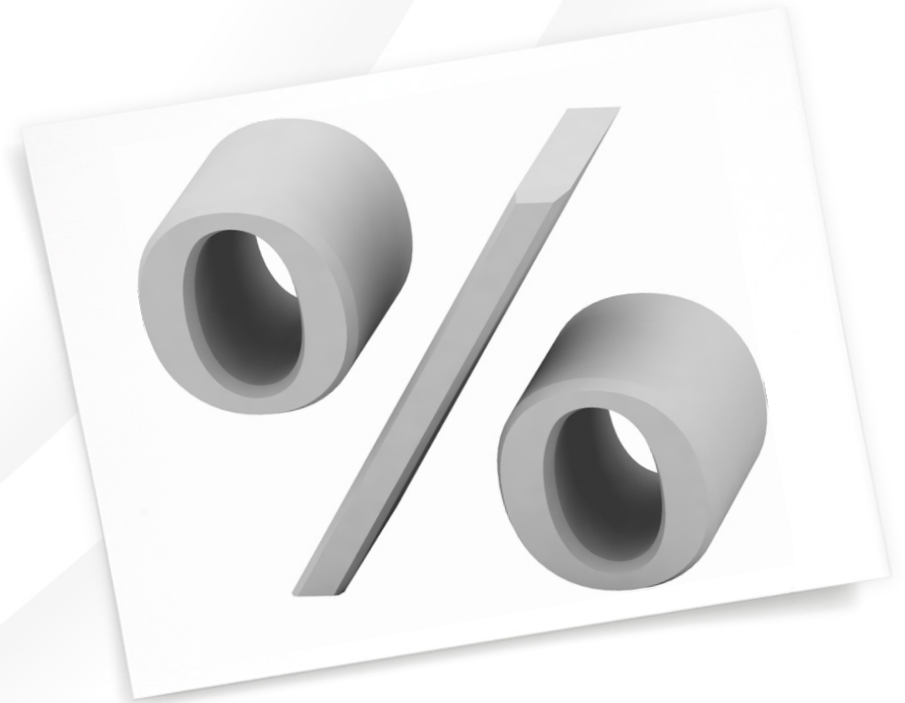




Nordea Kredit Investor Presentation – 2010 Q4

Published 16 February 2011



The 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 us:

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- **Asset quality, losses and arrears**
- **Loan-to-value** (*For detailed information on LTV please refer to “LTV Report 2010 Q4”*)
- **Legislation**
- **Macroeconomic factors**

