

Nordea

**Debt investor presentation
Q1 2025**



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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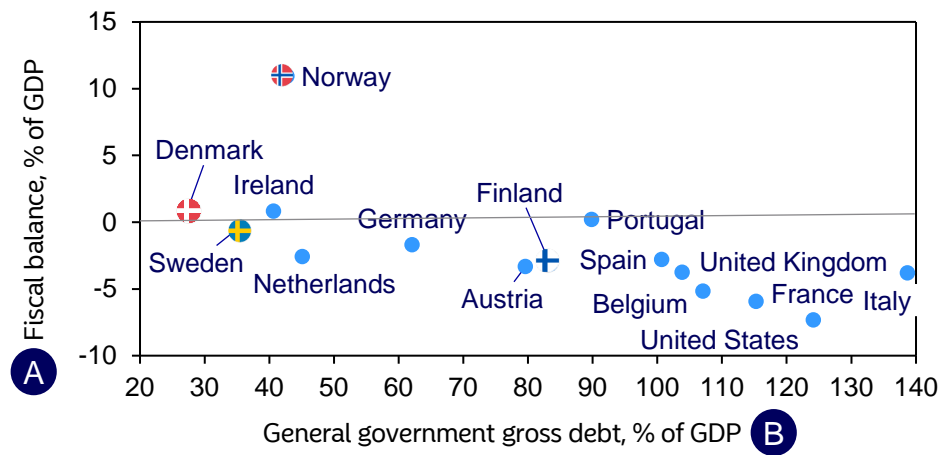
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1. Quarterly update

Nordic countries well positioned to manage through periods of turmoil

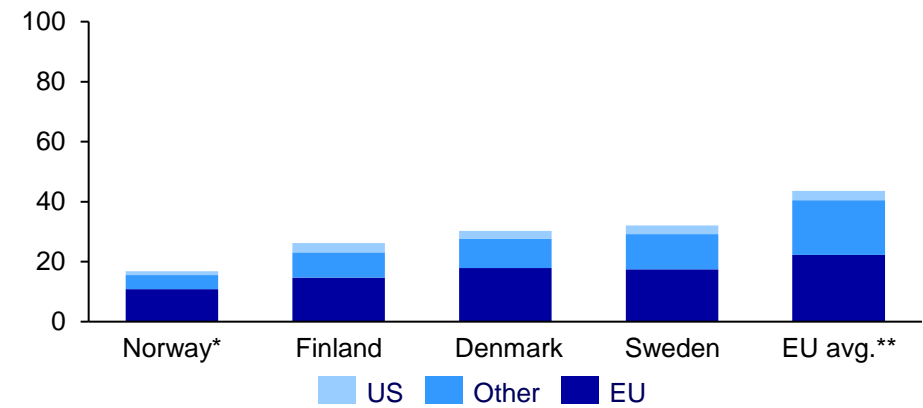
Strong fiscal positions providing stability and flexibility

A Fiscal balance **B** Debt, % of GDP



Nordic economies less reliant on goods exports

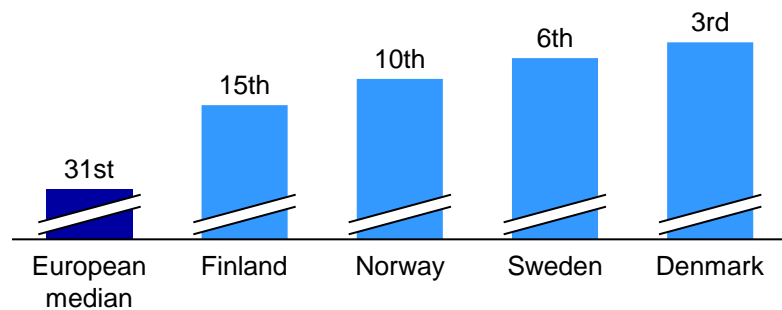
Total exports of goods as % of GDP



Highly competitive countries for sustainable value creation

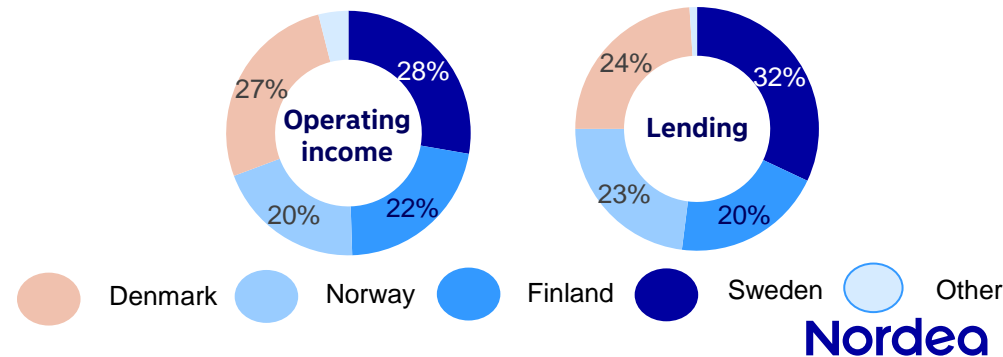
Global competitiveness ranking

(IMD annual global ranking 2024)



Nordea uniquely well placed in four home markets

Pan-Nordic diversification supported by Nordic scale



Executive summary

Continued growth in fees and commissions; total income resilient

- Total income down 4%. Net interest income down 6%, net fee and commission income up 4% and net fair value result down 1%
- Operating profit down 9% y/y, to EUR 1.6bn, up 10% q/q

Return on equity* 15.7% and earnings per share EUR 0.35

Growth in mortgage lending, deposit volumes and assets under management

- Mortgage lending up 6% y/y, corporate lending stable. Retail deposits up 7% y/y, corporate deposits up 11%. AuM up 9% y/y

Cost-to-income ratio with amortised resolution fees 44.6%

Strong credit quality – net loan losses well below long-term expectation

- Net loan losses and similar net result EUR 13m or 1bp
- EUR 20m released from management judgement buffer, now at EUR 397m

Strong capital generation; share buy-backs ongoing

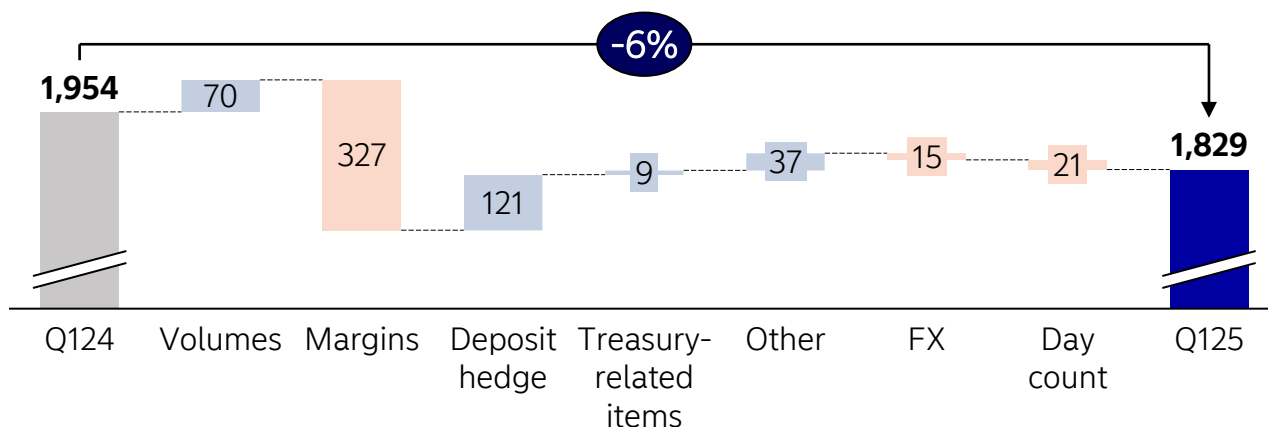
- CET1 ratio 15.7% – 2.0pp above current regulatory requirement
- Impact of share buy-backs and regulatory updates, including Basel IV, offset by strong capital generation
- Additional EUR 250m buy-back programme launched in March

2025 outlook unchanged: return on equity of above 15%

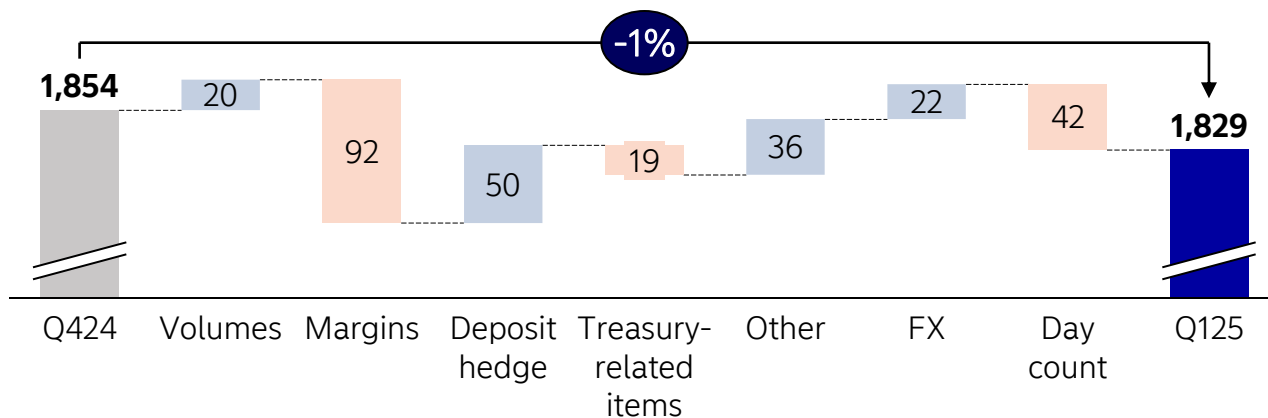
Net interest income

Higher business volumes, lower deposit margins as expected

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

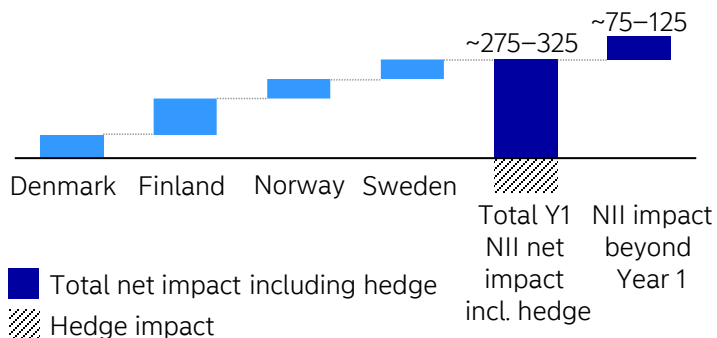


- **Net interest income down 6% y/y**
- **Lending and deposits up**
 - Mortgages up 6% (stable excluding Norwegian acquisition)
 - Corporate lending stable
 - Retail deposits up 7% (4% excluding Norwegian acquisition)
 - Corporate deposits up 11%
- **Net interest margin 1.70% (1.83% Q124)**
 - Lower deposit margins, stable lending margins, and positive contribution from deposit hedge

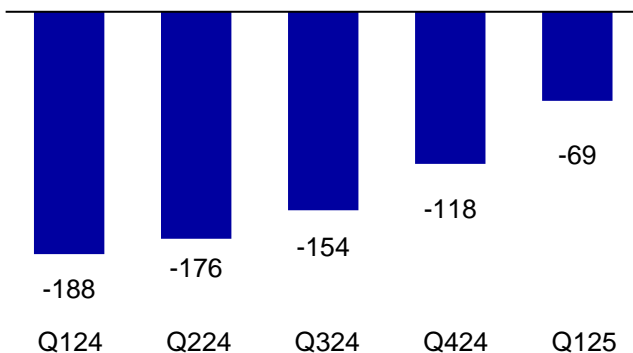
Net interest income sensitivity

Net interest income sensitivity to policy rate changes

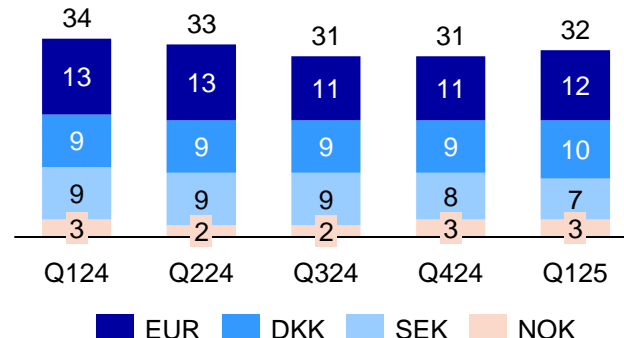
Sensitivity to +50bp parallel shift in policy rates*, EURm



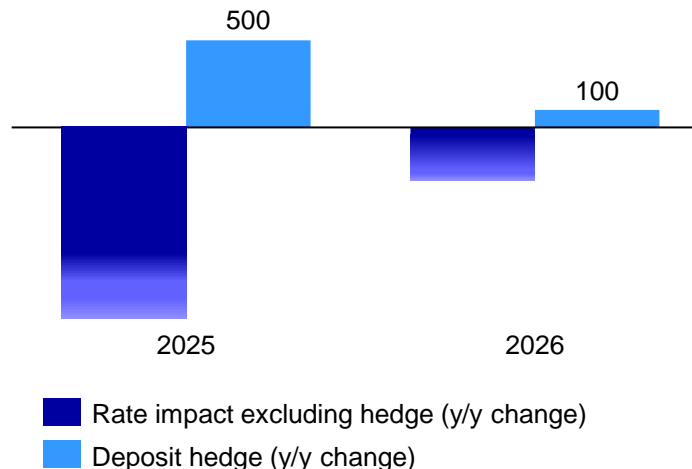
Quarterly NII impact from deposit hedge (absolute), EURm



Deposit hedge – nominal volume, EURbn



Deposit hedge to partially offset NII impact from lower policy rates, EURm**



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

- Actual pass-through varying between account types and countries, and throughout rate cycles
- Sensitivity reflecting modelled risk over cycle

