiday homes)¹



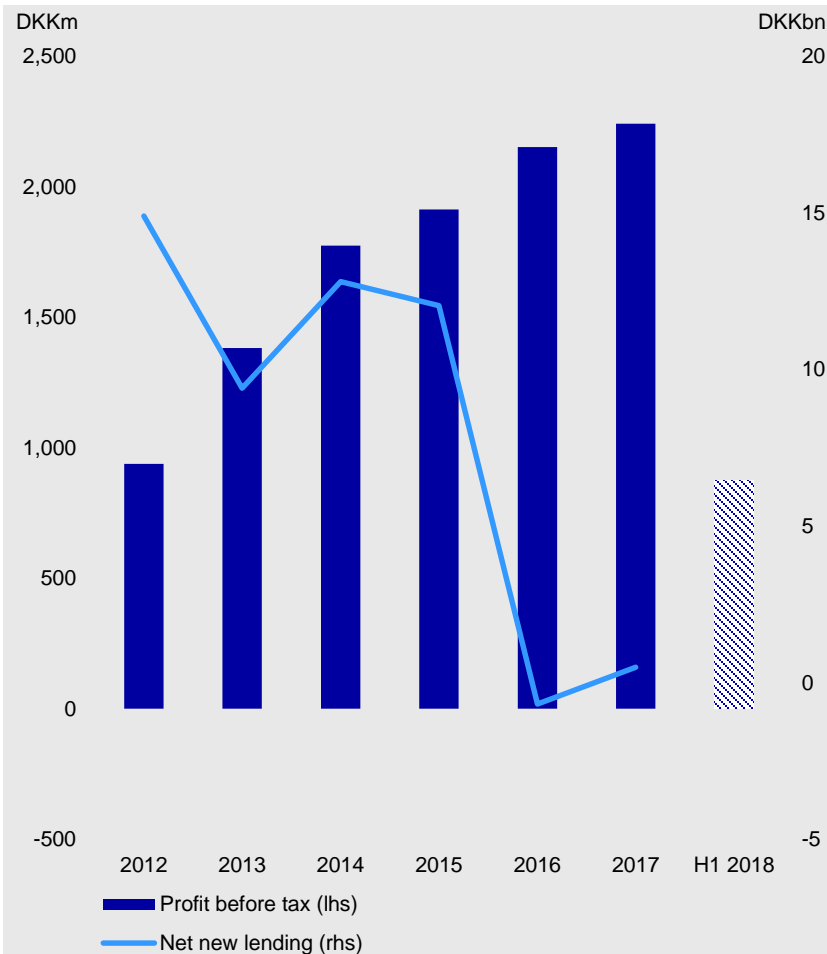
Loan-to-value (LTV) overall average



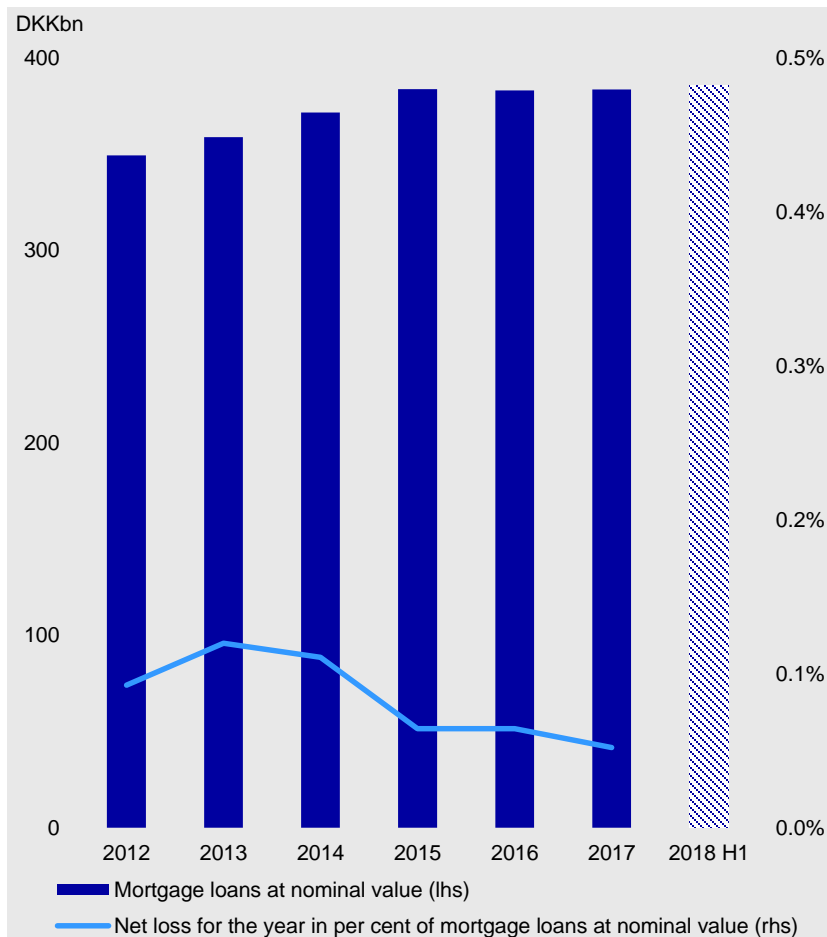
¹ Arrears as a percentage of the Q1, 2018 scheduled payments – 3½ months after due date

