

**Nordea**

**Debt investor  
presentation Q2 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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# Table of contents

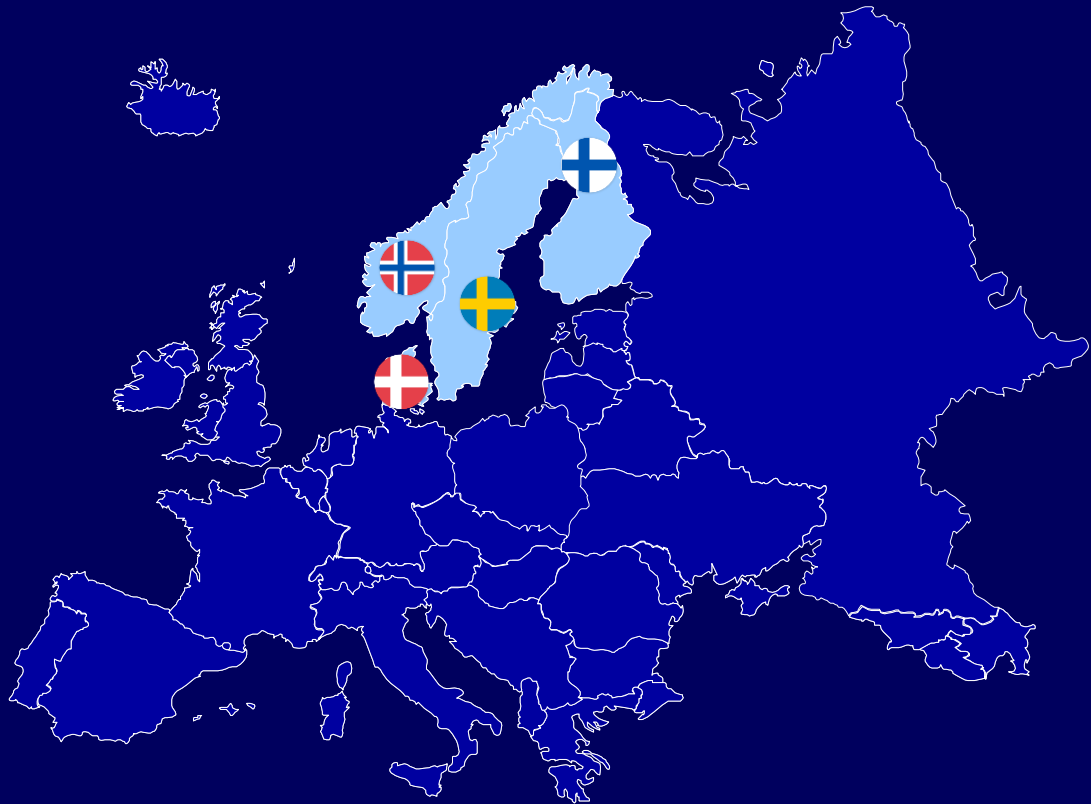
1. Quarterly update	5
2. Credit quality	12
3. Capital, liquidity and funding	17
4. ESG	29
5. Macroeconomy	34



Nordea today

The largest financial services group in the Nordics

Unique Nordic diversification and scale



€637bn Assets	€6.5bn Operating profit 2024	AA-/Aa3 Credit rating
€335bn Loan portfolio	€437bn Assets under management	~€44bn Market capitalisation
~30 000 Employees	EUR 0.94 Dividend per share for 2024	EUR 0.11 Share buy-back per share 2024

Personal Banking

Business Banking

Large Corporates and  
Institutions

Asset and Wealth  
Management

# 1. Quarterly update

## **Executive summary**

### **Strong performance and high profitability in volatile markets**

- Return on equity\* 16.2% and earnings per share EUR 0.35

### **Return to growth in corporate lending; continued growth in mortgage and deposit volumes and assets under management**

- Mortgage lending up 6% y/y, corporate lending up 5%. Retail deposits up 8% y/y, corporate deposits up 5%. AuM up 9% y/y

### **Income resilient**

- Total income 4% lower y/y. Net interest income down 6% as expected, net commission income stable and net fair value result up 3%

### **Cost-to-income ratio with amortised resolution fees 46.1%**

### **Exceptionally strong credit quality – net loan losses again well below long-term expectation**

- Net loan losses and similar net result reversal of EUR 21m or 2bp (EUR 39m or 4bp excluding management buffer release)

### **Capital generation robust; new share buy-back programme launched**

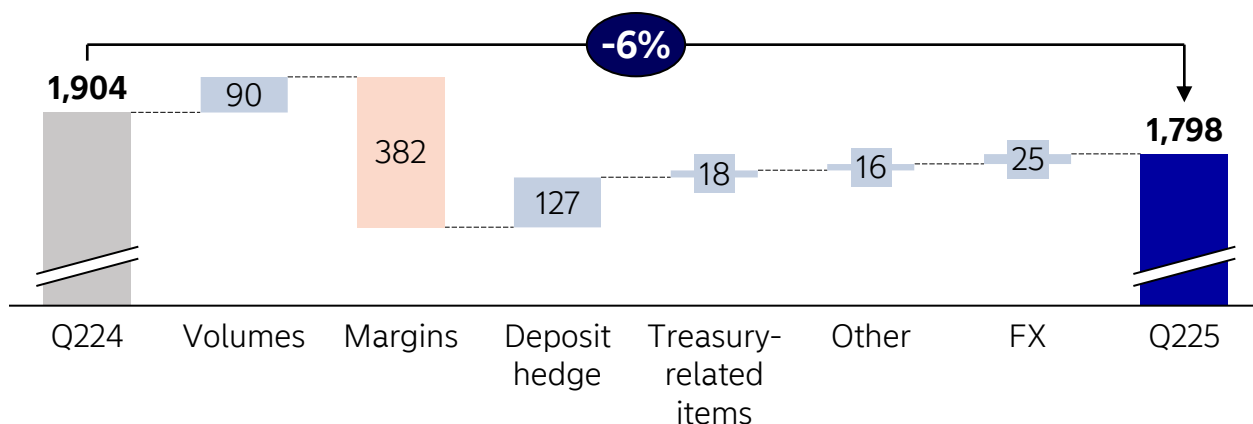
- CET1 ratio 15.6% – 1.9pp above current regulatory requirement
- Additional EUR 250m share buy-back programme launched in June

### **2025 outlook unchanged: on track to deliver return on equity of above 15%**

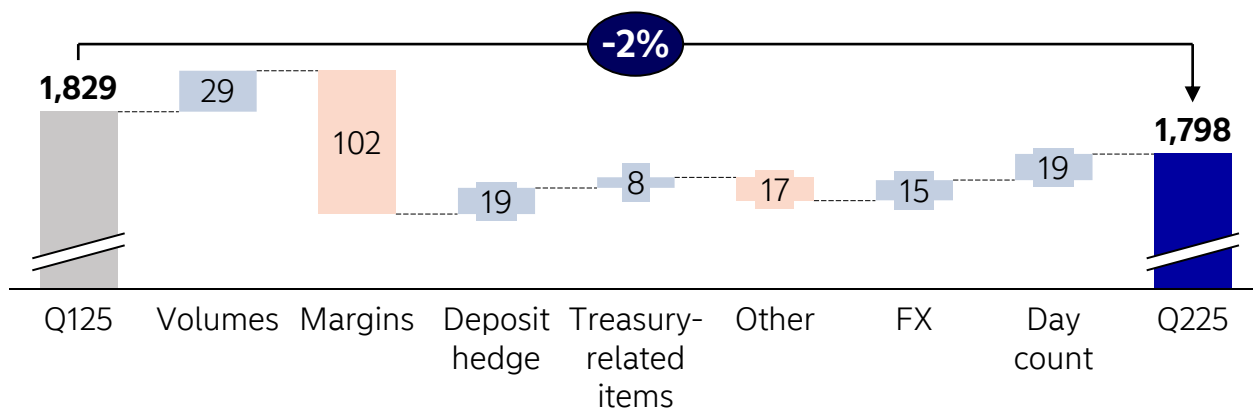
Net interest income

## Higher business volumes, lower margins as expected

### Year-over-year bridge, EURm



### Quarter-over-quarter bridge, EURm

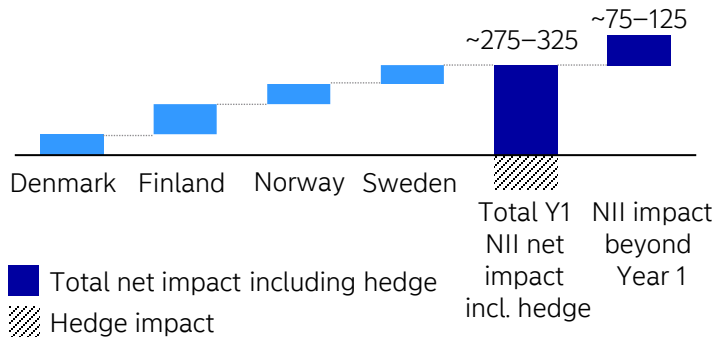


- **Net interest income down 6% y/y, as expected**
- **Lending and deposit growth**
  - Mortgages up 6% (1% excluding Norwegian acquisition)
  - Corporate lending up 5%
  - Retail deposits up 8% (5% excluding Norwegian acquisition)
  - Corporate deposits up 5%
- **Net interest margin 1.63% (1.83% Q224)**
  - Lower deposit and equity margins, driven by lower policy rates, and lower lending margins – offset by positive contribution from deposit hedge

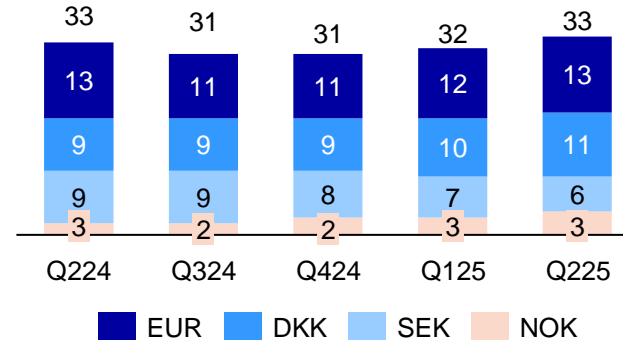
## Net interest income sensitivity

### Net interest income sensitivity to policy rate changes

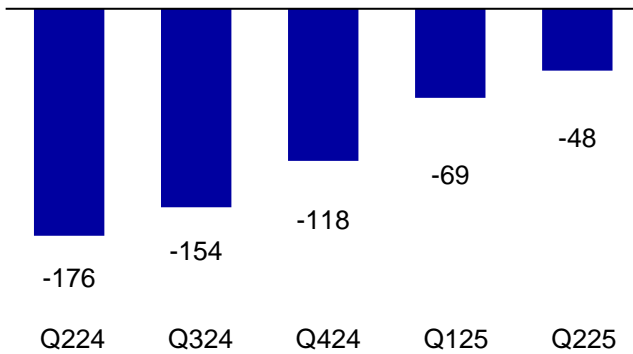
#### Sensitivity to +50bp parallel shift in policy rates\*, EURm



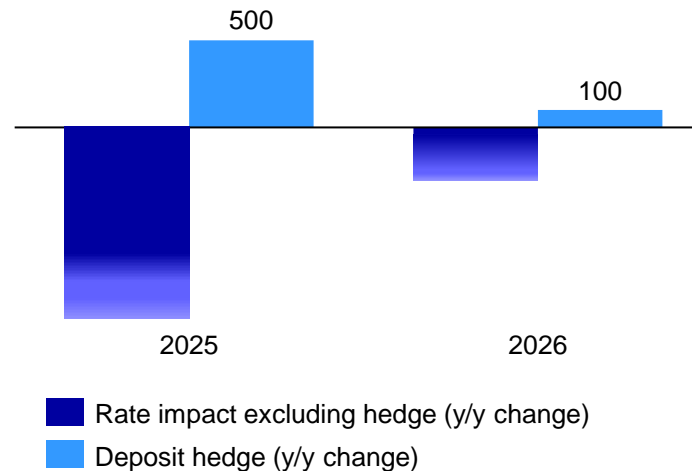
#### Deposit hedge – nominal volume, EURbn



