



Nordea Kredit Investor Presentation 2014 Q1

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Nordea Kredit

Making it possible

This Investor Presentation has been compiled by Nordea Kredit for information purposes only, and offers facts and figures on Nordea Kredit, and the mortgage collateral supporting outstanding mortgage bonds and covered mortgage bonds.

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

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- Nordea Kredit – in brief
- Asset quality, losses and arrears
- Loan-to-value (*For detailed information on LTV please refer to “Nordea Kredit LTV report Covered bonds first quarter 2014”*)
- Legislation

Nordea Kredit – in brief I

- Founded in 1993, number of employees (in FTEs) 125 (as per 2013 Q4)
- Nordea Kredit issues covered mortgage bonds, exclusively
- All bonds issued by Nordea Kredit are rated AAA (by S&P) and Aaa (by Moody's)
- Profit before tax 2013, DKK 1,383m and Cost/Income ratio 10.8%
- Mortgage loans at nominal value 2014 Q1: DKK 363.7bn
- Mortgage loans at fair value 2014 Q1: DKK 372.6bn
- Market share 2014 Q1: 14.7% (2013 Q4: 14.5%)
(Mortgage loans at nominal value as a share of all Danish mortgage bank loans)

Nordea Kredit – in brief II

- Late payments by borrowers 2014 Q1: 0.22% (2013 Q4: 0.28%)
(Residential properties and holiday homes, 3½ months after the December 31, 2013 payment date)
- Average LTV 2014 Q1: 70% (2013 Q4: 69%)
- Total capital ratio 2013 Q4: 16.4% and Tier 1 capital ratio 16.4%
(excl. transition rules)
- Completely match funded “Pass Through” setup using the Danish specific balance principle
- Danish mortgage banks are regulated and supervised by Finanstilsynet
(The Danish FSA)
- All covered bonds issued by Nordea Kredit are ECBC-labelled – see <http://nordeakredit.dk/> - Investor information

Nordea Kredit – ratings and over-collateralisation

	Moody's		S&P	
	CC 1	CC2	CC1	CC 2
Ratings of issued bonds	Aaa	Aaa	AAA	AAA
Required OC / CE for Aaa and AAA rating, %	3.0	11.0	5.50	7.98
TPI leeway/Unused uplift	5	4	4	4