Profit and losses

Profit and net new lending



Net losses in per cent of mortgage loans



Links to more information

Nordea Kredit

- Nordea Kredit ECBC harmonised transparency templates.
Link: <https://www.nordea.com/en/investor-relations/reports-and-presentations/bonds/nordea-kredit-covered-bonds/>
- Nordea Kredit financial reports.
Link: <https://www.nordea.com/en/investor-relations/reports-and-presentations/subsidiary-reports/nordeas-danish-subsidiary-reports/>

Legislation

- Danish mortgage financing is supervised by the DFSA (Finanstilsynet).
Link: <https://finanstilsynet.dk/en>
- Relevant legislation can be found in English at the DFSA's English website.
Link: <https://finanstilsynet.dk/en/Lovgivning>
- All mortgage bank legislation can be found in Danish at the DFSA's Danish website.
Link: <http://finanstilsynet.dk/da/Lovgivning/Lovsamling>



DISCLAIMER

This presentation and any information contained in this presentation or supplied in connection therewith, whether in writing or not, are provided for information purposes only. Nordea Bank AB (publ) including its subsidiaries ("Nordea") is not acting as your financial adviser or in any other fiduciary capacity and this presentation should not be treated as if Nordea is giving investment advice.

This presentation and any information contained in this presentation or supplied in connection therewith, whether in writing or not, do not constitute or form a part of, and should not be construed as, an offer, recommendation, advertisement of an offer or invitation to subscribe for or purchase any securities of any Nordea Group company anywhere in the world or a solicitation of any such offer, and shall neither form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

Information contained in this presentation is derived from publicly available sources which Nordea believes are reliable, and includes market information based on data provided by third party sources identified herein and estimates, assessments, adjustments and judgments that are based on Nordea's experience and familiarity with the sectors in which it operates. Even though Nordea believes the third party sources to be reliable no independent verification has been made, consequently the correctness and completeness in the information can not be guaranteed. There is no assurance that such estimates, assessments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein. This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors. Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in interest rate and foreign exchange rate levels and (iv) change in the regulatory environment and other governmental actions. This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Neither Nordea nor any of its directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this presentation. Neither Nordea nor any its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation.

This presentation (i) does not and will not constitute or include an invitation to tender for purchase or sale, an advertisement or an offer of any securities in circumstances which could qualify as a public offer (oferta pública) or as a private offer (oferta particular) pursuant to the Portuguese Securities Code (Código dos Valores Mobiliários) enacted by Decree Law no. 486/99, of 13 November, and published by Decree Law no. 357-A/2007 of 31 October, as amended from time to time and (ii) complies with all applicable laws and regulations of the Republic of Portugal.

You may not distribute this presentation, in whole or part, without our prior express written permission. This presentation is not for release, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan or the United States of America.

