



Nordea

Nordea Eiendoms kreditt Covered Bonds Investor presentation Q3 2017

Nordea Eiendomskreditt – overview

Q3 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 Eiendomskreditt (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
- 16% 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

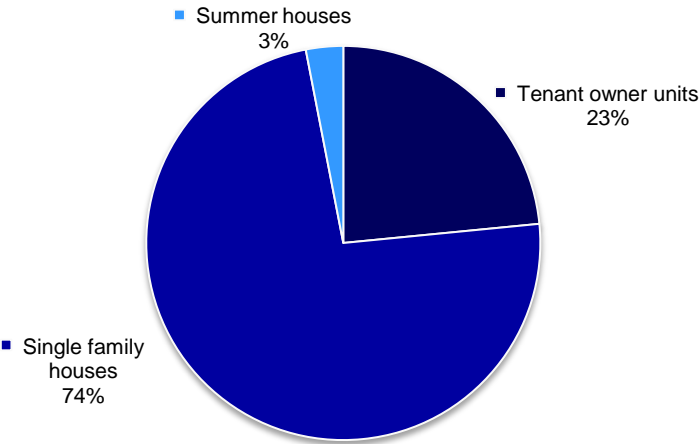
Q3 2017

Pool notional	NOK 116.4bn
Outstanding Covered Bonds	NOK 76.7bn
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	49.5% (indexed, calculated per property)
Average loan size	NOK 1.45m
Over Collateralisation (OC)	51.9%, (2% legal requirement)
Rate type	Floating 98.3%, Fixed 1.7%
Amortisation	Bullet/ interest only 35.2%, Amortizing 64.8%
Substitute assets	None
Pool type	Dynamic
Loans originated by	Nordea Bank AB, Norway Branch

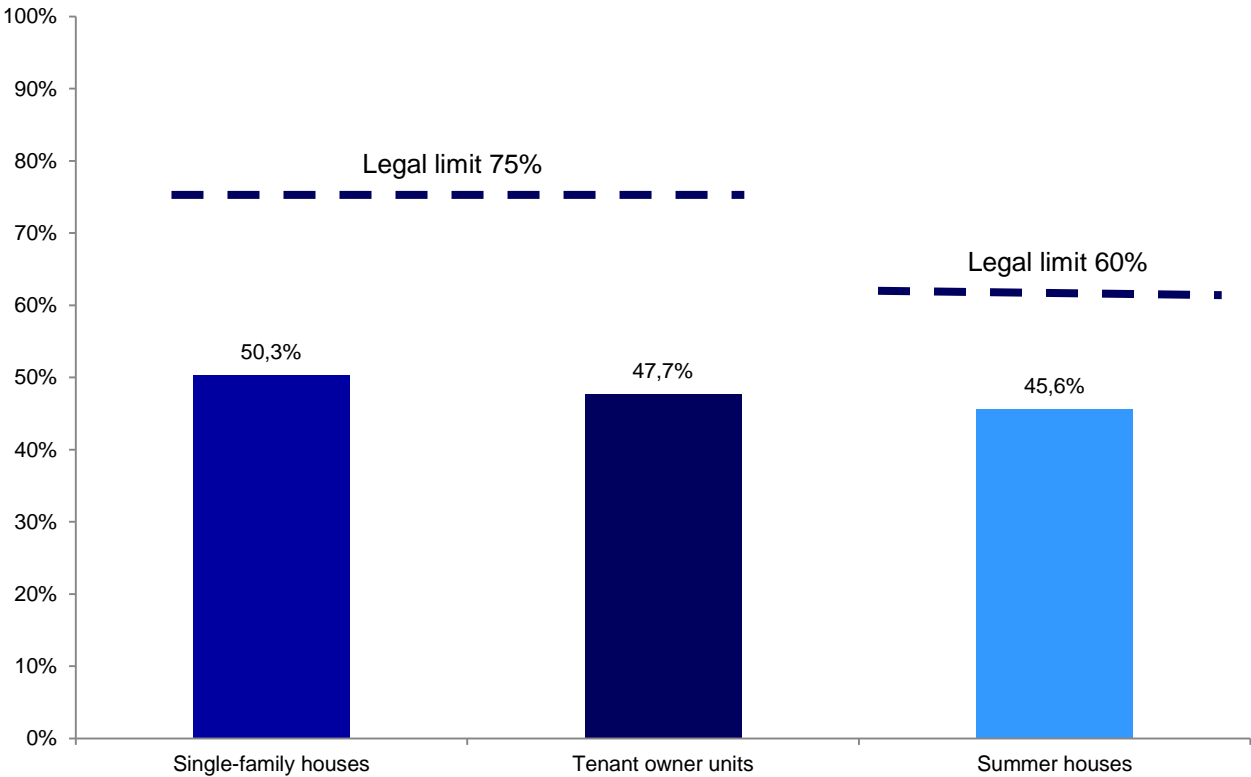
Cover pool key characteristics (2)

