Disclaimer

This presentation contains forward-looking statements that reflect management’s current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.
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1. Quarterly update
Executive summary

Continued high-quality income growth
- Net interest income up 11%, net fee and commission income stable and net fair value result down 16%. Total income up 6%
- Operating profit up 19% to EUR 1,763m

Return on equity* 18.1% and earnings per share up 23% to EUR 0.38

Volumes stable in slow markets
- Mortgage lending stable and corporate lending up 2% y/y. Retail deposits up 1% y/y and corporate deposits down 6%. AuM up 8% y/y

Stable cost-to-income ratio excluding regulatory fees: 40%

Strong credit quality, continued low net loan losses – overall provisioning levels and coverage maintained
- Net loan losses and similar net result EUR 33m or 4bp
- Management judgement buffer at EUR 505m (unchanged in local currencies)

Continued strong capital position
- CET1 ratio 17.2% – 5.1pp above current regulatory requirement. Dividend of EUR 0.92 per share for 2023

2024 outlook unchanged: return on equity above 15%

* With amortised resolution fees
Net interest income

Stable volumes, improved margins

Year-over-year bridge, EURm

Net interest income up 11%

Lending growth
- Mortgage volumes stable
- Corporate lending up 2%
- Retail deposits up 1%
- Corporate deposits down 6%

Net interest margin 1.83%, up 25bp
- Household lending margins down
- Further increases in deposit margins across business areas
Net interest income sensitivity

**Net interest income sensitivity to policy rate changes**

**Sensitivity to +50bp parallel rate shift in policy rates**, EURm

- **Denmark**: Total net impact
- **Finland**: Hedge impact
- **Norway**: Total Year 1 NII impact incl. hedge
- **Sweden**: NII impact increase beyond year 1

**Structural hedge – nominal volume**, EURbn

- **Q222**: 20
- **Q322**: 25
- **Q422**: 27
- **Q123**: 26
- **Q223**: 32
- **Q323**: 35
- **Q423**: 36
- **Q124**: 38

- **NII impact largely driven by policy rates and pass-through**
  - Actual pass-through to vary between account types and countries, and throughout rate hike cycle
  - Sensitivity reflecting modelled risk over cycle – NII impact higher following initial rate increases and lower thereafter

- **Group NII also impacted by other drivers**
  - Volumes and asset pricing
  - Wholesale funding costs
  - Deposit hedges

- **Increased deposit hedging reducing sensitivity to interest rate changes**
  - Hedge volume up ~15% YoY
  - Average hedge maturity ~3 years
  - Additional NII impact in Y2–Y3 as assets repriced and hedges rolled over

* Symmetrical for -50bp parallel shift

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Nordea
Net fee and commission income

Solid and stable income

Year-over-year bridge, EURm

- **Net fee and commission income stable**
  - Savings fee income up due to higher assets under management
    - AuM up 8% to EUR 391bn
    - Net flows from Nordic channels (86% of AuM) EUR 1.1bn
    - International channels (14% of AuM) net outflows EUR 2.1bn, mainly Wholesale Distribution, in line with market
  - Brokerage and advisory fee income down due to lower activity
  - Higher significant risk transfer (SRT) impact, driven by new transactions

Quarter-over-quarter bridge, EURm
High business activity in customer areas

Net fair value result

- High customer risk management activity, mainly in FX and rates products
- Market-making at more normal levels versus extraordinarily strong Q1 2023 that saw high activity in interest rate swaps

* Excludes fair value adjustments to loans held at fair value in Nordea Kredit
** Includes valuation adjustments and FX
Costs in line with plan

Year-over-year bridge, EURm

- Costs up 5%, excluding regulatory fees, in line with plan
  - Costs driven by salary inflation, higher business activity and continued investments in technology and risk management
  - M&A integration costs related to acquisition of Danske Bank’s personal customer business in Norway

Quarter-over-quarter bridge, EURm

- Costs down 9% due to significantly lower resolution fees
Sustainability at the core

Our long-term sustainability objectives supported by short term targets

Our sustainability objectives

- Become a net-zero emissions bank by 2050 at the latest
- 40-50% reduction in emissions across investment and lending portfolios by 2030
- 50% reduction in emissions from internal operations by 2030

Supported by our 2025 sustainability targets:

- EUR >200bn Sustainable financing facilitation 2022-2025
- 90% of exposure to large corporates in climate-vulnerable sectors to be covered by transition plans
- 80% of the top 200 financed emissions contributors in Nordea Asset Management's portfolios are either aligned with the Paris Agreement or subject to active engagement
- x2 Double the share of net-zero committed AUM
- At least 40% representation of each gender at the top three leadership levels

1) compared to 2019 baseline
2) Selection of our medium-term targets – link to full list of targets
3) Group Leadership Team (GLT), GLT-1 and GLT-2
## Further strengthened climate targets in our lending portfolio

### 40-50% reduction in financed emissions in our lending portfolio by 2030¹

<table>
<thead>
<tr>
<th>Sector</th>
<th>Sub-sector</th>
<th>Emissions scope</th>
<th>Metric</th>
<th>Base year</th>
<th>Baseline</th>
<th>Target year</th>
<th>Target</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential real estate</td>
<td>Households and tenant-owner associations</td>
<td>1 and 2</td>
<td>kgCO2e/m²</td>
<td>2019</td>
<td>17.6</td>
<td>2030</td>
<td>-40–50%</td>
<td>16.6 kgCO2e/m² (2023)</td>
</tr>
<tr>
<td>Shipping</td>
<td>Vessels</td>
<td>1</td>
<td>AER, gCO2/dwt-nm</td>
<td>2019</td>
<td>8.3</td>
<td>2030</td>
<td>-30%</td>
<td>8.1 AER (2022)</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>Cars and vans</td>
<td>1</td>
<td>gCO₂e/km</td>
<td>2022</td>
<td>117</td>
<td>2030</td>
<td>-40%</td>
<td>116 gCO₂e/km (2023)</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Crops, plantation and hunting, and animal husbandry</td>
<td>1 and 2</td>
<td>tCO₂e/EURm</td>
<td>2021</td>
<td>738</td>
<td>2030</td>
<td>-40–50%</td>
<td>681 tCO₂e/EURm (2023)</td>
</tr>
<tr>
<td>Power production</td>
<td>Electricity generation</td>
<td>1 and 2</td>
<td>gCO₂e/kWh</td>
<td>2021</td>
<td>220</td>
<td>2030</td>
<td>-70%</td>
<td>117 gCO₂e/kWh (2022)</td>
</tr>
<tr>
<td>Oil &amp; gas</td>
<td>Exploration and production</td>
<td>1, 2 and 3</td>
<td>MtCO₂e</td>
<td>2019</td>
<td>3.0</td>
<td>2030</td>
<td>-55%</td>
<td>0.4 MtCO₂e (2023)</td>
</tr>
<tr>
<td>Offshore</td>
<td>Drilling rigs and offshore service vessels within oil &amp; gas and shipping</td>
<td>-</td>
<td>EURm</td>
<td>2019</td>
<td>1,885</td>
<td>2025</td>
<td>-100%</td>
<td>127 EURm (2023)</td>
</tr>
<tr>
<td>Mining</td>
<td>Thermal peat</td>
<td>-</td>
<td>EURm</td>
<td>2022</td>
<td>52</td>
<td>2025</td>
<td>-100%</td>
<td>51 EURm (2023)</td>
</tr>
<tr>
<td></td>
<td>Thermal coal</td>
<td>-</td>
<td>EURm</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Restrictive policy, full phase-out achieved in 2021</td>
</tr>
</tbody>
</table>

¹ compared to 2019 baseline and covering lending to corporates and households for business loans, motor vehicles, commercial and residential real estate and shipping
Sustainability at the core

Actively engaging to drive transition and capture growth

Green and sustainability-linked loans
Total volumes, EURbn

Nordea Asset Management
Assets under management, EURbn

- Facilitated EUR 144bn in sustainable financing
  Compared to target EUR >200bn by 2025

- #1 Best bank in the world for sustainability-linked bonds
  (Global Finance)

- #1 Nordic corporate sustainable bonds and loans***

- #1 in active ownership in the Nordics (ShareAction)