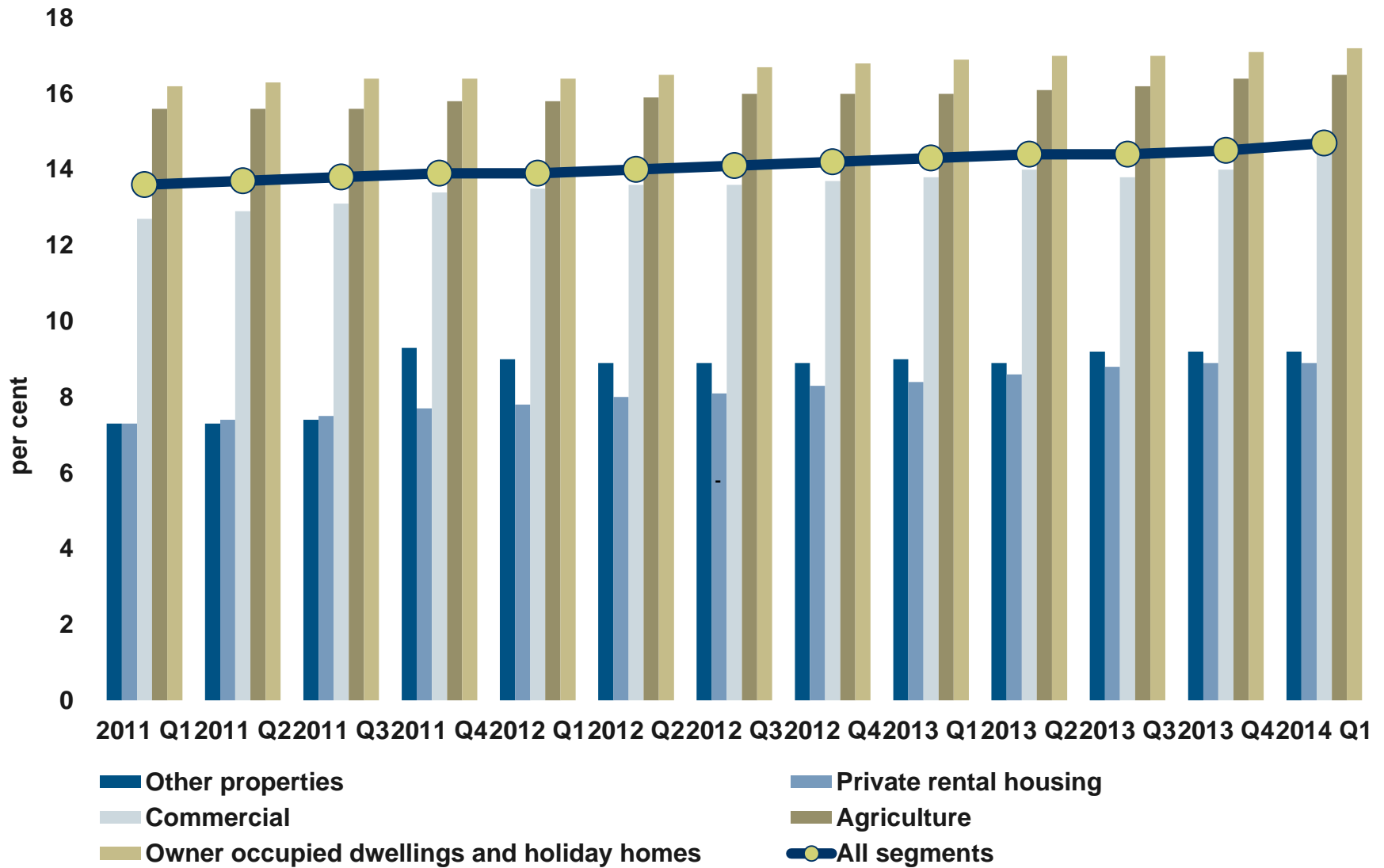
OC per Q1 2014, %

CC1: 9.2

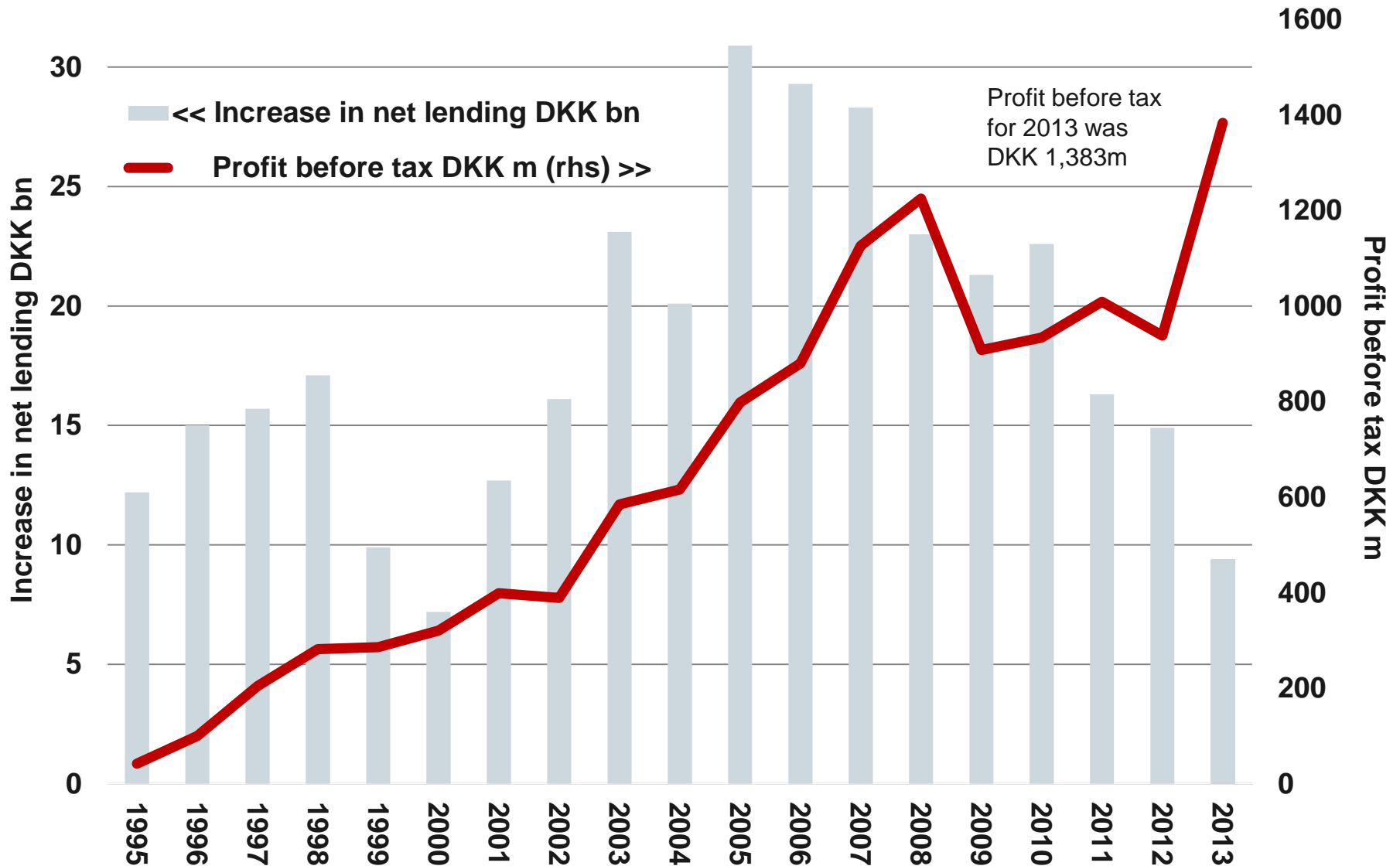
CC2: 13.1

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
 OC data in the lower right hand box as computed by Nordea Kredit