Q3 2017

Cover pool balance by loan category



Weighted Average LTV - Indexed



Loan to Value (LTV)

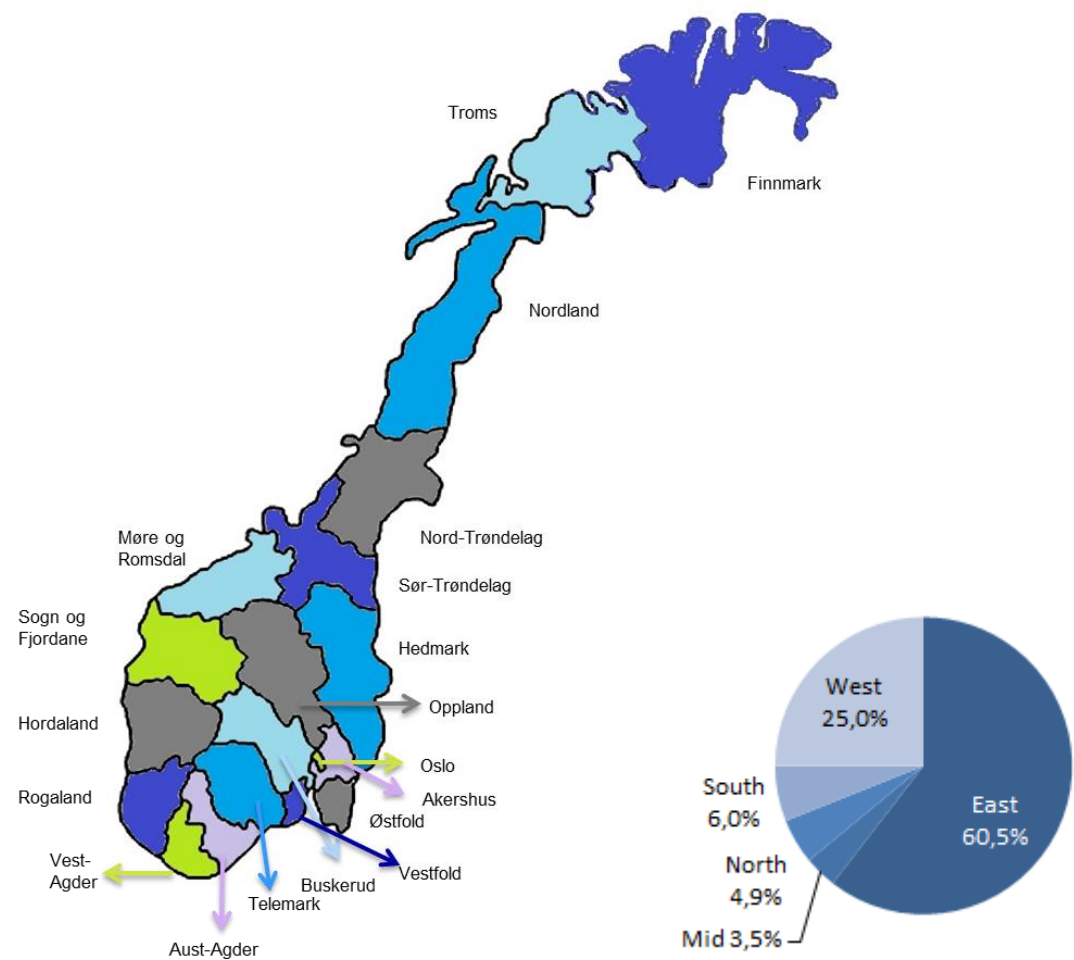
Each loan is reported in the highest bucket

