

Nordea

Debt Investor presentation Q3 2023



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.

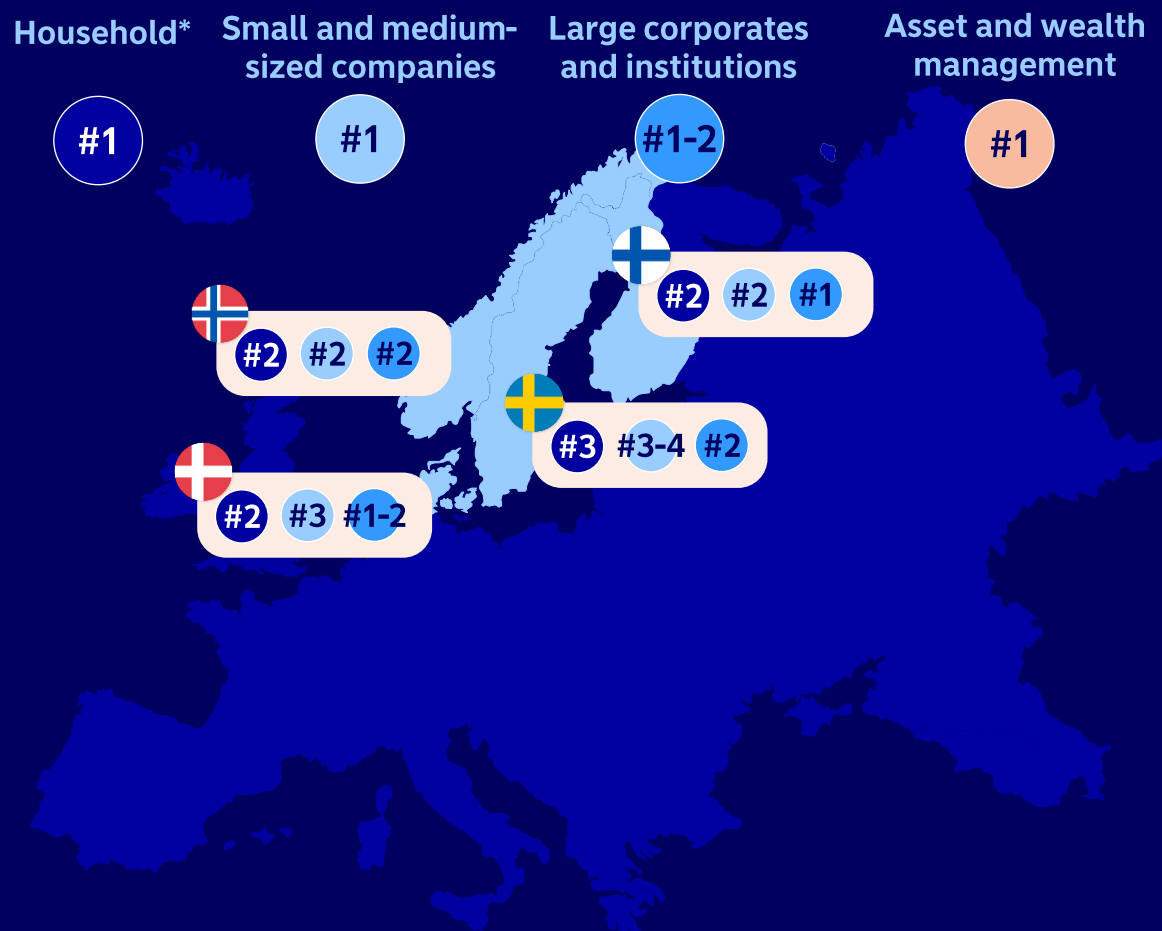
Table of contents

1. Nordea third-quarter 2023 update	4
2. Credit quality	16
3. Capital, liquidity and funding	24
4. Macroeconomy	37

1. Nordea third-quarter 2023 update

Nordea today

The largest financial services group in the Nordics



Business position

- Universal bank with a 200-year history of supporting and growing the Nordic economies
- Leading market position in all four Nordic countries
- Well-diversified mix of net interest income, net fee and commission income and capital markets income

Broad customer base and strong distribution power

- Approx. 320 branch office locations
- Enhanced digitalisation of business for customers
- Sustainability an integrated part of our business strategy

Financial strength (Q3 2023)

- EUR 3bn in total income
- EUR 1.8bn profit before loan losses; EUR 1.3bn net profit
- EUR 610bn in assets
- EUR 30.4bn in equity capital
- CET1 ratio 16.3%
- Leverage ratio 4.7%

AA level credit ratings

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

EUR 37.1bn in market capitalisation (Q3 2023)

- One of the largest Nordic corporations
- A top-5 universal bank in Europe

Executive summary

Strong operating profit, driven by high income growth

- Net interest income up 36%, net fee and commission income down 4% and net fair value result down 5%
- Operating profit up 34% to EUR 1,725m

Return on equity* 17.9% and earnings per share up 41% to EUR 0.38

Continued growth in corporate lending, stable mortgage volumes

- Corporate lending up 2% y/y and mortgage lending stable. Retail deposits stable y/y and corporate deposits down 9%. AuM up 5% y/y

Improved cost-to-income ratio*: 42% (40% excluding regulatory fees)

Solid credit quality with low net loan losses – management judgement buffer EUR 577m, unchanged in local currencies

- Net loan losses and similar net result EUR 33m or 4bp – low levels of new net provisions

Strong capital position supported by continued capital generation

- CET1 ratio at 16.3% – 4.3pp above current regulatory requirement

2023 outlook unchanged: return on equity above 15%

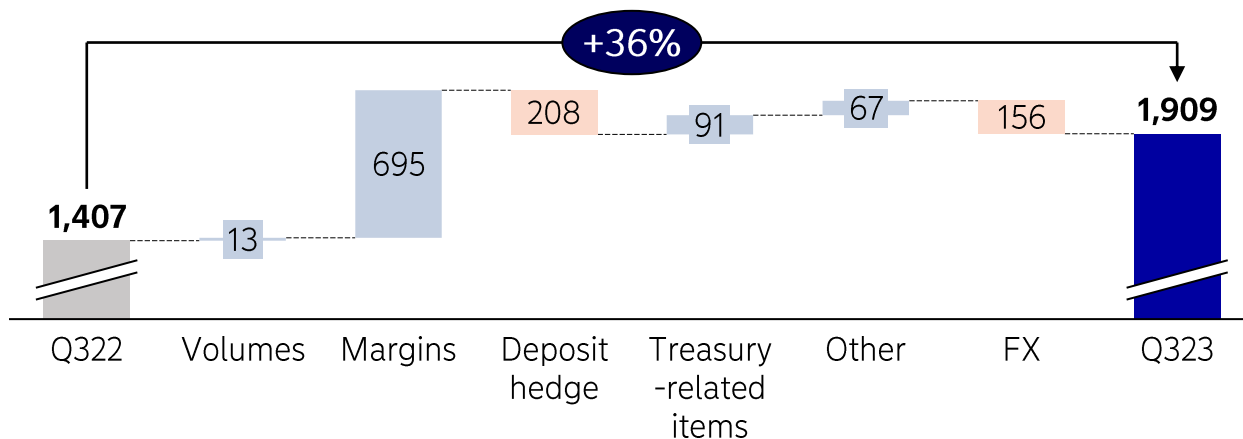
Third-quarter results 2023

Income statement and key ratios EURm	Q323	Q322	Q3/Q3	Q223	Q3/Q2
Net interest income	1,909	1,407	36%	1,831	4%
Net fee and commission income	742	775	-4%	751	-1%
Net insurance result	63	38	66%	68	-7%
Net fair value result	225	238	-5%	290	-22%
Other income	13	14	-7%	15	-13%
Total operating income	2,952	2,472	19%	2,955	0%
Total operating expenses excl. regulatory fees	-1,174	-1,114	5%	-1,184	-1%
Total operating expenses	-1,194	-1,130	6%	-1,205	-1%
Profit before loan losses	1,758	1,342	31%	1,750	0%
Net loan losses and similar net result	-33	-58		-32	
Operating profit	1,725	1,284	34%	1,718	0%
Cost-to-income ratio excl. regulatory fees, %	39.8	45.1		40.1	
Cost-to-income ratio*, %	42.4	48.3		42.8	
Return on equity*, %	17.9	12.7		18.4	
Diluted earnings per share, EUR	0.38	0.27	41%	0.37	3%

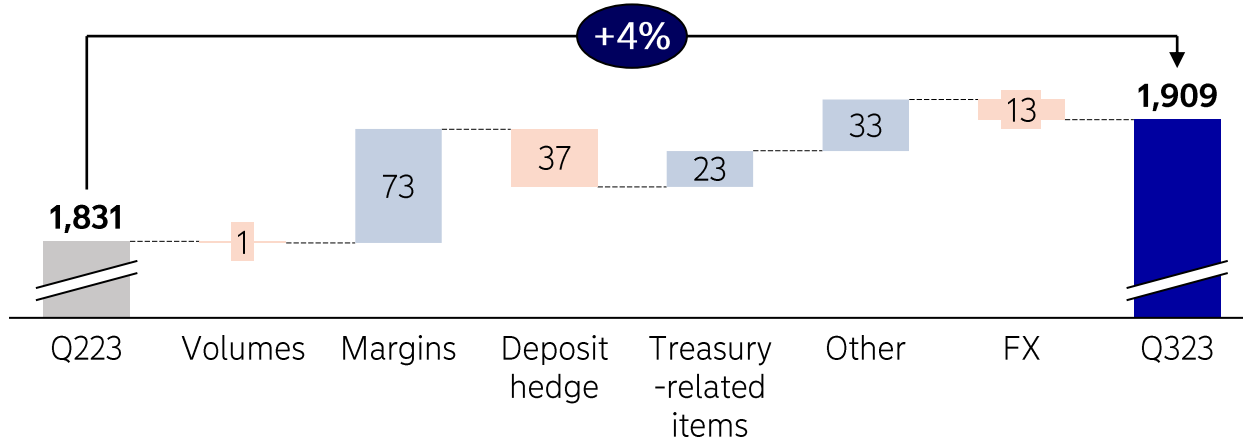
Net interest income

Stable volumes, higher deposit margins

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

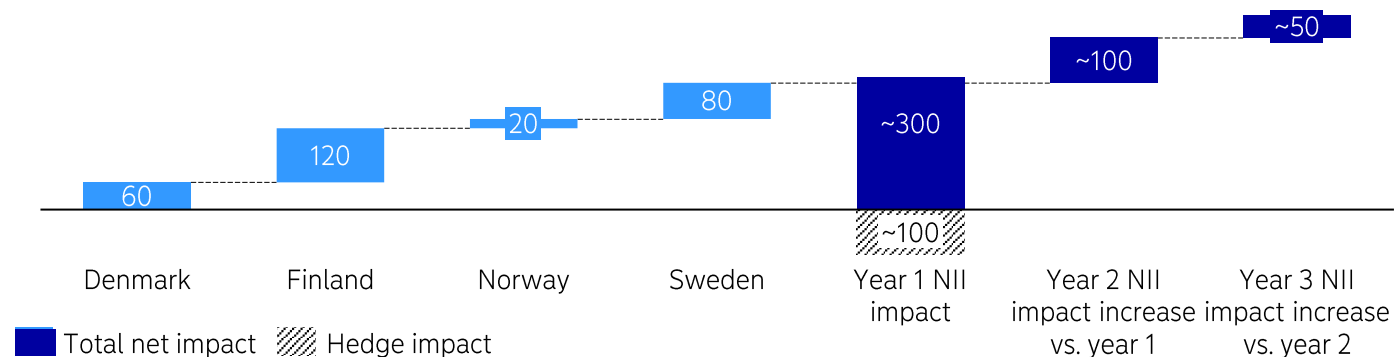


- **Net interest income up 36%**
- **Growth in corporate lending continues**
 - Corporate lending up 2%
 - Mortgages stable
- **Net interest margin 1.77%, up 54bp**
 - Lending margins down, especially in households
 - Further increases in deposit margins across business areas and countries

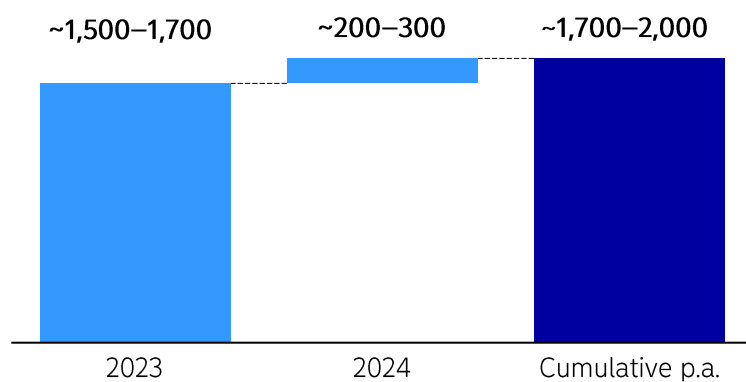
Net interest income

Net interest income sensitivity to policy rate increases

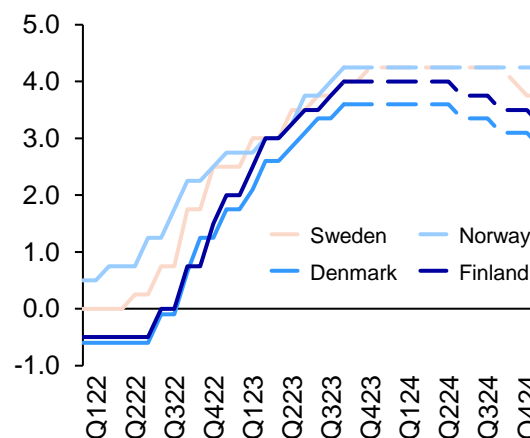
Sensitivity to +50bp parallel rate shift in policy rates



Estimated incremental full-year NII impact solely from higher policy rates, EURm



Policy rate path expectations



- **NII impact largely driven by policy rates and pass-through**

- Expected higher policy rates alone estimated to contribute EUR ~1.5–1.7bn to NII in 2023
- Actual pass-through vary between account types and countries, and throughout rate hike cycle