#### Quarterly NII impact from deposit hedge (absolute), EURm



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



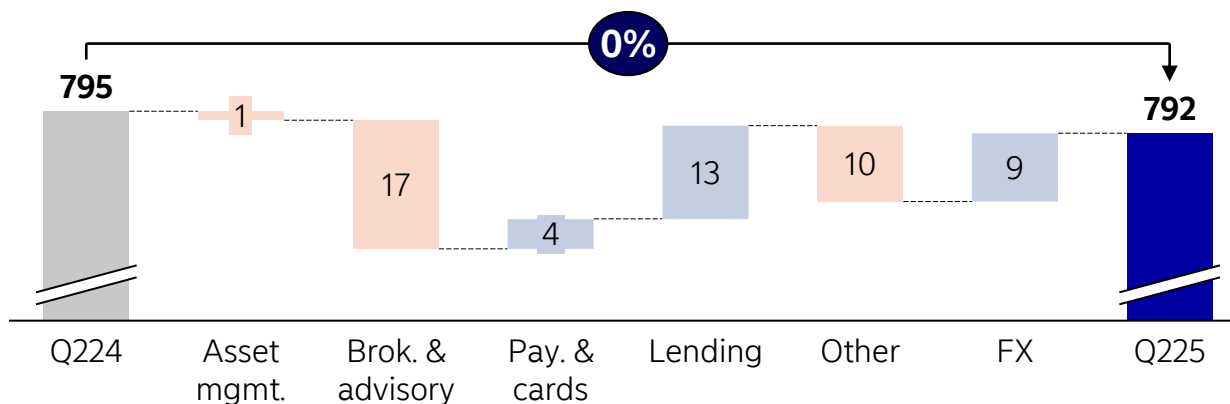
- **NII impact largely driven by policy rates and pass-through**
  - Actual pass-through varying between account types and countries, and throughout rate cycles
  - Sensitivity reflecting modelled risk over cycle
- **Group NII also impacted by other drivers**
  - Volumes and loan/deposit pricing
  - 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



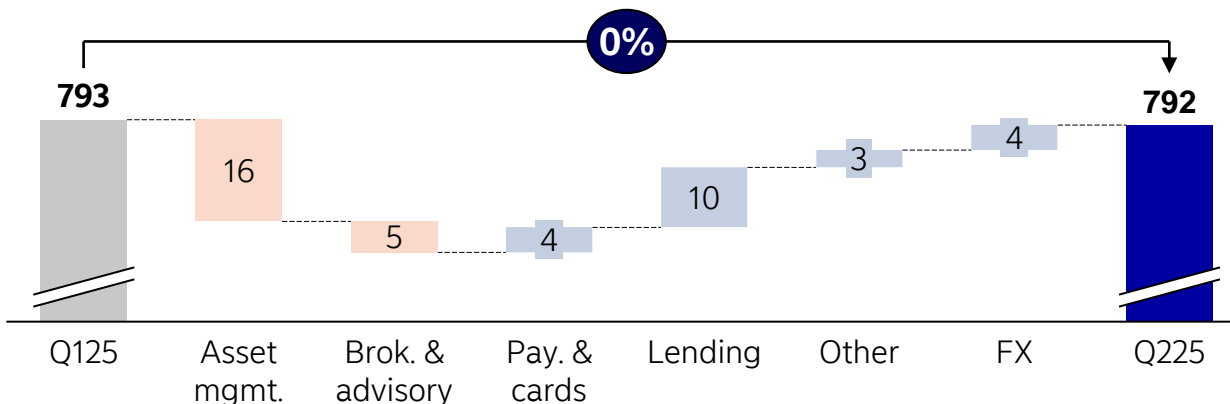
Net fee and commission income

## Fees impacted by market volatility early in quarter

### Year-over-year bridge, EURm



### Quarter-over-quarter bridge, EURm

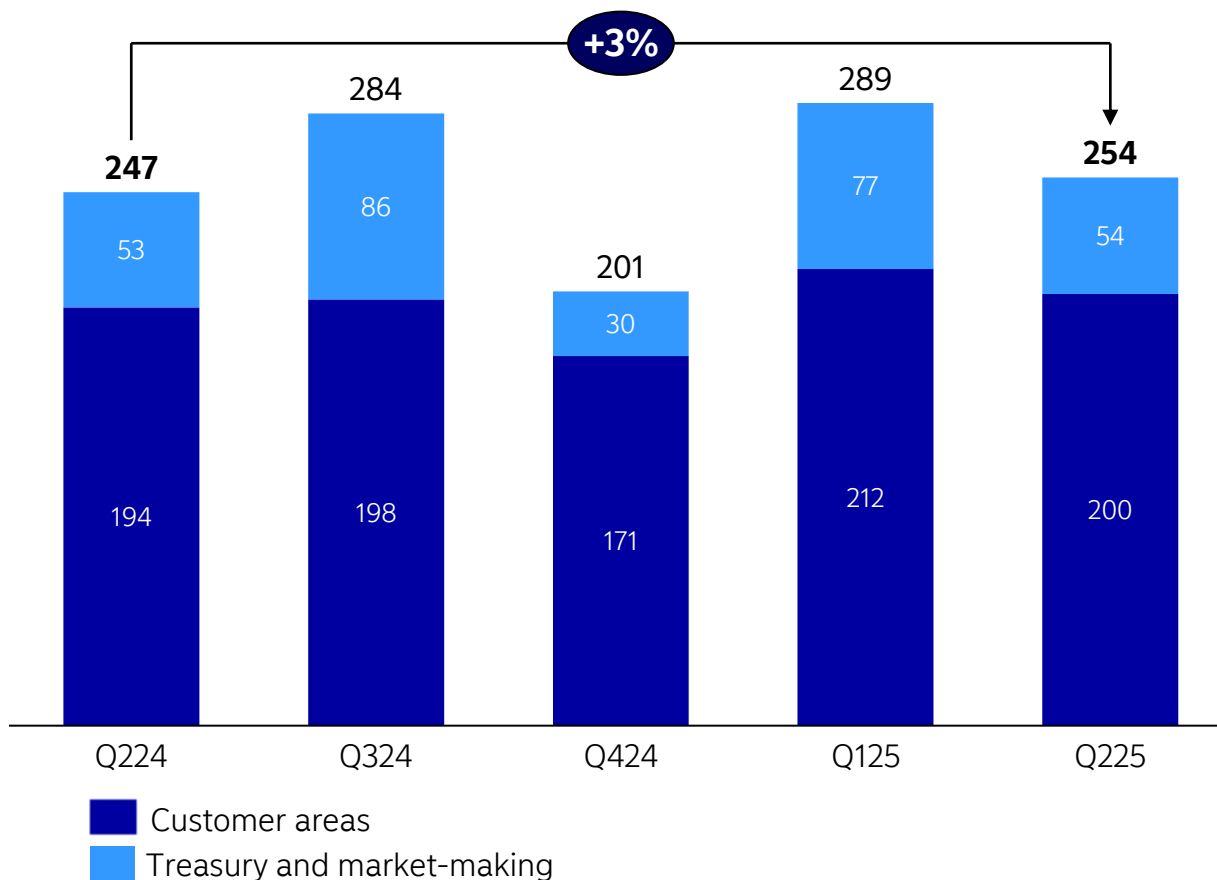


- **Net fee and commission income stable**
- **Savings fee income stable**
  - AuM up 9%, to EUR 437bn
  - Net flows in Nordic channels (86% of AuM) EUR 4.5bn
  - Net flows in international channels (14% of AuM) EUR -0.4bn
- **Brokerage & advisory fee income down, driven by uncertainty**
- **Higher customer activity driving payment and card fee income**
- **Lending growth driving fee income higher**

Net fair value result

## Continued high customer activity

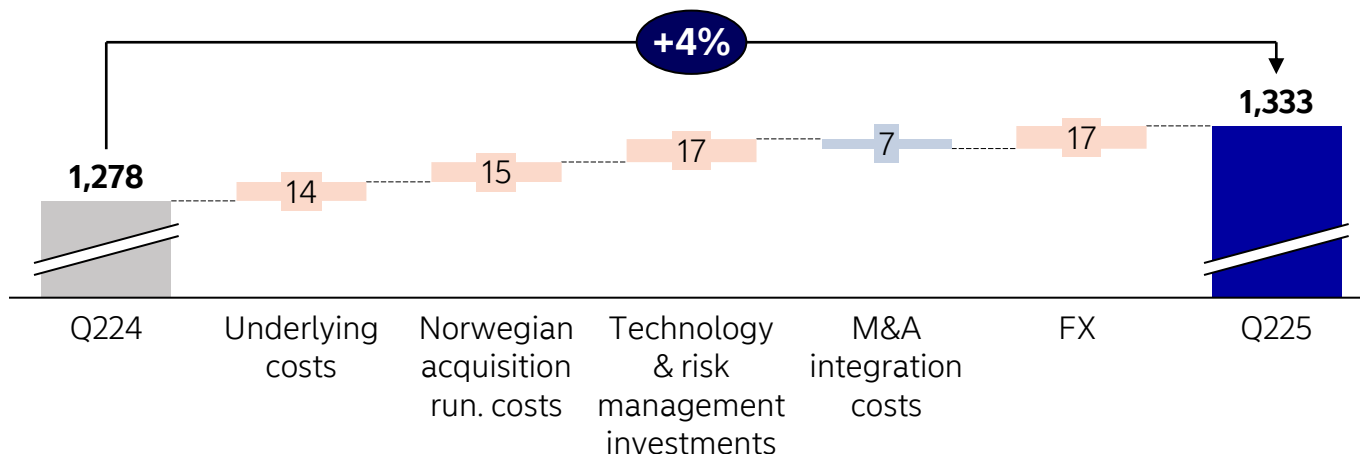
Net fair value result, EURm\*



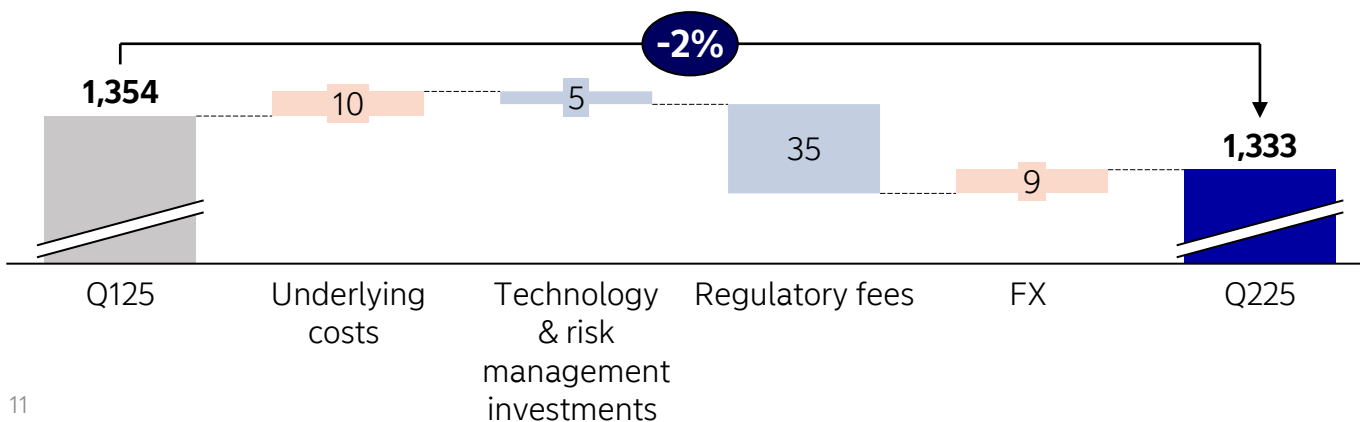
- High activity in customer risk management, particularly in FX and rates products
- Higher treasury result offset by lower market-making, impacted by volatility due to tariff uncertainty

