

Nordea



Capital and Risk Management Report 2025

Provided by Nordea Bank Abp on the basis of its consolidated situation

Nordea Board of Directors' risk statement

Nordea's business model is well-diversified, with the largest risks being credit and operational risks.

The Nordea Group

The Nordea Group is the largest financial services institution in the Nordic region and a major European bank. As at 31 December 2025 Nordea had a market capitalisation of approximately EUR 55.2bn, total assets of EUR 654bn and a Common Equity Tier 1 (CET1) capital ratio of 15.7%. Nordea has a strong market position within its four business areas: Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management.

Economic conditions – key operating markets

The Nordic economies are expected to see accelerating growth in the coming years. However, persistent geopolitical uncertainty, increasing trade barriers and a weak competitive position of the largest European economies are risks to the economic outlook. These risks include a further escalation in state-sponsored disruptive behaviour, potentially weakening business and consumer confidence. The European economies are particularly vulnerable to the recent shift towards a transactional approach to global trade affecting both exports and supply chains for key inputs, such as rare earths and semiconductors. The weak competitive position also applies to innovative technologies where Europe is seeing a widening gap to the US and China. Large public deficits will make it difficult for many European countries to honour their commitment to increased defence spending, which could otherwise support economic activity and increase security. These vulnerabilities and the threat of sector-specific state intervention, for example within the pharmaceuticals and green energy industries, could also affect the Nordic countries and feed through to Nordea's credit portfolio. European and Nordic central banks could respond to these weaknesses by cutting interest rates more aggressively than expected.

To evaluate vulnerabilities and potential adverse outcomes, Nordea carries out stress tests based on geopolitical developments and their impacts on macroeconomic indicators in the Nordic countries. The stress tests also consider climate-related physical and transition risks as well as nature-related transition risks, which are all considered to be material for Nordea and are covered by Nordea's risk management framework. In 2025 Nordea's capital and liquidity positions showed strength and resilience under a variety of scenarios and targeted stresses. The Group's capacity to maintain a solid earnings profile and curtail losses through sound risk management remains a key feature of its strong performance through economic cycles.

Risk appetite

The Risk Appetite Framework (RAF) supports effective risk management and a sound risk culture by enabling informed decisions on risk-taking. Its objective is to ensure that risk-taking activities are conducted within the appetite stipulated by the Board of Directors. Nordea's risk appetite corresponds to the aggregate level and types of risk the Group is willing to assume, in line with its business model, to achieve its strategic objectives.

The Risk Appetite Statement is the articulation of the Board of Directors' approved risk appetite through qualitative statements. The Risk Appetite Statement is supported by quantitative limits and triggers for each main risk type which are deemed appropriate for Nordea to be able to operate with a prudent risk profile and have been approved by the Board Risk Committee.

Key risks in Nordea's operations

Nordea's Board of Directors sets the strategy for managing risks in alignment with the Group's business strategy. Strategic business decisions are informed by independent risk assessments to ensure sound decision-making. This supports the goal of driving business growth and operational and capital efficiency while delivering ongoing risk management and compliance improvements. Nordea has a well-diversified universal banking business model with risks diversified across the Nordic countries and across industries and customer types. Material risks to the Group derive from business activities that include banking, insurance provision and asset management.

Nordea operates within four business areas and provides its customers with a variety of services. Personal Banking serves households and individuals, Asset & Wealth Management serves individuals and businesses, Business Banking serves small and medium-sized entities and Large Corporates & Institutions serves large corporate and institutional customers. The Group's offerings, which are primarily linked to lending to households and corporates within the Nordics, give rise to credit risk. This is Nordea's main financial risk, representing approximately 84% of its total risk exposure amount (REA).

The Group's credit risk appetite statement is defined in terms of credit risk concentration (limits applicable to individual names, sectors, geographies and specific sub-portfolios) and asset quality (limits for expected loss, loan losses under plausible stress scenarios and the non-performing loan ratio in line with the regulatory definition).

Current and forward-looking information is used for assessing significant increases in credit risk and calculating expected credit losses. In its collective impairment modelling, Nordea uses three macroeconomic scenarios: a baseline scenario, a favourable scenario and an adverse scenario. The baseline scenario uses the latest available forecasts by Nordic central banks. Nordic central banks' latest macroeconomic forecasts anticipate accelerating growth in the Nordics in 2026, supported by stable inflation and lower interest rates. In subsequent years the economic recovery is projected to continue, with unemployment stable and house prices growing in all Nordic countries. The risks around the baseline forecast are tilted to the downside.

Nordea's adverse and favourable scenarios cover a range of plausible risk factors which may cause economic growth to deviate from the baseline scenario. The adverse scenario considers hypothetical effects of additional tariffs triggering a Nordic recession resulting in macroeconomic dislocation, with rising unemployment and a renewed fall in house prices. In the favourable scenario, consumer and business sentiment improve as the threat of a trade war diminishes. This leads to an acceleration in economic growth and stronger growth in house prices.

Nordea's credit quality remains strong, with net loan losses and similar net result amounting to EUR 22m (1bp) in 2025 which is well within normal expectations. The REA attributable to credit risk was EUR 133.4bn as at the end of the fourth quarter.

In 2025 Nordea continued to engage with customers to drive the energy transition and capture growth opportunities on a path to a more sustainable economy. These actions, which are integral to Nordea's strategy, rest on four key pillars: financial strength, climate and environmental action, social responsibility, and governance and culture. Nordea's progress in the area of climate and environmental action is most evident in its financed emissions reduction of approximately 42% between 2019 and 2025. This demonstrates strong progress towards the 2030 target of a 40–50% reduction.

During the year Nordea enhanced the climate- and nature-related materiality assessment based on its internal ESG factor taxonomy of risk drivers (that is, hazards) and transmission channels. Relevant risk drivers were assessed across geographies, economic sectors and portfolios using different time horizons (short, medium, long and very long term). This activity supported Nordea's ongoing efforts to further embed ESG in the risk management cycle in order to improve the identification, control and management of relevant risk types. Specifically, Nordea's customer risk assessment approach was updated, to embed material ESG credit risk drivers identified for each industry in the ESG materiality assessment in the customer risk identification process. Nordea continued to capitalize for climate-related risk – and for the first time also nature-related risk – on credit risk in its latest Internal Capital Adequacy Assessment Process (ICAAP).

In 2026 Nordea will continue to develop a more sustainable business mix while meeting relevant supervisory expectations and regulatory requirements. This also means that Nordea will submit its first prudential transition plan. Lastly, Nordea will continue to closely monitor global geopolitical developments and their potential impacts on the green transition.

Operational risk is inherent in all Nordea's activities. The REA attributable to operational risk was EUR 21bn or 13.23% of the Group's total REA as at the end of the fourth quarter. Nordea's risk appetite for operational risk is measured against risk appetite limits for a) the various types of operational risks and b) total loss amounts related to operational and compliance risk incidents.

Nordea closely monitors geopolitical developments. Over the past year Nordea has observed elevated risks in the areas of cyber security and physical security, driven partly by the increased threat from hybrid warfare. Like other companies, Nordea occasionally faces cyber attacks, with Distributed Denial-of-Service (DDoS) and phishing attempts continuing to be the most significant cyber threats. Nordea is proactively enhancing its cyber resilience strategies and is continuously refining its plans to stay ahead in a dynamic digital environment.