- **Group NII also impacted by other drivers**

- Volumes ↑
- Asset pricing ↔
- Wholesale funding costs ↓
- Deposit hedges ↔

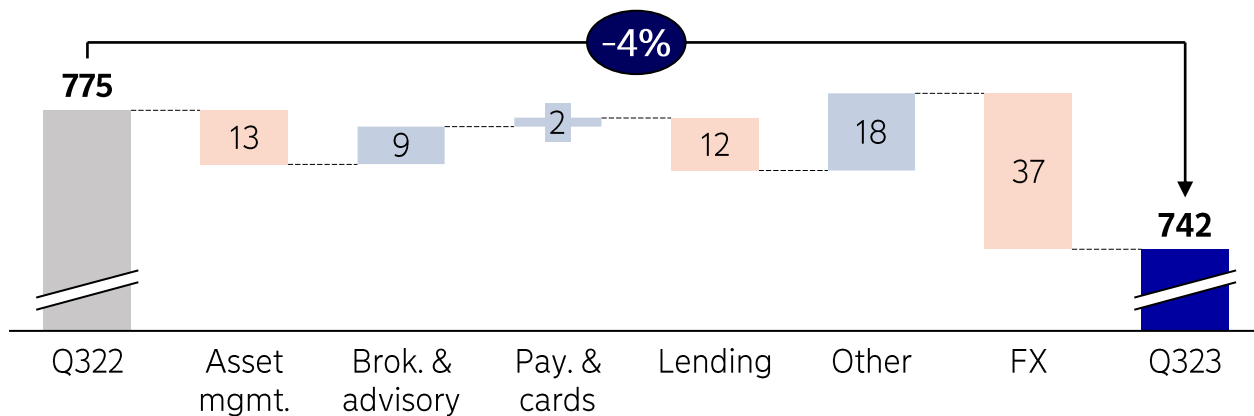
- **Deposit hedging reducing sensitivity to interest rate changes**

- Average hedge maturity ~3 years
- Additional NII impact in Y2–Y3 as assets repriced and hedges rolled over

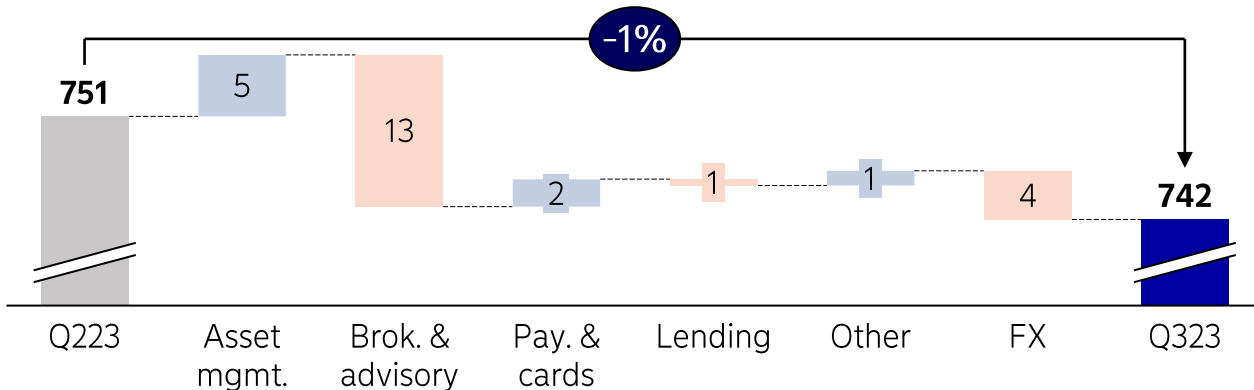
Net fee and commission income

Stable income offset by negative FX effects

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

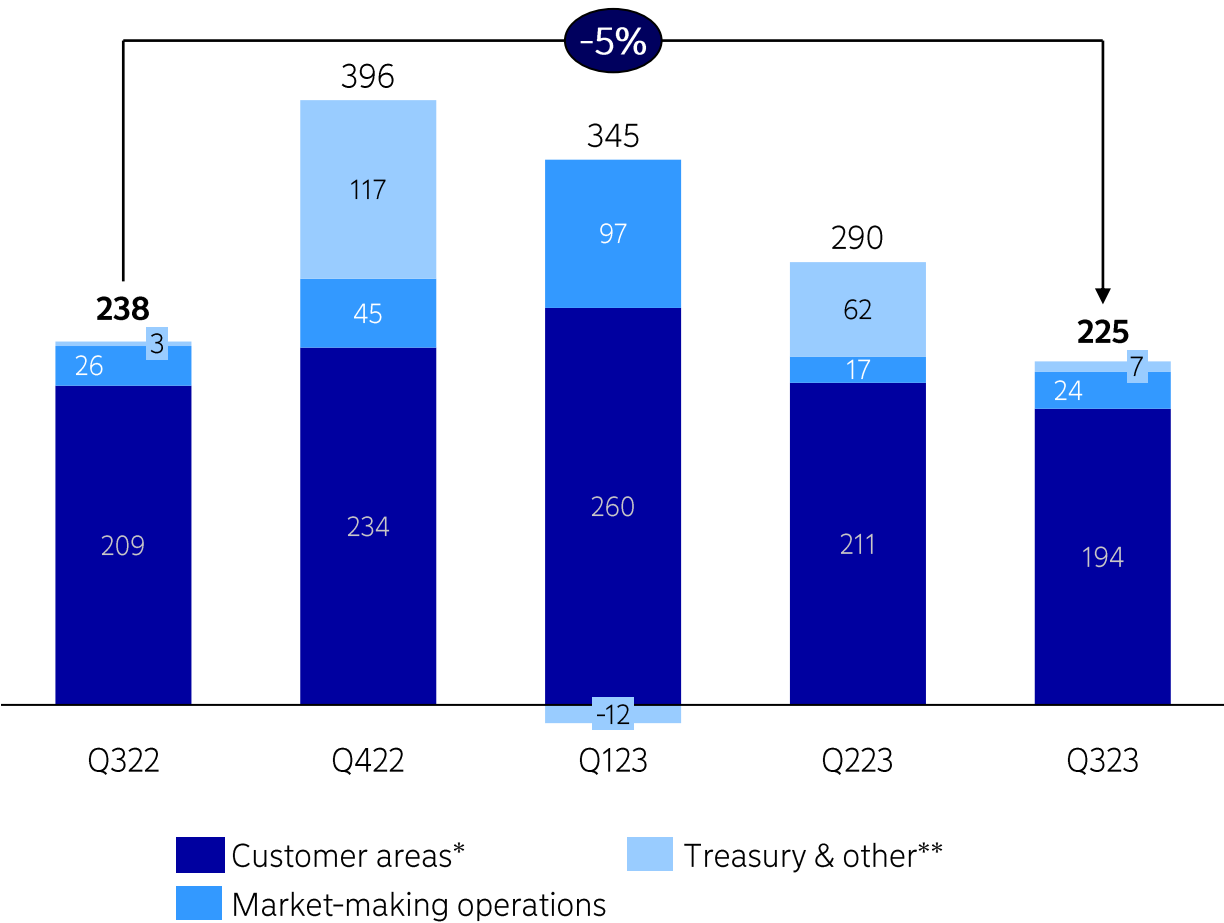


- Net fee and commission income down 4%
- Savings fee income down due to lower average assets under management
 - Net flows from internal channels EUR 0.6bn
- Brokerage and advisory fee income up due to higher activity
- Payment and card fee income up due to higher volumes

Net fair value result

Lower customer activity

Net fair value result, EURm

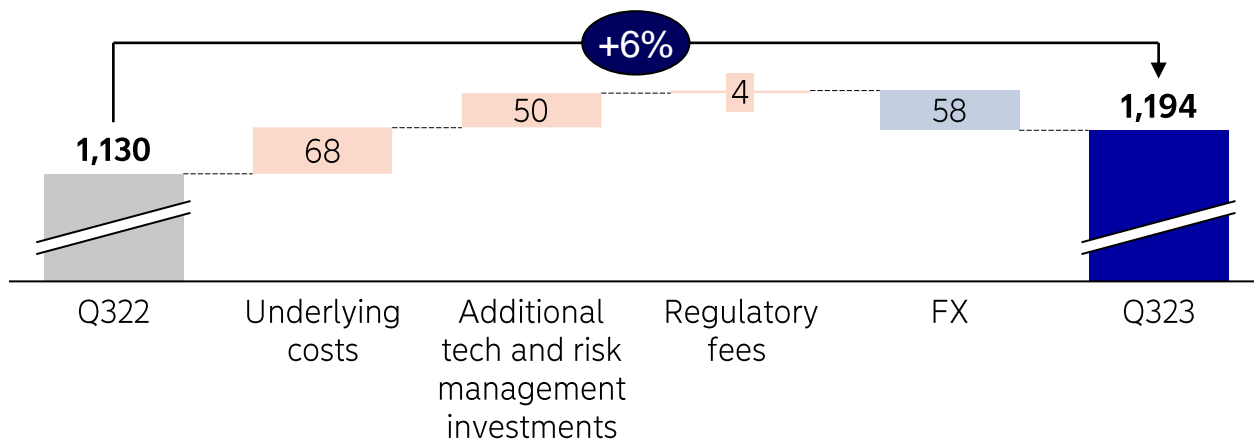


- **Lower customer risk management activity, mainly driven by FX products**
- **Market-making stable**

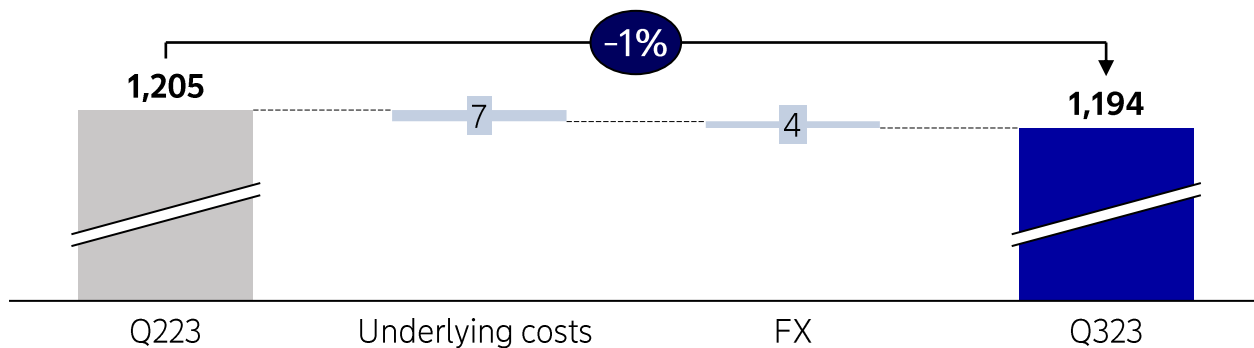
Costs

Continued additional investments, positive jaws

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Costs up 6%, driven by investments and inflation**
 - Continued additional investments in tech and risk management in line with plan
 - Underlying costs driven by salary inflation and higher activity
- **Stable q/q**


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

Gender balance


 **40-50%**
reduction in emissions across investment and lending portfolios by 2030¹


 **50%**
reduction in emissions from internal operations by 2030¹


Supported by our 2025 sustainability targets²:

 **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

 **Double**
the share of net-zero committed AUM

 **At least 40%**
representation of each gender at the top three leadership levels³ combined

13


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

Sustainability at the core

Further strengthened climate targets in our lending portfolio

<div>  40-50% reduction in financed emissions in our lending portfolio by 2030¹ </div>								Progress
								-19% (2022)
Sector	Sub-sector	Emissions scope	Metric	Base year	Baseline	Target year	Target	Current status
Shipping	Vessels	1	AER, gCO ₂ /dwt-nm	2019	8.3	2030	-30%	8.4 AER (2021)
Residential Real Estate	Households and tenant-owner associations	1 and 2	kgCO ₂ e/m ²	2019	17.6	2030	-40–50%	17.1 kgCO ₂ e/m ² (2022)
Power Production	Electricity generation	1 and 2	gCO ₂ e/kWh	2021	-	2030	-70%	New target
Agriculture	Crops, plantation and hunting, and animal husbandry	1 and 2	tCO ₂ e/EURm	2021	-	-2030	-40-50%	New target
Oil & Gas	Exploration and production	1, 2 and 3	MtCO ₂ e	2019	3.0	2030	-55%	0.06 MtCO ₂ e (2022)
Offshore	Drilling rigs and offshore service vessels within Oil and Gas, and Shipping	-	EURm	2019	1,885	2025	-100%	-
Mining	Thermal peat	-	EURm	2022	52	2025	-100%	-
	Thermal coal	-	EURm	<i>Restrictive policy, full phase-out achieved in 2021</i>				

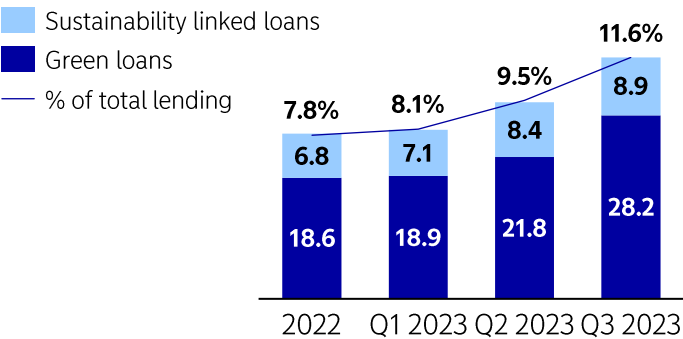
Sustainability at the core

Actively engaging to drive transition and capture growth opportunities

Channelling capital towards sustainable solutions

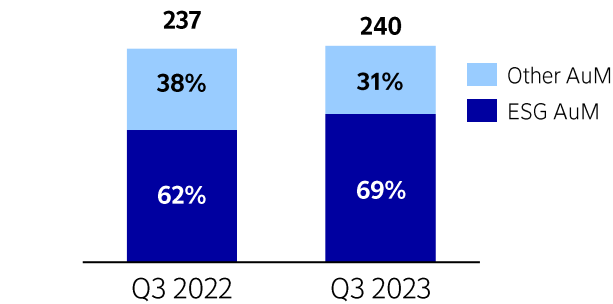
Green and sustainability linked loans

Total volumes, EURbn



Nordea Asset Management

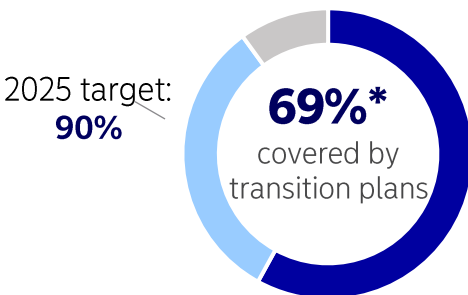
Assets under management, EURbn



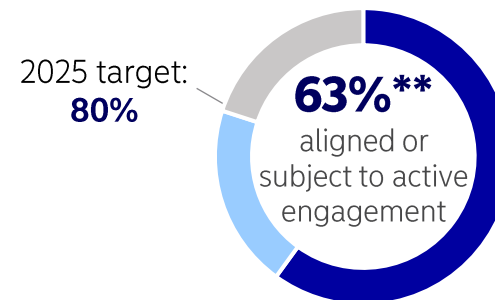
ESG AuM = article 8 and 9 funds (according to EU SFDR)

