Nordea

Debt investor presentation Q4 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.

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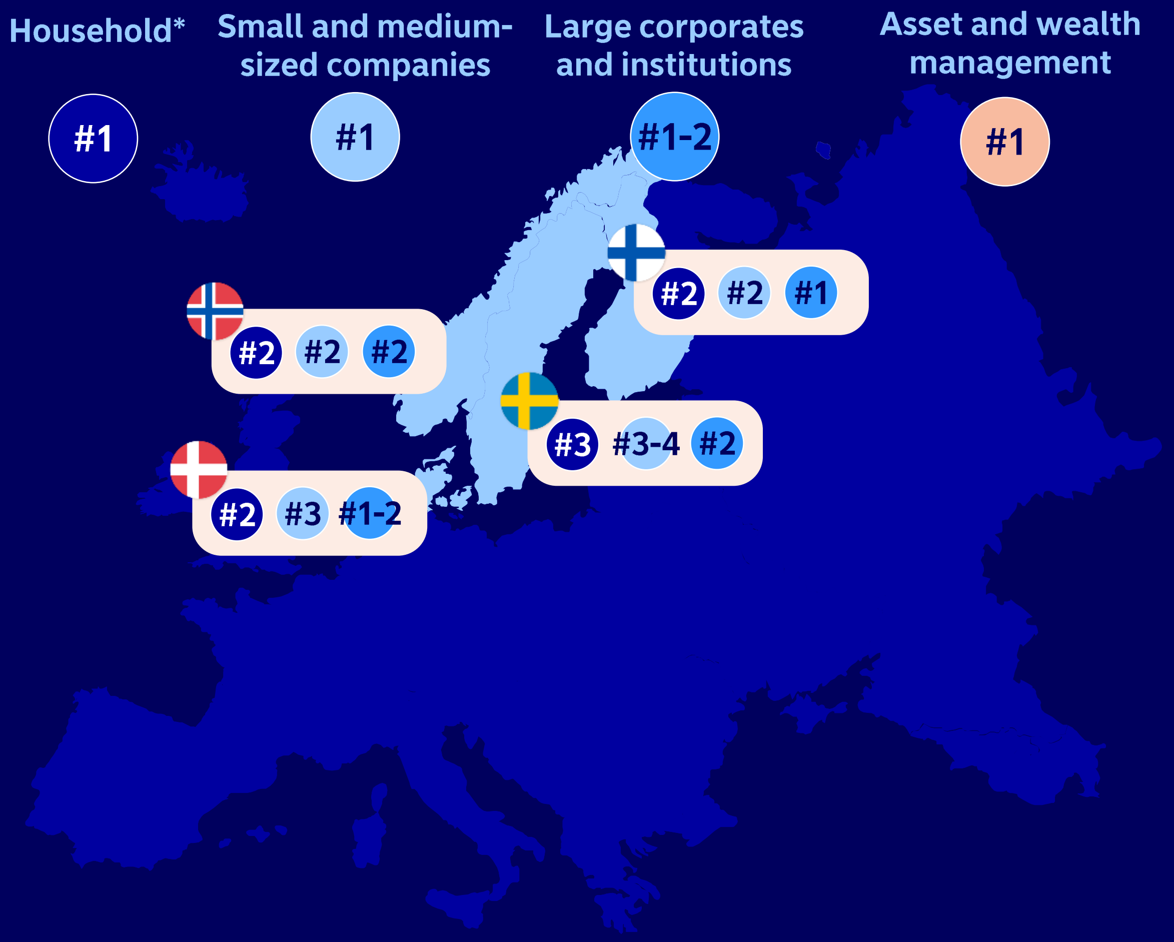
1. Quarterly update

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 (Q4 2023)

- EUR 2.9bn in total income
- EUR 1.5bn profit before loan losses; EUR 1.1bn net profit
- EUR 585bn in assets
- EUR 31.2bn in equity capital
- CET1 ratio 17.0%
- Leverage ratio 5.0%

AA level credit ratings

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

EUR 39.6bn in market capitalisation (Q4 2023)

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

* Combined market shares in lending, savings and investments

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Fourth-quarter highlights 2023

Executive summary

Continued high-quality income growth

- Net interest income up 19%, net fee and commission income down 3% and net fair value result down 61%. Total income up 1%

Return on equity* 15.9% excluding write-offs; earnings per share EUR 0.31

Volumes stable in slow market

- Mortgage lending stable and corporate lending up 1% y/y. Retail deposits stable y/y and corporate deposits down 3%. AuM up 5% y/y

Cost-to-income ratio excluding regulatory fees and write-offs: 42%

Strong credit quality, continued low net loan losses – overall provisioning levels maintained

- Net loan losses and similar net result EUR 83m or 10bp – lower reversals at this stage of cycle
- Management judgment buffer EUR 495m after EUR 74m transferred from structural buffer to collective provisions, as planned

Strong capital generation and dividend increase

- CET1 ratio 17% – 4.9pp above current regulatory requirement. Dividend of EUR 0.92 per share proposed for 2023 – increase of 15%

2025 target updated: return on equity above 15%

- 2024 outlook: return on equity above 15%

* With amortised resolution fees

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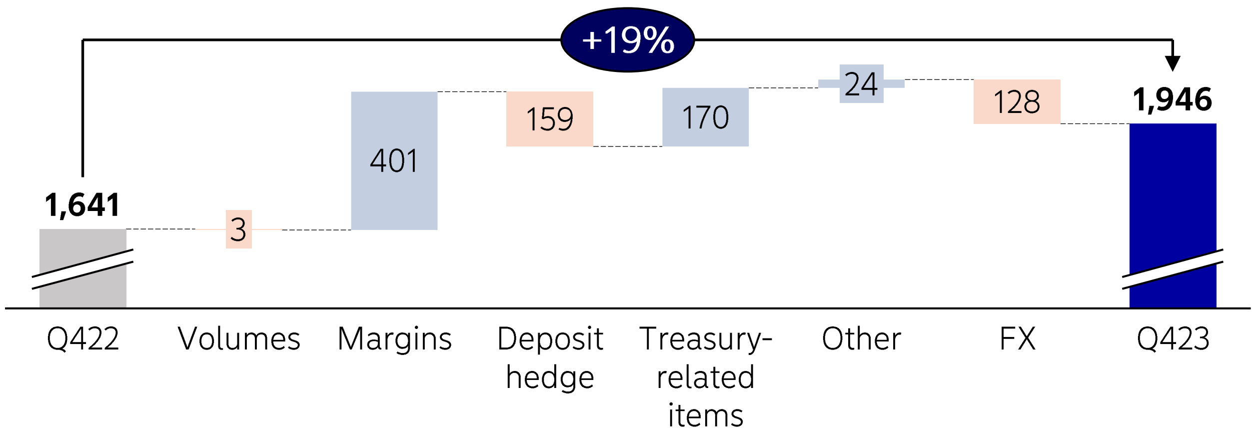
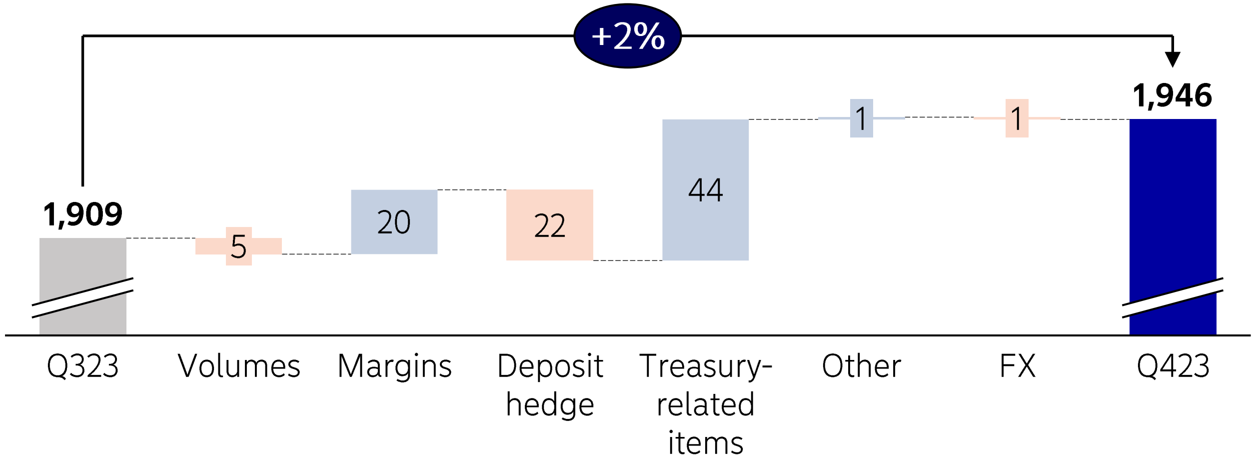
Net interest income

Stable volumes, improved margins

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Net interest income up 19%**
- **Continued growth in corporate lending**
  - Corporate lending up 1%
  - Mortgage volumes stable
- **Net interest margin 1.83%, up 38bp**
  - Lending margins down, especially in households
  - Further increases in deposit margins across business areas

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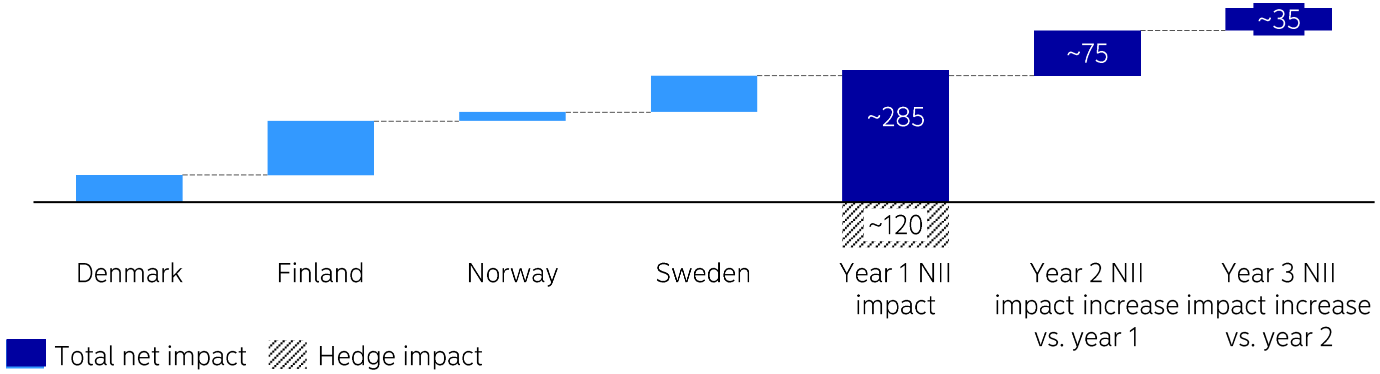
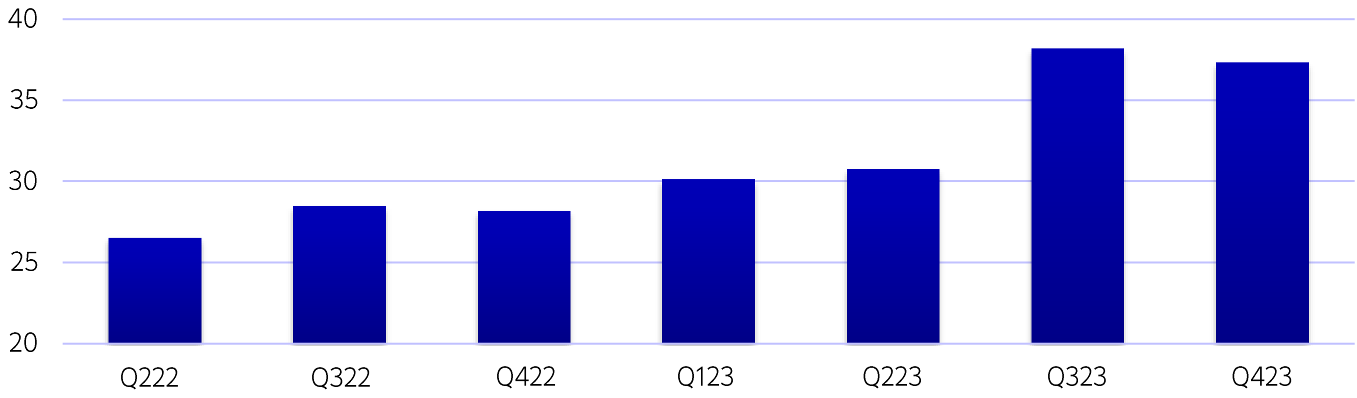
Net interest income sensitivity

Net interest income sensitivity to policy rate changes

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



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 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 ~20% in 2023
  - 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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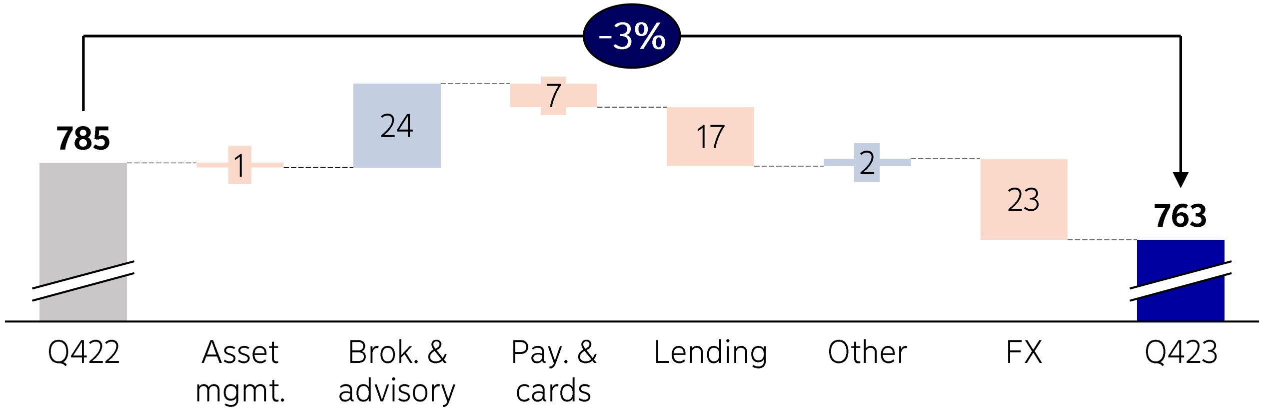
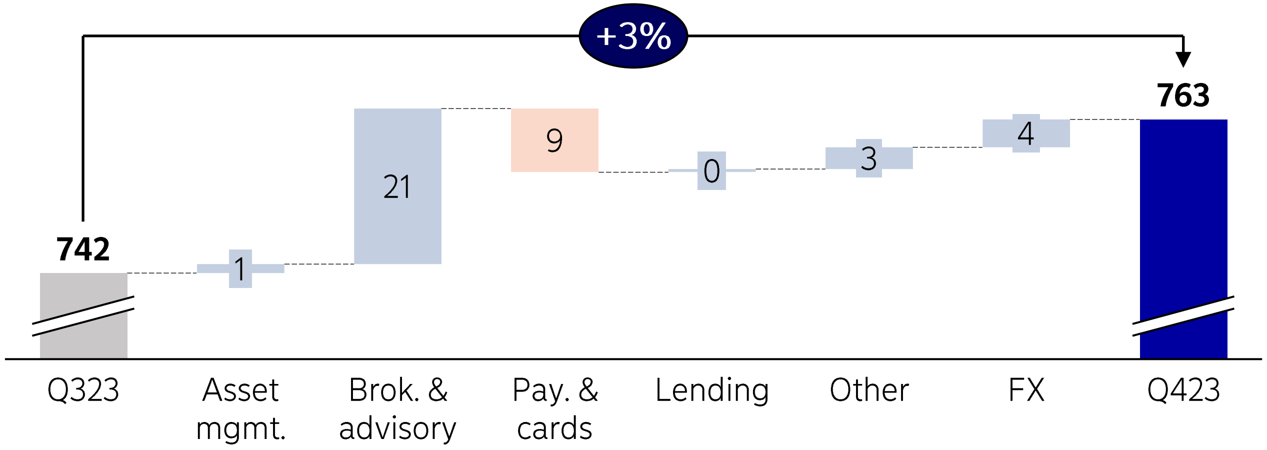
Net fee and commission income

Stable underlying income, negative FX effects

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Net fee and commission income down 3%**
- **Savings fee income impacted by lower average assets under management**
  - Net flows from internal channels EUR 1.9bn
- **Brokerage and advisory fee income up due to higher customer activity**
- **Lower lending fee income in subdued market**

