Nordea

Debt investor presentation

Q2 2024

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.

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1. Quarterly update

Executive summary

Continued high-quality income growth

- Net interest income up 4%, net fee and commission income up 6% and net fair value result down 15%. Total income up 3%
- Operating profit remained strong, 2% lower compared to Q2 2023

Return on equity* 17.9% and earnings per share EUR 0.37

Mortgage lending volumes stable, deposit volumes and assets under management up

- Mortgage lending stable and corporate lending down slightly. Retail deposits up 1% and corporate deposits up 5% y/y. AuM up 10% y/y

Stable cost-to-income ratio with amortised resolution fees: 42.6%

Solid credit quality – net loan losses increase mainly driven by provisions on few single corporate exposures

- Net loan losses and similar net result EUR 68m or 8bp
- Management judgement buffer at EUR 464m – EUR 30m released, reflecting lower provisioning needs

Continued strong capital position

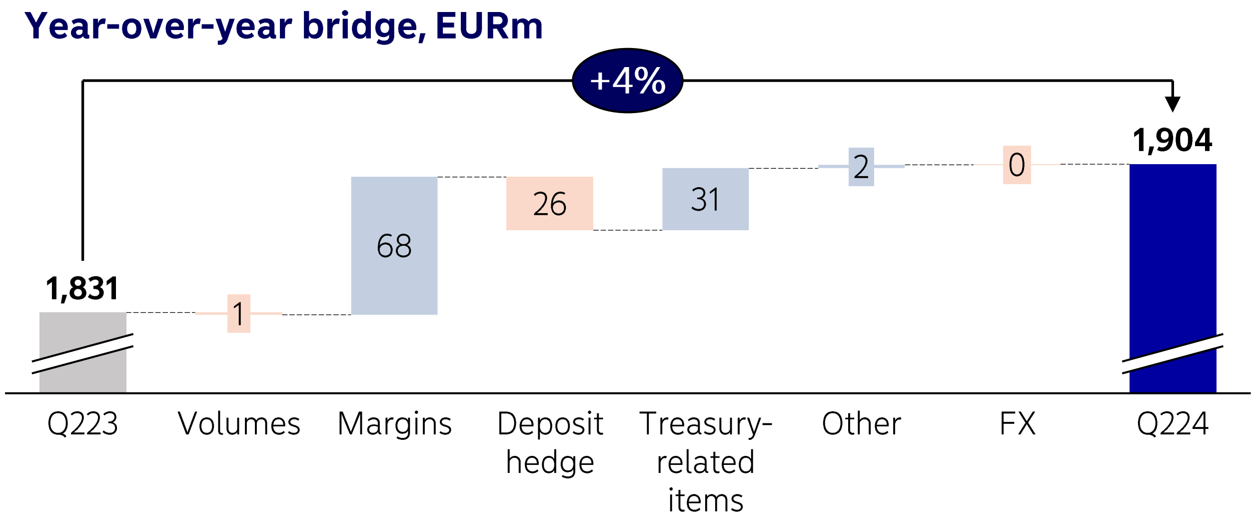
- CET1 ratio 17.5% – 4.4pp above current regulatory requirement. ECB approval for new capital models for retail exposures

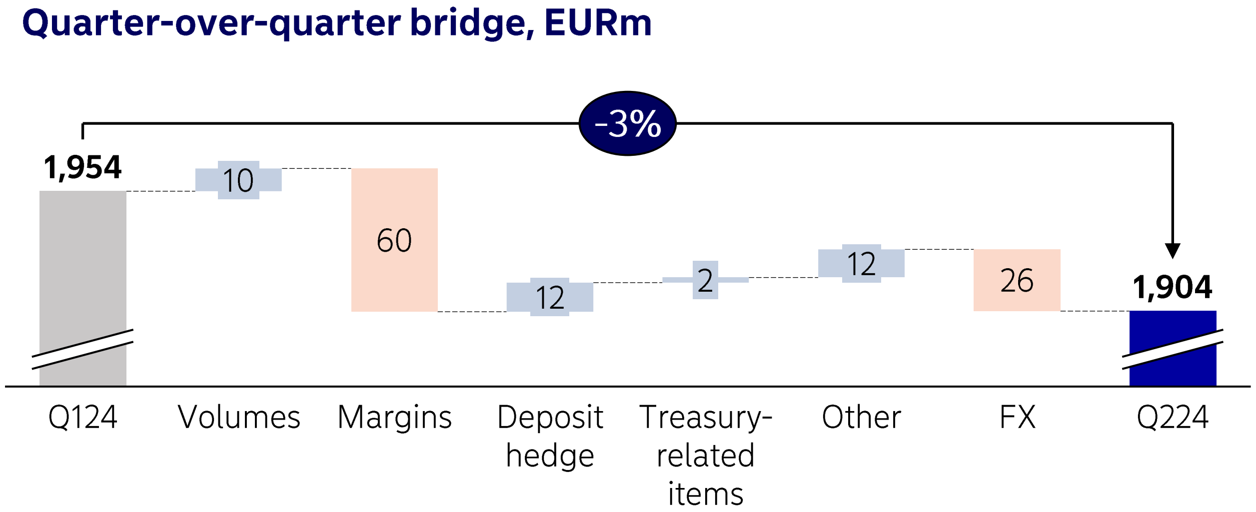
2024 outlook unchanged: return on equity above 15%

* With amortised resolution fees

Net interest income

Stable volumes, improved margins





- **Net interest income up 4%**
- **Mortgage lending stable and deposits up**
  - Mortgage volumes stable
  - Corporate lending down 1%
  - Retail deposits up 1%
  - Corporate deposits up 5%
- **Net interest margin 1.83%, up 14bp**
  - Improved lending and deposit margins

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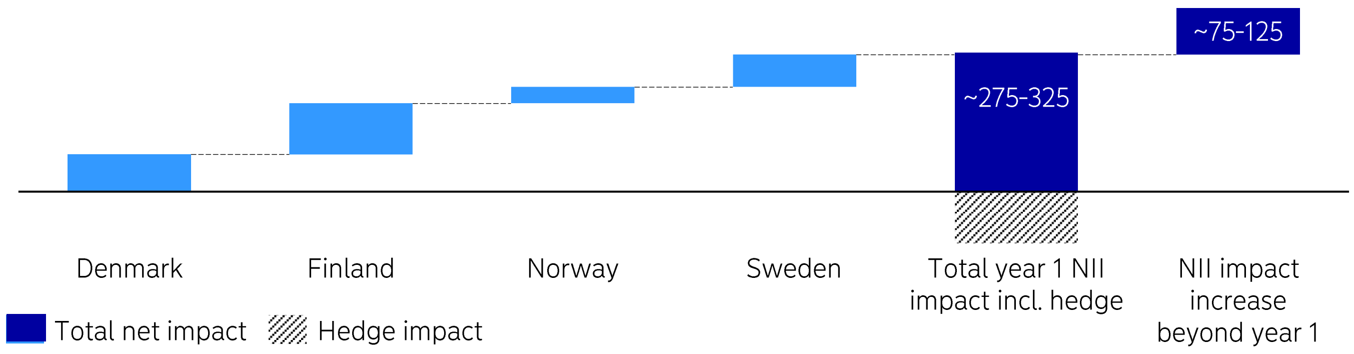
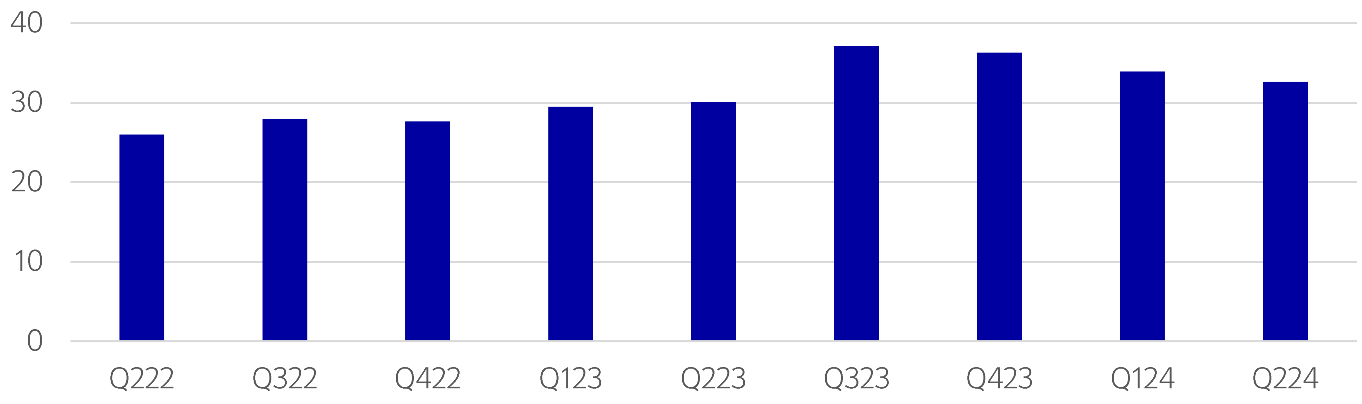
Net interest income sensitivity to policy rate changes

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



Structural hedge – nominal volume, EURbn



- **NII impact largely driven by policy rates and pass-through**
  - Actual pass-through to vary between account types and countries, and throughout rate cycles
  - Sensitivity reflecting modelled risk over cycle – actual NII impact lower following initial rate cuts and higher thereafter
- **Group NII also impacted by other drivers**
  - Volumes and loan/deposit pricing
  - Wholesale funding costs
  - Deposit hedges
- **Deposit hedging reducing sensitivity to interest rate changes**
  - Hedge volume up ~10% 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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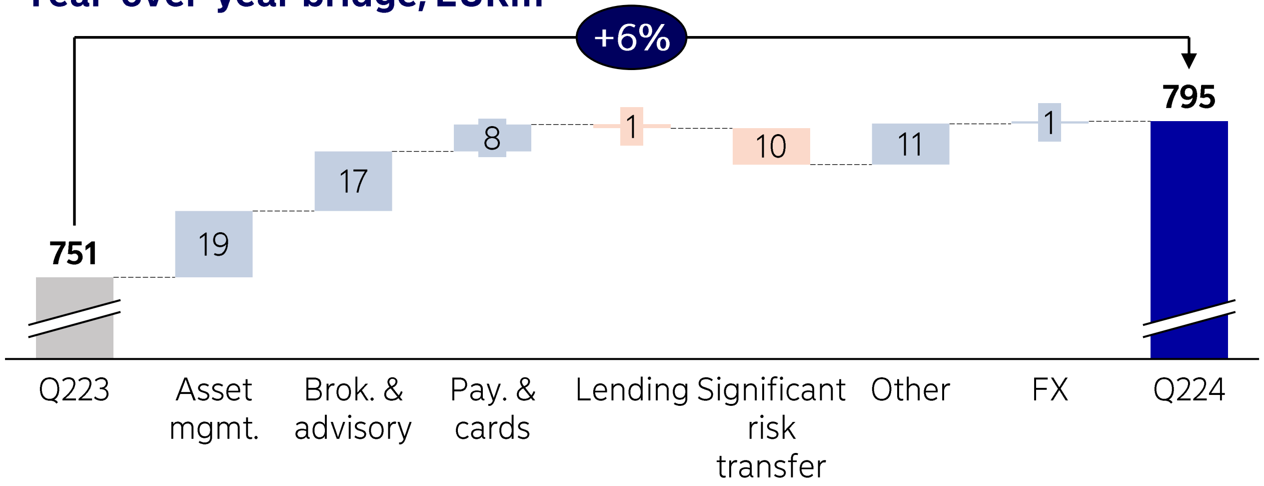
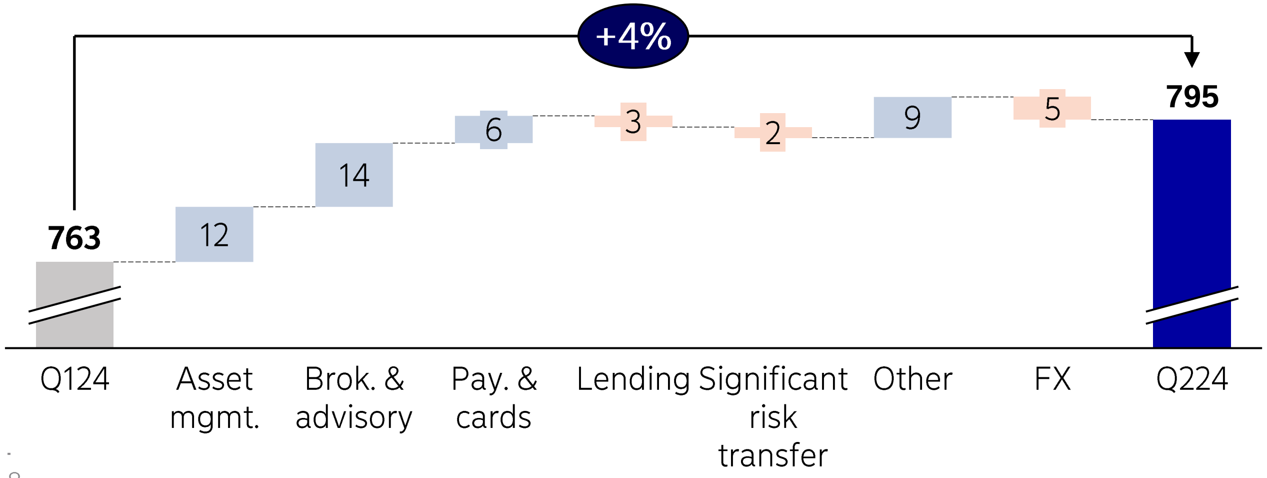
Return to growth driven by higher savings and capital markets activity

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Net fee and commission income up 6%**
- **Savings fee income up due to higher assets under management**
  - AuM up 10% to EUR 400bn
  - Net flows from Nordic channels (86% of AuM) EUR 1.9bn
  - International channels (14% of AuM) net outflows EUR 1.4bn
- **Brokerage and advisory fee income up in stronger market**
- **Payment and card fee income up due to higher activity**