## Costs in line with plan

### Year-over-year bridge, EURm



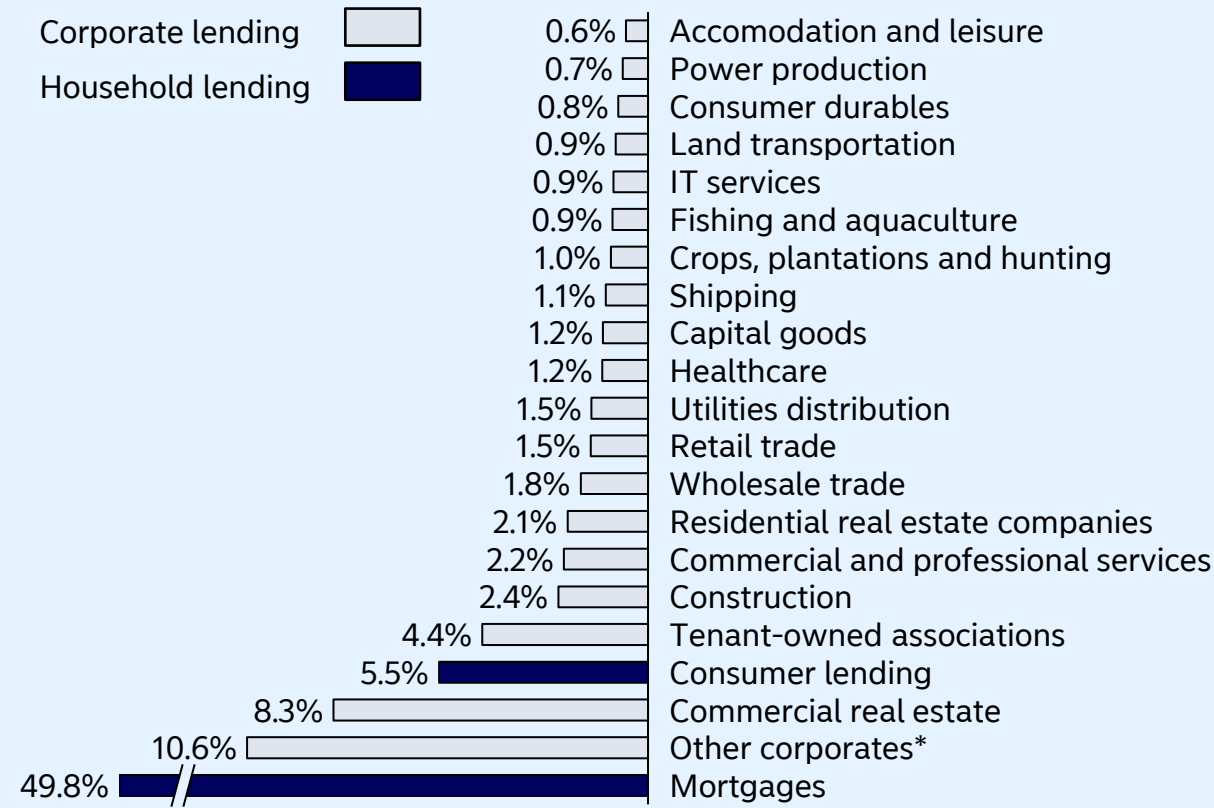
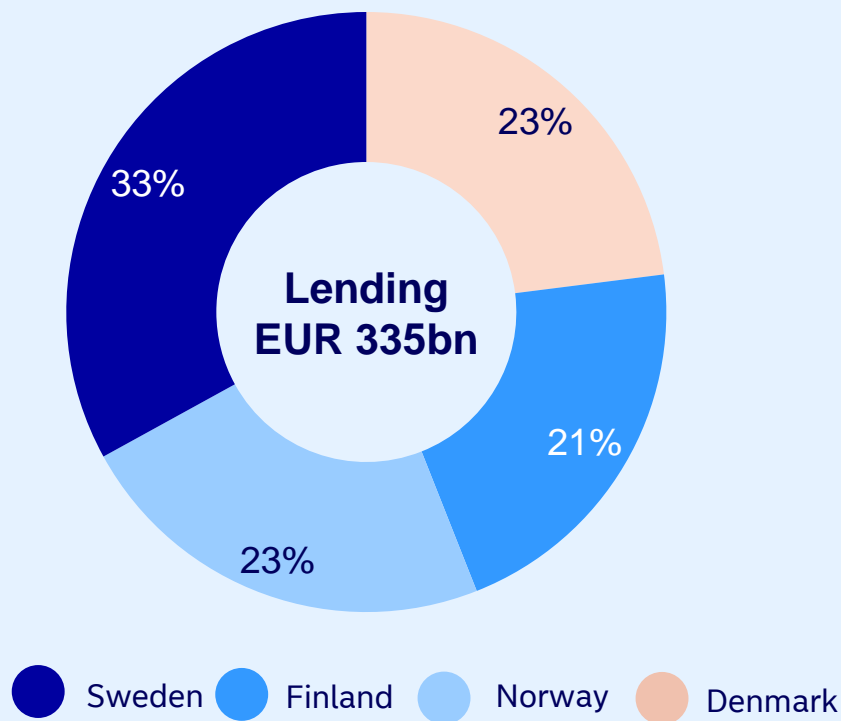
### Quarter-over-quarter bridge, EURm



- **Total costs up 3% y/y (excl. FX), driven by strategic investments and inflation**
  - More than half of increase due to strategic initiatives, including Norwegian acquisition and investments in technology, data and AI
  - 1pp of increase due to underlying costs, driven by annual salary increases
- **Total full-year costs expected to increase by 2.0–2.5% in 2025, excluding FX**

## 2. Credit quality

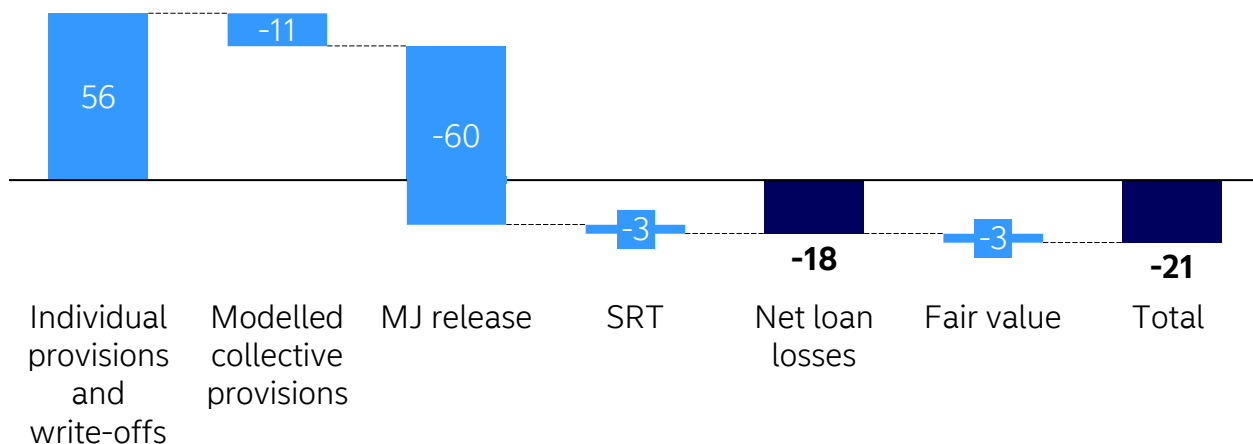
Well diversified pan-Nordic financial service provider



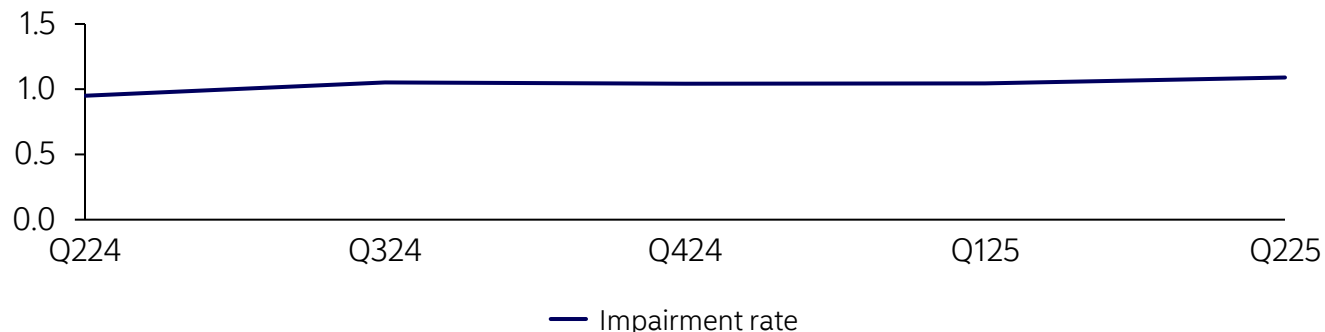
Net loan losses and similar net result

## Exceptionally strong credit quality

### Net loan losses and similar net result, EURm



### Impaired (stage 3) loans, %



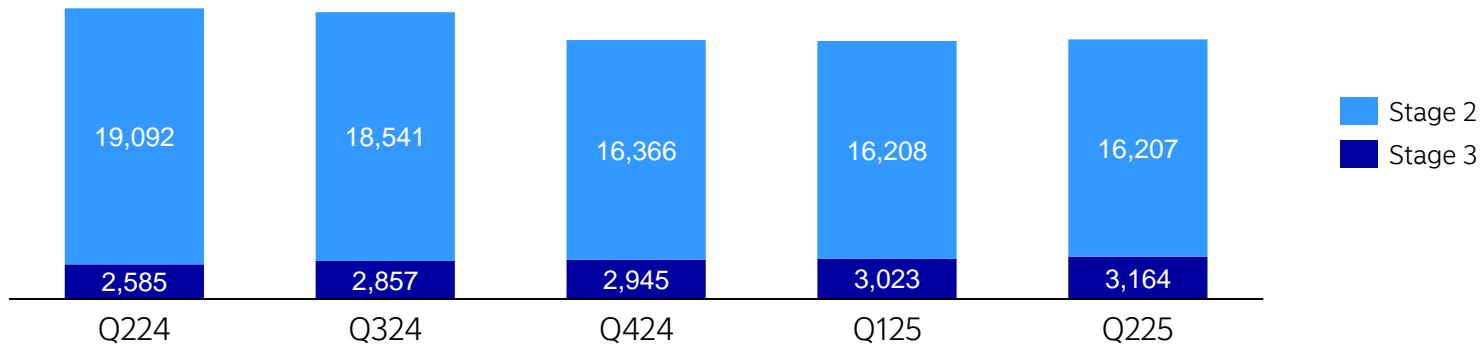
- **Net loan losses and similar net result reversal of EUR 21m (2bp)**
  - Low individual provisions and write-offs, driven by corporate customers, with no specific industry concentration
  - Reduced need for collective provisioning for households
  - Management judgement buffer reduced by EUR 60m (now at EUR 341m), given continued strength of credit portfolio
- **Provision levels strong at EUR 1.7bn**
  - Solid coverage reflecting high levels of collateral
- **Low level of non-performing loans**
  - Slight increase in stage 3 loans (to 1.09%)



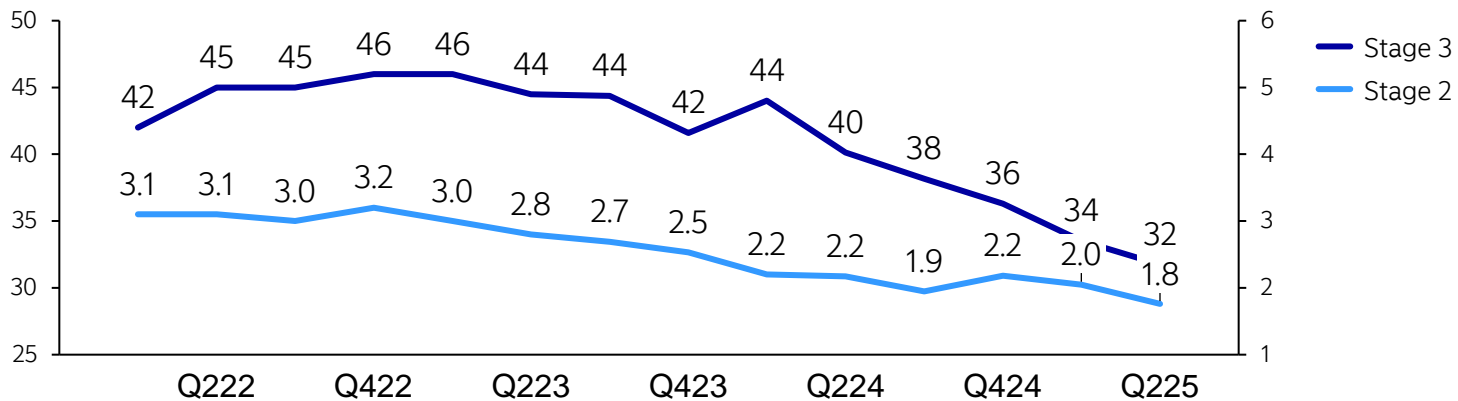
## Impairments and provisioning coverage

### Continued resilience in strong credit portfolio

Stage 2 and 3 loans at amortised cost, EURm



Coverage ratio, %

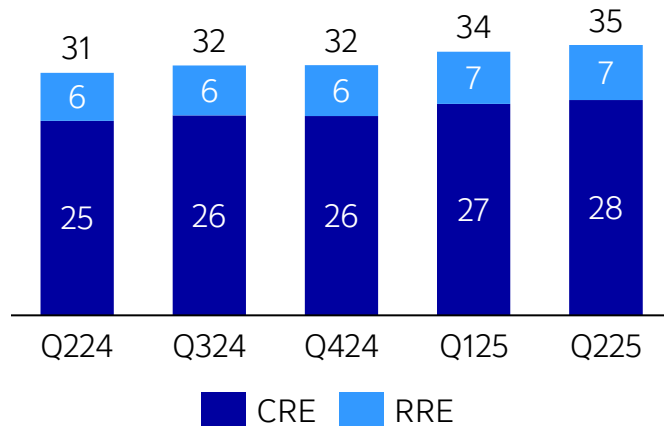


- **Stage 2 loans stable at 6% of total loans**
- **Stage 3 loans slightly up at 1.09% of total loans (1.04% Q125)**
- **Coverage ratio for stage 3 portfolio slightly down at 32%**
  - Reduction driven by larger exposures in stage 3 for few customers with strong collateral
  - Stage 2 coverage ratio down due to release of management judgement allowances allocated to stage 2