Nordea Kredit – market shares in per cent of total market

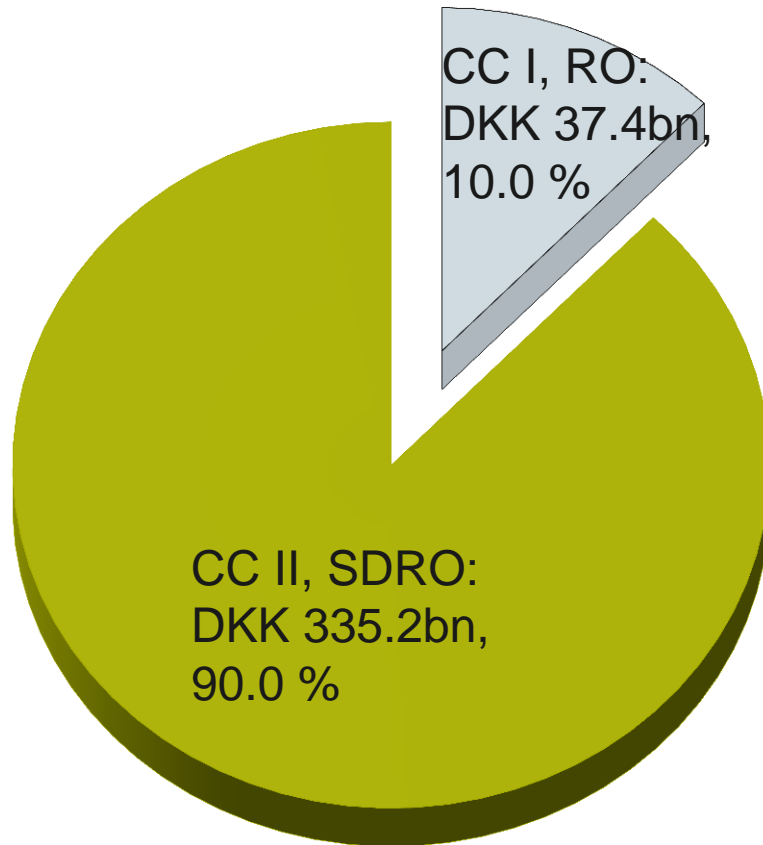


Nordea Kredit – profit and increase in net lending



Nordea Kredit capital centers

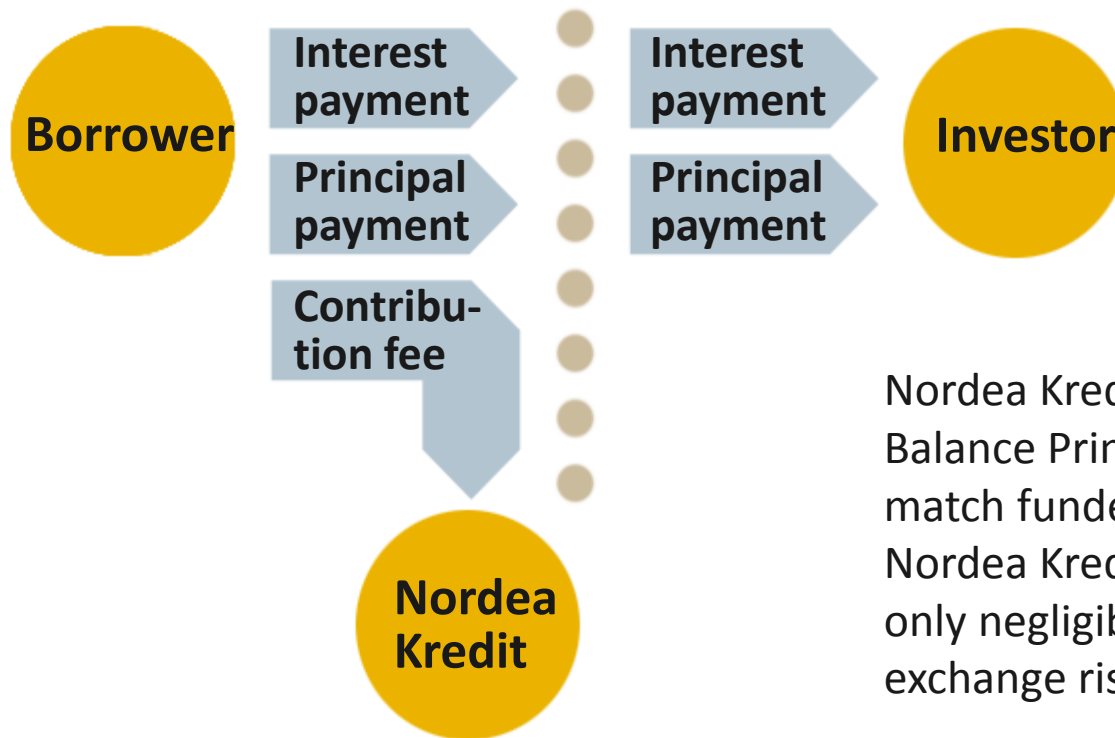
CCs I&II, 2014 Q1: DKK 372.6bn
(mortgage loans at fair value)



Nordea Kredit has two capital centres:

- **CC I: Mortgage Bonds**
(Realkreditobligationer, "RO") No open series. 91% of the bonds in CC I are grandfathered covered bonds according to UCITS/CRD.
- **CC II: Covered Mortgage Bonds**
(Særligt dækkede realkreditobligationer, "SDRO") are issued out of CC II (2007 -). All bonds in CC II are covered bonds according to UCITS/CRD.