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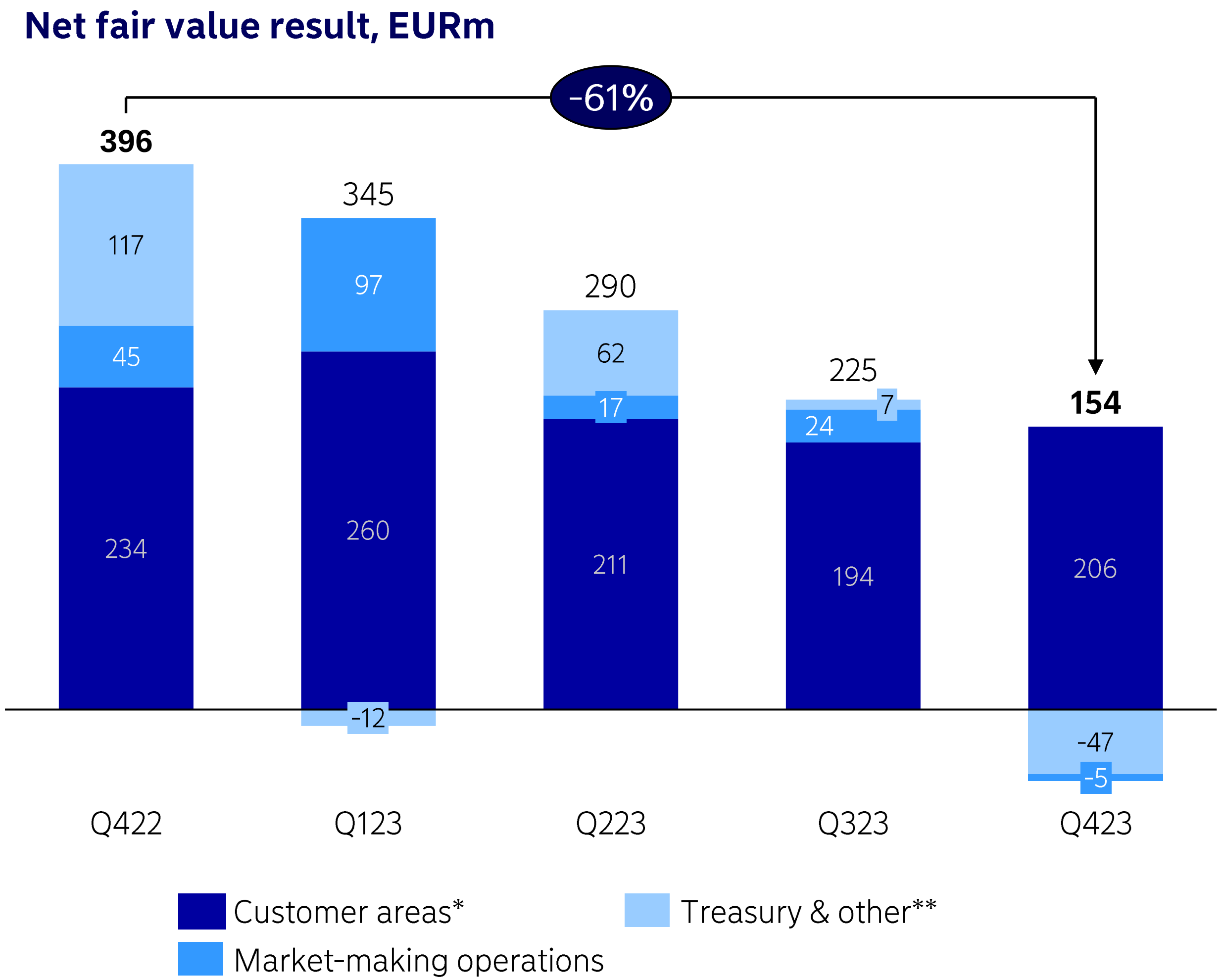
Net fair value result

Market-making and treasury down after very strong Q422



- **Continued solid customer risk management activity, driven by FX and rates products**
- **Market-making down, driven by falling market rates**
- **Treasury negatively affected by lower valuations of bond portfolios and hedge inefficiencies, driven by rate volatility**

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

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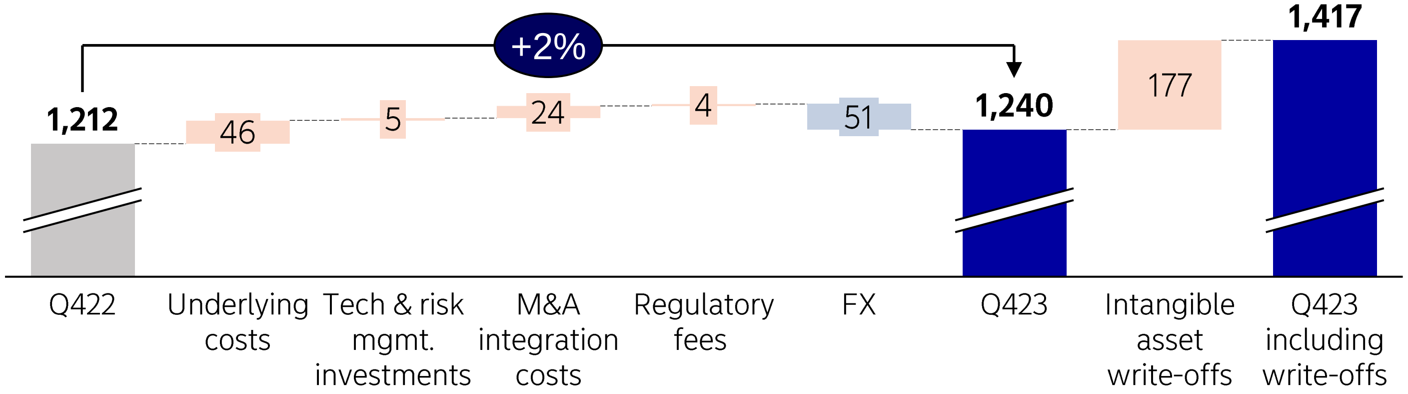
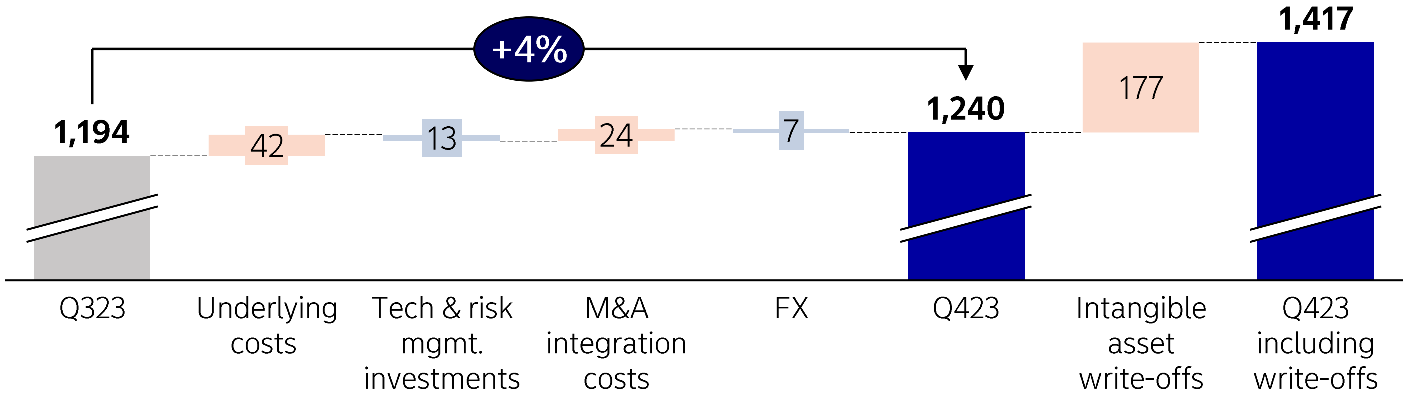
Costs in line with plan: up 2% excluding write-offs

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

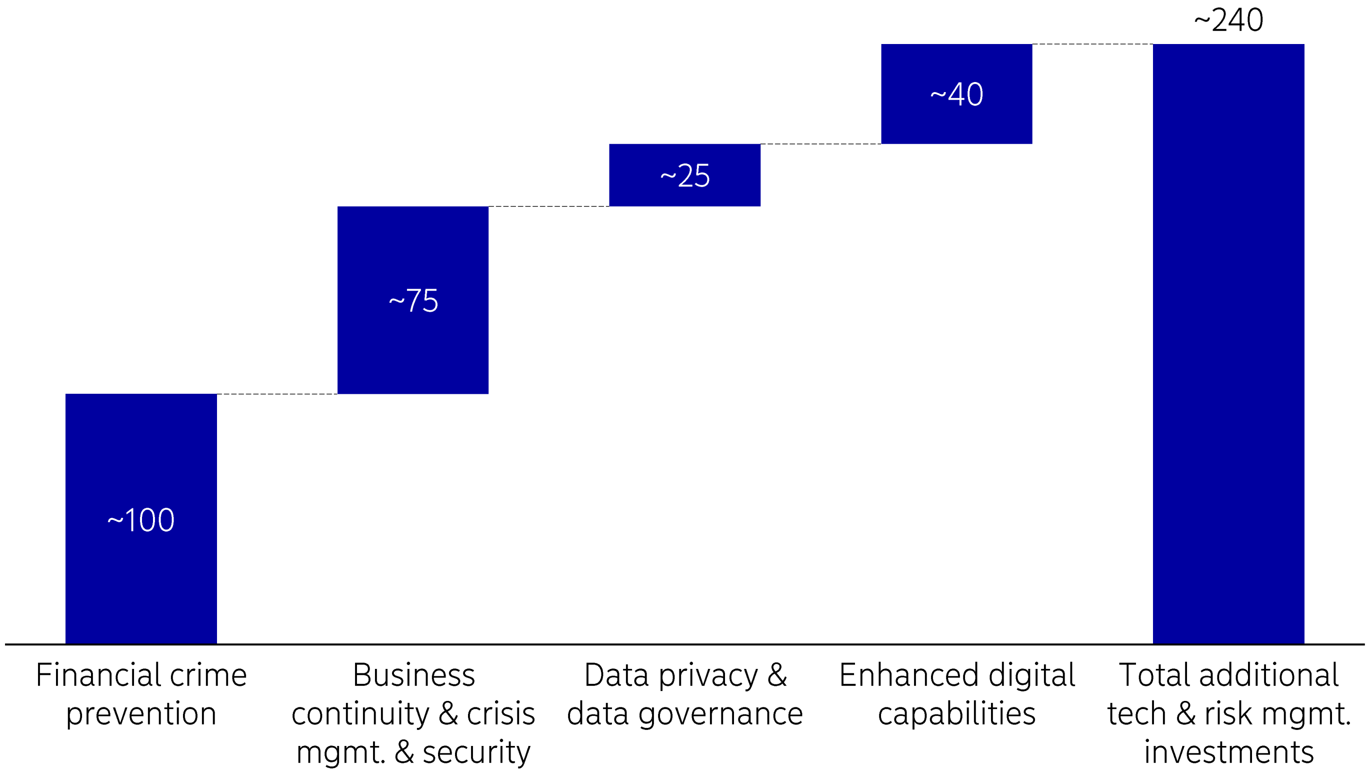


- **Costs excluding write-offs up 2%, driven by integration costs and inflation**
  - Underlying costs driven by salary inflation and higher business activity
  - Continued additional investments in technology and risk management in line with plan
  - M&A integration costs related to proposed acquisition of Danske Bank's personal customer business in Norway
  - Intangible asset write-offs primarily due to change in treatment of development costs related to digital services

Technology and risk management investments

Continued additional investments

Full-year 2023 additional investments, EURm



- **Financial crime prevention**
  - Transaction monitoring, sanctions screening & KYC
  - Increased efficiency through technology and automation
- **Business continuity & crisis mgmt.**
  - Cybercrime prevention
  - Increased server stability
  - Improved failover capabilities
- **Data privacy & data governance**
  - Automation of GDPR processes
- **Enhanced technology investments to further strengthen digital capabilities**

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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[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

Sustainability at the core

Further strengthened climate targets in our lending portfolio

40-50% reduction in financed emissions in our lending portfolio by 2030[1]

Progress

~-25% (2023)

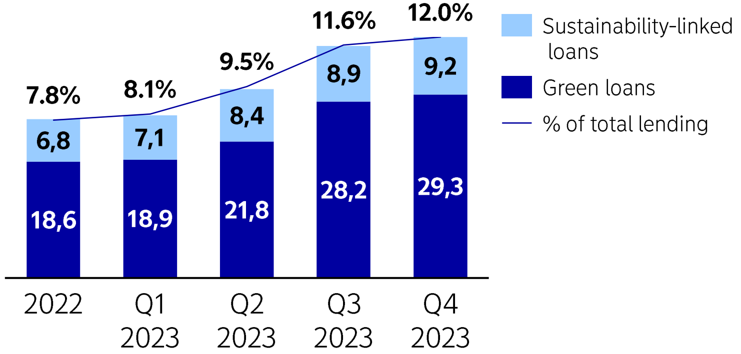
Sector	Sub-sector	Emissions scope	Metric	Base year	Baseline	Target year	**Target**	Current status
Shipping	Vessels	1	AER, gCO2/dwt-nm	2019	8.3	2030	**-30%**	8.4 AER (2021)
Residential real estate	Households and tenant-owner associations	1 and 2	kgCO2e/m2	2019	17.6	2030	**-40–50%**	17.1 kgCO2e/m2 (2022)
Power production	Electricity generation	1 and 2	gCO2e/kWh	2021	-	2030	**-70%**	-
Agriculture	Crops, plantation and hunting, and animal husbandry	1 and 2	tCOe2/EURm	2021	-	-2030	**-40-50%**	-
Oil & gas	Exploration and production	1, 2 and 3	MtCO2e	2019	3.0	2030	**-55%**	0.06 MtCO2e (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	*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: Progress excluding commercial real estate

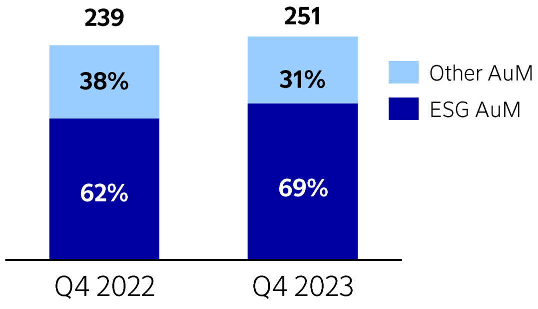
Actively engaging to drive transition and capture growth opportunities

Channelling capital towards sustainable solutions

Green and sustainability-linked loans
Total volumes, EURbn



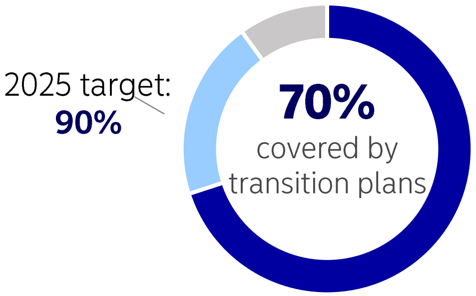
Nordea Asset Management
Assets under management, EURbn



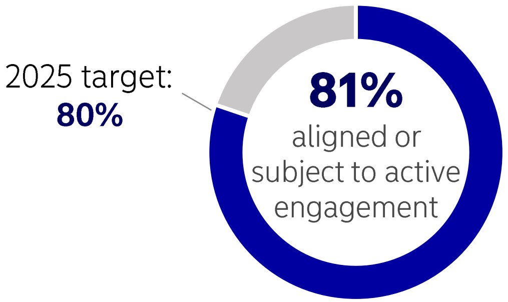
ESG AuM = article 8 and 9 funds (according to EU SFDR)

Engaging to support green transition

Transition plan for large corporates



Alignment with Paris agreement for top 200 emission contributors



- **Facilitated EUR 135bn in sustainable financing**
  Compared to target EUR >200bn by 2025
- **New progress report on climate actions and targets published**
- **#1 Nordic corporate sustainable bonds**
- **#1 Nordic corporate sustainable loans**