As a leading financial services provider in the Nordic region, Nordea plays a critical role in helping members of society detect and prevent financial crime. The possibility of Nordea's infrastructure being used to facilitate financial crime remains a key inherent risk. In 2025 Nordea continued to invest in new technologies and resources to further strengthen its compliance programme. The inherent sanctions risk remained high in 2025, with the European Union, the United Nations, the United Kingdom (UK) and the United States (US) continuing to introduce new sanctions in response to Russia's war in Ukraine. Nordea has no tolerance for facilitating sanctions evasion or breaching sanctions and has implemented the applicable sanctions rules. These include asset freezes, restrictions on deposits, restrictions related to the energy and finance sectors and import and export restrictions. Against this backdrop, sanctions evasion has become a key focus area for regulators and the industry.

Nordea has no tolerance for direct exposure to virtual currencies as the various risks related to credit, fraud and ESG areas are difficult to manage at the current level of maturity in the market. However, Nordea recognises that the regulatory landscape is evolving and that the interest of certain customer segments in virtual currencies remains strong. Against this backdrop, Nordea has approved the distribution of an externally manufactured synthetic crypto exchange-traded product offering customers indirect exposure to the crypto market.

Nordea's trading book carries both market and counterparty credit risk. Risk-taking in the trading book occurs mainly through customer-driven trading activity, agreed market-making obligations and Nordea's role as a liquidity provider. Nordea passes on, or actively hedges, open market risks, and reduces counterparty exposure through active credit risk mitigation. The effectiveness of Nordea's risk mitigation strategy is evidenced in the nominal contribution of the trading book to the Group's Pillar 1 REA, with market risk and counterparty credit risk accounting for only approximately 3% and 2%, respectively.

Nordea's banking book carries market risk on the fair value assets held by Nordea in its investment portfolios and banking book market risk through its lending and funding activities. Banking book market risks are capitalised under the Pillar 2 framework.

Market risk is governed by Nordea's RAF by way of limits on key risk and capital metrics, for example value at risk (VaR), with the impact of ESG-related market risks being assessed through scenario analysis and stress testing. Counterparty credit risk, including ESG-related exposure, is governed under the credit risk framework.

Liquidity risks are a material risk for Nordea and are monitored in all subsidiaries and across multiple dimensions using regulatory and internally defined liquidity measures. Nordea's liquidity risk management framework defines the Group's liquidity risk appetite and limit-setting and adheres to regulatory requirements for the monitoring and reporting of liquidity risk positions, including the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) requirements. This ensures that the Group holds sufficient liquidity to be able to meet its cash flow needs, including on an intraday basis, across market cycles and during periods of stress. Throughout 2025 Nordea maintained a strong liquidity position and remained within its liquidity risk appetite.

Material related party transactions

In 2025 there were no intragroup transactions or transactions with related parties that had a material impact on the risk profile of the consolidated Nordea Group.

Board of Directors' approval of the risk statement

Nordea's Board of Directors has approved this risk statement and acknowledges that the Group's risk management arrangement is adequate and well adapted to its business model, risk appetite and capital position.

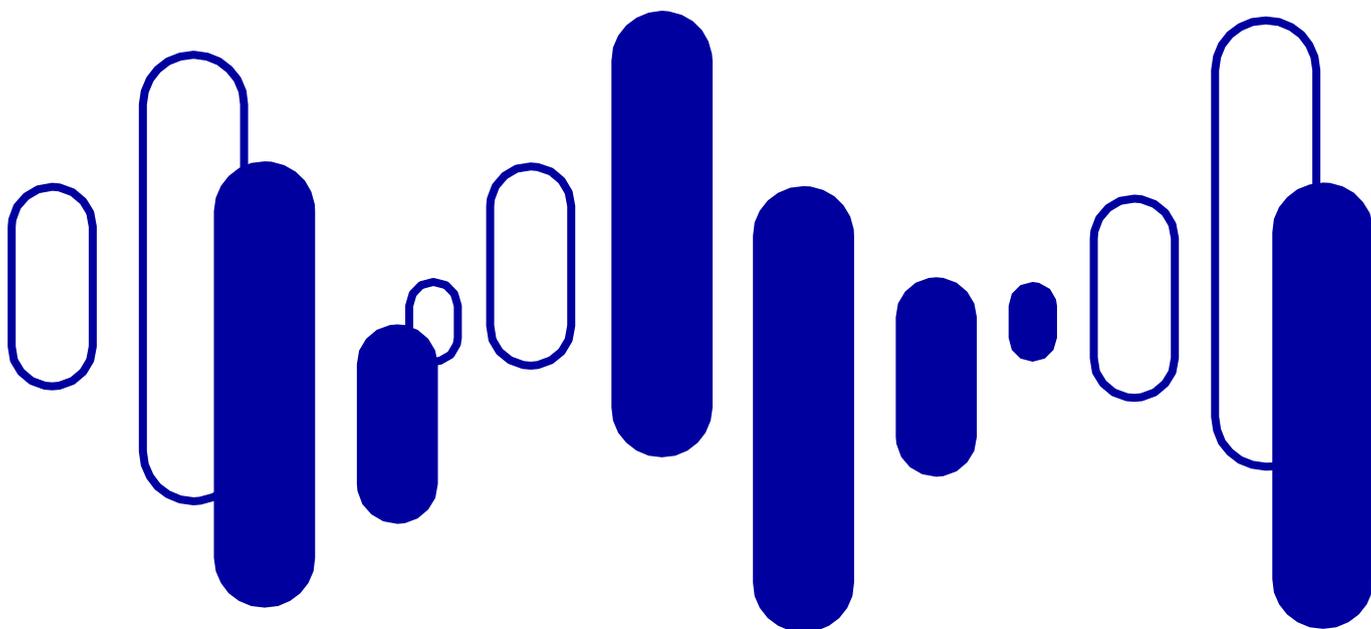
Key risks: distribution of the Nordea Group's exposure at default (EAD), risk exposure amount (REA), Pillar 1 capital requirement (CAR) and allocated equity (AE) across business areas

EURbn		EAD	%	REA	CAR	%	AE	%
Total Nordea Group	Credit risk ¹⁾	503.2	100%	133.4	10.7	84%	18.6	57%
	Market risk			5.2	0.4	3%	0.7	2%
	Operational risk			21.1	1.7	13%	3.0	9%
	Nordea Life & Pension						0.3	1%
	Other ²⁾						9.8	30%
	Total	503.2	100%	159.7	12.8	100%	32.4	100%
Personal Banking	Credit risk ¹⁾	186.6	100%	53.5	4.3	87%	6.4	60%
	Market risk							
	Operational risk			8.3	0.7	13%	1.2	11%
	Nordea Life & Pension						0.1	1%
	Other ²⁾						3.0	28%
	Total	186.6	37%	61.8	4.9	39%	10.7	33%
Business Banking	Credit risk ¹⁾	105.7	100%	36.8	2.9	86%	5.3	61%
	Market risk							
	Operational risk			6.2	0.5	14%	0.9	10%
	Nordea Life & Pension						0.0	0%
	Other ²⁾						2.5	29%
	Total	105.7	21%	43.0	3.4	27%	8.7	27%
Large Corporates & Institutions	Credit risk ¹⁾	95.2	100%	32.2	2.6	77%	4.4	63%
	Market risk			5.2	0.4	12%	0.7	11%
	Operational risk			4.4	0.4	11%	0.6	9%
	Nordea Life & Pension						0.0	0%
	Other ²⁾						1.2	18%
	Total	95.2	19%	41.8	3.3	26%	6.9	21%
Asset & Wealth Management	Credit risk ¹⁾	17.1	100%	6.4	0.5	71%	0.5	28%
	Market risk							
	Operational risk			2.6	0.2	29%	0.4	21%
	Nordea Life & Pension						0.2	9%
	Other ²⁾						0.7	42%
	Total	17.1	3%	9.0	0.7	6%	1.8	5%
Group functions, other and eliminations	Credit risk ¹⁾	98.5	100%	4.4	0.4	109%	2.0	47%
	Market risk							
	Operational risk			-0.4	0.0	-9%	0.0	-1%
	Nordea Life & Pension							
	Other ²⁾						2.3	55%
	Total	98.5	20%	4.1	0.3	3%	4.3	13%

¹⁾ Includes securitisation positions and additional risk exposure amounts related to Article 458 and Article 3 of the Capital Requirements Regulation.