- Included in the S&P Global Sustainability Yearbook for second year running

Transition plan for large corporates

Leadership gender diversity

- 70%* covered by transition plans

- 40%* leadership gender diversity**

- 2025 target: 90%

- 2025 target: At least 40%

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* Q4 2023
** Group Leadership Team (GLT), GLT-1 and GLT-2 combined
*** Based on league tables by Bloomberg and Dealogic
2. Credit quality
Well diversified pan-Nordic financial service provider with stable and sustainable returns

Credit portfolio

Lending EUR 320bn

Switzerland
Finland
Norway
Denmark

Corporate lending
Household lending

- Oil, gas & offshore 0.1%
- Ship building 0.1%
- Air transportation 0.1%
- Mining & supporting activities 0.1%
- Materials 0.6%
- Animal husbandry 0.7%
- Accommodation & leisure 0.7%
- Media & entertainment 0.7%
- IT services 0.7%
- Consumer durables 0.9%
- Land transportation 1.0%
- Capital goods 1.2%
- Shipping 1.3%
- Retail trade 1.6%
- Residential real estate 1.9%
- Wholesale trade 2.0%
- Construction 2.8%
- TOA 4.4%
- Consumer lending 5.9%
- Commercial real estate 7.9%
- Other corporates 49.1%
- Mortgages 16.3%
Net loan losses and similar net result

**Continued strong credit quality**

### Net loan losses and similar net result, EUR$m$

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual provisions and write-offs</td>
<td>13</td>
</tr>
<tr>
<td>Collective provisions (net)</td>
<td>16</td>
</tr>
<tr>
<td>Net loan losses</td>
<td>29</td>
</tr>
<tr>
<td>Fair value adj, incl. Nordea Kredit</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
</tr>
</tbody>
</table>

### Impaired (Stage 3) loans and PD of total loans, %

- **Total net loan losses and similar net result EUR 33m (4bp)**
  - Continued strong credit quality while some migration to stage 2 observed as expected given higher interest rates and macroeconomic slowdown
  - Low level of new individual provisions
  - Collective provisions increased, reflecting credit quality
  - EUR 13m reduction from SRT

- **Overall levels of provisions and coverage unchanged**
  - Management judgement buffer at EUR 505m (unchanged in local currencies)

- **Continued low level of defaulted loans**
  - Stage 3 loans at 0.86% (0.89% in Q4)
  - Average PD increased 2bp to 0.70
Impairments and provisioning coverage

Stage 2 increased as expected; strong credit quality

Stage 2 and 3 loans at amortised cost, EURm

- Continued strong portfolio credit quality
- Coverage ratio for stage 3 portfolio up to 44%
- Stage 2 loans up EUR 3.3bn to 7% from 6% in Q4, mostly driven by credit downgrades
- Stage 3 (impaired) loans down EUR 113m to 0.86% from 0.89% in Q4 due to reduced exposure
Credit portfolio – real estate management industry (REMI)*

**Well-diversified portfolio, high-quality lending**

- Well-diversified portfolio across Nordic markets
- 91% of exposure towards low-risk customers, 6% towards increased risk, only 2% towards high risk and less than 1% in default
- Portfolio mainly comprising central, modern office and residential properties
- Strict underwriting standards: conservative credit policy with focus on cash flow

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**Lending volumes stable**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>CRE</th>
<th>RRE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q123</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Q223</td>
<td>30</td>
<td>6</td>
</tr>
<tr>
<td>Q323</td>
<td>31</td>
<td>6</td>
</tr>
<tr>
<td>Q423</td>
<td>32</td>
<td>6</td>
</tr>
<tr>
<td>Q124</td>
<td>31</td>
<td>6</td>
</tr>
</tbody>
</table>

**Diversified across countries**

- Finland: 17%
- Sweden: 34%
- Denmark: 21%
- Norway: 28%

**Diversified across types**

- Commercial residential: 33%
- Office: 28%
- Hotels: 16%
- Industrial: 7%
- Logistics: 7%
- Retail: 6%
- Other: 3%
Credit portfolio – real estate management industry (REMI)*

**Solid LTVs, resilient interest coverage, high occupancy**

**Solid LTV levels for all countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Current</th>
<th>20% value decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>57</td>
<td>72</td>
</tr>
<tr>
<td>FI</td>
<td>52</td>
<td>65</td>
</tr>
<tr>
<td>NO</td>
<td>64</td>
<td>51</td>
</tr>
<tr>
<td>SE</td>
<td>52</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td>56</td>
<td>65</td>
</tr>
</tbody>
</table>