Match funded setup due to the specific Balance Principle

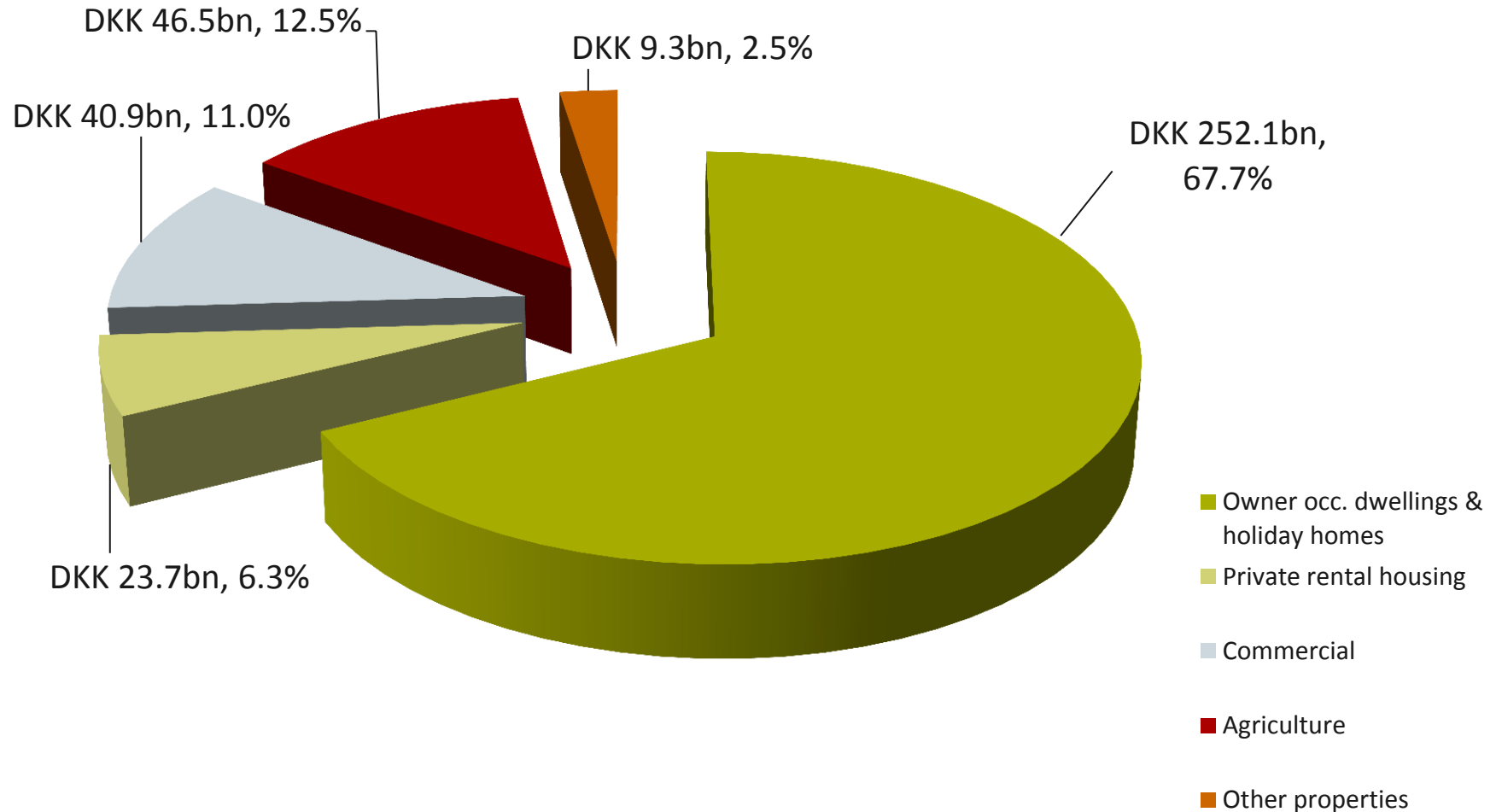


Nordea Kredit complies with the specific Balance Principle, and has a completely match funded “Pass Through” setup. Nordea Kredit has no prepayment risk and only negligible interest rate and foreign exchange risk.

Nordea Kredit – loan portfolio by property category

Capital centres I & II, 2014, Q1 at fair value: DKK 372.6bn

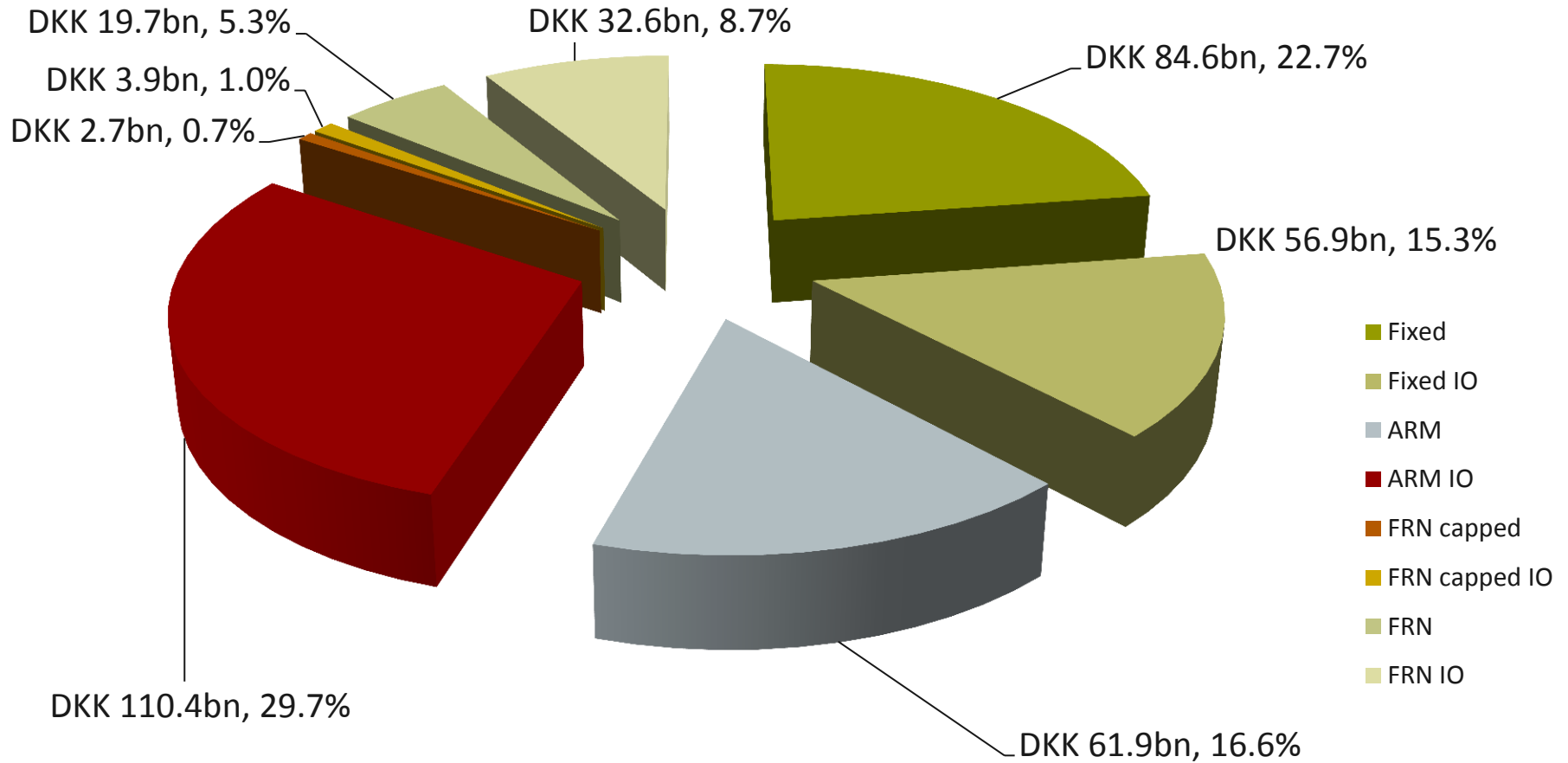
Distribution of all loans by property category