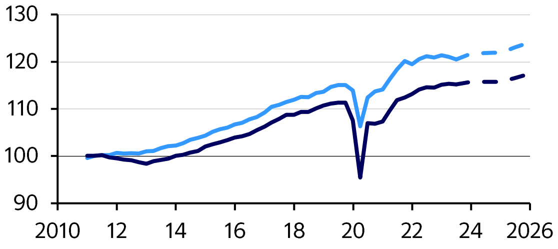
2. 2025 financial target update

Structurally attractive banking environment

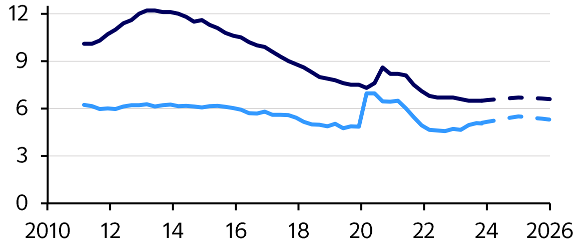
Steady growth and structurally lower unemployment rates

Nordic GDP growth steady and above European average, with lower unemployment supported by strong economies and social security nets

GDP (Index: 2011=100)



Unemployment rate, %



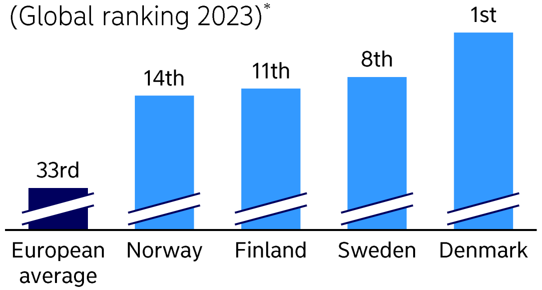
Nordics — Euro area

Competitive countries with high degree of digitalisation

Nordic region: high-performing economies, stable political environments, high degree of digitalisation

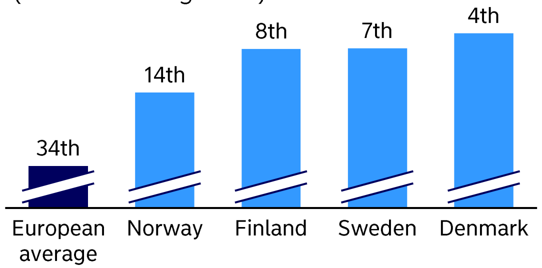
Global competitiveness

(Global ranking 2023)*



Digital transformation readiness

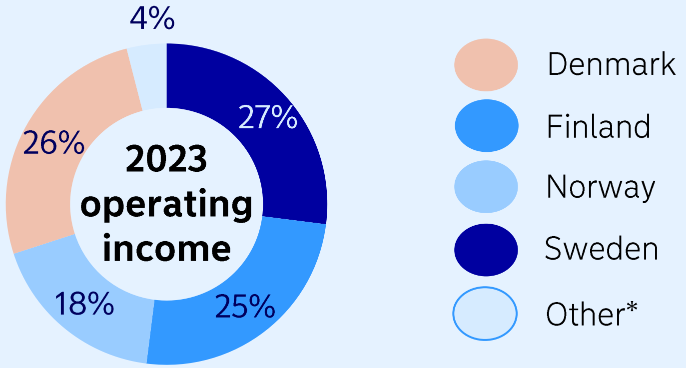
(Global ranking 2023)**



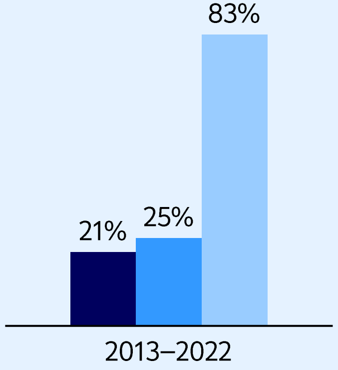
* Source: IMD World Competitiveness Ranking 2023 (analyses and ranks countries according to how they manage their competencies to achieve long-term value creation)
** Source: IMD World Digital Competitiveness Ranking 2023

Nordea uniquely well placed

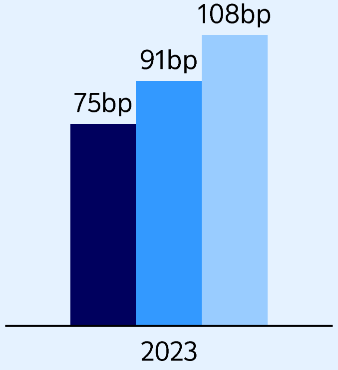
Diversification at scale within Nordics driving...



low earnings volatility**...



and best-in-class funding***

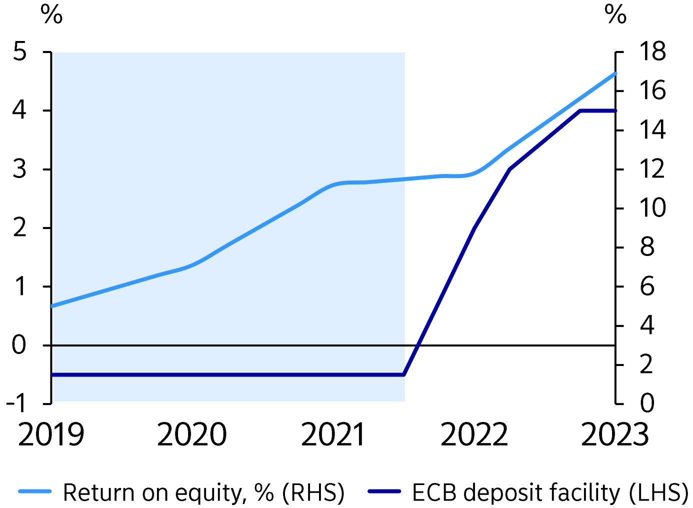


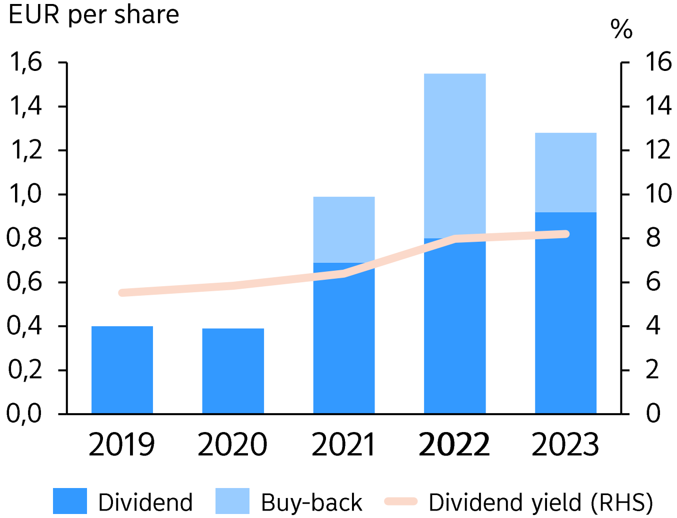
Nordea Nordic banks European banks

* Other income mainly Luxembourg, Poland, United States, United Kingdom and Estonia
** 2013–22 annual operating profit volatility: sample of 30 European banks
*** 5y senior preferred new issue spread

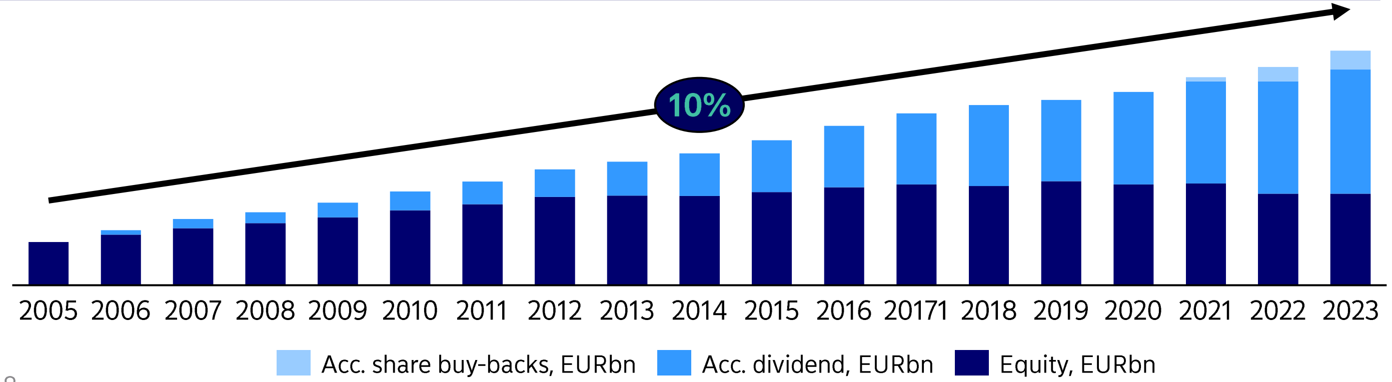
Sustainably higher profitability and capital generation

Improved performance enabling higher shareholder returns





Consistent and strong capital generation – 10% CAGR since 2005



- **Higher profitability**
  - Progress on improving return on equity before rate increases, driven by market share gains and operational and capital efficiency
  - Additional improvement from returning excess capital after lifting of COVID-19 restrictions and rate increases
- **Lower risk**
  - Increased capital generation due to portfolio de-risking and reduced capital consumption
- **Annual capital generation 10%**
  - Capital generation enabling significant shareholder returns and increased capacity to absorb shocks
- **Market-leading shareholder returns**
  - Continued focus on capital excellence

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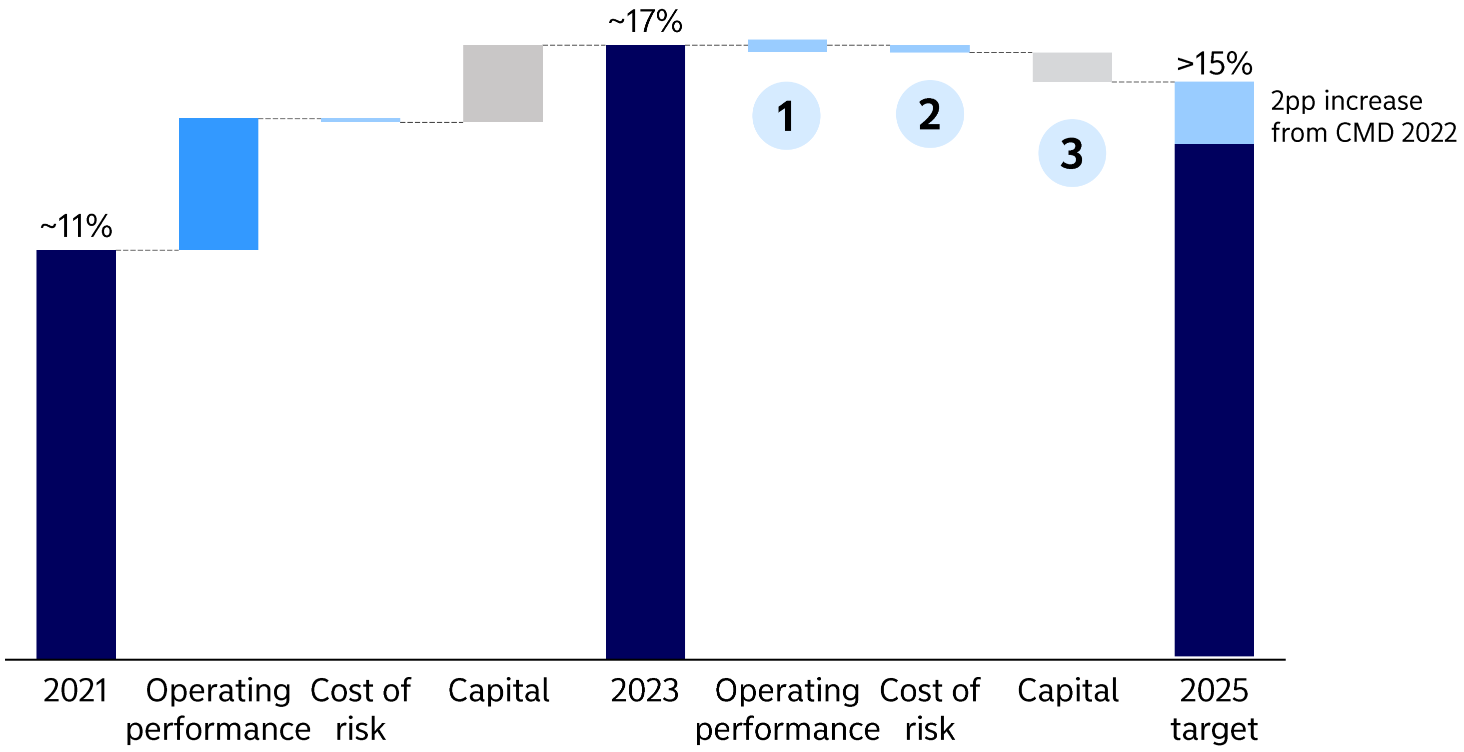
Financial target

Sustained structurally higher profitability

Return on equity, %



Drivers for improved 2025 target

1 Focused and profitable growth; operational efficiency

- Net interest income resilience
- Drive ancillary income growth
- Maintain strict cost discipline

2 Loan losses normalising

- 2021–2023 very low
- Normalised run rate ~10bp

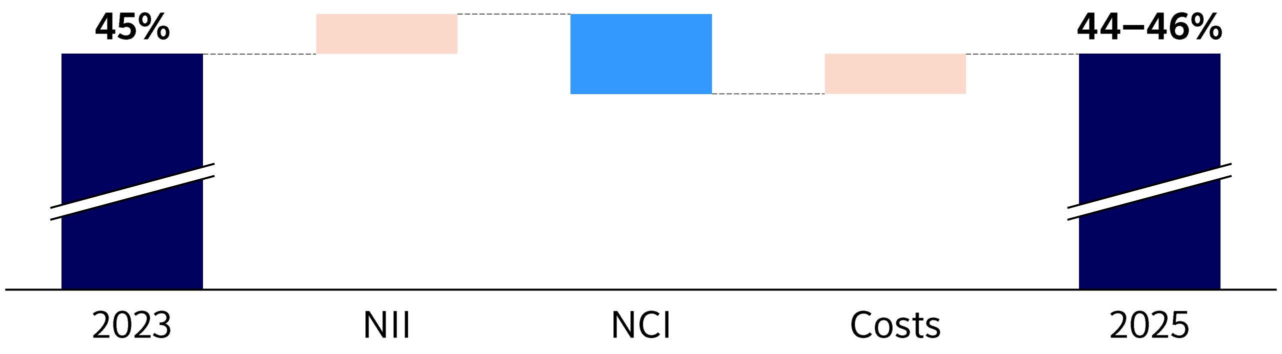
3 Capital excellence

- Normalisation of regulatory requirements and REA increase from retail models and Basel IV
- Equity build to remain at target level
- Continued capital returns, supported by high capital generation

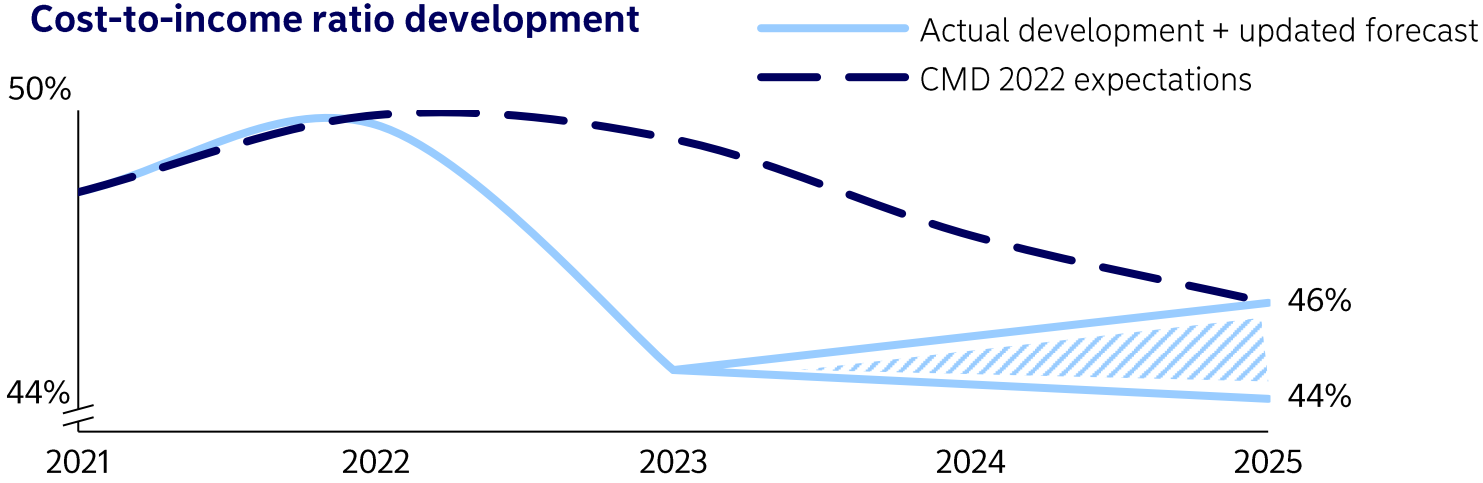
Operating performance

Focus on income growth and operational efficiency – continued investments in tech & risk capabilities