**Majority of portfolio with low LTV**

<table>
<thead>
<tr>
<th>LTV Range</th>
<th>10%</th>
<th>24%</th>
<th>27%</th>
<th>37%</th>
<th>1%</th>
<th>1%</th>
<th>12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–40% LTV</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>41–50% LTV</td>
<td>10%</td>
<td>24%</td>
<td>27%</td>
<td></td>
<td>1%</td>
<td>1%</td>
<td>12%</td>
</tr>
<tr>
<td>51–60% LTV</td>
<td></td>
<td></td>
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<tr>
<td>61–70% LTV</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;80% LTV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**High ICR in all countries**

<table>
<thead>
<tr>
<th>ICR Type</th>
<th>Present ICR</th>
<th>Sensitivity test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>3.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Stress scenario</td>
<td>1.5</td>
<td>1.9</td>
</tr>
<tr>
<td>DK</td>
<td>2.3</td>
<td>1.5</td>
</tr>
<tr>
<td>FI</td>
<td>3.7</td>
<td>1.9</td>
</tr>
<tr>
<td>NO</td>
<td>3.3</td>
<td>1.7</td>
</tr>
<tr>
<td>SE</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>3.3</td>
<td>1.7</td>
</tr>
</tbody>
</table>

**ICR above 1.0 for 98% of portfolio in stress scenario**

<table>
<thead>
<tr>
<th>Stress scenario</th>
<th>Current</th>
<th>Stress scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1.0</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>1.0–1.5</td>
<td>25%</td>
<td>14%</td>
</tr>
<tr>
<td>1.5–2.0</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>2.0–3.0</td>
<td>36%</td>
<td>15%</td>
</tr>
<tr>
<td>&gt;4.0</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

- **71% of exposures with LTV below 60%**
  - In event of 20% decline in market value, 61% of portfolio still with LTV below 70%
- **Average interest coverage ratio (ICR) at 3.3x**
  - Average ICR 1.7x in stress scenario
  - Stress scenario: all debt refinanced day one at 5Y swap rates plus margins (5.5–6.5%); no hedging
- **Strict interest rate hedging requirements**
  - 61% of customer debt hedged with average maturity of 4.1 years
- **Low vacancy rates, with average letting ratio 95%**
Credit portfolio – real estate management industry (REMI)*

Low levels of risk exposure

Strong credit quality, with 93% of IFRS 9 portfolio in stage 1

- Q123: 97%
- Q223: 96%
- Q323: 96%
- Q423: 94%
- Q124: 93%

No REA impact even from 3-notch downgrade due to risk weight floors

- Q124: 29%
- 1-notch: 6%
- 2-notch: 6%
- 3-notch: 48%

Low impairment rate and high coverage for impaired portfolio

- Impairment rate: Q123: 55, Q223: 51, Q323: 51, Q423: 60, Q124: 51
- Coverage ratio: Q123: 53, Q223: 59, Q323: 57, Q424: 52, Q124: 63

- Continued strong credit quality, with slight deterioration as expected
- Only 6% of portfolio in stage 2
- 0.5% of portfolio impaired in Q1, with decrease related to lower level of impaired loans
- Provision coverage above 60% – high for collateralised assets
- REA protected by risk weight floors

* Excluding TOAs
3. Capital, liquidity and funding
**Capital**

**Significant buffer to capital requirements**

**Capital position and requirements (%)**

<table>
<thead>
<tr>
<th></th>
<th>CET1 ratio Q1 2024</th>
<th>CET1 requirement</th>
<th>Total capital ratio Q1 2024</th>
<th>Own funds requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>17.2%</td>
<td></td>
<td>22.4%</td>
<td></td>
</tr>
<tr>
<td>O-SII</td>
<td></td>
<td></td>
<td>15.7%</td>
<td></td>
</tr>
<tr>
<td>Pillar 2 requirement</td>
<td></td>
<td></td>
<td>16.3%</td>
<td></td>
</tr>
<tr>
<td>CCyB</td>
<td></td>
<td></td>
<td>1.2%</td>
<td></td>
</tr>
<tr>
<td>CCoB</td>
<td></td>
<td></td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td>Minimum CET1</td>
<td></td>
<td></td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>CET1</td>
<td>12.1%</td>
<td></td>
<td>16.3%</td>
<td></td>
</tr>
</tbody>
</table>