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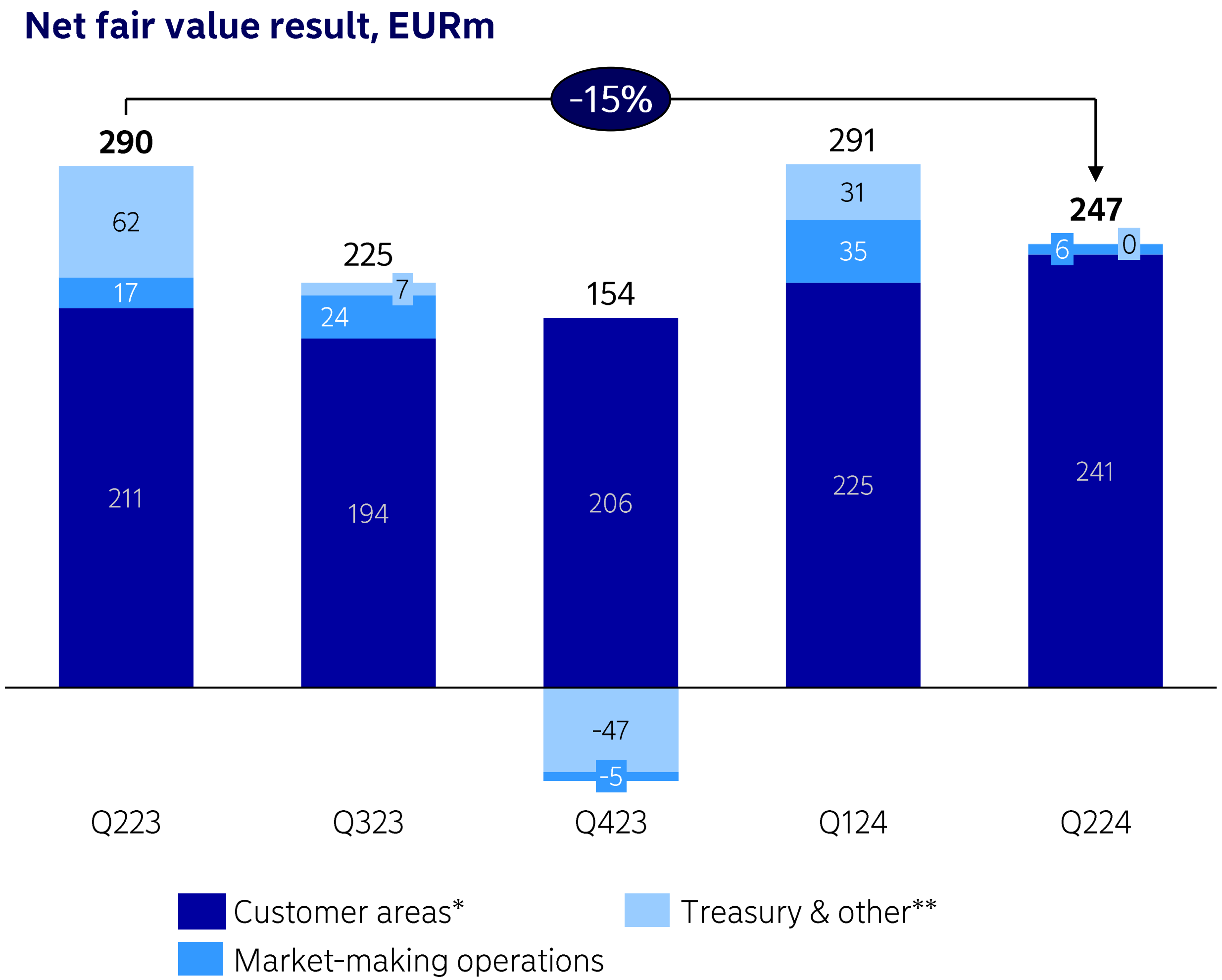
Net fair value result

Higher business activity in customer areas



- **Higher business activity in customer areas mainly in FX and rates products**
- **Market-making slightly down from Q223 that saw high activity in rates products**
- **Treasury down from high Q223 as low volatility resulted in stable valuations of hedges and holdings**

* Excluding fair value adjustments to loans held at fair value in Nordea Kredit
** Including valuation adjustments and FX

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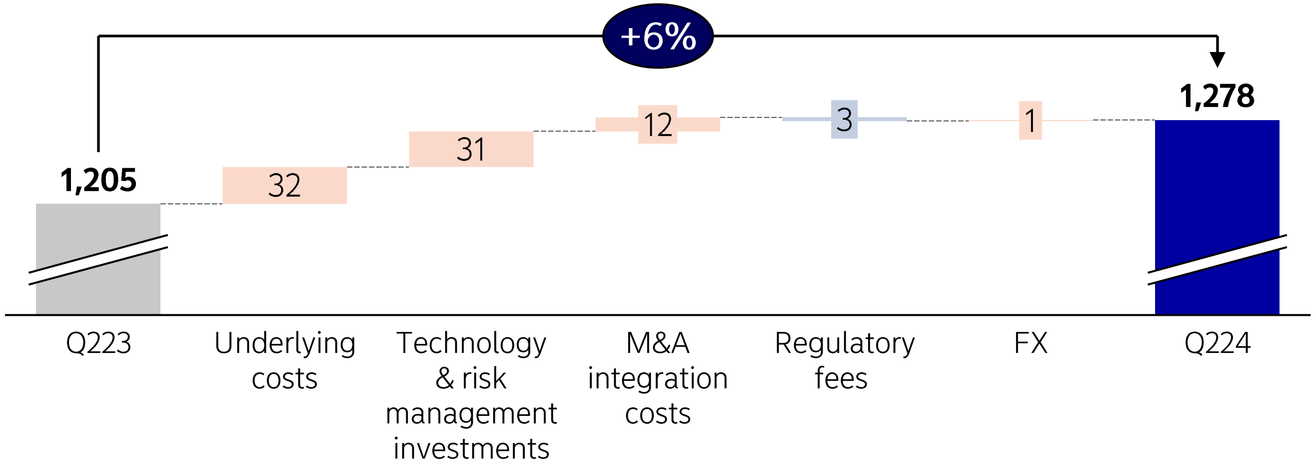
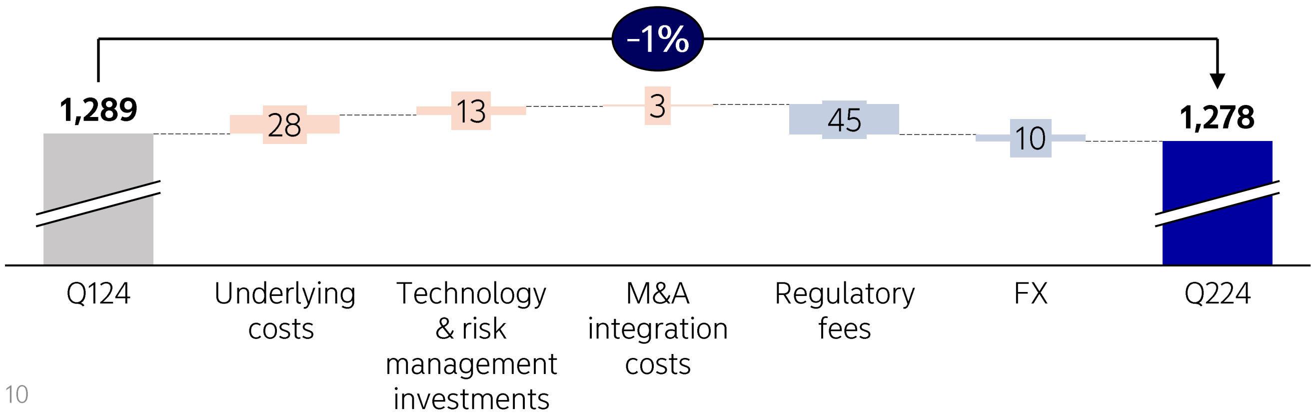
Costs in line with plan

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Costs up 6% from investments and inflation, in line with plan**
  - Underlying costs up, driven by salary inflation and higher business activity
  - Further investments in technology infrastructure, data and AI, digital offering, financial crime prevention and other risk management capabilities
  - M&A integration costs related to acquisition of Danske Bank's personal customer and private banking business in Norway

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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[1]

50%
reduction in emissions from internal operations by 2030[1]

Gender balance

Supported by our 2025 sustainability targets[2]:

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[3] combined

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 2030[1]

Progress

-29% (2023)

Sector	Sub-sector	Emissions scope	Metric	Base year	Baseline	Target year	**Target**	Current status
Residential real estate	Households and tenant-owner associations	1 and 2	$kgCO2e/m2$	2019	17.6	2030	**-40–50%**	16.6 $kgCO2e/m2$ (2023)
Shipping	Vessels	1	AER, $gCO2/dwt\text{-}nm$	2019	8.3	2030	**-30%**	8.1 AER (2022)
Motor vehicles	Cars and vans	1	gCO_2e/km	2022	117	2030	**-40%**	116 gCO_2e/km (2023)
Agriculture	Crops, plantation and hunting, and animal husbandry	1 and 2	$tCOe2/EURm$	2021	738	2030	**-40-50%**	681 $tCOe2/EURm$ (2023)
Power production	Electricity generation	1 and 2	$gCO2e/kWh$	2021	220	2030	**-70%**	117 $gCO2e/kWh$ (2022)
Oil & gas	Exploration and production	1, 2 and 3	$MtCO2e$	2019	3.0	2030	**-55%**	0.4 $MtCO2e$ (2023)
Offshore	Drilling rigs and offshore service vessels within oil and gas, and shipping	-	EURm	2019	1,885	2025	**-100%**	127 EURm (2023)
Mining	Thermal peat	-	EURm	2022	52	2025	**-100%**	51 EURm (2023)
	Thermal coal	-	EURm	*Restrictive policy, full phase-out achieved in 2021*				

1) compared to 2019 baseline and covering lending to corporates and households for business loans, motor vehicles, commercial and residential real estate and shipping:

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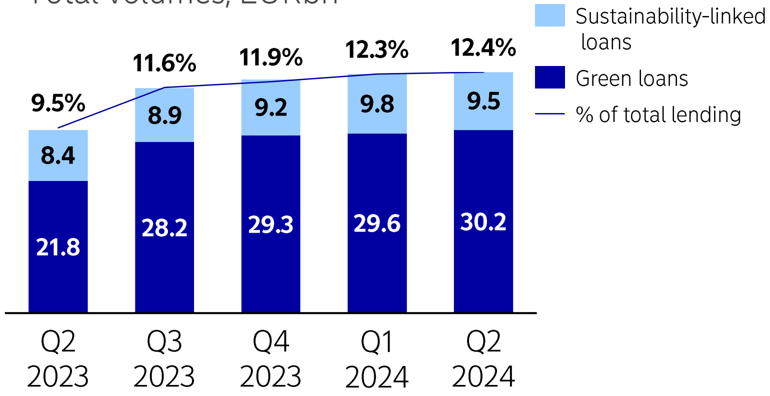
Actively engaging to drive transition and capture growth opportunities

Channelling capital towards sustainable solutions

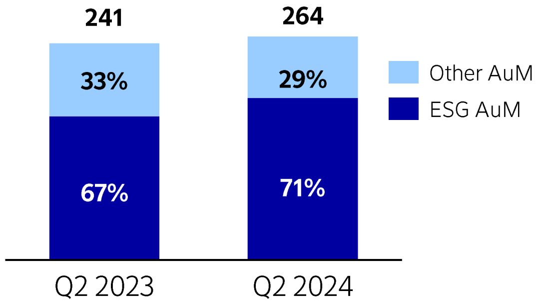
Green and sustainability-linked loans

Total volumes, EURbn



Nordea Asset Management

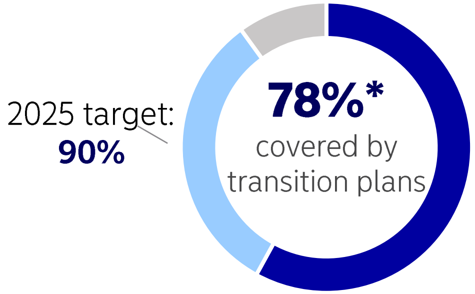
Assets under management, EURbn



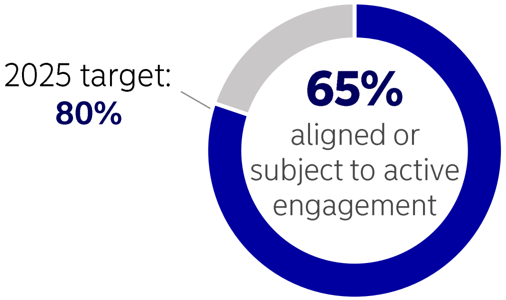
ESG AuM = article 8 and 9 funds (according to EU SFDR)

Engaging to support green transition

Transition plan for large corporates



Alignment with Paris agreement for top 200 emission contributors



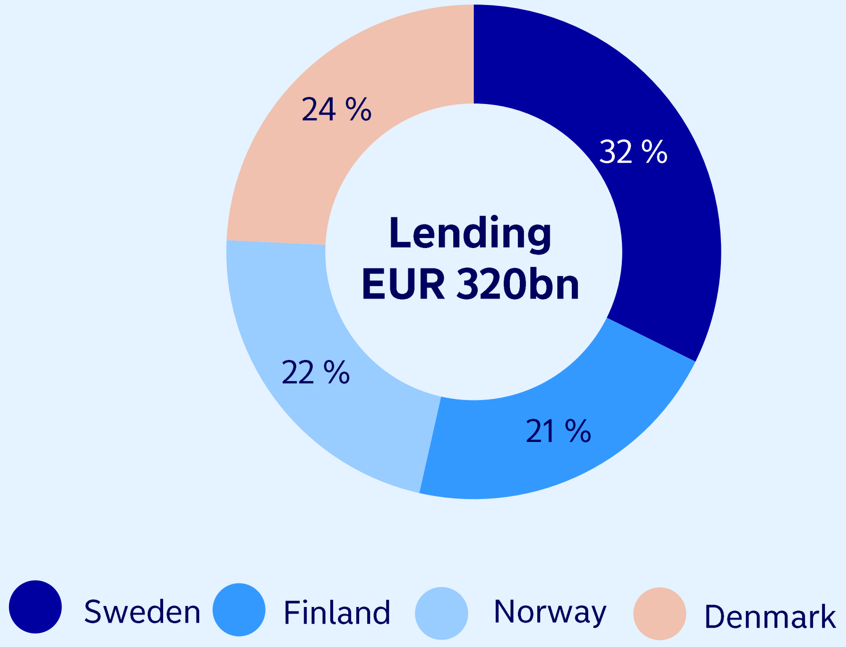
- **Facilitated EUR 163bn in sustainable financing**
  Compared to target EUR >200bn by 2025
- **Elected to the steering group of the Net-Zero Banking Alliance**
- **The ESG share of gross inflows into funds reached an all-time high at 40% in Q2 (PeB)**
- **#1 Nordic corporate sustainable bonds**
- **#1 Nordic corporate sustainable loans**

