

Nordea



Interim report 1st quarter 2024 Nordea Eiendoms kreditt AS

Nordea Eiendoms kreditt AS is part of the Nordea Group. Nordea is a leading Nordic universal bank. We are helping our customers realise their dreams and aspirations – and we have done that for 200 years. We want to make a real difference for our customers and the communities where we operate – by being a strong and personal financial partner. The Nordea share is listed on the Nasdaq Helsinki, Nasdaq Copenhagen and Nasdaq Stockholm exchanges. Read more about us on [Nordea.com](https://www.nordea.com).

Key financial figures

Summary of the income statement (NOKm)

	Jan-Mar 2024	Jan-Mar 2023	Year 2023
Net interest income	641	618	1,937
Net fee and commission income	23	15	85
Net result from items at fair value	-12	-43	-77
Other operating income	0	0	1
Total operating income	652	589	1,945
Staff costs	9	9	38
Other expenses	322	374	1,192
Total operating expenses	331	383	1,230
Loan losses (negative figures are reversals)	27	38	47
Operating profit	294	167	668
Income tax expense	73	42	168
Net profit for the period	220	126	500

Summary of the balance sheet (NOKm)

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Loans to the public, gross	345,789	328,707	334,668
Allowance for loan losses	-385	-347	-361
Other assets	12,071	7,218	13,239
Debt securities in issue	222,732	166,255	197,449
Other liabilities	113,118	147,789	128,192
Equity	21,625	21,533	21,905
Total assets	357,475	335,578	347,547
Average total assets	354,590	335,669	341,664

Ratios and key figures

	31 Mar 2024	31 Mar 2023	31 Dec 2023
Basic/diluted Earnings per share (EPS), annualised basis, NOK	52.5	29.9	29.8
Equity per share ¹ , NOK	1288.6	1283.1	1305.3
Shares outstanding ¹ , million	16.8	16.8	16.8
Return on average equity	4.0%	2.3%	2.3%
Cost/income ratio	50.9%	65.1%	63.2%
Loan loss ratio, annualised, basis points	3.1	4.7	1.4
Risk Exposure Amount ¹ , NOKm	86,241	81,930	81,987
Own funds, NOKm ^{1,2}	22,566	22,512	22,548
Common Equity Tier 1 capital ratio ^{1,2}	24.7%	26.0%	26.0%
Tier 1 capital ratio ^{1,2}	24.7%	26.0%	26.0%
Total capital ratio ^{1,2}	26.2%	27.5%	27.5%
Number of employees (Full-time equivalents) ¹	25.0	23.0	24.0

¹ At the end of the period.

² Excluding the year to date profit for interim figures.

Table of contents

Board of Directors' Report**Income statement****Statement of comprehensive income****Balance sheet****Statement of changes in equity****Cash flow statement****Notes to the financial statements**

Note 1 Accounting policies

Note 2 Net interest income

Note 3 Net result from items at fair value

Note 4 Loan losses

Note 5 Classification of assets and liabilities

Note 6 Assets and liabilities at fair value

Note 7 Loans and impairment

Note 8 Cover pool

Note 9 Debt securities in issue and loans from financial institutions

Note 10 Capital adequacy

Note 11 Risks and uncertainties

Note 12 Related-party transactions

Contact information

Board of Directors' Report

Introduction

Nordea Eiendomskreditt AS is licensed by the Norwegian Financial Supervisory Authority to issue covered bonds. The company's business objective is to grant and acquire residential mortgage loans and loans to holiday homes in Norway, including secured construction loans, and to finance its lending activities mainly by issuing covered bonds. Nordea Eiendomskreditt is a wholly owned subsidiary of Nordea Bank Abp and part of the Personal Banking Business Area in Nordea. The company's registered business address is located in Oslo.

Income Statement

(Previous year comparable figures are shown in brackets)

Profit before loan losses

Operating profit in the first quarter of 2024 was NOK 294m (NOK 167m). The increase compared to last year is mainly driven by higher net interest income, lower losses from items at fair value and as a result of the agreed pricing model for sales- and distribution fees that are paid to the parent bank. Also lower loan losses from the mortgage loan portfolio has contributed to the positive development. Return on average equity for the first quarter of 2024 was 4.0% (2.3%).

Net interest income in the first quarter increased by 4% compared to the same period last year and amounted to NOK 641m (NOK 618m). The increase is explained by a generally higher interest rate level, which gives a positive effect on the part of the mortgage loan portfolio funded by equity, and higher lending volume.

Total operating expenses in the first quarter amounted to NOK 331m (NOK 383m), whereof NOK 9m (NOK 9m) is staff related. Other operating expenses are mainly related to services bought from the parent bank, such as sales and distribution of mortgage loans, management of the loan portfolio and customer contact, as well as funding, risk control, accounting, reporting and IT related services. The main part is related to sales, distribution and management of the mortgage loans, where the fee is calculated based on net interest income, and will therefore fluctuate between periods. All group internal transactions are settled in conformity with OECD guidelines on transfer pricing. The cost/income ratio for the first quarter of 2024 was 50.9% (65.1%).

Net loan losses

Loan losses and provisions recognised in the first quarter of 2024 were NOK 26m (NOK 38m), whereof NOK 25m is related to increased allowances for mortgage loans and NOK 1m is realised loan losses.

Loan loss allowances have increased from NOK 361m at the beginning of the year to NOK 385m at 31 March 2024, mainly due to migration of loans into Stage 2 where loan loss provisions are calculated and booked for the full remaining lifetime of the loans. The management judgements included in the loan loss allowances were unchanged at NOK 92m in the first quarter.

Nordea Eiendomskreditt will continue to take appropriate actions to adjust management judgements as respective losses are realised or captured by Nordea's models, whilst

maintaining in place an adequate total collective allowance for loan losses.

The underlying net loan losses in Nordea Eiendomskreditt are low, reflecting a strong credit portfolio. Loans in Stage 2 have increased, hence some deterioration in the credit quality which is also reflected in increased loan loss allowances, but we have also seen more upgrades than downgrades in the customers' risk grade during the first quarter. See note 4 and note 7 for further information about loan losses and impairment.

Funding and liquidity

During the first quarter of 2024 Nordea Eiendomskreditt issued covered bonds amounting to NOK 39.1bn in the Norwegian domestic market under its NOK 250bn domestic covered bond programme. In the same period NOK 13.4bn have been bought back. As of 31 March 2024, Nordea Eiendomskreditt had outstanding covered bonds totalling NOK 220.5bn in the Norwegian market and EUR 0.1bn in the European market. Nordea Eiendomskreditt also had subordinated debt outstanding to the amount of NOK 1.1bn.