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

- Volumes and loan/deposit pricing
- Wholesale funding costs

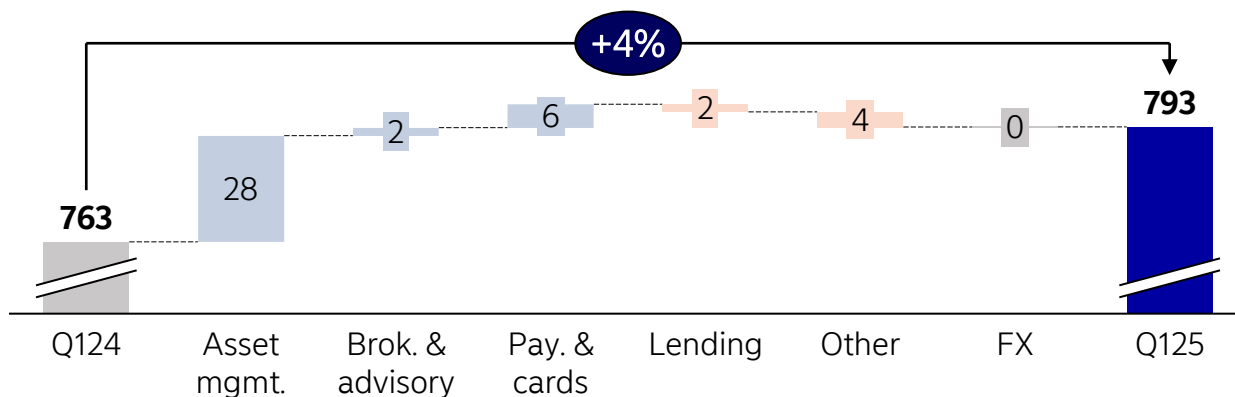
- **Deposit hedging reduces sensitivity to interest rate changes**

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

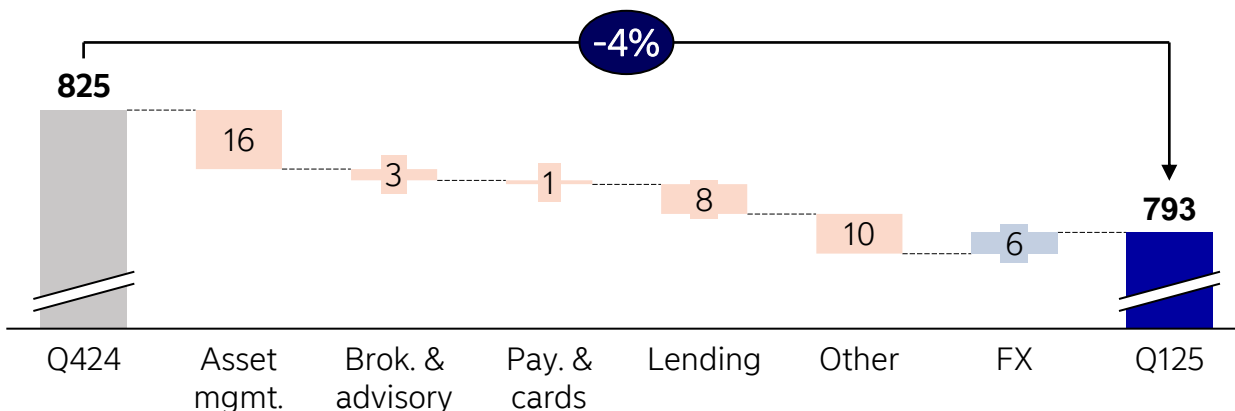
Net fee and commission income

Continued growth, driven by savings

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

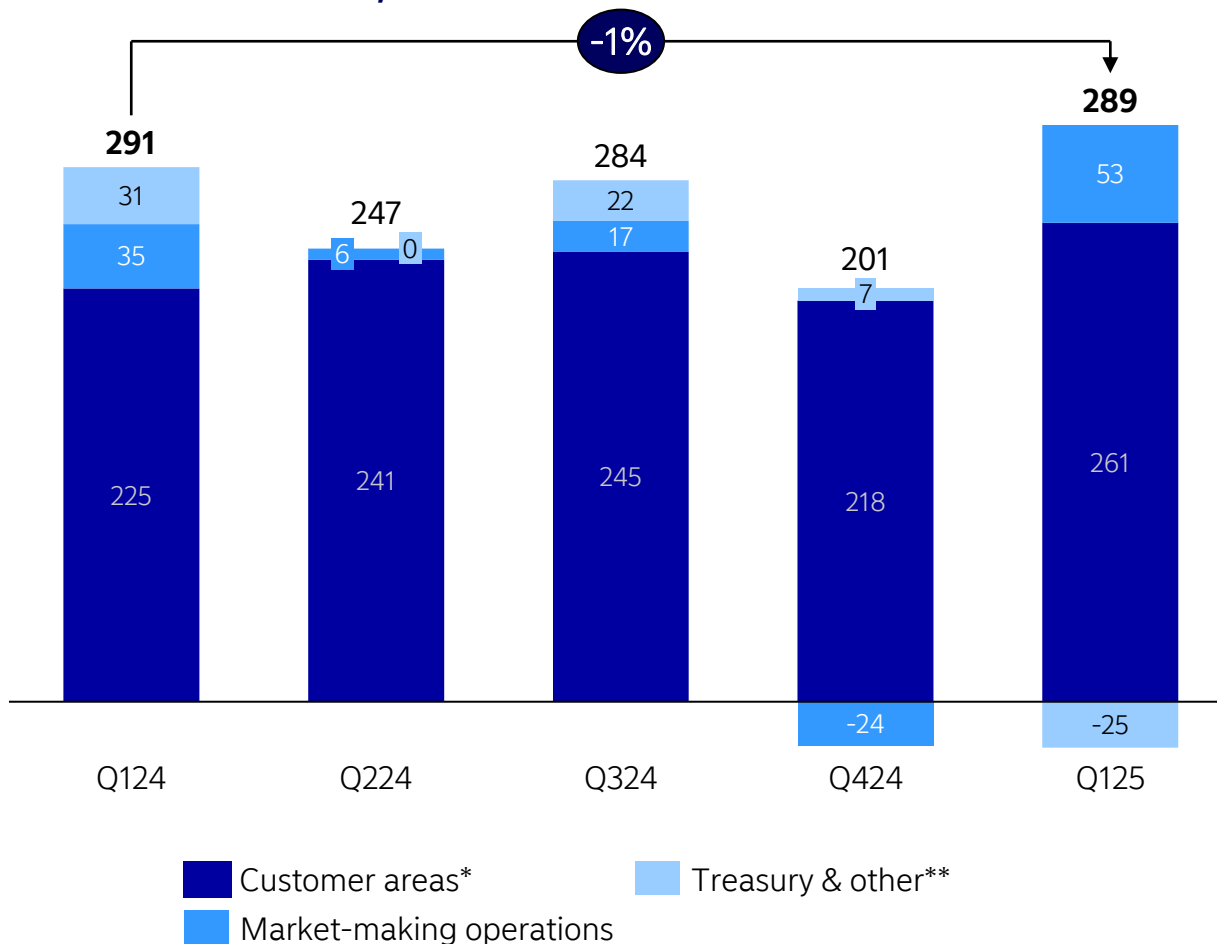


- **Net fee and commission income up 4% y/y**
- **Savings fee income up with higher assets under management**
 - AuM up 9%, to EUR 425bn
 - Net flows in Nordic channels (85% of AuM) EUR 2.7bn
 - Net flows in international channels (15% of AuM) positive at EUR 3.9bn, driven by several large new mandates
- **Brokerage & advisory fee income slightly up due to debt capital markets activity**
- **Payment & card fee income up due to higher activity**

Net fair value result

Higher customer activity and strong market-making

Net fair value result, EURm

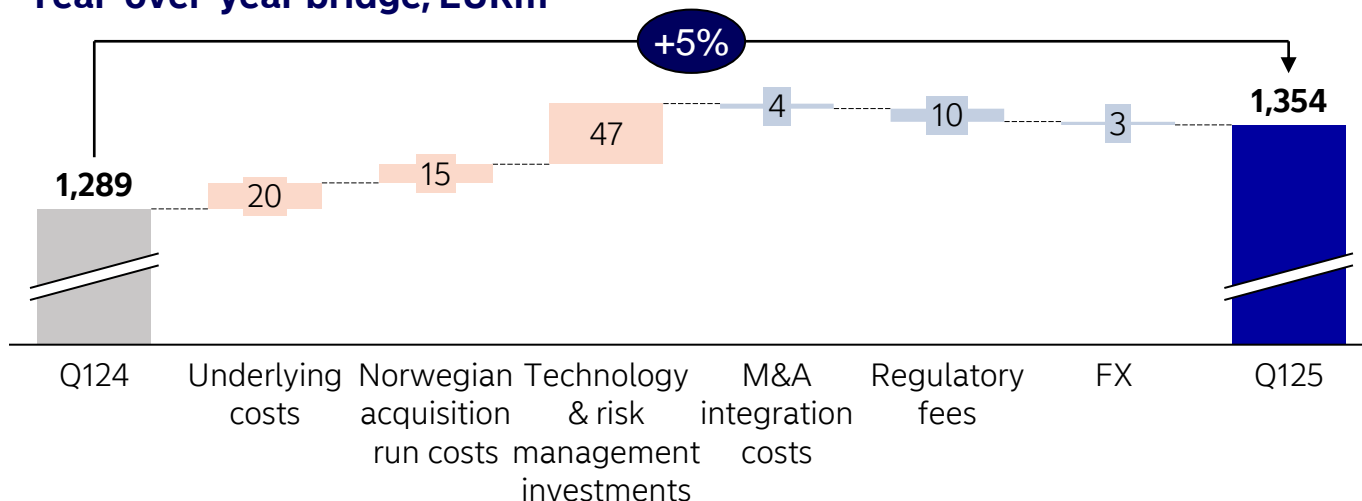


- High customer risk management activity, particularly in FX and rates products
- Strong market-making, driven by high activity and positive revaluations from spreads tightening
- Treasury stable. Other impacted by valuation adjustments, driven by market volatility

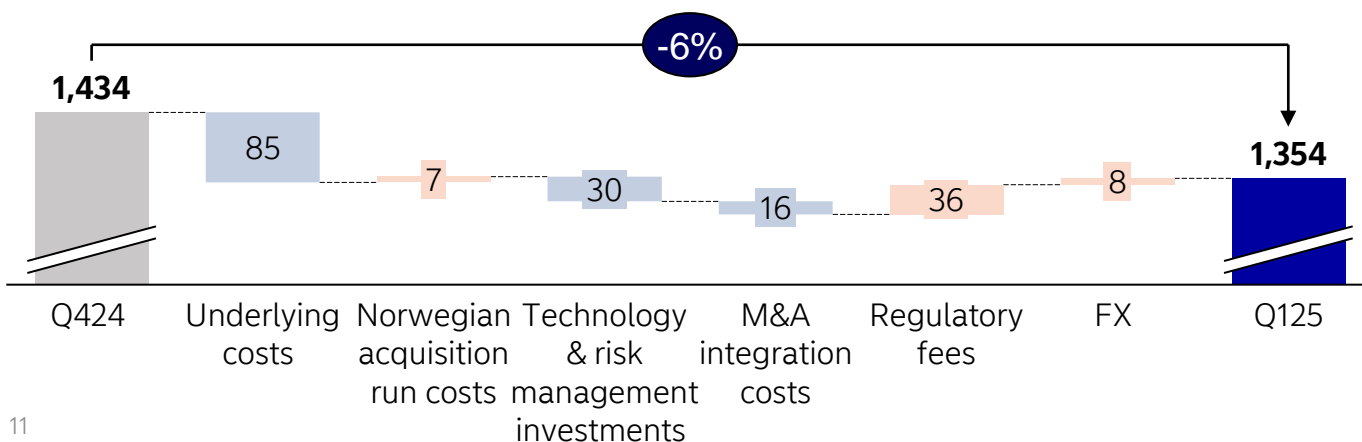
Costs

Costs stabilising in line with plan

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Total costs up 5% y/y, driven by investments and inflation**

- 4pp of increase due to strategic investments in several key areas, including technology, data and AI, digital services and cyber security
- Underlying costs slightly up due to salary inflation and higher activity

- **Total full-year costs expected to increase by 2.0–2.5% in 2025***

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

12 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

Continued progress on climate targets in our lending portfolio

								2024 progress
<div> 40-50% reduction in financed emissions in our lending portfolio by 2030¹</div>								-36%
Sector	Sub-sector	Emissions scope	Metric	Base year	Baseline	Target year	Target	
Residential real estate	Households and tenant-owner associations	1 and 2	kgCO2e/m2	2019	17.4	2030	-40–50%	-5%
Shipping	Vessels	1	AER, gCO2/dwt-nm	2019	8.3	2030	-30%	-10% ²
Motor vehicles	Cars and vans	1	gCO2e/km	2022	113	2030	-40%	-6%
Agriculture	Crops, plantation and hunting, and animal husbandry	1 and 2	tCOe2/EURm	2021	758	2030	-40-50%	-7%
Power production	Electricity generation	1 and 2	gCO2e/kWh	2021	220	2030	-70%	-90% ²
Oil & gas	Exploration and production	1, 2 and 3	MtCO2e	2019	2.8	2030	-55%	-74%
Offshore	Drilling rigs and offshore service vessels within oil and gas, and shipping	-	EURm	2019	1,872	2025	-100%	-96%
Mining	Thermal peat	-	EURm	2022	52	2025	-100%	-64%
	Thermal coal	-	EURm	Restrictive policy, full phase-out achieved in 2021				

13 1) compared to 2019 baseline and covering lending to corporates and households for business loans, motor vehicles, commercial and residential real estate and shipping
2) Shipping and Power production are based on 2023 actuals