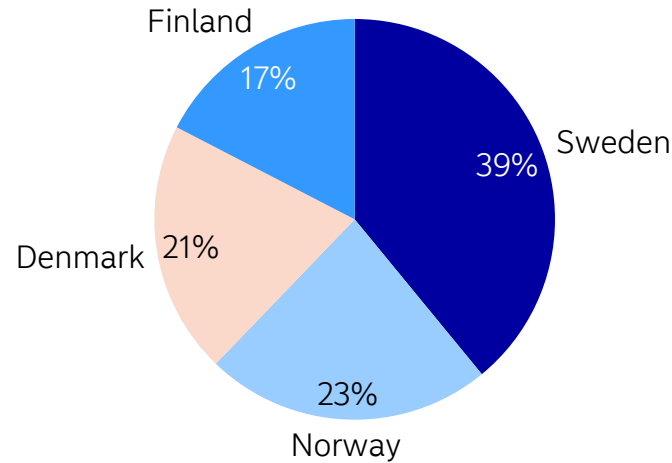
## Credit portfolio – real estate management industry (REMI)\*

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

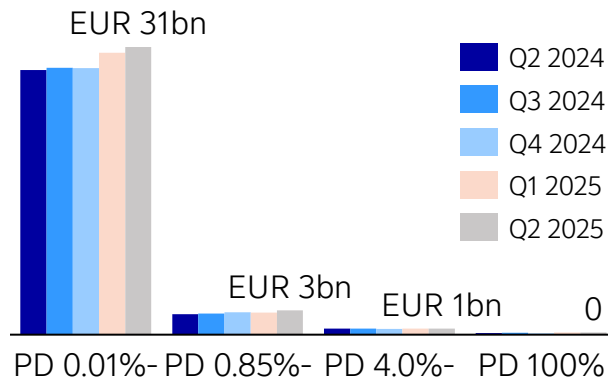
#### Lending volumes stable



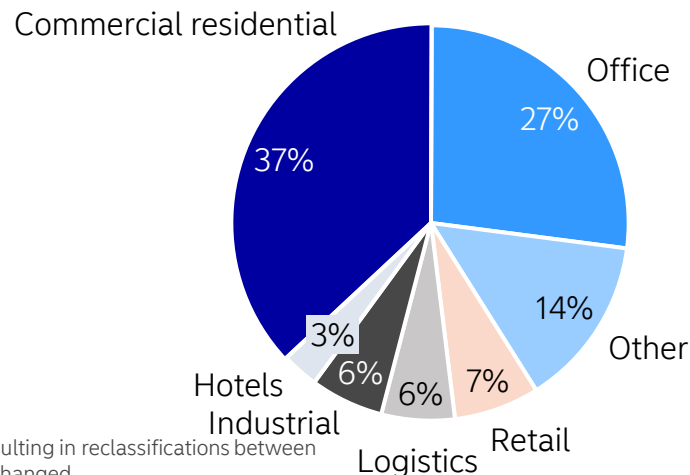
#### Diversified across countries



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



#### Diversified across types\*\*

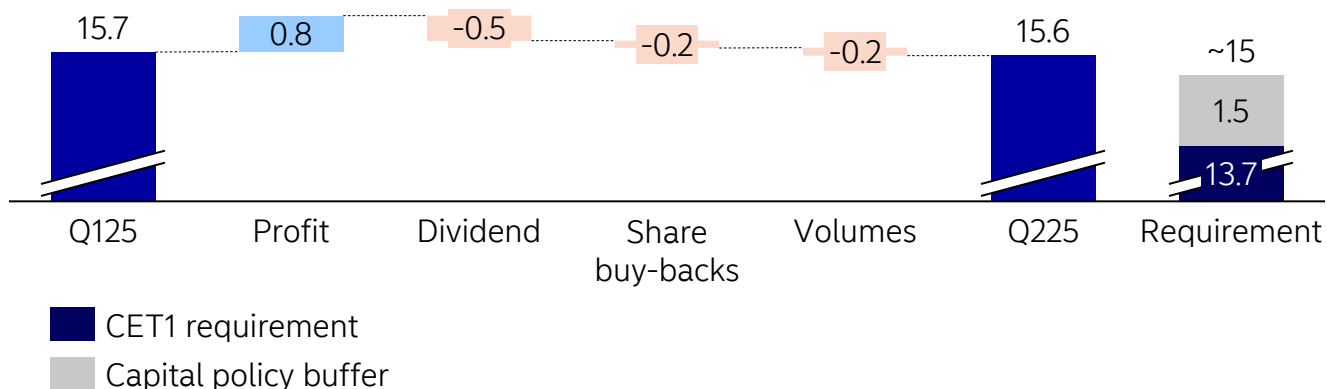


- **Well-diversified portfolio across Nordic markets**
- **90% of exposure towards low-risk customers, 7% towards increased risk, only 2% towards high risk and less than 1% impaired**
- **Portfolio mainly comprising central, modern office and residential properties**
- **Strict underwriting standards: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

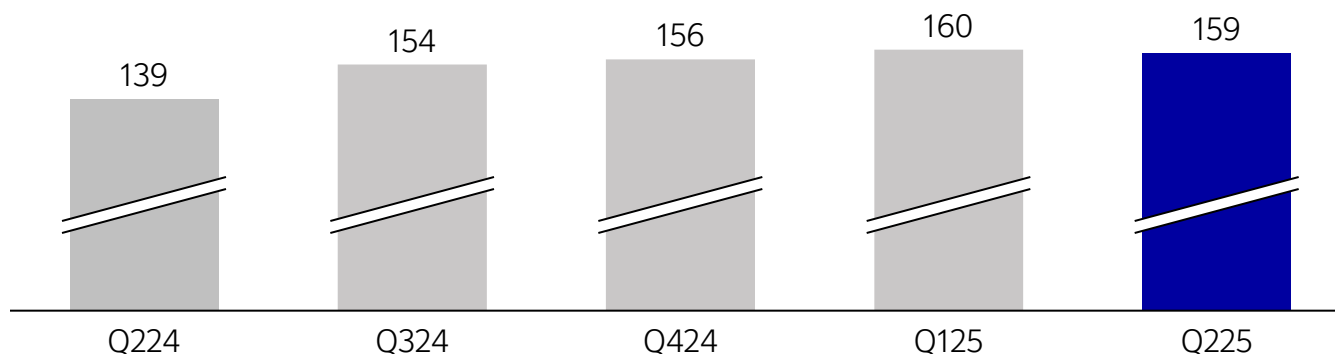
### **3. Capital, liquidity and funding**

## Strong capital position; share buy-backs ongoing

### CET1 capital ratio development, %



### REA development, EURbn



### • CET1 capital ratio 15.6%

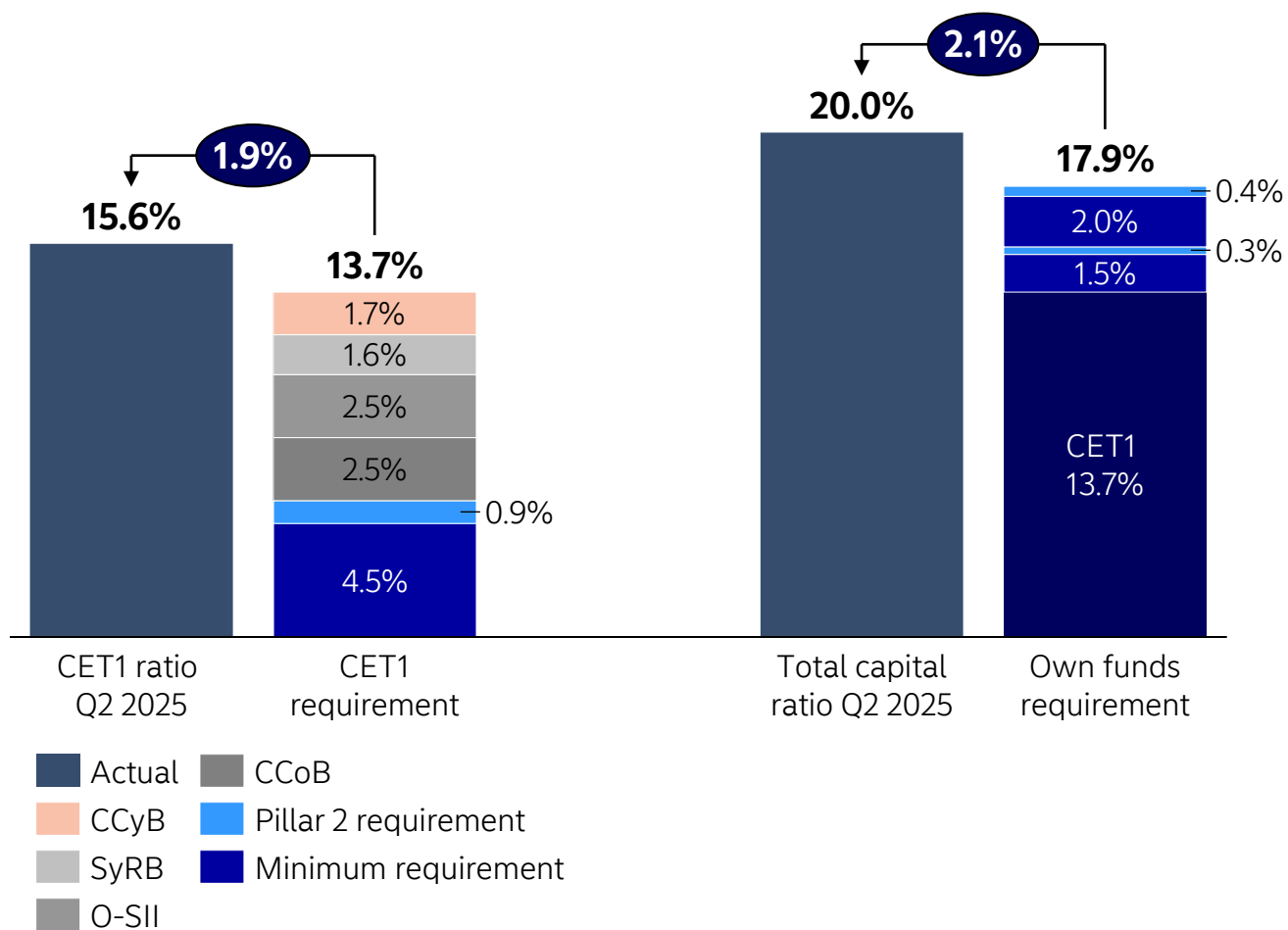
- 1.9pp above regulatory requirement
- CET1 capital ratio 7bp lower, mainly due to launch of new share buy-back programme and increased corporate lending, offset by continued strong capital generation
- EUR 1.1bn decrease in risk exposure amount due to FX effects, partly offset by increased corporate lending and changed capital treatment for certain corporate portfolios

### • CET1 requirements

- Full reciprocation of Norwegian systemic risk buffer (SyRB) of 4.5% from Q425, increasing Nordea's CET1 requirement by ~20bp. Nordea disagrees with decision
- Finnish SyRB of 1.0% maintained for all exposures and O-SII buffer of 2.5% maintained for Nordea

## Strong capital position

### Capital position and requirements (%)



- CET1 capital ratio 15.6%**

- 1.9 percentage points above regulatory requirement, corresponding to a CET1 buffer of EUR 3.0bn