In addition to the long-term funding, Nordea Eiendomskreditt also raised unsecured funding from the parent bank. At the end of the first quarter 2024 such borrowings amounted to NOK 109.3bn.

Nordea Eiendomskreditt holds a liquidity buffer of NOK 10.3bn and the Liquidity Coverage Ratio (LCR) according to the EBA Delegated Act was 1382% (1221%) at the end of the first quarter 2024. Additionally, in order to ensure sufficient cash resources to meet its payment obligations, the company has an overdraft facility with the parent bank and a committed liquidity support agreement with the Nordea Group. Net Stable Funding Ratio (NSFR) was 113.6% (110.8%) at the end of the first quarter 2024.

Rating

The company has since April 2010 had the rating Aaa from Moody's Investor Service for the covered bonds issued by the company.

Lending

The gross book value of loans to the public amounted to NOK 345bn at the end of the first quarter 2024 (NOK 328bn), acquired or issued directly from own balance sheet. NOK 322bn (NOK 239bn) of the loan portfolio is included in the collateral pool for the purposes of the calculation of the asset coverage requirement under the covered bond legislation. This represents surplus collateral of 45.3% (45.6%) in relation to gross issued covered bonds.

Total assets amounted to NOK 357bn at the end of the first quarter 2024 (NOK 336bn).

Impaired loans

As of 31 March 2024 impaired loans amounted to NOK 967m which corresponds to 0.28% of the total loan portfolio. Allowances of NOK 160m have been made, and net impaired loans were NOK 807m at 31 March 2024 compared to NOK 507m at 31 March 2023.

Interest rate and currency hedging

The company uses interest rate and currency swaps to hedge interest rate and currency risk. At the close of the first quarter of 2024, the company was party to interest rate swaps with a nominal value of NOK 44.6bn. In accordance with IFRS, fair value changes of interest rate swaps and the corresponding hedged items (fixed-rate lending and fixed-rate issued bonds) due to changes in market rates, are recognised in the profit and loss accounts. In order to eliminate the foreign exchange risk, the company has entered into currency swaps of the same amounts as covered bonds issued in foreign currencies. Counterparties to all derivative contracts are within the Nordea Group.

Capital requirements and capital position

Regulatory development

There are no new regulatory rules on capital adequacy impacting Nordea Eiendoms kreditt in Q1 2024.

The Norwegian FSA has, as expected, in their annual review of the identification of systemically important institutions (OSII) in Norway, also this year recommended to the Ministry of Finance that Nordea Eiendoms kreditt is identified as a systemically important institution, subject to additional capital buffer requirement of 1%, similar to last year.

Capital position

Nordea Eiendoms kreditt's Common Equity Tier 1 capital ratio was 24.7% at 31 March 2024, a decrease of 1.3 percentage points from the end of last quarter. Also total Capital ratio decreased 1.3 percentage points since end of last quarter, to 26.2%. The decrease was primarily due to increased Risk Exposure Amount (REA).

REA increased by 5.2% to NOK 86.2bn at 31 March 2024 compared to NOK 82.0bn at the end of last year. The main driver for the increase in REA was increased size of the mortgage portfolio under the standardised approach following a transfer of former Nordea Direct Bank loans from Nordea Bank Norway to Nordea Eiendoms kreditt. Own funds was NOK 22.6bn at the end of the first quarter 2024, of which NOK 1.1bn is a subordinated loan. The Tier 1 capital and the Common Equity Tier 1 capital were NOK 21.3bn (no additional Tier 1 capital).

Other information

Impacts from Russia's invasion of Ukraine

The impact of uncertainty after the onset of the war – reflected in higher inflation and higher interest rates etc – on the global and Nordic economies was further assessed in the first quarter. The assessment informed the regular update of Nordea's macroeconomic scenarios, which are used to update the financial forecasts and IFRS 9 expected credit losses. Nordea Eiendoms kreditt has also reviewed its management judgements to ensure that the overall provisioning levels are appropriate. Nordea will continue to follow developments closely. In terms of direct credit risk Nordea Eiendoms kreditt does not have any exposure towards Russia and Ukraine.

Information on the financial and operational impacts of the war in Ukraine, as well as the measures taken to address these impacts, have been provided in Note 1 "Accounting policies", in Note 7 "Loans and impairment" and in Note 11 "Risks and uncertainties".

Acquisition of Danske Bank's Norwegian mortgage loan portfolio

Nordea has entered into an agreement with Danske Bank to acquire its Norwegian personal customer and private banking business and associated asset management portfolios, whereof the mortgage loan portfolio will be purchased by Nordea Eiendoms kreditt AS. The Norwegian Competition Authority announced its approval of the acquisition on 15 December 2023 and the Norwegian Supervisory Authority announced its approval on 7 February 2024. Nordea Eiendoms kreditt expects to close the acquisition in late 2024, whereafter the acquired mortgage loans will be integrated into the company.

Macroeconomy

Norwegian mainland GDP increased by 0.2% quarter on quarter during the fourth quarter of 2023. Unemployment remained stable and stood at 1.9% in March. Housing prices were up 1.2% year on year in March. Consumer price inflation has decreased but is still high. Headline consumer price inflation stood at 3.9% in March and underlying inflation, excluding energy and taxes, was 4.5%. Norges Bank has increased its policy rate 14 times since 2021, lifting it to 4.5% as of December 2023. The central bank's latest forecast is that the rate will probably be kept unchanged until the autumn of 2024. The Norwegian krone generally weakened against most currencies during the first quarter.

