

# Nordea

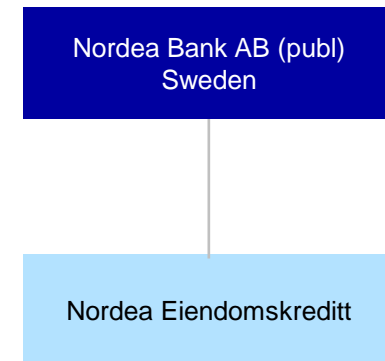


**Nordea Eiendoms kreditt Covered Bonds  
Investor presentation Q4 2016**

# Nordea Eiendoms kreditt – a snapshot

- A 100% owned subsidiary of Nordea Bank AB
- Still Norwegian company post-merger
- NE's history goes back to 1927. It was acquired by Nordea 1996 and changed name to Nordea Eiendoms kreditt 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 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
- 15% market share of outstanding covered issuance

## Nordea Eiendoms kreditt in the organisation\*



\*Partial organization is shown.

# Cover pool key characteristics

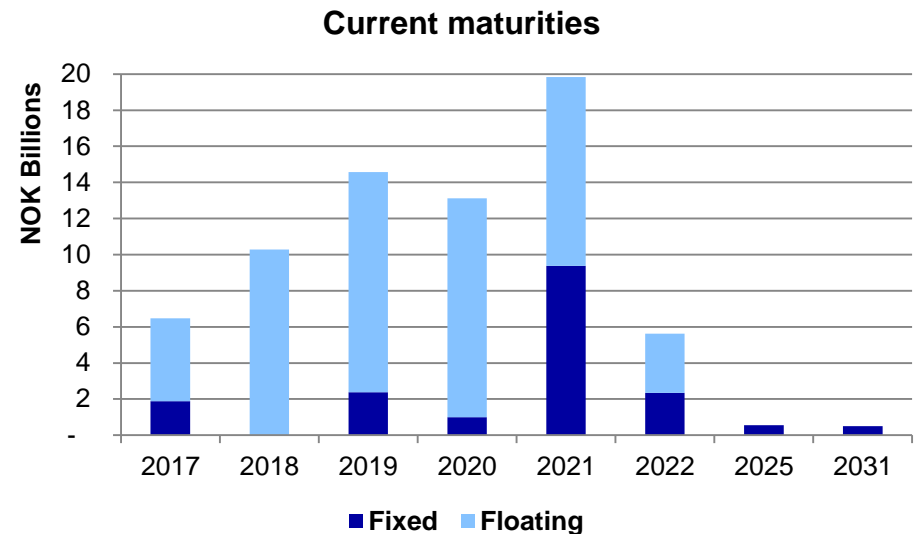
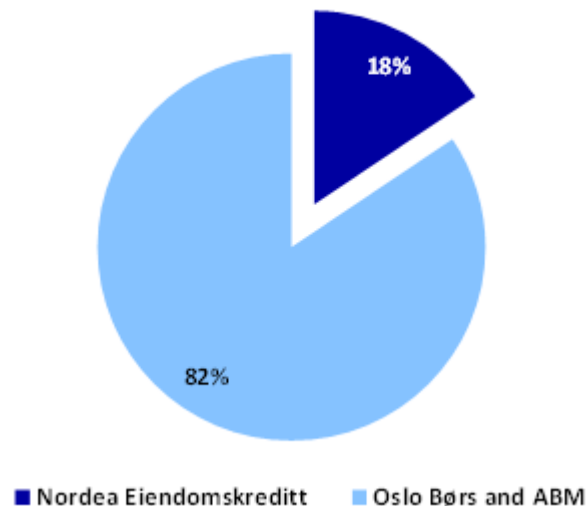
Q4 2016

Pool notional	NOK 98.4 bn (EUR 10.9bn)
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	48.7% (indexed, calculated per property)
Average loan size	NOK 1.34m (EUR 0.148m). Customers can have more than one loan
Over collateralisation, OC	15.4%
Rate type	Floating 97.4%, Fixed 2.6%
Substitute assets	None
Pool type	Dynamic
Loans originated by	Nordea Bank AB, Norway Branch