²⁾ Equity items, deductions and reallocations.

Part 1: Risk methodologies and governance



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Executive summary

With strong profitability, a resilient balance sheet and a well-diversified business mix, Nordea remains well positioned to manage volatility throughout the economic cycle. In 2025 the Group delivered growth in business volumes, an operating profit of EUR 6.3bn and a return on equity of 15.5%. The CET1 ratio was 15.7% at year end, 1.9 percentage points above the regulatory requirement. Nordea remains committed to maintaining an AA credit rating, with a focus on profitability, a diversified credit portfolio, a strong capital position and a robust funding base.

Common Equity Tier 1 capital ratio

15.7%

Strong capital position; continued share buy-backs

At the end of 2025 Nordea's Common Equity Tier 1 (CET1) ratio was 15.7%, 1.9 percentage points above the regulatory requirement. This is consistent with Nordea's capital policy, which targets a management buffer of 150bp above the regulatory CET1 requirement. Nordea's dividend policy is to distribute 60–70% of the net profit for the year to shareholders. Nordea's Board of Directors has proposed a dividend per share of EUR 0.96 for 2025, compared with EUR 0.94 for 2024. This corresponds to a payout ratio of approximately 68%, in line with Nordea's dividend policy range. In 2025 Nordea launched four share buy-back programmes totalling EUR 1.25bn.

Total capital ratio

21.2%

At the end of 2025 Nordea was subject to a Pillar 2 requirement of 1.6%, of which 0.9% had to be met with CET1 capital. Including regulatory buffers, Nordea's total CET1 requirement is currently 13.8%. The total capital ratio at the end of 2025 was 21.2%, 3.2 percentage points above the regulatory requirement. The leverage ratio was 5.1%, well above the requirement of 3.0%. The minimum requirements for own funds and eligible liabilities (MREL) and subordinated MREL ratios were 36.6% and 29.1%, respectively – above the requirements of 32.0% and 27.0%.

MREL ratio

36.6%

Continued strong credit quality; management judgement buffer remains solid

Nordea's credit quality remained strong in 2025 and was supported by a well-diversified loan book and stable portfolio quality. The net loan loss ratio, including loans held at fair value, was 1bp (6bp in 2024). Credit quality remained strong across all customer sectors.

Net loan loss ratio, including loans held at fair value

1bp

During the year the macroeconomic outlook improved, driven by lower interest rates and inflation levels. Allowances were reduced but remain at substantial levels due to the continued uncertain geopolitical and macroeconomic environment. The total management judgement buffer now stands at EUR 276m. At the end of the year total allowances amounted to EUR 1.5bn. Stage 3 (impaired) loans increased by 6% compared with 2024, related to households and to a lesser degree the corporate portfolio, driven by a few new defaults. The impaired loans ratio remained unchanged at a low of 1.04%.

Net stable funding ratio

123.7%

Strong funding and liquidity positions; double A ratings

Nordea maintained its strong funding and liquidity positions. In 2025 the Group issued approximately EUR 27.9bn in long-term funding (excluding capital instruments and Nordea Kredit covered bonds), compared with EUR 20.7bn in 2024. Nordea's year-end 12-month average liquidity coverage ratio (LCR) was 159% and its net stable funding ratio (NSFR) was 123.7% at the Group level. Nordea's issuer credit ratings are at the double A level, according to Moody's (Aa2), S&P (AA-) and Fitch (AA-). In November 2025 Moody's upgraded the rating for Nordea Bank Abp to Aa2. The outlooks of all three agencies are stable.

Liquidity coverage ratio

159%

Further integration of sustainability into business strategy

In 2025 Nordea made further progress in identifying, mitigating and managing material ESG factors affecting its business strategy and risk profile. Nordea improved and updated its ESG materiality assessment and completed its first double materiality assessment under the Corporate Sustainability Reporting Directive (CSRD). The process, methodology and results are presented in a dedicated ESG section in this report, which also includes a detailed analysis by material risk type.

EU KM1 - Key metrics template

In Q4 2025 the Group's CET1 capital increased by EUR 0.2bn, mainly driven by profit generation net of dividend accrual, partly offset by the deduction for the share buy-back programmes launched during the quarter. AT1 capital remained stable and T2 capital increased due to a new T2 instrument issued in November (EUR 0.5bn). The risk exposure amount (REA) increased by EUR 1.3bn, mainly driven by increased corporate lending, partly offset by capital management initiatives, including the launch of a new risk-sharing transaction.

EURm

	a	b	c	d	e
	Q4 2025	Q3 2025 ¹⁾	Q2 2025 ²⁾	Q1 2025 ²⁾	Q4 2024
Available own funds (amounts)					
1 Common Equity Tier 1 (CET1) capital	25,131	24,904	23,965	24,632	24,570
2 Tier 1 capital	29,379	29,103	26,934	27,751	28,683
3 Total capital	33,904	33,121	30,958	31,812	32,800
Risk-weighted exposure amounts					
4 Total risk exposure amount	159,659	158,371	158,576	159,685	155,850
4a Total risk exposure pre-floor	159,659	158,371	158,576	159,685	
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common Equity Tier 1 ratio (%)	15.7%	15.7%	15.1%	15.4%	15.8%
5b Common Equity Tier 1 ratio considering unfloored TREA (%)	15.7%	15.7%	15.1%	15.4%	
6 Tier 1 ratio (%)	18.4%	18.4%	17.0%	17.4%	18.4%
6b Tier 1 ratio considering unfloored TREA (%)	18.4%	18.4%	17.0%	17.4%	
7 Total capital ratio (%)	21.2%	20.9%	19.5%	19.9%	21.0%
7b Total capital ratio considering unfloored TREA (%)	21.2%	20.9%	19.5%	19.9%	
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.6%	1.6%	1.6%	1.6%	1.6%
EU 7e of which: to be made up of CET1 capital (percentage points)	0.9%	0.9%	0.9%	0.9%	0.9%
EU 7f of which: to be made up of Tier 1 capital (percentage points)	1.2%	1.2%	1.2%	1.2%	1.2%
EU 7g Total SREP own funds requirements (%)	9.6%	9.6%	9.6%	9.6%	9.6%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8 Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9 Institution specific countercyclical capital buffer (%)	1.7%	1.7%	1.7%	1.7%	1.7%
EU 9a Systemic risk buffer (%)	1.7%	1.6%	1.6%	1.6%	1.5%
10 Global Systemically Important Institution buffer (%)					
EU 10a Other Systemically Important Institution buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
11 Combined buffer requirement (%)	8.4%	8.2%	8.3%	8.3%	8.2%
EU 11a Overall capital requirements (%)	18.0%	17.8%	17.9%	17.9%	17.8%
12 CET1 available after meeting the total SREP own funds requirements (%)	10.3%	10.3%	9.7%	10.3%	10.4%
Leverage ratio					
13 Total exposure measure	572,605	571,435	561,392	577,736	568,334
14 Leverage ratio (%)	5.1%	5.1%	4.8%	4.8%	5.0%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b of which: to be made up of CET1 capital (percentage points)					
EU 14c Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d Leverage ratio buffer requirement (%)					
EU 14e Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity Coverage Ratio					
15 Total high-quality liquid assets (HQLA) (Weighted value -average)	111,344	111,180	110,815	109,424	109,127
EU 16a Cash outflows - Total weighted value	94,321	94,029	94,358	92,187	91,083
EU 16b Cash inflows - Total weighted value	23,994	23,393	23,408	21,872	21,364
16 Total net cash outflows (adjusted value)	70,327	70,635	70,949	70,315	69,718
17 Liquidity coverage ratio (%) ³⁾	159%	158%	156%	156%	157%
Net Stable Funding Ratio					
18 Total available stable funding	297,395	288,027	286,791	291,564	283,292
19 Total required stable funding	240,442	237,446	232,437	233,298	228,512
20 NSFR ratio (%)	123.7%	121.3%	123.4%	125.0%	124.0%

