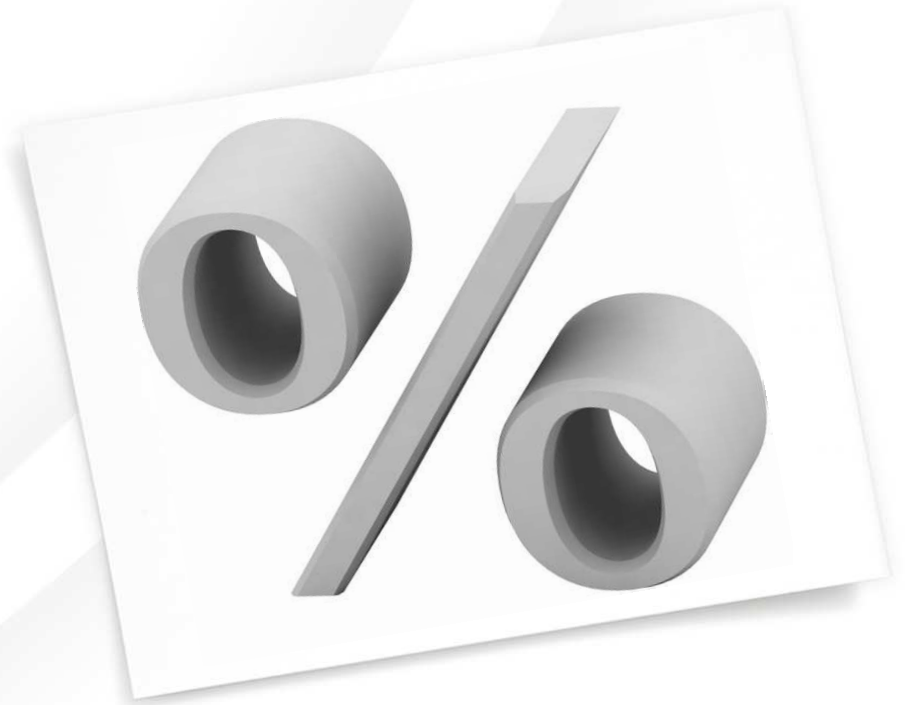




Nordea Kredit Investor Presentation – 2011 Q2

Published 9 September 2011



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 “LTV Report 2011 Q2”*)
- Legislation
- Macro-economic factors

Nordea Kredit – in brief I

- Founded in 1993, number of employees 150 (*as per 2011, Q2*)
- 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 first half 2011: 529 m DKK, RoE 3.5% and Cost/Income ratio 16.9%
- Mortgage loans at nominal value 2011, Q2: 326.4 bn DKK
- Mortgage loans at fair value 2011, Q2: 323.8 bn DKK
- Market share 2011, Q2: 13.7% (*2011, Q1: 13.6%*)
(*Mortgage loans at fair value as a share of all Danish mortgage loans*)

Nordea Kredit – in brief II

- Late payments by borrowers 2011 Q2: 0.42% (2011 Q1: 0.42%)
Residential properties and holiday homes, 3½ month after due date
- Average LTV 2011 Q2: 66% (2011 Q1: 65%)
- Total capital ratio 9.3% and Tier 1 capital ratio 9.3% (*incl. transition rules*)
- Total capital ratio 15.5% and Tier 1 capital ratio 15.5% (*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*)

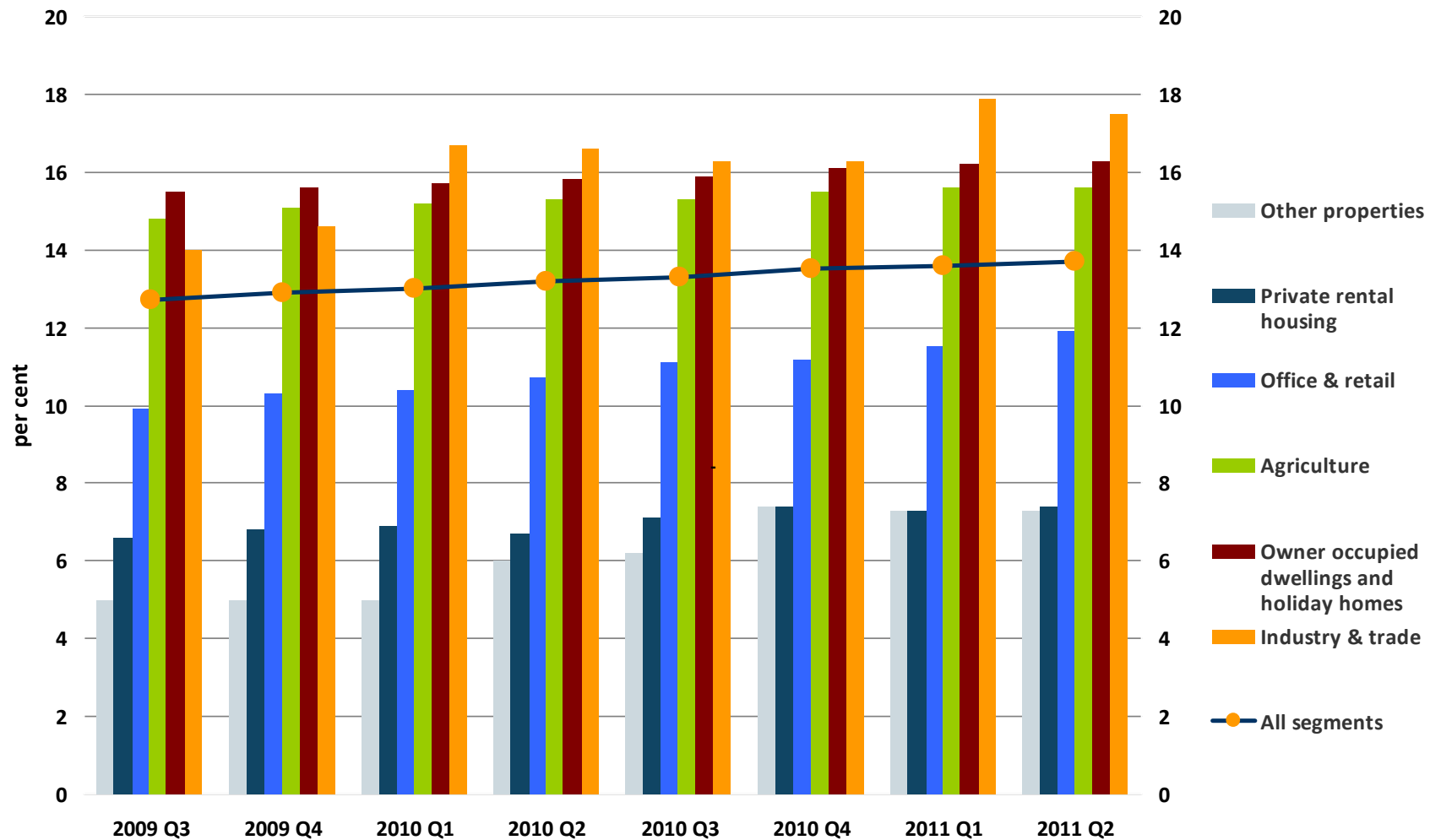
Nordea Kredit – Ratings and over-collateralisation