Engaging to support green transition

Transition plan for large corporates



Alignment with Paris agreement for top 200 emission contributors



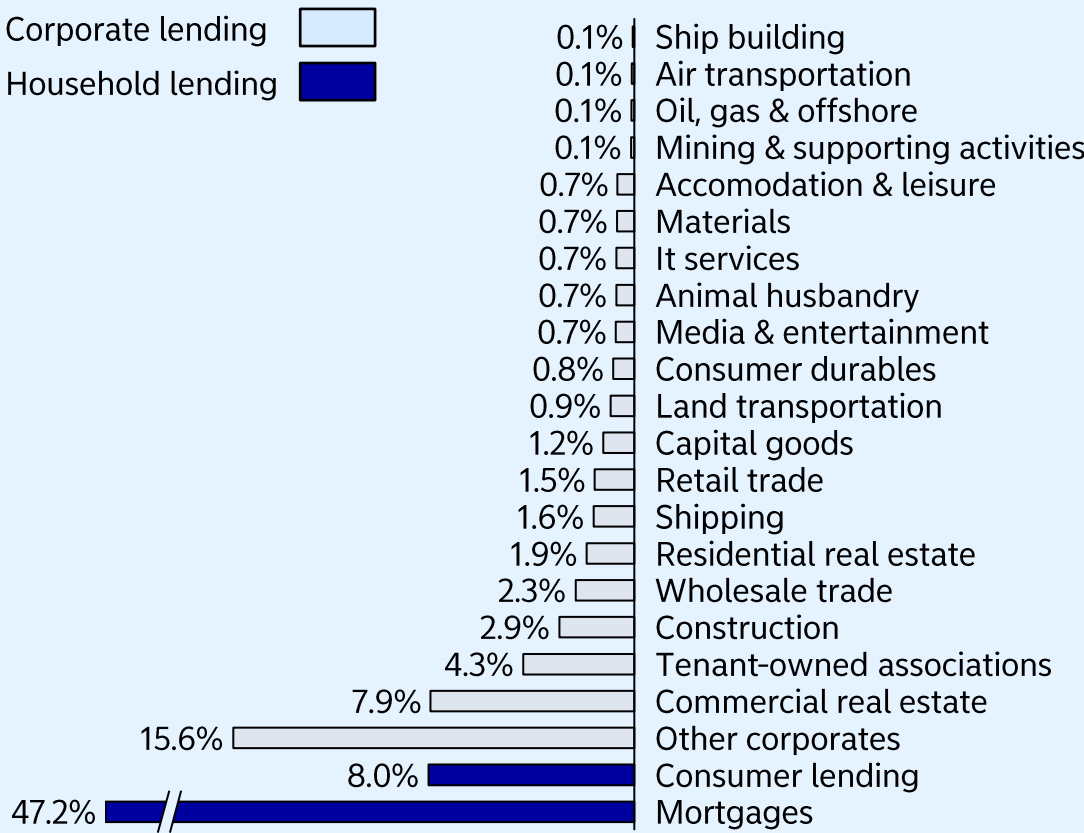
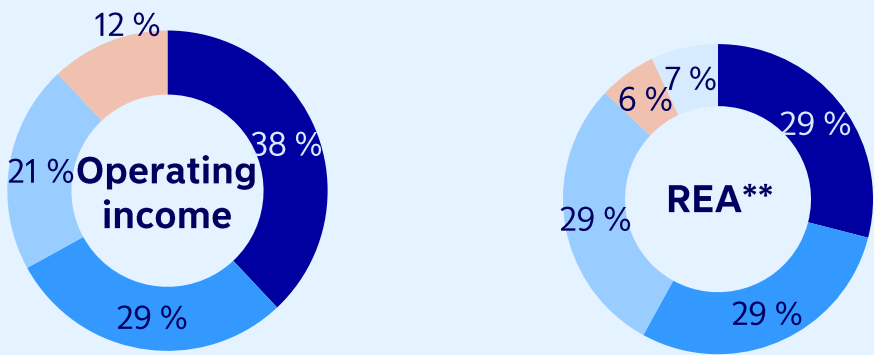
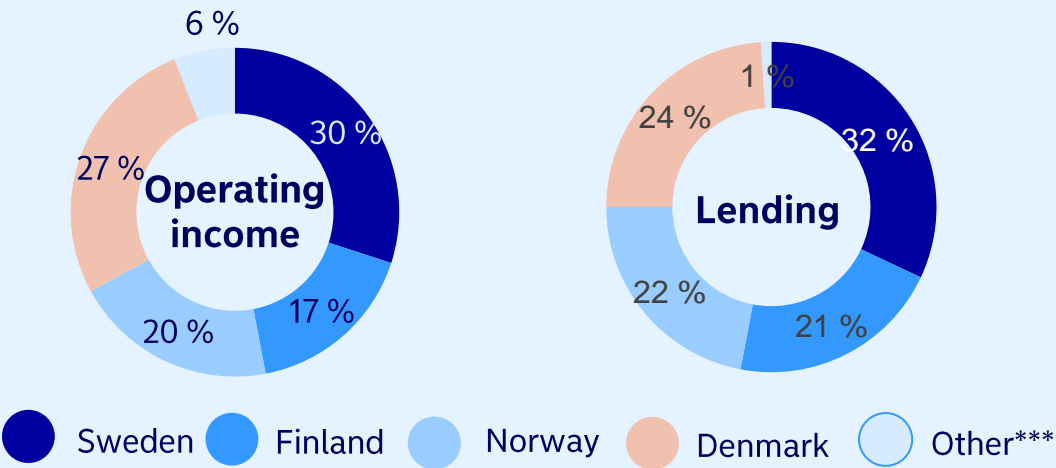
- **Facilitated EUR 104bn in sustainable financing**
Compared to target EUR >200bn by 2025
- **Nordea has moved to the low-risk category in Sustainalytics**
- **#1 Nordic corporate sustainable bonds**
- **#1 Nordic corporate sustainable loans**

2. Credit quality

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

Income and loan portfolio very well spread across Nordic countries, currencies, business areas and industries*

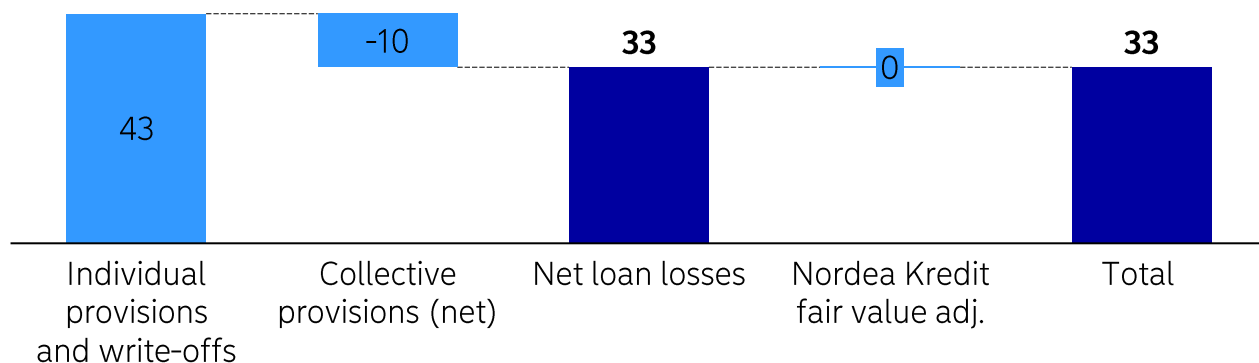
Very well diversified portfolio – no significant industry sector concentration****



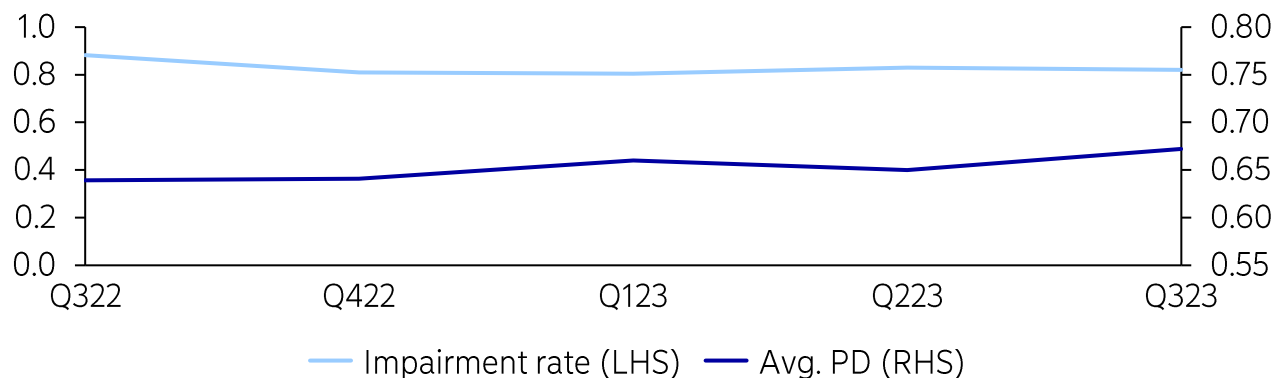
Net loan losses and similar net result

Continued strong credit quality

Net loan losses and similar net result, EURm



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



- **Total net loan result low at EUR 33m (4bp)**

- Low levels of both individual and collective provisions
- No industry concentration

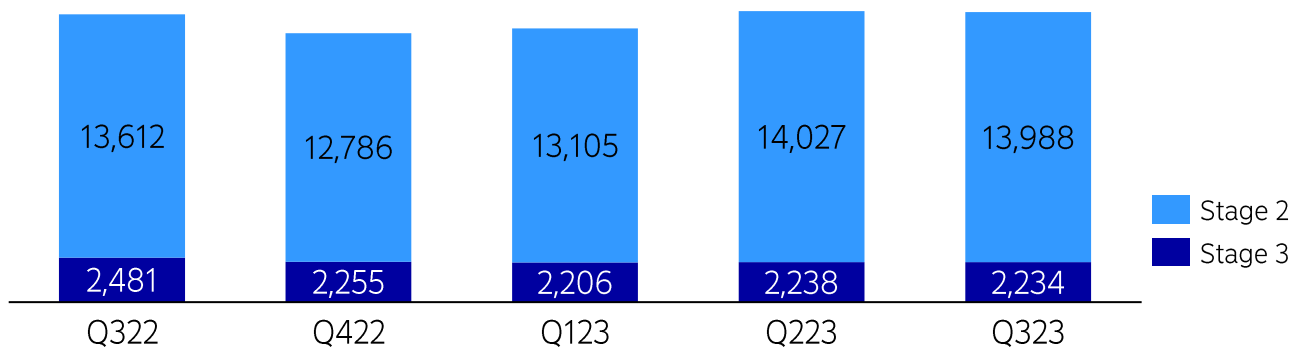
- **Management judgement buffer EUR 577m – unchanged in local currencies**

- **Continued strong credit quality**

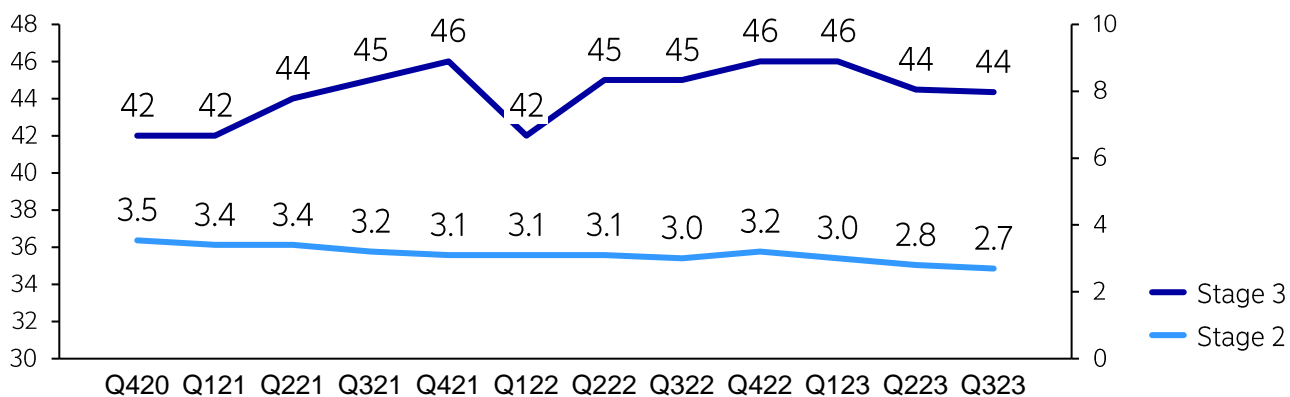
- Stage 3 loans stable at 0.82% (0.83% in Q2)