¹⁾ Note that Q3 2025 figures include the deduction of the share buy-back programme of EUR 250m that was announced by Nordea on 16 October 2025.

²⁾ Note that Q2 2025 and Q1 2025 figures are reported excluding profit for the quarter.

³⁾ The LCR reported in this table is the average of 12 end of month ratios.

Regulatory development

This section provides an overview of the recent regulatory developments relevant to Nordea's capital and liquidity requirements. Nordea constantly monitors the regulatory landscape and is highly involved in consultations and advocacy towards regulators, both nationally and internationally. The main changes to currently applicable and future regulations are summarised below.

Current regulatory framework

The current regulatory framework consists of the Capital Requirements Directive (CRD) and Capital Requirements Regulation (CRR), Bank Recovery and Resolution Directive (BRRD) and Single Resolution Mechanism Regulation (SRMR). The CRR became applicable in all European Union (EU) countries in January 2014, while the Directives were implemented into national law within all EU member states from 2014.

The currently applicable version of CRR is known as CRR3, which is the implementation of Basel IV standards in EU. CRR3 was a major regulatory change applicable from 1 January 2025, introducing material changes to the credit risk, market risk and operational risk frameworks. In addition, an output floor was introduced to restrict the overall REA of banks using internal models, such as Nordea.

CRDVI directive is in the implementation phase into the national legislation in EU countries.

As a bank domiciled in Finland, Nordea Group and its Finnish subsidiaries are subject to Finnish legislation and the supervision from the European Central Bank (ECB). The application of capital buffers is decided by local authorities and impacts Nordea based on the application and amount of exposures in the relevant country. The subsidiaries outside Finland are subject to local legislation and the supervision from the local supervisory authorities.

CRR3 – transitional arrangements

The EU Commission has issued a delegated act to postpone the application of the new market risk rules – Fundamental Review of the Trading Book (FRTB) – until 1 January 2027 to maintain the level playing field with other jurisdictions.

The CRR3 introduces an output floor which is to be set at 72.5% of the standardised approaches on an aggregate level. This means that the capital requirement will be floored at 72.5% of the total Pillar 1 risk exposure amount (REA) calculated with the standardised approaches for credit, market and operational risk. The floor is being phased in at 50% from 1 January 2025 and will be fully implemented at 72.5% from 1 January 2030, with transitional rules for the calculation of REA for the output floor extending to end-2032. Due to differences across banks, the timing for when and if the output floor will be the constraining measure might differ.

Regulatory minimum requirements

The CRR requires banks to comply with the following minimum own funds requirements in relation to total risk weighted assets:

- CET1 capital ratio of 4.5%
- Tier 1 capital ratio of 6%
- Total capital ratio of 8%.

In addition, banks are required to maintain a leverage ratio of 3%. The leverage ratio is a non-risk-based measure calculated as the Tier 1 capital divided by an exposure measure, comprising of on-balance and off-balance sheet exposures with adjustments for certain items such as derivatives and securities financing transactions.

Banks also need to meet MREL and subordination requirements as decided by their resolution authorities, expressed in terms of total REA and leverage ratio exposure (LRE). Banks should meet the MREL requirement with own funds and MREL eligible liabilities, and subordination requirement with own funds and subordinated MREL eligible liabilities such as senior non-preferred liabilities.

The CRR requires institutions to comply with a 100% NSFR requirement, i.e. to finance their long-term activities (assets and off-balance sheet items) with stable funding. Furthermore, the liquidity coverage ratio (LCR) needs to be maintained above 100%, which means that banks should hold high-quality liquid assets in excess of expected cash outflows over 30 days.

Capital buffers

In addition to the minimum requirements, the CRD contains capital buffer requirements. The application and the levels are regulated and based on the institution's contribution to systemic risk and/or general macro prudential justifications. Each Member State decides the capital buffer levels applicable to the institutions within their jurisdiction. The capital buffer requirements are expressed in relation to REA to be met with CET1 capital and represent capital to be maintained in addition to minimum regulatory requirements. The combined capital buffer comprises the capital conservation buffer (CCoB) of 2.5% applicable to all institutions. Depending on the characteristics of the institution and/or macroprudential justifications, the following capital buffers may also be required: A countercyclical capital buffer (CCyB), a buffer for globally systemically important institutions (G-SII), a buffer for other systemically important institutions (O-SIIs), as well as a systemic risk buffer (SyRB).

The institution-specific CCyB will, under normal circumstances, be in the range of 0–2.5%, depending on the buffer rate in the countries where the institution has its

relevant exposures. The O-SII buffer can be set up to 3% and the SyRB can be set up to 5% for all exposures or up to 10% for specific sectors or domestic exposures. In aggregate the SyRB cannot exceed 5%. All of these buffers are included in the so-called combined buffer requirement (CBR). The CBR is the sum of the CCoB, CCyB, SyRB and the highest of the O-SII and G-SII buffer.

Breaching the combined buffer requirement will restrict banks' capital distribution, such as the payment of dividends, share buybacks, remuneration and coupon payments on Additional Tier 1 (AT1) instruments, in accordance with the regulations on maximum distributable amount (MDA).

Nordic implementation

Both the CRD/CRR and the BRRD allow for national implementation of certain provisions, which is why there may be some national differences in the implementation in the different countries.

Finland

The Finnish FSA has maintained the O-SII buffer for Nordea at 2.5%, the CCyB rate at 0% and a general SyRB at 1%

The Finnish FSA has reciprocated the risk weight floor applicable to Swedish corporate loans secured by real estate (35% on commercial real estates (CRE) and 25% on residential real estates (RRE)). In addition, the Finnish FSA has reciprocated risk weight floors applicable to exposures in Norway (35% on CRE and an increase from 20% to 25% on RRE with effect from 1 January 2026). In June, the Finnish FSA also decided to fully reciprocate the Norwegian SyRB of 4.5%, effective from 1 October 2025.

In March 2025, Nordea received the Single Resolution Board's decision on the updated MREL. The Group must meet MREL requirements of the sum of 23.64% of REA and the CBR, and in parallel 7.02% of the LRE. The Group must also meet subordination requirements of the sum of 20.34% of REA and the CBR, and in parallel 7.02% of the LRE. However, the amount of the subordination requirement shall at no time exceed the amount which corresponds to a value of 27% of REA including the CBR.