Nordea Eiendoms kreditt AS Oslo, 14 May 2024

Randi Marjamaa
Chair

Gro Elisabeth Lundevik
Vice Chair

Ola Littorin
Board member

Asbjørn Rødal
Board member

Tina Sandvik
Board member

Lene Steinum
Board member

Anne Sofie Knoph
Employee representative

Elen M. Stiksrud
Chief Executive Officer

Income statement

	Note	Jan-Mar 2024	Jan-Mar 2023	Year 2023
NOKt				
Operating income				
Interest income calculated using the effective interest rate method	2	4,776,657	3,366,347	15,553,396
Other interest income	2	130,346	46,437	358,198
Interest expense	2	4,266,123	2,795,207	13,975,092
Net interest income		640,881	617,578	1,936,502
Fee and commission income		29,095	27,106	116,322
Fee and commission expense		5,988	12,470	31,381
Net fee and commission income		23,107	14,636	84,940
Net result from items at fair value	3	-12,303	-43,174	-77,058
Other income		0	184	584
Total operating income		651,685	589,224	1,944,968
Staff costs		9,155	9,085	37,902
Other operating expenses		322,291	374,365	1,191,832
Depr/amortisation and impairment charges		47	34	155
Total operating expenses		331,493	383,485	1,229,889
Profit before loan losses		320,192	205,739	715,079
Loan losses	4	26,617	38,371	47,139
Operating profit		293,575	167,368	667,940
Income tax expense		73,449	41,842	167,677
Net profit for the period		220,126	125,526	500,263
Attributable to:				
Shareholder of Nordea Eiendomskreditt AS		220,126	125,526	500,263
Total		220,126	125,526	500,263

Statement of comprehensive income

	Jan-Mar 2024	Jan-Mar 2023	Year 2023
NOKt			
Net profit for the period	220,126	125,526	500,263
Items that may be reclassified subsequently to the income statement			
<i>Cash flow hedges:</i>			
Valuation gains/losses	-2,930	2,294	148
Tax on valuation gains/losses	733	-573	-37
Items that may not be reclassified subsequently to the income statement			
<i>Defined benefit plans:</i>			
Remeasurement of defined benefit plans	2,164	483	-1,945
Tax on remeasurement of defined benefit plans	-541	-121	486
Other comprehensive income, net of tax	-575	2,082	-1,347
Total comprehensive income	219,551	127,608	498,916
Attributable to:			
Shareholders of Nordea Eiendomskreditt AS	219,551	127,608	498,916
Total	219,551	127,608	498,916

Balance sheet

	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
NOKt				
Assets				
Loans to credit institutions		1,251,915	950,403	2,462,506
Loans to the public	7, 8	345,403,736	328,359,990	334,307,675
Interest-bearing securities	6	10,606,865	5,447,520	10,585,566
Derivatives	6	161,894	803,262	183,957
Fair value changes of the hedged items in portfolio hedges of interest rate risk		-42,014	-49,605	-42,670
Property and Equipment owned and RoU		634	43	681
Other assets		126	14	-186
Accrued income and prepaid expenses		91,739	66,281	49,380
Total assets	5, 6	357,474,895	335,577,908	347,546,908
Liabilities				
Deposits by credit institutions		110,317,451	145,372,275	125,845,296
Debt securities in issue	8	222,732,109	166,254,957	197,449,415
Derivatives	6	949,660	599,668	665,463
Current tax liabilities		44,483	109,569	134,936
Other liabilities		60,238	65,399	15,150
Accrued expenses and prepaid income		307,304	333,430	228,641
Deferred tax liabilities		302,750	171,154	165,804
Provisions		5,644	9,632	4,818
Retirement benefit obligations		25,500	24,640	27,417
Subordinated loan capital		1,105,179	1,103,720	1,104,751
Total liabilities	5, 6	335,850,319	314,044,444	325,641,690
Equity				
Share capital		1,879,565	1,879,565	1,879,565
Share premium		9,874,082	9,874,082	9,874,082
Other reserves		-23,414	-19,610	-22,839
Retained earnings		9,674,217	9,673,902	10,174,410
Net profit for the period		220,126	125,526	0
Total equity		21,624,576	21,533,464	21,905,218
Total liabilities and equity		357,474,895	335,577,908	347,546,908
Off-balance sheet commitments				
Assets pledged as security for own liabilities		322,021,731	239,189,085	313,603,507
Commitments		36,755,754	32,856,149	35,072,002

Nordea Eiendoms kreditt AS Oslo, 14 May 2024

R andi Marjamaa
C hair

Gro E lis abeth Lundevik
Vice C hair

Ola Littorin
Board member

As bjørn R ødal
Board member

Tina Sandvik
Board member

Lene Steinum
Board member

Anne Sofie Knoph
Employee representative

E len M. S tiksrud
Chief Executive Officer

Statement of changes in equity

NOKt	Other reserves					Retained earnings	Total equity
	Share capital	Share premium	Cash flow hedges	Defined benefit plans			
Balance at 1 January 2024	1,879,565	9,874,082	-9,570	-13,470	10,174,620	21,905,226	
Net profit for the year					220,119	220,119	
Items that may be reclassified subsequently to the income statement							
Cash flow hedges:							
Valuation gains/losses			-2,930			-2,930	
Tax on valuation gains/losses			733			733	
Items that may not be reclassified subsequently to the income statement							
Defined benefit plans:							
Remeasurement of defined benefit plans				2,164		2,164	
Tax on remeasurement of defined benefit plans				-541		-541	
Other comprehensive income, net of tax	0	0	-2,198	1,623	0	-575	
Total comprehensive income	0	0	-2,198	1,623	220,119	219,544	
Contribution and distribution							
Share Based Payments					71	71	
Dividend paid					-500,263	-500,263	
Balance at 31 March 2024	1,879,565	9,874,082	-11,767	-11,847	9,894,546	21,624,576	

NOKt	Other reserves					Retained earnings	Total equity
	Share capital	Share premium	Cash flow hedges	Defined benefit plans			
Balance at 1 January 2023	1,879,565	9,874,082	-9,681	-12,012	10,321,569	22,053,523	
Net profit for the year					125,526	125,526	
Items that may be reclassified subsequently to the income statement							
Cash flow hedges:							
Valuation gains/losses			2,294			2,294	
Tax on valuation gains/losses			-573			-573	
Items that may not be reclassified subsequently to the income statement							
Defined benefit plans:							
Remeasurement of defined benefit plans				483		483	
Tax on remeasurement of defined benefit plans				-121		-121	
Other comprehensive income, net of tax	0	0	1,720	362	0	2,082	
Total comprehensive income	0	0	1,720	362	125,526	127,608	
Contribution and distribution							
Share Based Payments					155	155	
Dividend paid					-647,819	-647,819	
Balance at 31 March 2023	1,879,565	9,874,082	-7,961	-11,650	9,799,427	21,533,464	

The company's share capital is NOK 1,880m. The number of shares is 16,781,828, each with a quota value of NOK 112. All shares and voting rights are owned by Nordea Bank AB (publ).