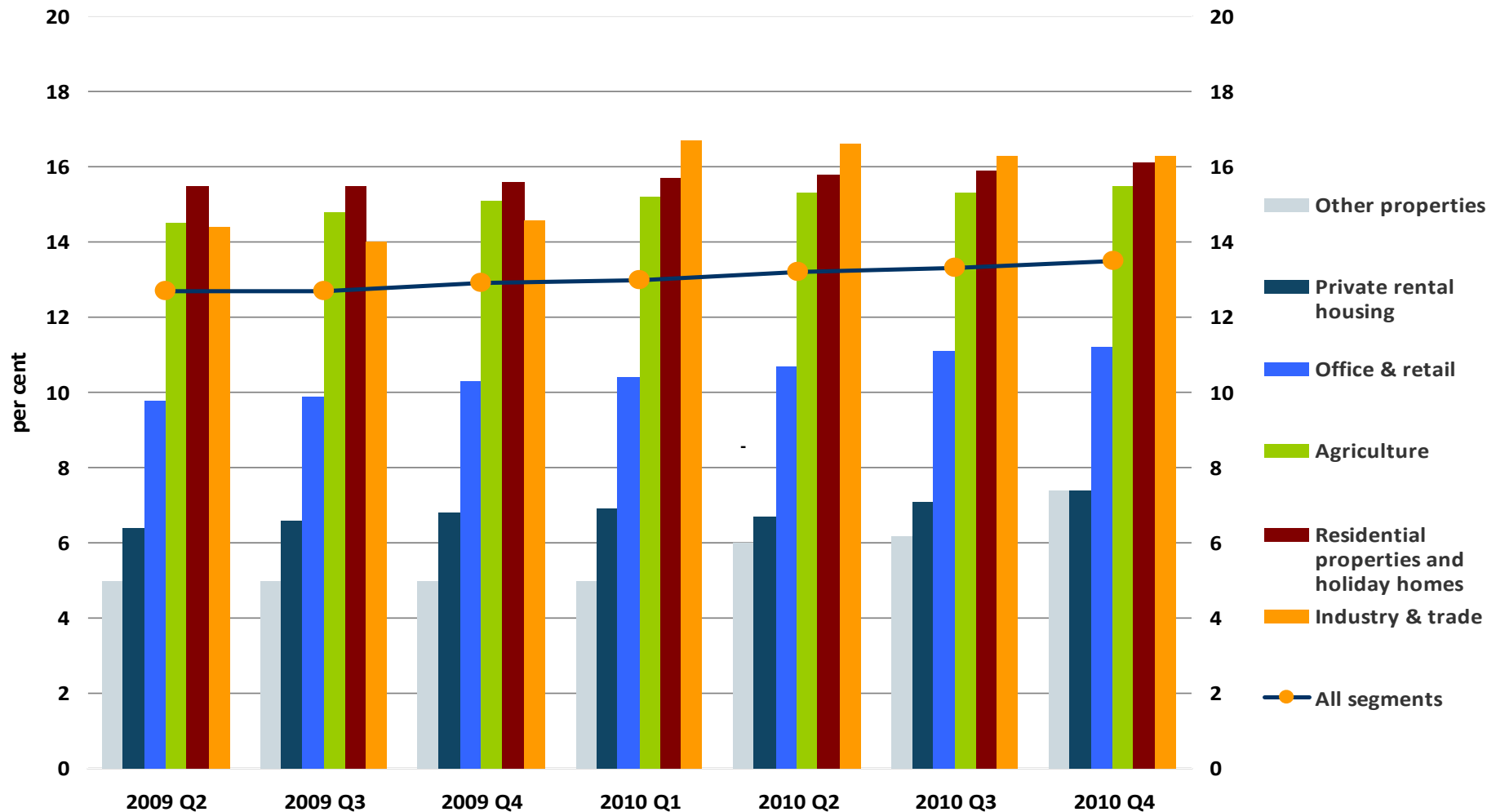
Nordea Kredit – in brief I

- **Founded in 1993, number of employees 143**
- **Nordea Kredit issues mortgage bonds and covered mortgage bonds**
- **All bonds issued by Nordea Kredit are rated AAA (S&P) and Aaa (Moody's)**
- **Profit before tax 2010: 934 m DKK, RoE 6.4% and Cost/Income ratio 19.9%**
- **Mortgage loans at nominal value 2010 Q4: 318.3 bn DKK**
- **Mortgage loans at fair value 2010 Q4: 318.2 bn DKK**
- **Market shares 2010 Q4: All segments 13.5% (2010 Q3: 13.3%)**
(Mortgage loans at fair value)