Nordea Kredit – loan portfolio - loan type split

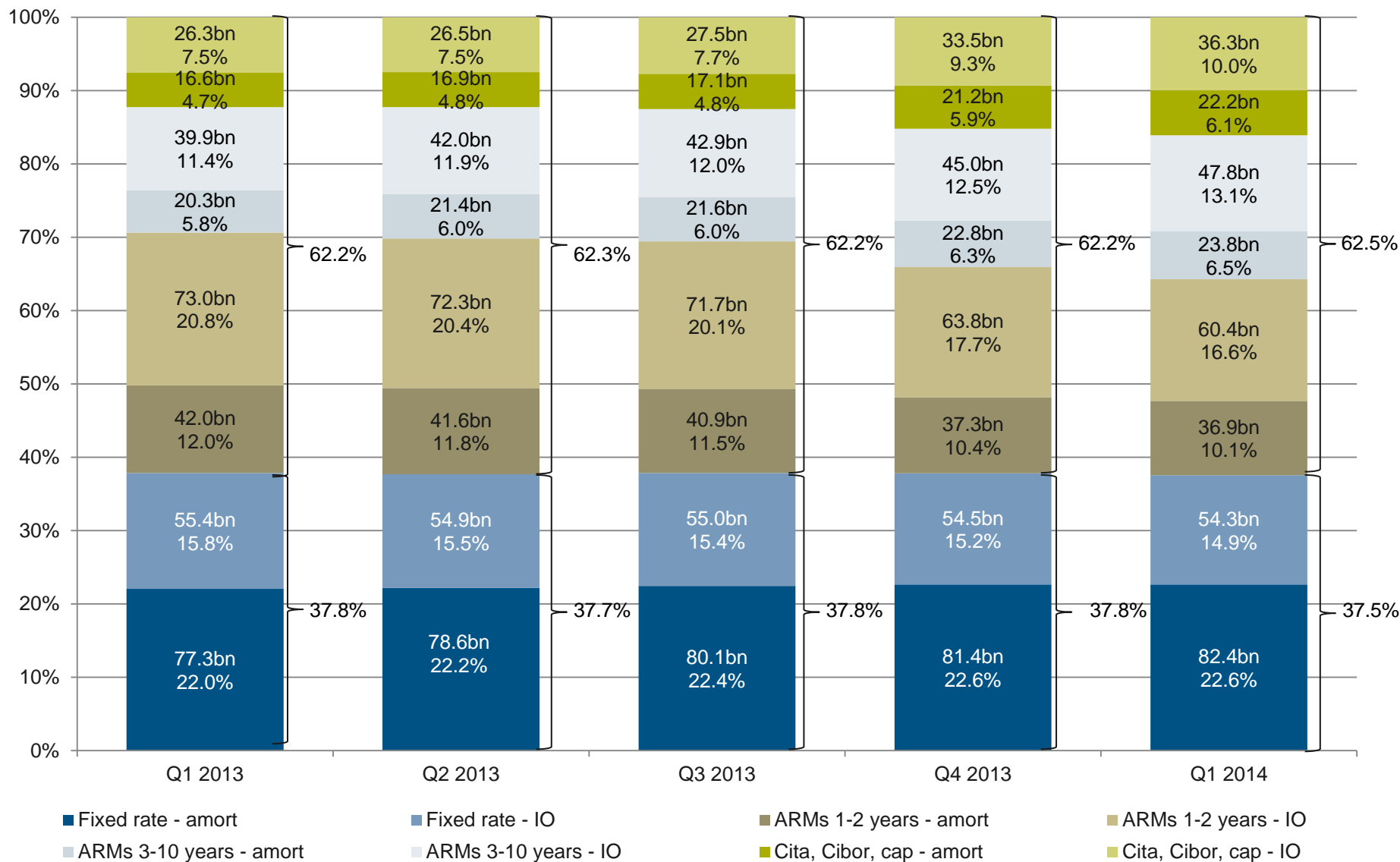
Capital centres I & II, 2014, Q1 at fair value: DKK 372.6bn