The MREL requirements will be assessed by the Single Resolution Board and updated annually.

Denmark

The Minister of Industry, Business and Financial Affairs has decided to maintain the CCyB at 2.5% which is the level that has been in force since Q1 2023.

As part of the implementation of BRRD in Denmark, mortgage institutions such as Nordea Kredit Realkreditaktieselskab must hold a debt buffer of 2% based on outstanding mortgage loans. The debt buffer requirement is comparable to an MREL requirement and can be met with CET1, AT1 or Tier 2 capital instruments as well as senior non-preferred instruments that fulfil certain criteria.

If the mortgage institution belongs to an international financial group, which is the case for Nordea Kredit Realkreditaktieselskab, where the MREL requirement of 8% is fulfilled, the debt buffer requirement can be kept at 2%. If the 8% MREL requirement is not fulfilled, the debt buffer

requirement is set to a minimum of 2%, and the debt buffer and own funds in total have to be minimum 8% of the total liabilities and own funds in the mortgage institution.

Nordea Kredit Realkreditaktieselskab was in 2017 identified as an O-SII. On 20 June 2025 the Danish FSA announced that the score for the assessment has decreased. Therefore, the O-SII buffer for Nordea Kredit Realkreditaktieselskab is reduced from 1.5% to 1% from 31 December 2025.

On 26 April 2024 the Minister of Industry, Business and Financial Affairs decided to activate a sector specific SyRB based on a recommendation from the Systemic Risk Council in Denmark. The SyRB is valid for banks in Denmark from 30 June 2024 for exposures to real estate companies with a specific industry code. In addition, the exposure covered by real estate collateral up to a loan-to-value of 15% is exempted. On 30 September 2024 the Finnish FSA published a decision to reciprocate the Danish sector SyRB of 7% applicable from 1 January 2025. The buffer is not additive with the already applicable general SyRB of 1%, hence for these exposures the total SyRB requirement will be 7%. On 6 January 2026 the Minister of Industry, Business and Financial Affairs decided to keep the SyRB unchanged until 30 June 2026. The period until then will be used by the Government to consider the Systemic Risk Council's recommendation from 7 October 2025 to increase the exempted exposures in order to reduce the impact of the SyRB, while the buffer rate of 7% is expected to remain unchanged.

Norway

The SyRB is reviewed every second year. The next review will take place in 2026. Therefore, the SyRB of 4.5%, has remained the same throughout 2025 and applies to all institutions authorised in Norway and are applicable for all exposures located in Norway.

Norges Bank, at its meeting on 5 November 2025 decided to keep the CCyB unchanged at 2.5%, which is the level that has been in force since Q1 2023.

On 31 October 2025, the Ministry of Finance confirmed that Nordea Eiendoms kreditt remains identified as an O-SII, with its O-SII buffer unchanged at 1%.

The Ministry of Finance, on 6 December 2024, decided to increase the risk weight floor from 20% to 25% for loans secured by residential real estates, which entered into force on 1 July 2025.

Sweden

The Swedish FSA has decided to keep the CCyB at 2% which has been in force since Q2 2023.

On 30 April 2025 the Swedish FSA notified the Commission and the ESRB on the intention to extend the existing risk weight floor for Swedish mortgages with two more years. On 24 June, the EU Commission approved the Swedish FSA intentions to extend the floors for commercial and residential real estate. Following the EU approval Swedish FSA decided on 15 September 2025 to extend the current risk weight floors by two years from 31 December 2025 to 30 December 2027 for Swedish mortgages and from 30 September 2025 to 29 September 2027 for Swedish commercial real estate.

Nordea Hypotek was identified as an O-SII in 2022 and is subject to a 1% O-SII buffer requirement. The requirement was confirmed by the Swedish FSA on 10 September 2025.

Governance of risk, liquidity and capital management

The chapter introduces Nordea’s governance of risk, liquidity and capital management.

Internal Control Framework

The Internal Control Framework covers the whole Group and includes the Board of Directors, Group Chief Executive Officer (Group CEO) and senior management responsibilities towards internal control, all Group functions and business areas including outsourced activities and distribution channels. Under the Internal Control Framework, all business areas, Group functions and units are responsible for managing the risks they incur when conducting their activities and to have controls in place that aim to ensure compliance with internal and external requirements. As part of the Internal Control Framework, Nordea has established Group Control Functions with appropriate and sufficient authority, independence and access to the Group Board to fulfil their mission. Within the Internal Control Framework the Group Board has established Nordea’s Risk Management Framework and Compliance Risk Management Framework.

The Internal Control Framework ensures effective and efficient operations, adequate identification, measurement and mitigation of risks, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non-financial information (both internal and external) and compliance with applicable laws, regulations, standards, supervisory requirements and the Group internal rules.

Three lines of defence model

The primary governance principle in Nordea for internal control is the adherence to the three lines of defence model.

- First line of defence (1st LoD) is responsible for risk management and for compliance with applicable rules in its day-to-day work.
- Second line of defence (2nd LoD) is responsible for maintaining and monitoring the implementation of Nordea’s Risk Management and Compliance Risk Management Frameworks.
- Third line of defence (3rd LoD) is responsible for independent assurance and advisory activities related to the Internal Control Framework.

Table 1: Three lines of defence (LoD)

1st LoD	2nd LoD	3rd LoD
Business areas and Group functions	Group Risk and Group Compliance	Group Internal Audit (GIA)
The first line of defence refers to all units and employees that are neither in the second nor in the third line of defence. The first line of defence is responsible for the daily risk management and for compliance with applicable rules. All employees in the first line of defence have a role of understanding and adhering to prudent risk management and for compliance with external and Group Internal Rules as part of performing their tasks. All managers are fully responsible for the risks and for compliance within their respective area of responsibility. Hence, they are responsible for ensuring that the appropriate organisation, procedures and support systems are implemented to ensure a sufficient system of internal controls.	The second line of defence consists of Group Risk and Group Compliance functions which are responsible for monitoring the implementation of the Internal Control Framework. The second line of defence implements the financial and the non-financial risk policies and according to a risk area specific approach, monitors and controls the Risk Management Framework and the Compliance Risk Management Framework and shall among other things ensure that all risks that Nordea is or could be exposed to, are identified, assessed, monitored, managed and reported on.	GIA is Nordea’s independent third line of defence function, mandated by Nordea’s Board to support the Board and the Group Leadership Team in protecting the Group’s assets, reputation and sustainability. GIA helps Nordea accomplish its objectives by evaluating and improving the effectiveness and efficiency of its governance, risk management and control processes, applying a systematic and disciplined approach. GIA performs audit engagement across the Group, including the first and second lines of defence.

Decision-making bodies for risk and capital management

The Group Board, the Board Risk Committee (BRIC), the Group CEO in the Group Leadership Team (GLT), the Asset and Liability Committee (ALCO) and the Risk Committee (RC) are the key decision-making bodies for risk and capital management in Nordea. In addition, the CEO Credit Committee, the Executive Credit Committee and Business Area Credit Committees are the key bodies for Credit decision making.