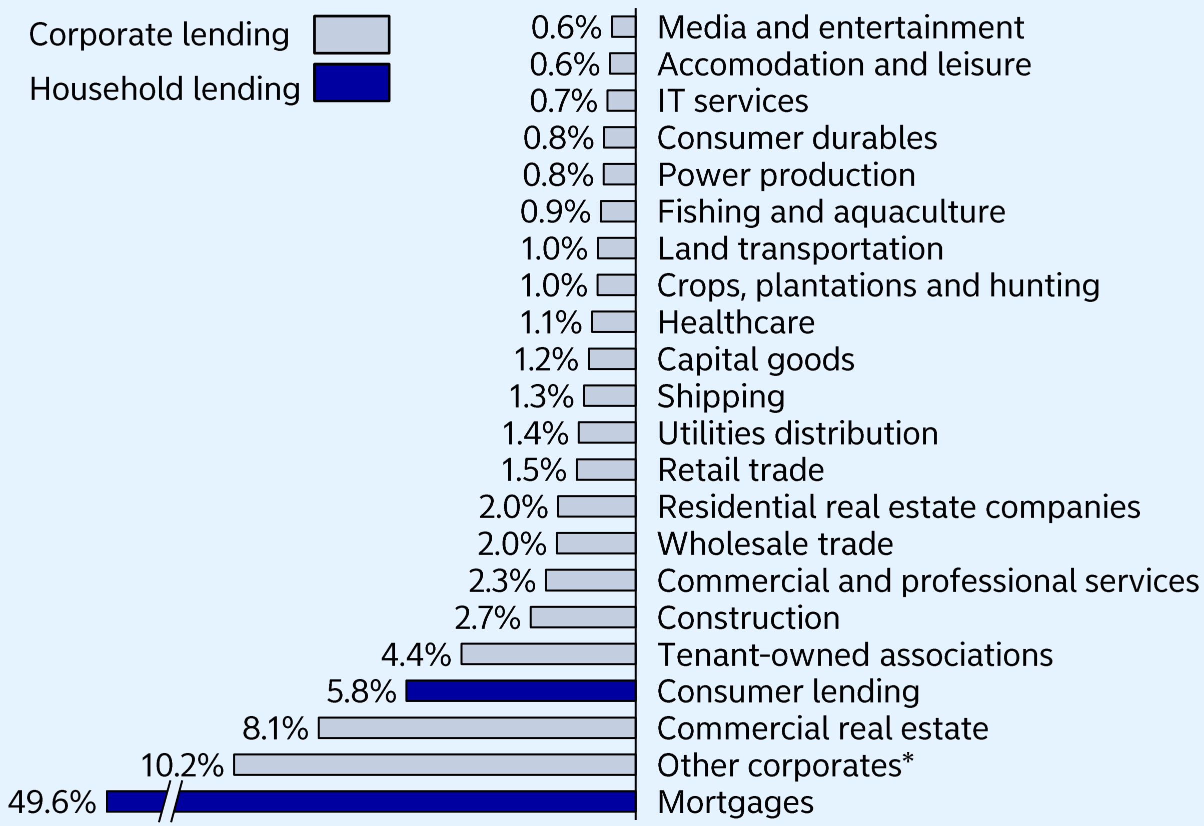
*) Q2 2024

2. Credit quality

Credit portfolio

Well diversified pan-Nordic financial service provider with stable and sustainable returns





*Other corporates includes several categories of which the largest is Financial institutions consisting mostly of various investment funds.

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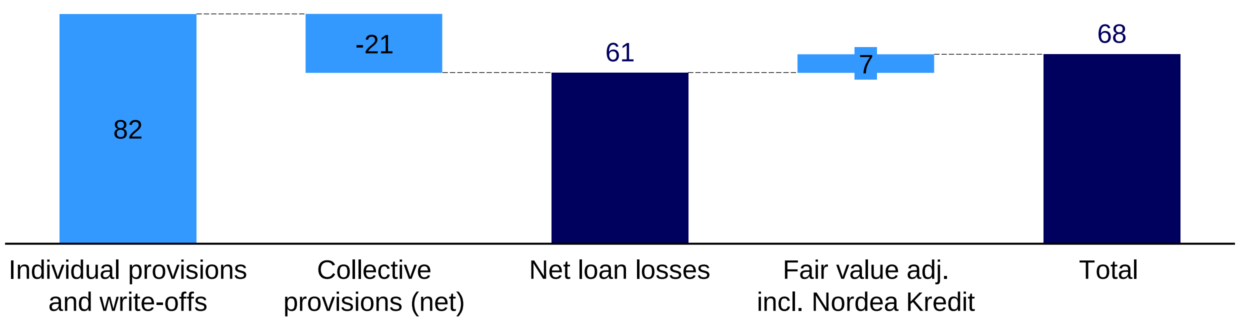
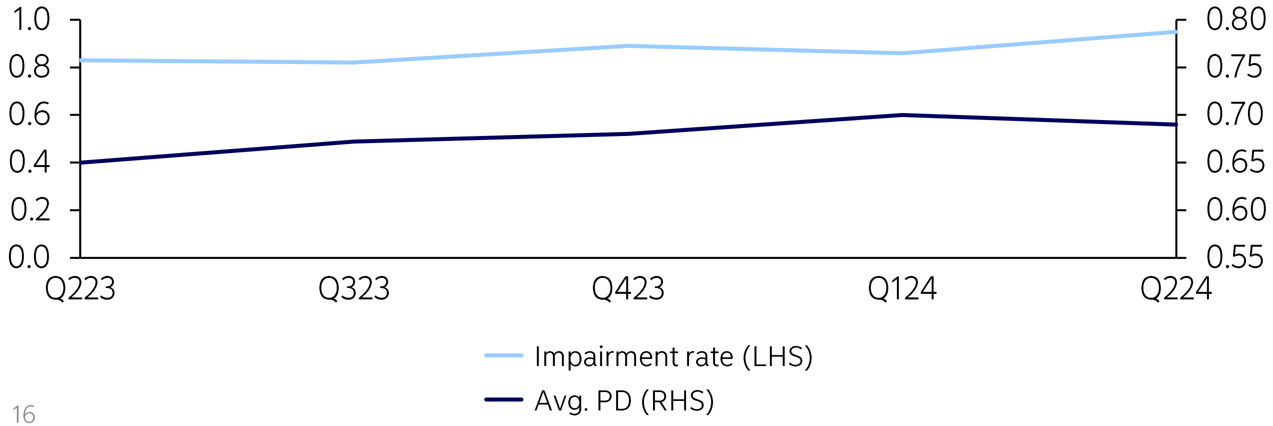
Net loan losses and similar net result

Continued solid credit quality

Net loan losses and similar net result, EURm



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



- **Total net loan losses and similar net result at EUR 68m (8bp)**
  - Continued solid credit quality
  - New individual provisions up from Q1, driven by few single corporate exposures
  - Collective provisions include EUR 30m management judgement release due to improved macroeconomic outlook and lower interest rates
- **Overall provisions held at EUR 1.8bn and coverage unchanged**
  - Management judgement buffer now at EUR 464m, after EUR 30m release reflecting lower provisioning needs
- **Continued low level of defaulted loans**
  - Stage 3 loans at 0.95% (0.86% in Q1)
  - Average PD decreased 1bp to 0.69%

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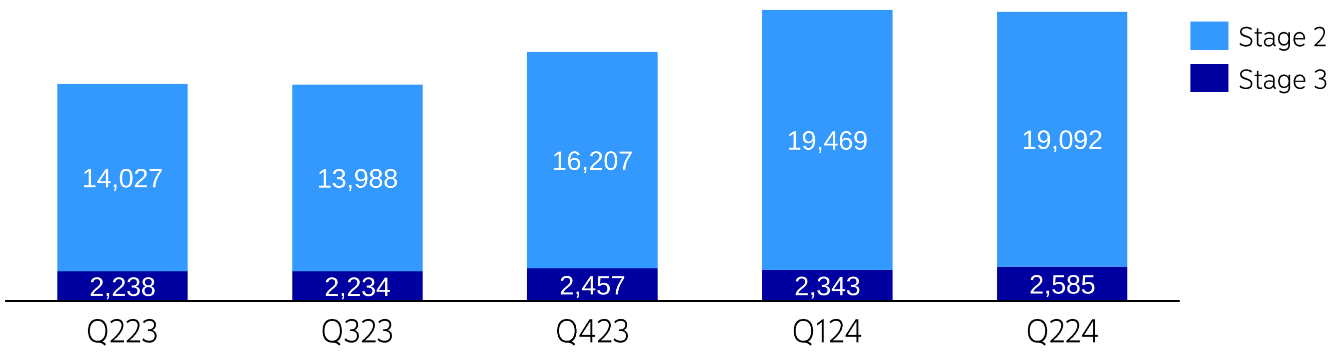
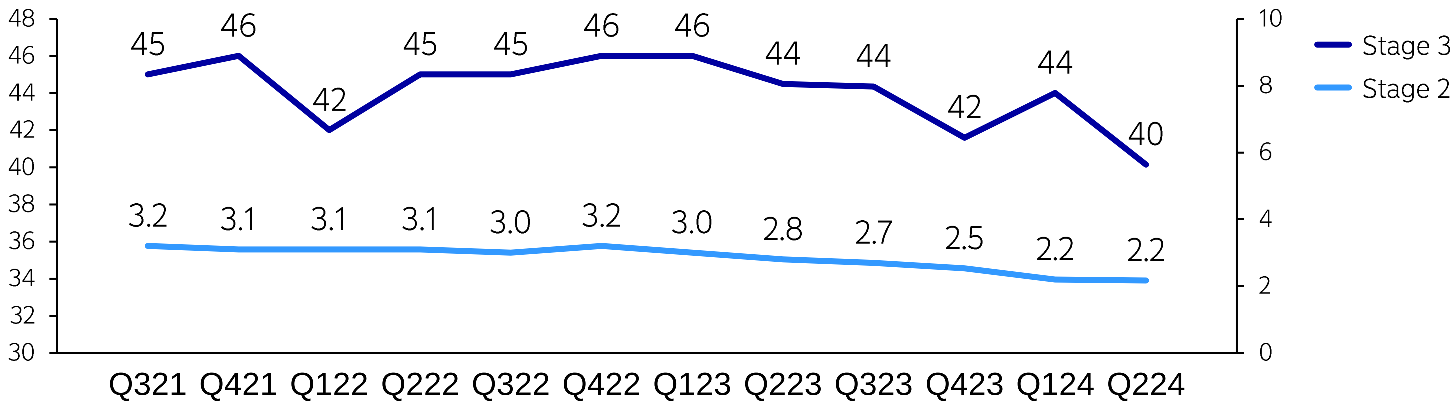
Impairments and provisioning coverage

Stage 3 increased, stage 2 stable; strong credit quality

Stage 2 and 3 loans at amortised cost, EURm



Coverage ratio, %



- **Continued strong portfolio credit quality**
- **Stage 2 loans down EUR 0.4bn, remaining at 7%**
- **Stage 3 loans up EUR 242m to 0.95% from 0.86% in Q1, mainly due to few specific default events**
- **Coverage ratio for stage 3 portfolio down to 40% due to reduced provisioning need**

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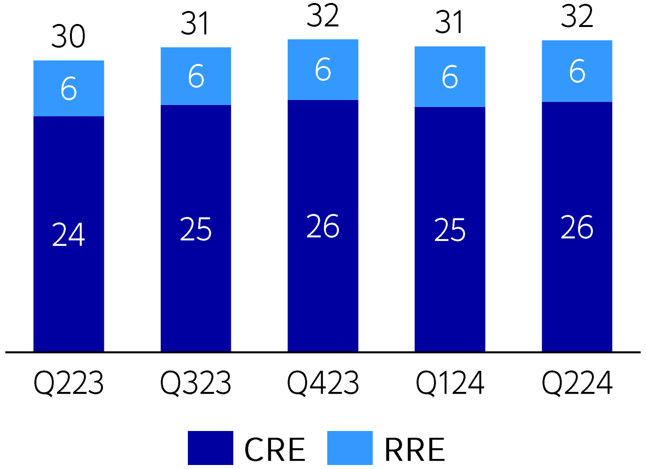
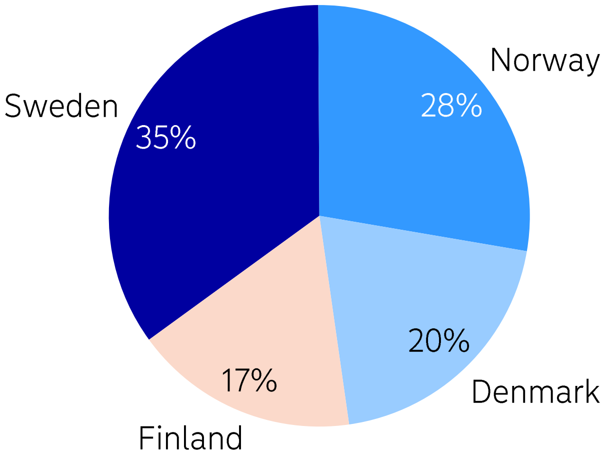
Credit portfolio – real estate management industry (REMI)*