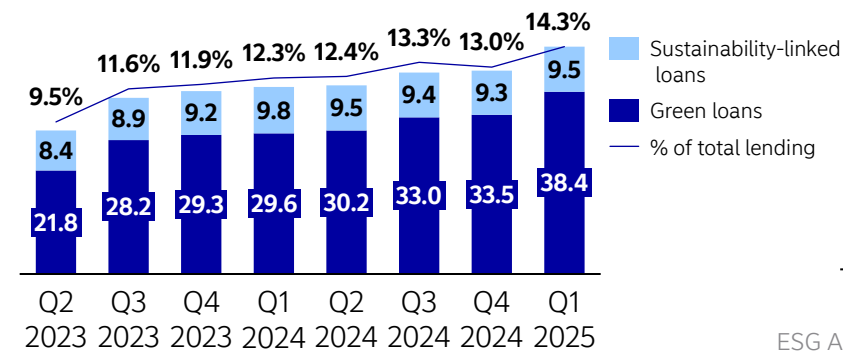
Sustainability at the core

We engage with our customers to drive sustainable growth

Channelling capital towards sustainable solutions

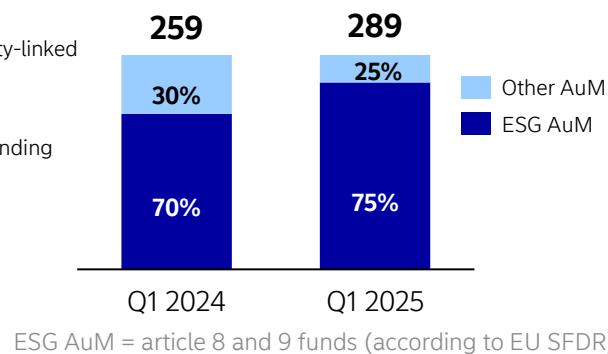
Green and sustainability-linked loans

Total volumes, EURbn



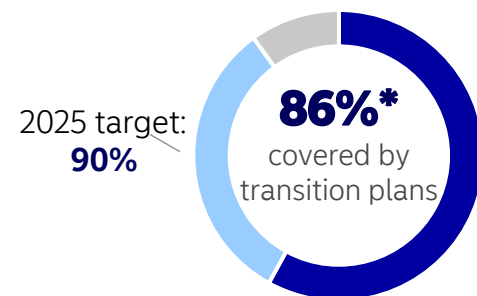
Nordea Asset Management

Assets under management, EURbn

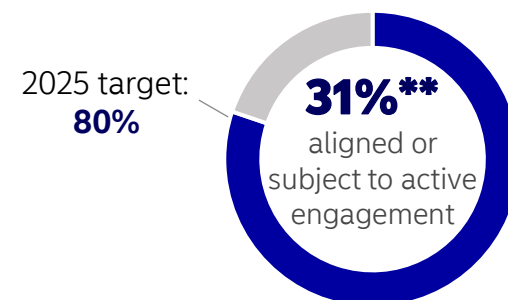


Engaging to support green transition

Transition plan for large corporates



Alignment with Paris agreement for top 200 emission contributors

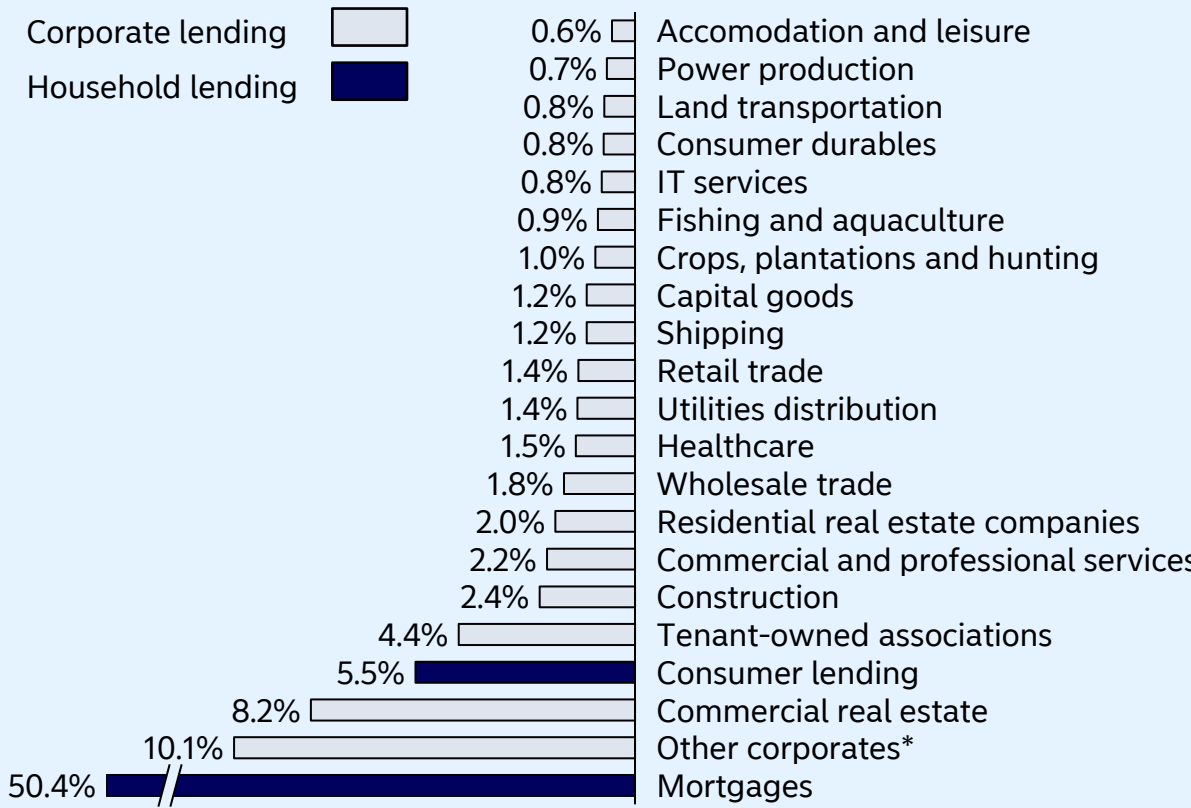
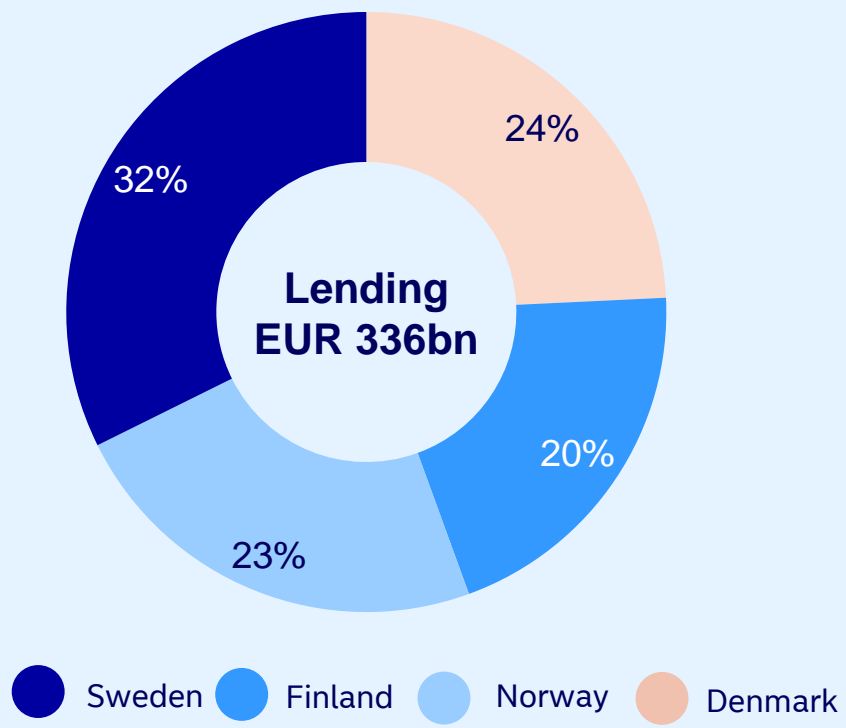


- **Facilitated EUR 197bn in sustainable financing**
Compared to target EUR >200bn by 2025
- **Recognised as a sustainability leader with multiple awards**
- **Secured number one position for both Nordic corporate and Nordic sustainable bonds overall**
- **Become a signatory to the Operating Principles for Investment Management (OPIM)**

14 * Q4 2024 ** Decrease due to new companies entering top 200 list as others exit list following lower emissions. Target with original top 200 contributors reached (Q424 81%)

2. Credit quality

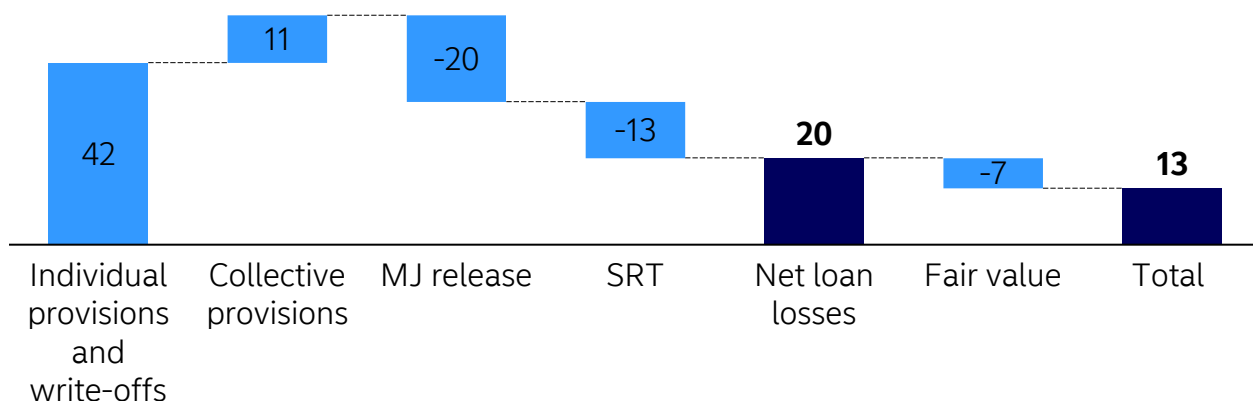
Well diversified pan-Nordic financial service provider



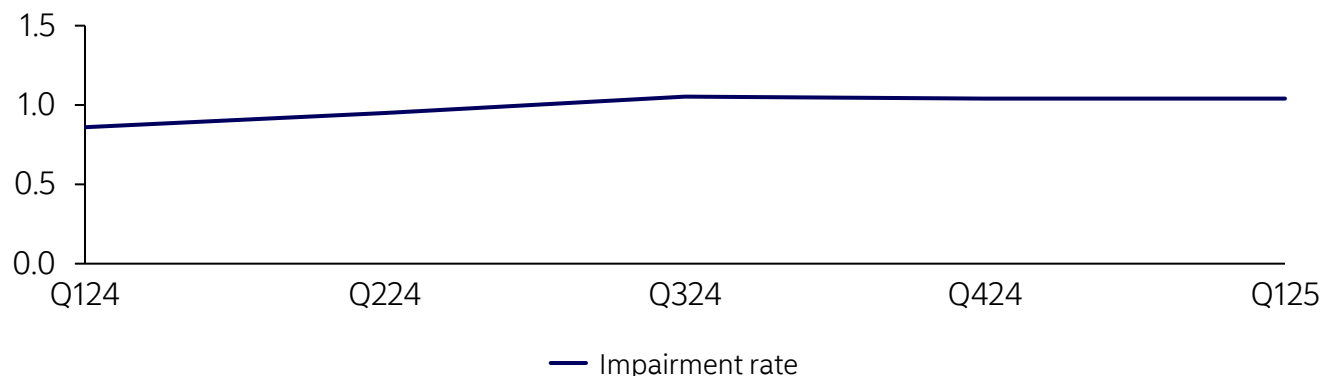
Net loan losses and similar net result

Strong credit quality

Net loan losses and similar net result, EURm



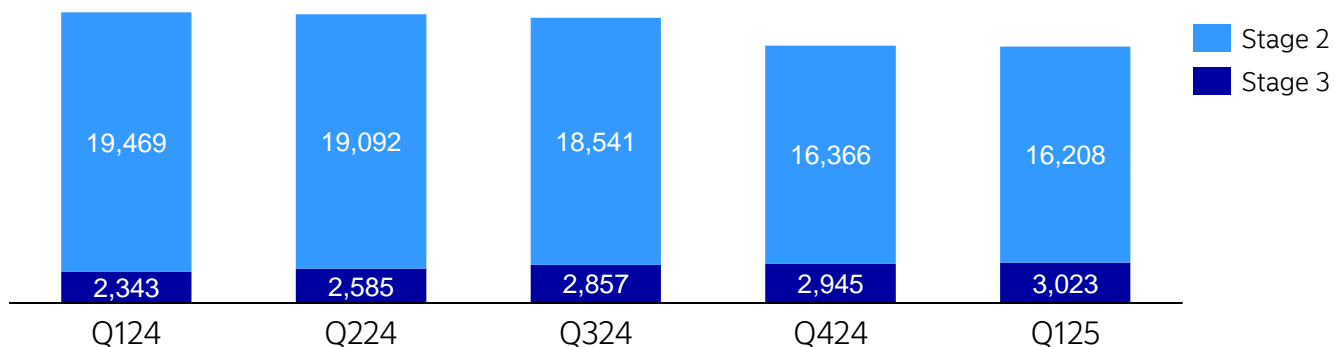
Impaired (stage 3) loans, %



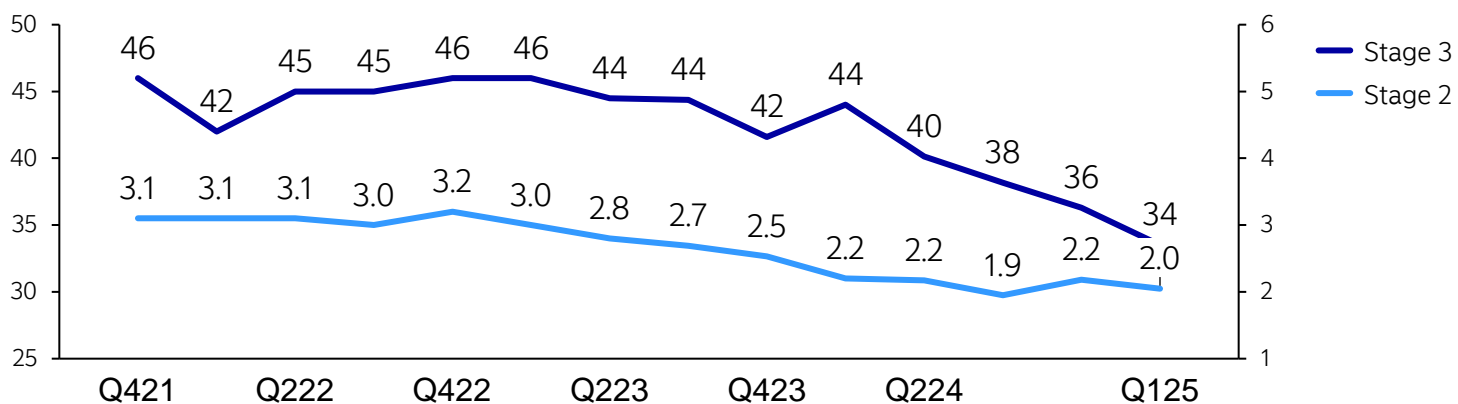
- **Low net loan losses and similar net result EUR 13m (1bp)**
 - Stable quarter, with individual provisions at low level
 - Slight increase in collective provisions, driven by 100% weighting applied to adverse macro scenario for model-based allowances due to escalated trade tensions
- **Overall provision levels stable**
 - Management judgement buffer reduced by EUR 20m, to EUR 397m
 - Solid coverage reflecting conservative approach and high levels of collateral
- **Low level of non-performing loans**
 - Stage 3 loans stable at 1.04%