Cash flow statement

NOKt	Jan-Mar 2024	Jan-Mar 2023	Year 2023
Operating activities			
Operating profit before tax	293,779	167,368	667,940
Adjustments for items not included in cash flow (related to loan loss allowances)	27,043	38,383	46,496
Income taxes paid	-26,765	-104,625	-209,299
Cash flow from operating activities before changes in operating assets and liabilities	294,057	101,126	505,137
Changes in operating assets			
Change in loans to credit inst, non-liquid	-370	0	-504,116
Change in loans to the public	-11,122,527	-5,144,965	-11,105,577
Change in interest-bearing securities	-21,300	-11,634	-5,149,679
Change in derivatives, net	306,261	-540,898	144,201
Change in other assets	-43,280	-52,719	-43,190
Changes in operating liabilities			
Change in deposits by credit institutions	-15,527,845	-10,541,604	-30,068,583
Change in debt securities in issue	25,282,695	16,902,683	48,097,140
Change in other liabilities	121,112	154,704	-2,130
Cash flow from operating activities	-711,197	866,694	1,873,203
Financing activities			
Change of accrued interest on subordinated loan capital	428	-99	932
Dividend paid	-500,263	-647,819	-647,819
Share Based Payment Programme	71	155	602
Cash flow from financing activities	-499,764	-647,763	-646,285
Cash flow for the period	-1,210,961	218,931	1,226,918
Cash and cash equivalents			
NOKt	31 Mar 2024	31 Mar 2023	31 Dec 2023
Cash and cash equivalents at beginning of the period (Loans to credit institutions)	1,958,390	731,472	731,472
Cash and cash equivalents at end of the period (included in Loans to credit institutions) ¹	747,429	950,403	1,958,390
Change	-1,210,961	218,931	1,226,918

¹Excluding non-liquid loans to credit institutions of NOK 505m.

Notes to the financial statements

Note 1 Accounting policies

The interim financial statements of Nordea Eiendoms kreditt AS are prepared in accordance with IFRS® Accounting Standards as adopted by the EU Commission. In addition, certain complementary rules in the Norwegian Accounting Act with supported regulation have been applied.

The report includes a condensed set of financial statements and is to be read in conjunction with the audited consolidated financial statement for the year ended 31 December 2023.

The accounting policies, method of computation and presentations are unchanged in comparison with the Annual Report 2023, except for the items presented in the section "Changed accounting policies and presentation" below.

Changed accounting policies and presentation

There has not been any changes in accounting policies and presentation that has been implemented by Nordea Eiendoms kreditt on 1 January 2024.

Other amendments to IFRS

The following amended standards issued by the IASB were implemented by Nordea Eiendoms kreditt on 1 January 2024, but have not had any significant impact on its financial statements.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current as well as Classification of Liabilities as Current or Non-current – Deferral of Effective Date; and Non-current Liabilities with Covenants.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

Changes in IFRSs not yet applied

IFRS 18 Presentation and Disclosures in Financial Statements

In April 2024 the IASB published the new standard IFRS 18 Presentation and Disclosure in Financial Statements which will replace IAS 1 Presentation of Financial Statements. IFRS 18 sets out the requirements for presentation and disclosures in financial statements with focus on the income statement and reporting of financial performance.

The new standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The standard is not yet endorsed by the EU.

It is not yet possible to conclude how IFRS 18 will impact the presentation of Nordea Eiendoms kreditt's income

statement and disclosures of management-defined performance measures. As IFRS 18 will not change Nordea Eiendoms kreditt's recognition and measurement it is not expected to have any significant impact on other financial statements or capital adequacy in the period of initial application.

Other amendments

The following changes in IFRSs not yet applied by Nordea are not assessed to have any significant impact on its financial statements or capital adequacy in the period of their initial application.

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

Critical judgements affected by higher energy and raw material prices and reduced consumer spending

Nordea Eiendoms kreditt applied critical judgements in the preparation of this interim report due to the uncertainty concerning the potential long-term impact of higher energy and raw material prices and reduced consumer spending in various economic sectors on Nordea Eiendoms kreditt's financial statements. Particularly important in the first quarter of 2024 were the impairment testing of loans to the public.

In terms of direct credit risk Nordea Eiendoms kreditt is unaffected by the invasion as the company does not have any exposure towards Russia and Ukraine. More information on where critical judgements are generally applied and where estimation uncertainty exists, can be found in the Annual Report, Note 1 "Accounting policies", section 1.4.

Areas particularly important are loans to the public and provisions for loan losses. Critical judgement was applied in the assessment of when loans had experienced a significant increase in credit risk (staging) and in the application of macro scenarios and scenario weights when estimating the increase in expected credit losses.

Critical judgements were also applied when determining the fair value of financial instruments that lack quoted prices or recently observed market prices. In these instances, decisions are based upon professional judgement in accordance with Nordea Eiendoms kreditt's accounting and valuation policies. More information on financial instruments held at fair value on Nordea Eiendoms kreditt's balance sheet can be found in Note 8.

Exchange rates

	Jan-Mar 2024	Jan-Mar 2023	Year 2023
GBP 1 = NOK			
Income statement (average)	13.3346	12.4356	13.1381
Balance sheet (at end of period)	13.6777	12.9540	12.8977
EUR 1 = NOK			
Income statement (average)	11.4172	10.9814	11.4238
Balance sheet (at end of period)	11.6890	11.3905	11.2120

Note 2 Net interest income

	Jan-Mar 2024	Jan-Mar 2023	Year 2023
NOKt			
Interest income calculated using the effective interest rate method	4,776,657	3,366,347	15,553,396
Other interest income	130,346	46,437	358,198
Interest expense	4,266,123	2,795,207	13,975,092
Net Interest income	640,881	617,578	1,936,502
Interest income calculated using the effective interest rate method			
Loans to credit institutions	15,198	18,007	63,536
Loans to customers	4,743,702	3,329,618	15,411,921
Yield fees	9,437	13,105	50,584
Net interest paid or received on derivatives in accounting hedges of assets	8,320	5,617	27,355
Interest income	4,776,657	3,366,347	15,553,396
Other interest income			
Interest-bearing securities measured at fair value	130,346	46,437	358,198
Other interest income¹	130,346	46,437	358,198
Interest expense			
Deposits by credit institutions	1,516,794	1,338,449	6,404,791
Debt securities in issue	2,624,118	1,377,259	7,112,913
Subordinated loan capital	17,723	13,651	61,631
Other interest expenses	1,107	36,634	129,843
Net interest paid or received on derivatives in hedges of liabilities	106,381	29,214	265,913
Interest expense	4,266,123	2,795,207	13,975,092

Interest from categories of financial instruments

	Jan-Mar 2024	Jan-Mar 2023	Year 2023
NOKt			
Financial assets at amortised cost	4,768,337	3,360,730	15,526,041
Financial assets at fair value through profit or loss (including hedging instruments) ¹	138,667	52,055	385,553
Financial liabilities at amortised cost	-4,159,742	-2,765,993	-13,709,179
Financial liabilities at fair value through profit or loss (related to hedging instruments) ¹	-106,381	-29,214	-265,913
Net interest income	640,881	617,578	1,936,502

¹ Includes net interest income from derivatives, measured at fair value and related to Nordea Eiendoms kreditt's funding. This can have both a positive and negative impact on other interest expense.

