

# Nordea



**Nordea Eiendomskreditt Covered Bonds  
Investor presentation Q1 2017**

# Nordea Eiendoms kreditt – overview

Q1 2017

- A 100% owned subsidiary of Nordea Bank AB
- 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 Nordea Eiendoms kreditt (NE) are originated by Nordea Bank AB, Norwegian branch 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
- 18% market share of outstanding covered issuance in Norwegian market
- Cost-effective loan origination and service through Nordea Bank's nationwide Norwegian branch network and internet

# Cover pool key characteristics

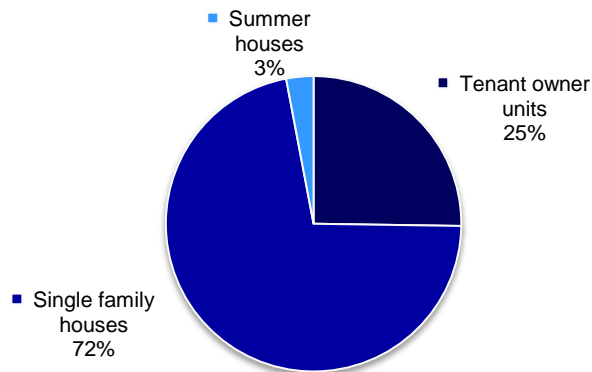
Q1 2017

<b>Pool notional</b>	NOK 100.3bn
<b>Outstanding Covered Bonds</b>	NOK 87.3bn
<b>Cover pool content</b>	Mortgage loans secured by Norwegian residential collateral
<b>Geographic distribution</b>	Throughout Norway with concentration to urban areas
<b>Asset distribution</b>	100% residential
<b>Weighted average LTV</b>	49.0% (indexed, calculated per property)
<b>Average loan size</b>	NOK 1.36m
<b>Over Collateralisation (OC)</b>	14.8%, (2% legal requirement)
<b>Rate type</b>	Floating 97.7%, Fixed 2.3%
<b>Amortisation</b>	Bullet/ interest only 37.4%, Amortizing 62.6%
<b>Substitute assets</b>	None
<b>Pool type</b>	Dynamic
<b>Loans originated by</b>	Nordea Bank AB, Norway Branch

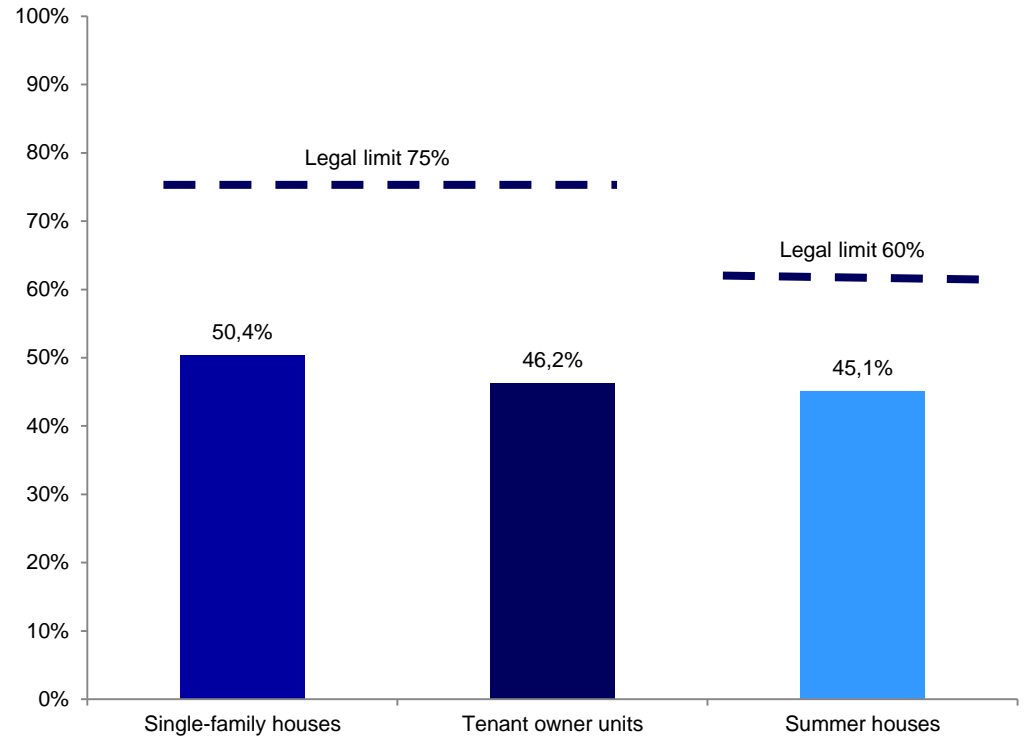
# Cover pool key characteristics (2)