Strong and stable portfolio credit quality

Stage 2 and 3 loans at amortised cost, EURm



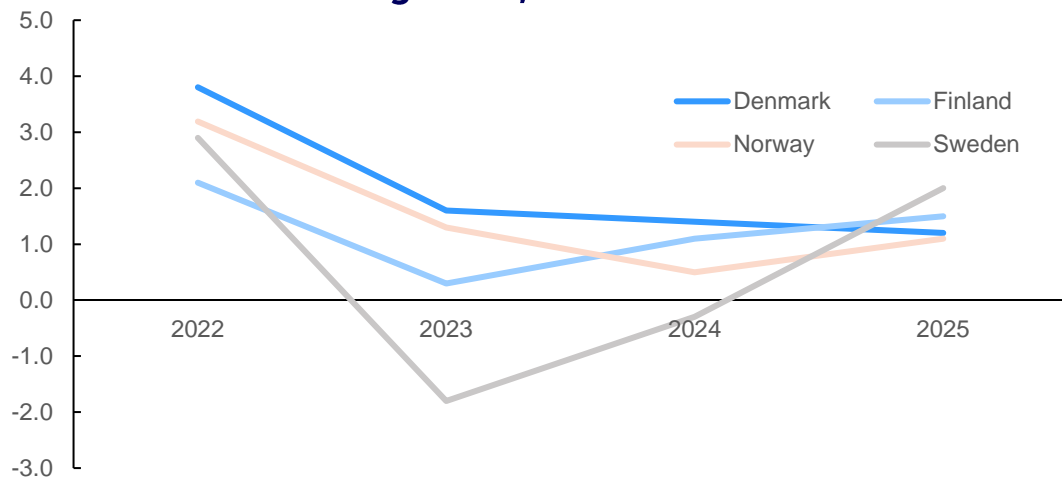
Coverage ratio, %



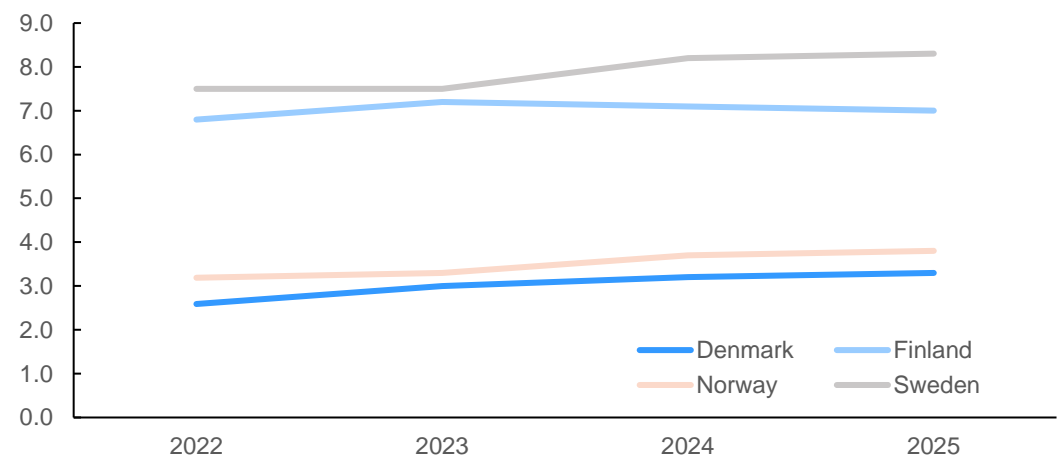
- Stage 3 (impaired) loans slightly down at 0.82% (0.83% in Q2 2023)
- Stage 2 loans unchanged
- Coverage ratio for stage 3 portfolio 44%
- Continued strong portfolio credit quality

Macroeconomic assumptions for scenarios

Baseline annual GDP growth, %



Baseline unemployment rate, %



Baseline scenario, 50% weight

- Modest growth and slightly higher unemployment in the coming years as the pass-through of higher rates and elevated inflation continue to weigh on economic activity
- While growth in 2024 is moderate in Denmark, Finland and Norway, it remains negative in Sweden
- In 2024 home prices are expected to rise slowly before picking further up in 2025

Adverse scenario, 40% weight

- Higher-for-longer interest rates trigger a recession, a sharper rise in unemployment and a further downward correction in home prices in all the four Nordic countries

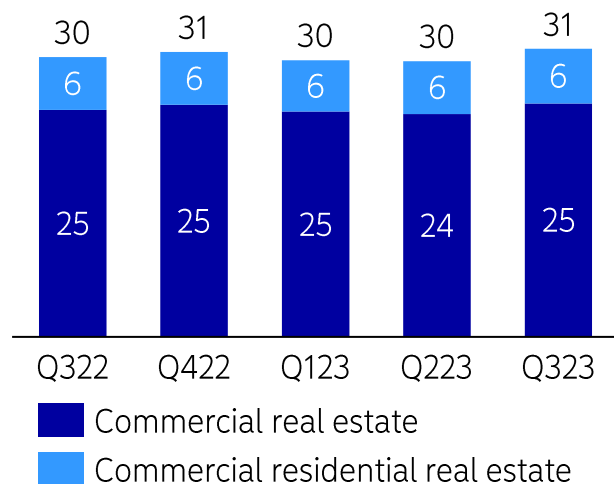
Upside scenario, 10% weight

- Lower inflation supports a stronger recovery going forward as household, business and investor sentiment improve

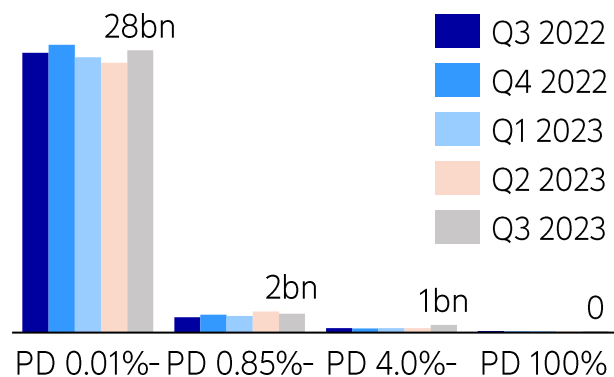
Real estate management industry (REMI)*

Well-diversified portfolio, high-quality lending

Lending volumes stable

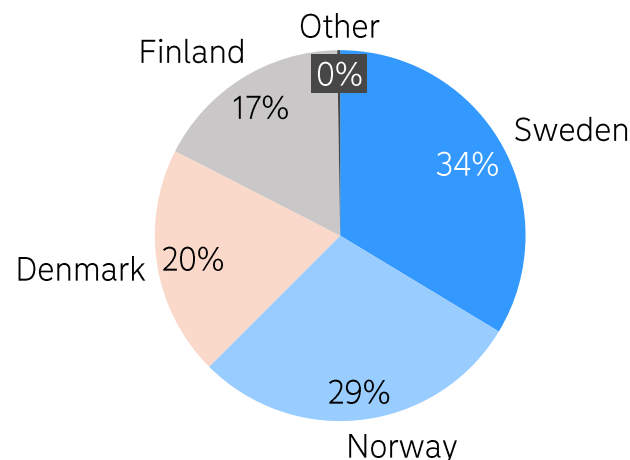


91% of portfolio with low probability of default (PD)

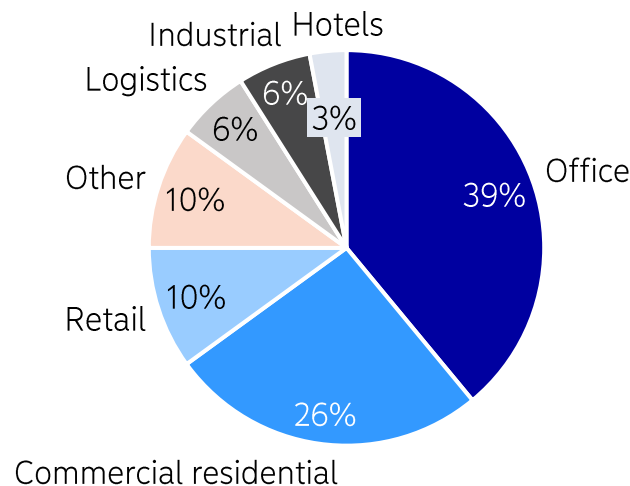


* Excluding tenant-owner associations (TOAs)

Diversified across countries



Diversified across types

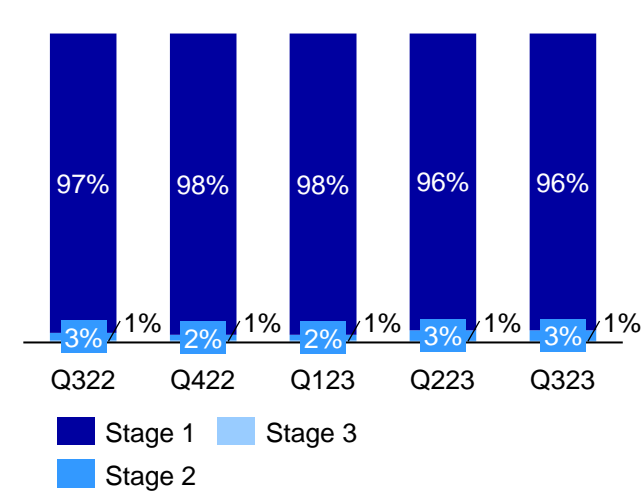


- **Well-diversified portfolio across Nordic markets**
- **91% of exposure towards low-risk customers, with only 3% towards high-risk**
- **Portfolio mainly comprising central and modern office and residential properties**
- **Strict underwriting standards: conservative credit policy with focus on cash flow and existing customers. All new lending fully collateralised**

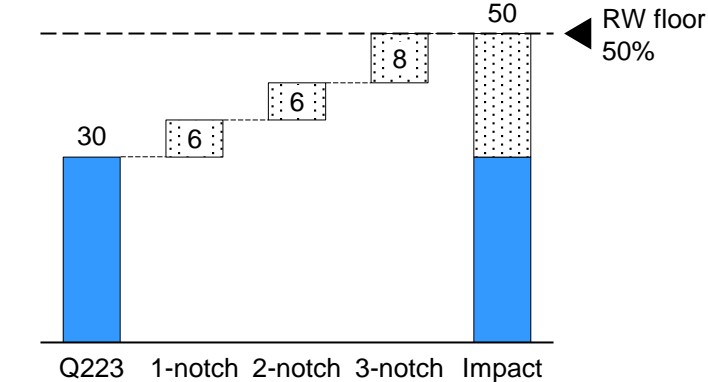
Real estate management industry (REMI)*

Low levels of risk exposure

Strong credit quality, with 96% of IFRS 9 portfolio in stage 1

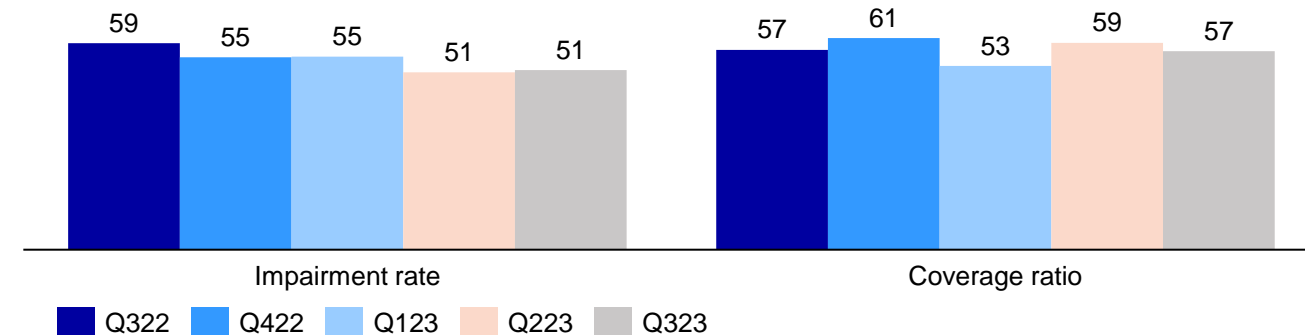


No REA impact even from 3-notch downgrade due to risk weight floors



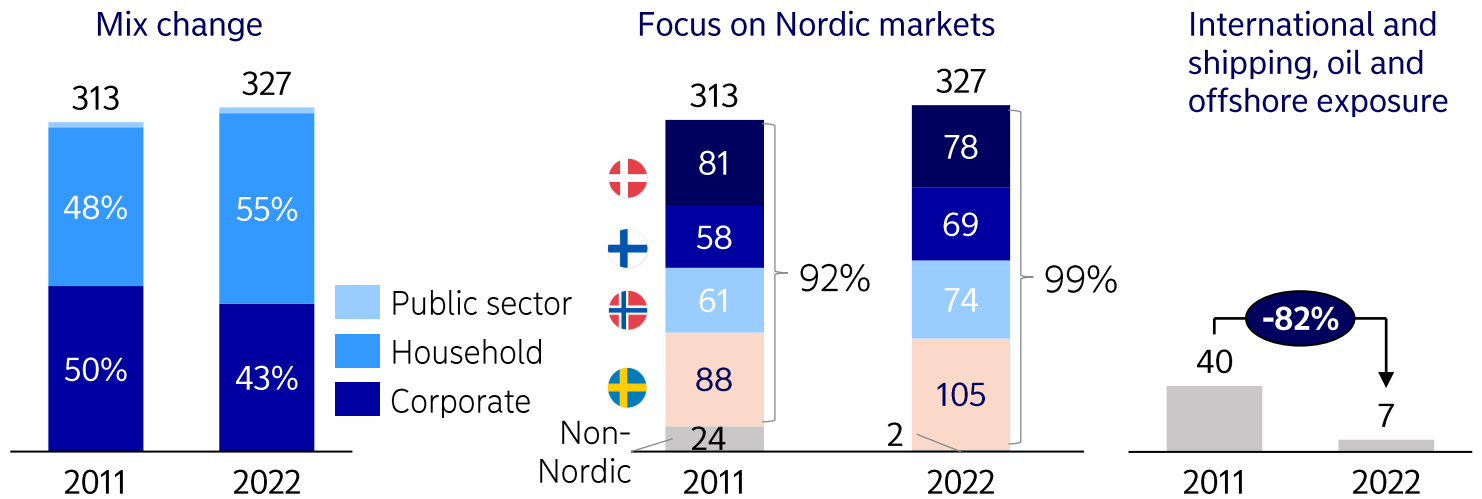
- Only 3% of portfolio in stage 2
 - No further increase in stage 2 in Q3
- 0.5% of portfolio impaired
- Provision coverage above 50% – strong for collateralised assets
- No REA impact from potential rating migration due to risk weight floors

Low impairment rate and high coverage for impaired portfolio

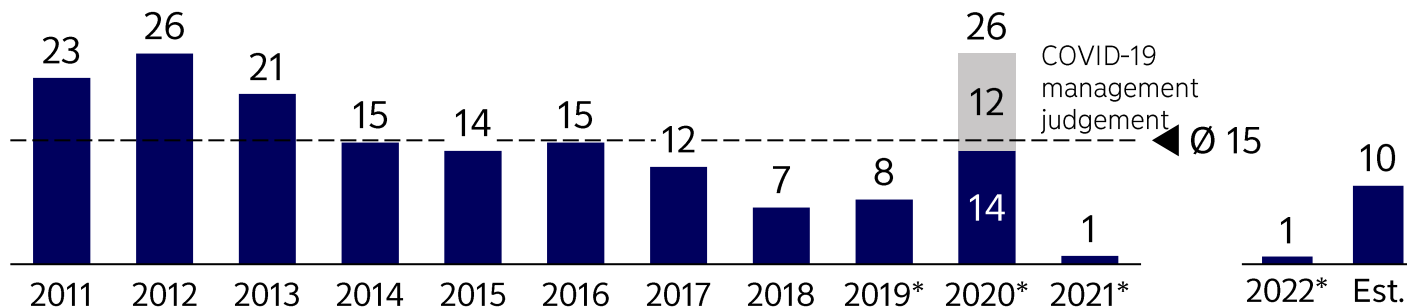


Loan losses settling below historical average

Significant de-risking (EURbn)