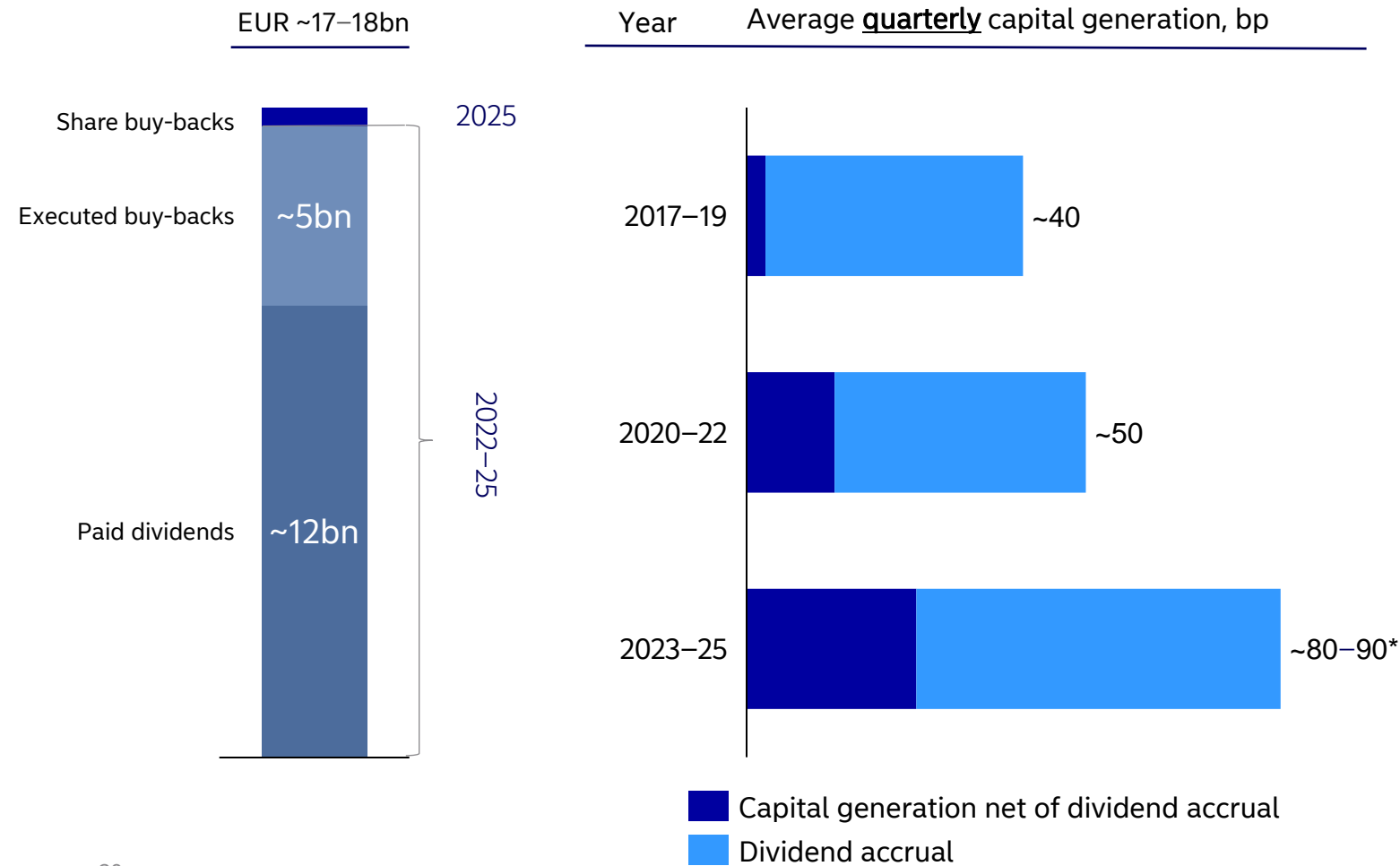
- CET1 requirement**

- On 26 June, the Finnish FSA decided to reciprocate the Norwegian systemic risk buffer (SyRB) in full to 4.5% applicable from 1 October 2025. This will increase the CET1 requirement for Nordea with ~20bp
- Finnish FSA decided to maintain the 1.0% Finnish SyRB applicable on all exposures and maintained the O-SII buffer for Nordea at 2.5%

Capital excellence

**Strong capital generation supporting returns**

Shareholder returns supported by continued strong capital generation

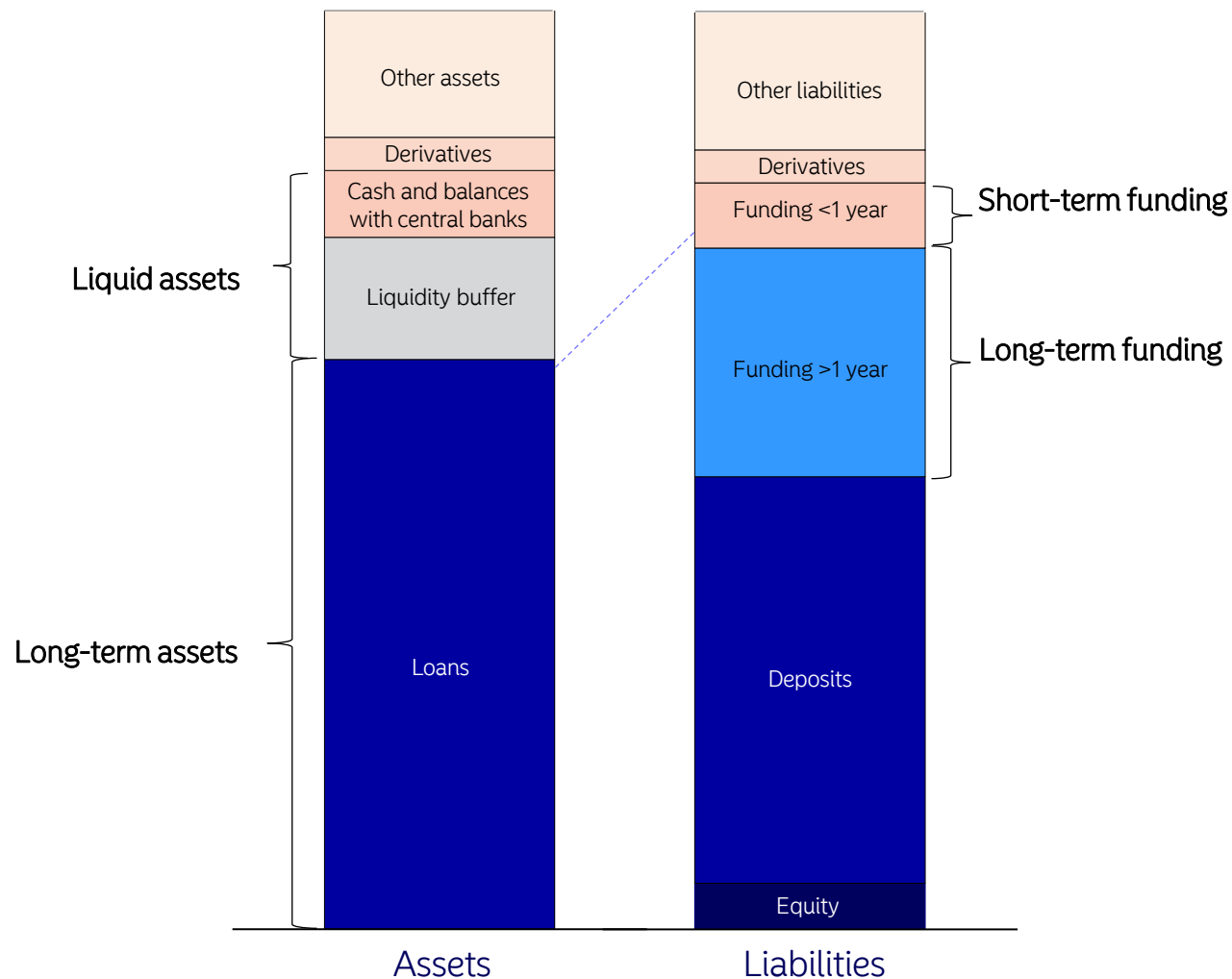


- **Capital return commitment reaffirmed**
  - Strong capital generation
  - Unchanged dividend policy
  - Share buy-backs to distribute excess capital
- **EUR 250m share buy-back programme launched in June 2025, expected to be completed by 30 September 2025 at latest**
- **Continued use of share buy-backs to trim excess capital**



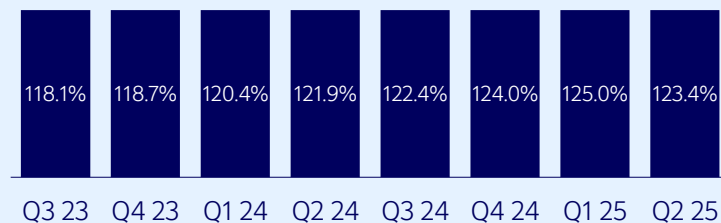
## Strong balance sheet structure

Q2 2025



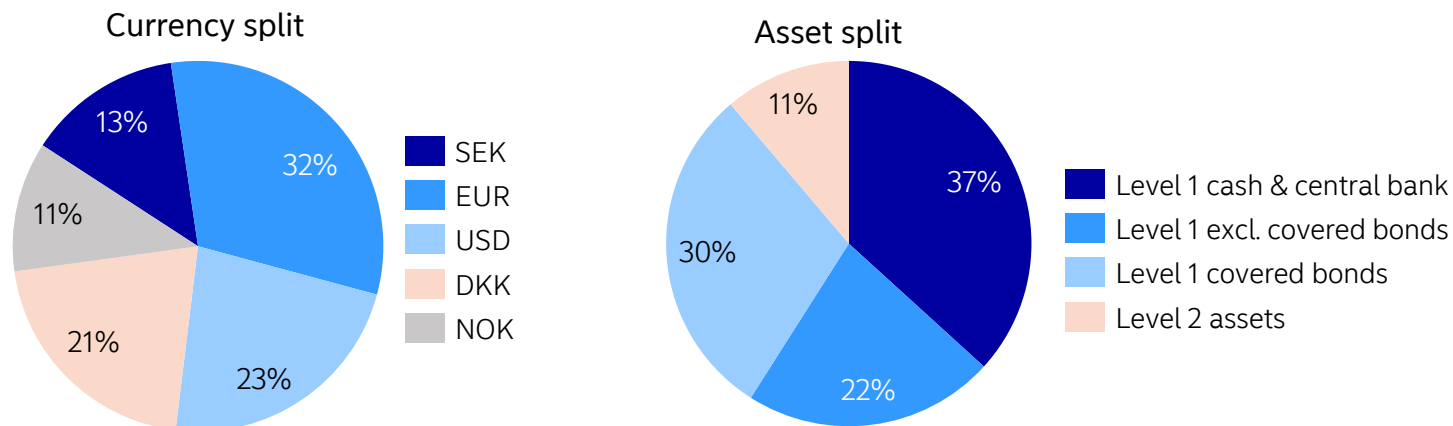
### • Total assets EUR 637bn Q2 2025

- 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:

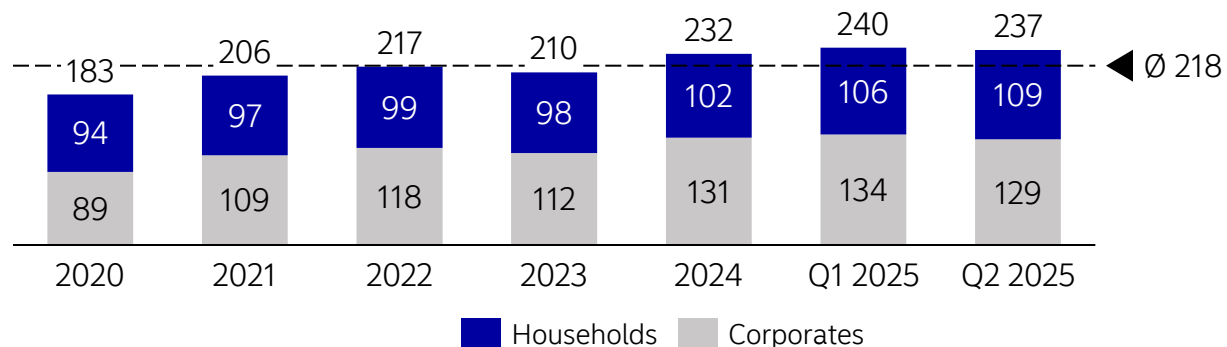


## Strong liquidity position

### Liquidity buffer composition, EUR 122bn



### Deposits and borrowings from the public\*, EURbn



- Robust liquidity position**

- Liquidity coverage ratio (LCR) 163%
- Net stable funding ratio (NSFR) 123.4%

- Well diversified liquidity buffer of EUR 122bn**

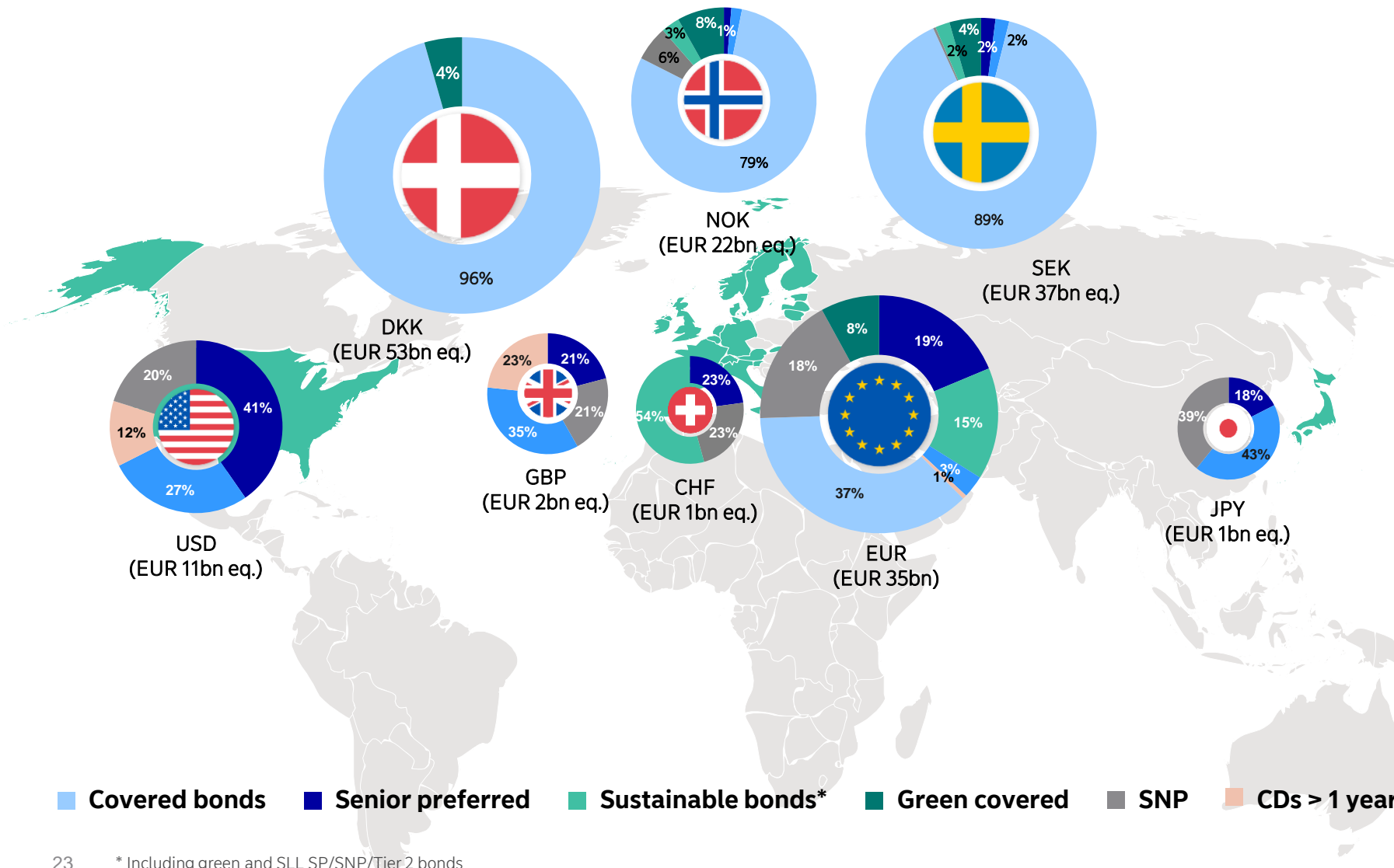
- EUR 45bn in central bank cash and reserves
- EUR 77bn in securities
- Conservative hedging approach and no single name concentration