	Moody's		S&P	
	CC 1	CC2	CC1	CC 2
Ratings of issued SDRO	Aaa	Aaa	AAA	AAA
Required OC for Aaa and AAA rating, per cent	4.0	13.0	8.79	9.44
Current OC, per cent	11.4	19.3	n.a.	n.a.
Current CS, per cent	11.9	16.3	n.a	n.a
	TPI leeway, Moody's		Unused uplift, S&P	
Notches	5	4	4	4

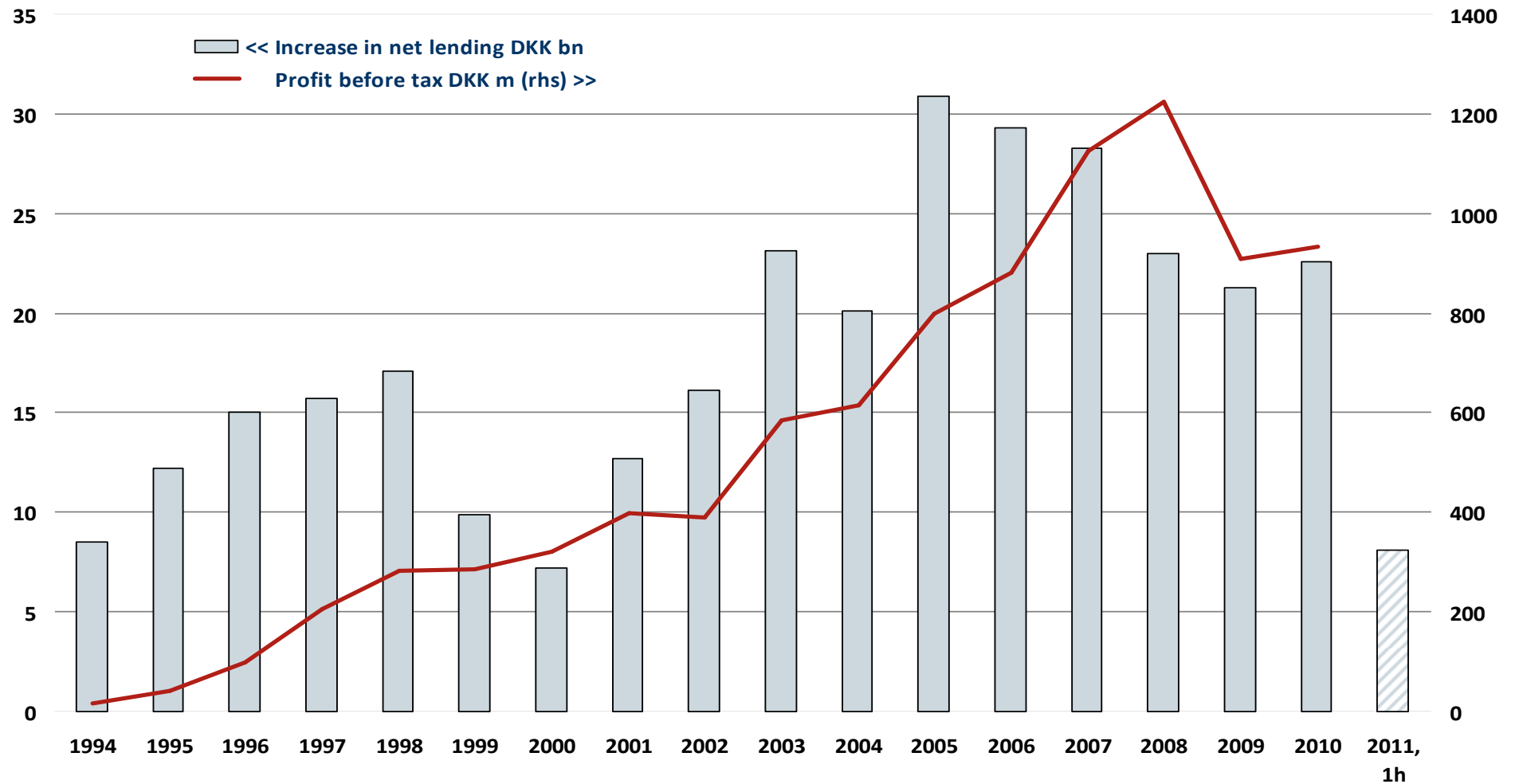
All figures as per Q2 2011.