Q1 2017

Cover pool balance by loan category



Weighted Average LTV - Indexed



## Loan to Value (LTV)

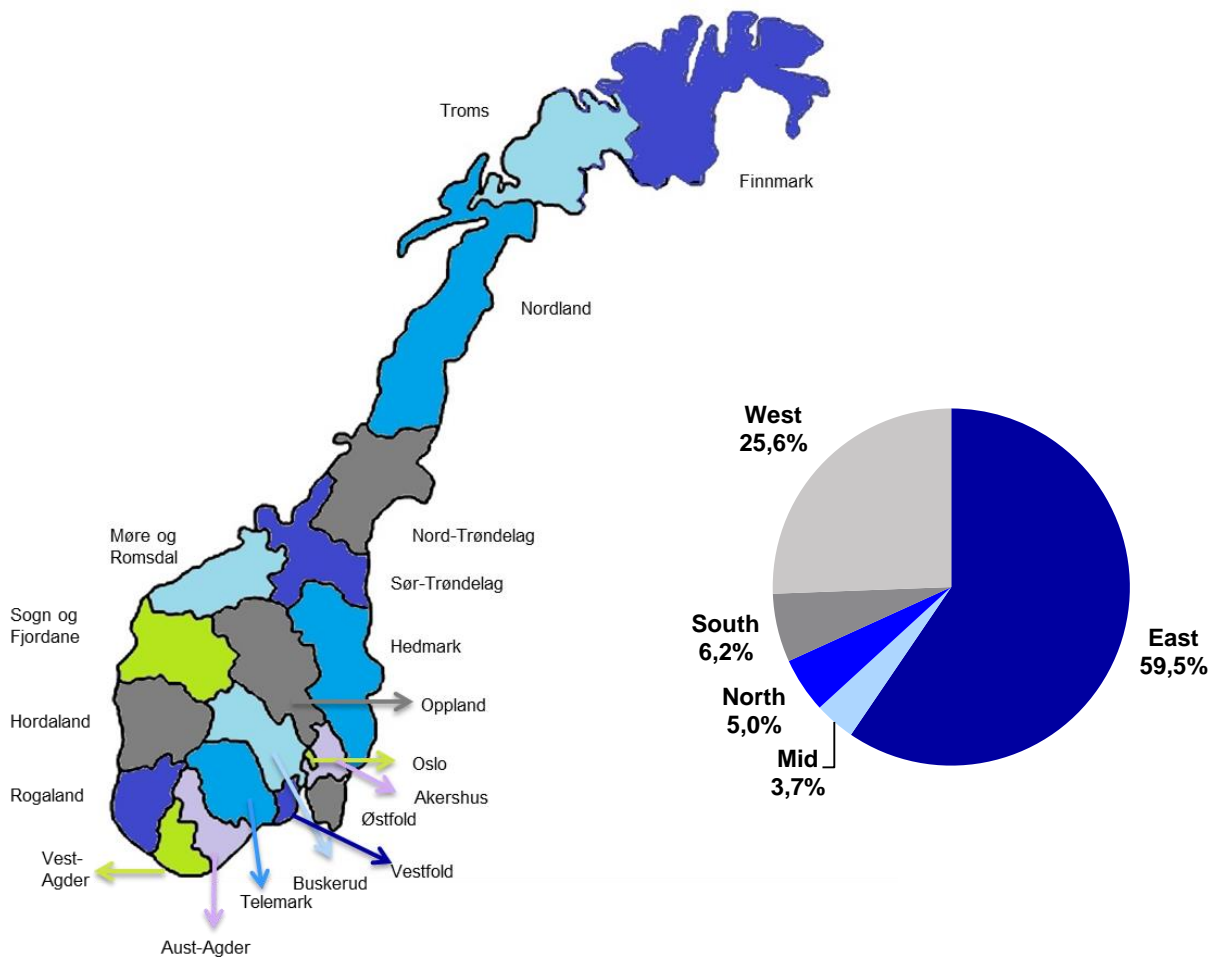
Each loan is reported in the highest bucket