Group Board

The Group Board has the following overarching risk management responsibilities:

- decide on the Group's risk strategy and the Risk Appetite Framework, including the Risk Appetite Statement, with at least annual reviews and additional updates when needed
- oversee and monitor the implementation of the risk strategy, Risk Appetite Framework and Risk Management Framework and regularly evaluate whether the Group has effective and appropriate controls to manage the risks
- monitor and oversee the development of the Group's risk profile against the Group Board-approved Risk Appetite Statements
- set expectations and oversee the implementation of the Group's risk culture including approval of the Code of Conduct and Values. Monitor the presence of a sound risk culture consistently, and consider the impact of the risk culture on the financial stability risk profile and governance.

The Group Board decides on capital policy, including dividend policy, to ensure adequate capital and liquidity levels within the Group on an ongoing forward-looking basis, consistent with Nordea's business model, risk appetite and regulatory requirements and expectations.

Board Risk Committee (BRIC)

BRIC assists the Group Board in fulfilling its oversight responsibilities concerning management and control of the risks, risk frameworks, controls and processes associated with the Group's operations.

Group CEO

The Group CEO is responsible to the Group Board for the overall management of the Group's operations and risks. Responsibilities include ensuring that the risk strategy and risk management framework decided by the Group Board is implemented, the necessary practical measures are taken and risks are monitored and limited.

The Group CEO is supported in decision-making by senior management within the GLT. Matters that are to be decided by the Group Board and matters of principle or otherwise of particular importance that are to be decided by the Boards of Directors of the major subsidiaries of Nordea Bank Abp, shall first be presented to the Group CEO for discussion and recommendation.

Group-wide committees have been established by the Group CEO to promote coordination within the Group, thus ensuring commitment to and ownership of Group-wide prioritisations, decisions and implementation. The composition and areas of responsibility of each committee are established in Group CEO Instructions for the respective committees.

Asset and Liability Committee (ALCO)

ALCO is subordinated to the Group CEO in GLT and chaired by the Group Chief Financial Officer (CFO). ALCO decides on changes to the financial operations and the risk profile of the balance sheet, including asset and liability management (ALM), balance sheet management and liquidity management. ALCO also decides on certain issuances and capital injections for all wholly-owned legal entities within the Group. ALCO has established sub-committees for its work and decision-making within specific risk areas.

Risk Committee (RC)

RC is subordinated to the Group CEO in GLT and chaired by the Group Chief Risk Officer (CRO). The Risk Committee serves as a decision-making and preparatory body on risk, while promoting interaction and coordination within the Group on risk topics across 1st LoD and 2nd LoD. It prepares or provides guidance regarding proposals to the Group CEO in GLT and/or the Group Board on issues of major importance concerning Nordea's Risk Management Framework. The Group Board decides on the Risk Appetite Framework. The RC allocates the risk appetite to the risk-taking units, and the 1st LoD is responsible for ensuring that limits are further cascaded and operationally implemented. RC has established sub-committees for its work and decision-making within specific risk areas.

Table 2: Governing bodies for risk and capital management

Board of Directors			
Board Risk Committee			
Group CEO			
Asset and Liability Committee (ALCO) (Chair: CFO)	Risk Committee (RC) (Chair: CRO)	CEO Credit Committee (Chair: CEO)	Sustainability and Ethics Committee (SEC) (Chair): Chief of Staff
		Executive Credit Committee (Chair: Head of Group Credit Management)	
		Business Area Credit Committees (Chair: Head of Credit)	

Credit decision-making bodies

The Group Board and the subsidiary Boards of Directors delegate credit decision-making according to the Powers to Act as described in the Group Board Directive on Risk.

- CEO Credit Committee is chaired by the Group CEO and the members of the Executive Credit Committee are included.
- Executive Credit Committee is chaired by the Head of Group Credit Management. The CEO appoints the members of the Executive Credit Committee.
- Business Area Credit Committees: The Executive Credit Committee establishes credit committees for each business area as required by organisational and customer segmentation.

Sustainability and Ethics Committee (SEC)

SEC is subordinated to the Group CEO in GLT and chaired by the Chief of Staff. The objective of SEC is to recommend the sustainability strategic priorities to the Group CEO and to ensure appropriate cascading to BAs in order to achieve the Group level targets. SEC supports the Group CEO and GLT by coordination within the Group, thus ensuring commitment to and ownership of Group-wide prioritisations, decisions and implementation related to the strategic sustainability priorities and ethical dilemmas. Part of this is to approve sector and thematic guidelines.

Subsidiary governance

The subsidiaries' Board of Directors (BoD) are responsible for approving risk appetite limits and capital actions in line with the overarching framework set by the Group Board. The proposals for such items are the responsibility of the relevant subsidiary management which is supported by Group functions.

Subsidiaries must adhere to the Internal Control Framework of the Group including Nordea's Risk Management and Compliance Risk Management Frameworks, unless local legal or supervisory requirements determine otherwise. The subsidiaries' BoDs have oversight responsibilities of the management and control of risk, and the implementation of risk management frameworks as well as the processes associated with the subsidiaries' operations. In addition, there are risk management functions accountable for the risk management framework and processes within the subsidiaries.

The subsidiaries' CEOs are part of the decision-making process at the subsidiary level and are responsible for the daily operations.

Risk management processes

The Risk Management Framework ensures consistent processes for identifying, assessing, measuring, responding to, mitigating, controlling, monitoring, and reporting risks, enabling informed decision-making on risk-taking activities.

The framework encompasses all risks to which Nordea is exposed, including off-balance sheet risks. Comprehensive risk information across all risk types is regularly reported to the Risk Committee (RC), Group Leadership Team (GLT), Board Risk Committee (BRIC), and the Group Board. In addition, Nordea's compliance with regulatory requirements is reported to the GLT and the Group Board. The Board of Directors and the CEO in each subsidiary regularly receive local risk reporting.

The Risk Identification Process begins by identifying potential risks that Nordea is currently exposed to or could be exposed to in the future. These risks are then assessed for relevance, classified, and incorporated into the Common Risk Taxonomy. All risks within this taxonomy must be evaluated as either material or non-material. Material risks are those assessed as having a significant impact on Nordea's current or future financial position, its customers, or other stakeholders.

Risk appetite

The Risk Appetite Framework (RAF) supports effective risk management and a sound risk culture by enabling informed decisions on risk-taking, with the objective of ensuring that risk-taking activities are conducted within the organisation's risk capacity. Risk capacity is the maximum level of risk Nordea is deemed able to assume given its capital, its risk management and control capabilities and its regulatory constraints. Risk appetite is the aggregate level and types of risk Nordea is willing to assume within its risk capacity, in line with its business model, to achieve its strategic objectives.

The Risk Appetite Statement is the articulation of the Group Board approved risk appetite and comprises the qualitative Statements and quantitative Limits and Triggers by main risk type, which are deemed appropriate to be able to operate with a prudent risk profile.

Table 3: Group Board approved Risk Appetite Statements

Risk type	Risk Appetite Level 1
Credit risk	Sector Limit Framework
	Geography Concentration
	Single Name Concentration
	Leveraged Transactions
	Non-performing Loans
	Expected Credit Losses
	Stressed Loan Losses
Counterparty credit Risk	Credit Portfolio Loss
Market risk	Market Risk REA
	Value at Risk
	Economic Value Risk
	Earnings Risk
Liquidity risk	Liquidity Coverage Ratio
	Liquidity Stress Coverage
	Structural Funding
Operational risk	Operational Risk
	Incident Loss
ESG risk	GHG Financed Emission Index
Capital risk	CET1 Capital Ratio
	Total Capital Ratio
	Leverage Ratio
	Business Model Risk
	NLP Solvency Ratio
Model risk	Structural FX Risk
	Qualitative and quantitative Risk Assessment
Compliance risk	Qualitative and quantitative Risk Assessment

Risk appetite processes

The RAF is maintained through a set of processes and controls designed to define, monitor, and communicate Nordea's risk appetite.