Well-diversified portfolio, high-quality lending

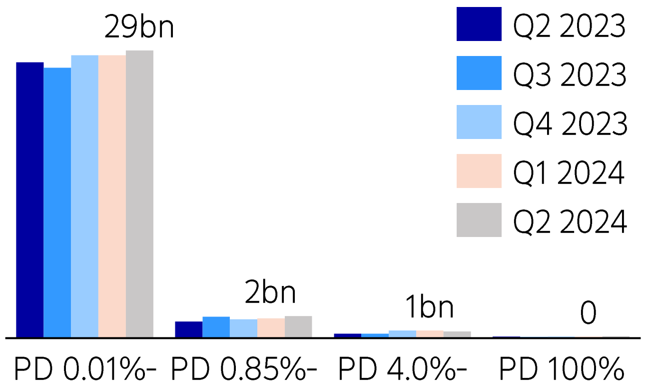
Lending volumes stable



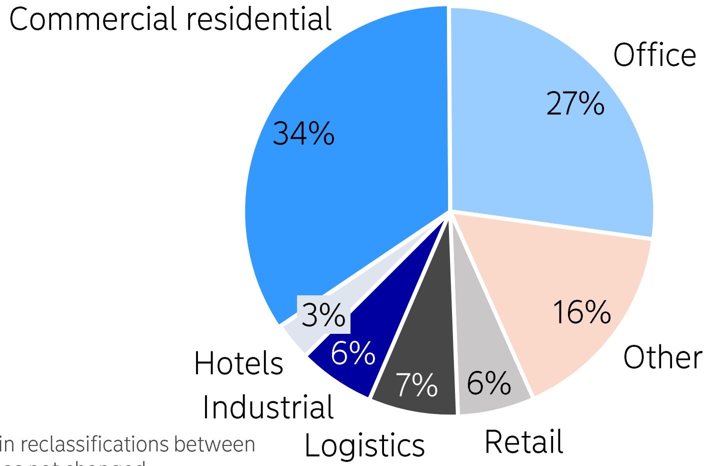
Diversified across countries



90% of portfolio with low probability of default (PD)



Diversified across types**



- Well-diversified portfolio across Nordic markets
- 90% of exposure towards low-risk customers, 7% towards increased risk, only 2% towards high risk and less than 1% impaired
- Portfolio mainly comprising central, modern office and residential properties
- Strict underwriting standards: conservative credit policy with focus on cash flow

* Excluding tenant-owner associations (TOAs)

** Improved consolidation data quality as of Q1 2024 resulting in reclassifications between property types. Portfolio composition and credit risk profile has not changed.

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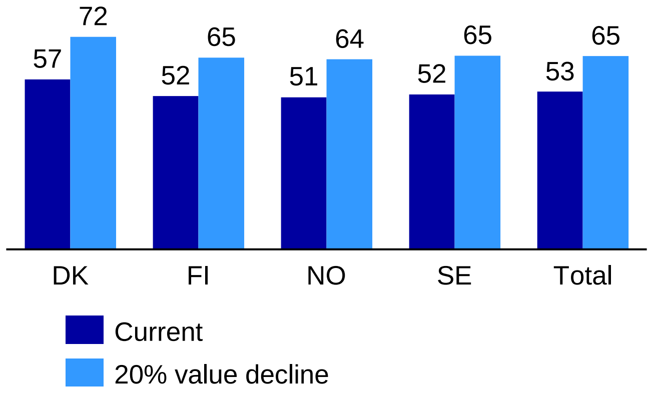
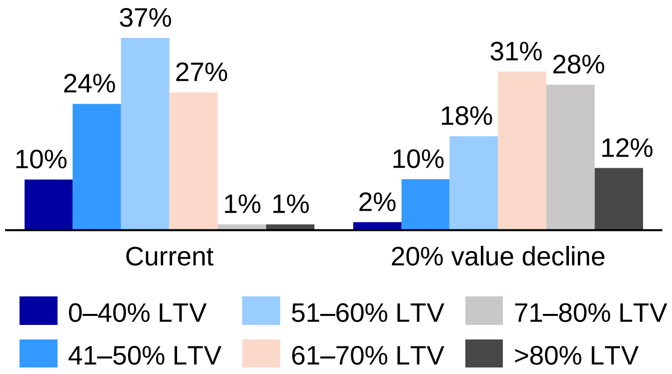
Credit portfolio – real estate management industry (REMI)*

Solid LTVs, resilient interest coverage, high occupancy

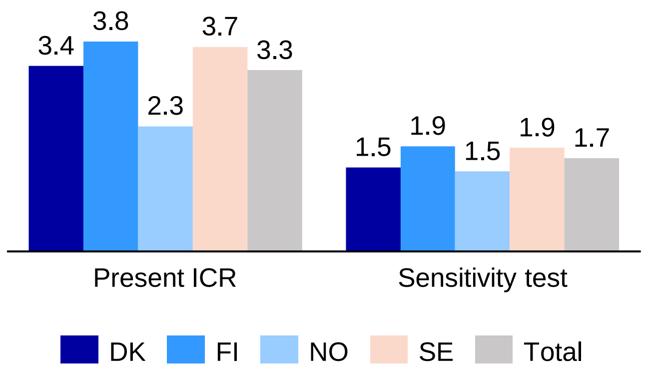
Solid LTV levels for all countries



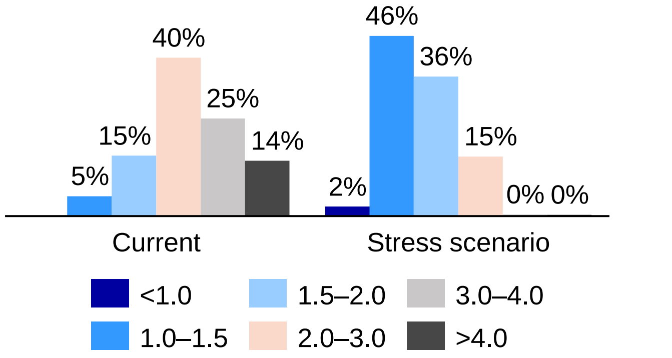
Majority of portfolio with low LTV



ICR high for all countries



ICR above 1.0 for 98% of portfolio in stress scenario



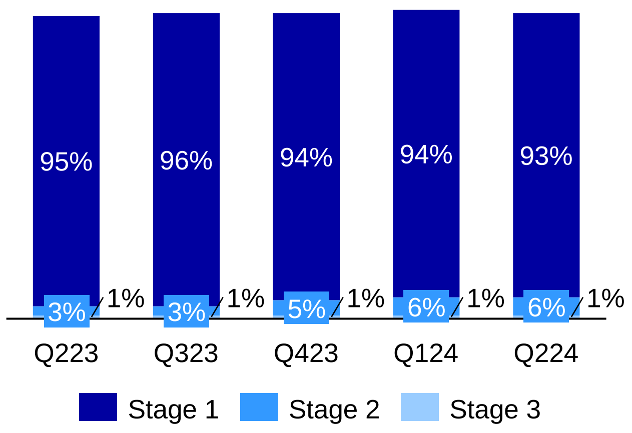
- **71% of exposures with LTV below 60%**
  - In event of 20% decline in market value, 61% of portfolio still with LTV below 70%
- **Average interest coverage ratio (ICR) at 3.3x**
  - Average ICR at 1.7x in stress scenario
  - Stress scenario: all debt refinanced day one at 5Y swap rates plus margins (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%**

*Based on analysis of largest customers in portfolio in Q4 2023 corresponding to 50% of EAD (excl. TOAs). For smaller customers in portfolio corresponding to 50% of EAD (excl. TOAs), credit quality is monitored through various credit risk indicators, such as PD and IFRS 9 stages

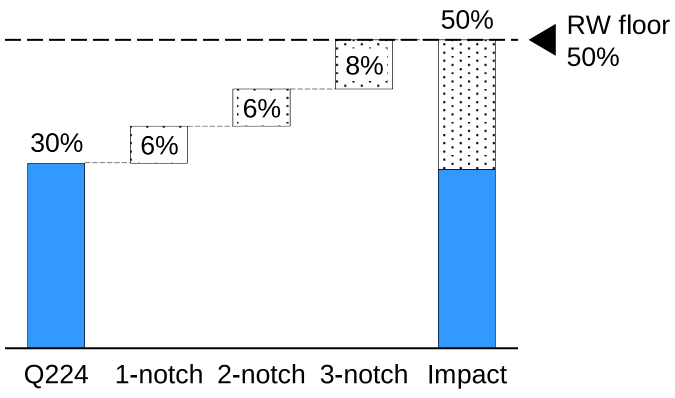
Credit portfolio – real estate management industry (REMI)*

Low levels of risk exposure

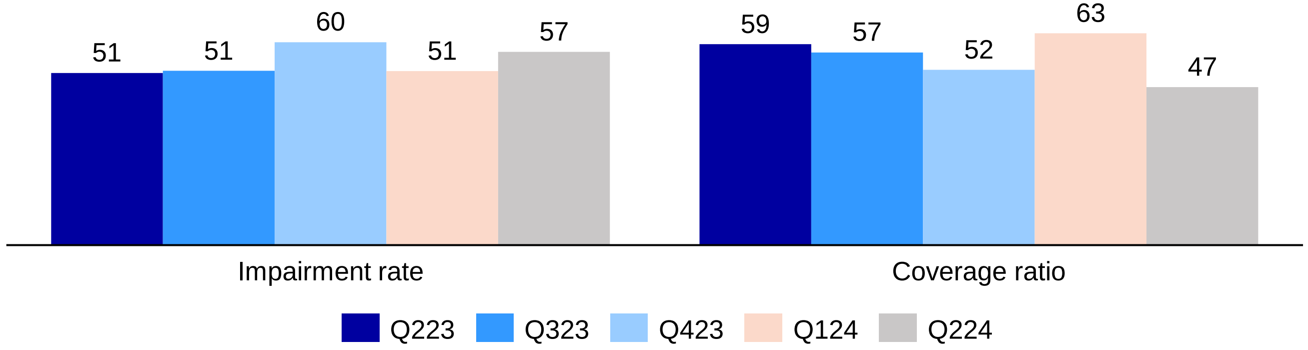
Strong credit quality, with 93% of IFRS 9 portfolio in stage 1



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



Low impairment rate and high coverage for impaired portfolio



- **Continued strong credit quality, with slight deterioration as expected**
- **93% of portfolio in stage 1**
- **0.6% of portfolio impaired in Q2, with slight increase related to higher level of impaired loans**
- **Provision coverage above 47% – high for collateralised assets**
- **REA protected by risk weight floors**

* Excluding TOAs

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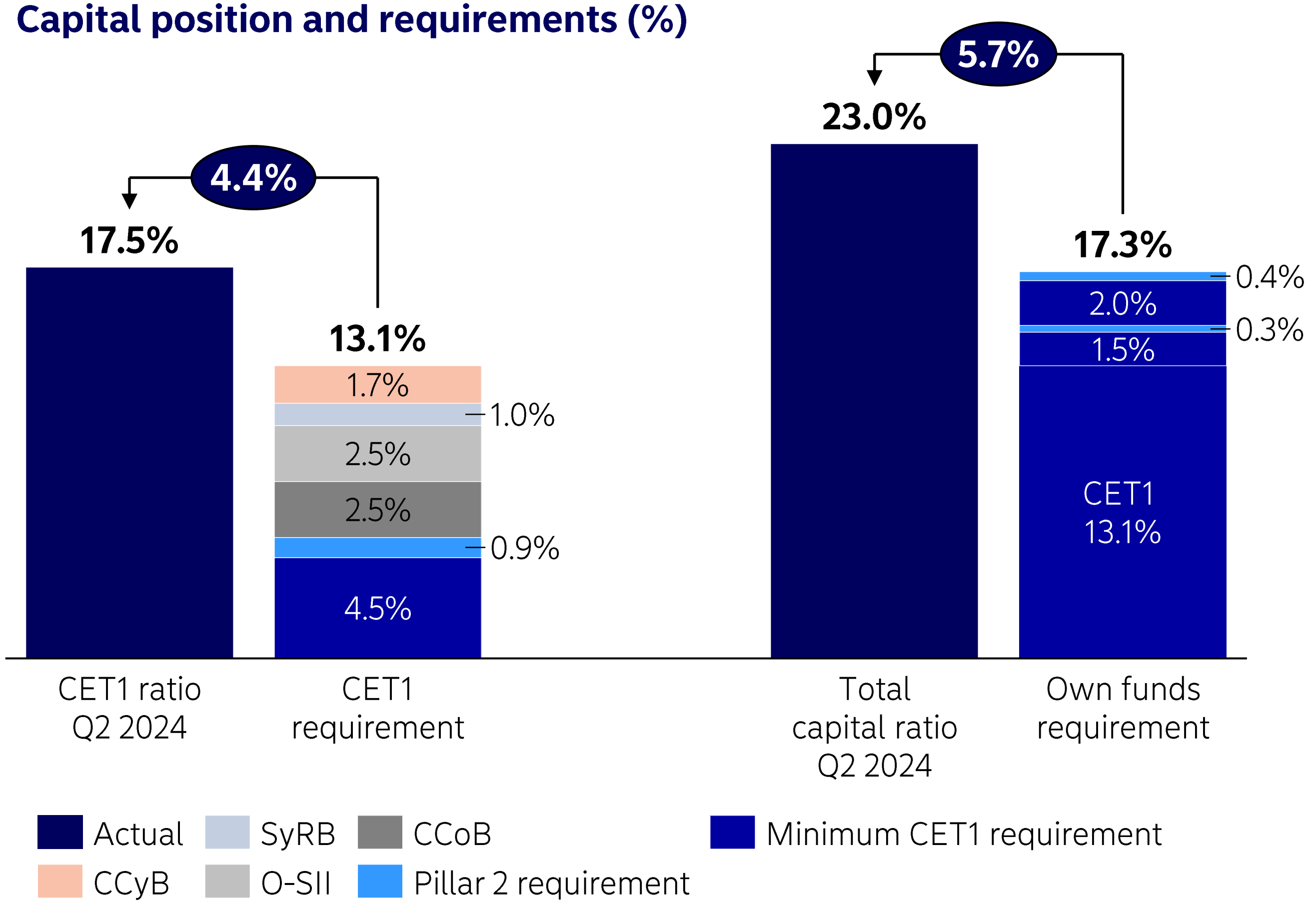
3. Capital, liquidity and funding