Note 3 Net result from items at fair value

	Jan-Mar 2024	Jan-Mar 2023	Year 2023
Net gains/losses for categories of financial instruments			
Financial assets and liabilities mandatorily at fair value through profit or loss	-392,202	69,927	84,642
Financial assets at amortised cost	-2,057	2,001	-6,274
Financial liabilities at amortised cost	381,932	-115,508	-155,529
Foreign exchange gains/losses excluding currency hedges	25	406	103
Total	-12,303	-43,174	-77,058

Note 4 Loan Losses

	Jan-Mar 2024	Jan-Mar 2023	Year 2023
NOKt			
Net loan losses, Stage 1	-1,291	3,985	-3,974
Net loan losses, Stage 2	28,572	29,781	3,409
Total loan losses, non-defaulted	27,281	33,767	-565
Stage 3, defaulted			
Net loan losses, individually assessed, collectively calculated	-2,067	4,616	49,521
Realised loan losses	1,454	0	3,011
Recoveries on previous realised loan losses	-50	-11	-2,549
Reversals of provisions	0	0	-2,280
Net loan losses, defaulted	-664	4,604	47,703
Net loan losses	26,617	38,371	47,138
Key ratios¹			
	Jan-Mar 2024	Jan-Mar 2023	Year 2023
Loan loss ratio, basis points	3.11	4.71	1.42
- of which stage 1	-0.15	0.49	-0.12
- of which stage 2	3.34	3.66	0.10
- of which stage 3	-0.08	0.57	1.44

¹ Net loan losses divided by average total loans during the period.

Note 5 Classification of financial instruments

Of the assets listed below, Loans to credit institutions, Loans to the public, Interest-bearing securities, Derivatives, as well as accrued interest on these items, are exposed to credit risk. The exposure equals the book value presented in the tables below.

NOKt	Fair value through profit or loss (FVPL)				Total
	Amortised cost (AC)	Mandatorily	Derivatives used for hedging	Non-financial assets	
Assets					
Loans to credit institutions	1,251,915				1,251,915
Loans to the public	345,403,736				345,403,736
Interest-bearing securities		10,606,865			10,606,865
Derivatives			161,894		161,894
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-42,014				-42,014
Property and Equipment owned and RoU				634	634
Other assets				126	126
Accrued income and prepaid expenses	90,233			1,506	91,739
Total 31 March 2024	346,703,870	10,606,865	161,894	2,266	357,474,894
Total 31 December 2023	336,775,638	10,585,566	183,957	1,748	347,546,909

NOKt	Fair value through profit or loss (FVPL)				Total
	Amortised cost (AC)	Mandatorily	Derivatives used for hedging	Non-financial assets	
Liabilities					
Deposits by credit institutions	110,317,451				110,317,451
Debt securities in issue	222,732,109				222,732,109
Derivatives		149,253	800,407		949,660
Current tax liabilities				44,483	44,483
Other liabilities	3,384			56,854	60,238
Accrued expenses and prepaid income	12,044			295,260	307,304
Deferred tax liabilities				302,750	302,750
Provisions				5,644	5,644
Retirement benefit obligations				25,500	25,500
Subordinated loan capital	1,105,179				1,105,179
Total 31 March 2024	334,170,167	149,253	800,407	730,491	335,850,318
Total 31 December 2023	324,414,125	146,593	518,870	562,102	325,641,690

Note 6 Fair value of financial assets and liabilities

NOKt	31 Mar 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	346,613,636	348,604,638	336,727,511	337,499,000
Interest-bearing securities	10,606,865	10,606,865	10,585,566	10,585,566
Derivatives	161,894	161,894	183,957	183,957
Accrued income and prepaid expenses	90,233	90,233	48,127	48,127
Total financial assets	357,472,627	359,463,629	347,545,160	348,316,650
Financial liabilities				
Deposits and debt instruments	334,154,740	336,219,424	324,399,462	324,500,812
Derivatives	949,660	949,660	665,463	665,463
Other financial liabilities	3,384	3,384	3,518	3,518
Accrued expenses and prepaid income	12,044	12,044	11,145	11,145
Total financial liabilities	335,119,829	337,184,512	325,079,588	325,180,938

Assets and liabilities held at fair value on the balance sheet - Categorisation in the fair value hierarchy

NOKt	Quoted prices in active markets for same instrument	Valuation technique using observable data	Valuation technique using non- observable data	Total
	(Level 1)	(Level 2)	(Level 3)	
Financial assets ¹				
Interest-bearing securities		10,606,865	0	10,606,865
Derivatives		190,666	-28,772	161,894
Total 31 March 2024	0	10,797,531	-28,772	10,768,759
Total 31 December 2023	0	10,361,794	407,729	10,769,523
Financial liabilities ¹				
Derivatives		949,660	0	949,660
Total 31 March 2024	0	949,660	0	949,660
Total 31 December 2023	0	665,463	0	665,463

¹ All items are measured at fair value on a recurring basis at the end of each reporting period.

Movements in Level 3

NOKt	1 January 2024	Unrealised fair value gains/losses recorded in income statement	Transfers out of level 3	31 March 2024
Interest-bearing securities	426,957	0	-426,957	0
Derivatives (net)	-19,228	-9,460	0	-28,772
Total, net	407,729	-9,460	-426,957	-28,772

Valuation according to Level 3 is due to observable market data not being available in the period.