- **Risk capacity setting based on capital and liquidity position:** The Group's overall risk capacity is aligned with its financial and capital planning processes, in accordance with Nordea's risk strategy. It is determined based on Nordea's capital and liquidity position, incorporating buffers to accommodate appropriate levels of risk volatility.
- **Risk appetite allocation by risk type:** Risk appetite includes Risk Appetite Limits for the main risk types that Nordea is exposed to. Risk Appetite Triggers are set for these main risk types to serve as early warning indicators, enabling decision-makers to manage risks within established limits.
- **Risk limit setting:** Quantifiable risk limits are set at appropriate levels to ensure effective risk management. The BRIC sets the Risk Appetite Limits, which are then cascaded across business areas to reflect the desired business mix and risk allocation strategy. These limits guide the establishment and approval of risk thresholds at lower decision-making levels. The RAF is calibrated to ensure consistency throughout the framework. Subsidiary Risk Appetite Limits are set by the appropriate governing body in alignment with local regulatory requirements and consistent with the Group risk limits.
- **Controlling and monitoring risk exposures against risk limits:** Risk exposures are regularly monitored and controlled against established limits to ensure that risk-taking remains within the defined appetite.
- **Risk Appetite Limit breach management process:** Group Risk (GR) and Group Compliance (GC) oversee the escalation of any breaches of Risk Appetite Limits to the RC and BRIC. GR and GC report monthly to the Group Board and other relevant governing bodies on any breaches, including updates on remedial actions until the exposure is brought back within appetite. Reporting includes a consistent status indicator to communicate the current risk exposure compared to the Risk Appetite Limits across all risk types covered by the Risk Appetite Statements.

Embedding risk appetite in business processes

The end-to-end risk appetite process cycle is aligned with other strategic processes, including the Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan.

Risk appetite is embedded into business processes and communicated throughout the organisation to support Nordea's objective of maintaining a strong risk culture. This includes, but is not limited to, ensuring a clear alignment between assessed risk appetite and business plans, budgets, and the Group's capital and liquidity position. Risk appetite is also considered in the Group's recoverability and resolvability assessments, as well as in the design of incentive structures and the remuneration framework.

ESG factors in business strategy, governance and risk management

This chapter provides an overview of Nordea's ESG-related business strategy, governance and risk management. In the next section, these topics are covered in more detail for each of the three categories – environmental, social and governance factors.

ESG FACTORS IN BUSINESS STRATEGY: INTRODUCTION

Environmental, social and governance (ESG) factors can positively or negatively affect Nordea and its counterparties across value chains and business environments. ESG factors as risk drivers may materialise through prudential risk categories (e.g. credit or operational risks) or through Nordea taking action to manage material impacts to sustainable development, people and the natural environment. For the purposes of this report, Nordea's strategic sustainability ambition and management of material ESG-related risks are cross-mapped to the respective components of Nordea's Common Risk Taxonomy, as detailed in corresponding sub-sections.

Nordea aligns sustainability objectives with business strategy and the management of ESG-related risks and strategies. Nordea systematically identifies and maps relevant ESG factors and their transmission channels to its business model and risk profile (see figure 1).

Nordea's sustainability efforts are structured around four key areas: financial strength, climate and environmental action, social responsibility, and governance and culture. For each of these areas, Nordea has identified relevant UN Sustainable Development Goals as well as specific sustainability-related matters that impact Nordea or where Nordea can have significant impact through its lending activities, investments and internal operations. Moreover, Nordea has adopted a long-term perspective and believes that companies with sustainable business models go hand in hand with future-proofing Nordea's own business model. Understanding and managing ESG risks and opportunities is essential for maintaining Nordea's financial strength and strong capital position.

The resilience of Nordea's business model is dependent on the sustainability of the counterparties' business models and having in place effective risk mitigation measures. One key objective for Nordea's strategic sustainability priorities is the alignment of on-balance sheet lending and investments with the Paris Agreement, especially through financed emissions reductions. Through ESG-related product offerings, Nordea supports sustainable practices and actively engages with customers and investees, who are among the key enablers of the strategic sustainability priorities and targets. These offerings, including sustainability-related funding activities, allow for the incorporation of sustainability into the overall funding and liquidity strategy.

To further support Nordea's sustainability priorities, internal targets are set to decrease GHG emissions by 40-50% by 2030 and achieving net zero at latest by 2050 (see 2025 Annual Report, Sustainability Statement chapter E1

Climate change). Nordea has set interim targets on selected portfolios to support active net zero steering and to align Nordea's balance sheet with the business environment, external policy, and industry best practices for identified material sustainability dimensions. These are embedded in Nordea's lending and investment policies and management practices through engagement with Principles for Responsible Banking (PRB), UN Global Compact, Equator Principles, Poseidon Principles and other key benchmarks (see Sustainability Statement chapter E1 Climate change). For sustainability steering in Nordea's internal operations, such commitments are embedded in Nordea's policy frameworks, including for third-party procurement and travel and employee conduct. In addition to the GHG emission targets and accompanying mitigating actions, mitigation measures include, among others, implementation of specific industry credit policies (ICP), corporate transition plans, specific customer ESG assessments and monitoring of energy performance certificates (EPC). In addition, Nordea incorporated a position on biodiversity and nature-related impacts (i.e. Nordea thematic guideline on biodiversity) to be implemented into Nordea's strategy, governance and risk management in 2025. In 2026, Nordea will continue to enhance the biodiversity assessment approach, including quantification of dependency and impacts on biodiversity and ecosystem services across the value chain, focusing on Nordea's lending portfolio as a basis for more targeted actions to reduce downstream value chain impacts and risks, and to capture opportunities.

Nordea's overall risk strategy is to respond actively through customer engagement in driving a sustainability-based transition while capturing growth opportunities. This includes having relevant risk mitigation in place to address the ESG risk drivers as identified by the internal ESG materiality assessment (MA).

To understand the material risks to Nordea's risk profile, Nordea performs the ESG MA on an annual basis. The ESG MA builds on the existing Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) frameworks. This, among others, means that for the MA a 4-level risk materiality banding system is used, and adds components for the purposes of embedding ESG risk drivers. The ESG MA concluded that Nordea is materially exposed to ESG risk drivers across some aspects of its prudential risk categories, mainly via counterparties but partly via our own operations. Based on the risk quantification, additional capital was reserved in 2025 to cover for climate-related and nature-related risks within credit risk. Based on the MA results,

Nordea also performed the double materiality assessment (DMA) as part of the Corporate Sustainability Reporting Directive (CSRD) requirements.

Reporting and EU Taxonomy

Nordea reported in line with CSRD for the first time for the financial year 2024. The CSRD replaced the Non-Financial reporting Directive (NFRD), introducing more detailed reporting requirements on companies sustainability matters. Nordea reports in line with the European Sustainability Reporting Standards (ESRS), as required by CSRD. In addition, in accordance with the EU Taxonomy (EU Taxonomy Regulation 2020/852 Article 8), Nordea is required to disclose its exposures related to taxonomy-eligible and aligned activities, where aligned exposures are environmentally sustainable according to the regulation. The Green Asset Ratio (GAR) KPIs communicate the proportion of exposures related to taxonomy-aligned activities compared to Nordea’s total covered assets. The implementation of the EU Taxonomy is described in the 2025 Sustainability Statement of the Annual Report.