Capital

Significant buffer to capital requirements

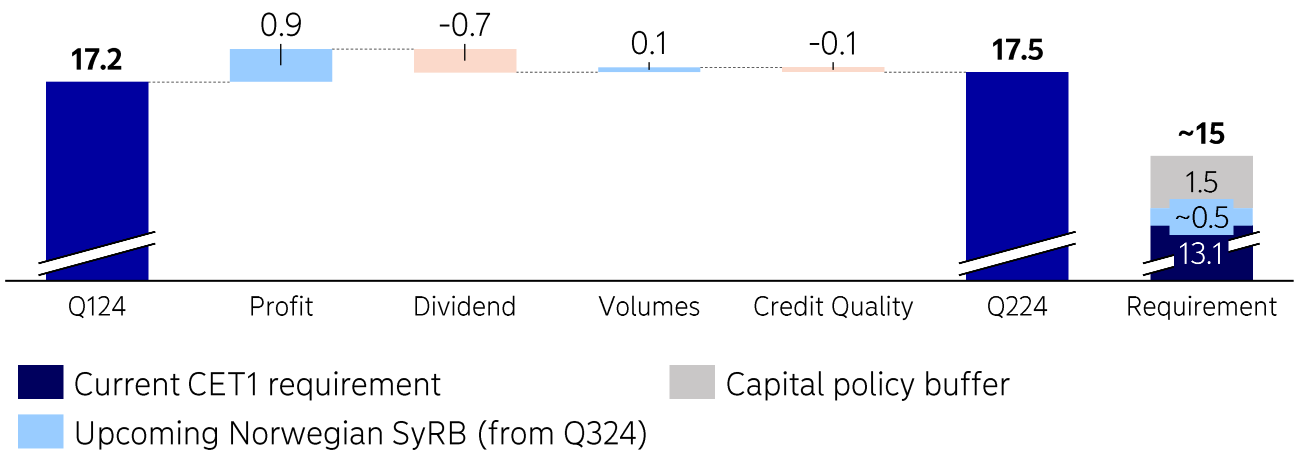
Capital position and requirements (%)



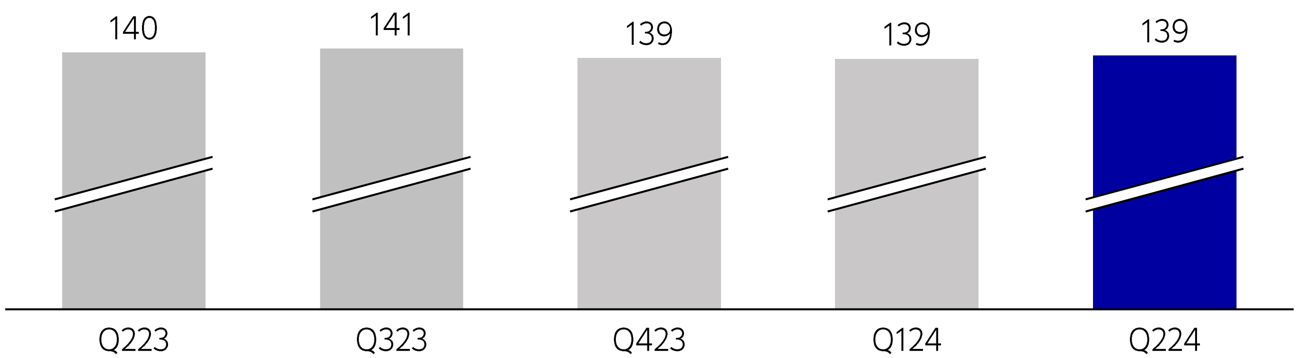
- **CET1 capital ratio 17.5%**
  - 4.4 percentage points above regulatory requirement, corresponding to a CET1 buffer of EUR 6.1bn
- **CET1 requirement increase**
  - Increased CET1 requirement of 100bp as a SyRB of 1.0% is applicable to all banks in Finland from 1 April 2024
  - In Q3 the CET1 requirement will increase with approximately 50bps since the reciprocation of the Norwegian SyRB applies from 1 July 2024
- **Sector-specific Danish SyRB of 7%**
  - The sector-specific SyRB of 7% on real estate companies in Denmark applies from 30 June 2024 for banks in Denmark. If reciprocated by the Finnish FSA, it would increase the CET1 requirement by approximately 10bp

Continued strong capital generation

CET1 capital ratio development, %



REA development, EURbn



- **CET1 capital ratio increased to 17.5%**
  - CET1 capital increased EUR 0.5bn due to profit accumulation net of dividend accrual and FX effects
  - Risk exposure amount increased by EUR 0.8bn mainly due to FX effects and credit migration, partially offset by lower corporate volumes
- **Capital well above requirement**
  - Management buffer of 150bp above CET1 requirement
  - Implied target CET1 ratio of ~15%
- **Retail models approved and Basel IV impact revised**
  - Total REA increase as of Q125 broadly in line with estimate
  - Dialogue initiated with ECB on resuming share buy-backs from early 2025

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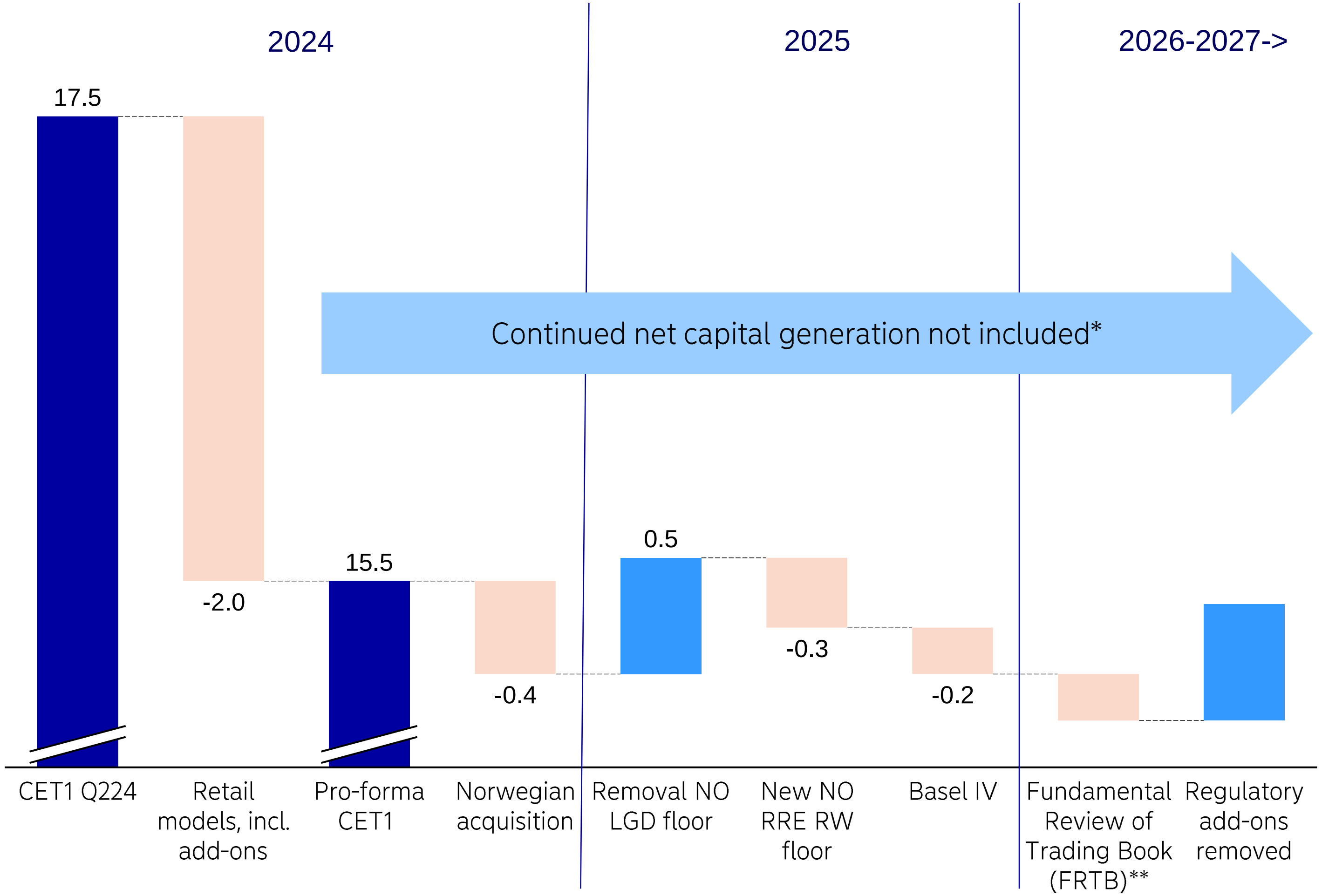
Capital excellence

Retail models approved; Basel IV impact updated

Main forward-looking items impacting CET 1 ratio, %



- **EUR 17bn REA increase in Q125 from retail models and Basel IV, broadly in-line with estimate**
  - Earlier estimated at EUR 16bn (EUR 10bn models, EUR 6bn Basel IV)
- **Initial model impact EUR 17bn REA increase in Q324**
  - EUR 5bn REA reduction from NO LGD floors – removed in connection with local implementation of CRR3, currently scheduled for Q125
  - EUR 3bn REA increase from proposed NO mortgage risk weight floor of 25%, expected Q125
  - EUR ~4-6bn of regulatory add-ons to be removed
- **Basel IV REA impact estimate revised to EUR 4bn**
  - EUR 2.5bn in Q125
  - EUR 1.5bn in Q126

* Chart does not include the impact of capital generation, capital returns, new non-retail models, or other items affecting capital or REA
**European Commission expected to decide on a minimum one year delay for FRTB implementation

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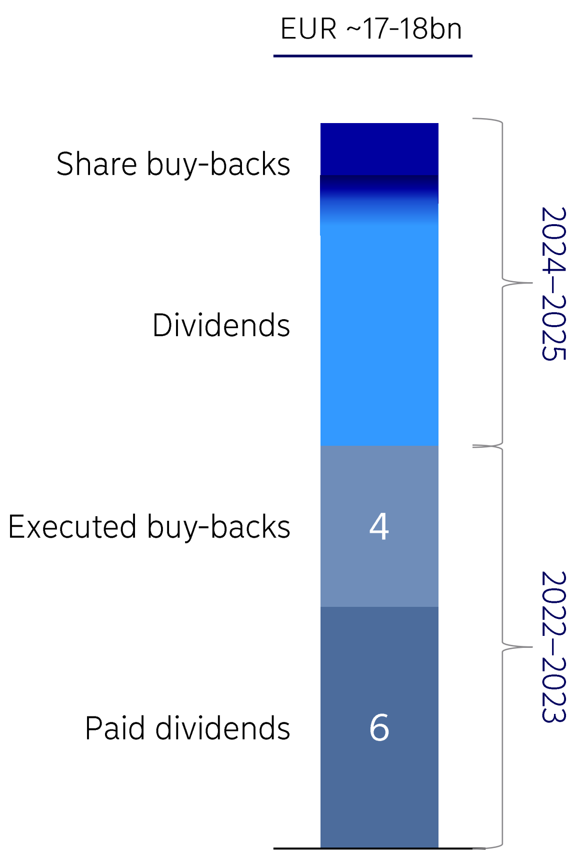
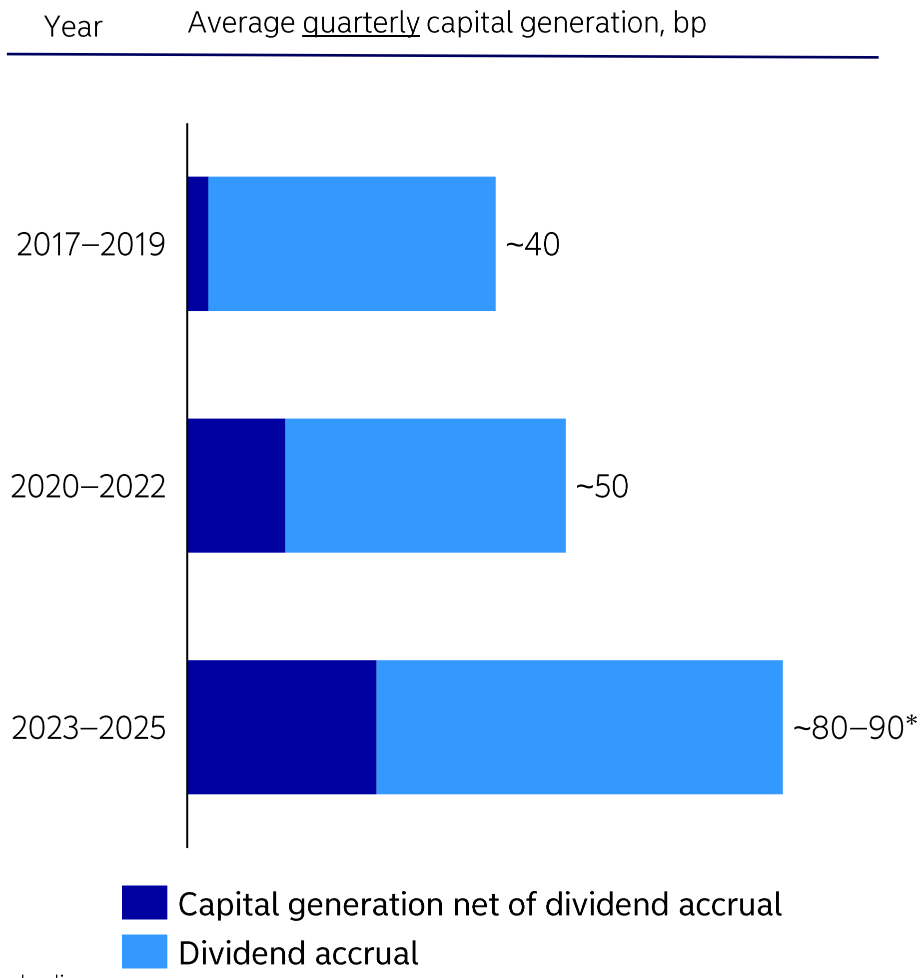
Capital excellence