Cost-to-income ratio drivers, %



Cost-to-income ratio development



- **Drive focused profitable growth**
  - Volume growth & market share gains
  - NII to remain fairly resilient
    - Lower impact from first rate cuts
    - Benefit from deposit hedge
    - Norwegian acquisition
  - Lower rates driving increased activity and savings growth, especially in 2025
- **Investment in key enablers**
  - Strengthening of technology, risk management & other strategic areas
  - Integration of Norwegian retail assets
- **Focus on operational efficiency**
  - Continuous improvement to offset inflation and reduce structural costs
  - Expected significant reduction in resolution fees
  - Cost-to-income ratio maintained

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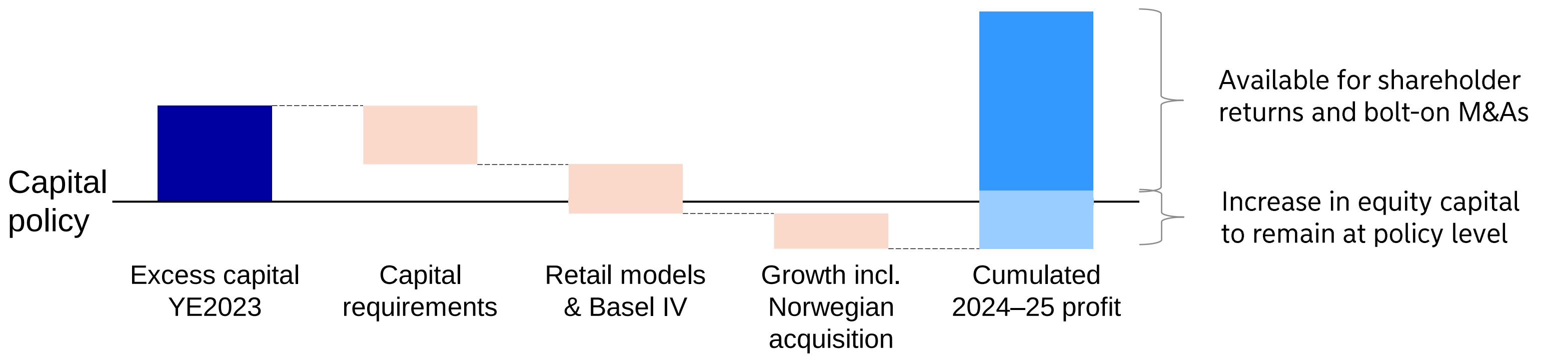
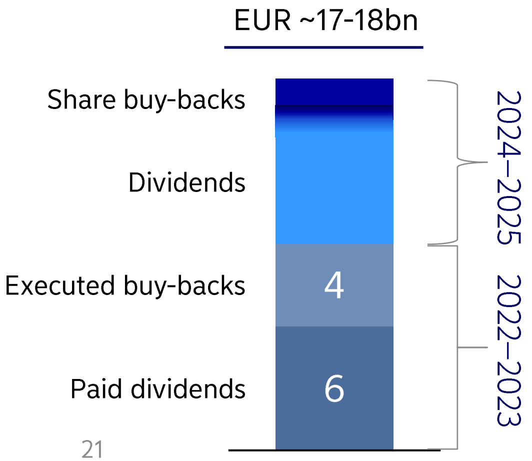
Capital excellence

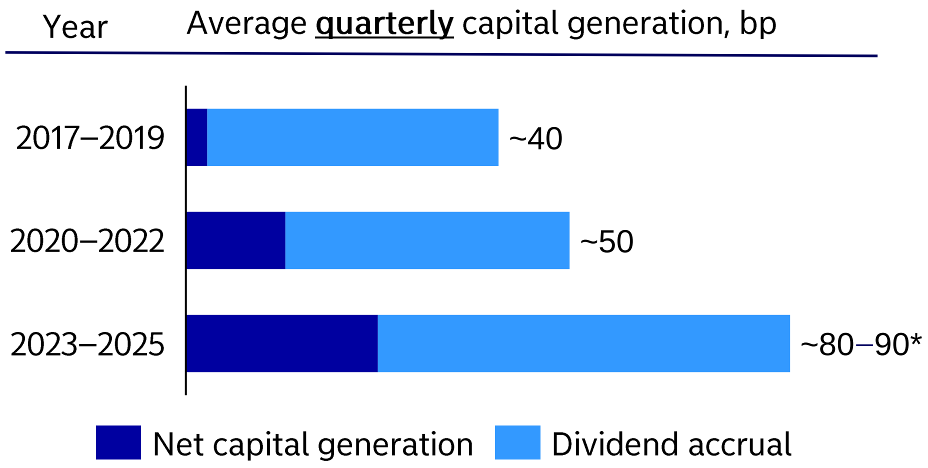
Normalised capital position – strong capital generation

Capital generation and uses of capital 2024–2025



Shareholder returns supported by strong capital generation





- **Implied target CET1 ratio of ~15%**
  - Management buffer adjusted to 150bp above regulatory requirement
  - Normalised CET1 requirement
  - REA inflation of EUR ~16bn from new retail models and Basel IV
- **Outperform in capital returns**
  - Strong capital generation
  - Steady progression in dividend per share – unchanged dividend policy
  - Capital level optimised 2021–2023 via share buy-backs
  - Future excess capital generation returned to shareholders via regular share buy-backs

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

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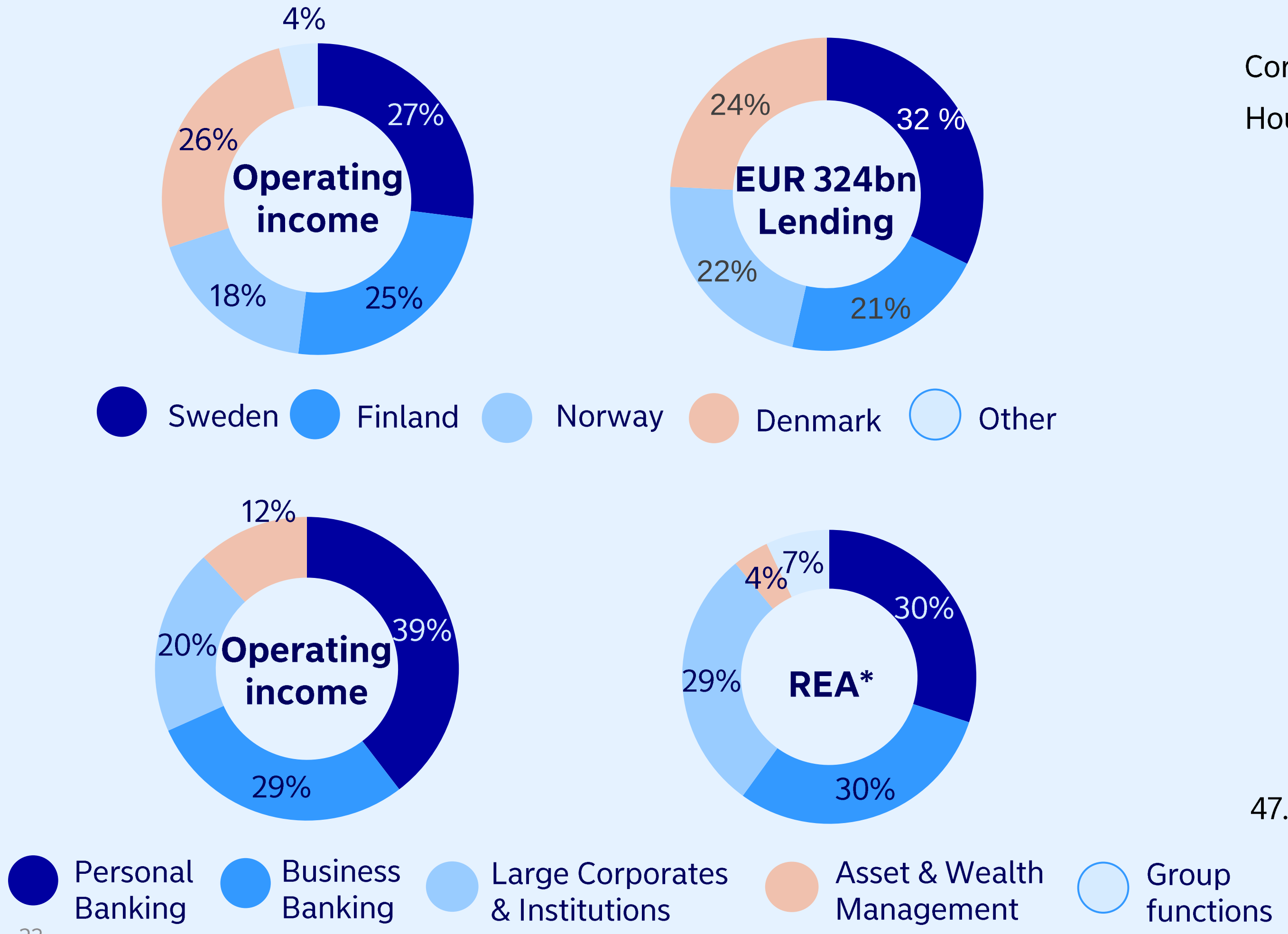
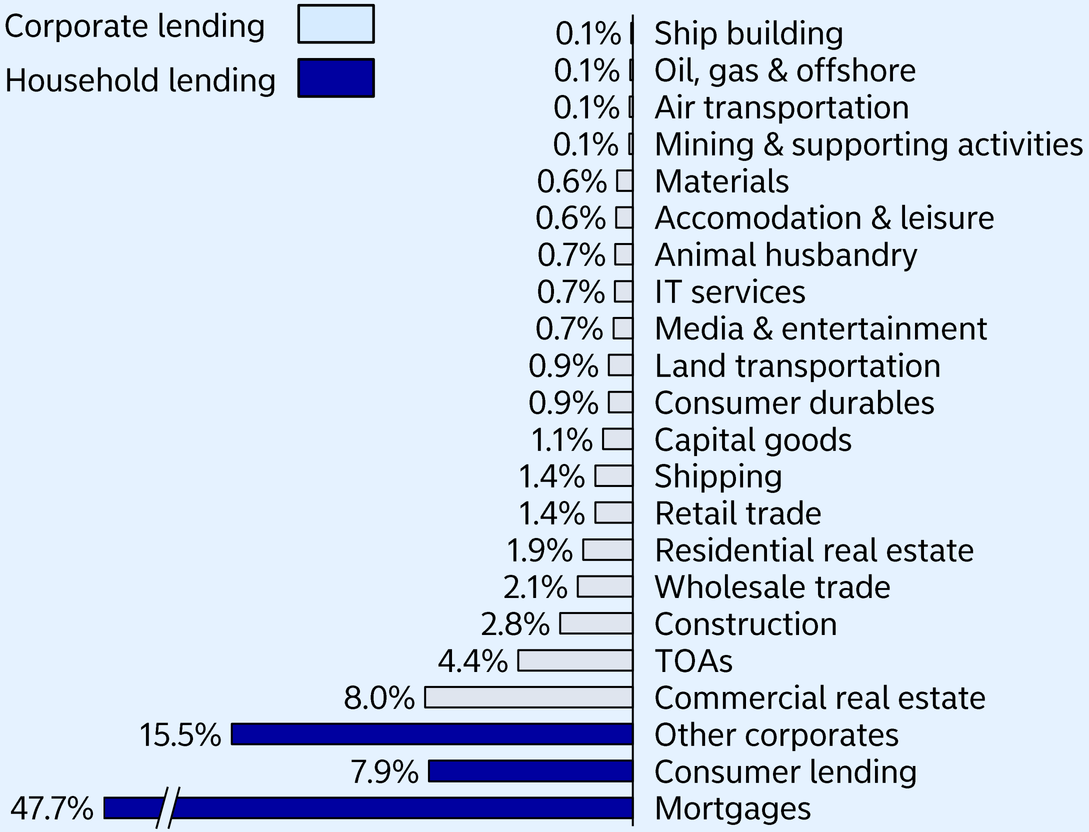
3. Credit quality

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





* REA: risk exposure amount

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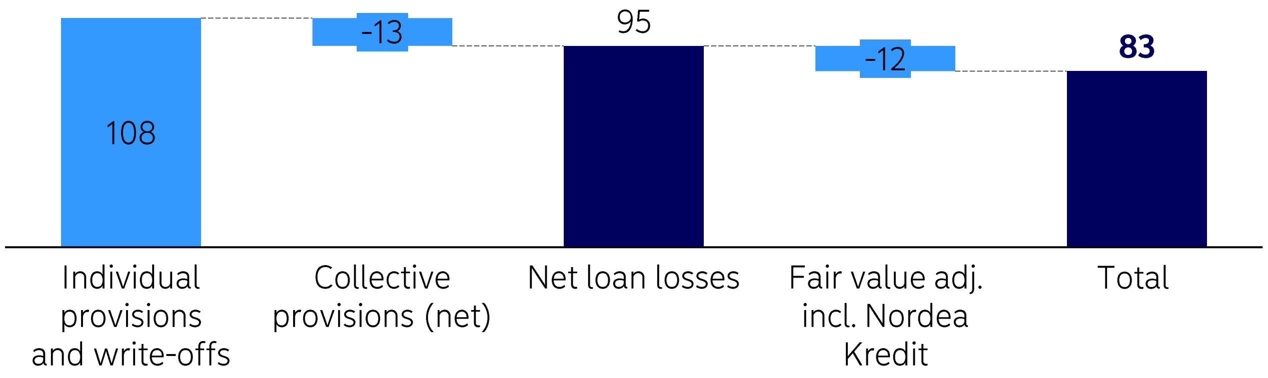
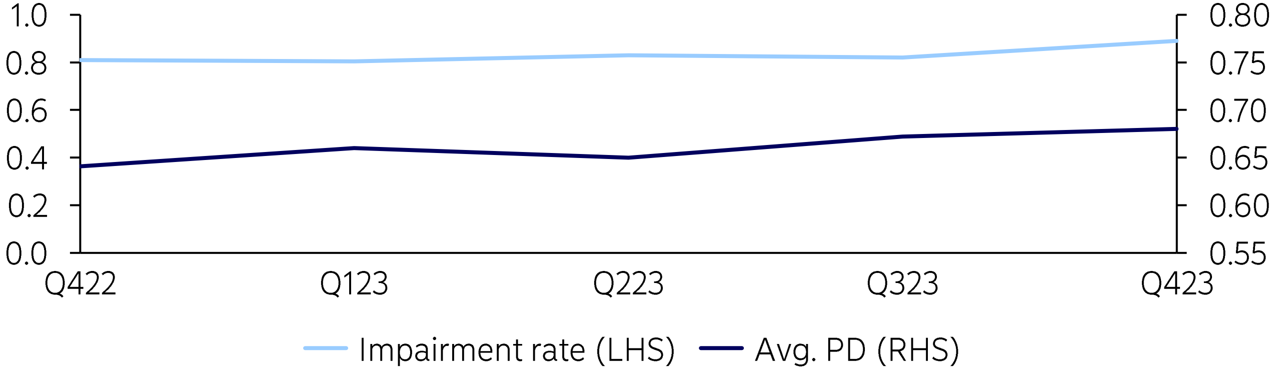
Continued strong credit quality