The S&P figures show the credit enhancement as calculated by S&P.

Nordea Kredit – market shares in per cent of total market



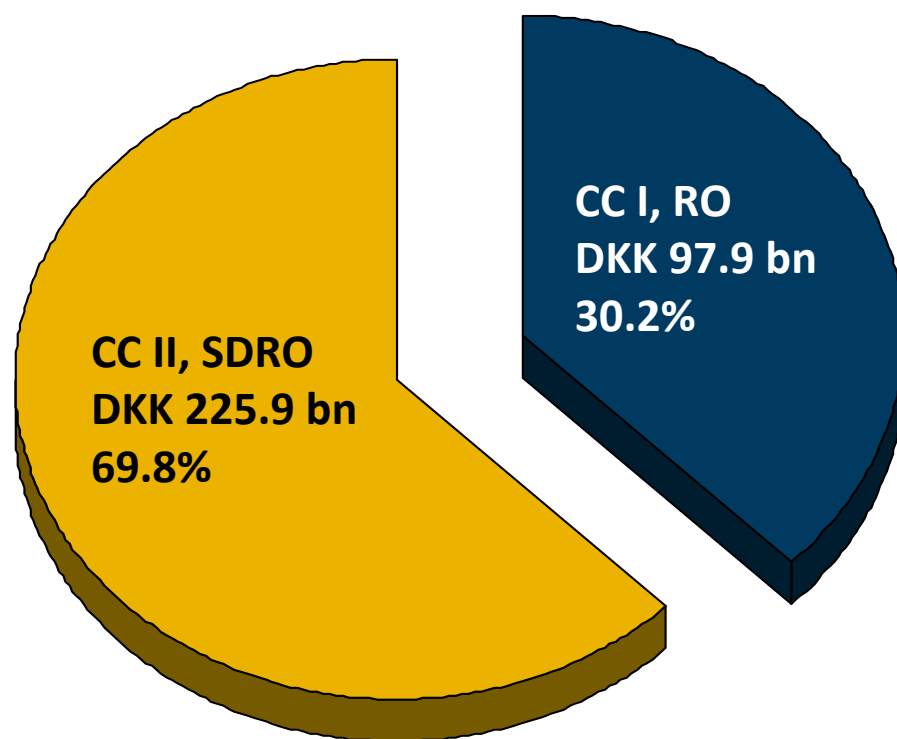
Nordea Kredit – profit and increase in net lending



Profit before tax for the 1st half of 2011 was 529 m DKK

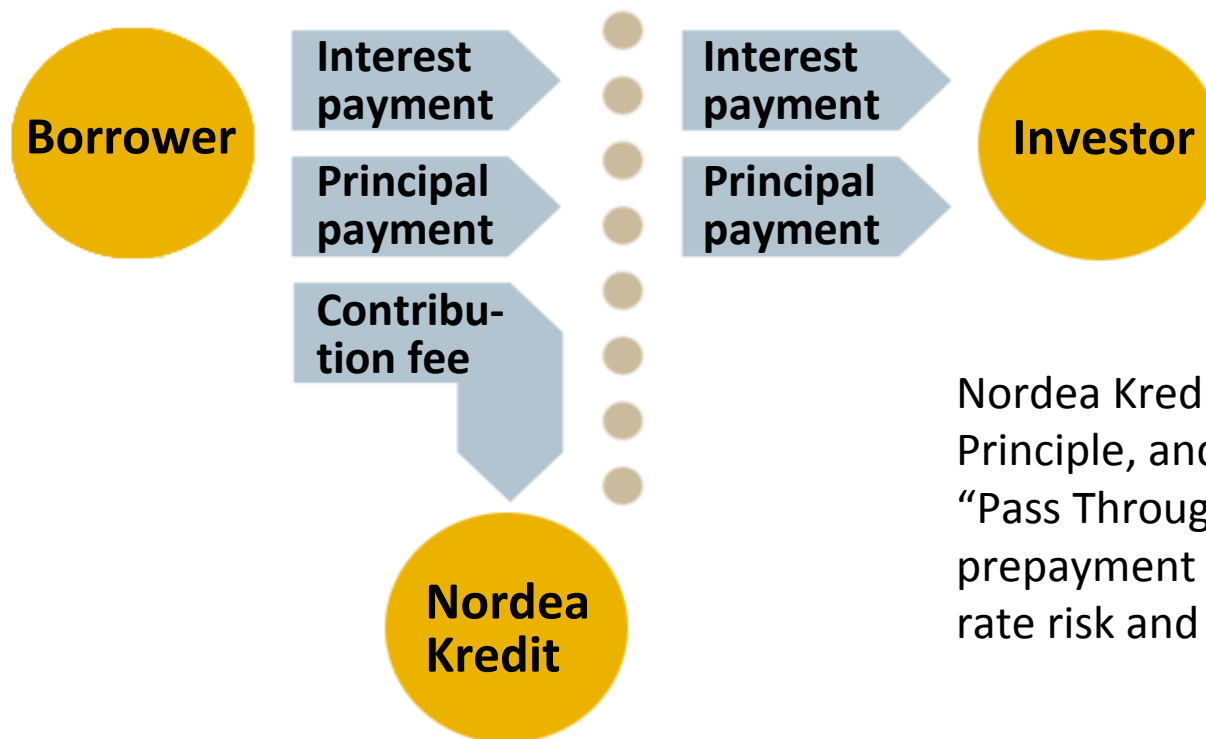
Nordea Kredit – Capital centres 1 & 2 (CC I & II)