Loan loss ratios (bp)



Significant portfolio de-risking

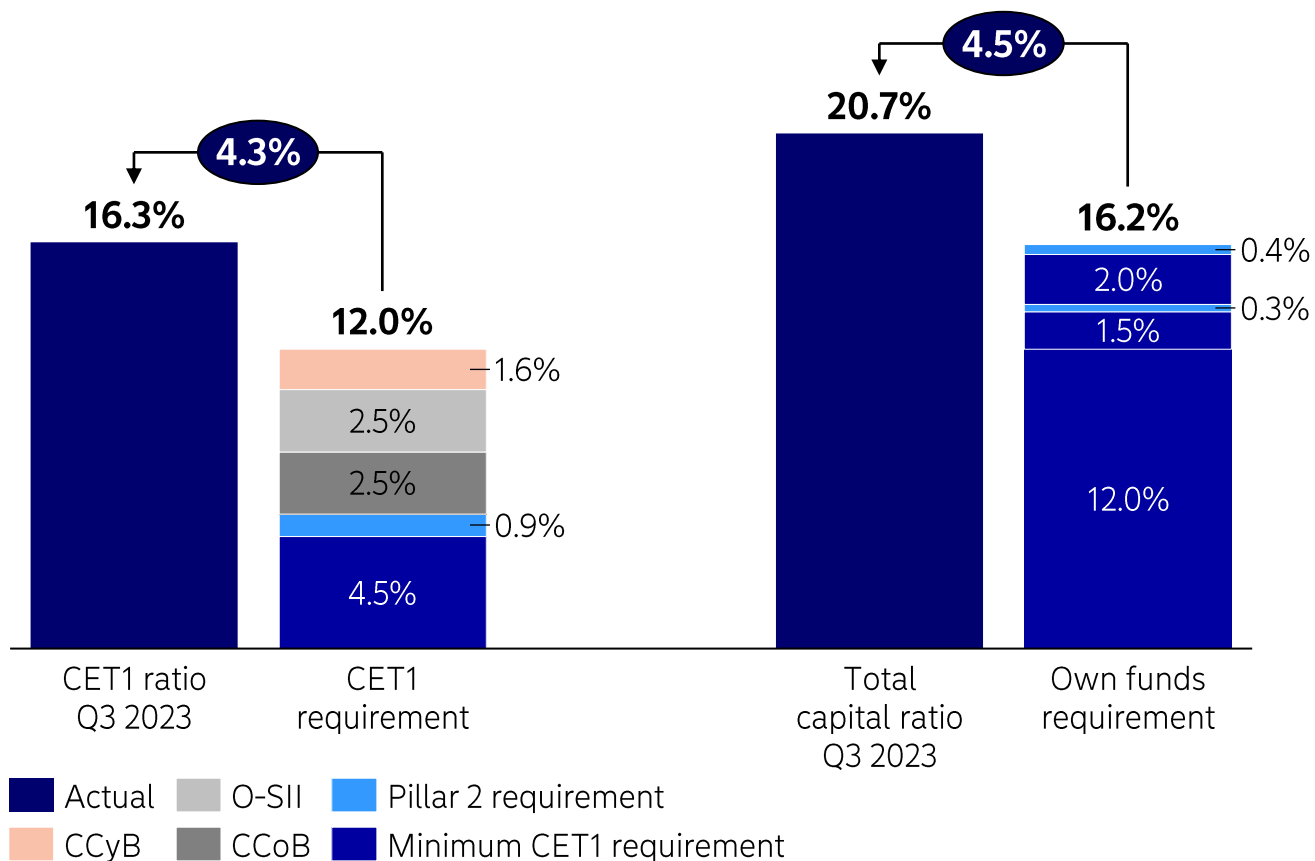
- Increased share of household lending
- Focus on our four Nordic home markets
- Reduced international exposure
 - Divested business in Poland, Luxembourg and Baltics
 - Exit from Russia completed
- Reduced shipping, oil and offshore portfolio by half; further actions ongoing

Normalised run rate of loan losses expected to be ~10bp

3. Capital, liquidity and funding

Significant buffer to capital requirements

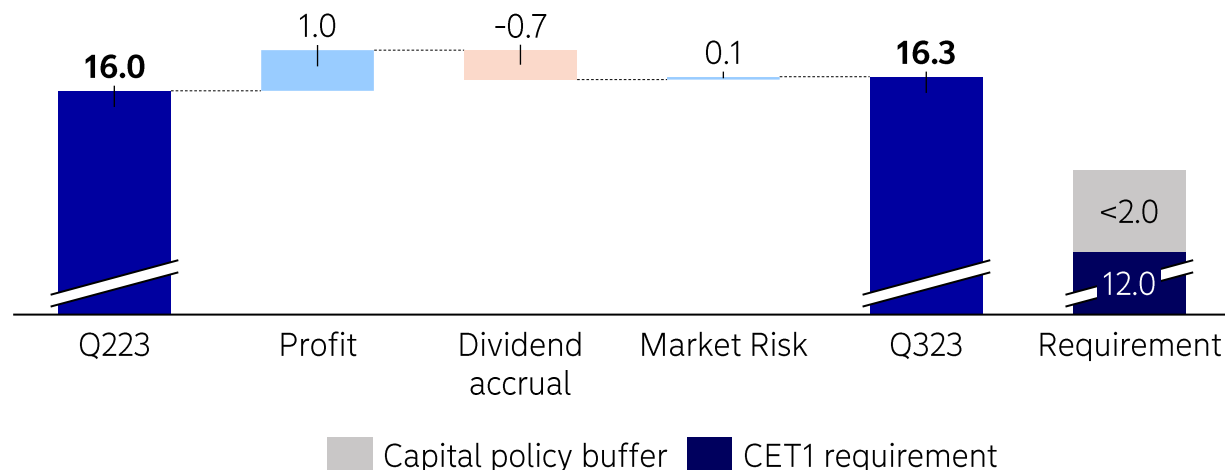
Capital position and requirements (%)



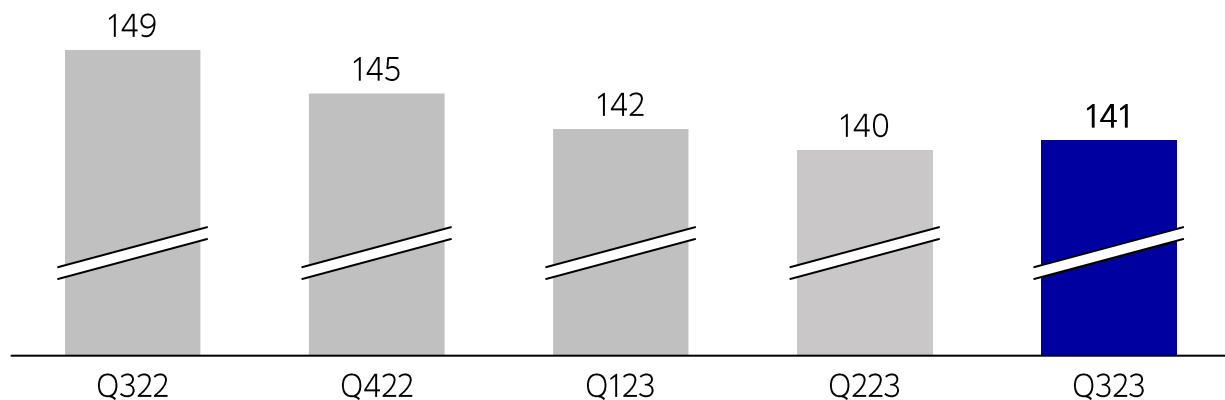
- **CET1 capital ratio 16.3%**
 - 4.3 percentage points above regulatory requirement, corresponding to a CET1 buffer of EUR 6.0bn
 - Capital policy of 150-200bp management buffer above regulatory requirement (MDA level)
- **MDA level expected to increase to ~13.5% from Q3 2024, following decided increases in Finnish and Norwegian SyRB**

Strong position; good progress on capital distributions

CET1 capital ratio development, %



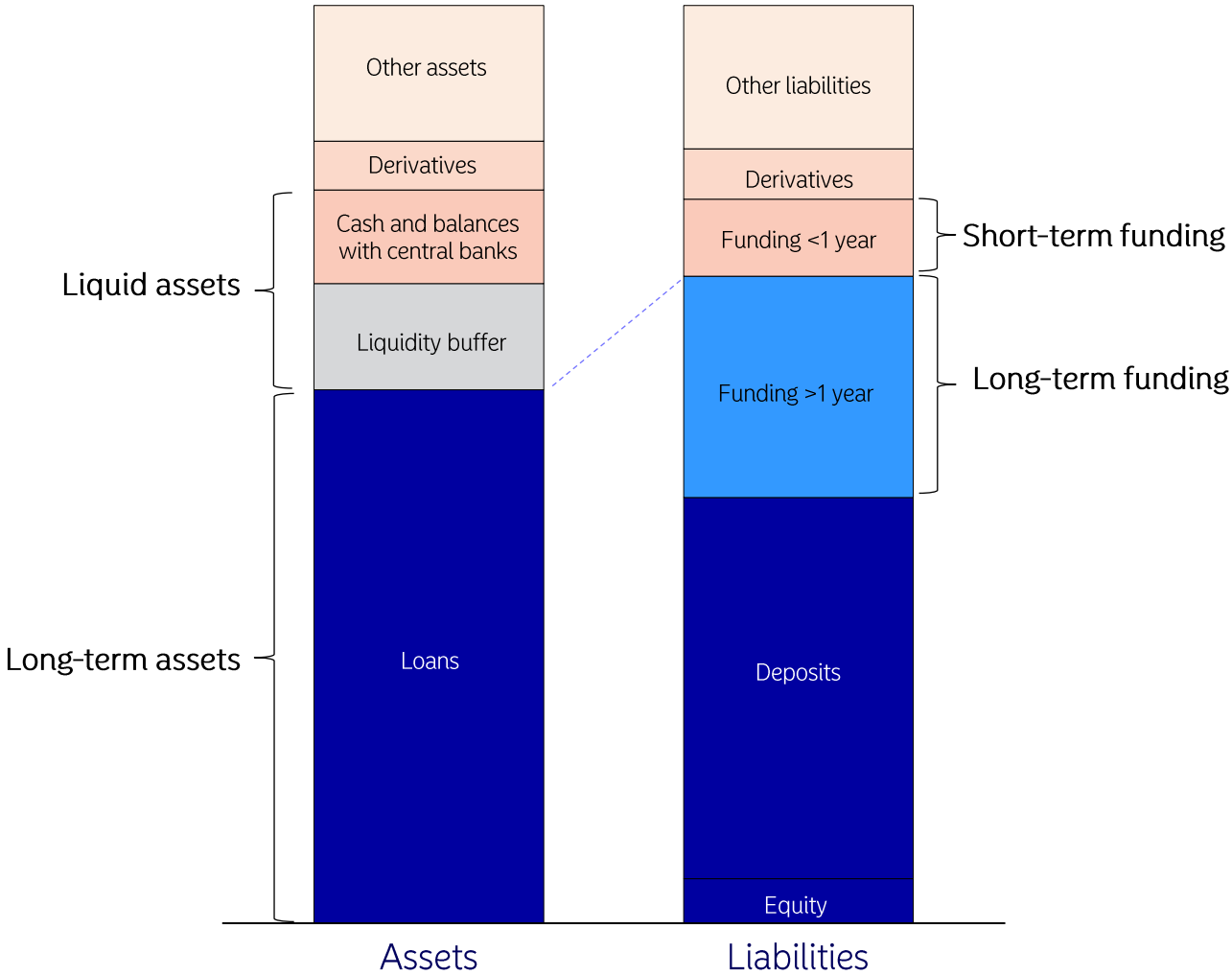
REA development, EURbn



- **CET1 capital ratio up at 16.3%**
 - 4.3 percentage points above regulatory requirement
 - EUR 0.6bn increase in CET1 capital due to profit accumulation net of dividend accrual and FX effects
 - EUR 0.9bn increase in risk exposure amount, mainly driven by FX effects, partly offset by decreased market risk
- **Good progress on capital distributions**
 - Fourth buy-back programme (up to EUR 1bn) in progress

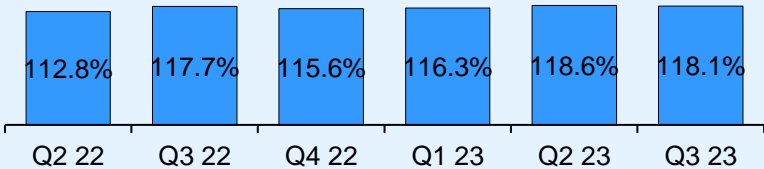
Strong balance sheet structure

Q3 2023



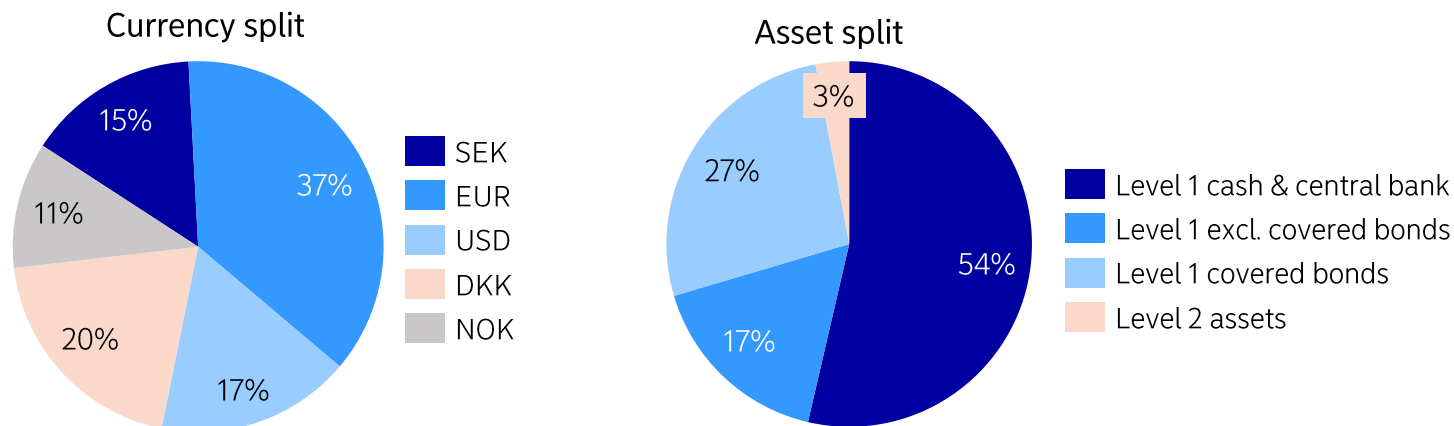
Total assets EUR 610bn at end of Q3 2023