Q1 2017

Weighted Average LTV – Unindexed (%)	49,0	
LTV buckets	Nominal (NOKm)	% Residential Loans
>0 - <=40 %	30 638	30,6%
>40 - <=50 %	17 150	17,1%
>50 - <=60 %	21 283	21,2%
>60 - <=70 %	18 267	18,2%
>70 - <=80 %	12 963	12,9%
Total	100 300	100%
Weighted Average LTV - Indexed (%)	49,2	
LTV buckets	Nominal (NOKm)	% Residential Loans
>0 - <=40 %	30 442	30,3%
>40 - <=50 %	17 119	17,1%
>50 - <=60 %	20 925	20,9%
>60 - <=70 %	17 872	17,8%
>70 - <=80 %	13 942	13,9%
Total	100 300	100%

# Cover pool – Geographic distribution

Q1 2017



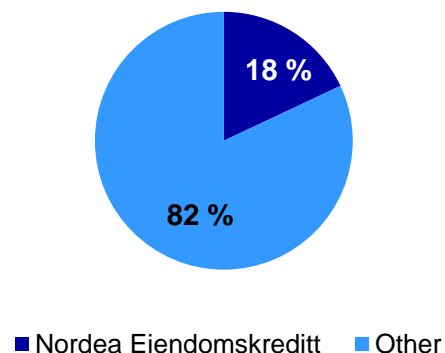
Fylke	Loan balance	Region
Oslo	21.40%	East
Akershus	16.50%	East
Østfold	7.40%	East
Buskerud	3.90%	East
Oppland	3.70%	East
Vestfold	3.50%	East
Hedmark	1.90%	East
Telemark	1.20%	East
Sør-Trøndelag	3.40%	Mid
Nord-Trøndelag	0.30%	Mid
Troms	2.30%	North
Nordland	2.20%	North
Finnmark	0.50%	North
Svalbard	0.00%	North
Vest-Agder	4.40%	South
Aust-Agder	1.80%	South
Hordaland	11.80%	West
Møre og Romsdal	7.80%	West
Rogaland	4.90%	West
Sogn og Fjordane	1.10%	West

# Nordea Eiendoms kreditt relative to market

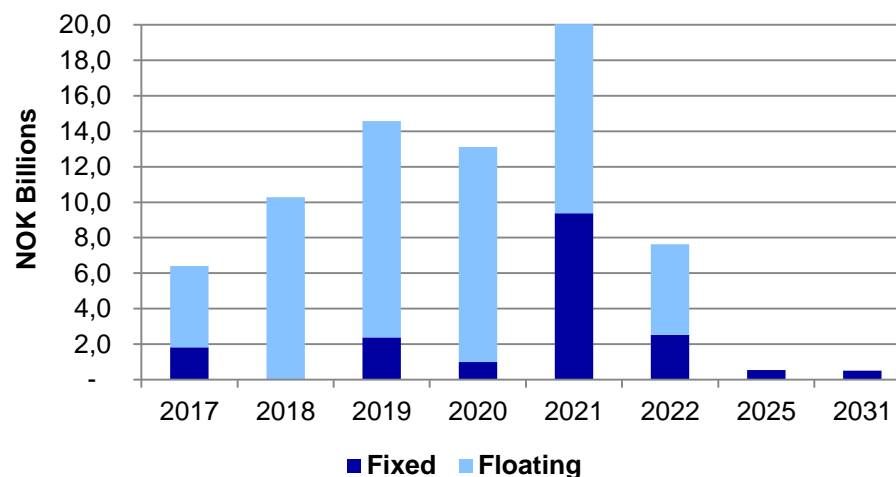
Q1 2017

- Average amount outstanding covered bonds at Oslo Børs and ABM Nordic was NOK 485bn, and NEK's share was 18%
- Nordea Eiendoms kreditt printed a total of NOK 2,2bn in Q1-2017
- Market turnover was 76% of total outstanding in 2016
- Nordea Eiendoms kreditt covered bonds turnover was 103% of total outstanding in 2016