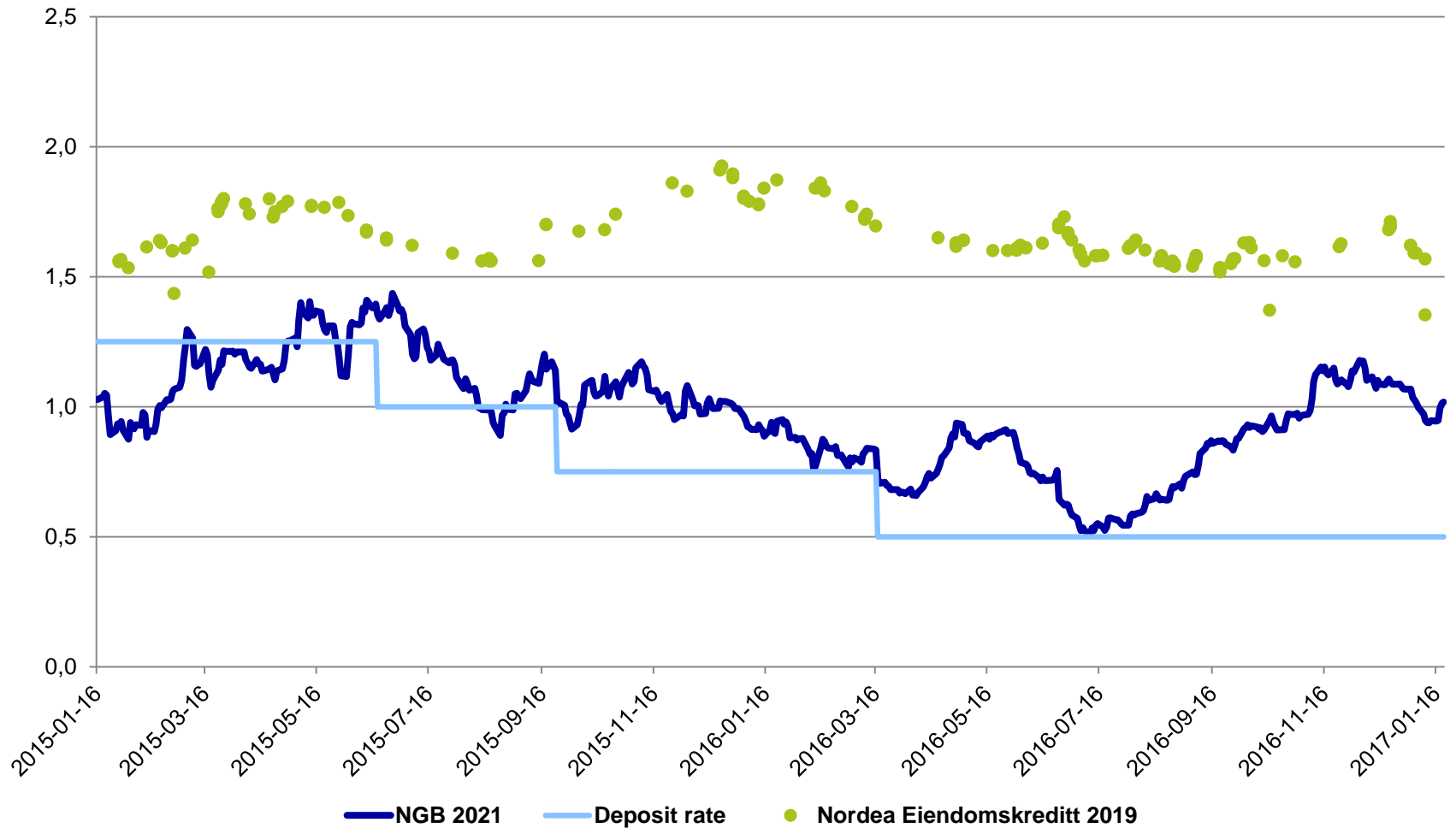
# Nordea Eiendoms kreditt relative to market

2016

- Average amount outstanding covered bonds at Oslo Børs and ABM Nordic was NOK 454bn, and NEK's share was 18%
- Market turnover was 76%
- Nordea Eiendoms kreditt printed a total of NOK 21.9bn in 2016
- Nordea Eiendoms kreditt covered bonds turnover was 103%