Strong capital generation supporting returns

Reiterating shareholder returns supported by strong capital generation





* Indicative, based on 15% RoE and current dividend policy

- **Reiterating capital return commitment**
  - Strong capital generation
  - Unchanged dividend policy
  - Share buy-backs to distribute excess capital
- **Dialogue initiated with ECB on resuming share buy-backs from early 2025**

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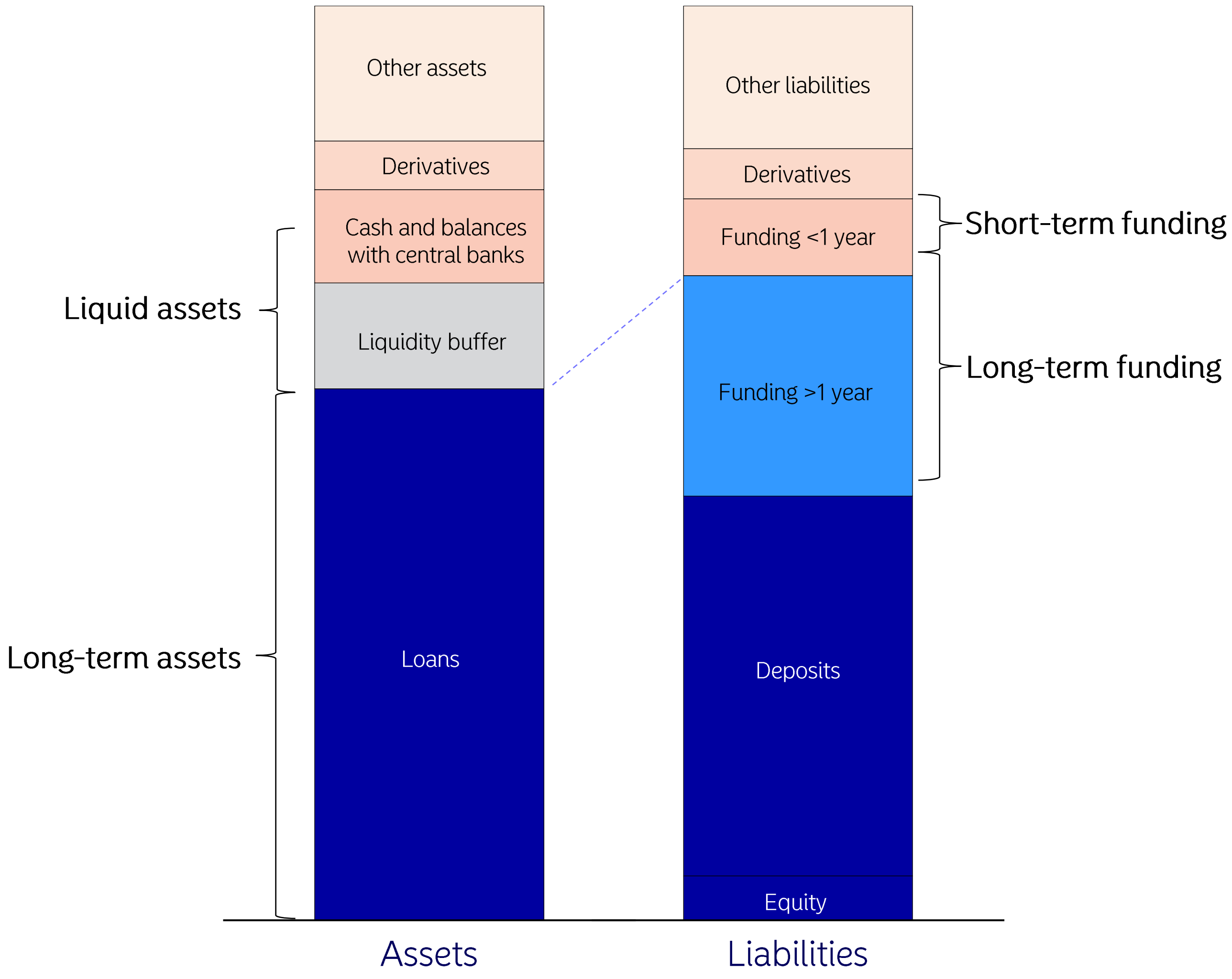
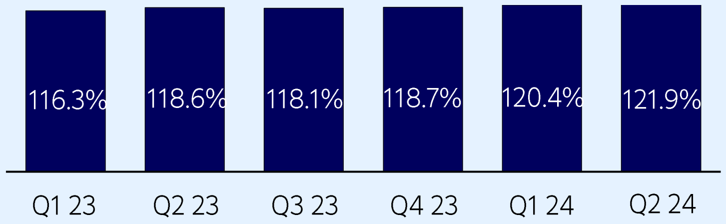
Balance sheet

Strong balance sheet structure

Q2 2024

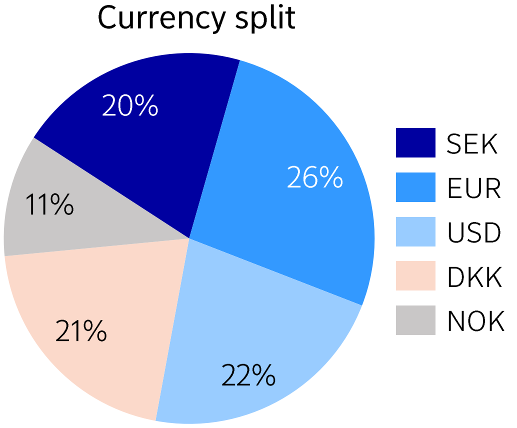


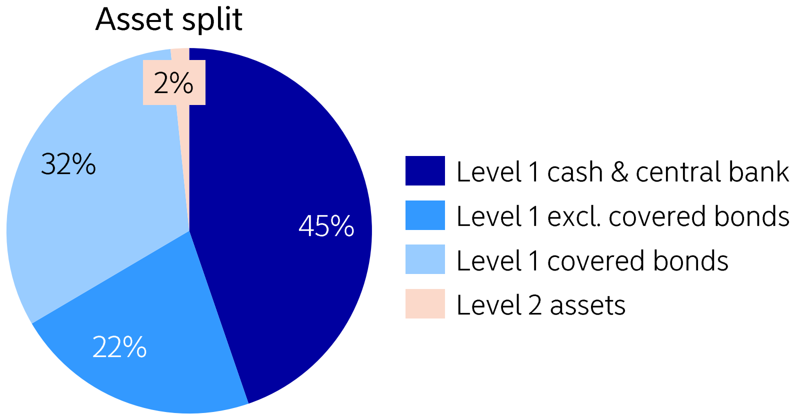
- **Total assets EUR 607bn at end of Q2 2024**
  - Strong balance sheet with deposits as primary source of funding
  - Long-term funding 79% of total wholesale funding
  - Nordea's net stable funding ratio (NSFR) is stable over time:



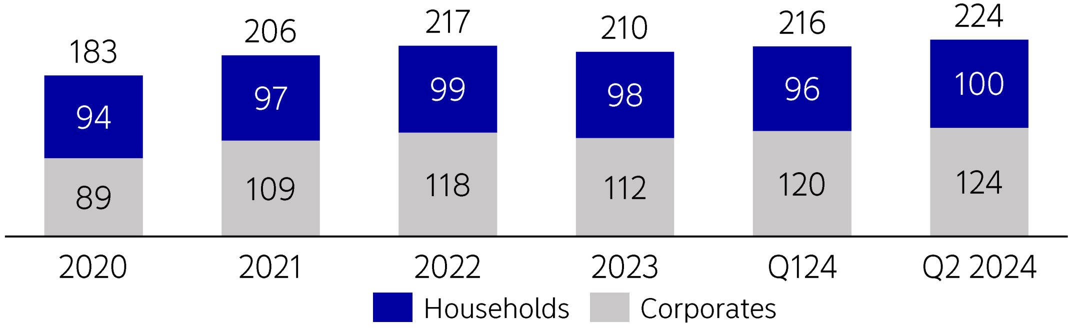
Strong liquidity position

Liquidity buffer composition, EUR 108bn





Deposits and borrowings from the public*, EURbn



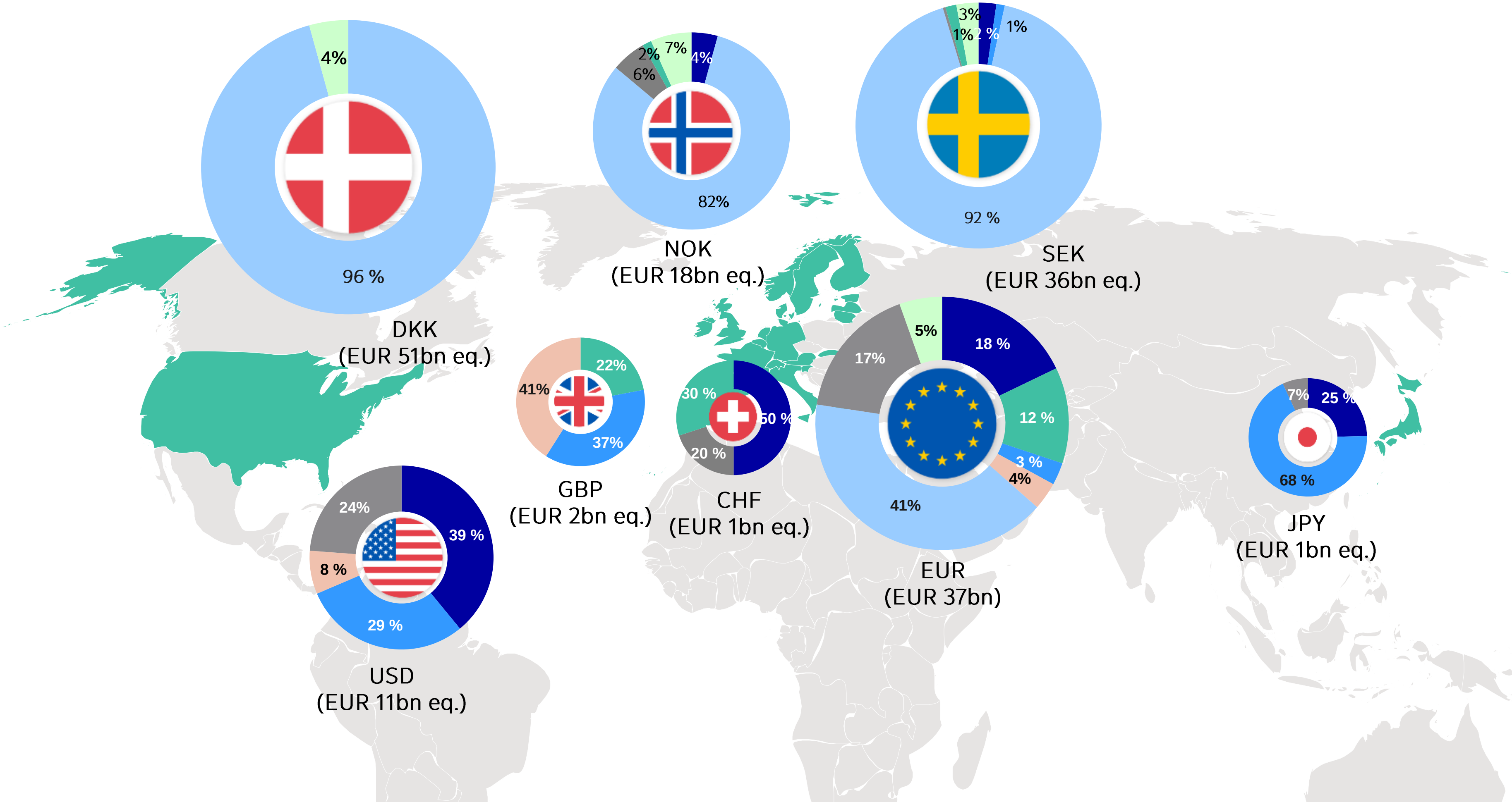
* **Robust liquidity position**
  - Liquidity coverage ratio (LCR) 160%
  - Net stable funding ratio (NSFR) 122%
* **Well diversified liquidity buffer of EUR 108bn**
  - EUR 49bn in central bank cash and reserves
  - EUR 59bn in bonds
  - Conservative hedging approach and no single name concentration
* **Deposits**
  - 41% of deposits covered by deposit guarantee scheme

* Including repos/securities lending

Nordea

Long term funding

Nordea global issuance



Covered bonds | Senior preferred | Sustainable bonds* | Green covered | SNP | CDs > 1 year | Capital instruments

Strong ratings

Nordea Bank Abp

- Moody's Aa3 (positive outlook)
- S&P AA- (stable outlook)
- Fitch AA- (stable outlook)

Nordea covered bonds

- Moody's Aaa (stable outlook)
- S&P AAA (stable outlook)

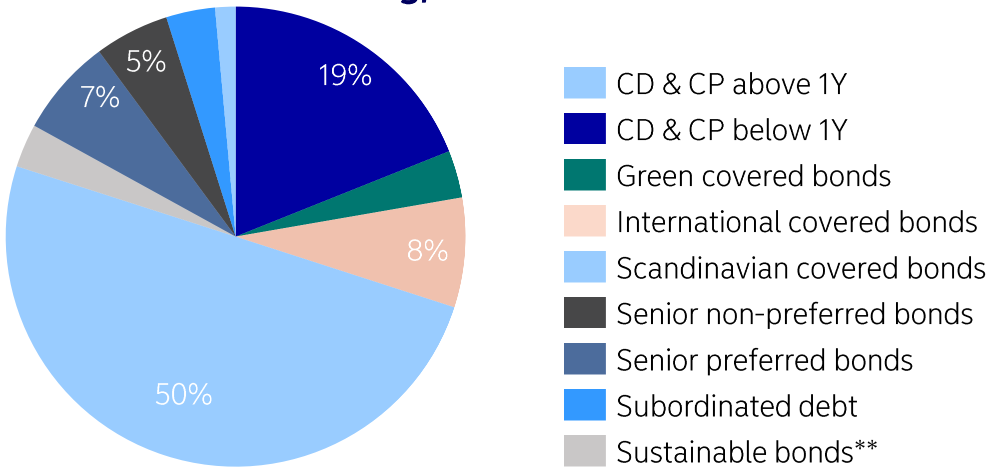
* Including green and SLL SP/SNP/Tier 2 bonds