Distribution of all loans by loan type



Nordea Kredit – loan portfolio - loan type split

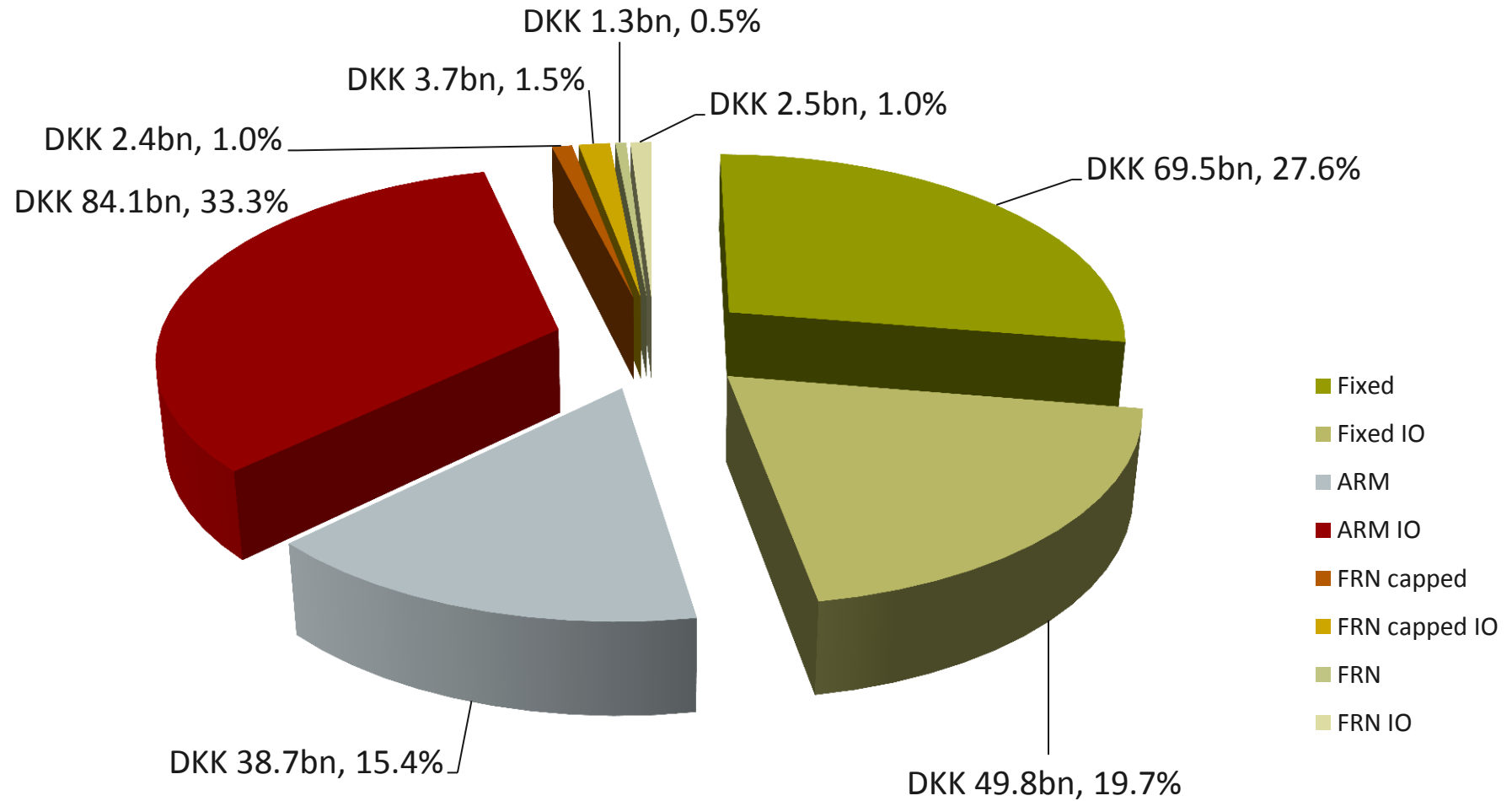
(Developments from 2013, Q1-2014, Q1 – nominal value)



Nordea Kredit – loan type split of owner occupied dwellings

Owner occupied dwellings and holiday homes, capital centres I & II, 2014, Q1 at fair value: DKK 252.1bn