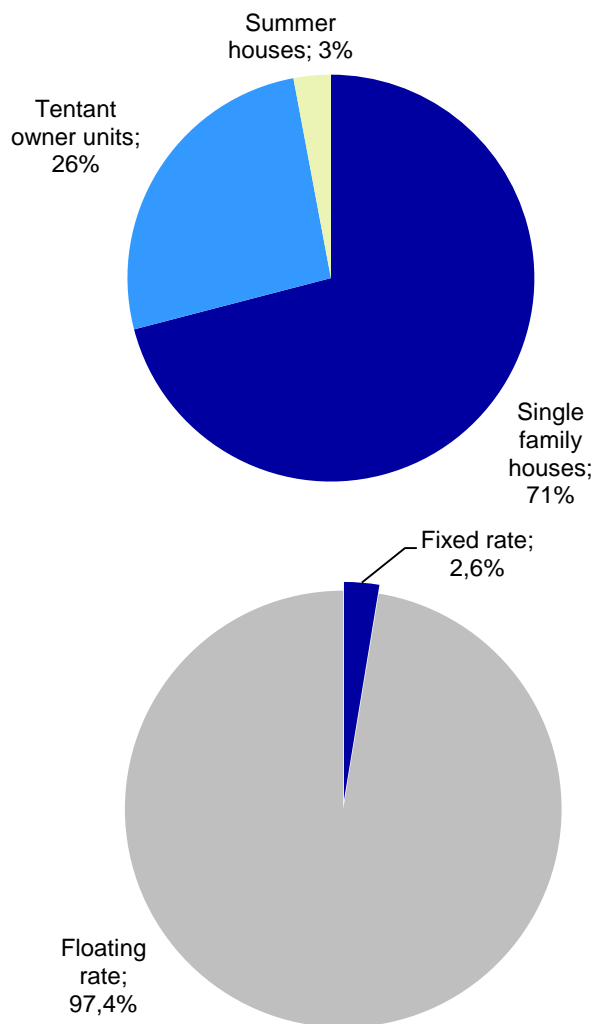


## Nordea Eiendomskreditt bonds offer a pick-up

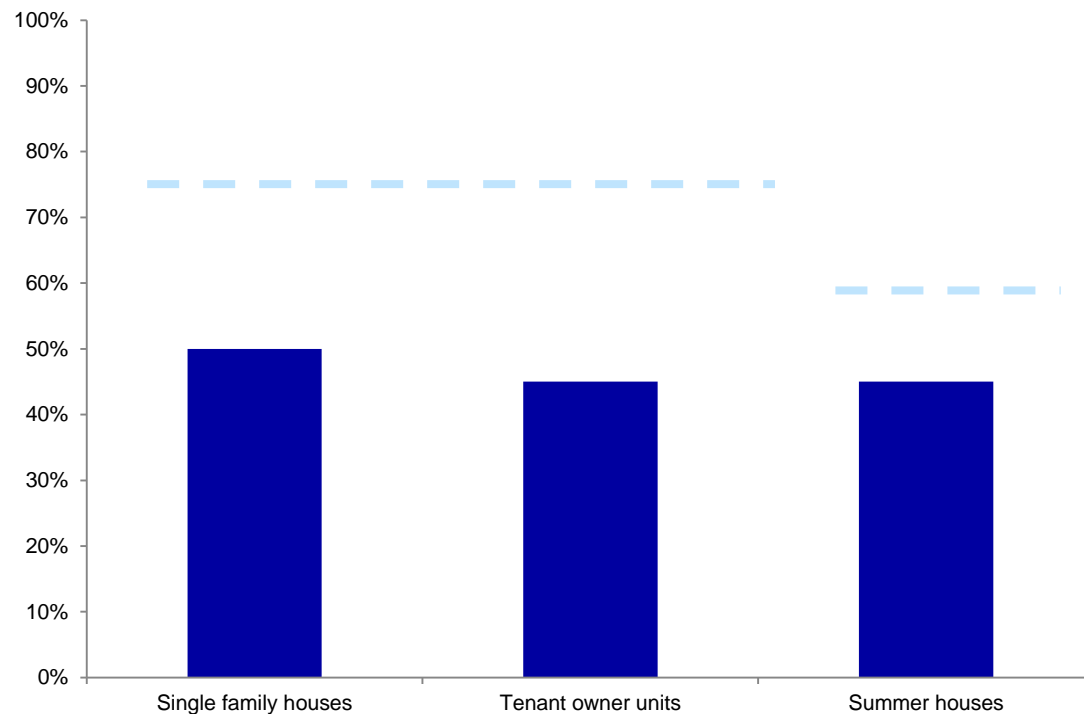


# Cover pool key characteristics – 100% single family real estate with low LTVs

Q4 2016



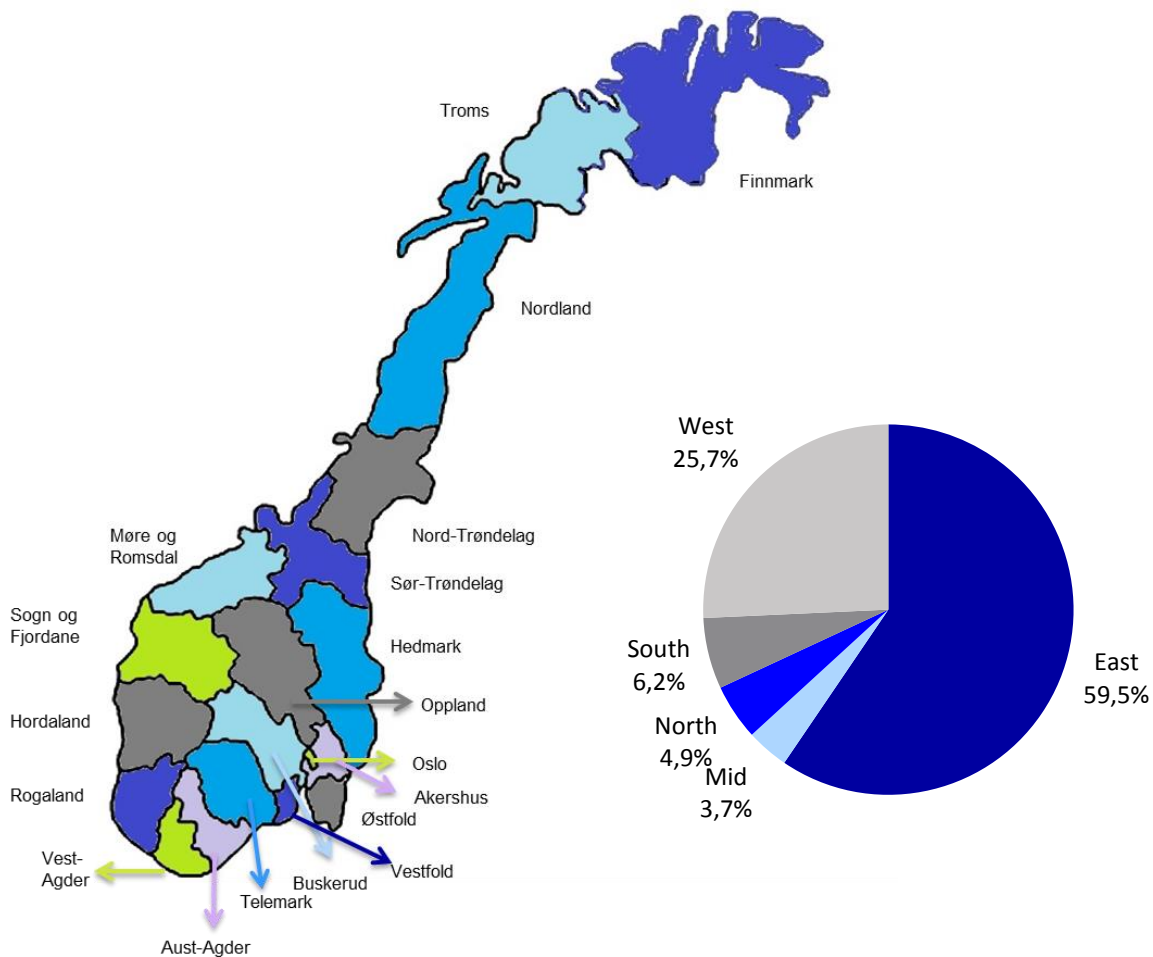
Weighted Average LTV - Indexed



- 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

Q4 2016



Fylke	Loan balance	Region
Oslo	21.00%	East
Akershus	16.33%	East
Østfold	7.20%	East
Vestfold	4.40%	East
Buskerud	3.79%	East
Oppland	3.69%	East
Hedmark	1.88%	East
Telemark	1.22%	East
Sør-Trøndelag	3.43%	Mid
Nord-Trøndelag	0.26%	Mid
Troms	2.26%	North
Nordland	2.10%	North
Finnmark	0.51%	North
Svalbard	0.00%	North
Vest-Agder	4.44%	South
Aust-Agder	1.77%	South
Hordaland	11.82%	West
Møre og Romsdal	7.82%	West
Rogaland	4.97%	West
Sogn og Fjordane	1.11%	West

# Covered Bonds - outstanding volumes

Q4 2016

NOK 1.89bn maturity 21.06.17 4,05%  
NOK 4.59bn maturity 21.06.17 FRN  
NOK 10.28bn maturity 20.06.18 FRN  
NOK 12.20bn maturity 19.06.19 FRN  
NOK 2.380bn maturity 19.06.19 3,05%  
NOK 12.12bn maturity 17.06.20 FRN  
NOK 1.0bn maturity 17.06.20 1.75%  
NOK 9.38bn maturity 16.06.21 4,25%  
NOK 10.46bn maturity 16.06.21 FRN  
NOK 2.36bn maturity 15.06.2022 1,80%  
NOK 3.29bn maturity 15.06.2022 FRN  
NOK 0.550bn maturity 18.06.25 4,80%  
NOK 0.5bn maturity 18.06.2031 1.75%  
EUR 0.1bn maturity 15.07.2031 0.738%  
GBP 0.5bn maturity 11.09.2017 FRN  
GBP 0.125bn maturity 30.03.2020 FRN  
GBP 0.5bn maturing 14.01.2019 FRN  
GBP 0.012bn maturing 09.09.2021 FRN



# Underwriting criteria – Common Nordea policy

- 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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