Mortgage loans at fair value 2011 Q2: DKK 323.8 bn



- **Nordea Kredit has two capital centres:**
 - CC I: Mortgage Bonds (Realkreditobligationer, "RO") are issued out of CC I (1993 -). More than 97% 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.
- **All new issuance in 2011, Q2, exclusively in covered mortgage bonds (SDROs)**

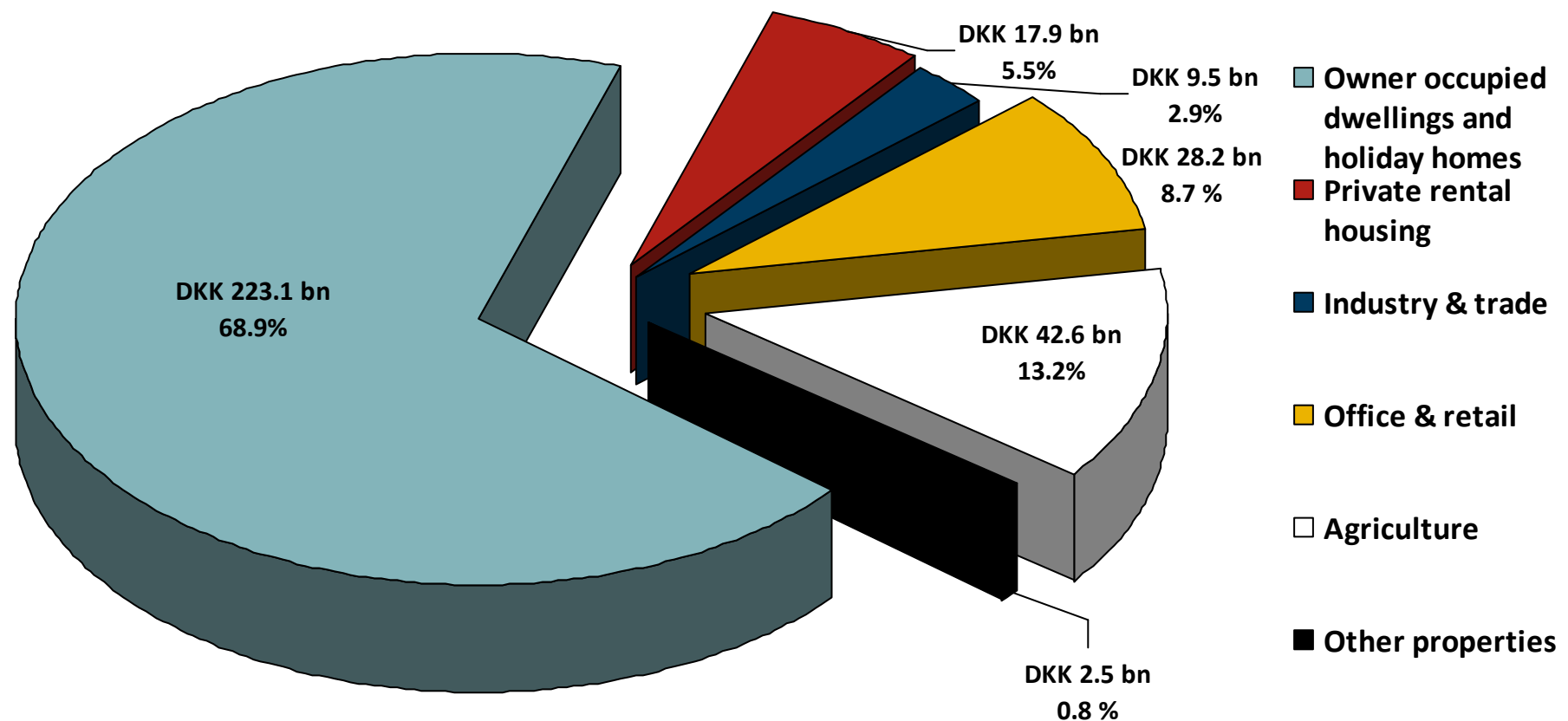
Match funded setup due to the strict Balance Principle



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 and foreign exchange risk.