- **CET1 capital ratio 17.2%**
  - 5.1 percentage points above regulatory requirement, corresponding to a CET1 buffer of EUR 7.1bn

- **MDA level expected to increase to ~13.5% following decided increases in Finnish and Norwegian SyRB**

- **Potential sector-specific SyRB of 7% on real estate companies in Denmark**
  - Pending decision in Denmark and reciprocation from the Finnish FSA, could increase CET1 requirement with approx. 10bp

*From Q2 and Q3 2024, respectively*
**Strong position; continued focus on capital management**

**CET1 capital ratio development, %**

- CET1 capital ratio up at 17.2%
  - CET1 capital increased EUR 0.2bn due to profit accumulation net of dividend accrual partly offset by foreign exchange effects
  - Risk exposure amount stable, mainly due to active capital management offset by annual update of operational risk

- Capital well above requirement
  - Management buffer of 150bp above CET1 requirement
  - Implied target CET1 ratio of ~15%
Strong balance sheet structure

Balance sheet

Q1 2024

- Total assets EUR 605bn at end of Q1 2024
  - Strong balance sheet with deposits as primary source of funding
  - Long-term funding 76% of total wholesale funding
  - Nordea’s net stable funding ratio (NSFR) is stable over time:
    - Q1 23: 116.3%
    - Q2 23: 118.6%
    - Q3 23: 118.1%
    - Q4 23: 118.7%
    - Q1 24: 120.0%
Liquidity

Strong liquidity position

Liquidity buffer composition, EUR 108bn

Currency split

- SEK 18%
- EUR 26%
- USD 12%
- DKK 23%
- NOK 21%

Asset split

- Level 1 cash & central bank 45%
- Level 1 excl. covered bonds 32%
- Level 1 covered bonds 21%
- Level 2 assets 2%

Deposits and borrowings from the public*, EURbn

<table>
<thead>
<tr>
<th>Year</th>
<th>Households</th>
<th>Corporates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>89</td>
<td>109</td>
</tr>
<tr>
<td>2021</td>
<td>94</td>
<td>118</td>
</tr>
<tr>
<td>2022</td>
<td>97</td>
<td>112</td>
</tr>
<tr>
<td>2023</td>
<td>99</td>
<td>118</td>
</tr>
<tr>
<td>Q124</td>
<td>98</td>
<td>119</td>
</tr>
</tbody>
</table>

*Including repos/securities lending

- Robust liquidity position
  - Liquidity coverage ratio (LCR) 157%
  - Net stable funding ratio (NSFR) 120%

- Well diversified liquidity buffer of EUR 108bn
  - EUR 49bn in central bank cash and reserves
  - EUR 59bn in bonds
  - Conservative hedging approach and no single name concentration

- Deposits
  - 44% of deposits covered by deposit guarantee scheme
Long term funding

Nordea global issuance

**AA-level credit ratings**
- Nordea Bank Abp
  - Moody’s Aa3 (stable outlook)
  - S&P AA- (stable outlook)
  - Fitch AA- (stable outlook)

**Nordea covered bonds**
- Moody’s Aaa (stable outlook)
- S&P AAA (stable outlook)

* Including green and SLL SP/SNP/Tier 2 bonds
Wholesale funding

Solid funding operations

Total wholesale funding, EUR 196bn

- CD & CP above 1Y: 24%
- CD & CP below 1Y: 6%
- Green covered bonds: 7%
- International covered bonds: 12%
- Scandinavian covered bonds: 27%
- Senior non-preferred bonds: 26%
- Senior preferred bonds: 34%
- Subordinated debt: 6%
- Sustainable bonds: 12%

Short term funding, EUR 43bn

- ECP: 12%
- London CD: 26%
- French CP: 34%
- NY CD: 27%
- US CP: 7%

* Including green & SLL SP/SNP/Tier 2 bonds

• Long-term issuance
  - EUR 10.4bn issued* during Q1
  - EUR 8.4bn in covered bonds and EUR 1.9bn in senior format
  - EUR 21bn issued* during 2023