Market share NOK Covered  
2017-Q1

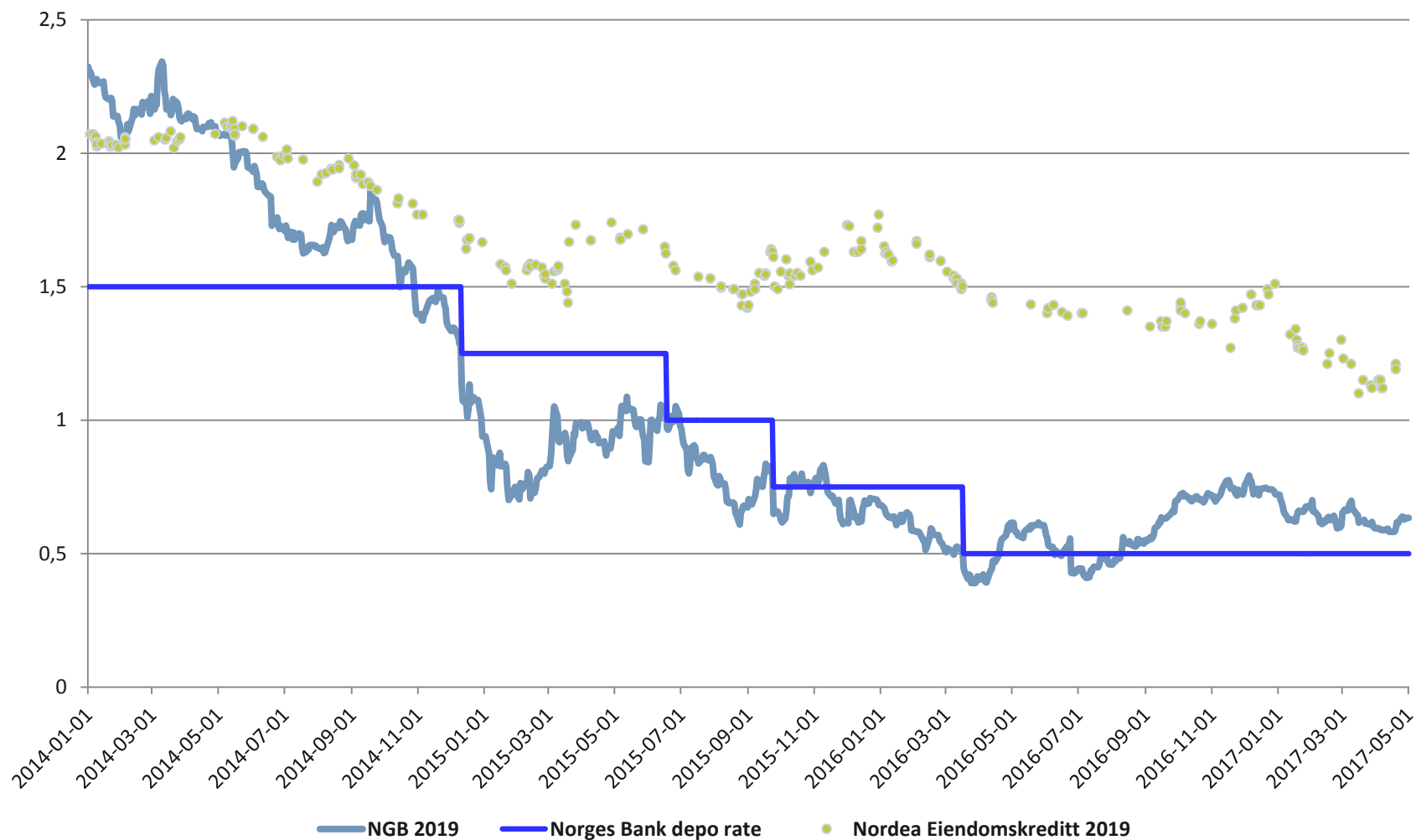


Current maturities



# Nordea Eiendomskreditt bonds offer a pick-up

Q1 2017





# Covered bonds – outstanding volumes

Q1 2017

Breakdown by ISIN				
ISIN	Currency	Amount (NOKm)	Maturity	Coupon (%)
NO0010636574	NOK	4 594	2017-06-21	FRN
NO0010583941	NOK	1 817.5	2017-06-21	4,05
NO0010674971	NOK	10 277	2018-06-20	FRN
NO0010647241	NOK	12 195	2019-06-19	FRN
NO0010692767	NOK	2 380	2019-06-19	3,05
NO0010703531	NOK	12 115	2020-06-17	FRN
NO0010741903	NOK	1 000	2020-06-17	1,75
NO0010729817	NOK	10 655	2021-06-16	FRN
NO0010584345	NOK	9 383	2021-06-16	4,25
NO0010758931	NOK	2 535	2022-06-15	1,08
NO0010759632	NOK	5 090	2022-06-15	FRN
NO0010593064	NOK	550	2025-06-18	4,8
NO0010766827	NOK	550	2031-06-18	1,75
XS1108787703	GBP	5 133	2017-09-11	FRN
XS1210746134	GBP	1 526	2020-03-30	FRN
XS1342698047	GBP	6 518	2019-01-14	FRN
XS1487838291	GBP	133	2021-09-09	FRN
XS1451306036	EUR	938	2031-07-15	0,74
<b>Total</b>		<b>87 340</b>		

# Underwriting criteria – Common Nordea policy

Q1 2017

- 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

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