Continued resilience in strong credit portfolio

Stage 2 and 3 loans at amortised cost, EURm



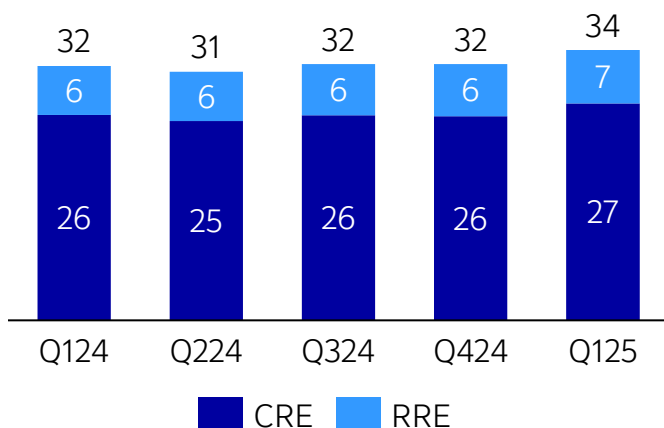
Coverage ratio, %



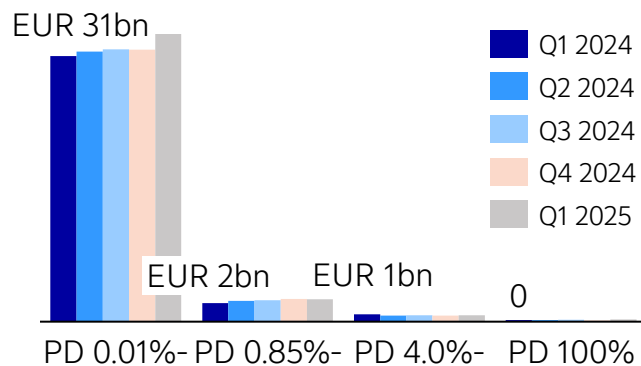
- **Stage 2 loans stable at 6% of total loans**
- **Stage 3 loans stable at 1.04% of total loans**
- **Coverage ratio for stage 3 portfolio reduced to 34%**
 - Driven by individually assessed cases with low provisioning needs and some highly provisioned cases exited during Q1

Well-diversified portfolio, high-quality lending

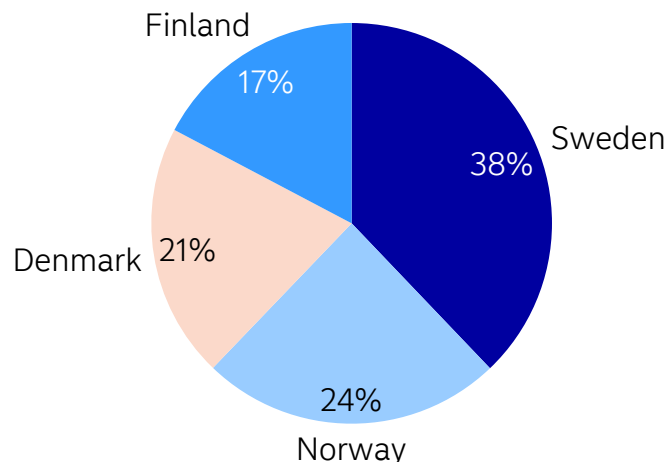
Lending volumes stable



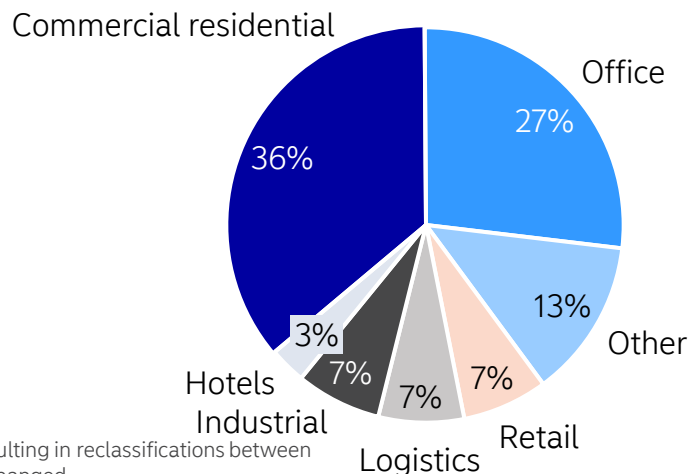
90% of portfolio with low probability of default (PD)



Diversified across countries



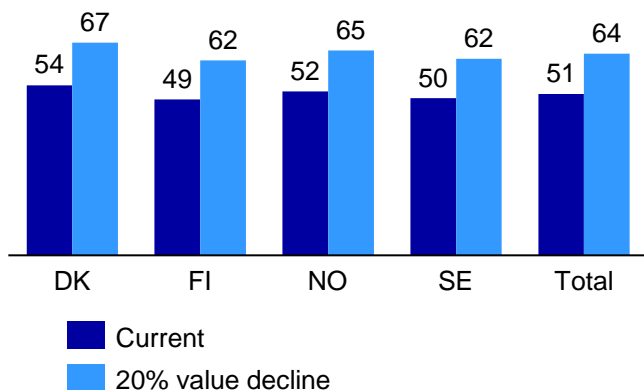
Diversified across types**



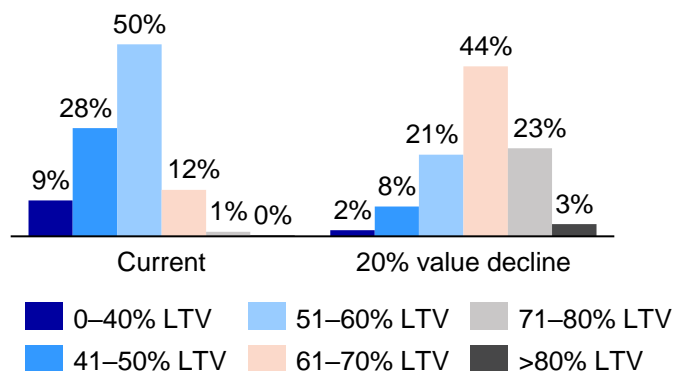
- **Well-diversified portfolio across Nordic markets**
- **90% of exposure towards low-risk customers, 7% towards increased risk, only 2% towards high risk and less than 1% impaired**
- **Portfolio mainly comprising central, modern office and residential properties**
- **Strict underwriting standards: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

Solid LTVs, resilient interest coverage, high occupancy

Solid LTV levels for all countries



Majority of portfolio with low LTV



- **87% of exposures with LTV below 60%**

- In event of 20% decline in market value, 74% of portfolio still with LTV below 70%

- **Average interest coverage ratio (ICR) 2.7x**

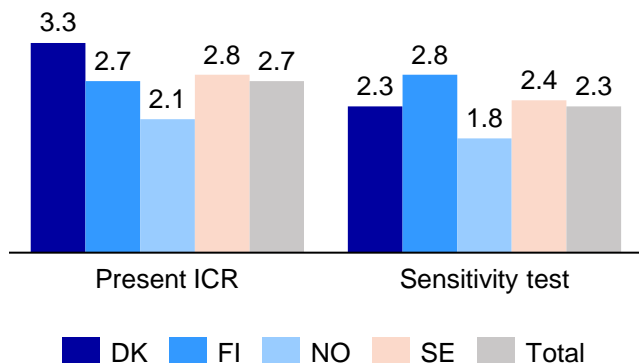
- Average ICR 2.3x in stress scenario
- Stress scenario: all debt refinanced day one at 5Y swap rates plus margins (4.0–5.6%); no hedging

- **Strict interest rate hedging requirements**

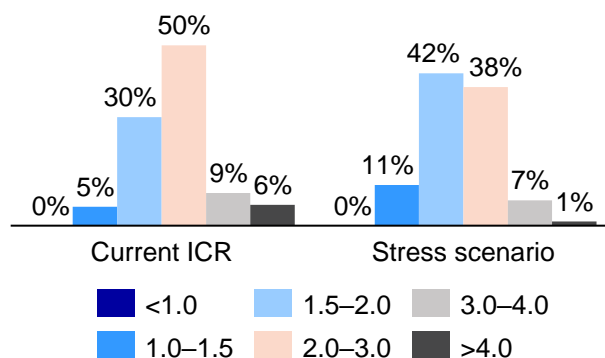
- 66% of customer debt hedged, with average maturity 4.3 years

- **Low vacancy rates, with average letting ratio 95%**

High ICR in all countries

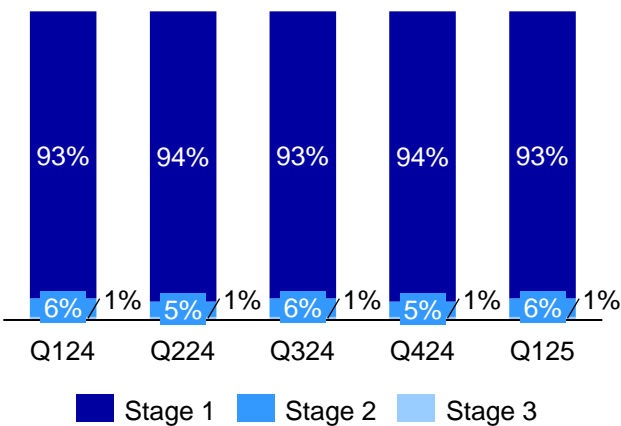


ICR above 1.0 in stress scenario for 100% of portfolio

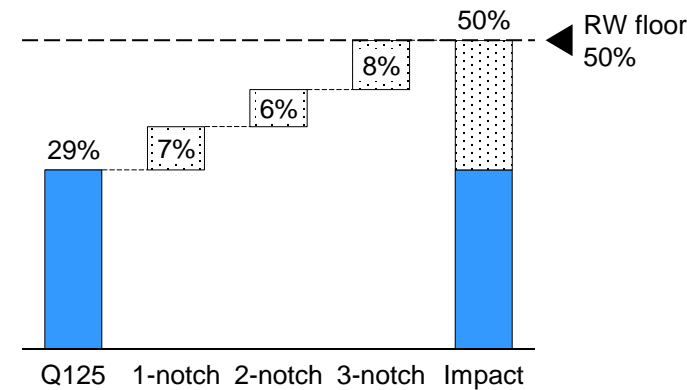


Low levels of risk exposure

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

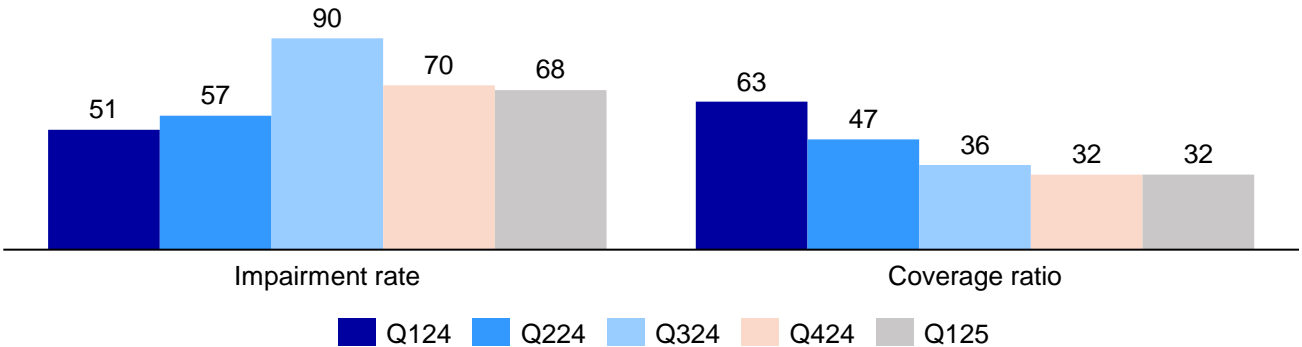


No REA impact even from 3-notch downgrade due to risk weight floors



- Continued strong credit quality
- Only 6% of portfolio in stage 2
- 0.7% of portfolio impaired: slight decrease
- Provision coverage 32%, reflecting high collateralisation
- REA protected by risk weight floors