Net loan losses and similar net result, EURm



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

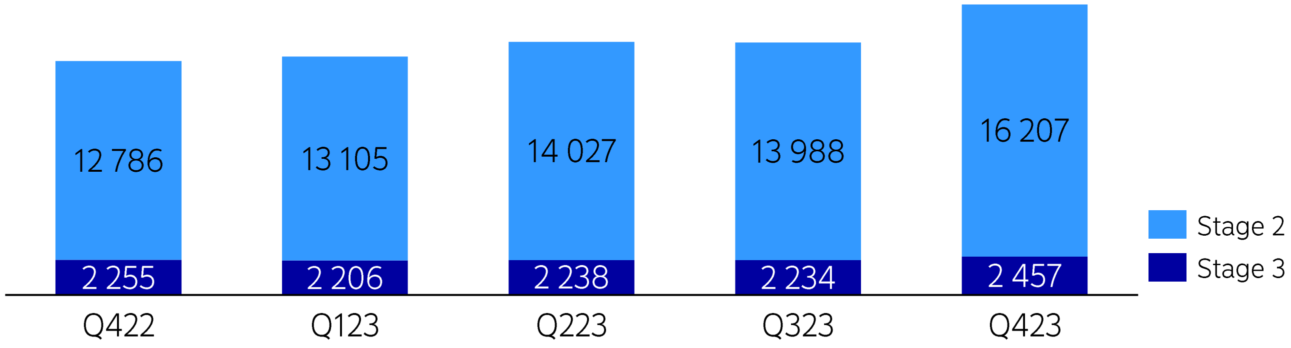


- **Total net loan losses and similar net result EUR 83m (10bp)**
  - As expected, increase in individual provisions, mainly in construction and consumer-related industries
  - New provisions in line with historical levels
- **Overall levels of provisions and coverage unchanged**
  - Management judgement buffer EUR 495m after EUR 74m transferred from structural buffer to collective provisions, as planned
- **Continued strong credit quality**
  - Stage 3 loans at 0.89% (0.82% in Q3)
  - Average PD stable at 0.68%

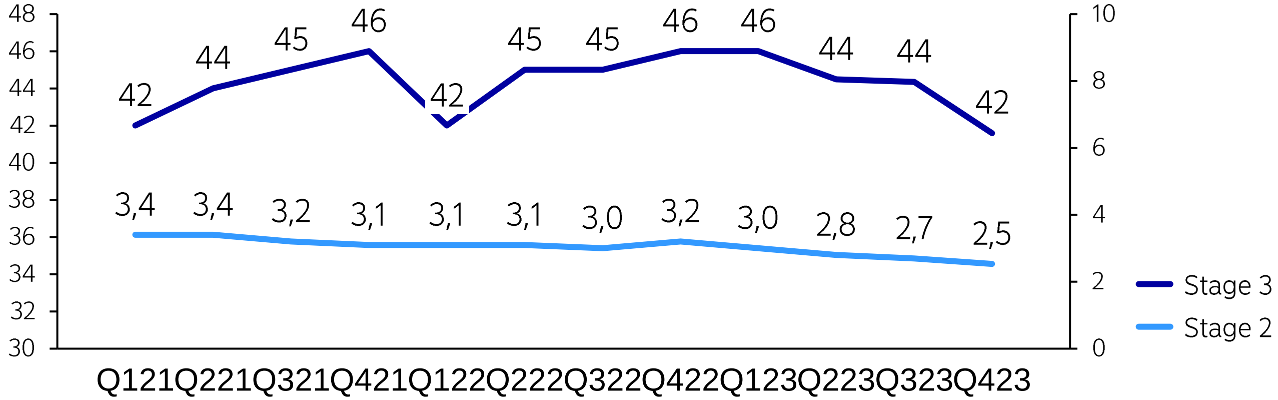
Impairments and provisioning coverage

Strong portfolio credit quality

Stage 2 and 3 loans at amortised cost, EURm



Coverage ratio, %

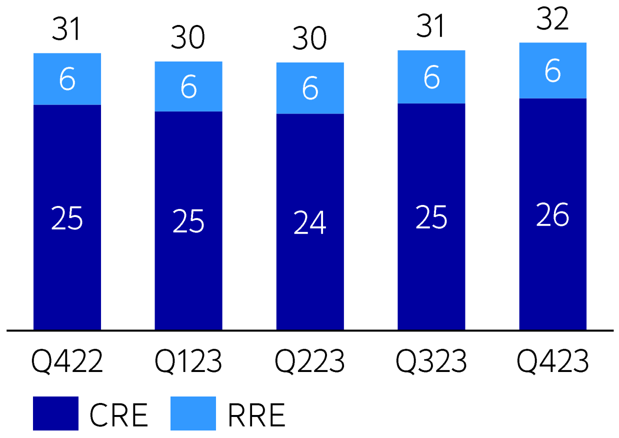


- **Stage 3 (impaired) loans up EUR 223m to 0.89% from 0.82% in Q3, driven by small number of customers**
- **Stage 2 loans up EUR 2.2bn, mostly due to more conservative categorisation rather than credit deterioration**
- **Coverage ratio for stage 3 portfolio down to 42% due to inflow with lower provisioning needs**
- **Continued strong portfolio credit quality**

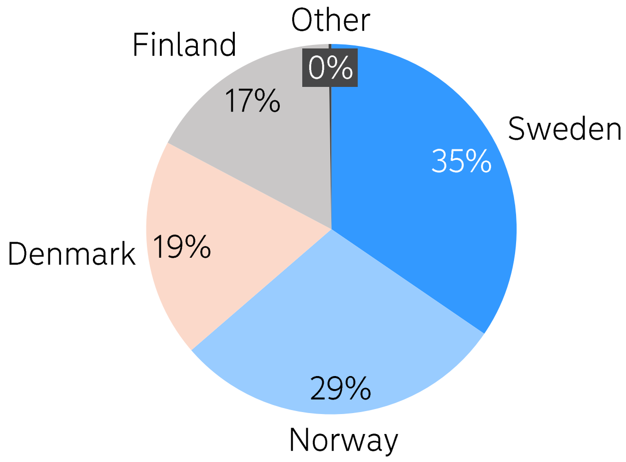
Real estate management industry (REMI)*

Well-diversified portfolio, high-quality lending

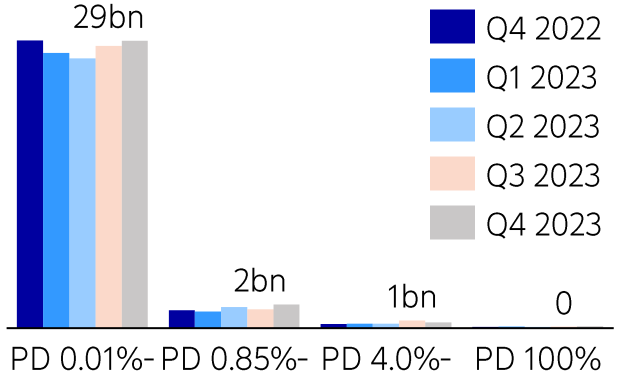
Lending volumes stable



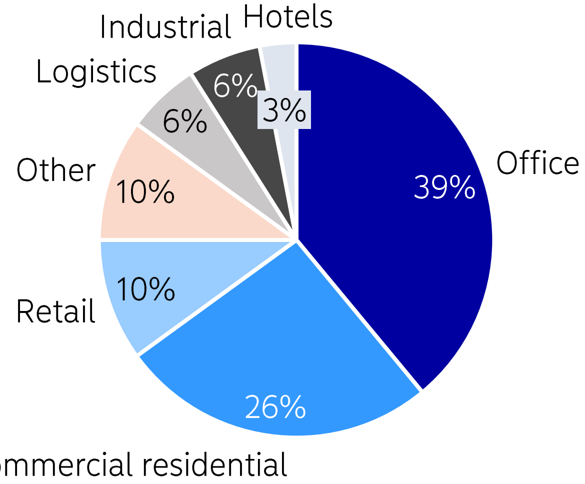
Diversified across countries



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% in default**
- **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**

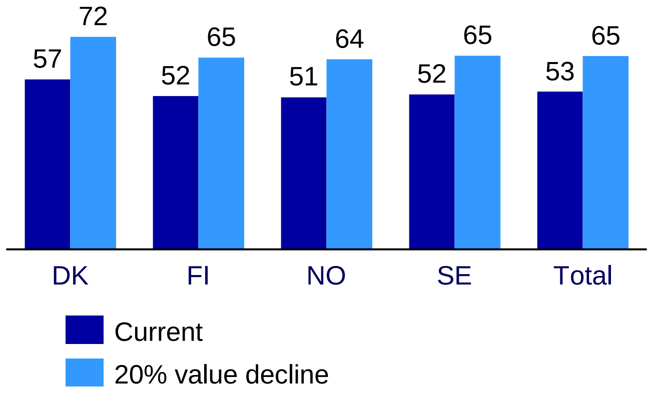
* Excluding tenant-owner associations (TOAs)

Nordea

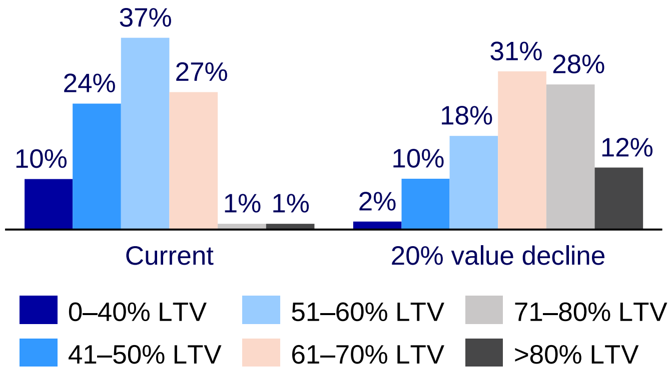
Real estate management industry (REMI) for largest customers*

Solid LTVs, resilient interest coverage, high occupancy

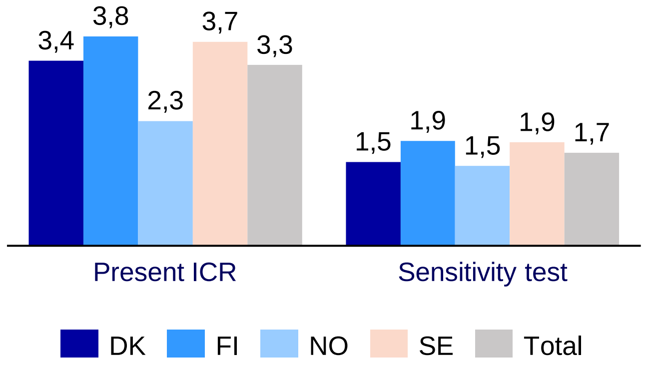
Solid LTV levels for all countries



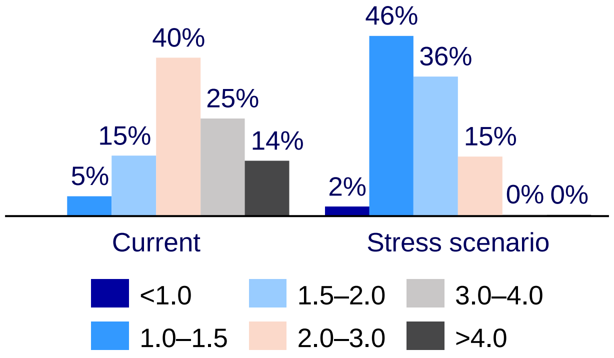
Majority of portfolio with low LTV



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%**

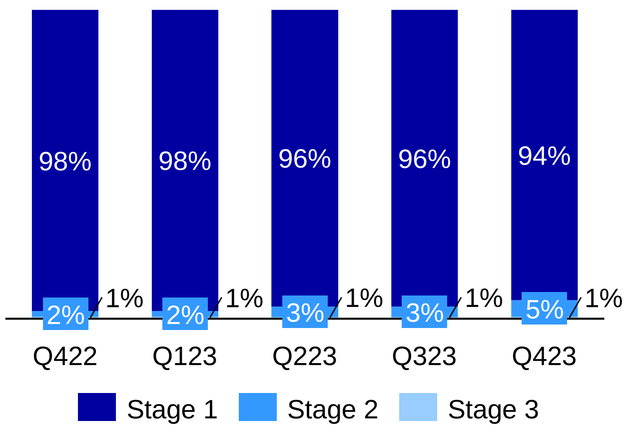
*Based on analysis of largest customers in portfolio corresponding to 50% of EAD (excl. TOAs). For smaller customers in portfolio corresponding to 50% of EAD (excl. TOAs), credit quality is monitored through various credit risk indicators, such as PD and IFRS 9 stages

Nordea

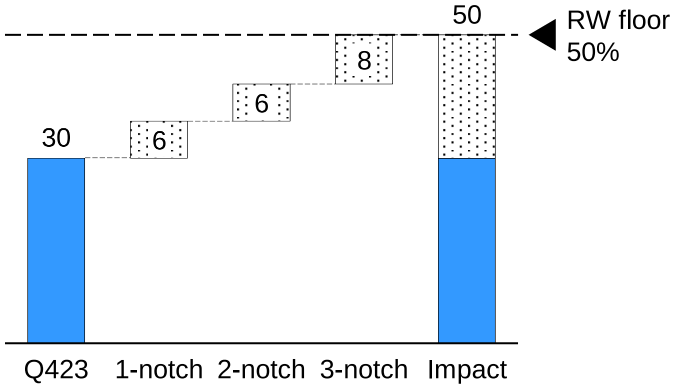
Real estate management industry (REMI)*

Low levels of risk exposure

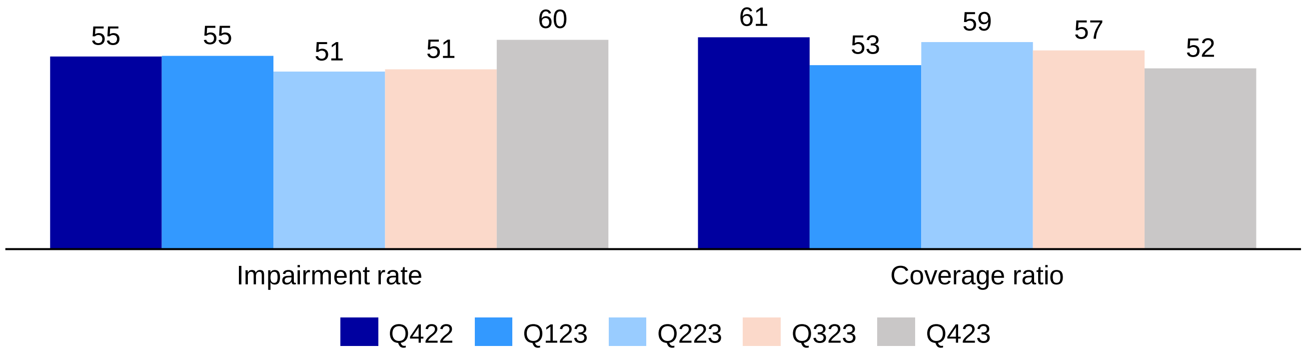
Strong credit quality, with 94% of IFRS 9 portfolio in stage 1



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



Low impairment rate and high coverage for impaired portfolio



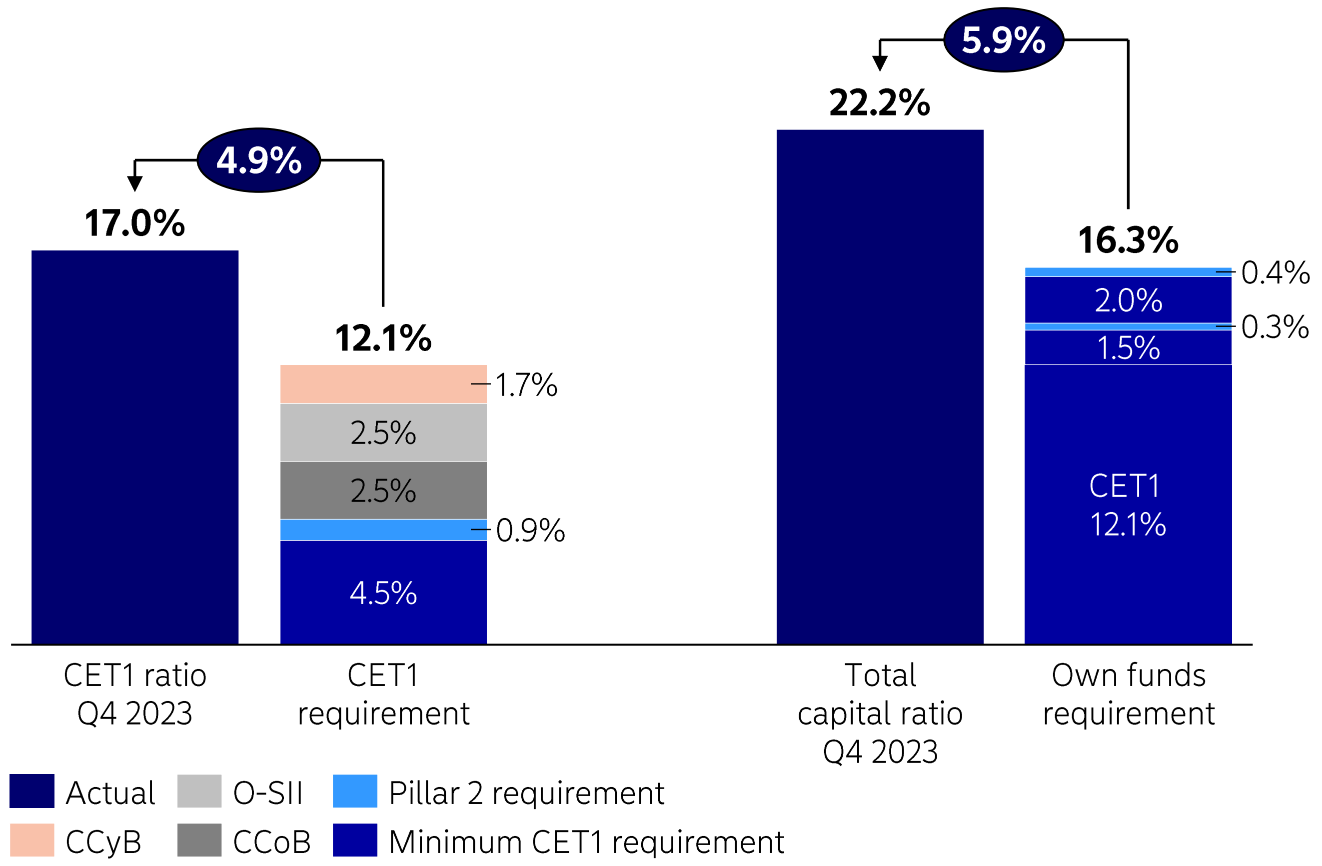
- **Continued strong credit quality, with slight deterioration as expected**
- **Only 5% of portfolio in stage 2, with increase mainly related to more conservative categorisation**
- **0.6% of portfolio impaired in Q4, with increase related to small number of individual customers**
- **Provision coverage above 50% – strong for collateralised assets**
- **REA protected by risk weight floors**