Q3 2017

Weighted Average LTV – Unindexed	50.4%	
LTV buckets	Nominal (NOKm)	% Residential Loans
>0 - <=40 %	32 414	27.8%
>40 - <=50 %	18 942	16.3%
>50 - <=60 %	24 347	20.9%
>60 - <=70 %	25 372	21.8%
>70 - <=80 %	15 362	13.2%
Total	116 438	100%
Weighted Average LTV - Indexed	49.5%	
LTV buckets	Nominal (NOKm)	% Residential Loans
>0 - <=40 %	33 538	28.8%
>40 - <=50 %	19 734	17.0%
>50 - <=60 %	25 407	21.8%
>60 - <=70 %	25 256	21.7%
>70 - <=80 %	12 503	10.7%
Total	116 438	100%

Cover pool – geographic distribution

Q3 2017



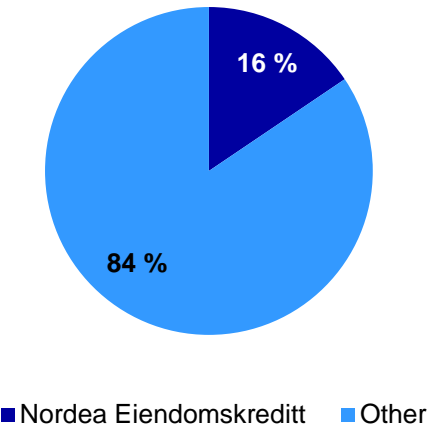
Fylke	Loan balance	Region
Akershus	16,88 %	East
Aust-Agder	1,65 %	South
Buskerud	3,94 %	East
Finnmark	0,49 %	North
Hedmark	1,88 %	East
Hordaland	11,59 %	West
Møre og Romsdal	7,76 %	West
Nordland	2,11 %	North
Nord-Trøndelag	0,28 %	Mid
Oppland	3,69 %	East
Oslo	22,04 %	East
Rogaland	4,49 %	West
Sogn og Fjordane	1,19 %	West
Svalbard	0,00 %	North
Sør-Trøndelag	3,26 %	Mid
Telemark	1,18 %	East
Troms	2,31 %	North
Vest-Agder	4,37 %	South
Vestfold	3,51 %	East
Østfold	7,36 %	East

Nordea Eiendomskreditt relative to market

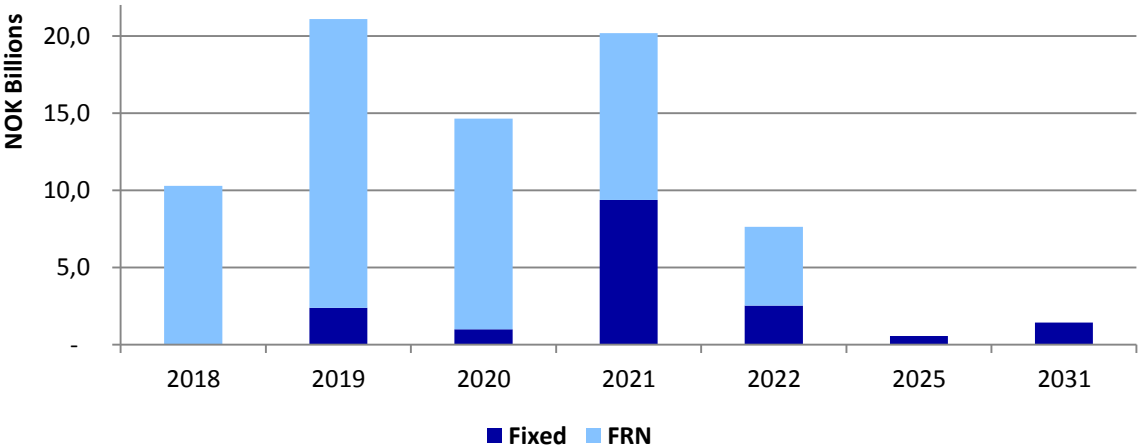
Q3 2017

- Average amount outstanding covered bonds at Oslo Børs and ABM Nordic was NOK 493bn, and NEK's share was 16%
- Market turnover was 76% of total outstanding in 2016
- Nordea Eiendomskreditt covered bonds turnover was 103% of total outstanding in 2016