Distribution of loans by loan type

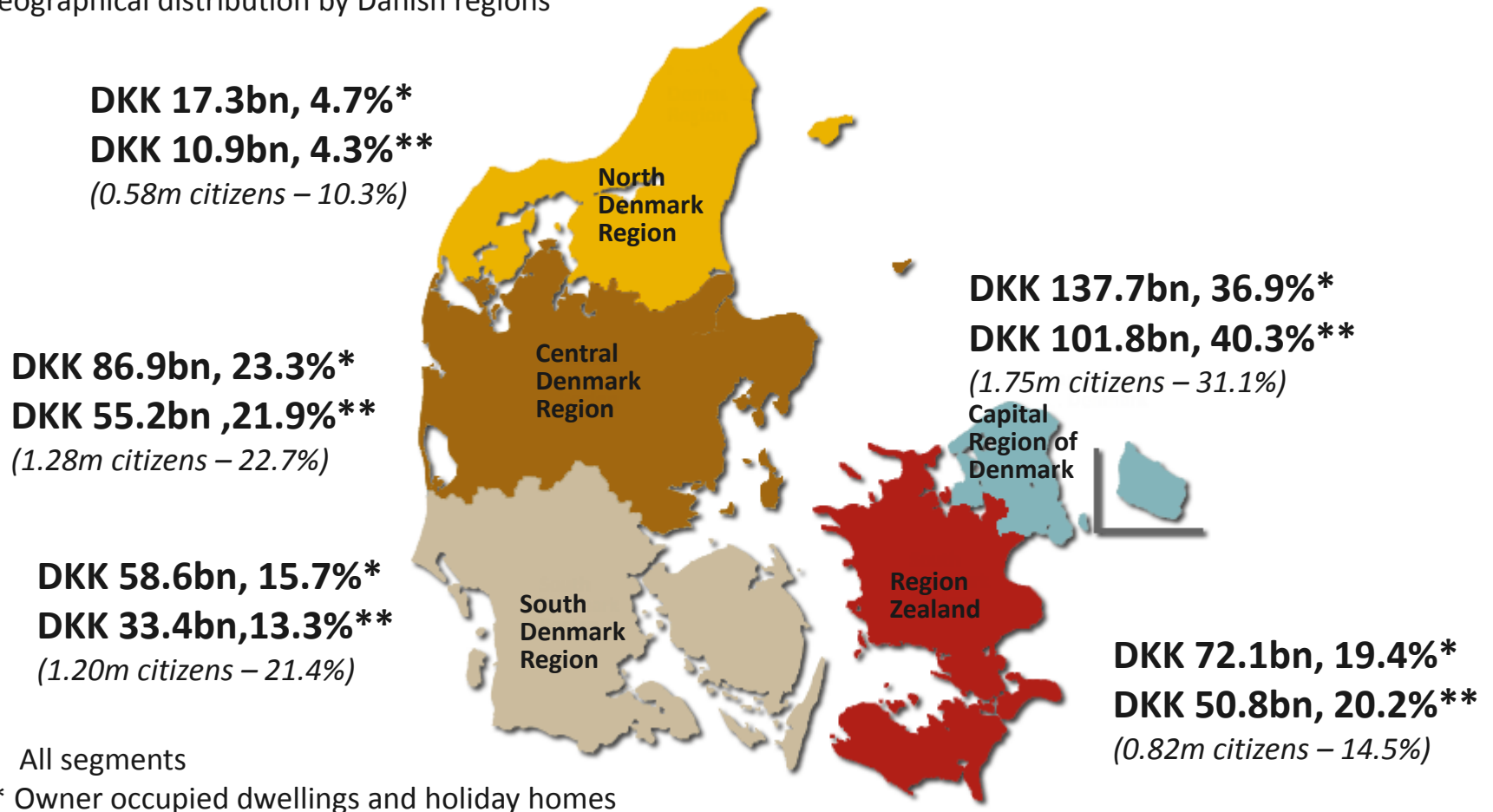


Nordea Kredit - loans by regions and property categories

Capital centres I & II, 2014, Q1 at fair value: All property categories: DKK 372.6bn

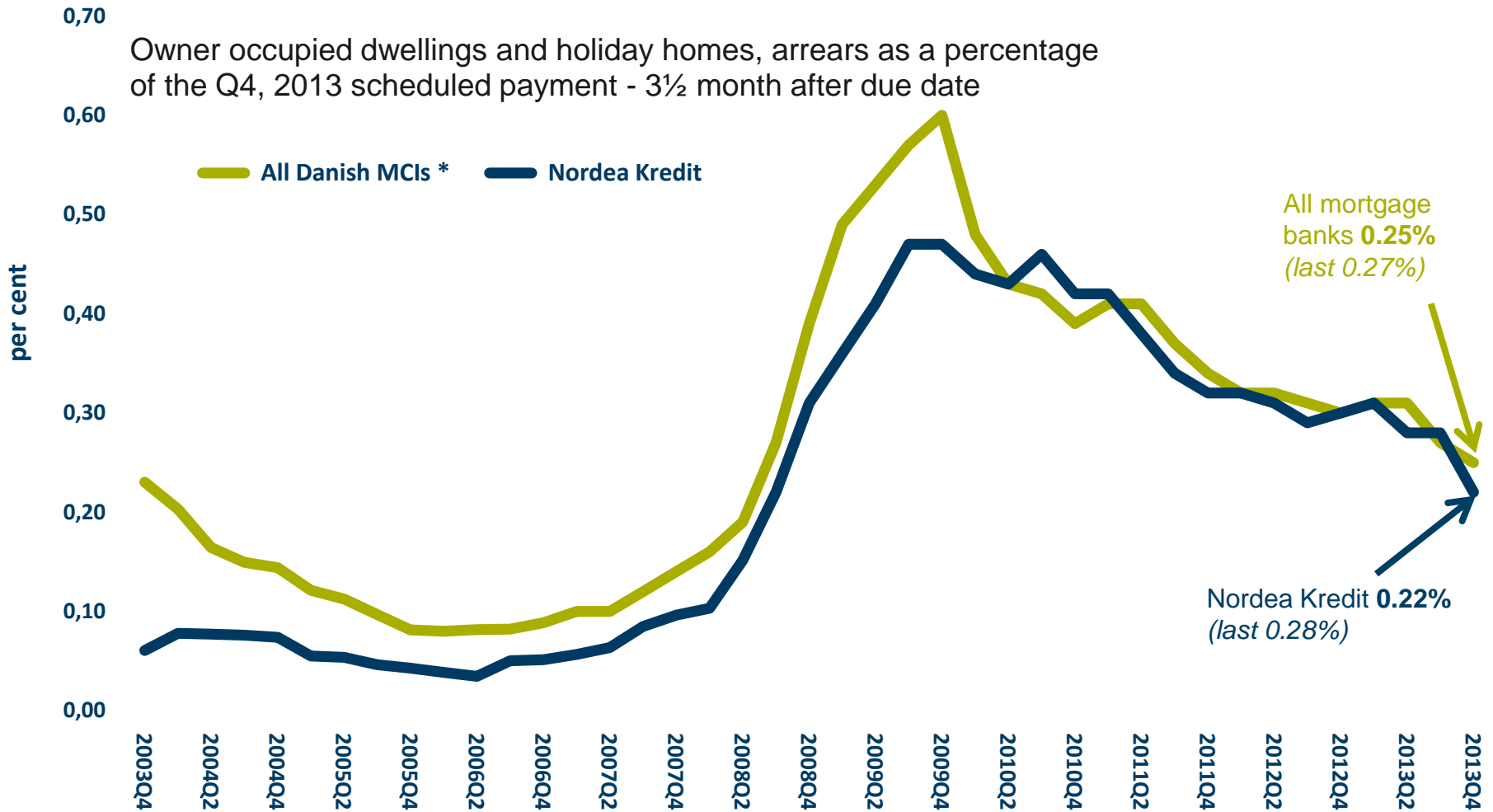
Owner occupied dwellings & holiday homes: DKK 252.1bn

Geographical distribution by Danish regions



Total number of citizens 5.6m, January 1, 2014 – Source: Statistics Denmark

Asset quality - late payments by borrowers, 2013 Q4



*) Including Nordea Kredit

Asset quality - loss guarantee by Nordea Bank Danmark

Nordea Bank Danmark takes “first losses” on Nordea Kredit loans according to the table below:

Property type	Guarantee period *	Guarantee level **
Owner occupied dwellings	Lifetime of loan	25 per cent
Holiday homes	Lifetime of loan	25 per cent
Subsidized property	Lifetime of loan	10 per cent
Housing for youth/elderly	Lifetime of loan	10 per cent
Agricultural property	Lifetime of loan	25 per cent
Commercial property	Lifetime of loan	25 per cent