* Excluding TOAs

4. Capital, liquidity and funding

Significant buffer to capital requirements

Capital position and requirements (%)

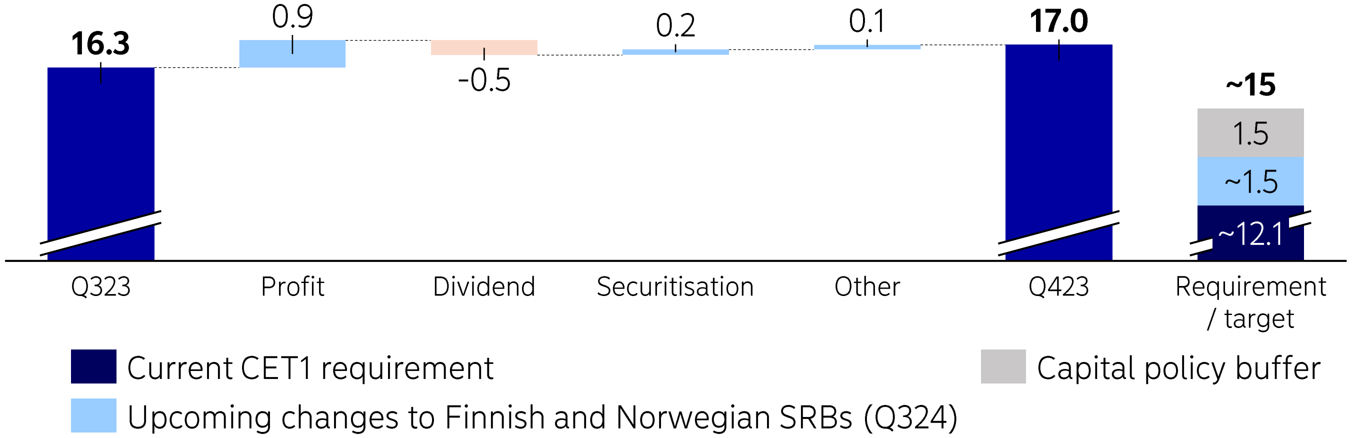


- **CET1 capital ratio 17.0%**
  - 4.9 percentage points above regulatory requirement, corresponding to CET1 buffer of EUR 6.9bn
  - Capital policy updated. Nordea targets management buffer of 150bp above CET1 requirement
- **MDA level expected to increase to ~13.5% from Q3 2024, following decided increases in Finnish and Norwegian SyRB**
- **Potential sector-specific SyRB of 7% on real estate companies in Denmark from Q2 2024**
  - Pending decision in Denmark and reciprocation from the Finnish FSA, could increase CET1 requirement with approx. 10bp

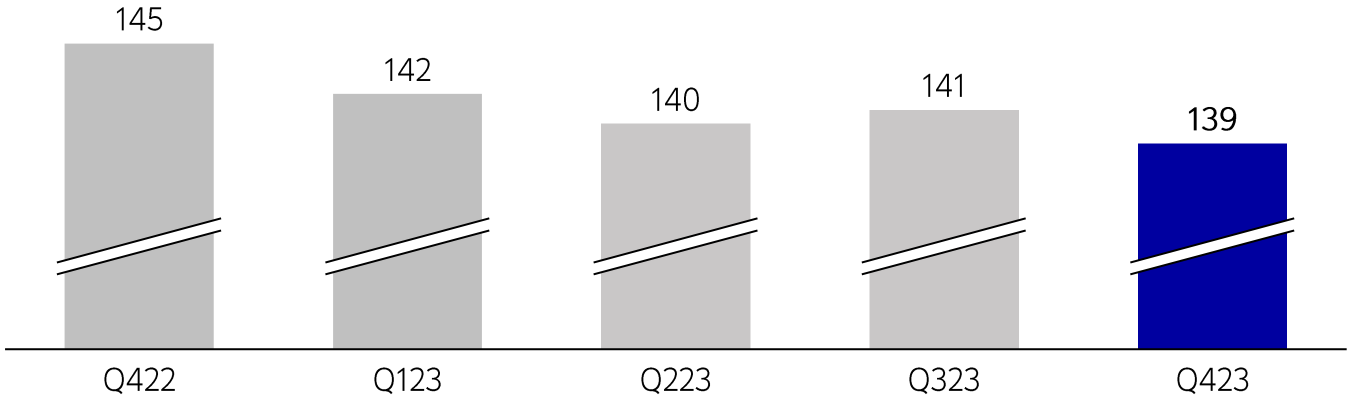
Capital

Strong position; continued focus on capital excellence

CET1 capital ratio development, %



REA development, EURbn

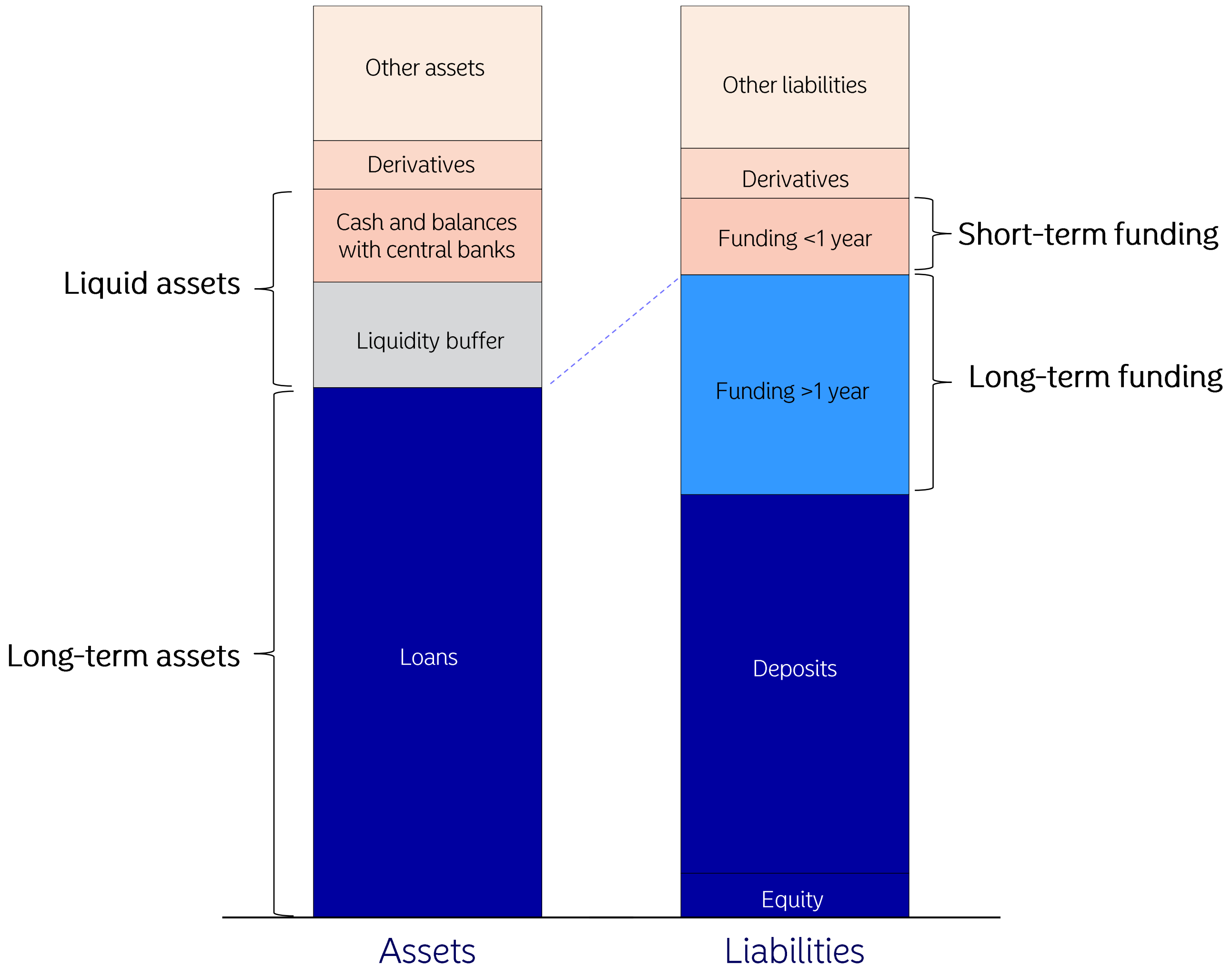


- **CET1 capital ratio up at 17.0%**
  - 4.9 percentage points above regulatory requirement
  - CET1 capital up EUR 0.6bn due to profit accumulation net of dividend accrual
  - Risk exposure amount (REA) down EUR 2.2bn, mainly due to capital efficiency measures
  - Fourth share buy-back programme in progress
  - New capital models for retail exposures expected in H224 – REA increase on implementation estimated at ~EUR 10bn, subject to regulatory approval
- **Updated capital policy**
  - Management buffer of 150bp above CET1 requirement
  - Implied target CET1 ratio of ~15%

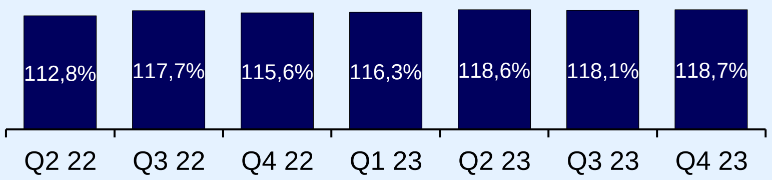
Balance sheet

Strong balance sheet structure

Q4 2023



- **Total assets EUR 585bn at end of Q4 2023**
  - Strong balance sheet with deposits as primary source of funding
  - Long-term funding 76% of total wholesale funding end of Q4
  - Nordea's net stable funding ratio (NSFR) is stable over time:

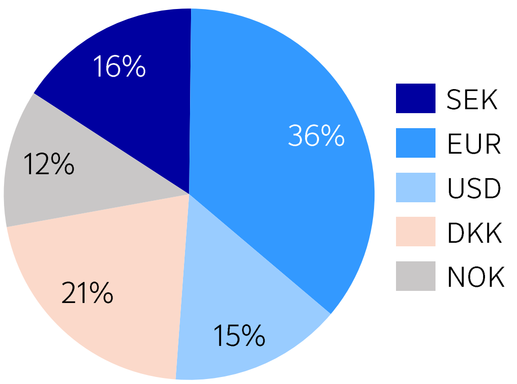


Liquidity

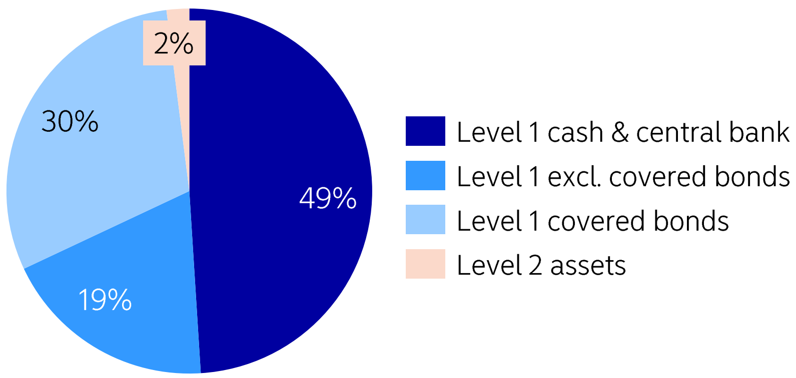
Strong liquidity position

Liquidity buffer composition, EUR 104bn

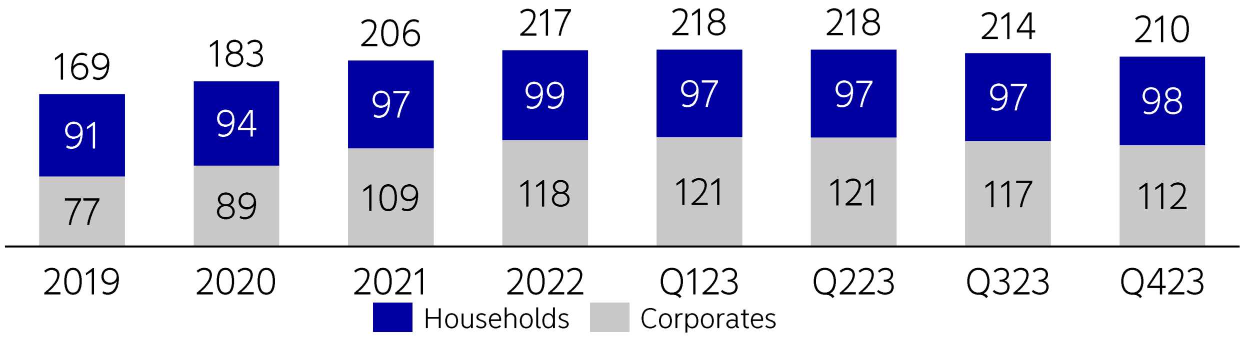
Currency split



Asset split



Deposits and borrowings from the public*, EURbn

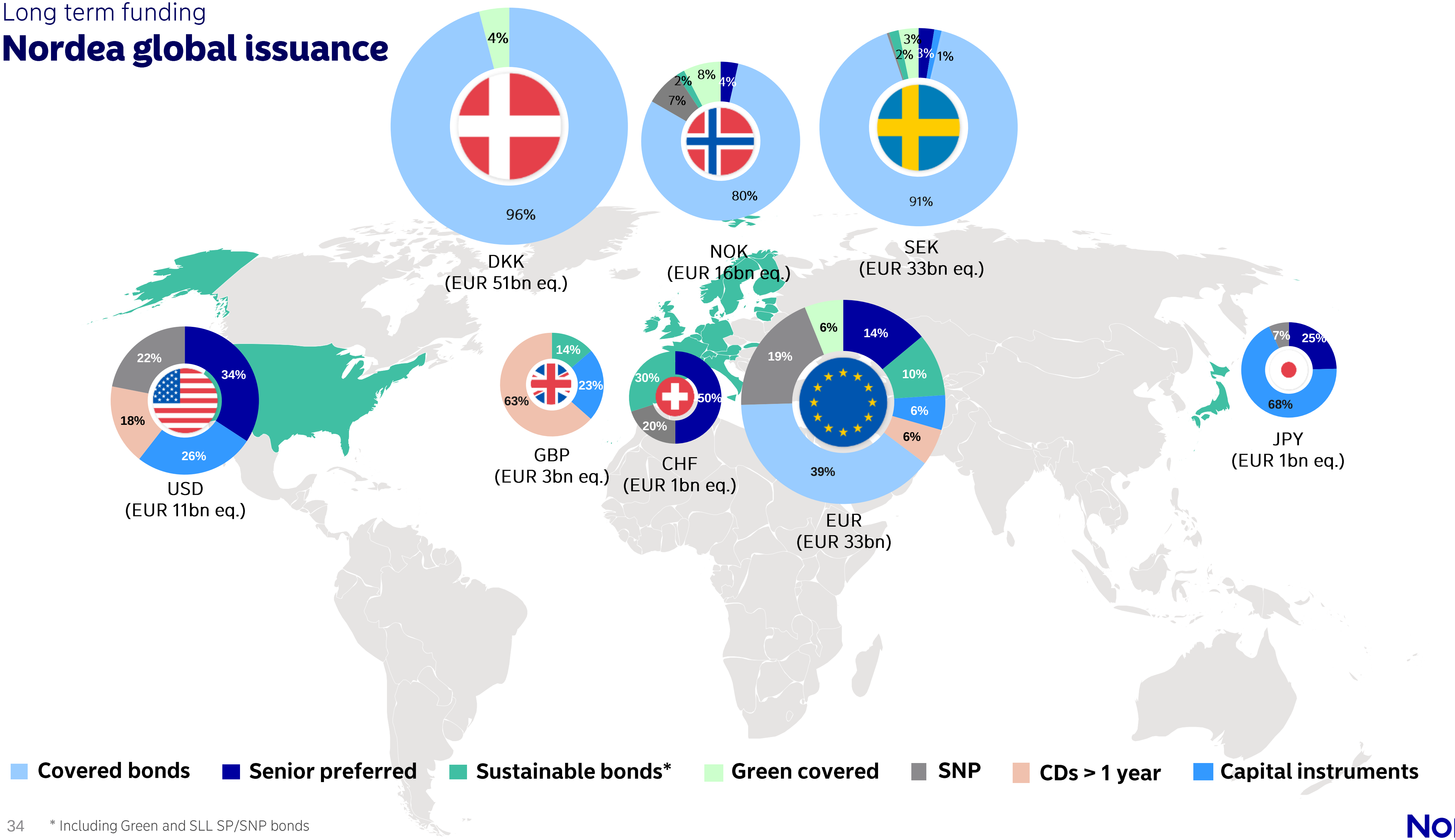


- **Robust liquidity position**
  - Liquidity coverage ratio (LCR) 165%
  - Net stable funding ratio (NSFR) 119%
- **Well diversified liquidity buffer of EUR 104bn**
  - EUR 51bn in central bank cash and reserves
  - EUR 53bn in bonds
  - Conservative hedging approach and no single name concentration
- **Deposits**
  - 41% of deposits covered by deposit guarantee scheme

* Including repos/securities lending

Long term funding

Nordea global issuance

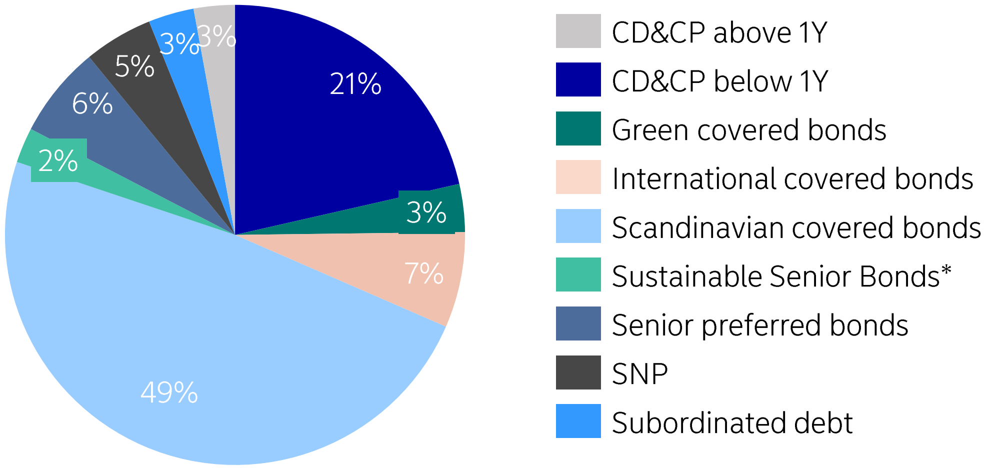


* Including Green and SLL SP/SNP bonds

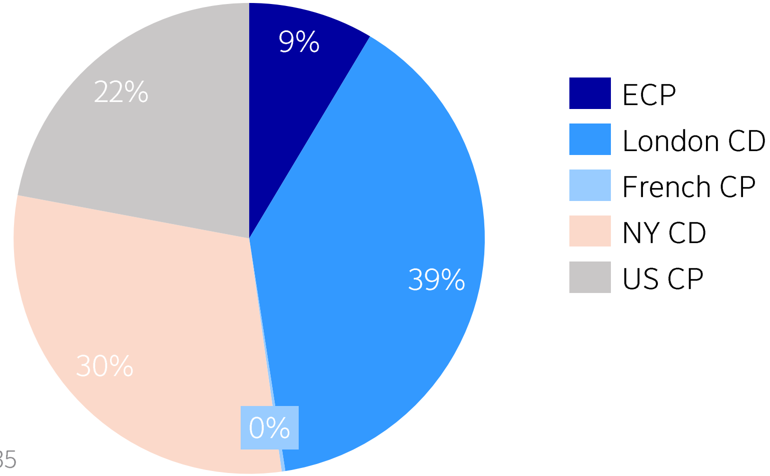
Nordea

Wholesale funding
Solid funding operations

Wholesale funding, EUR 188bn



Short term funding, EUR 41bn



* Including Green & SLL SP/SNP bonds

IFR Sustainable Issuer of the Year

- **Long term issuance**
  - EUR 2.7bn issued during Q4
    - EUR 2.2bn in covered bonds and EUR 0.5bn in Tier 2
  - EUR 21bn issued* during 2023
- **Short term issuance**
  - EUR 41bn total outstanding per end Q4
  - Globally diversified funding with strong market access
- **Issuance plans 2024**
  - EUR 20-25bn* estimated in total long-term issuance
    - Slightly 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

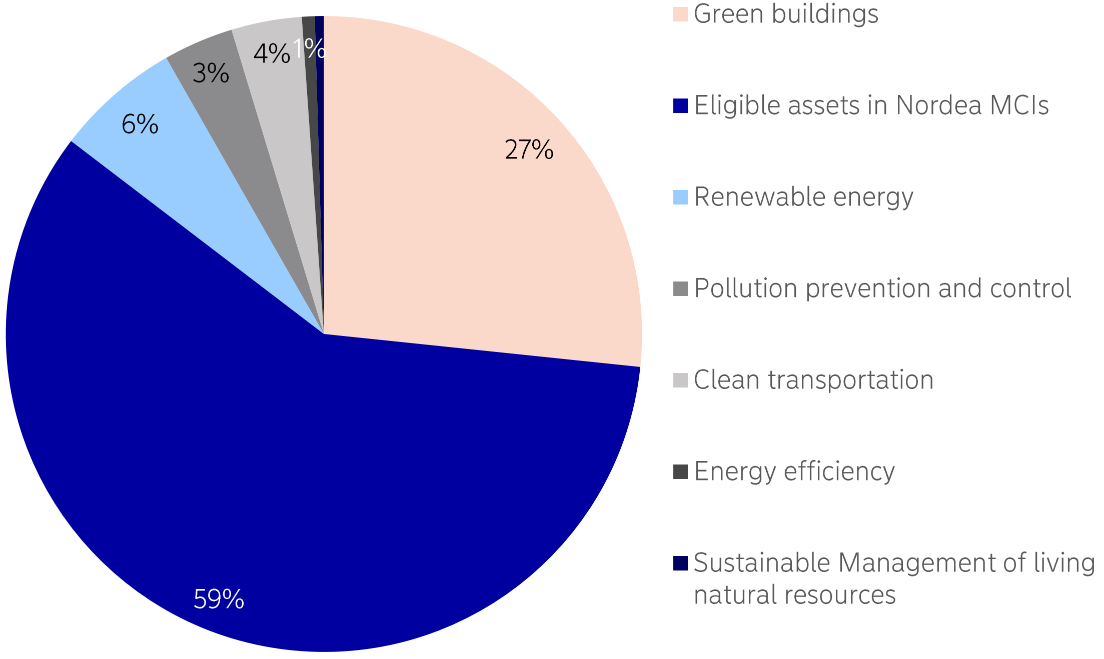
*Excluding DKK covered bonds, CD/CPs above 1Y and subordinated debt

Nordea

Sustainability at the core

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 3.8bn outstanding of green bonds from NBAbp**
- **EUR 6.4bn outstanding of green covered bonds**
- **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

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

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

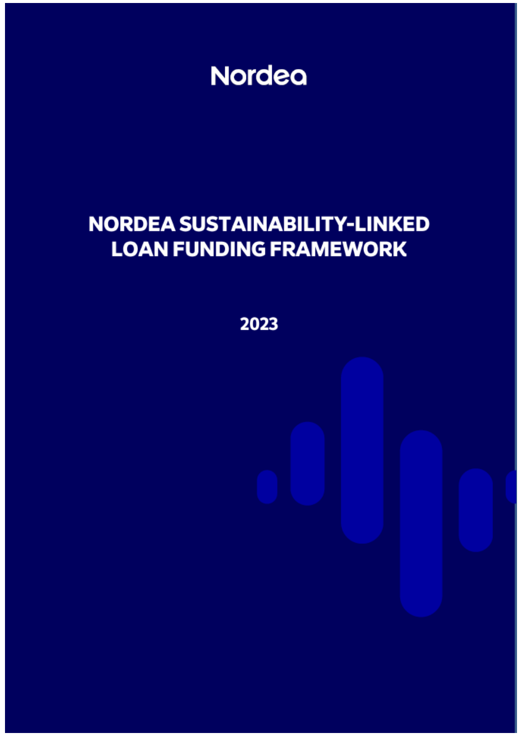
MSCI **ESG rating: AA (AAA to CCC)**

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

*As of Q3 2023
**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



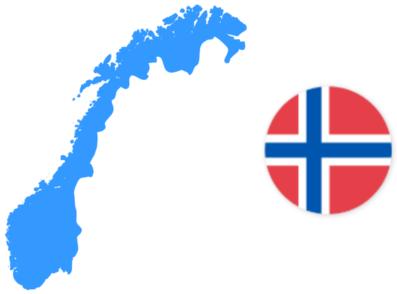
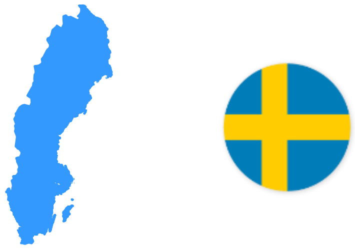
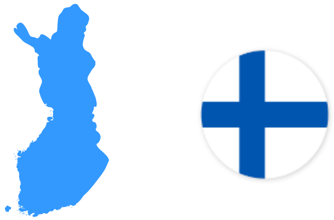
- **Nordea SLL funding framework launched in 2022**
  - Enables issuance of bonds with reference to climate change impact on Nordea's balance sheet
  - Use-of-proceeds format
- **SLL assets with climate change mitigation**
  - Once suitable assets have been identified, all assets are reviewed by ISS 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 published annually

ISS ESG

ISS ESG acts as external reviewer of the SLL funding framework and the SLL assets in the portfolio

 https://www.nordea.com/en/investors/debt-and-rating/sustainability-linked-loan-funding-framework

Nordea covered bond operations

	Nordea Eiendomskreditt	Nordea Hypotek	Nordea Kredit	Nordea Mortgage Bank
Four aligned covered bond issuers with complementary roles				
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 21.3bn (eq.)	EUR 57.8bn (eq.)	Balanced principle	Pool 1: EUR 19.7bn/ Pool 2: EUR 5.6bn
Covered bonds outstanding*	EUR 15.1bn (eq.)	EUR 31.5bn (eq.)	EUR 60.0bn (eq.)**	Pool 1: EUR 15.6bn/ Pool 2: EUR 4bn
OC*	41%	83%	7%**	Pool 1: 27% / Pool 2: 44%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa/ -	Aaa / -	- / AAA	Aaa / -
Outstanding green covered bonds	EUR 1.25bn	EUR 1.1bn	EUR 2.1bn	EUR 2.0bn

*Data as per Q3
**The figures in Nordea Kredit only include capital centre 2 (SDRO). Nordea Kredit no longer reports for CC1 (RO), as this capital centre only accounts for a minor part (<1%) of the outstanding volume of loans and bonds

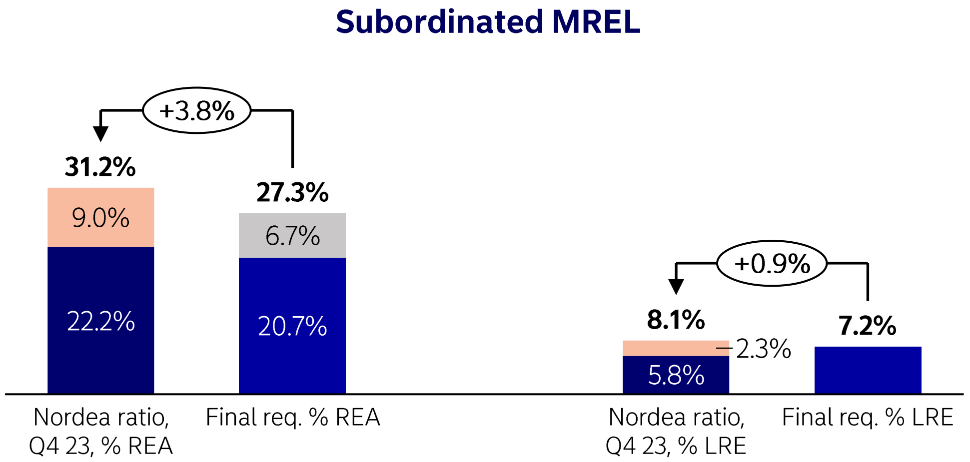
Funding transactions

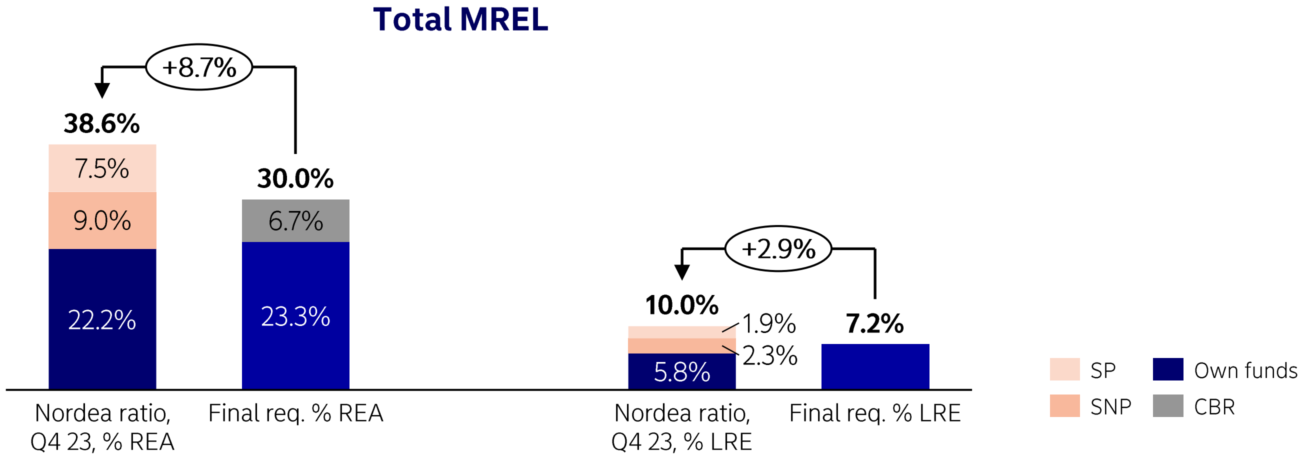
Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	Callable
Nordea Bank	Tier 2, Green	EUR	500	Fixed to Float	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 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	

Minimum requirements for own funds and eligible liabilities

MREL positions and final requirements





- **Subordinated MREL**
  - 3.8 pp above final requirement % REA
  - EUR 12.8bn outstanding senior non-preferred
- **Total MREL**
  - 8.7 pp above final requirement % REA
  - EUR 11.6bn outstanding senior preferred
- **Final 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