• Short term issuance
  - EUR 43bn total outstanding per end Q1
  - Globally diversified funding with strong market access

• Issuance plans 2024
  - EUR 20-25bn* estimated in total long-term issuance
    - More than half expected in Scandinavian currencies, most of which in covered bonds
    - Remaining volume in international currencies incorporating senior debt and covered bonds
    - EUR 13bn target of senior non-preferred outstanding by year end 2023 reached. Next MREL decision to be received from SRB in Q2

*Excluding DKK covered bonds, CD/CPs above 1Y and subordinated debt
Enhanced focus on sustainable funding

Nordea’s green bond asset portfolio*

- Green buildings
- Assets eligible for green covered bonds
- Renewable energy
- Pollution prevention and control
- Clean transportation
- Energy efficiency
- Sustainable management of living natural resources

- EUR 18bn assets available for green funding
  - ~EUR 7.5bn in NBApb green bond asset portfolio
  - EUR 10.5bn available assets for green covered bonds
- EUR 3.8bn green bonds from NBApb outstanding
- EUR 6.4bn green covered bonds outstanding
- Deposits with climate focus offered in Norway and Sweden
- EUR 1.4bn issued under sustainability linked loan (SLL) funding framework
  - EUR 1bn in senior non-preferred
  - SEK 2.8bn and NOK 1.3bn in senior preferred

*As of Q4 2023
**Highest rating within sector is C*
***Lower score represents lower ESG risk
****Higher score represents better sustainability practices
## Covered bonds

### Nordea covered bond operations

<table>
<thead>
<tr>
<th></th>
<th>Nordea Eiendomskreditt</th>
<th>Nordea Hypotek</th>
<th>Nordea Kredit</th>
<th>Nordea Mortgage Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Four aligned covered bond issuers with complementary roles</strong></td>
<td><img src="image" alt="Norway" /></td>
<td><img src="image" alt="Sweden" /></td>
<td><img src="image" alt="Denmark" /></td>
<td><img src="image" alt="Finland" /></td>
</tr>
<tr>
<td><strong>Legislation</strong></td>
<td>Norwegian</td>
<td>Swedish</td>
<td>Danish</td>
<td>Finnish</td>
</tr>
<tr>
<td><strong>Cover pool assets</strong></td>
<td>Norwegian residential mortgages</td>
<td>Swedish residential mortgages primarily</td>
<td>Danish residential &amp; commercial mortgages</td>
<td>Finnish residential mortgages primarily</td>
</tr>
<tr>
<td><strong>Cover pool size</strong></td>
<td>EUR 28.0bn (eq.)</td>
<td>EUR 61.7bn (eq.)</td>
<td>Balanced principle</td>
<td>Pool 1: EUR 16.7bn/ Pool 2: EUR 8.4bn</td>
</tr>
<tr>
<td><strong>Covered bonds outstanding</strong></td>
<td>EUR 17.5bn (eq.)</td>
<td>EUR 34.5bn (eq.)</td>
<td>EUR 57.4bn (eq.)*</td>
<td>Pool 1: EUR 14.5bn/ Pool 2: EUR 5bn</td>
</tr>
<tr>
<td><strong>OC</strong></td>
<td>60%</td>
<td>79%</td>
<td>7%**</td>
<td>Pool 1: 15% / Pool 2: 68%</td>
</tr>
<tr>
<td><strong>Issuance currencies</strong></td>
<td>NOK</td>
<td>SEK</td>
<td>DKK, EUR</td>
<td>EUR</td>
</tr>
<tr>
<td><strong>Rating (Moody’s / S&amp;P)</strong></td>
<td>Aaa/-</td>
<td>Aaa / -</td>
<td>- / AAA</td>
<td>Aaa / -</td>
</tr>
<tr>
<td><strong>Outstanding green covered bonds</strong></td>
<td>EUR 1.25bn</td>
<td>EUR 1.1bn</td>
<td>EUR 2.1bn</td>
<td>EUR 2.0bn</td>
</tr>
</tbody>
</table>

*Data as of Q4
**The figures in Nordea Kredit only include CC2 (SDRC). Nordea Kredit no longer reports for CC1 (RO), as this CapitalCenter only accounts for a minor part (<1%) of the outstanding volume of loans and bonds.
## Funding transactions