Market share NOK Covered 2017-Q3

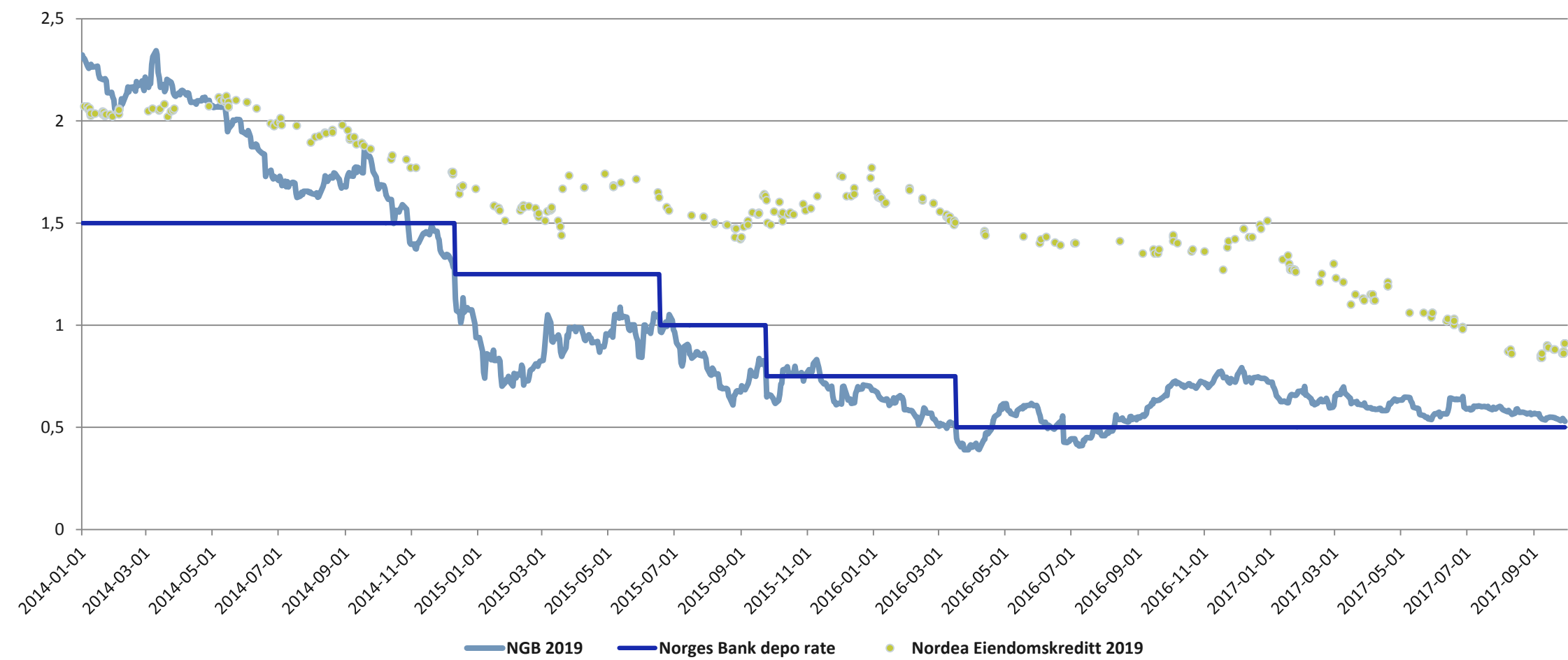


Current maturities



Nordea Eiendomskreditt bonds offer a pick-up

Q3 2017



Covered bonds – outstanding volumes

Q3 2017

Breakdown by ISIN				
ISIN	Currency	Amount (NOKm)	Maturity	Coupon (%)
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	10 955	2021-06-16	FRN
NO0010584345	NOK	9 383	2021-06-16	4,25
NO0010758931	NOK	2 615	2022-06-15	1,08
NO0010759632	NOK	5 590	2022-06-15	FRN
NO0010593064	NOK	550	2025-06-18	4,8
NO0010766827	NOK	550	2031-06-18	1,75
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
Total		76 675		

Underwriting criteria – common Nordea policy

Q3 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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