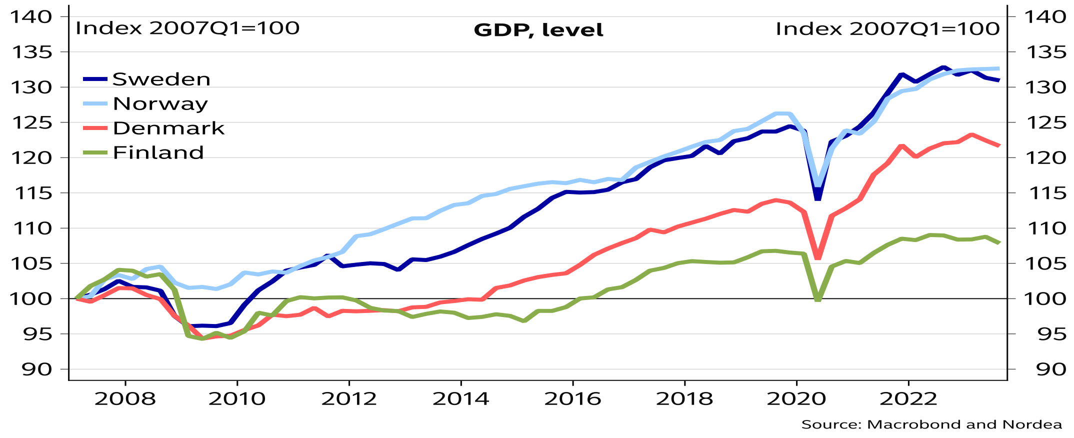
* Combined buffer requirement: CCoB 2.5%, O-SII 2.5% and CCyB 1.7% as of Q4 23
** Leverage ratio exposure

5. Macroeconomy

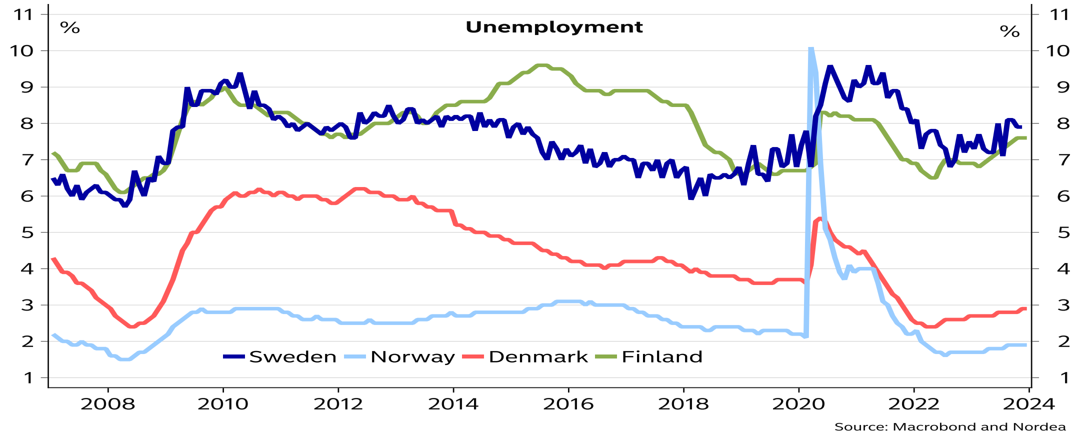
Nordic economic development

Soft landing

GDP



Unemployment rate



- The Nordic economies have shown mixed trends on the back of surging inflation and higher interest rates
- Central banks are done hiking policy rates. However, the current high interest rate environment and dampened global demand will lead to a prolonged economic slowdown in the Nordics
- The labour market is set to weaken further with unemployment rising in all Nordic countries

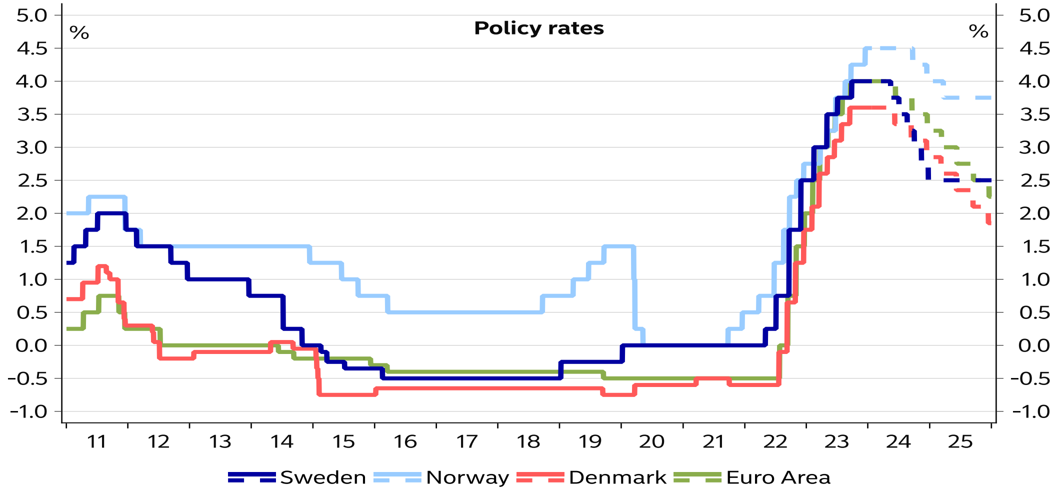
GDP, % y/y, Economic Outlook January 2024

Country	2022	2023E	2024E	2025E
Denmark	2.7	0.7	1.0	1.7
Finland	1.6	-0.5	-1.0	2.0
Norway (mainland)	3.8	1.1	1.0	1.5
Sweden	2.9	-0.3	-0.5	2.2

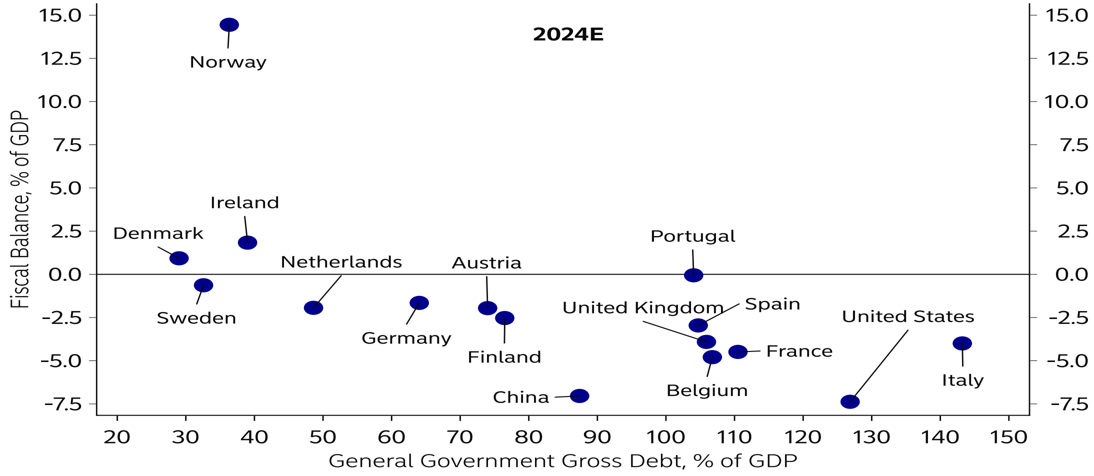
Source: Nordea Markets and Macrobond

Nordic economies
Past the peak

Policy rates



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



Source: IMF World Economic Outlook, Nordea and Macrobond.

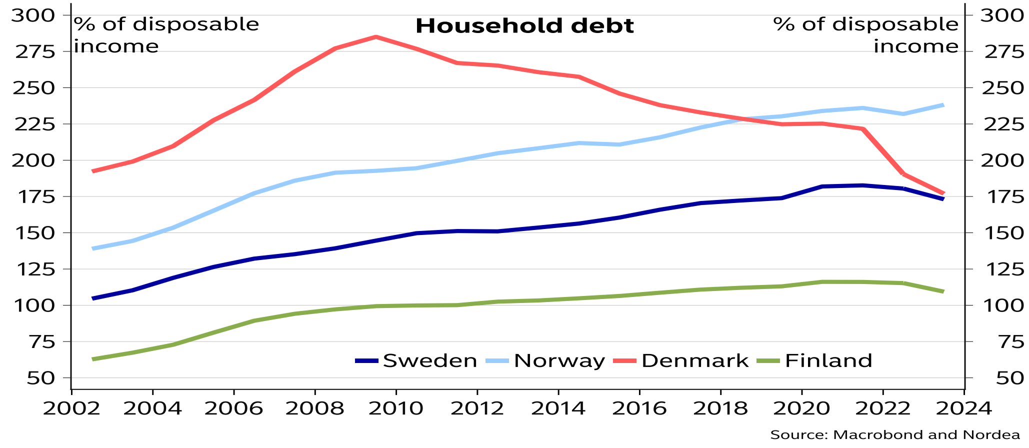
- The Swedish Riksbank, ECB, Danmarks Nationalbank and Norges Bank are not expected to raise policy rates any further
- The Riksbank is expected to start cutting the policy rate in May, by 0.25 percentage points to 3.75%, and cut five additional times during this year to 2.50% in December. The ECB will start cutting the policy rates in June and thereafter lower the level by 0.25 percentage points each quarter until they reach 2.25% by the end of the forecast horison
- 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 handle the economic slowdown ahead

Source: Nordea Markets and Macrobond

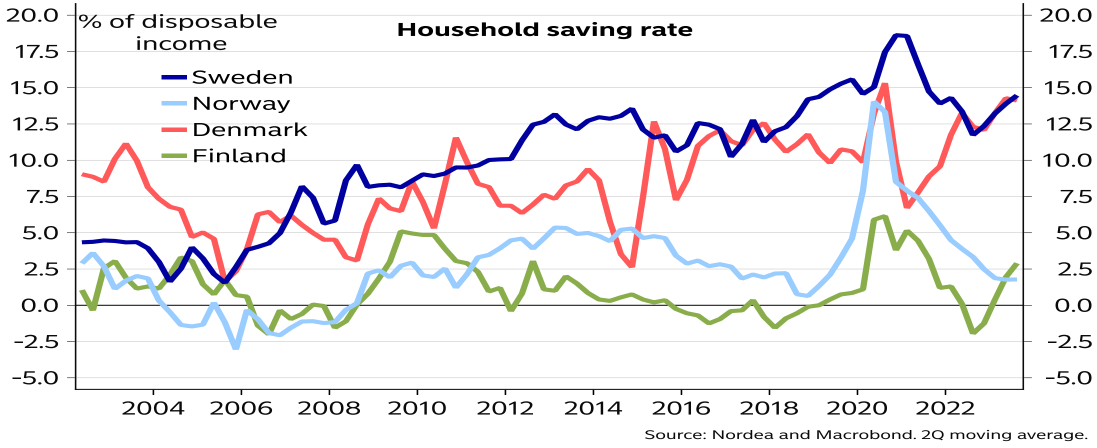
Households

Adapting to higher interest rates

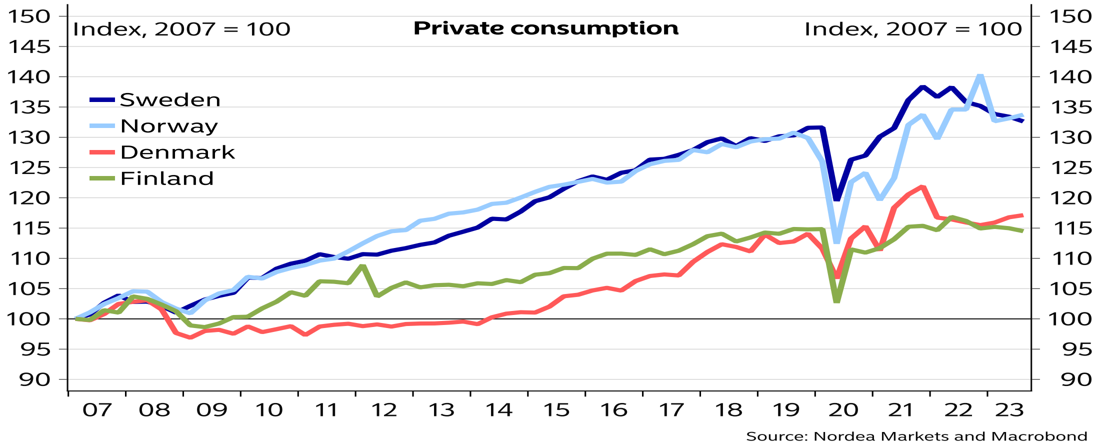
Household debt



Household savings



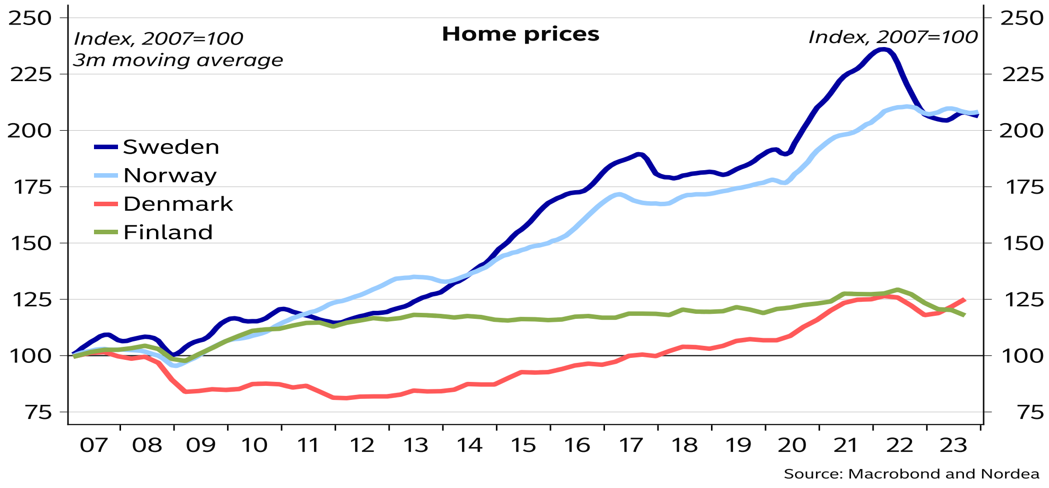
Private consumption



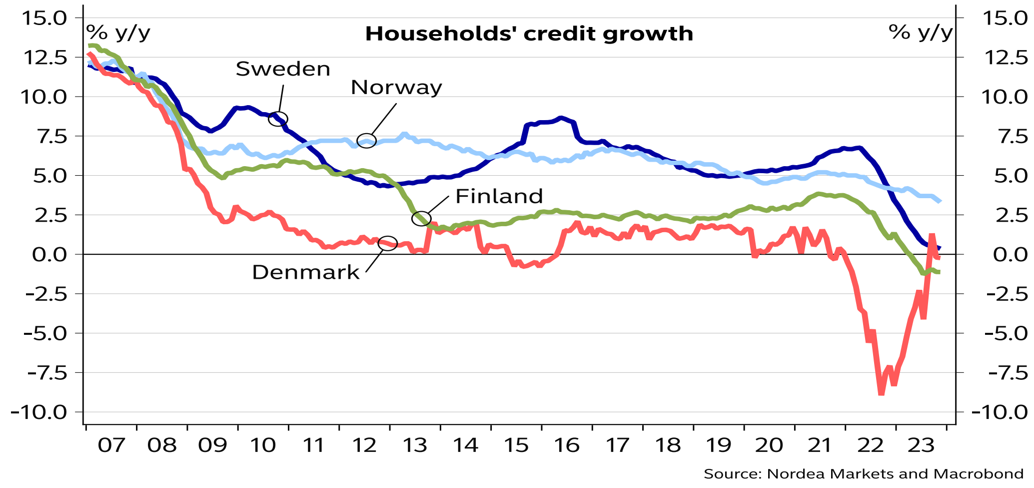
- Household consumption will remain sluggish as households continue to adapt to the higher interest rates
- In all the Nordics, except for Norway, savings rates have risen whilst households' debt ratio has decreased
- Households' purchasing power is set to recover as inflation normalises and wage growth remains elevated

Still under pressure from high interest rates

Home prices



Households' credit growth



- Home price development was mixed last year in the Nordic countries after rising to record-high levels in 2022
- Monetary policy will remain restrictive for most of 2024 despite central banks starting to cut rates from the middle of this year
- Accordingly, prices are expected to bottom out by the summer and start to increase in the second half of this year
- Households' credit growth has seemingly stabilised close to zero in Sweden, Denmark and Finland. Credit growth remains high but continues to slow down in Norway

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