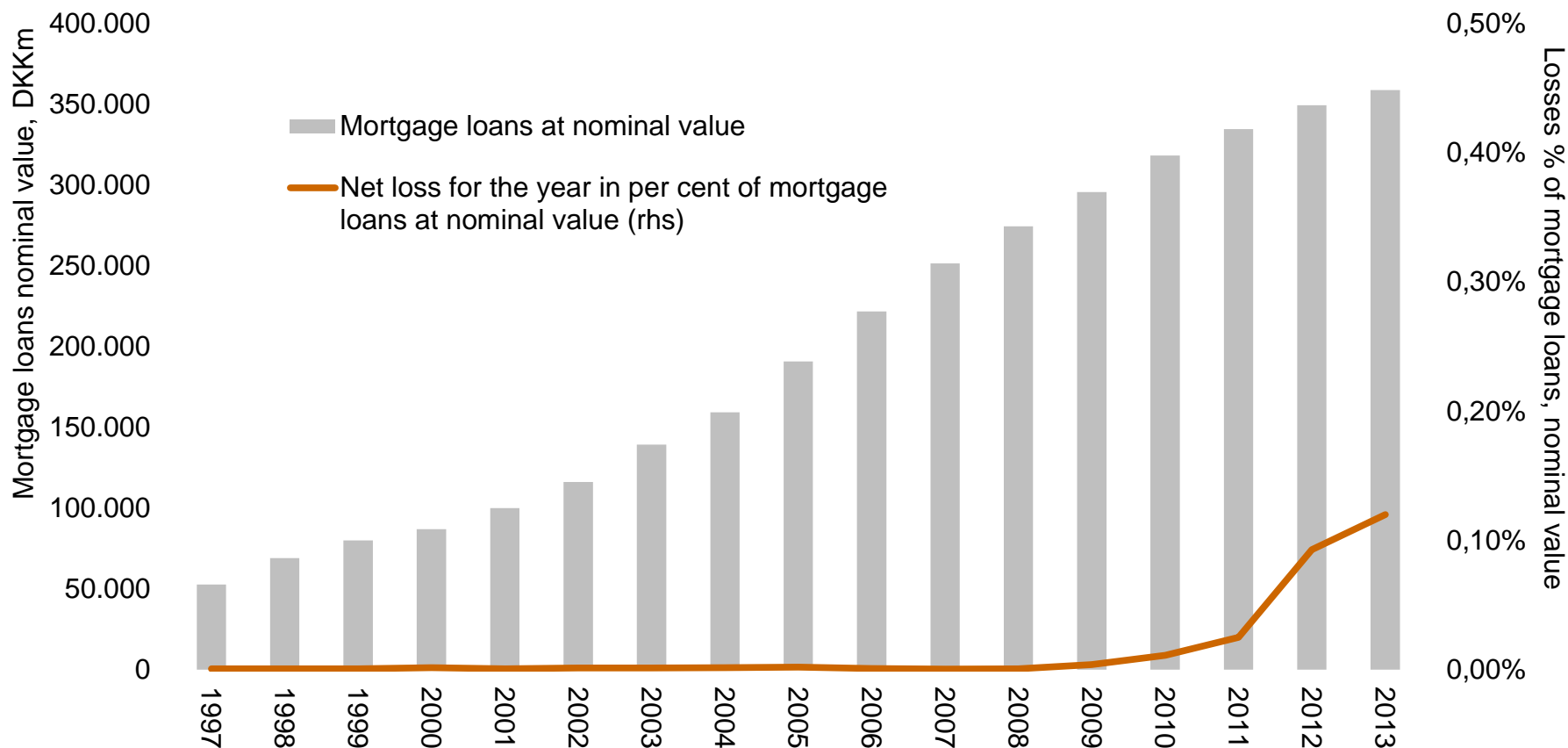
**) The guarantee period starts when a loan is disbursed or remortgaged. The former guarantee period of 5 or 10 years, respectively was changed to the lifetime of the loan on December 9, 2013.*

****) As a percentage of the original principal – disregarding all amortisation*

-The guarantee amount is not reduced during the guarantee period, but cannot exceed the outstanding debt. A new guarantee period starts when the loan is changed e.g. due to remortgaging.

-By the end of 2013 loss guarantees from Nordea Bank comprised loans totalling DKK 309bn. The actual loss guarantees covered a total of DKK 88bn.

Net losses in per cent of mortgage loans at nominal value



The net losses for 2013 were 0.12 per cent of total nominal lending

Nordea Kredit – LTV, loan-to-value 2014 Q1 *(2013 Q4)*

	LTV CC I & II		LTV CC I		LTV CC II	
	2014Q1	2013Q4	2014Q1	2013Q4	2014Q1	2013Q4
Owner occupied dwellings	77	76	76	74	77	76
Private rental housing	64	64	74	74	63	63
Commercial	58	59	50	49	58	59
Agriculture	50	51	48	47	51	51
Other properties	34	35	40	43	34	34
Total	70	69	71	69	70	69

- For more detailed information on LTV – please refer to “Nordea Kredit [LTV](#) report Covered bonds 1st quarter 2014”
- Also see detailed information about Nordea Kredit in the [ECBC covered bonds labelling](#)

Legislation

- Danish mortgage financing is regulated and supervised by the DFSA (Finanstilsynet): www.ftnet.dk
- Some legislation can be found in English at the DFSA's English website: <http://www.finanstilsynet.dk/en/Regler-og-praksis/Translated-regulations.aspx>
- All relevant legislation can be found in Danish at the DFSA's Danish website: <http://www.finanstilsynet.dk/da/Regler-og-praksis/Lovsamling.aspx>



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