- Strong balance sheet with deposits as primary source of funding
- Long-term funding 73% of total wholesale funding end of Q3
- Nordea’s net stable funding ratio (NSFR) is stable over time:

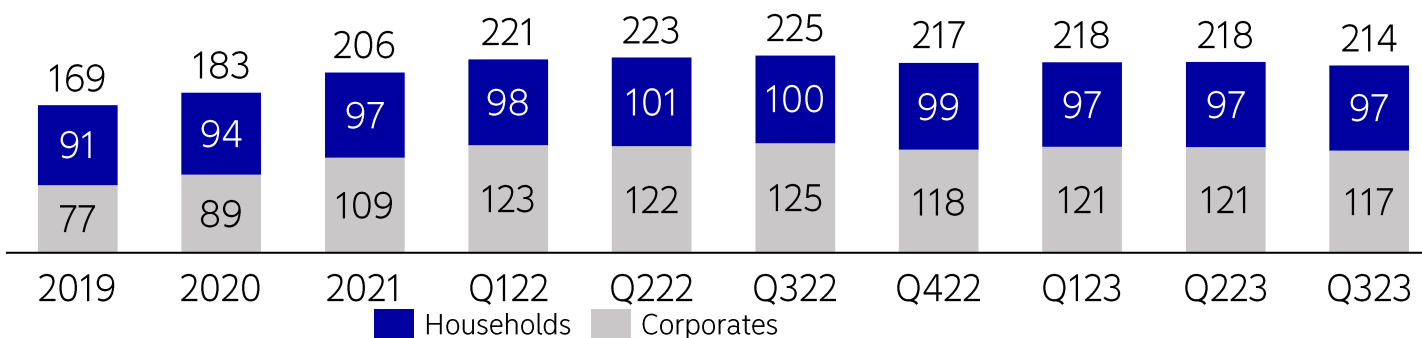


Strong liquidity position

Liquidity buffer composition, EUR 114bn



Deposits and borrowings from the public*, EURbn



- Robust liquidity position**

- Liquidity coverage ratio (LCR) 162%
- Net stable funding ratio (NSFR) 118%

- Well diversified liquidity buffer of EUR 114bn**

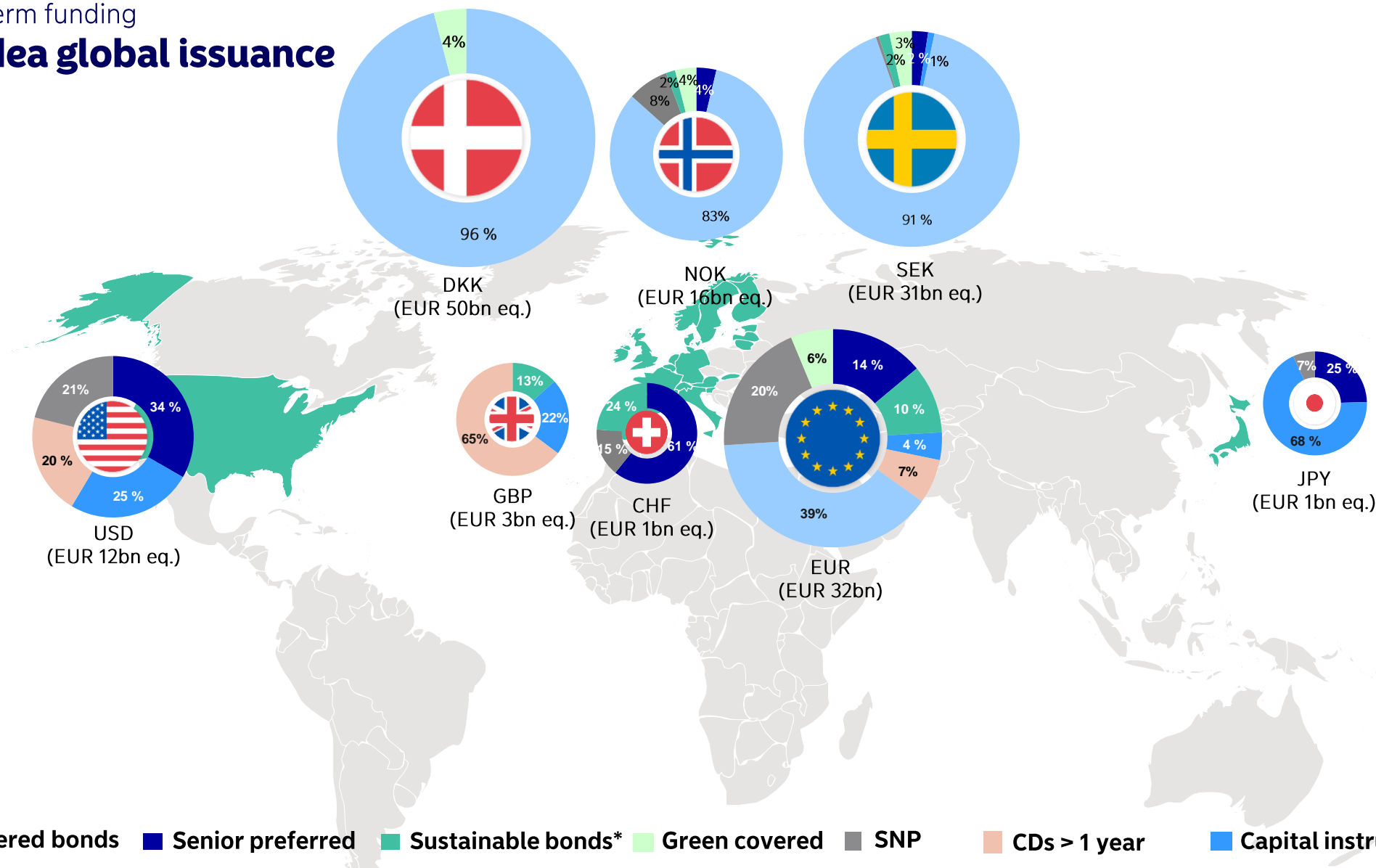
- 61bn in central bank cash and reserves
- 53bn in bonds, all with MtM accounting
- Conservative hedging approach and no single name concentration

- Deposits**

- 41% of deposits covered by deposit guarantee scheme

Long term funding

Nordea global issuance

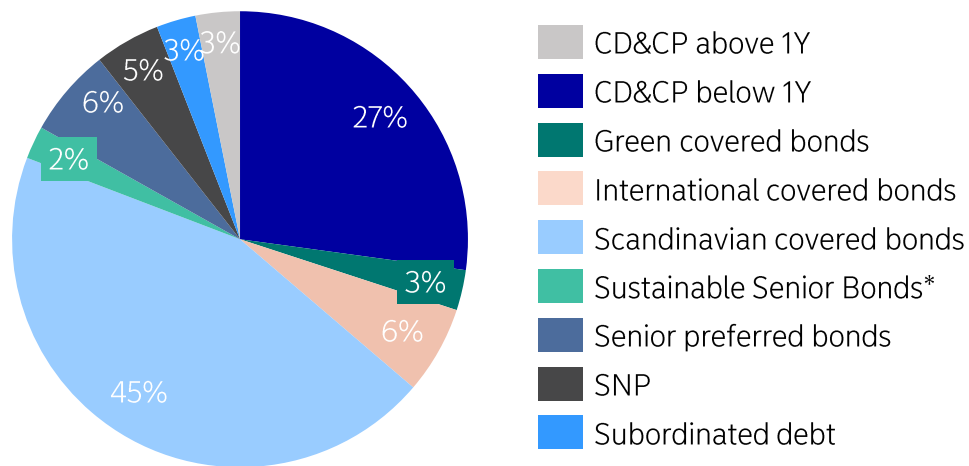


■ Covered bonds ■ Senior preferred ■ Sustainable bonds* ■ Green covered ■ SNP ■ CDs > 1 year ■ Capital instruments

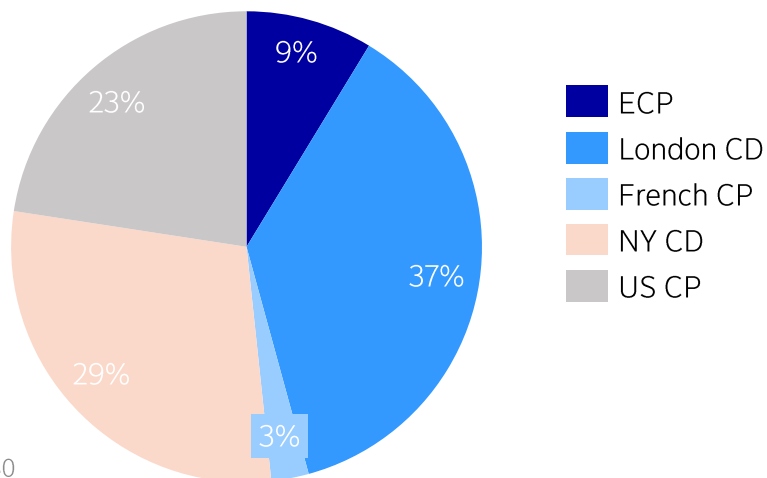
Long term funding

Solid funding operations

Wholesale funding outstanding, EUR 196bn



Short term funding composition*, EUR 55bn



* Including Green & SLL SP/SNP bonds



• Long term issuance

- EUR 5.8bn* in long term debt issued during Q3
 - EUR 4.7bn covered bonds and EUR 1.1bn in senior non-preferred format
- EUR 19bn in long term issuance YTD per end Q3

• Short term issuance

- Total outstanding EUR 55bn per end Q3
- Globally diversified funding with strong market access

• Issuance plans 2023

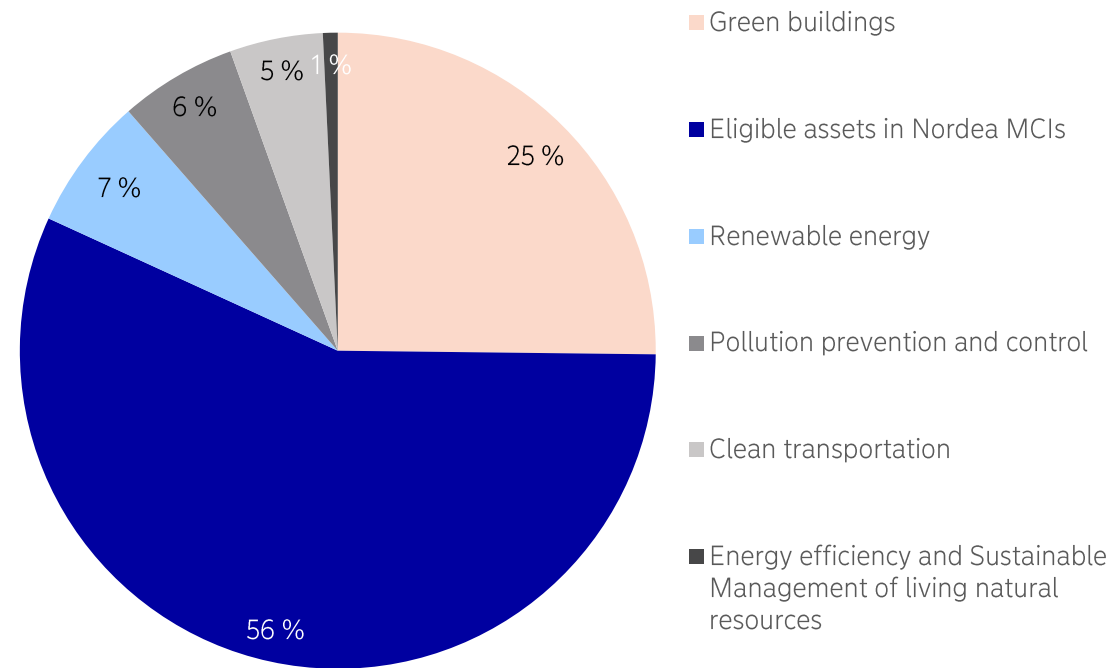
- Total issuance estimated to be in the EUR 20bn area*
- Target of ~EUR 13bn of outstanding eligible SNP by end of 2023
 - EUR 12.9bn SNP outstanding by Q3 whereof ~EUR 12.7bn eligible by YE 2023

*Excluding DKK covered bonds, CD/CPs above 1Y and subordinated debt

Sustainability at the core

Enhanced focus on sustainable funding

Nordea's green bond asset portfolio



- **Assets available for green funding totaling EUR 14.8bn**
 - EUR 5.4bn in NBAbp's green bond asset portfolio
 - EUR 9.4bn available assets for Green covered bond issuance from Nordea's mortgage subsidiaries
- **EUR 3.3bn outstanding of green bonds from NBAbp**
- **EUR 5.7bn outstanding of green covered bonds from all four mortgage subsidiaries**
- **Inaugural EUR bond under sustainability linked loan (SLL) funding framework issued in 2023**
 - EUR 1bn senior non preferred
 - SEK 2.8bn and NOK 1.3bn senior preferred



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



ESG score:
15.8 (0 to 100)**



ESG rating:
AA (AAA to CCC)

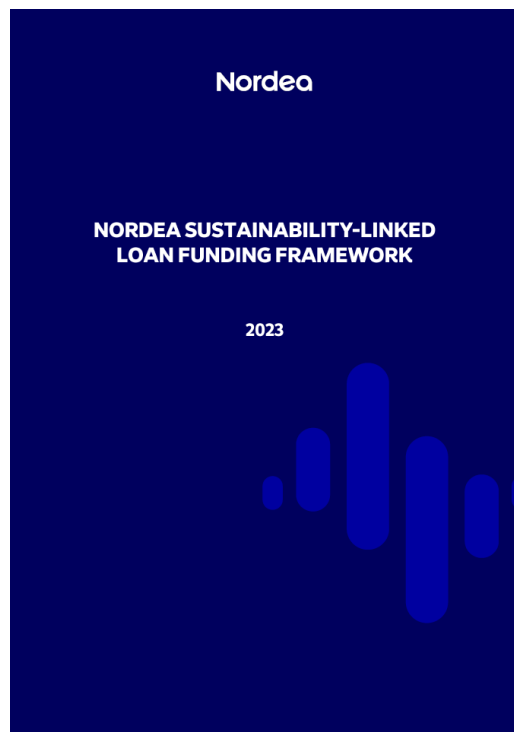


CSA score:
65 (0 to 100)***

* Highest rating within sector is C+
** Lower score represents lower ESG risk
*** Higher score represents better sustainability practices

