

Nordea



Nordea Hypotek Covered Bonds Investor presentation Q4 2016

Nordea Hypotek – A snapshot

Q4 2016

- 100% owned subsidiary of Nordea Bank AB - the largest Nordic financial institution
- Grants long-term loans to Swedish households, municipalities, municipal housing companies and corporates
- All loans secured by mortgages, tenant-owner units or municipal/state guarantees
- Cost-effective loan origination and service through Nordea Bank's nationwide Swedish branch network and internet
- Licensed by the Swedish Financial Supervisory Authority to issue covered bonds (Säkerställda Obligationer) according to the Swedish Covered Bond Act
- Covered bonds rated Aaa/AAA by Moody's/S&P
- Cover pool information at nordea.com

Cover pool key characteristics

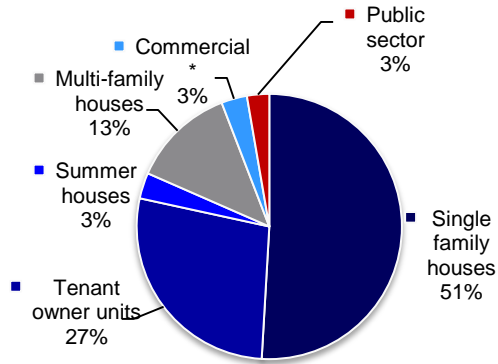
Q4 2016

Loans in cover pool	SEK 512.3bn (EUR 52.5bn)
Cover pool content	Mortgage loans secured by residential or commercial property. Loans to public sector
Geographic distribution	Throughout Sweden with concentration to urban areas
Asset distribution	94.2% residential, 2.7% public sector, 3.1% commercial
Weighted average LTV*	48.7% (indexed, calculated per property)
Average loans size*	SEK 540k (EUR 55.3k). Customers can have more than one loan
Over collateralization, OC	57.2%
Rate type	Floating 79,4%, Fixed 20,6%
Pool type	Dynamic
Loans originated by	Nordea Bank AB

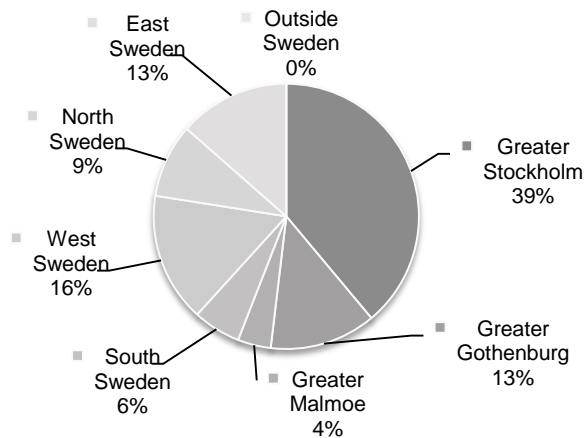
* Residential

Cover pool key characteristics – Q4 2016

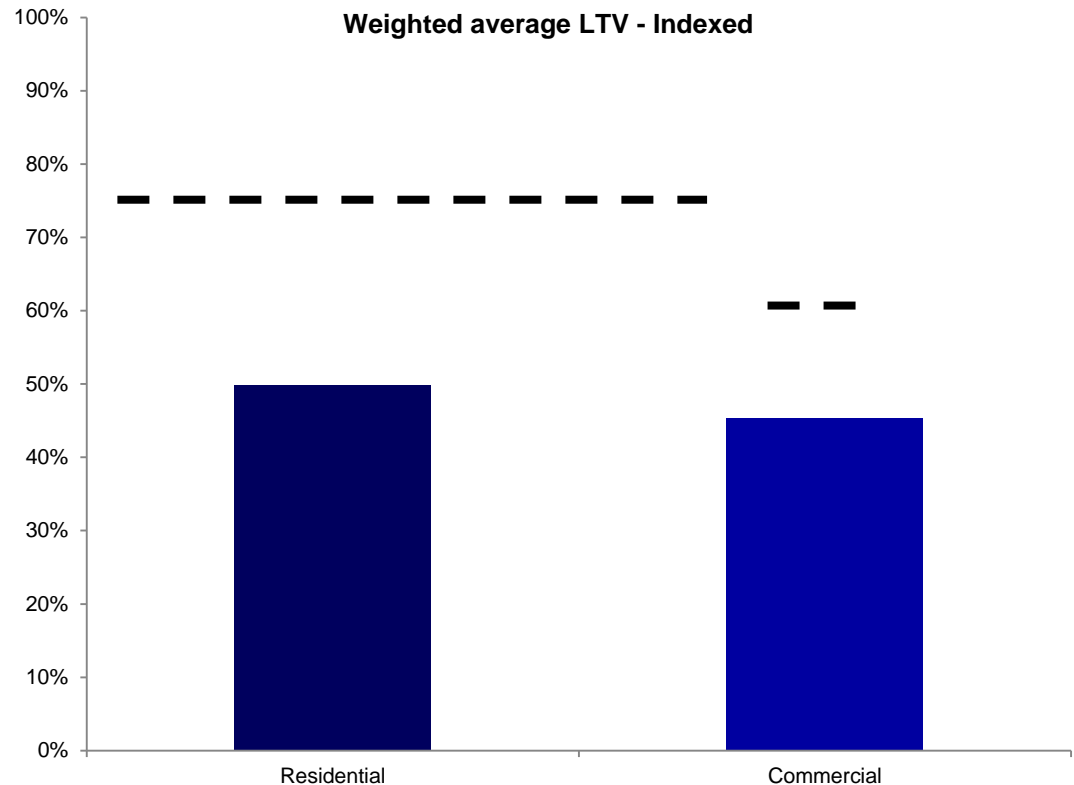
Cover pool balance by loan category



Cover pool balance by region



Weighted average LTV - Indexed



- Pool mainly includes residential real estate
- The main part of real estates are located in greater Stockholm area but are otherwise evenly distributed between western, northern and southern part of Sweden
- Low weighted average LTVs compared to legislative LTV limits which is 75% for residential real estate, 60% for commercial real estate

Nordea Hypotek – Conservative underwriting criteria

Q4 2016

- Private households
 - Track record and income checked via UC
 - Always household budget "before-after" with buffer requirement and stress test including behavioral analysis
 - Individual valuation of the pledged property
- Corporates / Municipalities
 - Financial analysis with adjustments to market conditions
 - Verification of key ratios and other requirements in Nordea general real estate lending policy
 - Rating according to Nordea's in-house models
 - Individual valuation of the pledged property
 - Yearly reassessments