Nordea

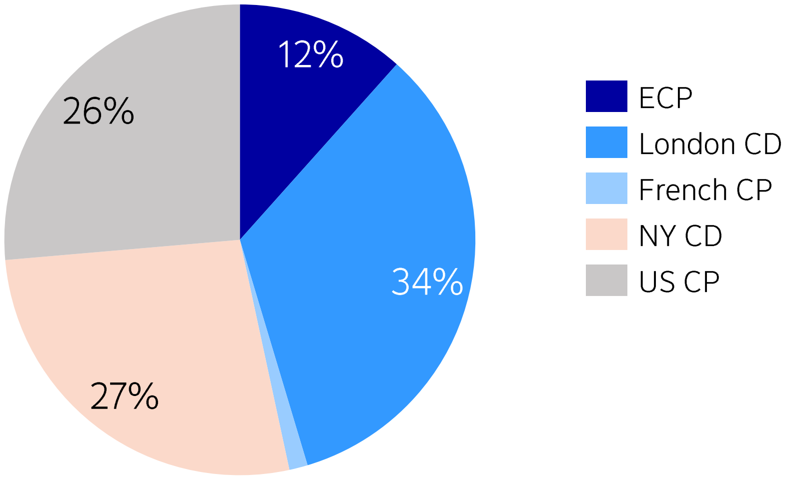
Wholesale funding

Solid funding operations

Total wholesale funding, EUR 194bn



Short term funding, EUR 37bn



- **Long-term issuance***
  - EUR 3.9bn issued during Q2
    - EUR 2.9bn in covered bonds and EUR 1.0bn in senior format
  - EUR 14.3bn issued YTD per end Q2
- **Short term issuance**
  - EUR 37bn total outstanding per end Q2
  - Globally diversified funding with strong market access
- **Issuance plans 2024***
  - EUR 20-25bn estimated in 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

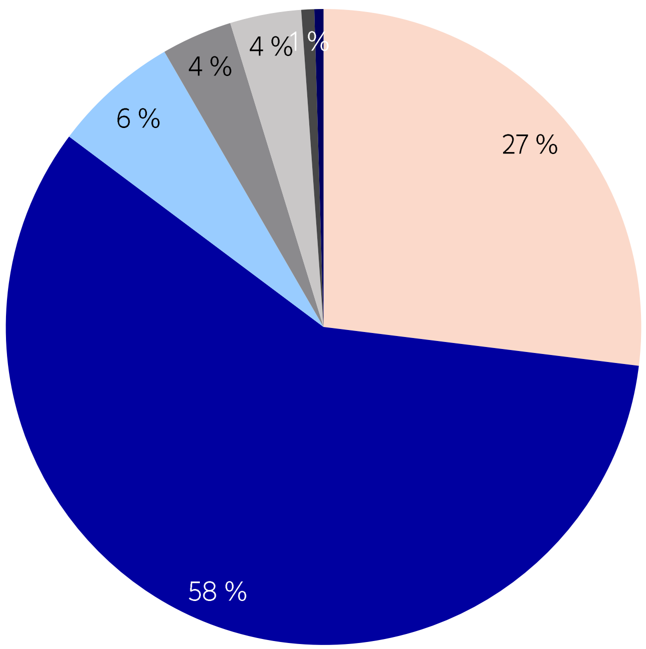
**Including green & SLL SP/SNP/Tier 2 bonds

*Excluding DKK covered bonds, CD/CPs and subordinated debt

Nordea

Enhanced focus on sustainable funding

Nordea's green bond asset portfolio*



- **EUR 18.2bn assets available for green funding**
  - EUR 7.5bn in NBAbp green bond asset portfolio
  - EUR 10.7bn available assets for green covered bonds
- **EUR 4.6bn green bonds from NBAbp outstanding**
- **EUR 6.5bn 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

cmdportal TOP DEAL WINNER

ISS ESG **Company rating: C (A+ to D-)****

SUSTAINALYTICS **ESG score: 15.8 (0 to 100)*****

MSCI **ESG rating: AA (AAA to CCC)**

S&P Global **CSA score: 66 (0 to 100)******

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

Nordea covered bond operations

Four aligned covered bond issuers with complementary roles

Data as per Q1

	Nordea Eiendomskreditt	Nordea Hypotek	Nordea Kredit	Nordea Mortgage Bank
Legislation	Norwegian	Swedish	Danish	Finnish
Cover pool assets	Norwegian residential mortgages	Swedish residential mortgages primarily	Danish residential & commercial mortgages	Finnish residential mortgages primarily
Cover pool size	EUR 27.5bn (eq.)	EUR 60.0bn (eq.)	Balanced principle	Pool 1: EUR 16.6bn/ Pool 2: EUR 8.3bn
Covered bonds outstanding	EUR 18.9bn (eq.)	EUR 34.8bn (eq.)	EUR 57.8bn (eq.)*	Pool 1: EUR 14.5bn/ Pool 2: EUR 6.8bn
OC	45%	72%	7%*	Pool 1: 14% / Pool 2: 23%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa/ -	Aaa / -	- / AAA	Aaa / -
Outstanding green covered bonds	EUR 1.2bn	EUR 1.0bn	EUR 2.1bn	EUR 2.0bn

*The figures for Nordea Kredit only include CC2 (SDRO). Nordea Kredit no longer reports for CC1 (RO) as this Capital Center only accounts for a minor part (<1%) of the outstanding volume of loans and bonds

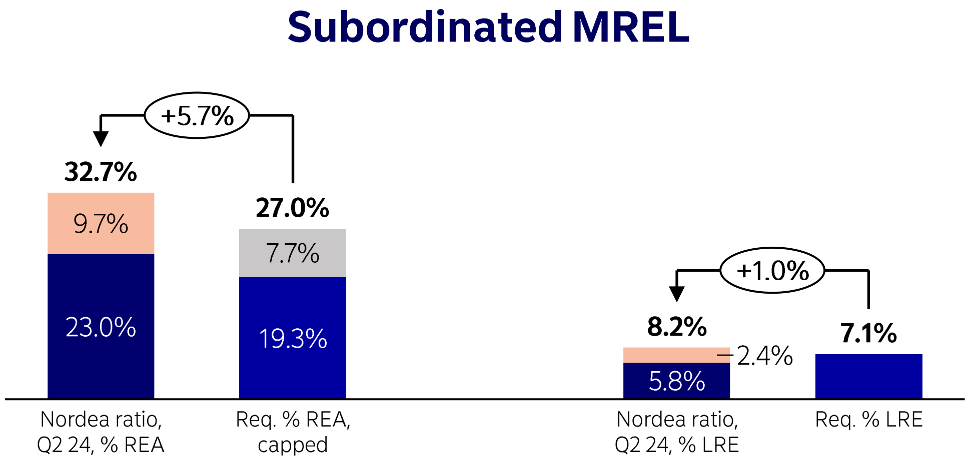
Funding transactions

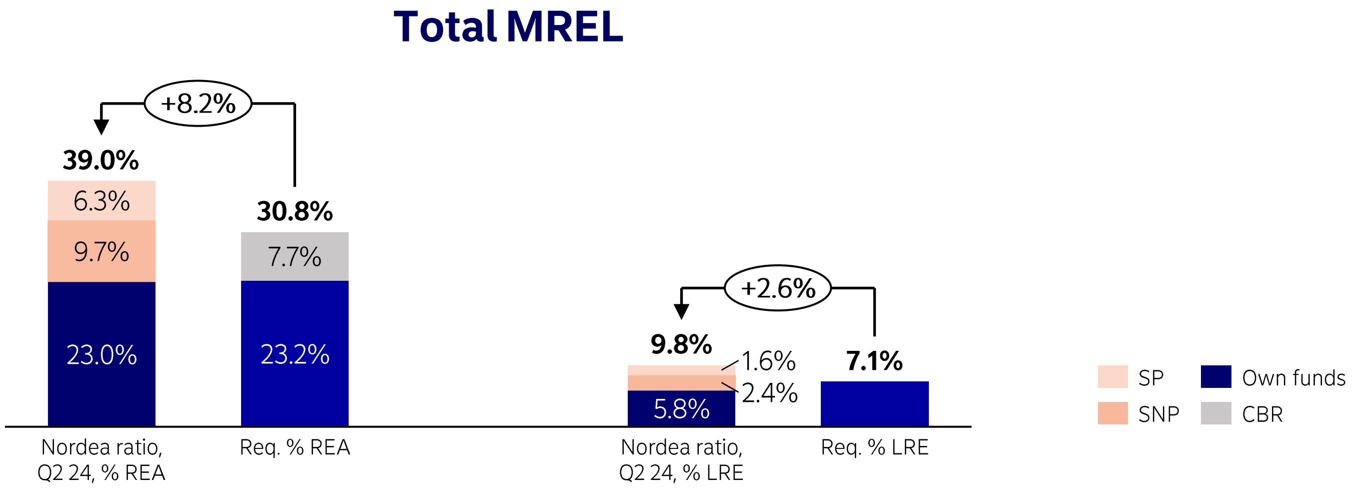
Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	Callable
Nordea Bank	Senior preferred	EUR	1,000	Fixed	Jun-24	Jun-29	
Nordea Bank	Tier 2, Green	EUR	750	Fixed to Fixed	May-24	May-35	May-30
Nordea Mortgage Bank	Covered	EUR	1,000	Fixed	Apr-24	Apr-34	
Nordea Bank	Senior preferred	USD	1,000	FRN/Fixed	Mar-24	Mar-27	
Nordea Bank	Senior non-preferred	EUR	1,000	Fixed	Mar-24	Mar-34	
Nordea Mortgage Bank	Covered	EUR	750	Float	Jan-24	Jan-27	
Nordea Mortgage Bank	Covered	EUR	1,000	Fixed	Jan-24	Jan-31	
Nordea Hypotek	Covered	SEK	6,000	Fixed	Jan-24	Oct-29	
Nordea Eiendomskreditt	Covered	NOK	10,000	Float	Jan-24	Jan-29	
Nordea Bank	Tier 2, Green	EUR	500	Fixed to Fixed	Nov-23	Feb-34	Feb-29
Nordea Eiendomskreditt	Covered, Green	NOK	7,000	Float	Nov-23	Nov-28	
Nordea Mortgage Bank	Covered	EUR	1,000	Fixed	Oct-23	Oct-28	
Nordea Hypotek	Covered, Green	SEK	6,000	Fixed	Sep-23	Oct-28	
Nordea Bank	Senior non-preferred, SLL	EUR	1,000	Fixed to Float	Aug-23	Sep-26	Sep-25
Nordea Mortgage Bank	Covered, Green	EUR	1,000	Fixed	Aug-23	Aug-26	

Nordea

MREL positions and requirements





* Combined buffer requirement: CCoB 2.5%, O-SII 2.5%, FI SyRB 1% and CCyB 1.7% as of Q2 24
** Leverage ratio exposure

Subordinated MREL

- 5.7 pp above requirement % REA
- Outstanding senior non-preferred (SNP) of EUR 13.8bn

Total MREL

- 8.2 pp above requirement % REA
- Outstanding senior preferred (SP) of EUR 12.9bn

Requirements set by Single Resolution Board (SRB) in 2024 MREL decision

- Subordinated MREL, the higher of:
  - 21.40% REA (capped at 27% REA minus CBR*) + CBR
  - 7.14% LRE**
- Total MREL, the higher of
  - 23.18% REA + CBR
  - 7.14% LRE
- To be updated by the SRB in Q2 2025

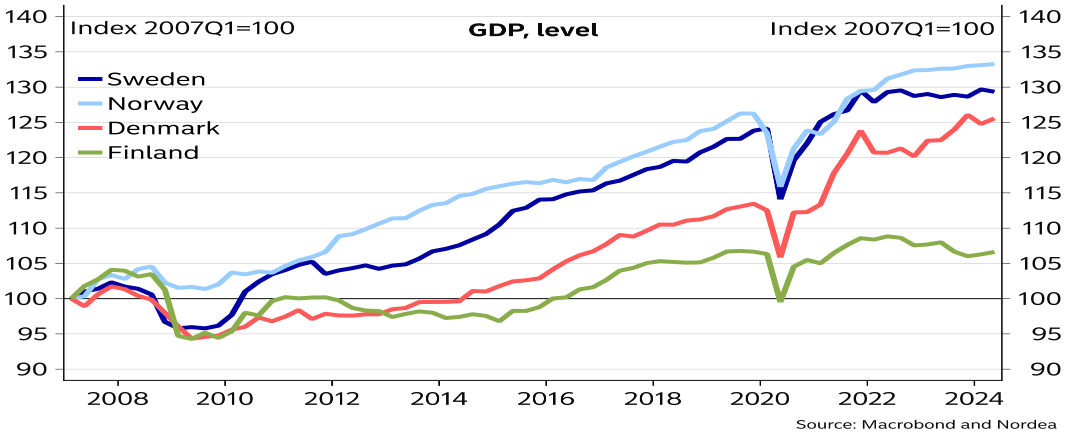
Nordea

4. Macroeconomy

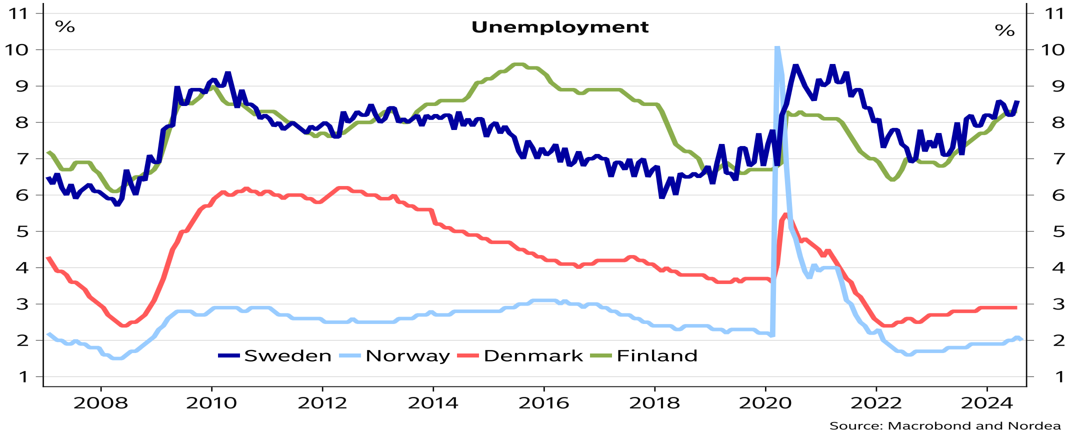
Nordic economic development

Activity picks up

GDP



Unemployment rate



- The Nordic economies have shown mixed trends on the back of surging inflation and higher interest rates. However, the overall economic development has been better than previously anticipated
- Activity is expected to pick up in the Nordics going forward on the back of lower interest rates
- The labour market is still under pressure and expected to further weaken before stabilising