- Deposits**

- 42% 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

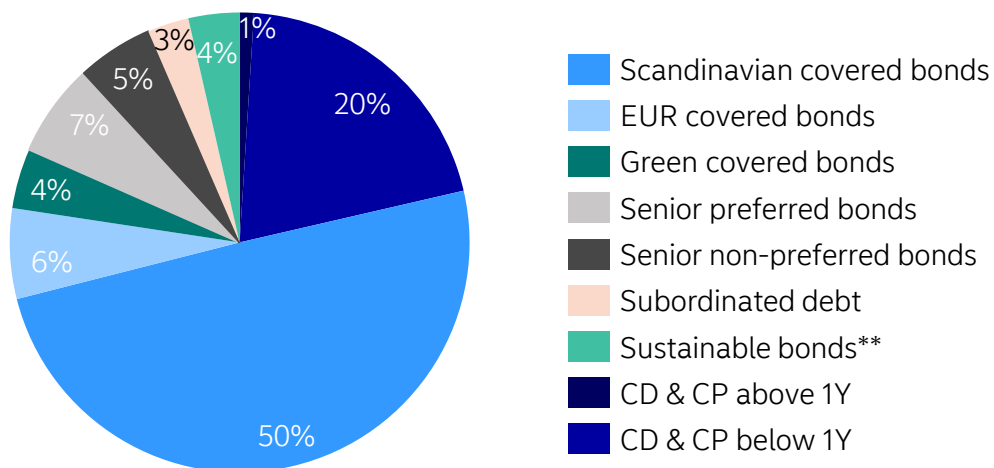
- Moody's Aaa (stable outlook)
- S&P AAA (stable outlook)

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

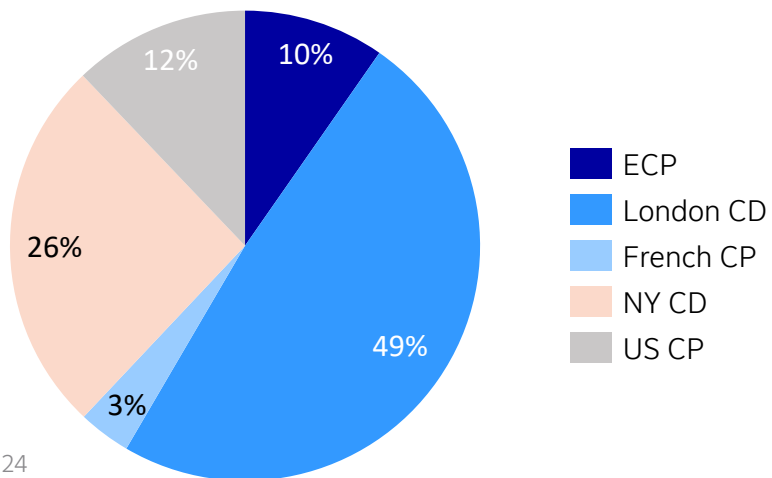
Wholesale funding

## Solid funding operations

### Total wholesale funding, EUR 201bn



### Short term funding, EUR 41bn



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



IFR Yankee  
Bond of the  
Year - 2024



- **Long-term issuance\***

- EUR 5.1bn issued during Q2
  - EUR 2.5bn in covered bonds and EUR 2.6bn in senior format
- EUR 12.3bn issued YTD per end of Q2

- **Short term issuance**

- EUR 41bn total outstanding per end Q2

- **Issuance plans 2025\***

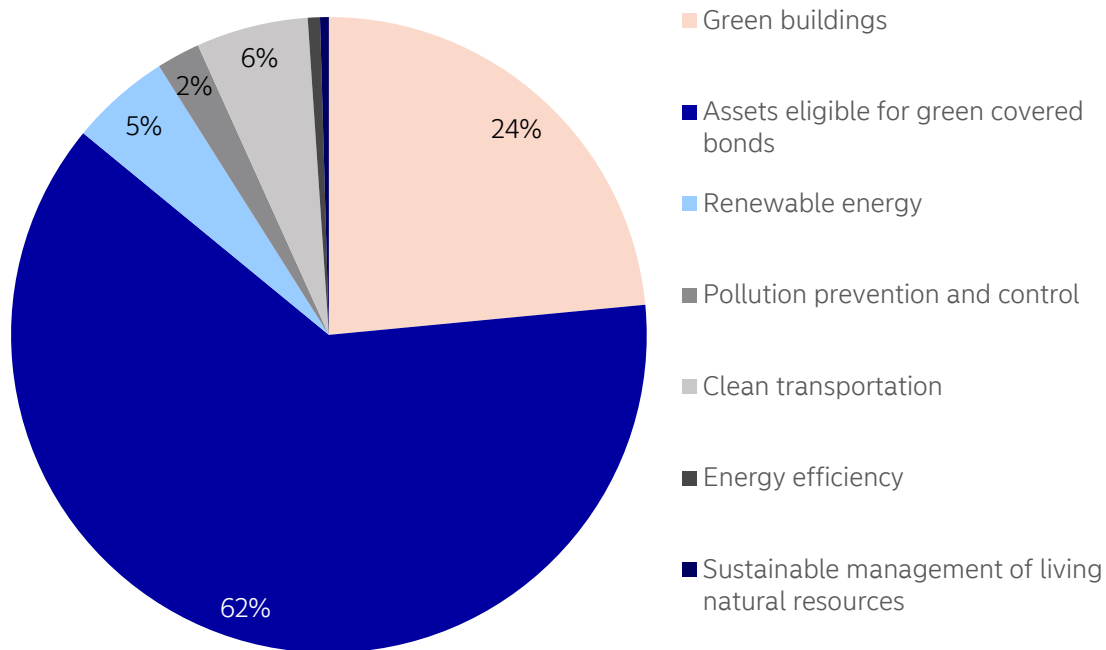
- EUR 20bn estimated in total long-term issuance
  - Around half expected in Scandinavian currencies, most of which in covered bonds
  - Remaining volume in international currencies incorporating senior debt and covered bonds

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

Sustainability at the core

## Enhanced focus on sustainable funding

### Nordea's green bond asset portfolio



- **EUR 24.1bn assets available for green funding**
  - EUR 9.1bn in NBAbp green bond asset portfolio
  - EUR 15bn available assets for green covered bonds
- **EUR 5.4bn green bonds from NBAbp outstanding**
- **EUR 8.4bn 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



ISS ESG

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



ESG score:  
14.3 (0 to 100)\*\*

MSCI

ESG rating:  
AA (AAA to CCC)

S&P Global

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 Q1

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 37.0bn (eq.)	EUR 66.3bn (eq.)	Balance principle	Pool 1: EUR 11.9bn Pool 2: EUR 15.3bn
Covered bonds outstanding	EUR 23.0bn (eq.)	EUR 35.7bn (eq.)	EUR 58.8bn (eq.)*	Pool 1: EUR 10.4bn Pool 2: EUR 10.8bn
OC	61%	86%	8%*	Pool 1: 15% / Pool 2: 43%
Issuance currencies	NOK	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa / -	Aaa / -	- / AAA	Aaa / -
Outstanding green covered bonds	EUR 1.8bn (eq.)	EUR 1.7bn (eq.)	EUR 2.3bn (eq.)	EUR 2.8bn






















\*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



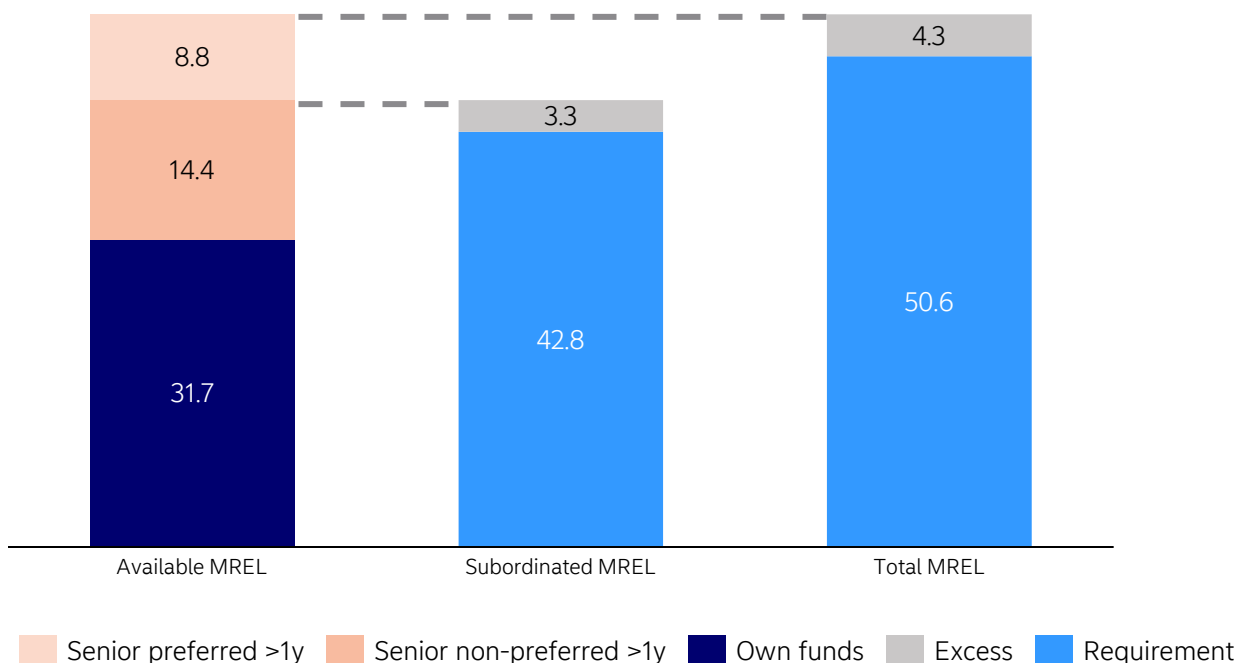
## Funding transactions

### Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	First call date
Nordea Bank	Senior non-preferred	 NOK	1,250	FRN	Jun-25	Jun-30	
Nordea Bank	Senior non-preferred	 NOK	2,000	FRN	Jun-25	Jun-28	
Nordea Bank	Senior non-preferred, Green	 NOK	2,700	FRN/Fixed	May-25	May-32	
Nordea Bank	Senior non-preferred	 JPY	44,300	Fixed	May-25	Multi-tranche	Multi-tranche
Nordea Bank	Senior preferred	 JPY	9,200	Fixed	May-25	May-30	
Nordea Eiendomskreditt	Covered	 NOK	7,000	FRN	May-25	May-30	
Nordea Bank	Senior non-preferred, Green	 CHF	175	Fixed	May-25	May-32	
Nordea Bank	Senior preferred	 EUR	1,000	Fixed	Apr-25	Apr-30	
Nordea Hypotek	Covered	 SEK	6,000	Fixed	Apr-25	Nov-30	
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	6,000	Fixed	Oct-24	Oct-29	
Nordea Bank	Additional Tier 1	 USD	800	Fixed	Sep-24	Perpetual	Sep-31