Note 7 Loans and impairment

NOKt	31 Mar 2024	31 Mar 2023	31 Dec 2023
Loans measured at amortised cost, not impaired (Stage 1 and 2)	344,821,911	328,080,766	333,635,547
Impaired loans (Stage 3)	966,812	626,712	1,032,728
- of which servicing	298,316	167,755	381,706
- of which non-servicing	668,497	458,957	651,022
Loans before allowances	345,788,724	328,707,478	334,668,275
Allowances for individually assessed impaired loans (Stage 3)	-160,285	-119,797	-162,454
- of which servicing	-66,070	-32,565	-47,565
- of which non-servicing	-94,215	-87,232	-114,889
Allowances for collectively assessed impaired loans (Stage 1 and 2)	-224,703	-227,692	-198,147
Allowances	-384,988	-347,489	-360,601
Loans, carrying amount	345,403,736	328,359,990	334,307,675

Movements of allowance accounts for loans measured at amortised cost

NOKt	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	-46,995	-151,151	-162,454	-360,601
Changes due to origination and acquisition	-2,562	-1,019	-2,856	-6,437
Changes due to transfers from Stage 1 to Stage 2	2,796	-77,701	0	-74,905
Changes due to transfers from Stage 1 to Stage 3	106	0	-19,314	-19,208
Changes due to transfers from Stage 2 to Stage 1	-1,571	45,047	0	43,476
Changes due to transfers from Stage 2 to Stage 3	0	2,237	-13,572	-11,334
Changes due to transfers from Stage 3 to Stage 1	-53	0	13,524	13,472
Changes due to transfers from Stage 3 to Stage 2	0	-1,466	15,610	14,144
Changes due to changes in credit risk without stage transfer	-1,849	-14,420	-15,063	-31,331
Changes due to repayments and disposals	4,323	19,574	23,840	47,737
Balance at 31 Mar 2024	-45,804	-178,898	-160,285	-384,988

NOKt	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2023	-50,045	-145,269	-115,213	-310,527
Changes due to origination and acquisition	-5,310	-345	-989	-6,644
Changes due to transfers from Stage 1 to Stage 2	2,825	-84,655	0	-81,830
Changes due to transfers from Stage 1 to Stage 3	17	0	-6,481	-6,465
Changes due to transfers from Stage 2 to Stage 1	-2,168	48,948	0	46,781
Changes due to transfers from Stage 2 to Stage 3	0	2,620	-13,872	-11,252
Changes due to transfers from Stage 3 to Stage 1	-70	0	5,309	5,239
Changes due to transfers from Stage 3 to Stage 2	0	-1,303	12,868	11,564
Changes due to changes in credit risk without stage transfer	-4,542	-11,319	-21,056	-36,917
Changes due to repayments and disposals	5,215	17,711	19,637	42,562
Balance at 31 Mar 2023	-54,079	-173,613	-119,797	-347,489

Key ratios	31 Mar 2024	31 Mar 2023	31 Dec 2023
Impairment rate, (stage 3) gross, basis points ¹	28.0	19.1	30.9
Impairment rate (stage 3), net, basis points ²	23.3	15.4	26.0
Total allowance rate (stage 1, 2 and 3), basis points ³	11.1	10.6	10.8
Allowances in relation to credit impaired loans (stage 3), % ⁴	16.6	19.1	15.7
Allowances in relation to loans in stage 1 and 2, basis points ⁵	6.5	6.9	5.9

¹ Impaired loans (Stage 3) before allowances divided by total loans measured at amortised cost before allowances.

² Impaired loans (Stage 3) after allowances divided by total loans measured at amortised cost before allowances.

³ Total allowances divided by total loans measured at amortised cost before allowances.

⁴ Allowances for impaired loans (stage 3) divided by impaired loans measured at amortised cost (stage 3) before allowances.

⁵ Allowances for not impaired loans (stage 1 and 2) divided by not impaired loans measured at amortised cost (stage 1 and 2) before

Forward looking information

Forward-looking information is used for both assessing significant increases in credit risk and calculating expected credit losses. Nordea Eiendomskreditt uses three macroeconomic scenarios: a baseline scenario, a favourable scenario and an adverse scenario. For the first quarter of 2024, the scenarios were weighted into the final expected credit losses (ECL) as follows: baseline 50%, adverse 40% and favourable 10% (baseline 50%, adverse 40% and favourable 10% at the end of the fourth quarter of 2023). The weight of the adverse scenario was kept at an elevated level, reflecting continued uncertainty about the macroeconomic outlook.

The macroeconomic scenarios are provided by Group Risk in Nordea, based on the Oxford Economics Model. The forecast is a combination of modelling and expert judgement, subject to thorough checks and quality control processes. The model has been built to give a good description of the historical relationships between economic variables and to capture the key linkages between those variables. The forecast period in the model is ten years. For periods beyond, a long-term average is used in the ECL calculations.

The macroeconomic scenarios reflect Nordea's view of how the Nordic economies might develop in light of the conflict in the Middle East and the war in Ukraine. They take into consideration continued high inflation, reinforced by a renewed surge in energy prices, and the potential impact of high interest rates on financial markets and economic activity. When developing the scenarios and determining the relative weighting between them, Nordea took into account projections made by Nordic central banks, Nordea Research and the European Central Bank.

The baseline scenario foresees soft landings in the Nordic economies and slightly higher unemployment in the coming

years as higher rates and elevated inflation continue to weigh on economic activity. While growth in 2024 remains moderate in Denmark and Norway, GDP contracts in Finland and Sweden. Core inflation is expected to remain elevated. House prices appear to have stabilised after the downward adjustment in 2023, but continue to remain weak in Finland and Sweden. House prices are expected to remain stable in 2024 and grow modestly in 2025 and 2026. The risks around the baseline forecast are tilted to the downside.

Nordea's two alternative macroeconomic scenarios cover a range of plausible risk factors which may cause growth to deviate from the baseline scenario. Persistent and high inflation, reinforced by higher energy prices, may lead central banks to adopt a higher for longer strategy, triggering a deeper recession due to falling private consumption and investments. In addition, house prices may see an even larger decline due to higher interest rates, a squeeze in household purchasing power and weak confidence. Normalising inflation and lower rates, on the other hand, may support growth in 2024 and support economic activity going forward.

At the end of the first quarter of 2024 adjustments to model-based allowances/provisions (management judgements) amounted to NOK 92m (NOK 92m at the end of the fourth quarter 2023). The management judgements cover expected credit losses not yet adequately captured by the IFRS 9 modelled outcome. The cyclical management judgement allowance amounted to NOK 88m at the end of the first quarter of 2024 (NOK 88m at the end of the fourth quarter of 2023) and the reserve covering issues identified in the IFRS 9 model to be later covered in model updates (structural reserve) amounted to NOK 4m (NOK 4m at the end of the fourth quarter of 2023). Hence, the management judgement allowances were kept unchanged during the first quarter of 2024.