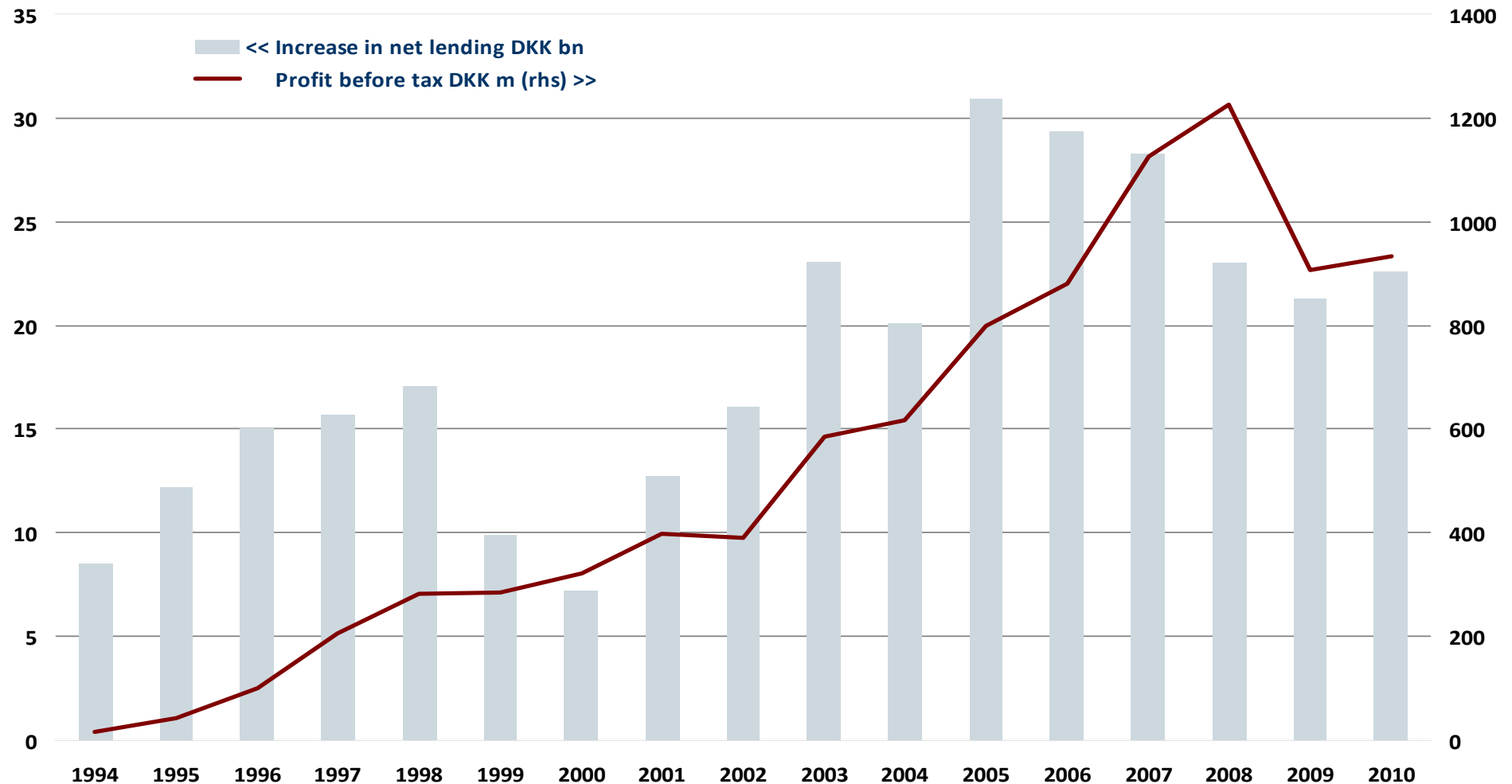
Nordea Kredit – in brief II

- **Late payments by borrowers 2010 Q4: 0.46% (2010 Q3: 0.44%)**
Residential properties and holiday homes, 3½ month after due date
- **Average LTV 2010 Q4: 66% (2010 Q3: 67%)**
- **Total capital ratio 10.2% and Tier 1 capital ratio 10.2% (incl. transition rules)**
- **Total capital ratio 16.5% and Tier 1 capital ratio 16.5% (excl. transition rules)**
- **Completely match funded “Pass Through” setup - strict ALM**
(Asset Liability Management)
- **Danish MCIs are closely regulated and supervised by Finanstilsynet**
(The Danish FSA)