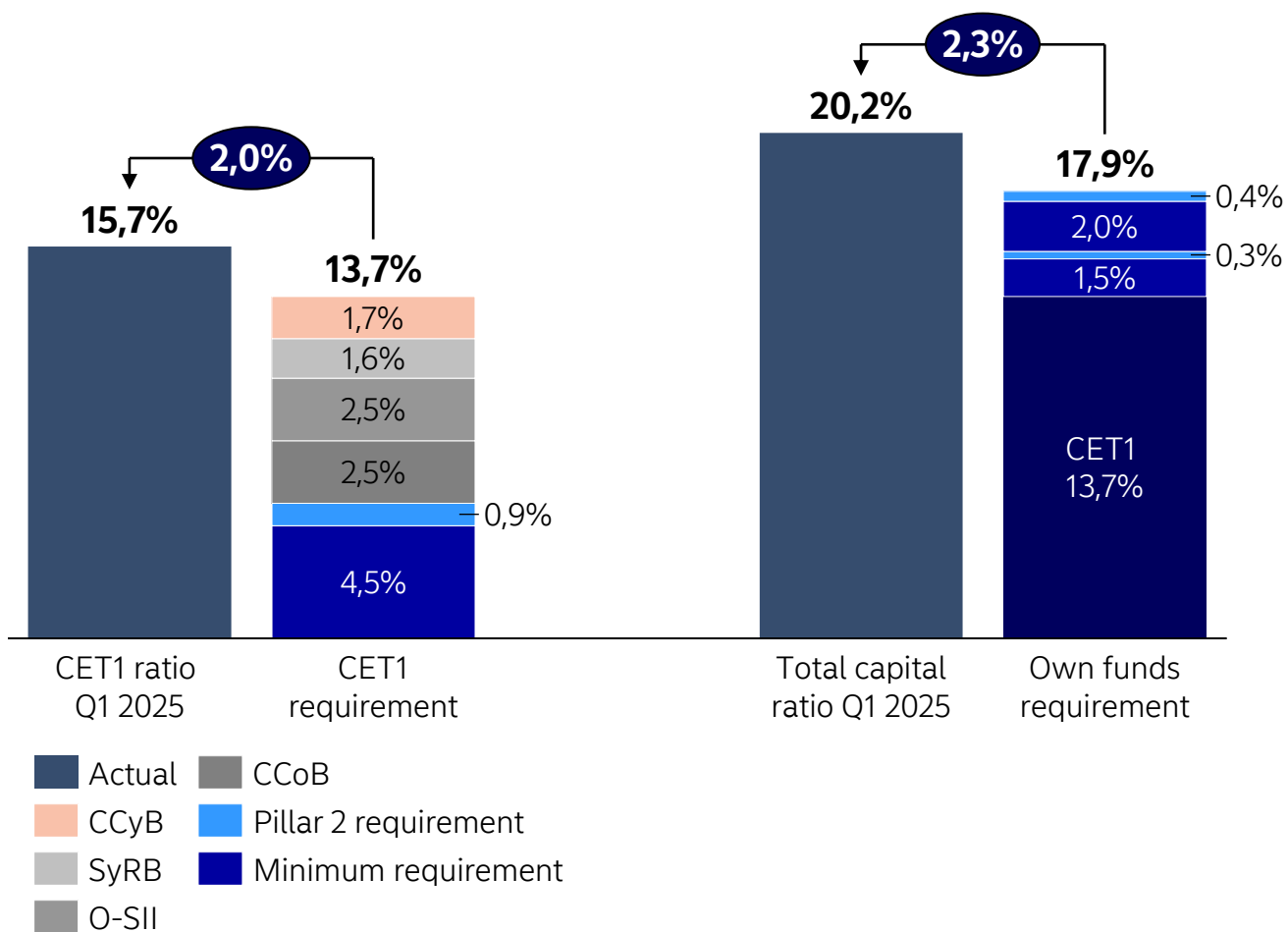
Low impairment rate and strong coverage for impaired portfolio



3. Capital, liquidity and funding

Capital Strong capital position

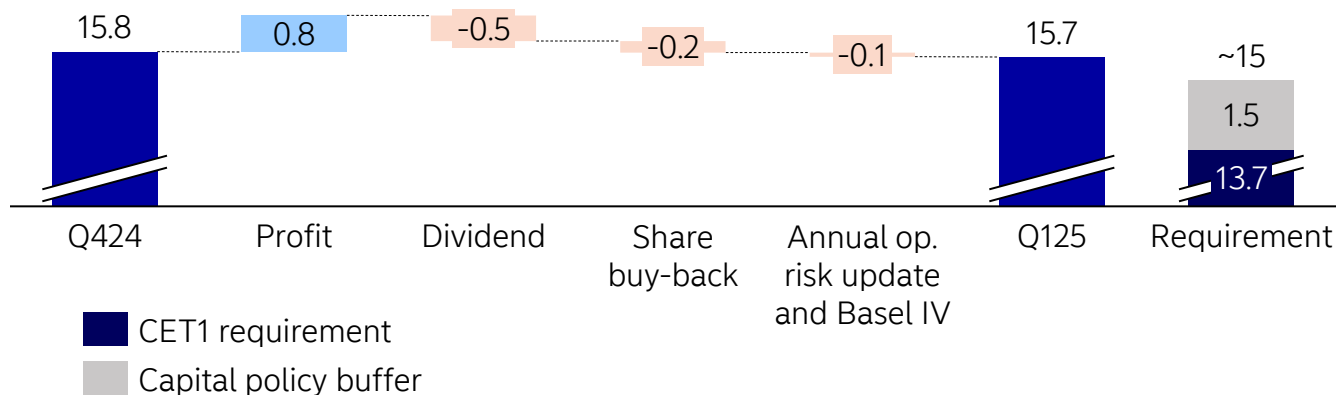
Capital position and requirements (%)



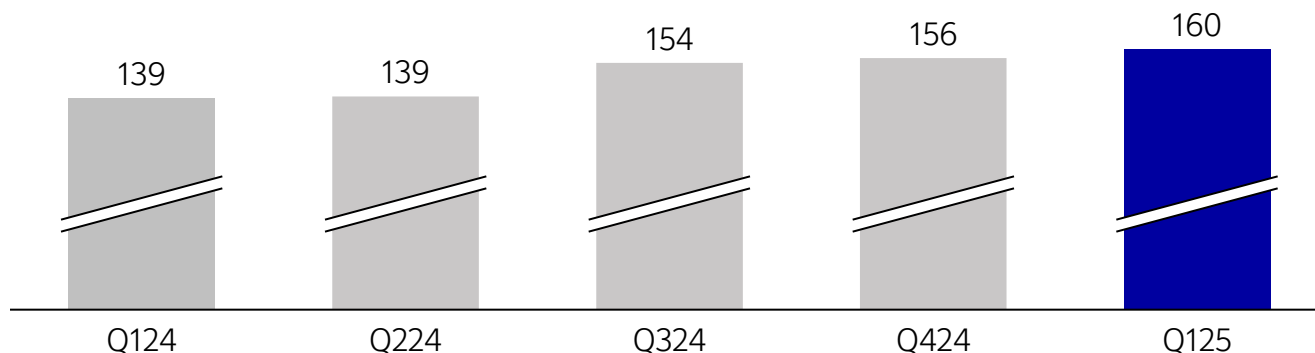
- **CET1 capital ratio 15.7%**
 - 2.0 percentage points above regulatory requirement, corresponding to a CET1 buffer of EUR 3.2bn
- **CET1 requirements**
 - As previously guided, ~10bp increase in CET1 requirement due to reciprocation of Danish sector-specific SyRB of 7% for exposures to real estate companies in Denmark (applicable from 1 January 2025)

Strong capital position; share buy-backs in progress

CET1 capital ratio development, %



REA development, EURbn



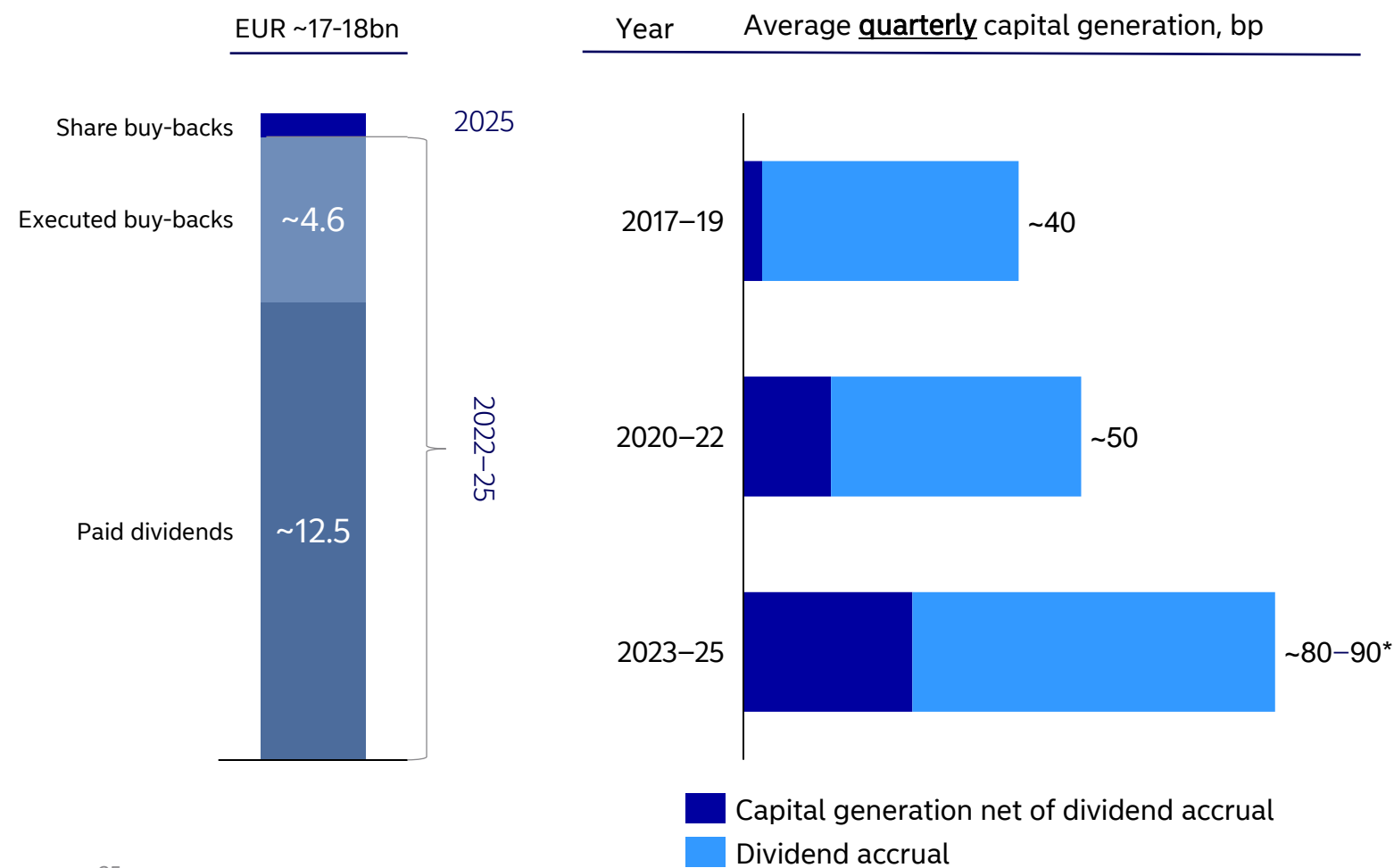
- CET1 capital ratio 15.7%**

- 2.0 percentage points above regulatory requirement
- EUR 0.4bn increase in CET1 capital, mainly driven by profit net of dividend and FX effects, partly offset by share buy-back programme launched in March
- EUR ~3.8bn increase in risk exposure amount, mainly due to FX effects, annual operational risk update and Basel IV

Capital excellence

Strong capital generation supporting returns

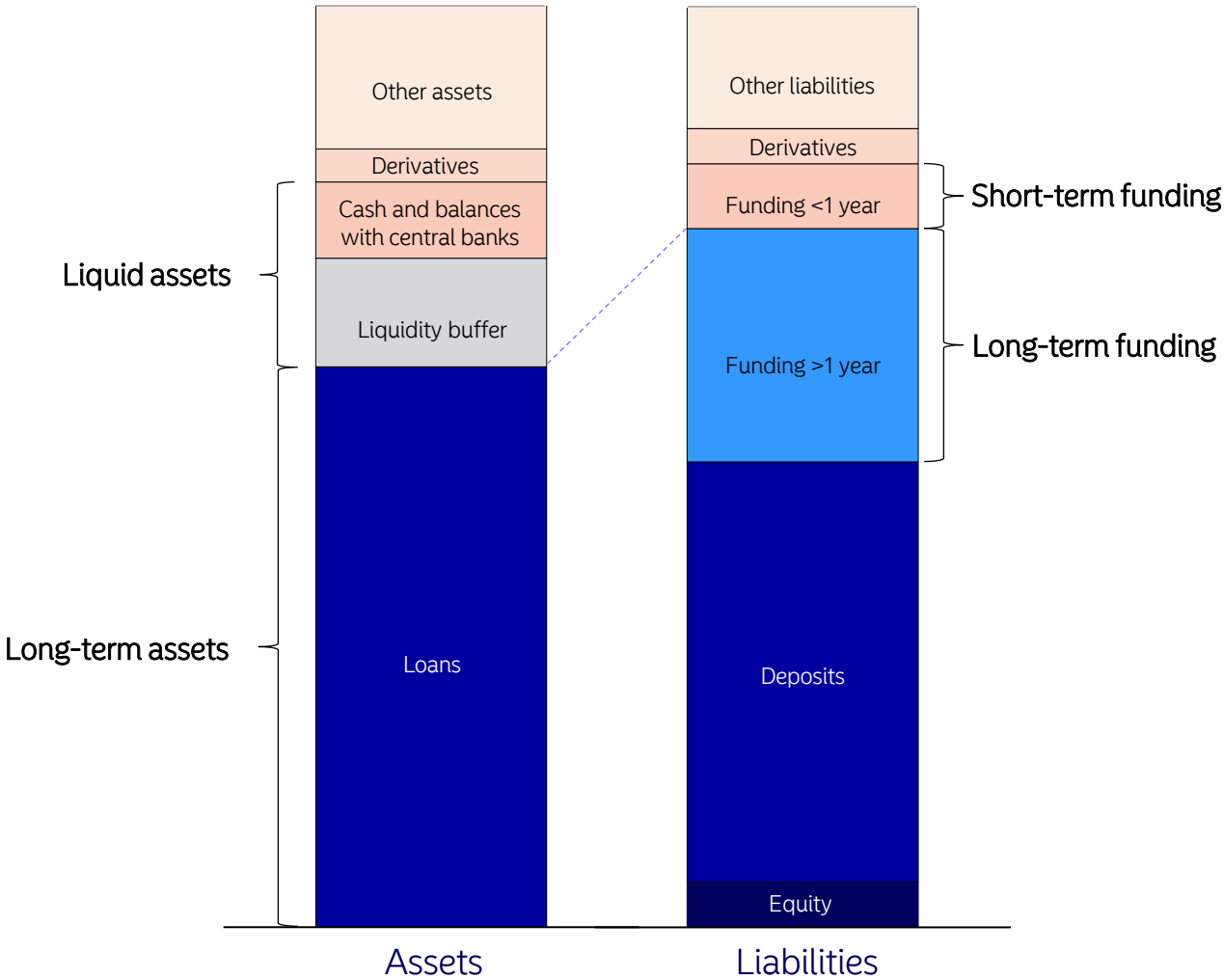
Shareholder returns supported by continued strong capital generation