Scenarios

	2024	2025	2026	Probability weight
Favourable scenario				10%
GDP growth, %	2.2	1.5	0.8	
Unemployment, %	3.5	3.5	3.6	
Change in household consumption, %	2.0	2.4	3.1	
Change in house prices, %	1.2	2.9	3.4	
Baseline scenario				50%
GDP growth, %	0.8	1.2	0.7	
Unemployment, %	3.8	4.0	4.0	
Change in household consumption, %	0.2	1.8	2.7	
Change in house prices, %	0.8	2.2	2.8	
Adverse scenario				40%
GDP growth, %	-1.5	-0.1	0.4	
Unemployment, %	4.3	5.0	4.9	
Change in household consumption, %	-1.5	0.3	1.6	
Change in house prices, %	-6.3	-1.5	2.0	

Note 8 Cover Pool

NOKt	31 Mar 2024		31 Mar 2023		31 Dec 2023	
	Nominal value	Net present value	Nominal value	Net present value	Nominal value	Net present value
Loans to the public	344,858,408	344,308,269	328,170,597	326,267,789	333,867,921	333,695,176
- whereof pool of eligible loans	321,764,114	321,250,815	238,997,734	237,611,971	313,352,624	313,190,494
Supplementary assets and derivatives:	230,900	-402,810	817,265	368,158	183,200	-266,132
- whereof CIRS	230,900	84,829	817,265	589,745	183,200	45,739
- whereof IRS	0	-487,639	0	-221,587	0	-311,870
Total cover pool	321,995,014	320,848,005	239,814,999	237,980,128	313,535,824	312,924,362
Debt securities in issue (net outstanding amount)	221,669,900	222,217,628	164,986,265	165,563,719	195,948,200	196,799,615
Over-collateralization calculated on net outstanding covered bonds	45.3%	44.4%	45.4%	43.7%	60.0%	59.0%
Debt securities in issue (issued amount)	221,669,900	222,217,628	164,986,265	165,563,719	195,948,200	196,799,615
Over-collateralization calculated on issued covered bonds (gross outstanding covered bonds) ¹	45.3%	44.4%	45.4%	43.7%	60.0%	59.0%

¹ Without deduction for holdings of own bonds, if any.

The cover pool increase during the first quarter 2024 is mainly due to a transfer of mortgage loans from the parent bank. A higher increase in outstanding covered bonds explains the decrease in OC since year end 2023.

The guidelines for calculating the over-collateralization requirement in the Norwegian legislation is given in the Financial Undertakings Act (Act No. 17 of 10 April 2015)

Chapter 11 Bonds secured on a loan portfolio (covered bonds), and appurtenant regulations. The calculation shall be based on gross outstanding covered bonds and by use of nominal values. Net present values are disclosed for information and may differ from fair values disclosed in other notes to this report due to different calculation methods.

Note 9 Debt securities in issue and loans from financial institutions

	31 Mar 2024			31 Mar 2023		
	Nominal value	Other ¹	Carrying amount	Nominal value	Other ¹	Carrying amount
NOKt						
Covered bonds issued in Norwegian kroner	220,501,000			159,961,000		
Outstanding covered bonds issued in Norwegian kroner	220,501,000			159,961,000		
Covered bonds issued in GBP (in NOK)	0			3,886,215		
Covered bonds issued in EUR (in NOK)	1,168,900			1,139,050		
Total outstanding covered bonds	221,669,900	1,062,209	222,732,109	164,986,265	1,268,692	166,254,957
Loans and deposits from financial institutions for a fixed term	109,280,000	1,037,451	110,317,451	144,759,772	612,503	145,372,275
Subordinated loan	1,100,000	5,179	1,105,179	1,100,000	3,720	1,103,720
Total	332,049,900	2,104,840	334,154,740	310,846,037	1,884,915	312,730,952

¹ Related to accrued interest and premium/discount on issued bonds.

Maturity information

Maximum 1 year	92,162,000			59,293,336		
More than 1 year	239,887,900			251,552,700		
Total	332,049,900			310,846,037		

Norwegian covered bonds (NOKt) at 31 March 2024

ISIN code	Issue date	Final payment date	Interest	Interest rate in %	Currency	Outstanding nominal amount
NO0013134684	23/01/2024	23/02/2029	Float	3M Nibor + 0.56	NOK	19,700,000
NO0013072991	22/11/2023	22/11/2028	Float	3M Nibor + 0.54	NOK	7,000,000
NO0012982729	10/08/2023	10/08/2032	Fixed	4.61	NOK	1,000,000
NO0012959636	14/07/2023	14/07/2025	Float	3M Nibor + 0.28	NOK	1,000,000
NO0012838277	14/02/2023	14/02/2035	Fixed	3.39	NOK	1,420,000
NO0012829763	02/02/2023	02/02/2028	Float	3M Nibor + 0.48	NOK	26,700,000
NO0012732017	28/10/2022	28/10/2037	Fixed	4.0	NOK	1,420,000
NO0012720988	12/10/2022	12/10/2029	Fixed	4.0	NOK	6,600,000
NO0012513532	03/05/2022	17/03/2027	Float	3M Nibor + 0.33	NOK	26,050,000
NO0012441643	15/02/2022	15/02/2030	Fixed	2.45	NOK	3,500,000
NO0011151771	17/11/2021	17/09/2026	Float	3M Nibor + 0.75	NOK	7,000,000
NO0010981301	21/04/2021	18/03/2026	Float	3M Nibor + 1.50	NOK	27,400,000
NO0010893282	16/09/2020	16/09/2025	Float	3M Nibor + 1.50	NOK	25,000,000
NO0010873334	22/01/2020	19/03/2025	Float	3M Nibor + 0.26	NOK	40,000,000
NO0010852650	22/05/2019	22/05/2026	Fixed	2.17	NOK	6,000,000
NO0010843626	26/02/2019	19/06/2024	Float	3M Nibor + 0.34	NOK	18,961,000
NO0010821986	04/05/2018	04/05/2048	Fixed	2.6	NOK	300,000
NO0010812084	11/12/2017	17/06/2043	Fixed	3M Nibor + 0.75	NOK	300,000
NO0010766827	21/06/2016	18/06/2031	Fixed	2.2	NOK	500,000
NO0010678766	08/05/2013	08/05/2025	Fixed	3.6	NOK	100,000
NO0010593064	22/12/2010	18/06/2025	Fixed	4.8	NOK	550,000
Total						220,501,000

Covered bonds issued in foreign currency at 31 March 2024

ISIN code	Issue date	Final payment date	Interest	Interest rate in %	Currency	Outstanding nominal amount
XS1451306036	19/07/2016	15/07/2031	Fixed	0.738	EUR	100,000.00
Total (in NOKt equivalent)						1,168,900