Nordea Kredit – market shares in per cent of total market

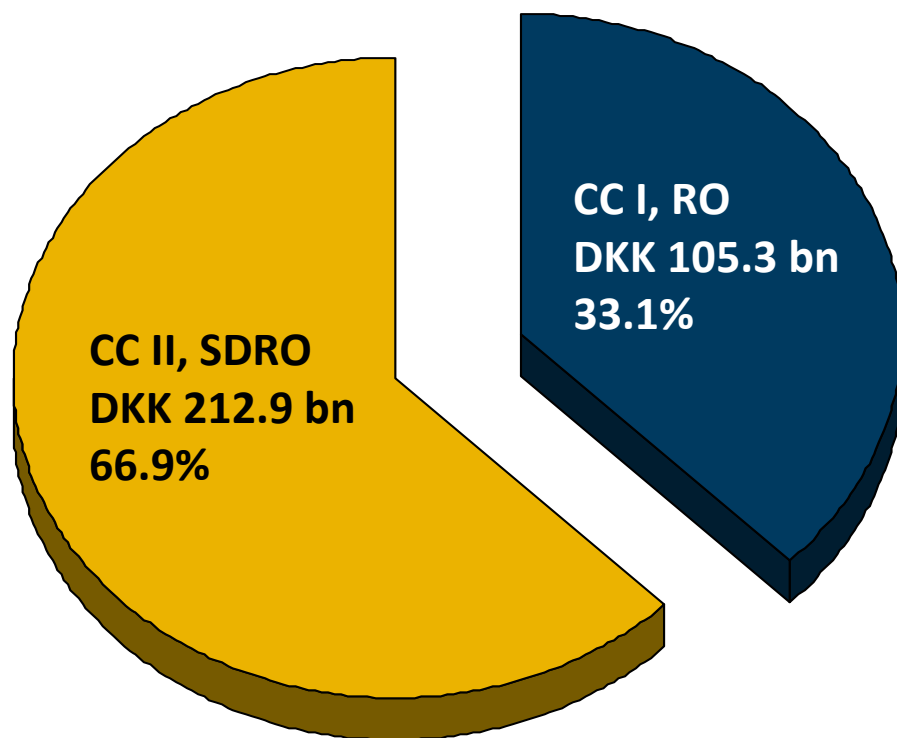


Nordea Kredit – profit and increase in net lending



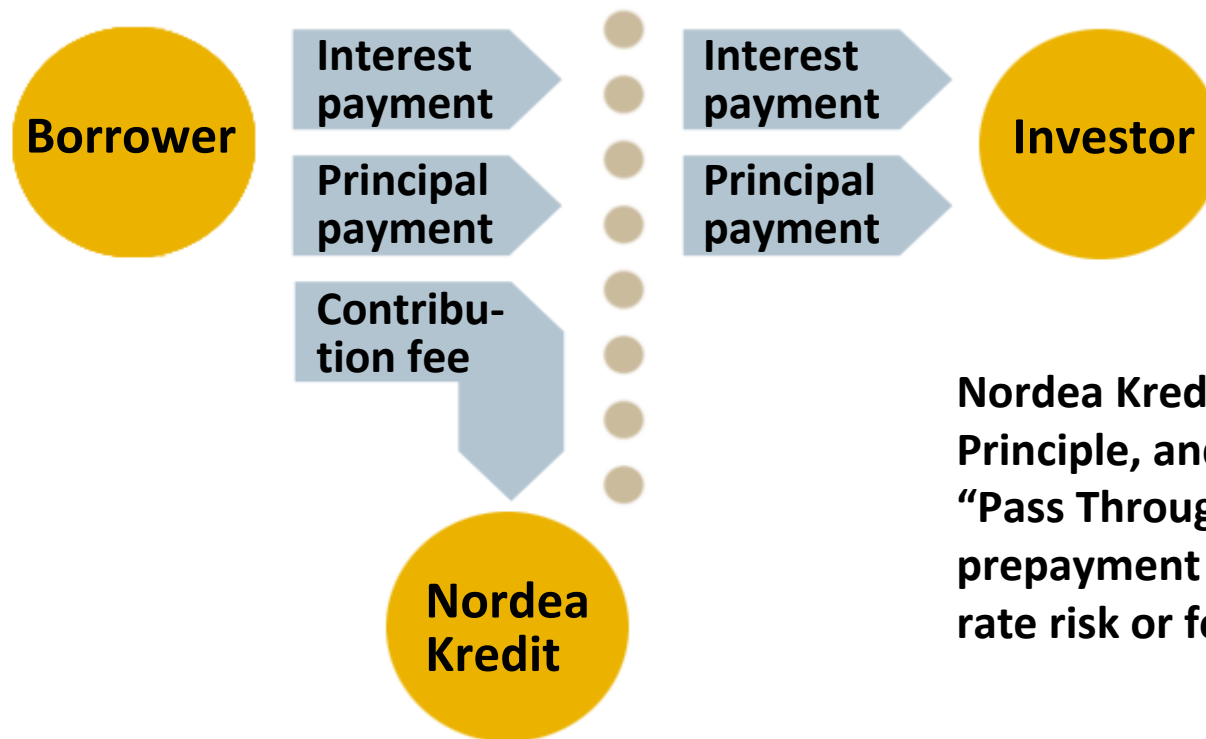
Nordea Kredit – Capital Centres 1 & 2 (CC I & II)

Mortgage loans at fair value 2010 Q4: DKK 318.2 bn



- **Nordea Kredit has two capital centres:**
 - CC I: Mortgage Bonds (Realkreditobligationer, “RO”) are issued out of CC I (1993 -), however only 1 ISIN is presently open for issuance. More than 97% of the bonds in CC I are grandfathered covered bonds.
 - CC II: Covered Mortgage Bonds (“Særligt Dækkede Realkreditobligationer”, SDRO) are issued out of CC II (2007 -). All bonds in CC II are covered bonds.
- **All new issuance exclusively in covered mortgage bonds (SDROs)**

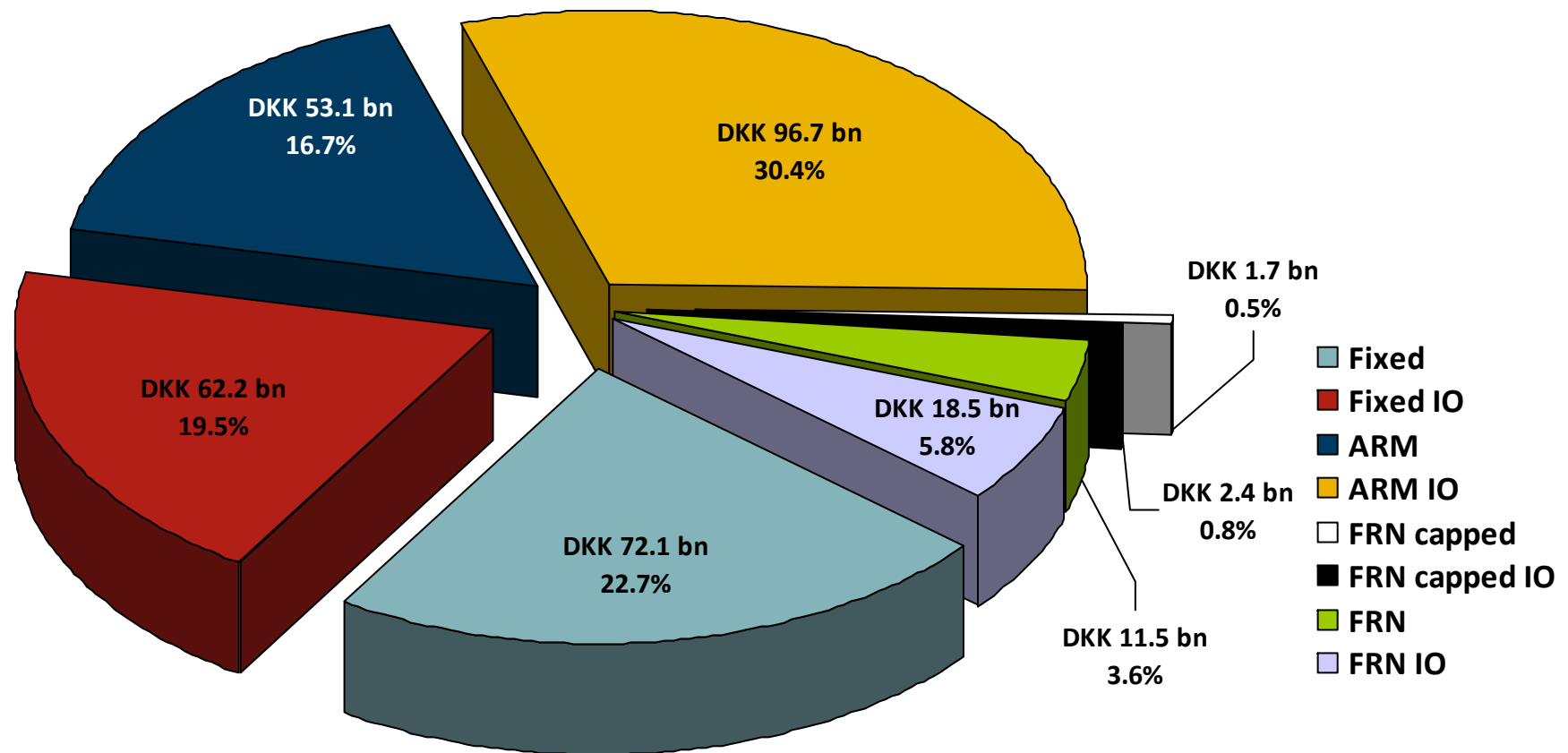
Match funded setup due to the strict Balance Principle