- **Capital return commitment reaffirmed**
 - Strong capital generation
 - Unchanged dividend policy
 - Share buy-backs to distribute excess capital
- **EUR 250m share buy-back programme launched in March 2025, to end no later than 13 June 2025**
- **Continued use of share buy-backs to trim excess capital**

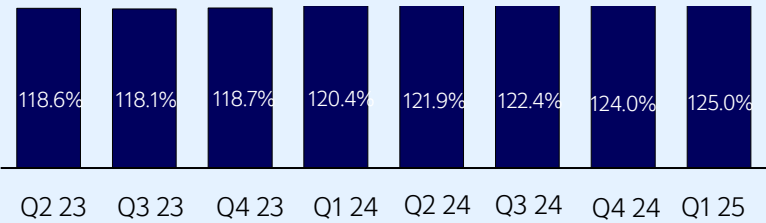
Strong balance sheet structure

Q1 2025



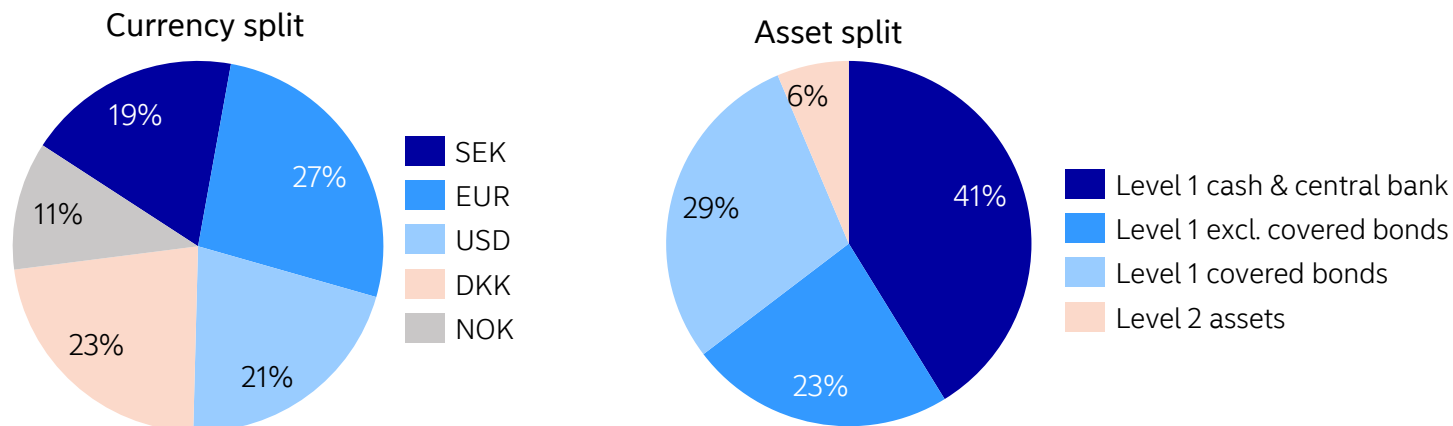
• Total assets EUR 641bn Q1 2025

- 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:

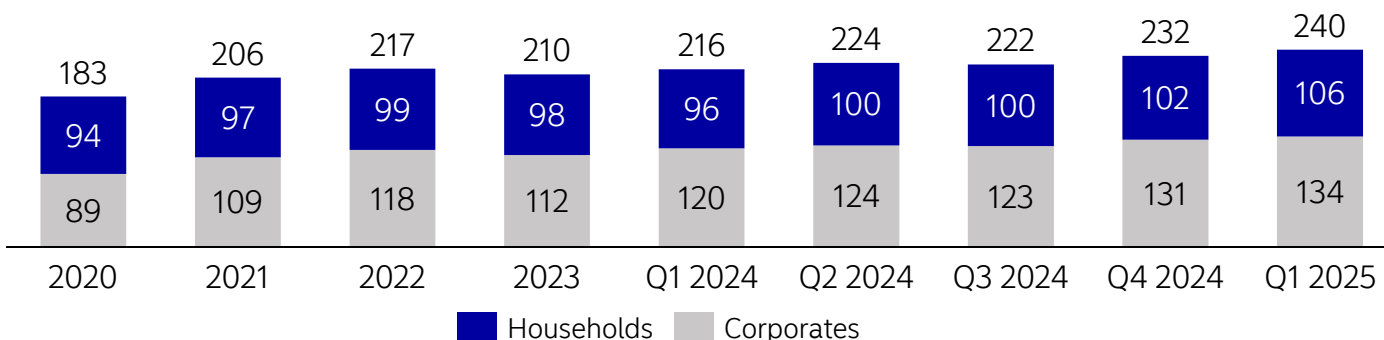


Strong liquidity position

Liquidity buffer composition, EUR 121bn



Deposits and borrowings from the public*, EURbn



- Robust liquidity position**

- Liquidity coverage ratio (LCR) 166%
- Net stable funding ratio (NSFR) 125%

- Well diversified liquidity buffer of EUR 121bn**

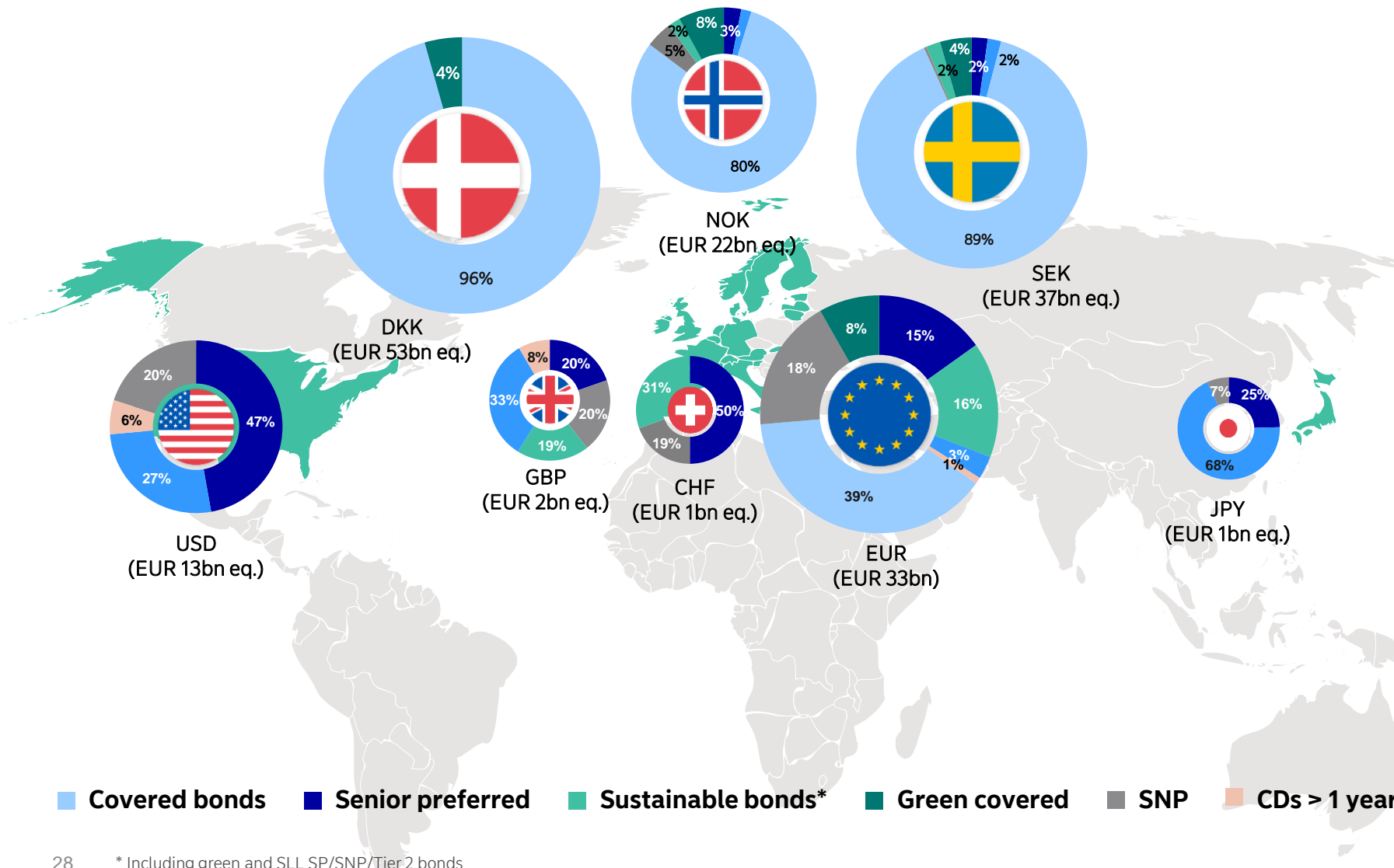
- EUR 50bn in central bank cash and reserves
- EUR 71bn in securities
- Conservative hedging approach and no single name concentration

- Deposits**

- 40% of deposits covered by deposit guarantee scheme

Long term funding

Nordea global issuance



Strong ratings

Nordea Bank Abp

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

Nordea covered bonds

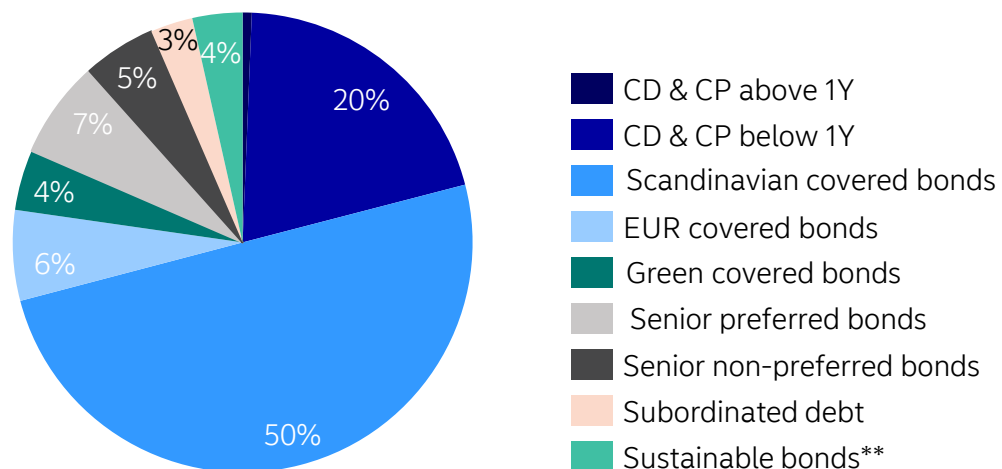
- Moody's Aaa (stable outlook)
- S&P AAA (stable outlook)

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

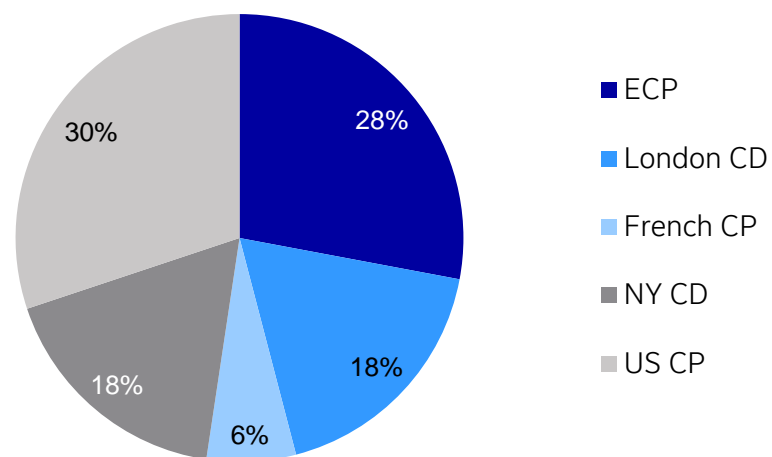
Wholesale funding

Solid funding operations

Total wholesale funding, EUR 202bn



Short term funding, EUR 41bn



29

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



IFR Yankee
Bond of the
Year - 2024



- **Long-term issuance***

- EUR 7.2bn issued during Q1
 - EUR 4.9bn in covered bonds and EUR 2.3bn in senior format
- EUR 19.4bn issued during 2024