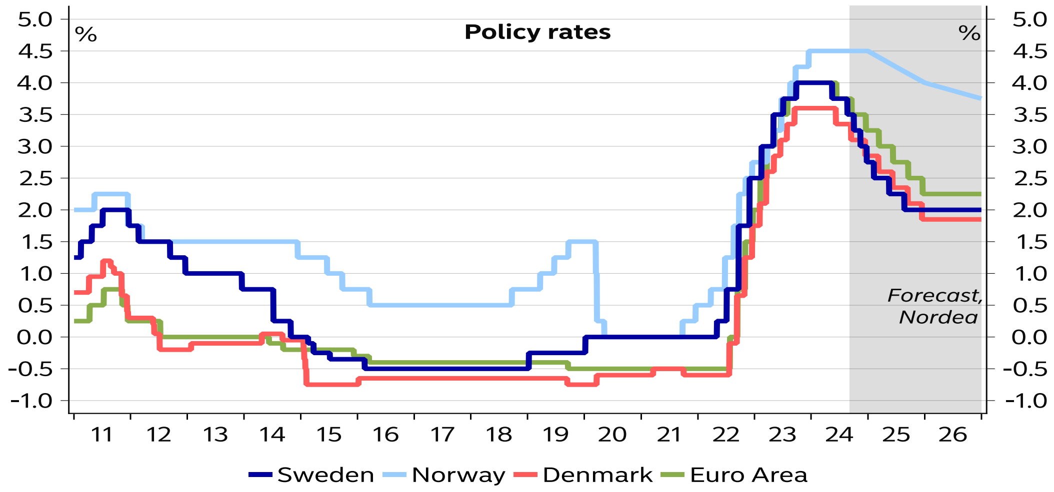
GDP, % y/y, Economic Outlook September 2024

Country	2023	2024E	2025E	2026E
Denmark	2.5	1.5	1.7	1.7
Finland	-1.2	-0.5	1.5	2.0
Norway (mainland)	0.7	0.7	1.6	2.0
Sweden	-0.1	0.9	1.9	2.6

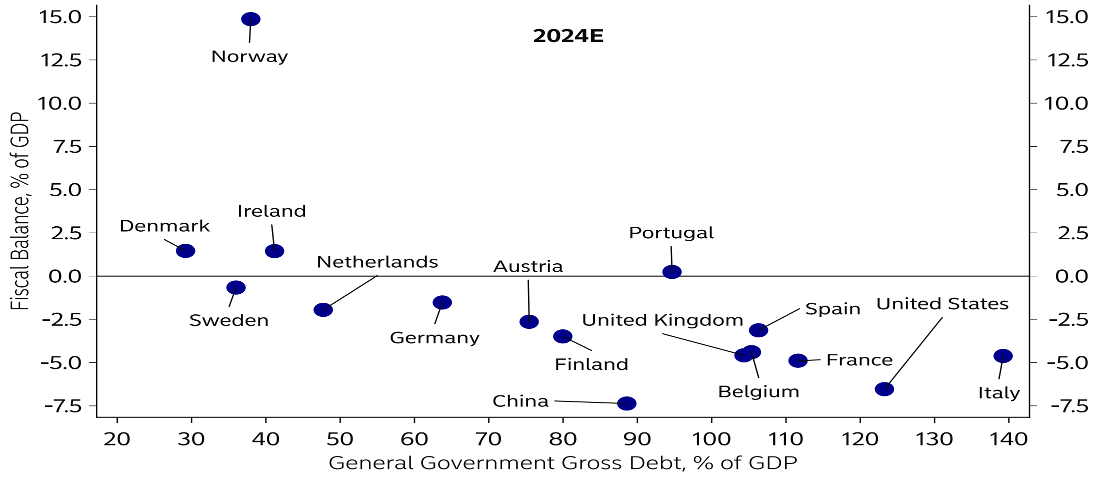
Source: Nordea Markets and Macrobond

Precision play

Policy rates



Public balance/debt, % of GDP, 2024E (IMF)



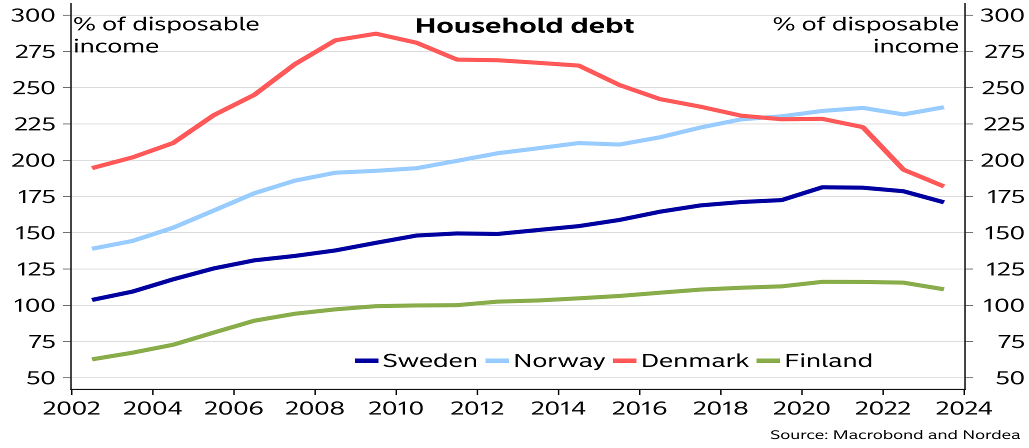
Source: IMF World Economic Outlook, Nordea and Macrobond.

- The Riksbank cut its policy rate in August and the ECB, as well as Danmarks Nationalbank are expected to follow suit in September
- The Riksbank is expected to cut its policy rate three additional times this year and three times next year, bringing down the policy rate to 2.00% by the end of 2025
- The ECB is expected to lower rates gradually by 0.25 percentage points per quarter, until they reach 2.25% by the end of 2025
- Norges Bank is expected to stay on hold this year but cut the policy rate by 0.50 percentage points next year, from 4.50 to 4.00%
- Norges Bank will cut one more time in 2026, according to Nordea’s forecast, while the other central banks stay on hold
- Solid public finances will help Nordic governments to support the economic recovery ahead

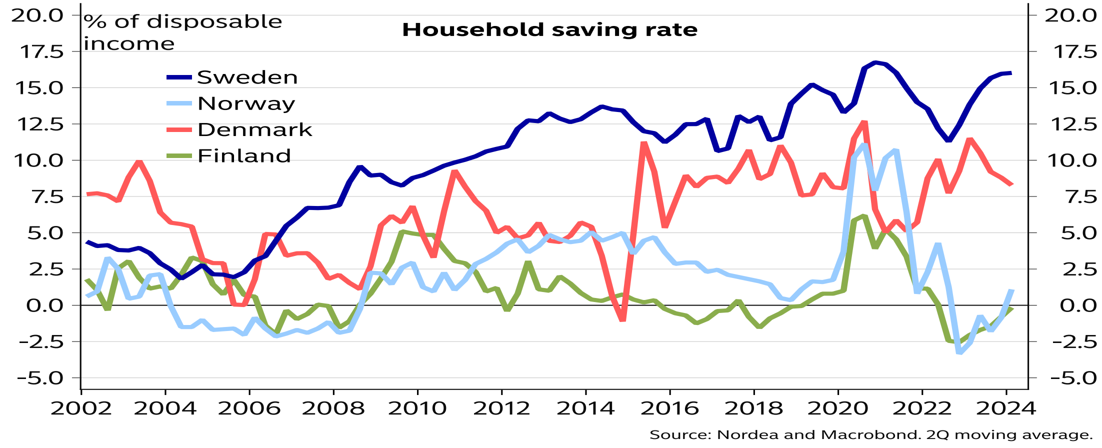
Source: Nordea Markets and Macrobond

Purchasing power is increasing, but from low levels

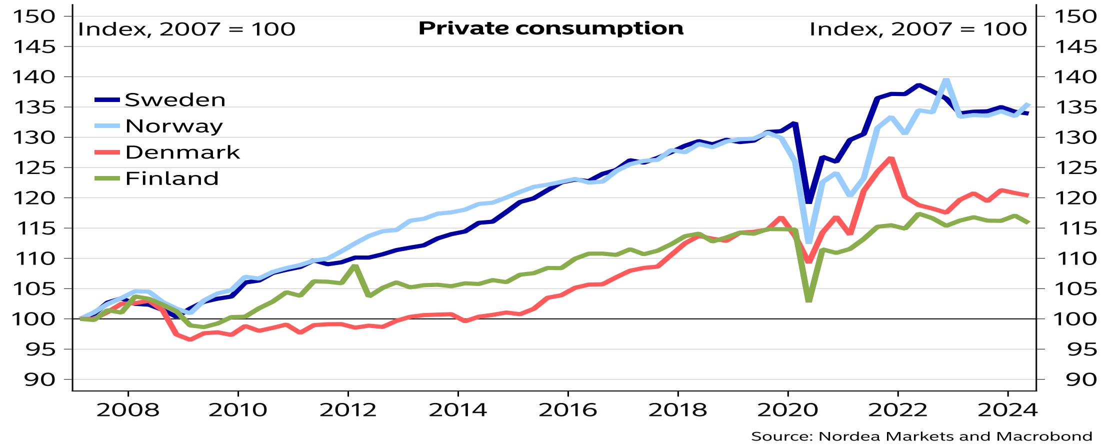
Household debt



Household savings



Private consumption

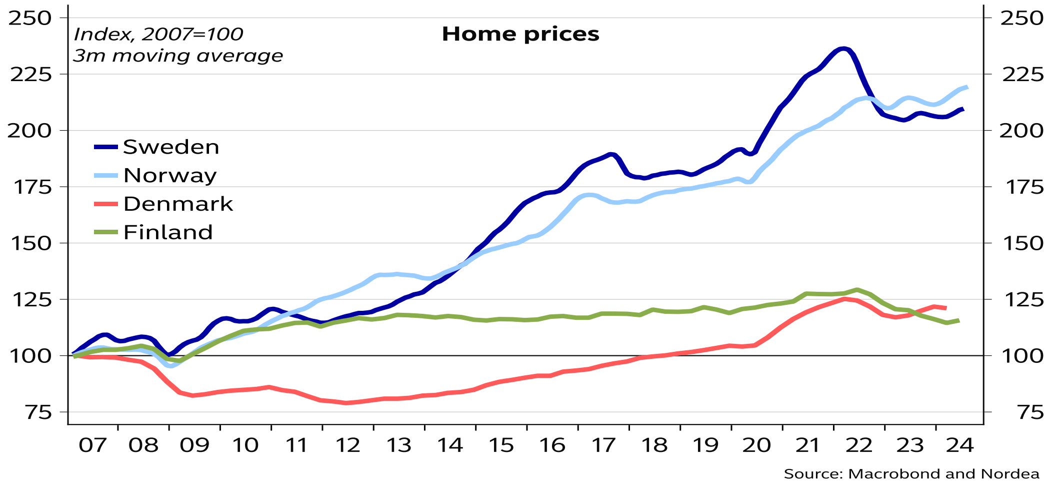


- Household consumption in most of the Nordics will only increase modestly throughout the rest of the year due to a continued high interest burden
- Danish and Norwegian households are expected to fare better than their Nordic counterparts, primarily due to higher positive real wage growth
- Going forward, households' purchasing power will continue to improve as inflation normalises, wage growth remains higher-than-normal and the debt burden eases

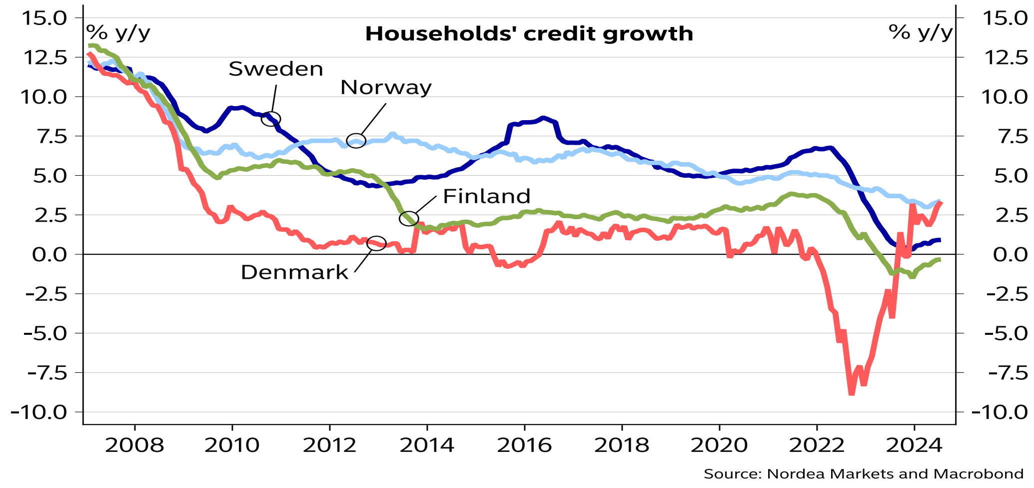
Housing markets

Brighter outlook

Home prices



Households' credit growth



- Home prices have stabilised in the Nordics and modestly started to increase in Sweden and Norway since this spring
- Monetary policy will remain restrictive this year despite most central banks commencing their policy rates cutting cycles. Accordingly, home prices in most of the Nordics are expected to only gradually recover going forward
- In addition, the higher-than-normal supply of homes suggests there is room for the markets to absorb a higher demand, without sharp price increases
- Households' credit growth has stabilised close to zero in Sweden and Finland. Credit growth is expected to increase as central banks continue to cut their policy rates

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