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

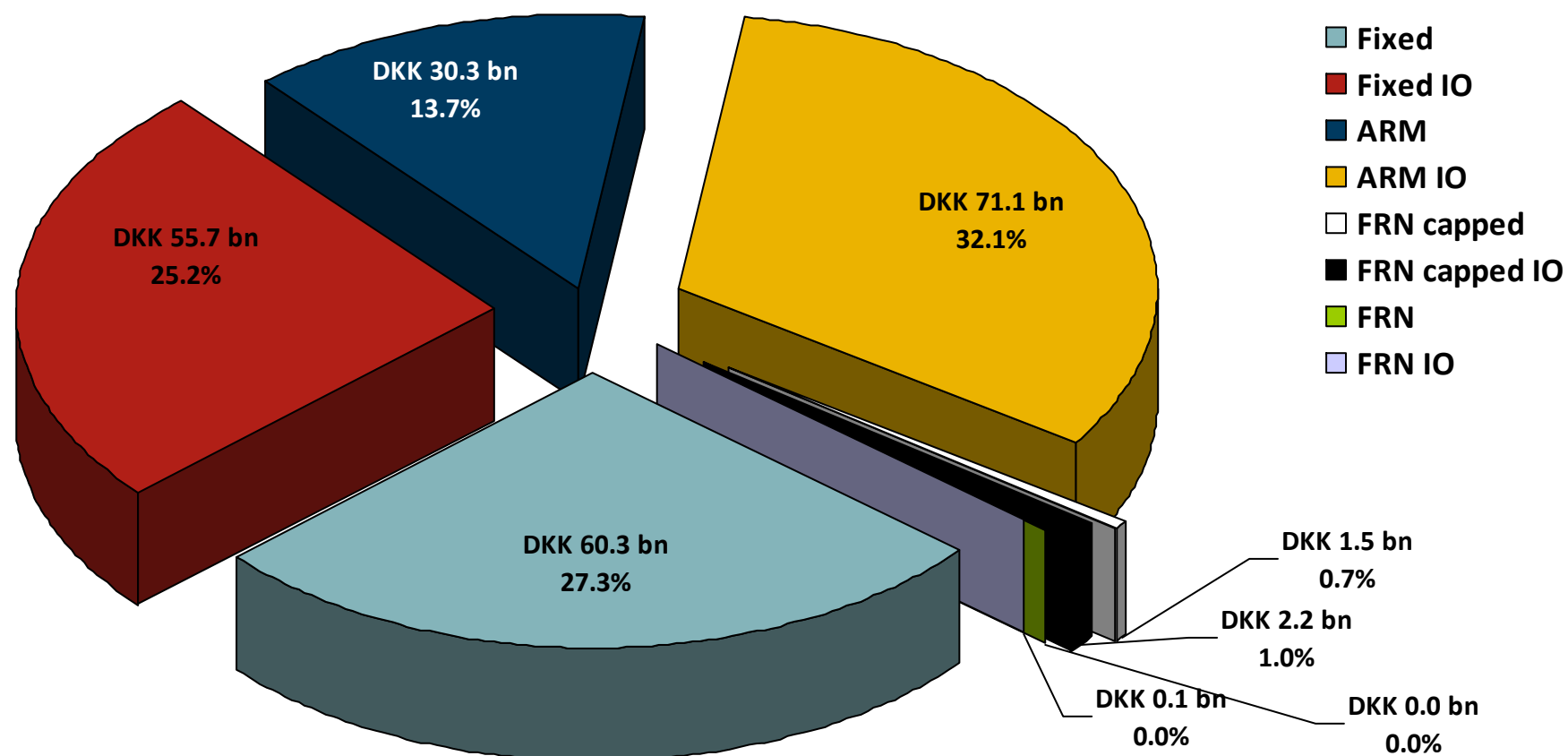
Nordea Kredit – distribution of loans by type