Note 10 Capital adequacy

Summary of items included in own funds

NOKm	31 Mar 2024 ¹	31 Dec 2023	31 Mar 2023 ¹
Equity in the consolidated situation	21,404	21,905	21,408
Proposed/actual dividend	0	-500	0
Common Equity Tier 1 capital before regulatory adjustments	21,404	21,405	21,408
Deferred tax assets			
Intangible assets			
IRB provisions shortfall (-)	-102	-114	-117
Pension assets in excess of related liabilities			
Other items, net	3	-6	2
Total regulatory adjustments to Common Equity Tier 1 capital	-99	-120	-115
Common Equity Tier 1 capital (net after deduction)	21,305	21,285	21,293
Additional Tier 1 capital before regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital			
Additional Tier 1 capital			
Tier 1 capital (net after deduction)	21,305	21,285	21,293
Tier 2 capital before regulatory adjustments	1,100	1,100	1,100
IRB provisions excess (+)	160	162	119
Deductions for investments in insurance companies			
Other items, net			
Total regulatory adjustments to Tier 2 capital	160	162	119
Tier 2 capital	1,260	1,262	1,219
Own funds (net after deduction)	22,566	22,548	22,512

¹ Excluding profit.

Minimum capital requirement and REA, Risk Exposure Amount

	31 Mar 2024	31 Mar 2024	31 Dec 2023	31 Dec 2023	31 Mar 2023	31 Mar 2023
	Minimum Capital requirement	REA	Minimum Capital requirement	REA	Minimum Capital requirement	REA
NOKm						
Credit risk	6,616	82,704	6,276	78,450	6,251	78,139
- of which counterparty credit risk	7	85	9	111	17	213
IRB	5,857	73,217	5,733	71,661	5,567	69,588
- institutions	21	262	25	308	17	215
- retail	5,833	72,918	5,708	71,351	5,547	69,332
- secured by immovable property collateral	5,084	63,550	4,946	61,830	4,713	58,908
- other retail	749	9,369	762	9,521	834	10,424
- other	3	37	0	2	3	41
Standardised	759	9,488	543	6,789	684	8,551
- institutions	28	347	49	613	32	402
- retail	0	0	0	0	2	26
- secured by mortgages on immovable properties	730	9,125	493	6,168	647	8,085
- in default	1	16	1	8	3	38
Operational risk	283	3,537	283	3,537	302	3,784
Standardised	283	3,537	283	3,537	302	3,784
Total	6,899	86,241	6,559	81,987	6,554	81,930

Capital ratios

Percentage	31 Mar 2024	31 Dec 2023	31 Mar 2023
Common Equity Tier 1 capital ratio, excluding profit	24.7	26.0	26.0
Tier 1 capital ratio, excluding profit	24.7	26.0	26.0
Total capital ratio, excluding profit	26.2	27.5	27.5

Leverage ratio

Tier 1 capital, transitional definition, NOKm	21,305	21,293	21,293
Leverage ratio exposure, NOKm	375,411	364,889	351,429
Leverage ratio, percentage	5.7	5.8	6.1

Note 11 Risks and uncertainties

Within the framework of its normal business operations, Nordea Eiendomskreditt faces various risks and uncertainties. Nordea Eiendomskreditt's sole business activity is lending secured by residential properties and holiday homes in Norway, and the company's main risk exposure is credit risk, which means the ability of its borrowers to service their loans.

Being an issuer of covered bonds, the company is also exposed to changes in the residential property market and the market for holiday homes. A decline in housing prices will reduce the value of the company's cover pool for the purpose of calculating the regulatory asset coverage requirement. Quarterly stress tests are carried out to estimate the effects of declining prices for residential properties and holiday homes. At the end of the first quarter 2024 the over-collateralization (OC) was 45.3%, meaning that the company can withstand a significant price drop without breaching the regulatory OC requirement. A drop in house prices will also increase the credit risk and may lead to increased loan losses in case of default, due to decreased value of the collateral.

Note 12 Related-party transactions

Nordea Eiendomskreditt considers that its related parties include its parent company, other companies in the Nordea group, and key persons in senior positions.

Interest rate risk and currency risk that arise as part of Nordea Eiendomskreditt's normal business activities, are hedged using interest rate and currency swaps. Only counterparties to derivative contracts are Nordea Group internal. The volume of interest rate swaps was NOK 45bn (NOK 54bn) and currency swaps NOK 1bn (NOK 4bn) at the end of the first quarter 2024. Nordea Bank Abp, filial i Norge provides unsecured funding to Nordea Eiendomskreditt, and at the end of the first quarter 2024 such borrowings amounted to NOK 110bn including accrued interests.

Subordinated loans provided by Nordea Bank Abp was NOK 1.1bn at the end of the first quarter. In addition, Nordea Bank Abp had a holding of covered bonds issued

There are significant risks related to the macroeconomic environment due to geopolitical developments and broader inflationary pressures. Reduced consumer spending and cost increases may particularly impact small and medium sized enterprises in certain industries. Depending on future developments, there may be increased credit risk in Nordea Eiendomskreditt's mortgage loan portfolio. Potential future credit risks are addressed in Note 7 "Loans and impairment" and in the section "Net loan losses" in the Board of Directors' Report.

Nordea Eiendomskreditt is also exposed to risks such as market risk, liquidity risk and operational risk. These risks are managed according to processes and limits established in Nordea Eiendomskreditt's Risk Appetite Framework. Further information on the composition of the company's risk exposure and risk management can be found in the Annual Report.

There have been no disputes or legal proceedings in which material claims have been raised against the company.

by Nordea Eiendomskreditt of NOK 38bn at the end of the first quarter of 2024.

Loans to the public are managed by Nordea Bank Abp, filial i Norge. For loans issued directly from Nordea Eiendomskreditt, also credit assessment and other processes in relation to the loan origination, are performed by Nordea Bank Abp, filial i Norge. For this service Nordea Eiendomskreditt has paid an amount of NOK 301m in 2024 (NOK 352m). Nordea Eiendomskreditt also buys services related to funding and risk control, accounting and reporting, people services and IT services from the Nordea Group according to agreements entered into. For these services Nordea Eiendomskreditt has paid NOK 7m in the first quarter 2024 (NOK 7m).

All group internal transactions are settled according to market-based principles on conformity with OECD requirements on transfer pricing.

Contact information

Nordea Eiendomskreditt AS

Visiting address:	Essendropsgate 7
Postal address:	P.O. Box 1166 Sentrum, 0107 Oslo
Telephone:	+47 22 48 50 00
Internet:	www.nordea.no