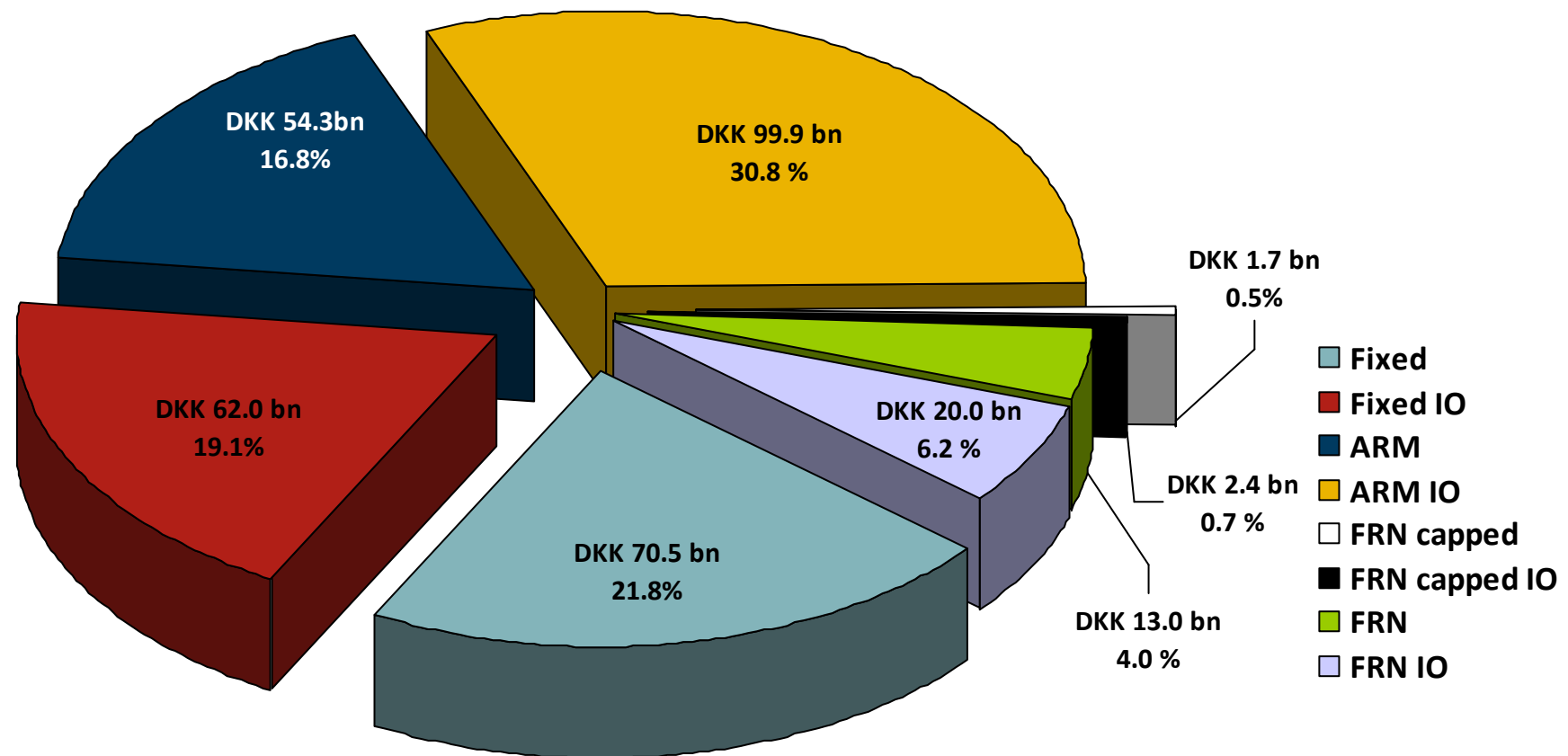
Nordea Kredit – distribution of loans by property category

All property categories - CCs I & II, 2011 Q2 at fair value: 323.8 bn DKK



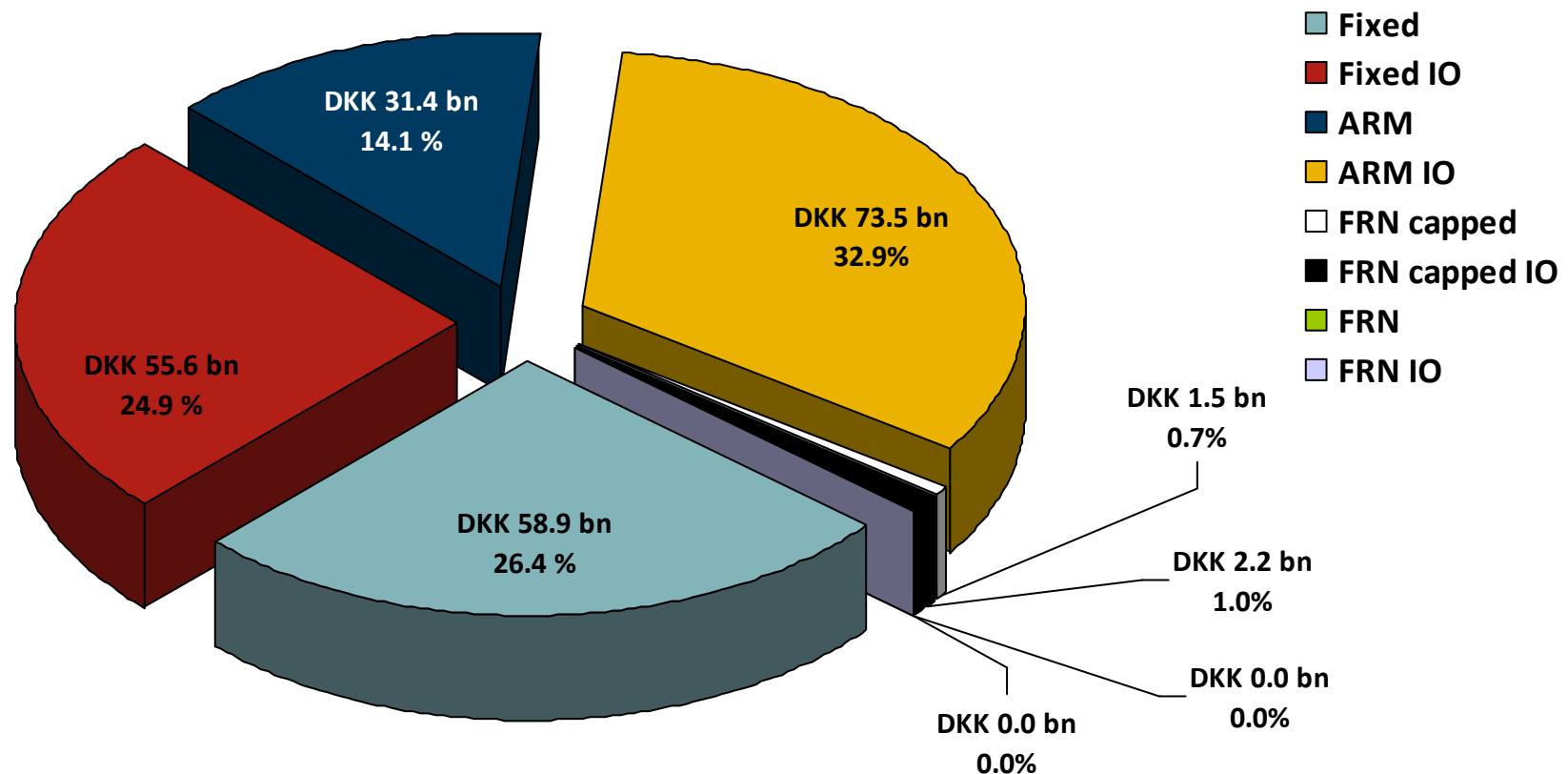
Nordea Kredit – distribution of loans by type