- **Short term issuance**

- EUR 41bn total outstanding per end Q1

- **Issuance plans 2025***

- EUR 20bn estimated in total long-term issuance
 - Around half expected in Scandinavian currencies, most of which in covered bonds
 - Remaining volume in international currencies incorporating senior debt and covered bonds

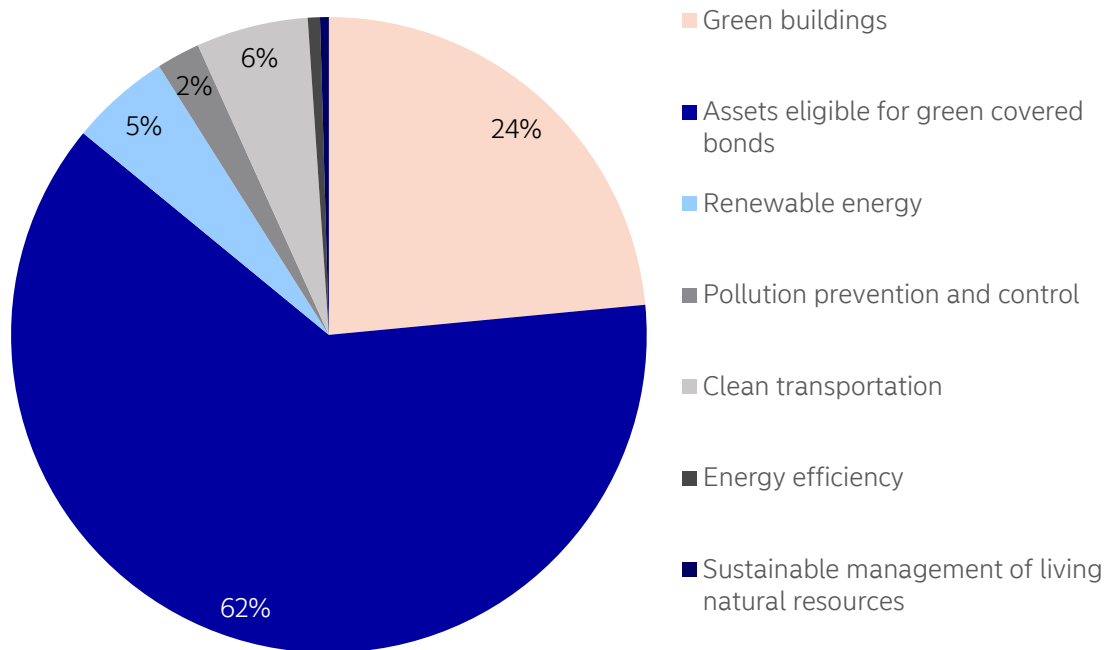
*Excluding DKK covered bonds, CD/CPs and subordinated debt

Nordea

Sustainability at the core

Enhanced focus on sustainable funding

Nordea's green bond asset portfolio



- **EUR 24.2bn assets available for green funding**
 - EUR 9.1bn in NBAbp green bond asset portfolio
 - EUR 15.1bn available assets for green covered bonds
- **EUR 5.4bn green bonds from NBAbp outstanding**
- **EUR 8.6bn green covered bonds outstanding**
- **Deposits with climate focus offered in Norway and Sweden**
- **EUR 1.8bn issued under sustainability linked loan (SLL) funding framework**
 - EUR 1bn in senior non-preferred
 - SEK 5.2bn and NOK 3.8bn in senior preferred



IFR
Sustainable
Issuer of the
Year - 2023



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



ESG score:
12.3 (0 to 100)**



ESG rating:
AA (AAA to CCC)



CSA score:
70 (0 to 100)***

Covered bonds

Nordea covered bond operations

Four aligned covered bond issuers with complementary roles

Nordea Eiendoms kreditt



Nordea Hypotek



Nordea Kredit



Nordea Mortgage Bank



Data as per Q4

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 36.3bn (eq.)	EUR 62.2bn (eq.)	Balance principle	Pool 1: EUR 12.2bn Pool 2: EUR 14.5bn
Covered bonds outstanding	EUR 22.9bn (eq.)	EUR 31.4bn (eq.)	EUR 57.8bn (eq.)*	Pool 1: EUR 10.4bn Pool 2: EUR 10.8bn
OC	59%	98%	8%*	Pool 1: 18% / Pool 2: 34%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa / -	Aaa / -	- / AAA	Aaa / -
Outstanding green covered bonds	EUR 1.8bn	EUR 1.6bn	EUR 2.2bn	EUR 2.0bn



¹⁾ The figures in Nordea Kredit only include capital center 2 (SDRO). Nordea Kredit no longer reports for CC1 (RO), as this capital center only accounts for a minor part (<0.5%) of the outstanding volume of loans and bonds

Funding transactions

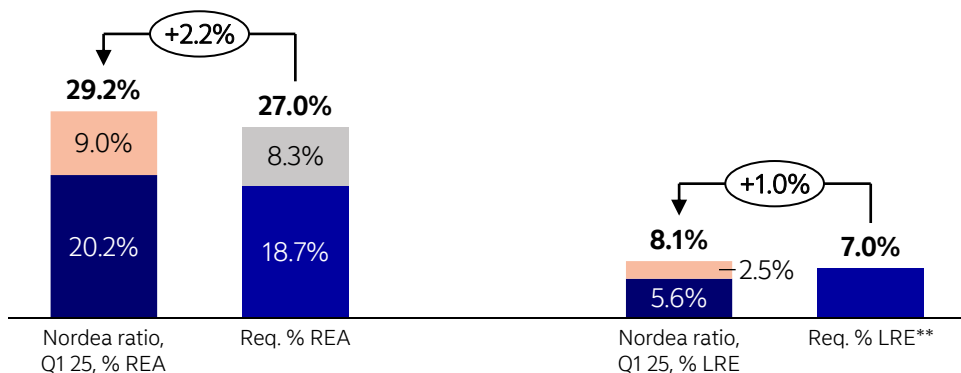
Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	First call date
Nordea Mortgage Bank	Covered, Green	EUR	750	Fixed	Mar-25	Mar-28	
Nordea Bank	Senior preferred	SEK	3,000	FRN/Fixed	Mar-25	Mar-28	
Nordea Bank	Senior preferred	USD	1,000	FRN/Fixed	Mar-25	Mar-28	
Nordea Bank	Senior non-preferred	GBP	300	Fixed	Feb-25	Feb-29	Feb-28
Nordea Bank	Senior non-preferred	EUR	750	FRN	Feb-25	Feb-29	Feb-28
Nordea Bank	Tier 2	NOK	2,750	FRN	Nov-24	May-35	Feb-30
Nordea Eiendomskreditt	Covered, Green	NOK	7,000	FRN	Nov-24	Nov-29	
Nordea Bank	Senior non-preferred, Green	EUR	750	Fixed	Oct-24	Oct-31	
Nordea Hypotek	Covered, Green	SEK	6000	Fixed	Oct-24	Oct-29	
Nordea Bank	Additional Tier 1	USD	800	Fixed	Sep-24	Perpetual	Sep-31
Nordea Bank	Senior preferred, SLL	NOK	2,500	FRN/Fixed	Sep-24	Mar-30	
Nordea Bank	Senior preferred, SLL	SEK	2,400	FRN/Fixed	Sep-24	Sep-27	
Nordea Eiendomskreditt	Covered	NOK	7,000	FRN	Sep-24	Sep-29	
Nordea Bank	Senior preferred	GBP	300	Fixed	Sep-24	Oct-29	
Nordea Bank	Senior preferred	USD	1,000	FRN/Fixed	Sep-24	Sep-29	
Nordea Bank	Additional Tier 1	NOK	1,600	FRN	Sep-24	Perpetual	Sep-29
Nordea Bank	Additional Tier 1	SEK	3,750	FRN	Sep-24	Perpetual	Sep-29
Nordea Bank	Senior preferred	EUR	1,000	Fixed	Jun-24	Jun-29	
Nordea Bank	Tier 2, Green	EUR	750	Fixed	May-24	May-35	Feb-30
Nordea Mortgage Bank	Covered	EUR	1,000	Fixed	Apr-24	Apr-34	

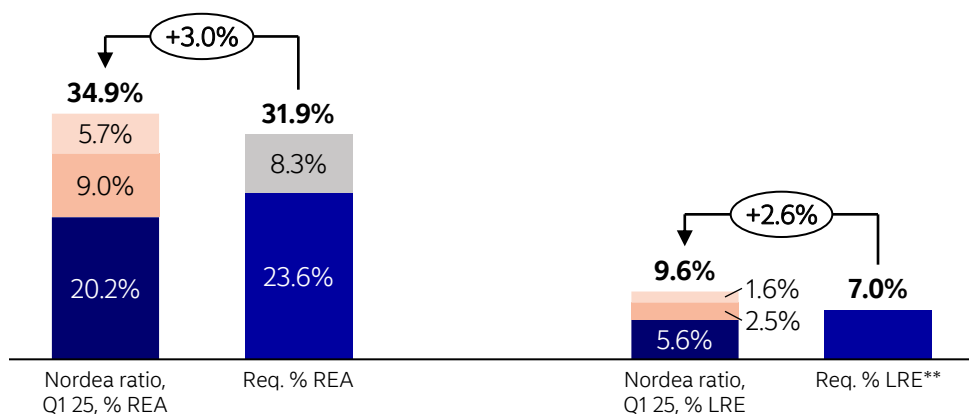
Minimum requirements for own funds and eligible liabilities

MREL positions and requirements

Subordinated MREL



Total MREL



SP Own funds
SNP CBR

Subordinated MREL

- 2.2 pp above requirement % REA
- Outstanding senior non-preferred (SNP) of EUR 14.8bn

Total MREL

- 3.0 pp above requirement % REA
- Outstanding senior preferred (SP) of EUR 14.1bn

Requirements set by Single Resolution Board (SRB) in 2025 MREL decision

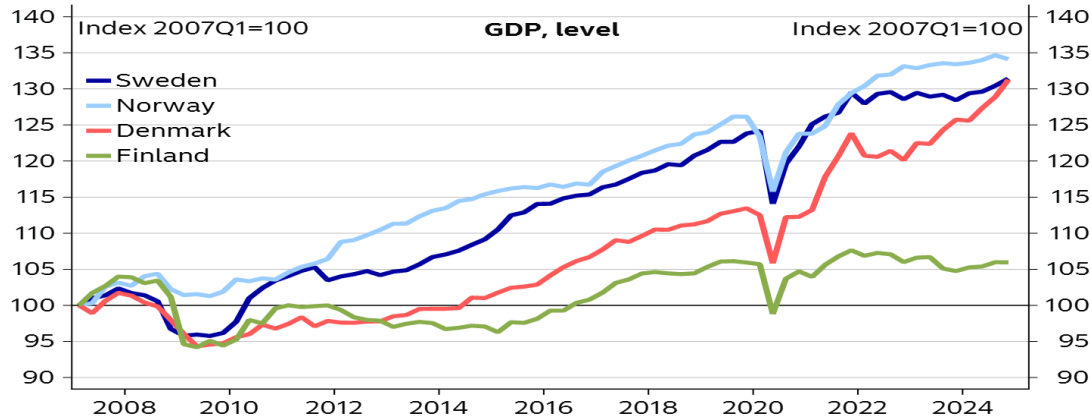
- Subordinated MREL
 - the higher of
 - 20.34% REA + CBR*
 - 7.02% LRE**
 - but capped at 27% of REA
- Total MREL, the higher of
 - 23.64% REA + CBR
 - 7.02% LRE
- To be updated by the SRB in H1 2026

4. Macroeconomy

Nordic economic development

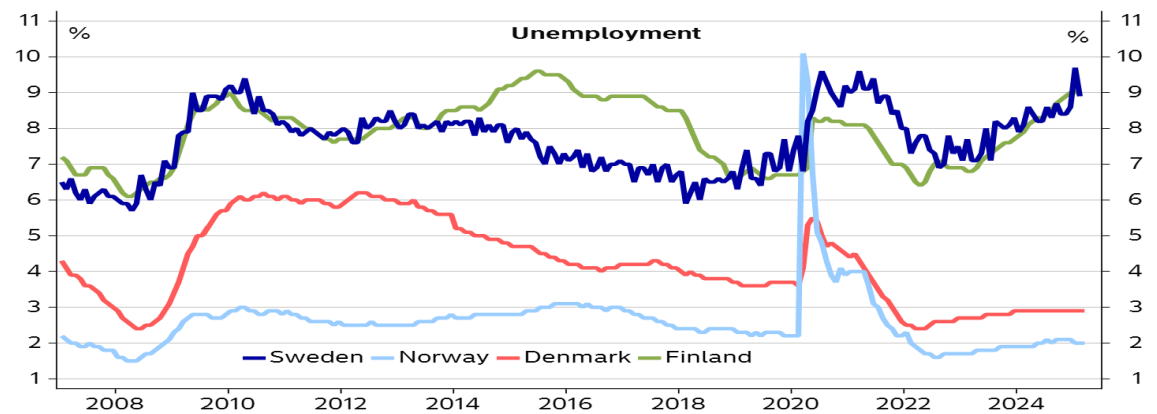
Uncertainty

GDP



- The economic activity in the Nordics will be positive in both 2025 and 2026, according to Nordea's forecast, mainly attributed to lower interest rates
- Labour markets are still under pressure but are expected to stabilise soon
- However, the global, and thus the Nordic, economic outlook remains highly uncertain amid geopolitical risks and the escalation in trade tensions between the world's leading economies