Sustainability at the core

Nordea sustainable linked loan (SLL) funding framework



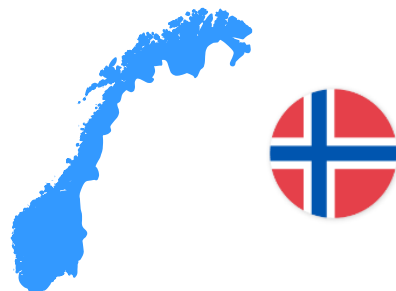
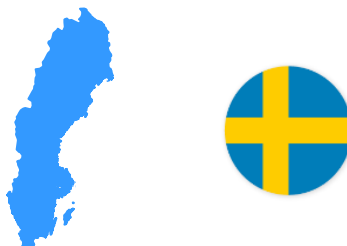

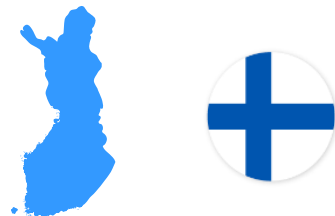
- **Nordea SLL funding framework launched in 2022**
 - The SLL funding framework allows issuance of bonds with reference to the impact of the SLLs on Nordea's balance sheet in a use-of-proceeds format
- **SLL assets with climate change mitigation**
 - Once suitable assets have been identified, all assets are reviewed by ISS ESG. Asset selection criteria are:
 - Underlying loans aligned with the sustainability linked loan principles
 - Selected KPIs aligned with impact objective in the framework
 - KPIs and SPTs are material and ambitious
 - SLL funding report to be published annually
 - Nordea sees strong growth in sustainable loans and targets further SLL issuance



Nordea has engaged ISS ESG to act as an external reviewer of this SLL funding framework and the SLL funding assets

Inaugural EUR 1bn SLL bond launched in August 2023 with strong investor feedback

Nordea covered bond operations


















Four aligned covered bond issuers with complementary roles	Nordea Eiendoms kreditt	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 22.2bn (eq.)	EUR 59.2bn (eq.)	Balance principle	Pool 1: EUR 21.6bn/ Pool 2: EUR 4.6bn
	Covered bonds outstanding*	EUR 14.9bn (eq.)	EUR 34.2bn (eq.)	EUR 60.6bn (eq.)**	Pool 1: EUR 18.1bn/ Pool 2: EUR 3bn
	OC*	49%	73%	7%**	Pool 1: 20% / Pool 2: 54%
	Issuance currencies	NOK	SEK	DKK, EUR	EUR, GBP
	Rating (Moody's / S&P)	Aaa/ -	Aaa / -	- / AAA	Aaa / -
	Included in Nordea Green Framework	Yes	Yes	Yes	Yes
	Issued Green CB's	Yes (inaugural issue in 2021)	Yes (inaugural issue in 2022)	Yes (inaugural issue in 2019)	Yes (inaugural issue in 2022)

- Covered bonds are an integral part of Nordea's long term funding operations
- Issuance in Scandinavian and international currencies
- All Nordea covered bond issuance entities (MCIs) are covered by Nordea's updated 2022 Nordea green funding framework



Funding transactions

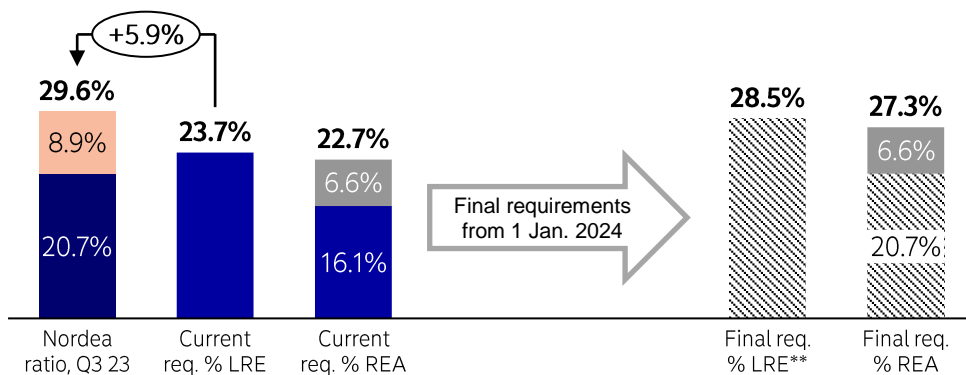
Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	Callable
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 Bank	Senior non-preferred, Green	 NOK	1,800	FRN/Fixed	May-23	Jun-28	
Nordea Bank	Senior non-preferred, Green	 SEK	3,000	FRN/Fixed	May-23	Jun-26	
Nordea Bank	Senior non-preferred, Green	 GBP	300	Fixed to Float	May-23	Jun-26	Jun-25
Nordea Bank	Senior non-preferred, Green	 CHF	300	Fixed	May-23	May-28	
Nordea Bank	Senior non-preferred	 EUR	1,000	Fixed	Apr-23	Apr-28	
Nordea Mortgage Bank	Covered	 EUR	1,000	Fixed	Feb-23	Feb-30	
Nordea Bank	Senior non-preferred	 EUR	1,000	Fixed to Float	Feb-23	Feb-26	Feb-25
Nordea Hypotek	Covered	 SEK	6,000	Fixed	Jan-23	Sep-28	
Nordea Eiendomskreditt	Covered	 NOK	11,000	Fixed	Jan-23	Feb-28	
Nordea Mortgage Bank	Covered, Green	 EUR	1,000	Fixed	Nov-22	Dec-25	
Nordea Hypotek	Covered, Green	 SEK	6,000	Fixed	Nov-22	Nov-27	
Nordea Bank	Senior non-preferred	 USD	1,000	Fixed	Sep-22	Sep-27	
Nordea Bank	Senior preferred	 USD	1,000	Fixed	Sep-22	Sep-25	
Nordea Mortgage Bank	Covered	 EUR	1,000	Fixed	Sep-22	Sep-32	

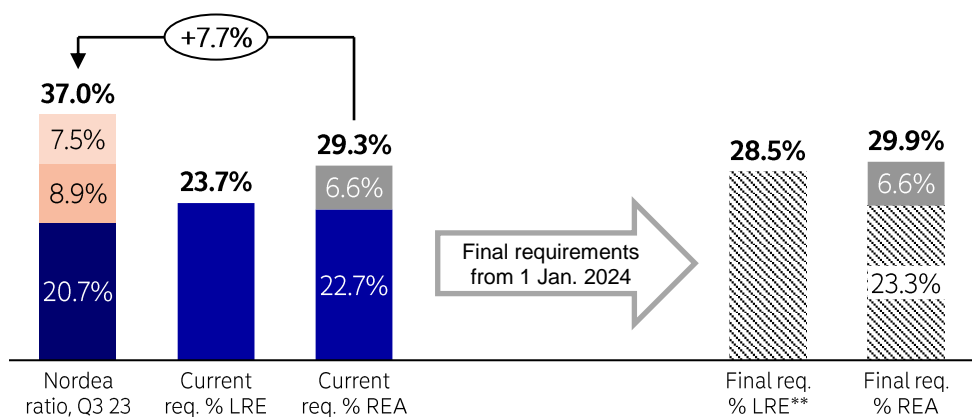
Minimum requirements for own funds and eligible liabilities

MREL and senior non-preferred target

Subordinated MREL



Total MREL



SP Own funds
SNP CBR

Solid buffers above current requirements for both subordinated and total MREL

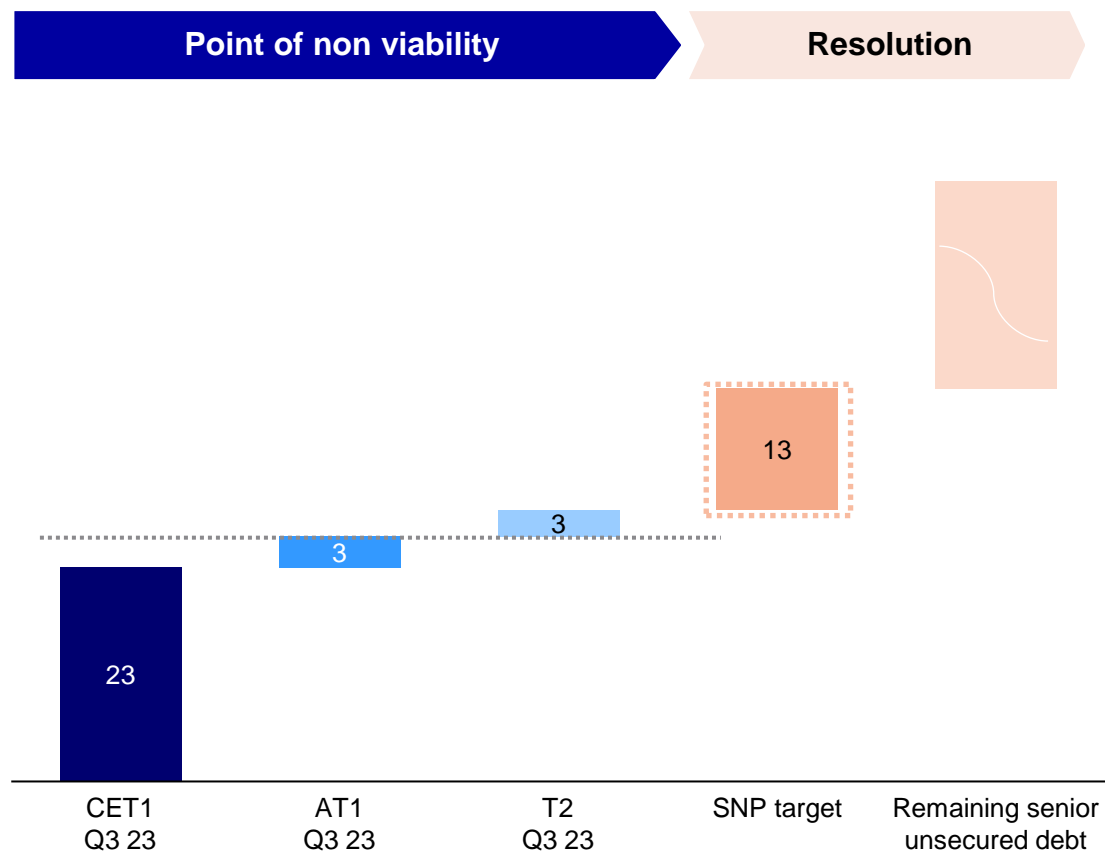
Final requirements set by single resolution board (SRB) in 2023 MREL decision

- Subordinated MREL, the higher of:
 - 20.66% REA + CBR*
 - 7.19% LRE** (corresponding to 28.5% REA)
- Total MREL, the higher of
 - 23.30% REA + CBR
 - 7.19% LRE (corresponding to 28.5% REA)
- Applicable from 1 January 2024, to be assessed and updated annually

Target for outstanding eligible senior non-preferred of ~EUR 13bn by YE 2023 to meet final requirements for subordinated MREL

Own funds and bail-in-able debt position

Senior non-preferred target



Target by YE 2023: eligible SNP of ~EUR 13bn

- Subordinated MREL 29.6% of REA as of Q3 23 (5.9 pp above the requirement)
- Issuance plan to meet future subordination requirement

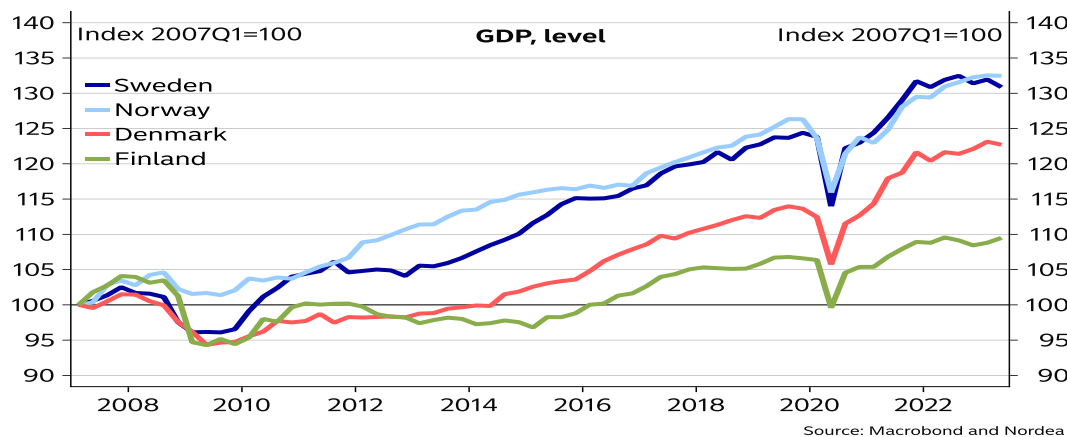
EUR 12.9bn in SNP issued

- Of which ~EUR 12.7bn eligible by YE 2023

4. Macroeconomy

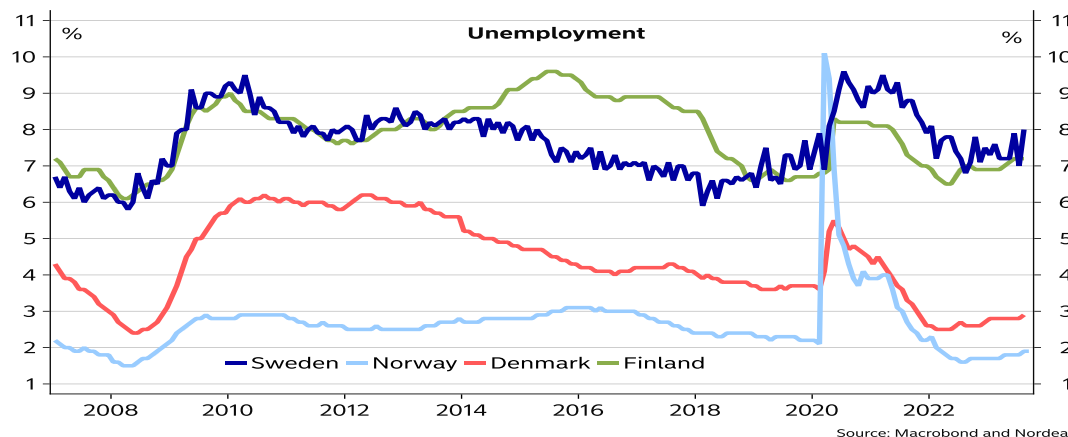
New interest rate environment

GDP development



- The Nordic economies have shown mixed resilience on the back of surging inflation and interest rates
- Central banks intend to keep interest rates higher for longer. Combined with weaker global demand, the Nordic economies are facing headwinds going forward
- Indicators are pointing to a weaker labour demand. The labour market is set to weaken as economic growth continues to dampen