All property categories - CCs I & II, 2011 Q2 at fair value: 323.8 bn DKK



Nordea Kredit – distribution of loans by type

Residential properties and holiday homes - CCs I & II, 2011 Q2 at fair value: 223.1 bn DKK

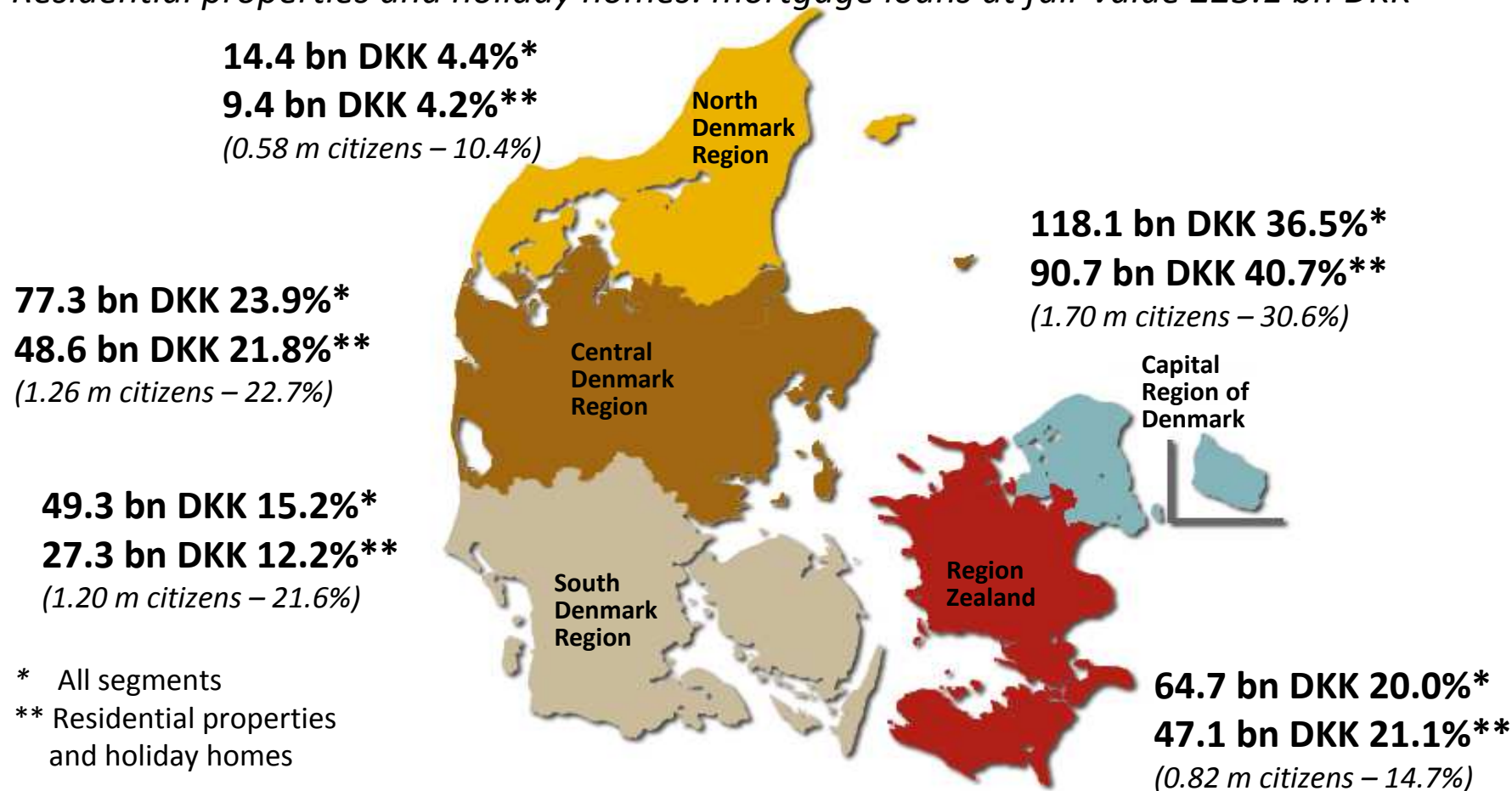


Fixed rate loans account for 51.3% of the total loan portfolio

Nordea Kredit – geographical distribution of loans

CC I & CC II 2011 Q2, all segments: mortgage loans at fair value 323.8 bn DKK

Residential properties and holiday homes: mortgage loans at fair value 223.1 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:

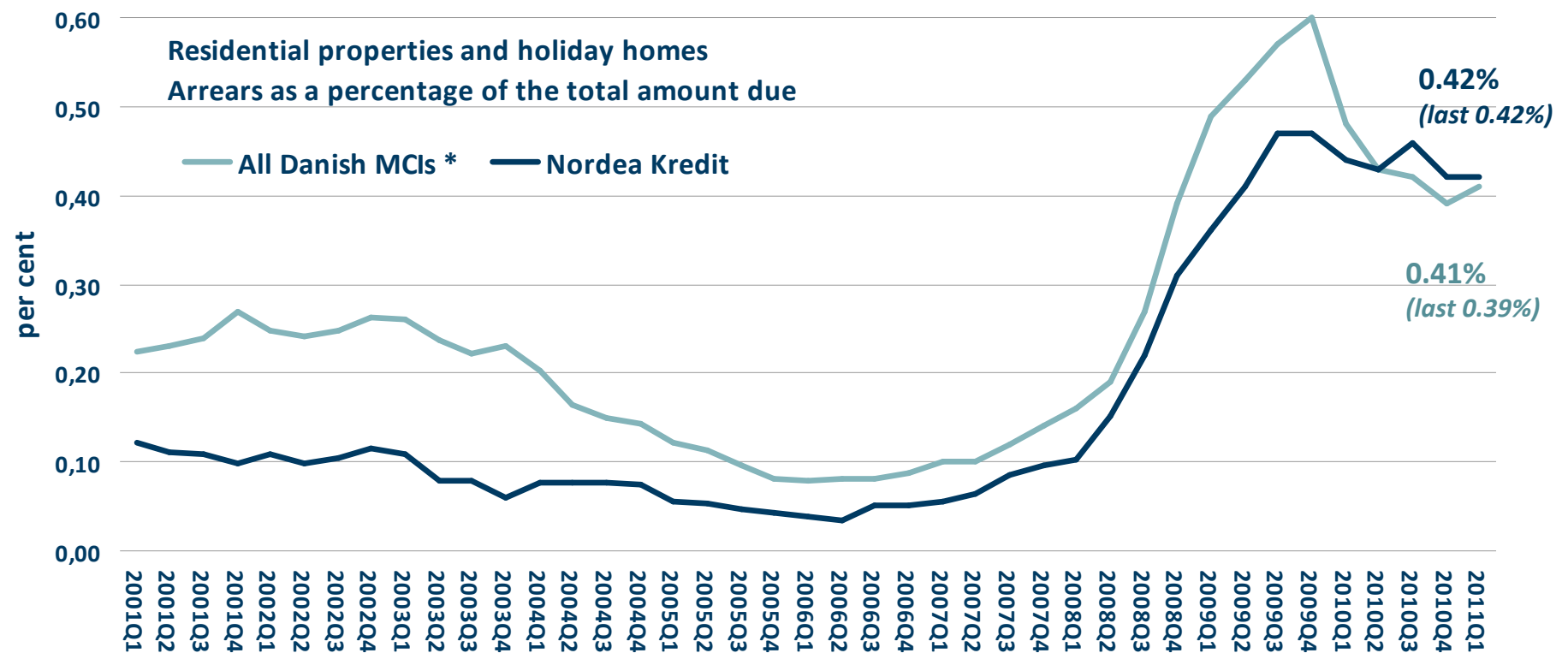
Property type	Guarantee period *	Guarantee level **
Owner occupied dwellings	5 years	25 per cent
Holiday homes	5 years	25 per cent
Subsidized property	10 years	10 per cent
Housing for youth/elderly	10 years	10 per cent
Agricultural property	10 years	25 per cent
Commercial property	10 years	25 per cent

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

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

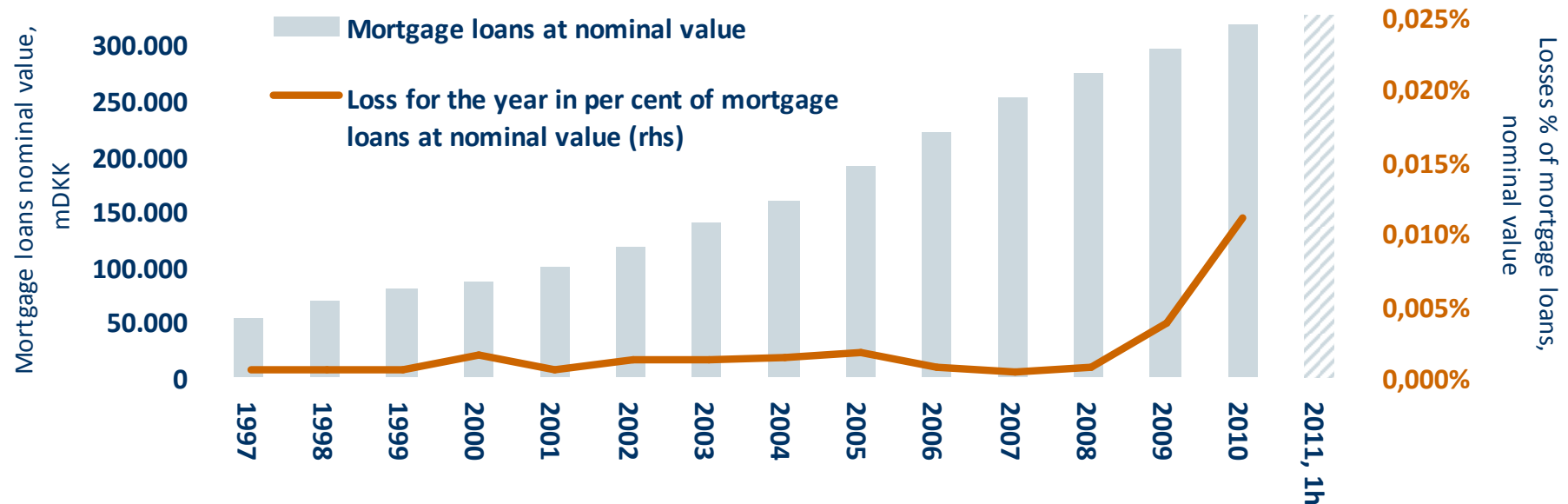
The guarantee amount is not reduced during the guarantee period, but cannot exceed the debt outstanding.
A new guarantee period starts when the loan is changed e.g. due to remortgaging.