Minimum requirements for own funds and eligible liabilities

## MREL positions and requirements, EUR bn



### Subordinated MREL

- EUR 3.3bn above constraining requirement of 27% of REA incl. combined buffer requirement

### Total MREL

- EUR 4.3bn above constraining requirement of 31.9% of REA incl. combined buffer requirement

**Requirements set by Single Resolution Board (SRB) in 2025 MREL decision, to be updated in H1 2026**

## 4. ESG


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 2030<sup>1</sup>


 **50%**  
reduction in emissions from internal operations by 2030<sup>1</sup>


## Supported by our 2025 sustainability targets<sup>2</sup>:

 **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

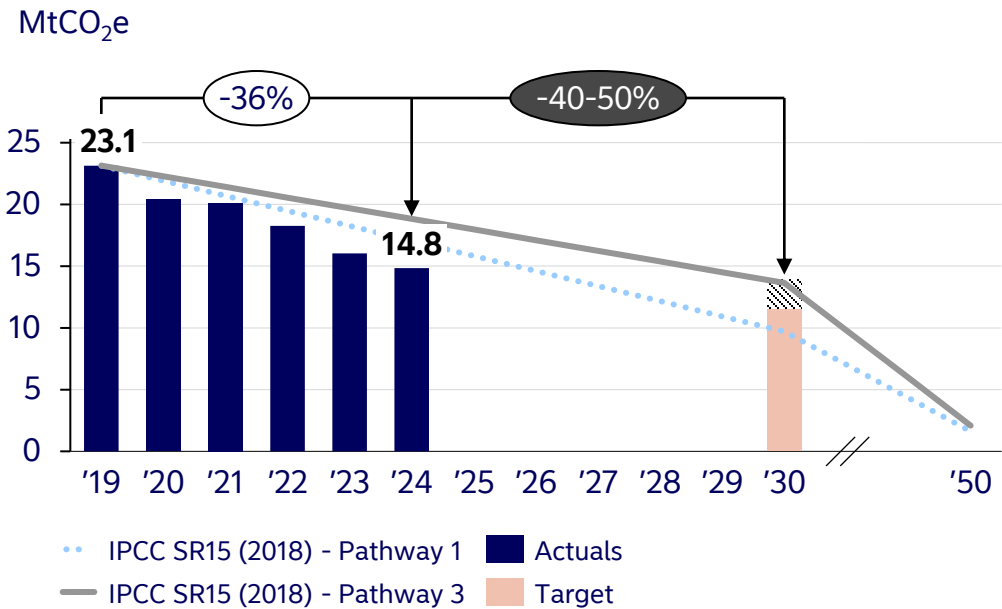
 **Double**  
the share of net-zero committed AUM

 **At least 40%**  
representation of each gender at the top three leadership levels<sup>3</sup> combined

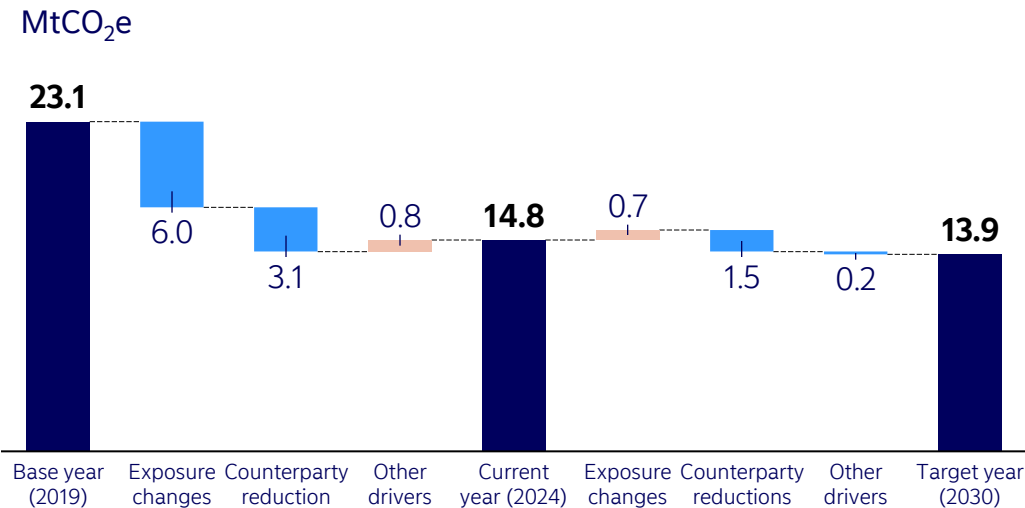
30 1) compared to 2019 baseline  
2) Selection of our medium-term targets – [link](#) to full list of targets  
3) Group Leadership Team (GLT), GLT-1 and GLT-2

Nordea is well on-track to reach its 2030 financed emissions target

Portfolio-wide 2030 target for the lending portfolio



Decarbonisation levers in the lending portfolio



36% reduction in financed emissions from business loans, motor vehicle loans, residential and commercial real estate loans between 2019 and 2024

Continued progress on climate targets in our lending portfolio

								2024 progress
<div> <b>40-50%</b> reduction in financed emissions in our lending portfolio by 2030<sup>1</sup></div>								<b>-36%</b>
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% <sup>2</sup>
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% <sup>2</sup>
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				

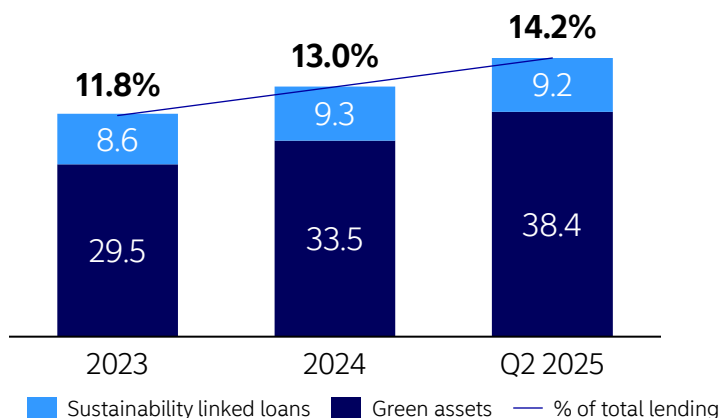
32 1) compared to 2019 baseline and covering lending to corporates and households for business loans, motor vehicles, commercial and residential real estate and shipping  
2) Shipping and Power production are based on 2023 actuals

Sustainability at the core

## We engage with our customers to drive sustainable growth

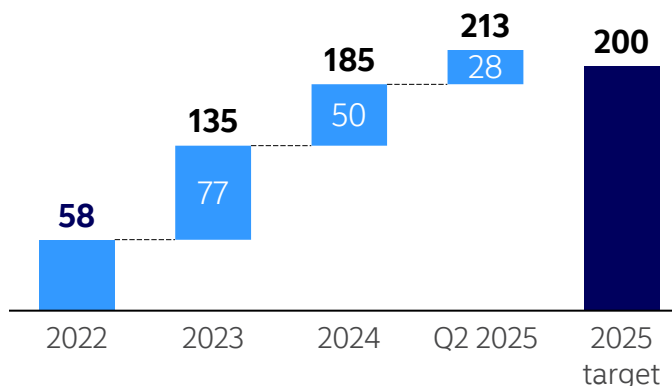
### Green assets and sustainability-linked loans

Total volumes, EURbn

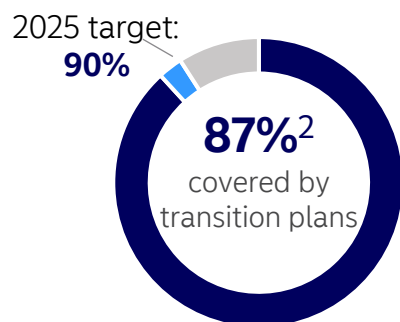


### Sustainable finance facilitation<sup>1</sup>

Accumulated volumes, EURbn

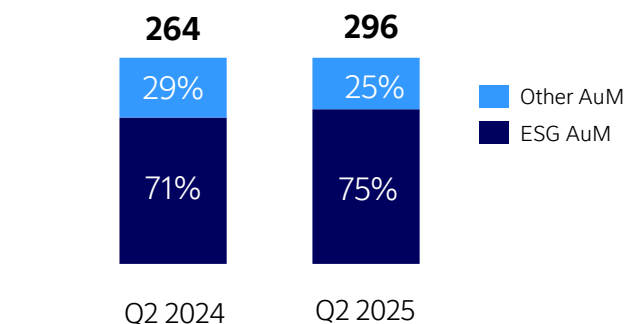


### Transition plan for large corporates



### Nordea Asset Management

Assets under management, EURbn



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

- **Facilitated EUR 213bn in sustainable financing since start of 2022**  
Compared to target EUR >200bn by 2025
- **Recognised as a sustainability leader with multiple awards**
- **Number one positions for both Nordic corporate and Nordic sustainable bonds overall**

33 1) Includes green, sustainable, sustainability-linked, and social bond transactions as well as green and sustainability-linked loan transactions

2) Q1 2025.

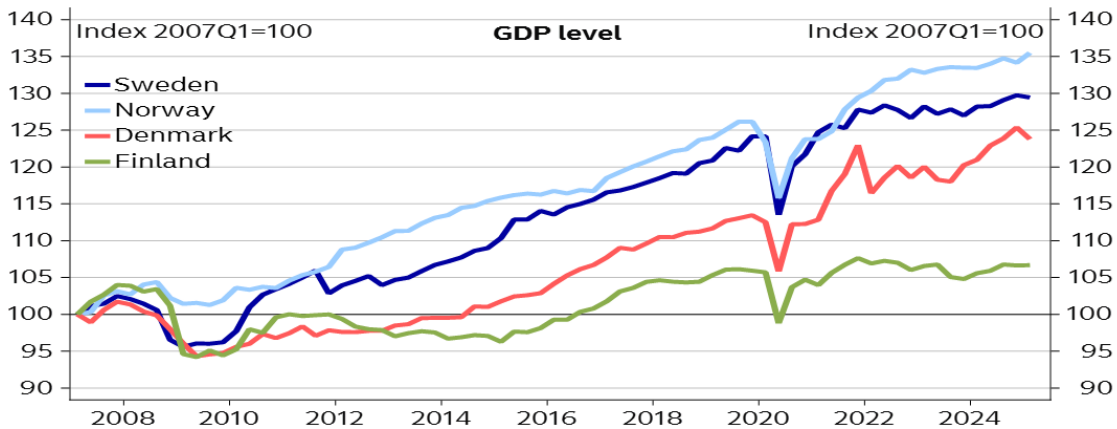
## 5. Macroeconomy



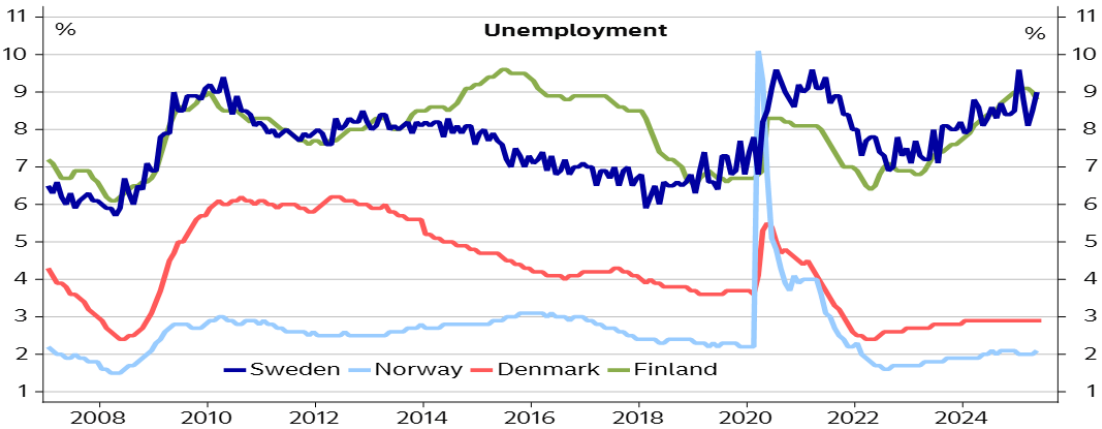
Nordic economic development

# Weathering the storm

## GDP



## Unemployment rate



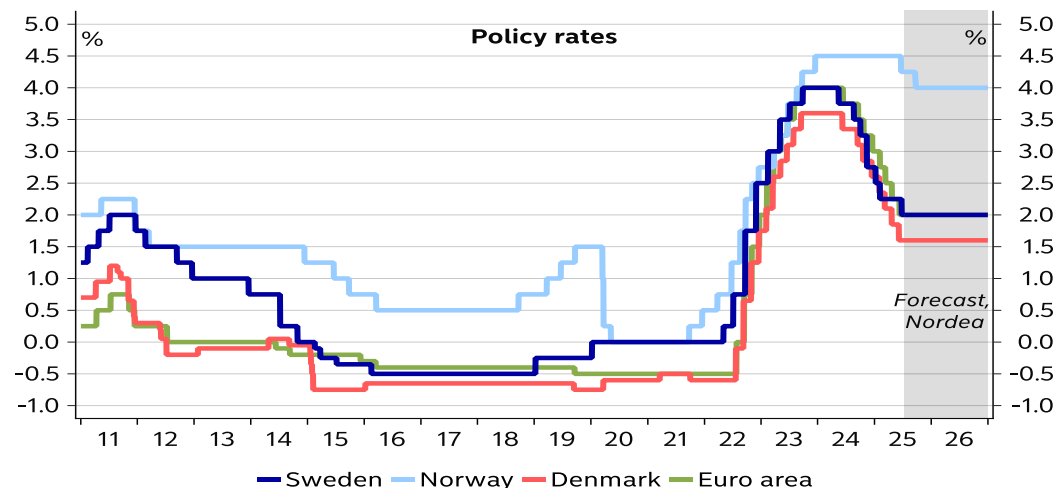
- The global economic outlook remains highly uncertain amid trade tensions and geopolitical risks. However, the Nordic economies are expected to weather the storm
- Economic activity in the Nordics will be positive in both 2025 and 2026, according to our forecast, mainly due to lower interest rates
- Labour markets are still under pressure, but are expected to stabilise soon