All segments - CC I & II, 2010 Q4 at fair value: 318.2 bn DKK



Nordea Kredit – distribution of loans by type

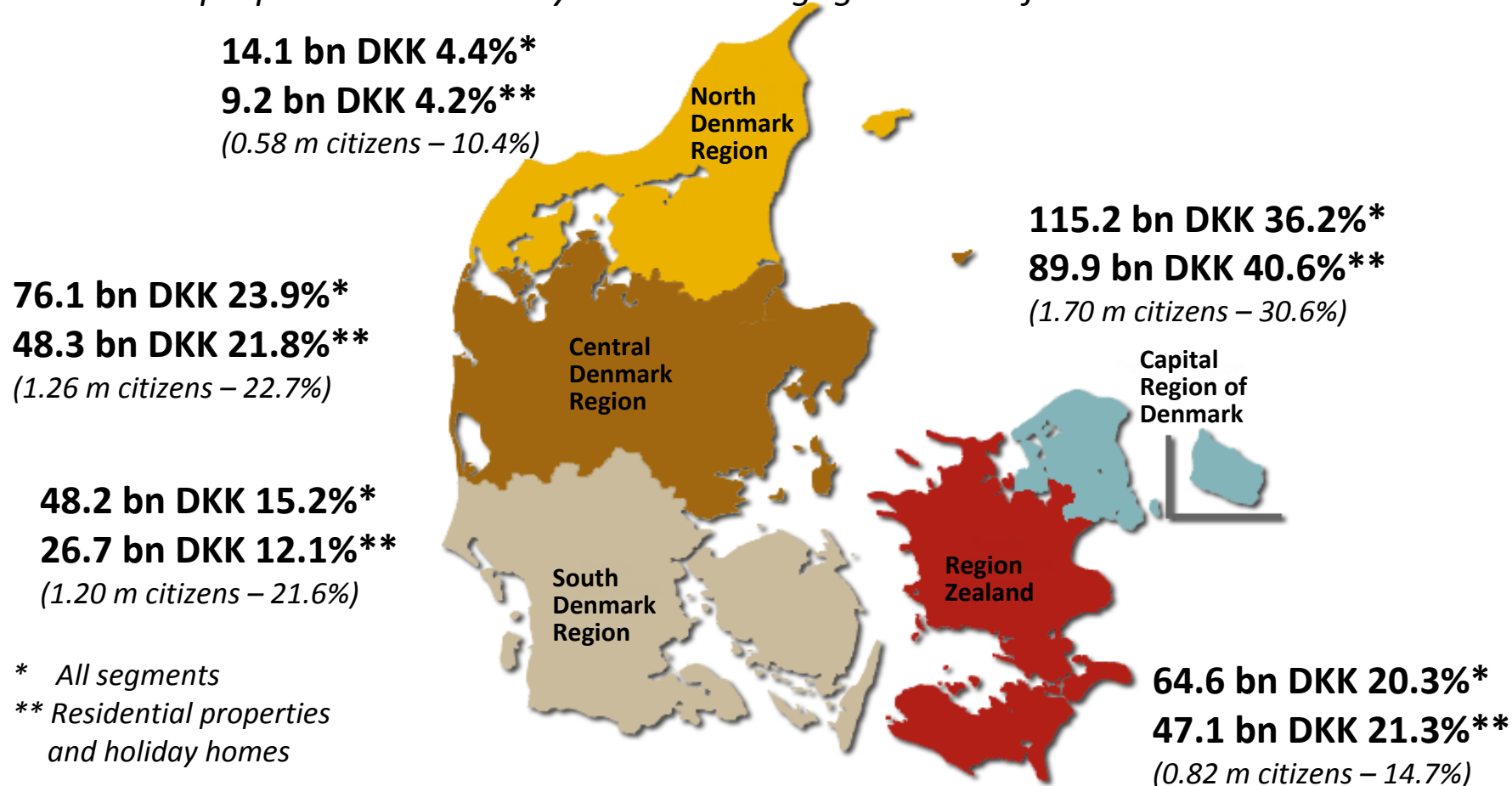
Residential properties and holiday homes - CC I & II, 2010 Q4 at fair value: 221.2 bn DKK



Nordea Kredit – geographical distribution of loans

CC I & CC II 2010 Q3, all segments: mortgage loans at fair value 318.2 bn DKK

Residential properties and holiday homes: mortgage loans at fair value 221.2 bn DKK