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. In the 1st half of 2011, losses amounted to 21.5 m DKK – total accumulated losses in Nordea Kredit since 1997: 83.5 m DKK

Nordea Kredit – LTV, loan-to-value 2011 Q2 (2011 Q1)

	LTV CC I & II		LTV CC I		LTV CC II	
	2011Q2	2011Q1	2011Q2	2011Q1	2011Q2	2011Q1
Owner occupied dwellings	71	71	65	65	74	74
Private rental housing	62	62	61	60	63	63
Industry and Trade	53	51	42	42	71	68
Office and Retail	56	56	48	48	58	58
Agriculture	49	49	44	44	50	50
Other properties	41	40	41	41	41	40
Total	66	65	61	61	68	68

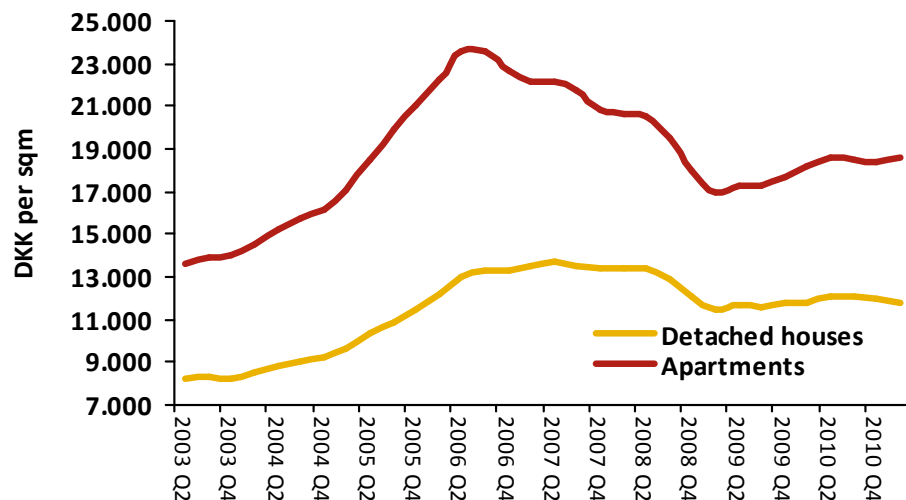
For more detailed information on LTV – please refer to “LTV Report 2011 Q2”

Legislation

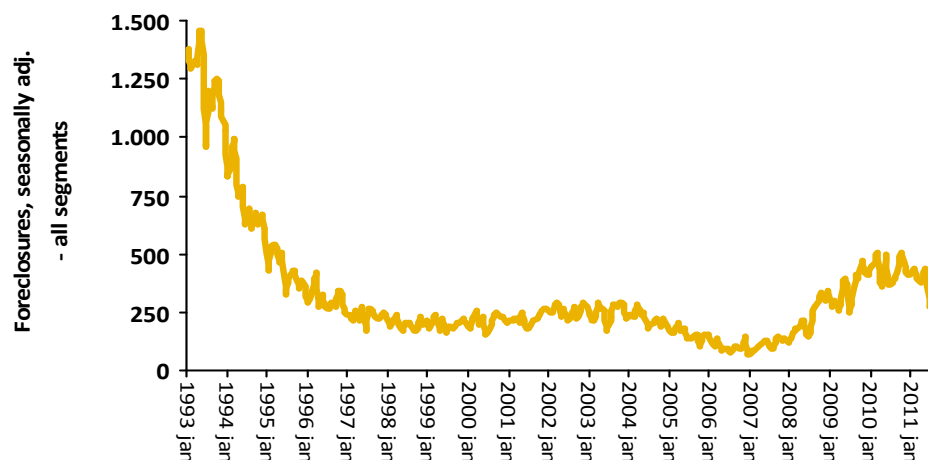
- Danish mortgage financing is closely regulated and supervised by the DFSA (Finanstilsynet): www.ftnet.dk
- Some legislation can be found in English at the DFSA's English website: <http://www.finanstilsynet.dk/en/Regler-og-praksis/Translated-regulations.aspx>
- All relevant legislation can be found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



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*).



Source: Statistics Denmark (*Danmarks Statistik*)

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 macroeconomics please refer to the current issue of "[*Economic Outlook*](#)" published by Nordea Markets, Economic Research.

Please note that the top graph to the left is based on new, recalculated data for actual sales prices. The data in this new form were first published in December, 2010 and the latest available data are as of end March 2011.

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