Unemployment rate



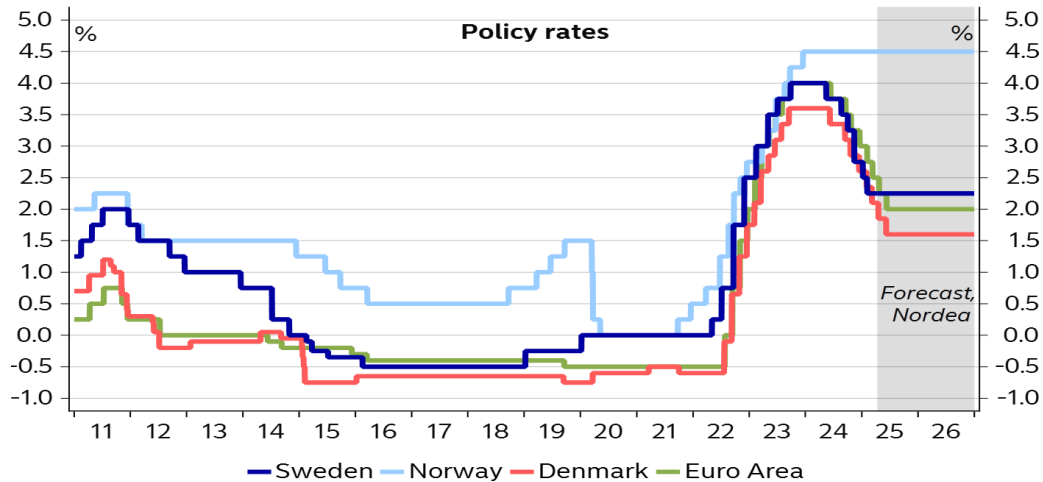
GDP, % y/y, Economic Outlook January 2025

Country	2023	2024	2025E	2026E
Denmark	2.5	3.7	2.8	1.7
Finland	-0.9	-0.1	1.0	2.0
Norway (mainland)	0.7	0.6	1.8	1.8
Sweden	0.1	1.0	1.6	2.6

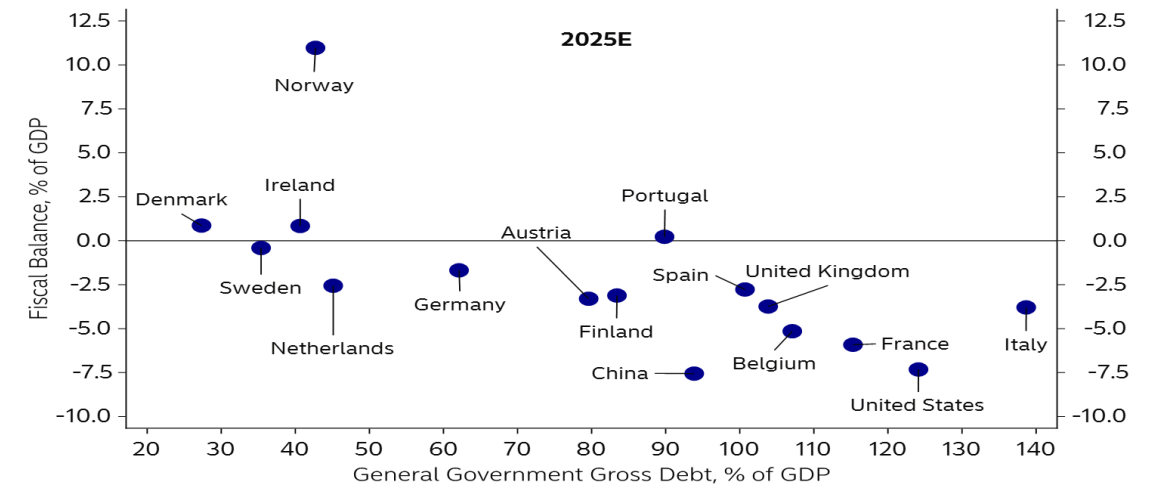
Nordic economies

On hold

Policy rates



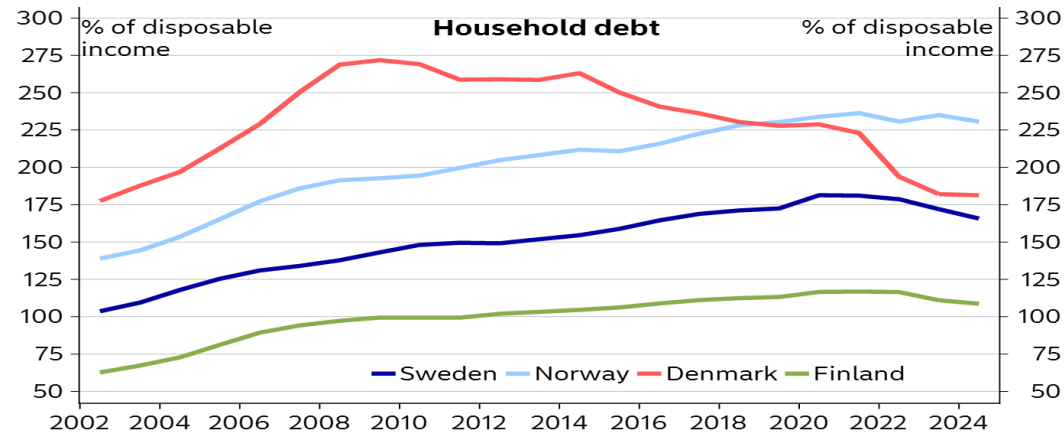
Public balance/debt, % of GDP, 2025E (IMF)



- The ECB and Danmarks Nationalbank lowered their policy rates by 0.25 percentage points in March, while the Riksbank and Norges Bank stayed on hold
- The Riksbank is expected to leave its policy rate unchanged at 2.25% this year, according to Nordea's forecast
- Norges Bank is expected to leave its policy rate unchanged at 4.50% this year, according to Nordea's forecast
- The ECB is expected to lower its policy rate by 0.25 percentage points in April and June, down to 2.00%
- The central banks are expected to stay on hold in 2026, leaving their policy rates unchanged, according to Nordea's forecast
- Solid public finances will help most of the Nordic governments to support the economic recovery ahead

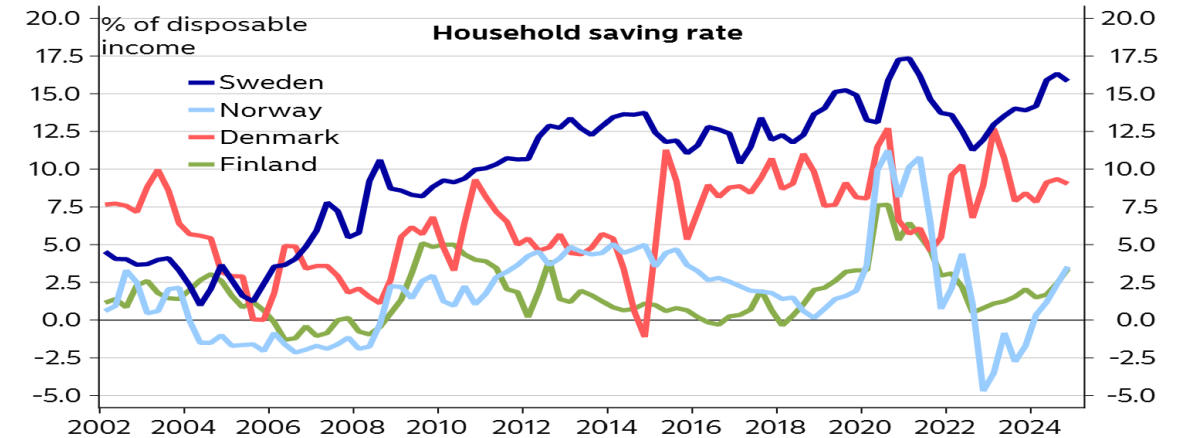
Increasing purchasing power

Household debt

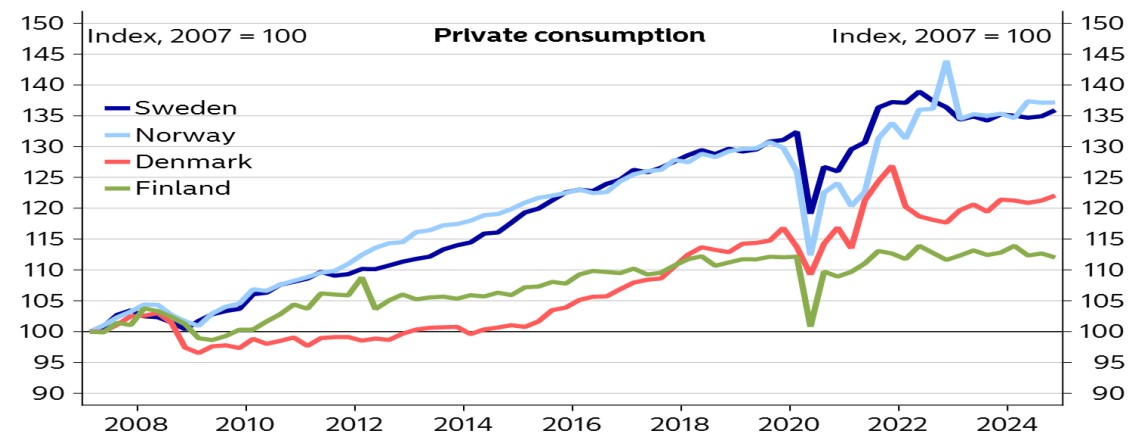


- Households' purchasing power and consumption are expected to improve as real disposable income continues to increase
- Consumer confidence has recovered from historical low levels. However, the level is subdued and has edged down in recent months, indicating increased caution among most Nordic households
- While households' debt ratio has decreased, the savings rate has increased

Household savings



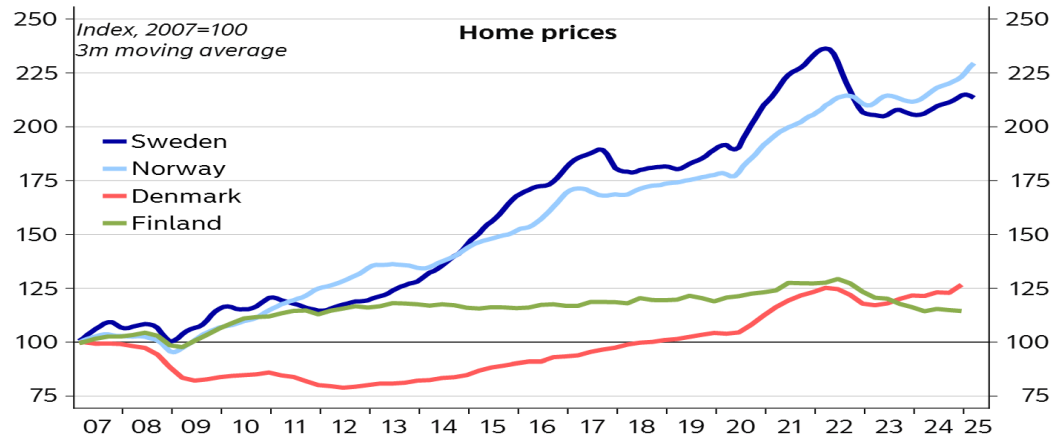
Private consumption



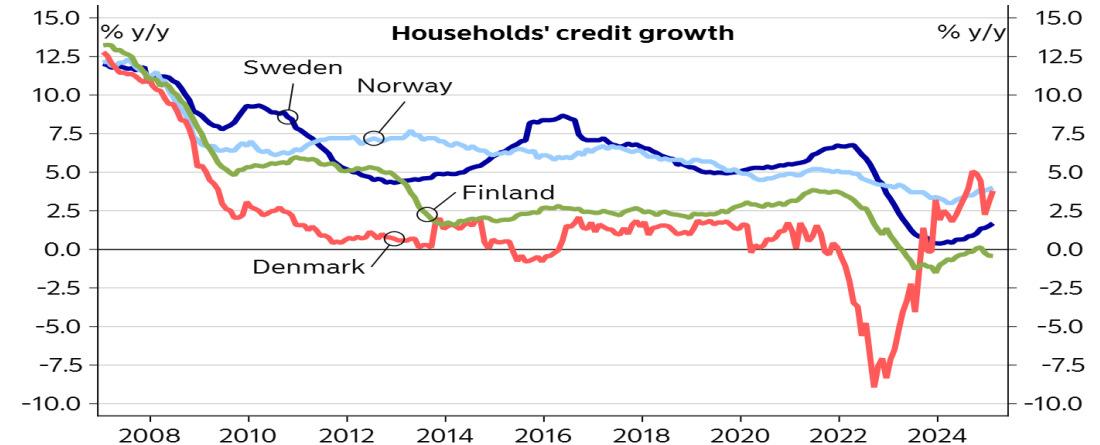
Housing markets

Mixed developments

Home prices



Households' credit growth



- Home prices have stabilised, but developments have been mixed since the new year. Norwegian home prices have developed better than their Nordic counterparts and rose by 7.0% year-on-year in March 2025
- Monetary policy has become less restrictive in most of the Nordic countries and should support a recovery in home prices
- Transaction volumes are continuing to normalise. However, the higher-than-normal supply of homes suggests that the market can absorb higher demand without sharp price increases
- Households' credit growth has turned positive in all the Nordic countries except for Finland

Contacts

Investor Relations

Ilkka Ottoila

Head of Investor Relations
Tel: +358 9 53 00 70 58
ilkka.ottoila@nordea.com

Juho-Pekka Jääskeläinen

Head of Debt IR and Ratings
Tel: +358 9 53 00 64 35
Mobile: +358 40 550 91 11
juho-pekka.jaaskelainen@nordea.com

Randie Atto Rhawi

Senior IR Officer
Tel: +46 73 866 17 24
randie.atto.rhawi@nordea.com

Group Treasury

Anders Frank-Læssøe

Group Treasurer, Head of Group Treasury
Tel: +45 5547 76 72
anders.frank@nordea.com

Ola Littorin

Head of Long Term Funding
Tel: +46 8 407 90 05
Mobile: +46 70 840 01 49
ola.littorin@nordea.com

Petra Mellor

Head of Bank Debt
Tel: +46 8 407 91 24
Mobile: +46 70 277 83 72
petra.mellor@nordea.com