Asset quality - loss guarantee by Nordea Bank Danmark

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

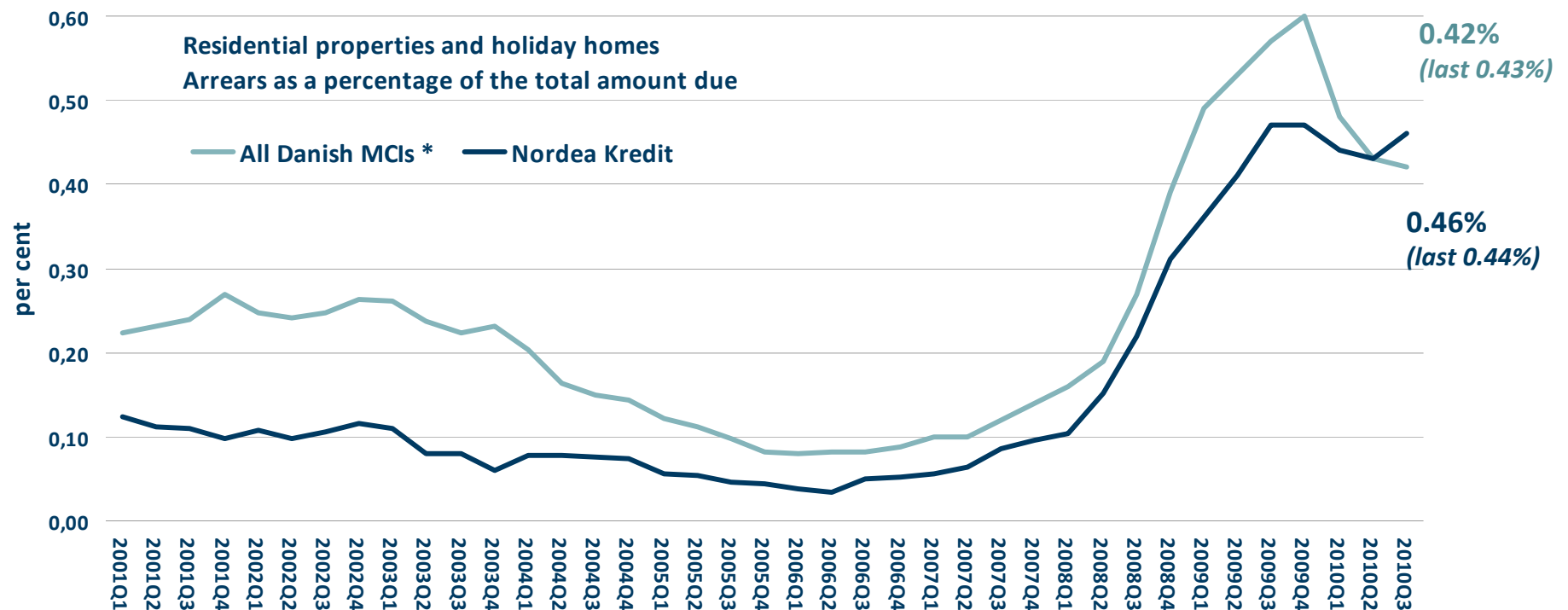
Property type	Guarantee period *	Guarantee level **
Owner occupied housing	5 years	25 per cent
Holiday homes	5 years	25 per cent
Subsidized property	10 years	10 per cent
Housing for youth/elderly	10 years	10 per cent
Agricultural property	10 years	25 per cent
Commercial property	10 years	25 per cent

**) Guarantee period starts when a loan is issued or remortgaged*

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

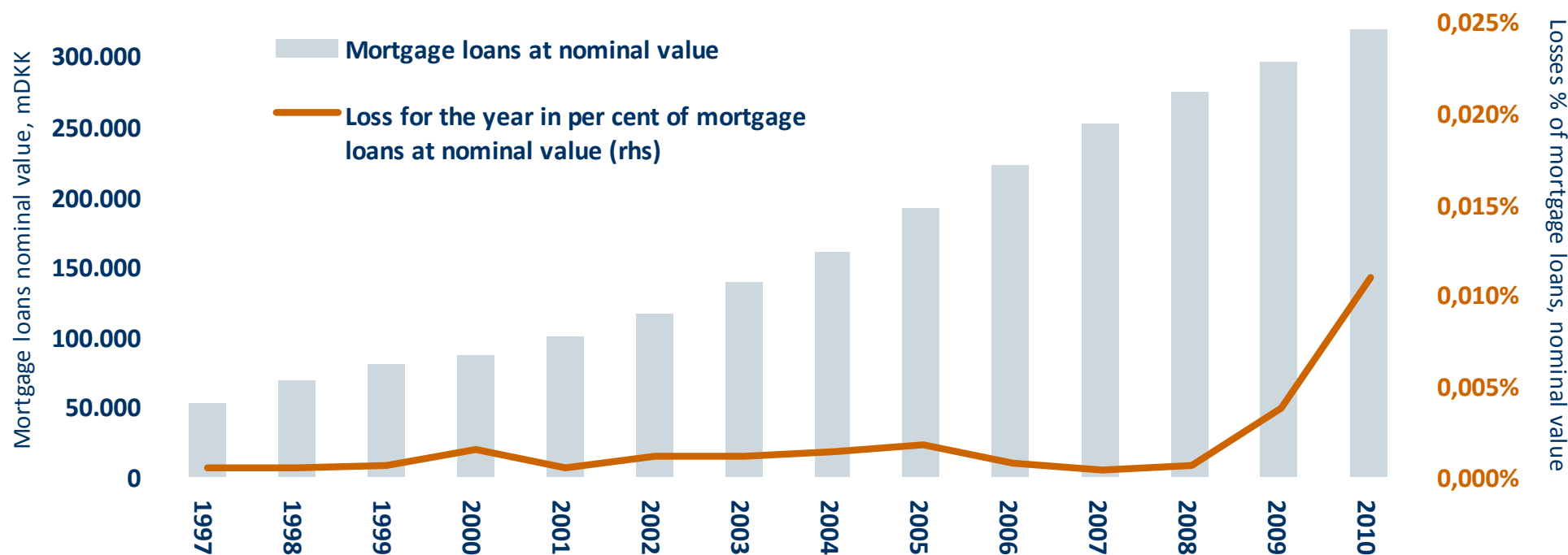
The guarantee amount is not reduced during the guarantee period, but cannot exceed the debt outstanding. A new guarantee period starts when the loan is changed e.g. due to remortgage.