### Nordea recent benchmark transactions

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Type</th>
<th>Currency</th>
<th>Amount (m)</th>
<th>FRN / Fixed</th>
<th>Issue date</th>
<th>Maturity date</th>
<th>Callable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordea Mortgage Bank</td>
<td>Covered</td>
<td>EUR</td>
<td>1,000</td>
<td>Fixed</td>
<td>Apr-24</td>
<td>Apr-34</td>
<td></td>
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<tr>
<td>Nordea Bank</td>
<td>Senior preferred</td>
<td>USD</td>
<td>1,000</td>
<td>FRN/Fixed</td>
<td>Mar-24</td>
<td>Mar-27</td>
<td></td>
</tr>
<tr>
<td>Nordea Bank</td>
<td>Senior non-preferred</td>
<td>EUR</td>
<td>1,000</td>
<td>Fixed</td>
<td>Mar-24</td>
<td>Mar-34</td>
<td></td>
</tr>
<tr>
<td>Nordea Mortgage Bank</td>
<td>Covered</td>
<td>EUR</td>
<td>750</td>
<td>Float</td>
<td>Jan-24</td>
<td>Jan-27</td>
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<tr>
<td>Nordea Mortgage Bank</td>
<td>Covered</td>
<td>EUR</td>
<td>1,000</td>
<td>Fixed</td>
<td>Jan-24</td>
<td>Jan-31</td>
<td></td>
</tr>
<tr>
<td>Nordea Hypotek</td>
<td>Covered</td>
<td>SEK</td>
<td>6,000</td>
<td>Fixed</td>
<td>Jan-24</td>
<td>Oct-29</td>
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<tr>
<td>Nordea Eiendomskreditt</td>
<td>Covered</td>
<td>NOK</td>
<td>10,000</td>
<td>Float</td>
<td>Jan-24</td>
<td>Jan-29</td>
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</tr>
<tr>
<td>Nordea Bank</td>
<td>Tier 2, Green</td>
<td>EUR</td>
<td>500</td>
<td>Fixed to Float</td>
<td>Nov-23</td>
<td>Feb-34</td>
<td>Feb-29</td>
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<tr>
<td>Nordea Eiendomskreditt</td>
<td>Covered, Green</td>
<td>NOK</td>
<td>7,000</td>
<td>Float</td>
<td>Nov-23</td>
<td>Nov-28</td>
<td></td>
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<tr>
<td>Nordea Mortgage Bank</td>
<td>Covered</td>
<td>EUR</td>
<td>1,000</td>
<td>Fixed</td>
<td>Oct-23</td>
<td>Oct-28</td>
<td></td>
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<tr>
<td>Nordea Hypotek</td>
<td>Covered, Green</td>
<td>SEK</td>
<td>6,000</td>
<td>Fixed</td>
<td>Sep-23</td>
<td>Oct-28</td>
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<tr>
<td>Nordea Bank</td>
<td>Senior non-preferred, SLL</td>
<td>EUR</td>
<td>1,000</td>
<td>Fixed to Float</td>
<td>Aug-23</td>
<td>Sep-26</td>
<td>Sep-25</td>
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<tr>
<td>Nordea Mortgage Bank</td>
<td>Covered, Green</td>
<td>EUR</td>
<td>1,000</td>
<td>Fixed</td>
<td>Aug-23</td>
<td>Aug-26</td>
<td></td>
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<tr>
<td>Nordea Bank</td>
<td>Senior non-preferred, Green</td>
<td>NOK</td>
<td>1,800</td>
<td>FRN/Fixed</td>
<td>May-23</td>
<td>Jun-28</td>
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<tr>
<td>Nordea Bank</td>
<td>Senior non-preferred, Green</td>
<td>SEK</td>
<td>3,000</td>
<td>FRN/Fixed</td>
<td>May-23</td>
<td>Jun-26</td>
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<tr>
<td>Nordea Bank</td>
<td>Senior non-preferred, Green</td>
<td>GBP</td>
<td>300</td>
<td>Fixed to Float</td>
<td>May-23</td>
<td>Jun-26</td>
<td>Jun-25</td>
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<tr>
<td>Nordea Bank</td>
<td>Senior non-preferred, Green</td>
<td>CHF</td>
<td>300</td>
<td>Fixed</td>
<td>May-23</td>
<td>May-28</td>
<td></td>
</tr>
</tbody>
</table>
Minimum requirements for own funds and eligible liabilities