Unemployment rate

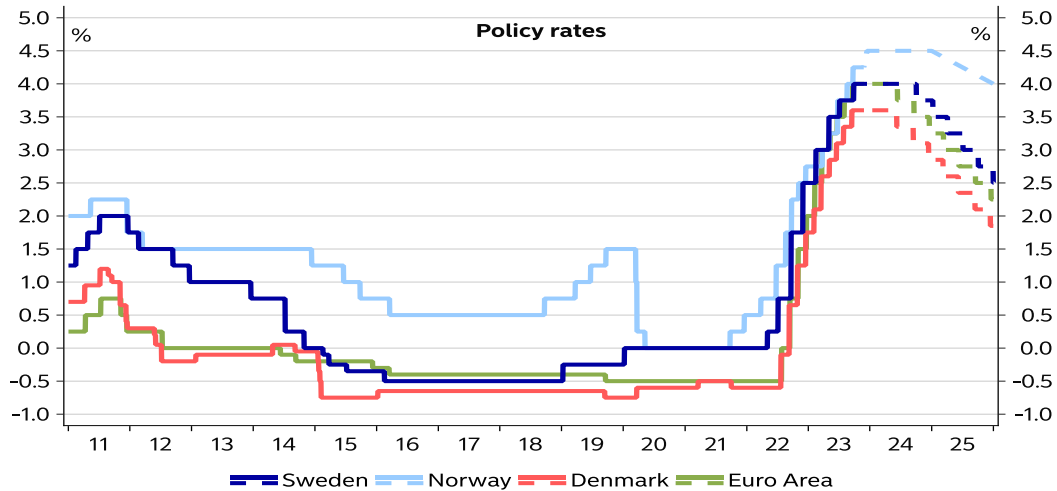


GDP, % y/y, Economic Outlook September 2023

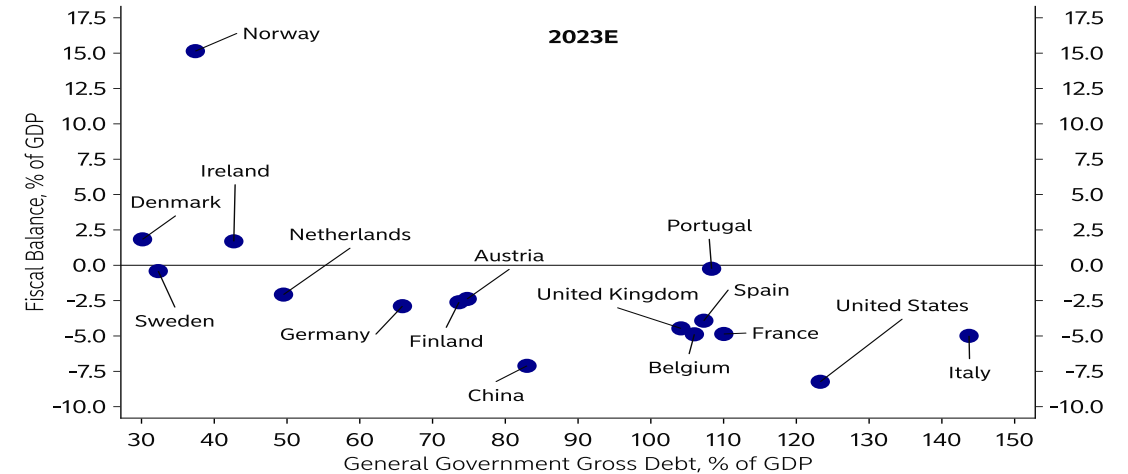
Country	2022	2023E	2024E	2025E
Denmark	2.7	1.3	1.0	1.7
Finland	1.6	0.0	0.0	1.5
Norway (mainland)	3.8	1.2	0.5	1.0
Sweden	2.8	-1.0	-0.2	2.2

Higher for longer interest rates

Policy rates



Public balance/debt, % of GDP, 2023E (IMF)



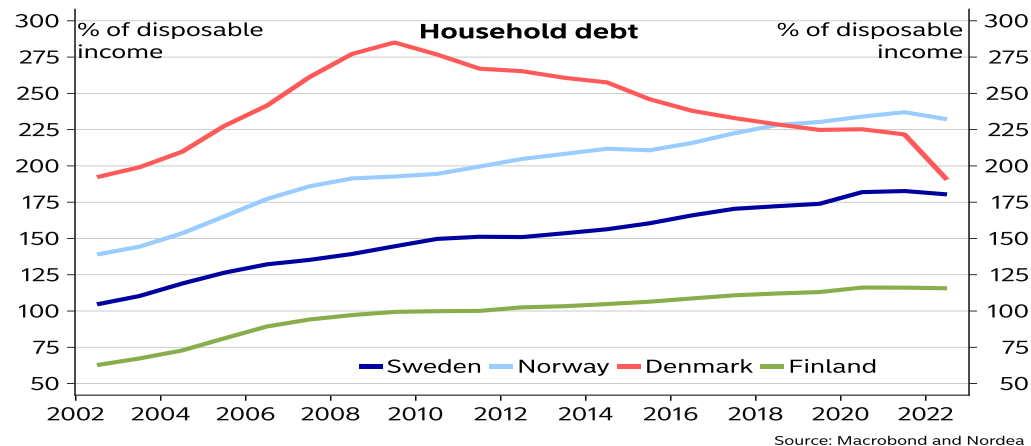
Source: IMF World Economic Outlook, Nordea and Macrobond.

- Central banks are continuing to combat too high core inflation.
- Norges Bank has hiked from 0 to 4.25% since autumn 2021 and are expected to continue until they reach 4.50% in December 2023.
- The Swedish Riksbank kept the policy rate unchanged in November at 4.00%.
- The ECB kept the policy rate unchanged in October at 4.00%. We predict that the policy rate in the Euro Area, Denmark and Sweden will not be raised any further this cycle.
- The ECB and the Riksbank are reducing the size of their balance sheets.
- Solid public finances will help Nordic governments to handle the economic slowdown ahead.

Households

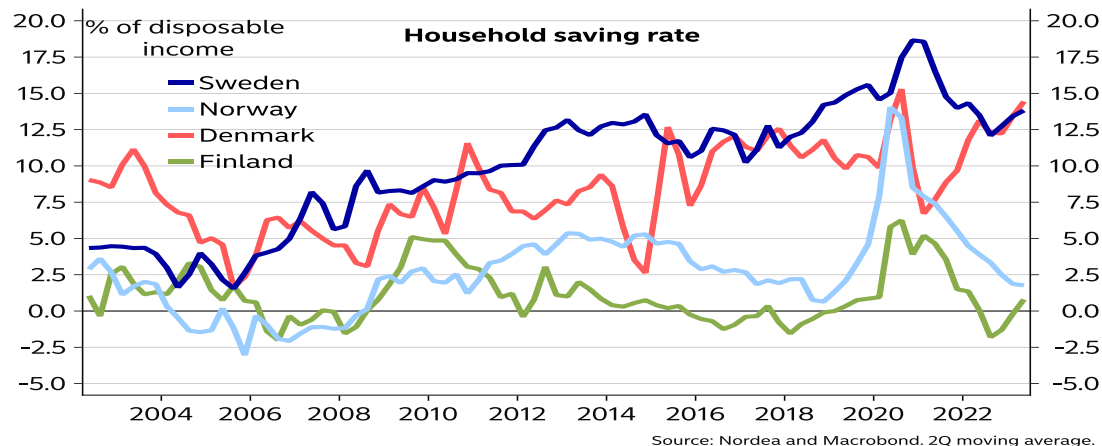
Heavy steps

Household debt

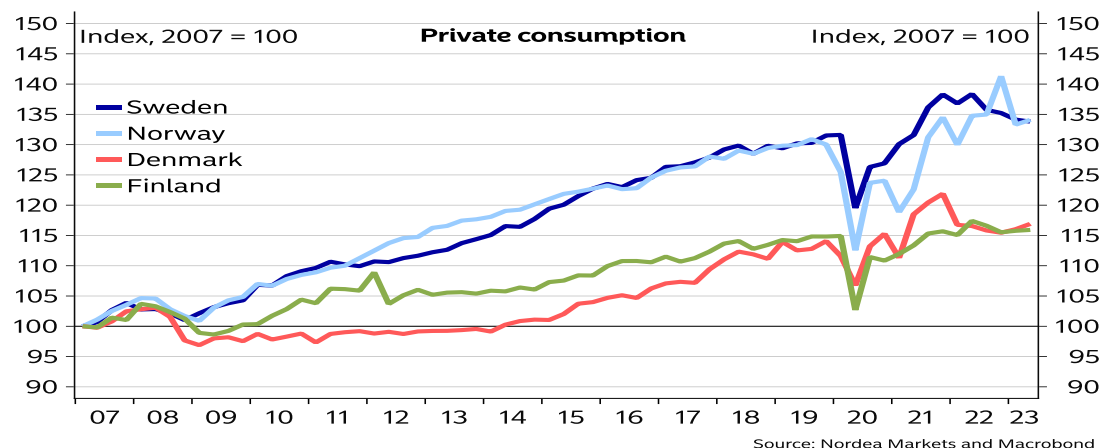


- High and broad-based inflation continues to pressure households' purchasing power. Additionally, the arduous adaptation process to higher for longer interest rates will continue to squeeze households
- Real disposable income in Sweden is expected to decline by -3.0 percent in 2023
- Household indebtedness has started to decrease, due to rising interest rates

Household savings

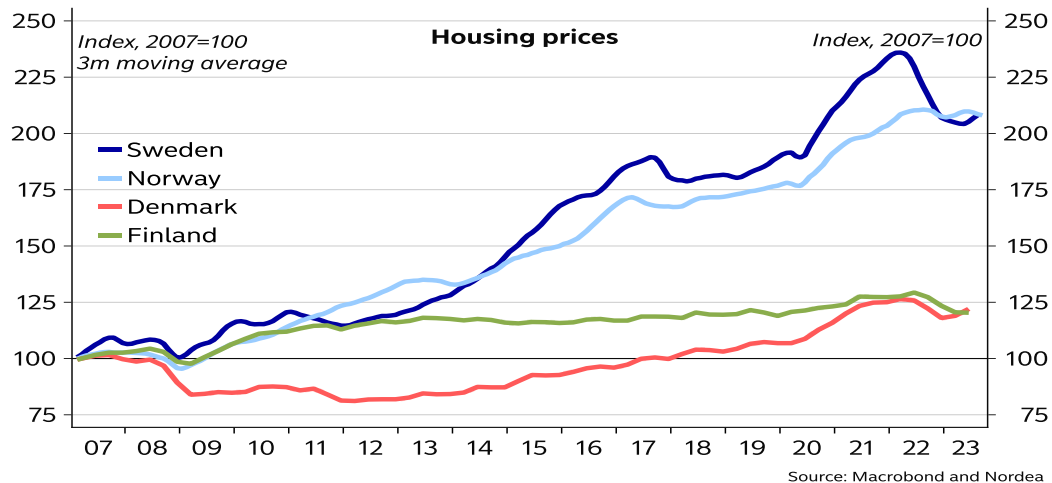


Private consumption

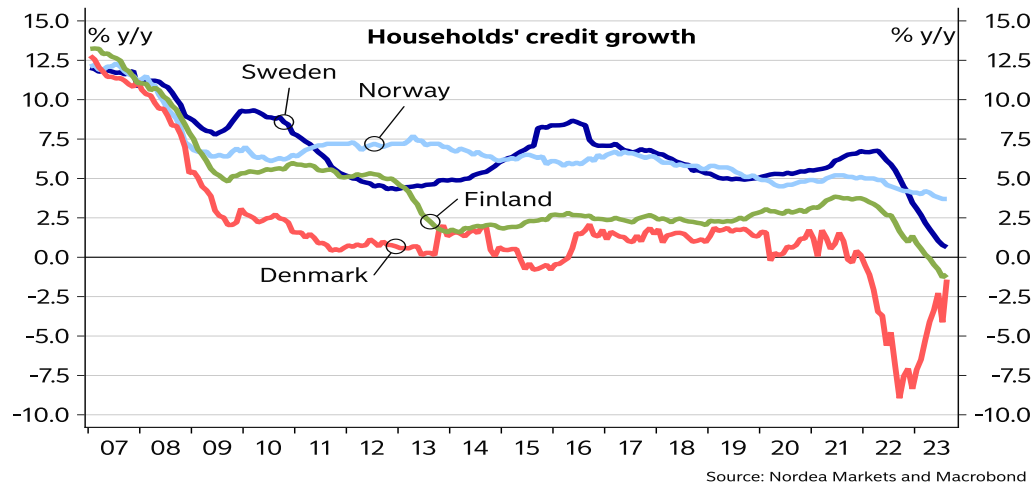


Higher interest rates imply downside risks on the housing market

Housing prices



Households' credit growth



- Housing prices rose to record-high levels in all the Nordic countries in 2022
- Housing prices have fallen in all the Nordic countries on the back of surging borrowing costs and lower credit growth. However, housing prices have stabilized during the summer, possibly attributed to lower activity
- The risks are on the downside going forward, accounting for low demand and higher interest rates. We expect further declines in all Nordic economies, especially Sweden
- Households' credit growth in the Nordic countries, except for Denmark, has been on a downward trend the past couple of quarters. In August 2023, Sweden had close to zero credit growth while both Finland and Denmark had negative credit growth

Contacts

Investor Relations

Ilkka Ottoila

Head of Investor Relations (acting)

Mobile: +358 50 583 64 79

ilkka.ottoila@nordea.com

Maria Caneman

Head of Debt IR and Ratings

Tel: +46 10 156 50 19

Mobile: +46 768 24 92 18

maria.caneman@nordea.com

Juho-Pekka Jääskeläinen

Senior IR Officer

Tel: +358 9 5300 64 35

Mobile: +358 40 550 91 11

juho-pekka.jaaskelainen@nordea.com

Group Treasury

Anders Frank-Læssøe

Group Treasurer, Head of Group Treasury

Tel: +45 55477672

Mobile: +45 61612157

anders.frank@nordea.com

Ola Littorin

Head of Long Term Funding

Tel: +46 8 407 9005

Mobile: +46 708 400 149

ola.littorin@nordea.com

Petra Mellor

Head of Bank Debt

Tel: +46 8 407 9124

Mobile: +46 70 277 83 72

petra.mellor@nordea.com