## GDP, % y/y, Economic Outlook May 2025

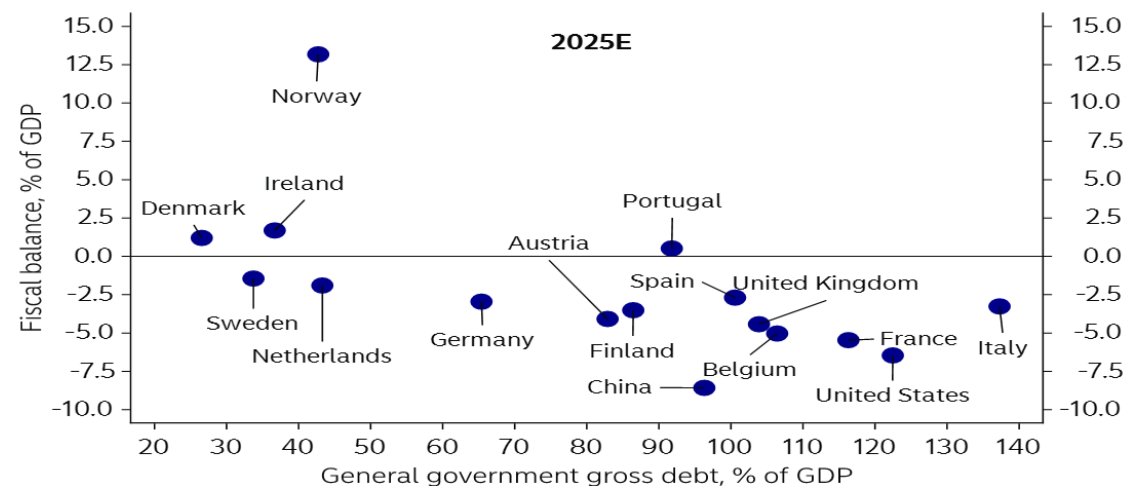
Country	2023	2024	2025E	2026E
Denmark	0.6	3.5	3.2	2.0
Finland	-0.9	0.4	1.0	2.0
Norway (mainland)	0.7	0.6	1.7	1.6
Sweden	0.0	1.0	1.8	2.5

## Nordic economies On hold

### Policy rates



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

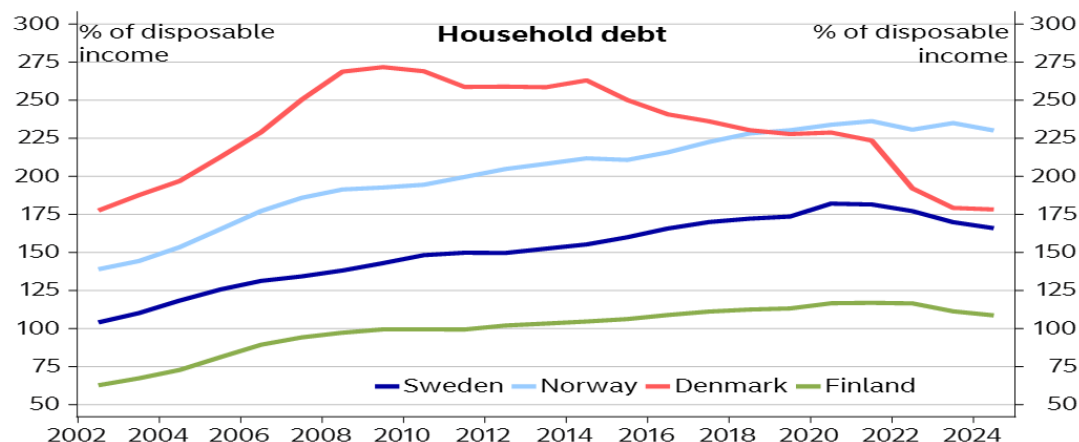


- The ECB, Danmarks Nationalbank, Norges Bank and Sveriges Riksbank lowered their policy rates by 0.25pp in June
- The ECB and Sveriges Riksbank are expected to leave their policy rates unchanged at 2.00%, according to our forecast
- Norges Bank is expected to cut its policy rate once more, to 4.00%, in September according to our forecast
- The central banks are expected to keep their policy rates unchanged in 2026, according to our forecast
- Solid public finances will help most Nordic governments support the economic recovery ahead

# Households

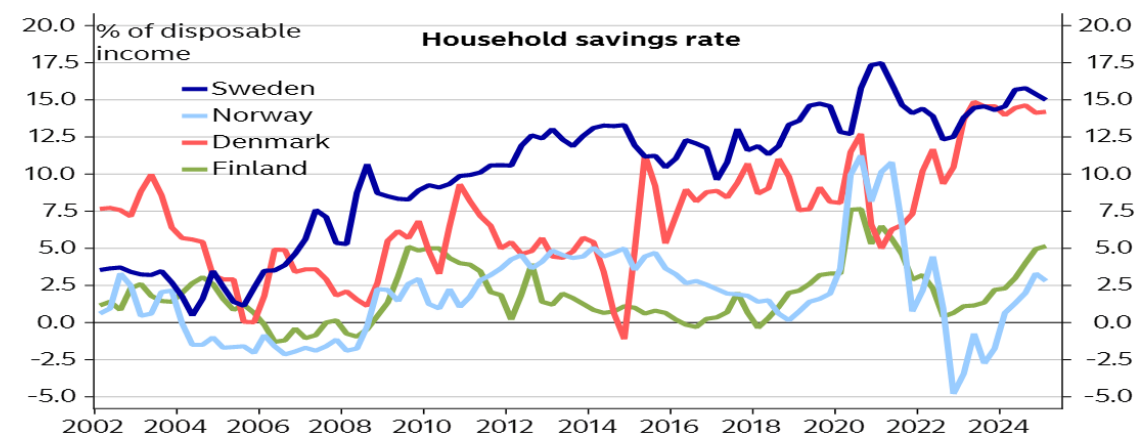
## Cautious consumers

### Household debt

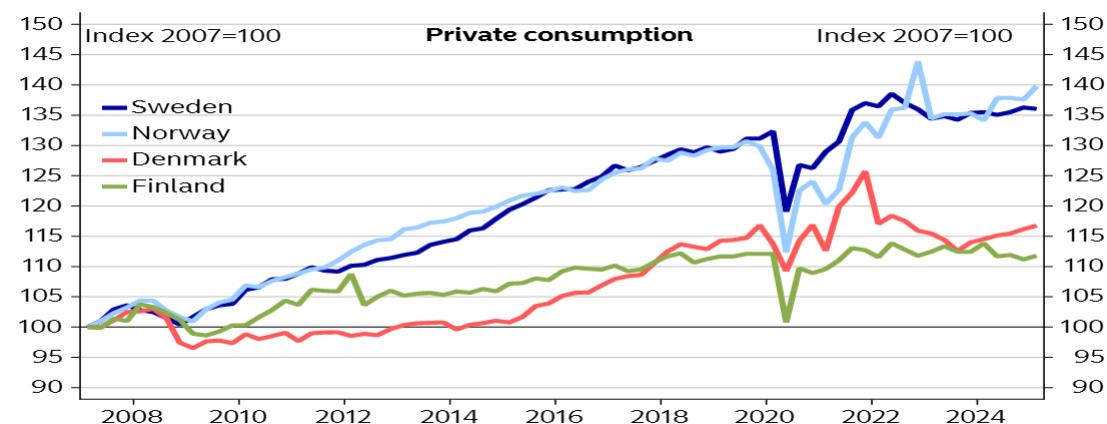


- The elevated global uncertainty contributed to falling consumer confidence at the start of the year. The level has improved in recent months, albeit marginally, indicating continued caution among Nordic households
- Household purchasing power and consumption are expected to improve as real disposable income continues to increase
- Household savings rates turned positive in the Nordics last year, while the debt ratio declined

### Household savings



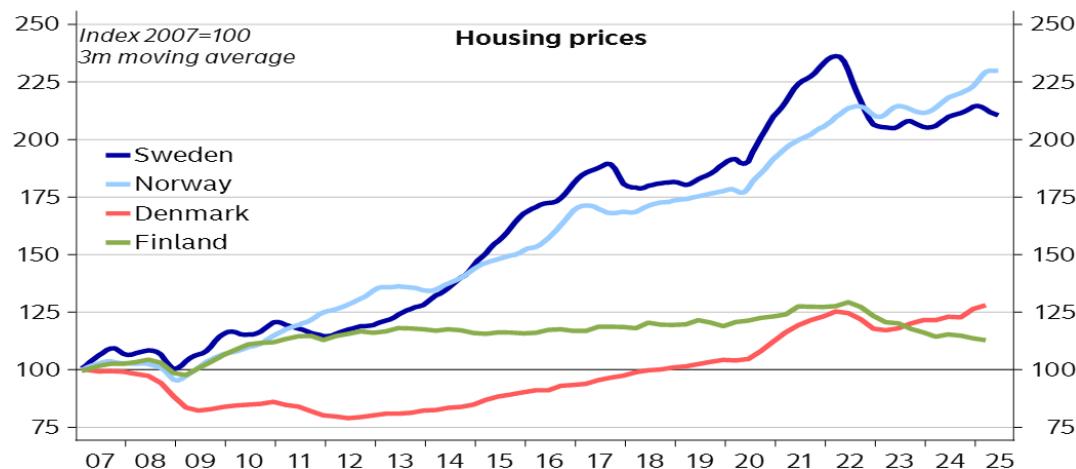
### Private consumption



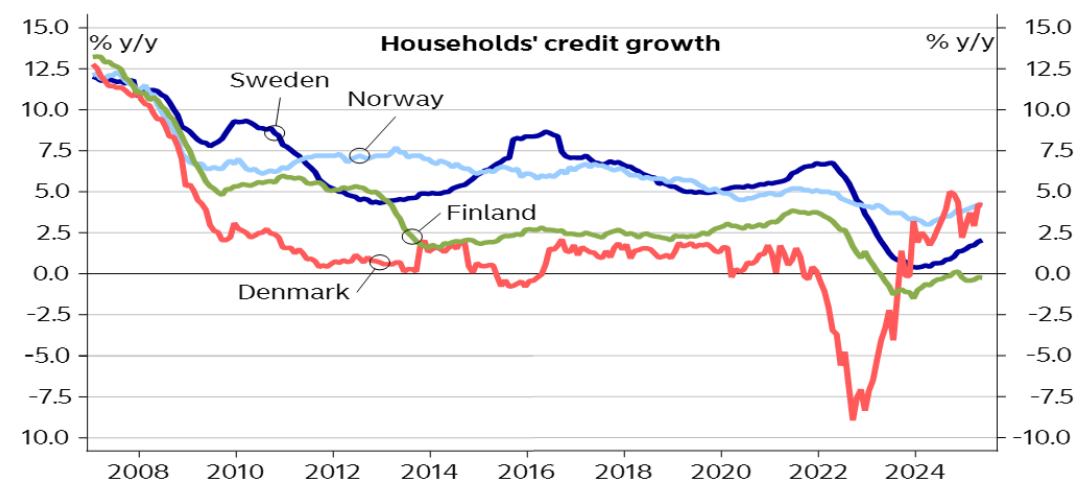
## Housing markets

# Mixed developments

### Housing prices



### Households' credit growth



- Housing price developments have been mixed since the start of the year. Danish and Norwegian housing prices have fared better than those of their Nordic counterparts. Norwegian housing prices were up 5.1% year on year in June 2025
- Monetary policy has become less restrictive in most of the Nordic countries. In addition, improved financial conditions for households should support a recovery in housing prices
- Transaction volumes have normalised. However, the higher-than-normal supply of homes suggests the market can absorb higher demand without sharp price increases
- Household credit growth has turned positive in all the Nordic countries except Finland

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