**MREL positions and requirements**

### Subordinated MREL

- **Nordea ratio, Q1 24, % REA**: 32.1%
- **Req. % REA**: 27.3%
- **Nordea ratio, Q1 24, % LRE**: 22.4%
- **Req. % LRE**: 20.7%

**Subordinated MREL**
- +4.8%
- +0.8%

### Total MREL

- **Nordea ratio, Q1 24, % REA**: 39.2%
- **Req. % REA**: 30.0%
- **Nordea ratio, Q1 24, % LRE**: 22.4%
- **Req. % LRE**: 23.3%

**Total MREL**
- +9.3%
- +2.6%

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**Subordinated MREL**
- 4.8 pp above requirement % REA
- Outstanding senior non-preferred (SNP) of EUR 13.8bn

**Total MREL**
- 9.3 pp above requirement % REA
- Outstanding senior preferred (SP) of EUR 12.6bn

**Requirements set by Single Resolution Board annually**
- Subordinated MREL, the higher of:
  - 20.66% REA + CBR*
  - 7.19% LRE**
- Total MREL, the higher of
  - 23.30% REA + CBR
  - 7.19% LRE
- Applicable from 1 January 2024 (to be updated in Q2 2024)

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* Combined buffer requirement: CoC2 8.5%, O-SII 2.5% and CCyB 1.7% as of Q1 2024
** Leverage ratio exposure
4. Macroeconomy
Nordic economic development

Recovery continues

- The Nordic economies have shown mixed trends on the back of surging inflation and higher interest rate. However, the economic development has generally been better than previously anticipated.
- Normalising inflation and central banks moving closer to cutting policy rates this year should ease financial conditions going forward.
- The labour market is expected to further weaken before stabilising during the second half of 2024.

### GDP, % y/y, Economic Outlook January 2024

<table>
<thead>
<tr>
<th>Country</th>
<th>2022</th>
<th>2023</th>
<th>2024E</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>2.7</td>
<td>1.9</td>
<td>1.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Finland</td>
<td>1.3</td>
<td>-1.0</td>
<td>-1.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Norway (mainland)</td>
<td>3.7</td>
<td>0.7</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.7</td>
<td>0.0</td>
<td>-0.5</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source: Nordea Markets and Macrobond
Nordic economies

Central banks moving closer to cutting policy rates

Policy rates

- The Swedish Riksbank, ECB, Danmarks Nationalbank and Norges Bank are not expected to raise policy rates any further
- The Riksbank is expected to start cutting the policy rate in May, by 0.25 percentage points to 3.75%, and cut five additional times during this year to 2.50% in December, according to Nordea Market’s forecast. The ECB will start cutting the policy rates in June and thereafter lower the level by 0.25 percentage points each quarter until they reach 2.25%
- Norges Bank is expected to cut the policy rate by 0.75 percentage points, from 4.50 to 3.75%, until year-end 2025
- The ECB and the Riksbank are reducing their balance sheets
- Policy rates are expected to remain well above pre-pandemic levels, despite the expected rate cuts
- Solid public finances will help Nordic governments to support the economic recovery ahead
Households

High savings rates and sluggish consumption

- Household consumption will remain sluggish due to high interest rates. Denmark and Norway is expected to recover faster than their Nordic counterparts.
- Households’ purchasing power will continue to improve as inflation normalise, and wage growth remains higher than before the pandemic.
- In most of the Nordics, households’ debt ratios have decreased whilst savings rate have increased.
Housing markets

**Stabilisation across the Nordic countries**

**Home prices**

- Home prices have stabilised in Sweden and Norway at the start of this year, likely attributed to households’ expectations of lower interest rates. Developments were mixed last year in the Nordics following the record-high levels in 2022.

- Monetary policy will remain restrictive for the better part of 2024 despite central banks starting to cut rates.

- Home prices are expected to bottom out by the summer and to recover gradually in the second half of this year.

- Households’ credit growth has stabilised close to zero in Sweden and Finland. Norwegian credit growth remains high but continues to slow down. In Denmark, credit growth has bounced back from record low levels.
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