Asset quality - late payments by borrowers - 3½ month after due date



*) Including Nordea Kredit

Losses in per cent of mortgage loans at nominal value



Nordea Kredit did not experience any losses prior to 1997
 – total accumulated losses in Nordea Kredit since 1997: 62 m DKK

Nordea Kredit – LTV, loan-to-value 2010 Q4 (2010 Q3)

	LTV CC I & II		LTV CC I		LTV CC II	
	2010Q4	2010Q3	2010Q4	2010Q3	2010Q4	2010Q3
Owner occupied dwellings	72	73	66	68	75	76
Rental	63	64	61	62	64	66
Industry and Trade	52	52	42	43	68	68
Office and Retail	58	58	49	49	61	61
Agriculture	48	48	44	44	49	49
Other	42	43	42	43	42	42
Total	66	67	62	63	68	69

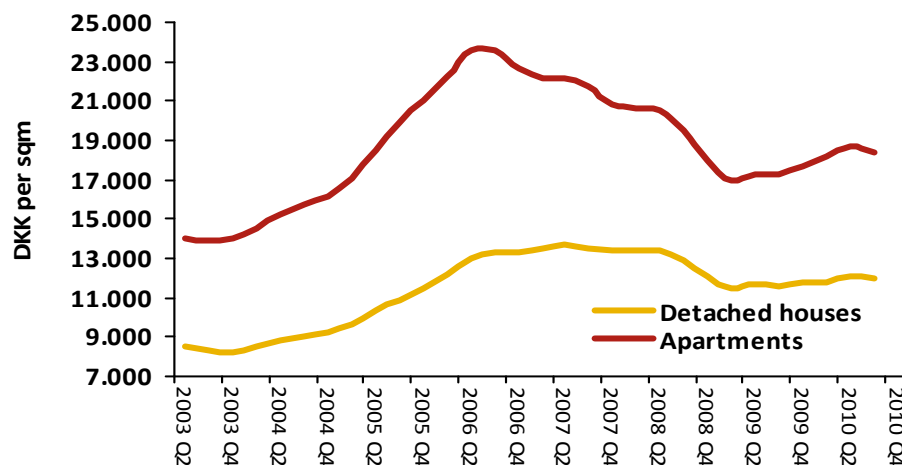
For more detailed information on LTV – please refer to “LTV Report 2010 Q4”

Legislation

- Danish mortgage financing is closely regulated and supervised by the Danish FSA (Finanstilsynet, DFSA)
- Some legislation can be found in English at the DFSA's English website: <http://www.dfsa.dk/sw7804.asp>
- All relevant legislation can be found in Danish at the DFSA's Danish website: <http://www.finanstilsynet.dk/sw22517.asp>



The Danish economy - house prices and foreclosures

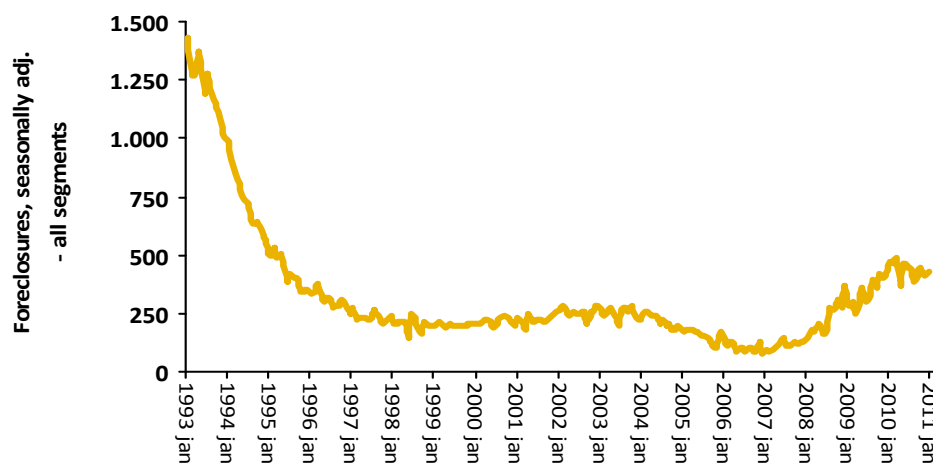


Source: Federation of Danish Mortgage Banks (*Realkreditforeningen*), Association of Danish Mortgage Banks (*Realkreditrådet*), The Danish Bankers Association (*Finansrådet*) and The Danish Association of Chartered Estate Agents (*Dansk Ejendomsmæglerforening*).

For a number of years house prices increased but by mid-2006 house prices peaked and subsequently declined.

Recently, however, increases have been seen.

For more information on macro economics please refer to the current issue of “[*Economic Outlook*](#)” published by Nordea Markets, Economic Research.



Source: Statistics Denmark (*Danmarks Statistik*)

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