In light of the on-going simplification efforts from the European Commission related to the EU Taxonomy, GAR templates 6-10 are omitted as supported by the EBA. Next, the EBA issued a draft implementing technical standard (ITS) on ESG risk reporting for public consultation. Once finalized, Nordea will take the new ITS into account in its Pillar 3 disclosures.

Finally, Nordea is in the process of developing its first Prudential Transition Plan (PTP) as one of the key regulatory deliverables for 2026.

Figure 1: Overall approach for the alignment of ESG-related objectives, targets and limits in Nordea’s business and risk strategies



ESG FACTORS GOVERNANCE: INTRODUCTION

ESG factors in group governance

Nordea has embedded oversight of strategic steering for material ESG impacts within its Group governance model. The Nordea Board of Directors (the Board) sets out Nordea's purpose and values on which the sustainability approach is built and their expectations for how sustainability should be strategically driven and implemented. The Board is responsible for overseeing the integration of sustainability into Nordea's strategic priorities and business plan. In addition, the Board ensures that the strategy is compatible with the transition to a sustainable economy and aligned to the requirements of the first Prudential Transition Plan per 2026.

The Board Operations and Sustainability Committee (BOSC) assists the Board in overseeing the sustainability impacts, including development, decision and oversight of the strategic priorities and related targets and objectives that are presented for review and input. On the recommendation of BOSC, the Board approves the strategic sustainability priorities.

The Board Risk Committee (BRIC) oversees the financial impacts of ESG factors on Nordea and reviews the Group's risk profile and key risk issues including significant development with regard to environmental, social and governance risks. The Board Audit Committee (BAC) oversees the reporting of matters related to Nordea's sustainability priorities. This predominantly refers to the quarterly and annual reports, including the sustainability statement, the quantitative regulatory disclosures and the control environment of the sustainability reporting process.

At the Group Leadership Team (GLT) level, the Group CEO is responsible for proposing the strategic sustainability priorities and deciding on the related targets and objectives. The Sustainability & Ethics Committee (SEC) oversees implementation of sustainability in the business strategy and facilitates operational ESG-related risk management. A new subcommittee to the SEC was established at the end of 2025, with mandates on strategic prioritization and implementation decisions within sustainability. The Risk Committee (RC) has oversight of the implementation of ESG-related risk strategy and policy framework. Next, the Asset & Liability Committee (ALCO) monitors and decides on principles for the performance management framework and the financial planning framework. The ESG Reporting Subcommittee, a sub-committee of the ALCO, supports in preparation of sustainability disclosures and oversees the methodologies; especially for financed emissions used in the risk appetite framework. Additionally, RC sub-committees opine on ESG-related topics within their mandates.

A suitability assessment of the individual Board members and of the Board as a whole is completed annually and its outcome is taken into account in the annual training plan. The Board and GLT trainings for 2025 covered an introduction to how Nordea works with sustainability competence and awareness, a training on transition plans for financial institutions (i.e. Prudential Transition Plan) and finally a training on financial wellbeing and inclusion.

Concerning ESG-related risks in the credit process, these are governed according to the delegated powers to act. Approvals follow the established decision-making responsibilities and accountabilities. For customers associated with a high level of ESG-related risk, credit decisions are escalated to higher-level credit committees as relevant.

Group-wide implementation governance

A Group-wide ESG programme was established in 2021 as a 4 year programme with the objective to ensure efficient and consistent implementation of ESG factors in the business and risk strategies across the 1st and 2nd lines of defence (LoD) and delivering on relevant regulatory changes. The programme was overseen by an Operational Steering Committee (OSC), co-chaired by the Chief of Staff and Head of Group Credit Risk Control (GCRC), and involved all relevant business areas and Group functions, as well as relevant risk areas. After delivering on the planned scope, the ESG programme has been decommissioned according to plan by the end of 2025. The continued Group wide implementation of ESG factors in the business strategies will be further coordinated through the newly established Sustainability Subcommittee, subordinated to the SEC.

ESG factors in organisational structure and reporting

ESG factors are an integrated component of existing processes for decision-making, risk management, escalation and reporting across Nordea's three LoDs. The 1st LoD is responsible and accountable for setting targets and implementing the strategic response to and mitigation of ESG-related impacts and risks. The Chief of Staff is accountable for ensuring coordination and facilitation of this mandate. The 2nd LoD is responsible and accountable for developing the Sustainability and ESG policy framework and provides oversight to 1st LoD implementation of the business and risk strategies. The Head of GCRC is responsible for coordinating and facilitating this mandate as the policy framework owner. The 3rd LoD provides independent and objective assurance and advice related to ESG-related risks.

Within each LoD, a function and its associated head are assigned as an ESG coordinator within their LoD and towards the other LoDs. Group Sustainability (GS) is responsible for 1st LoD coordination and GCRC is responsible for 2nd LoD coordination. Group Internal Audit (GIA) coordinates ESG assurance and advice activities based on its risk assessment in order to provide sufficient and relevant audit coverage. Coordination between risk areas is mandated for topics of cross-risk relevance, such as for greenwashing risk management. Nordea continues to increase competence and awareness regarding ESG factors. Nordea uses a three-layer

approach throughout the Group: (1) general training to all employees in mandatory Code of Conduct (e-learning) training that embeds also ESG-related principles and four general non-mandatory e-learning. Regulatory changes are also implemented with relevant training to employees impacted by the change as needed; (2) tailored training for identified groups of employees that work directly with ESG; and (3) in-depth training for selected groups.

From a learning perspective, Group Risk has prioritised the development of the first Prudential Transition Plan, Greenwashing and continued enhancement of nature-risk analysis. Employees in Group Compliance have had mandatory targeted ESG-themed learnings on ESG regulatory requirements and terminology and the EU Taxonomy regulation.

Aggregated and quarterly ESG-specific reporting to senior management is carried out as follows:

- ESG Management reporting includes an overview of the total Group exposure, business areas, sectors and products, especially where strategic targets and KPIs are in place. Historical and forecasted financed emissions are presented, as well as historical development of the EU Taxonomy eligible and aligned assets and business volumes for sustainable finance, -funding, and -savings products. In addition, the last few years senior management (e.g., Board Operations and Sustainability Committee, BOSCO) has been informed about the progress of Nordea's ESG roadmap, including key milestones.
- Other risk reports (e.g. Credit Portfolio Quality Report, CPQR and Quarterly Risk Report, QRR) to the Board include financed emissions developments across business areas and industries, climate-related physical risk by geographies, climate, nature, social, and governance-related risk exposure monitoring on industry level, credit risk outlook, and the status and coverage of relevant risk mitigation measures. These reports also include monitoring of ESG-related data quality and availability indicators over time.
- Non-ESG specific reporting is also conducted as an embedded component of ICAAP, including capital adequacy, stress testing and scenario analysis (see section 'Capital & liquidity adequacy conclusion') and 2LoD functions report as relevant on embedment of ESG and monitoring metrics.

Remuneration

Nordea continues to embed ESG objectives across its remuneration framework, ensuring alignment with the Group's sustainability ambitions and targets. ESG goals remain integrated into all variable pay plans, extending from the GLT and other senior leaders to all variable pay participants through the Group Pool funding mechanism and more broadly to all employees via the profit-sharing plan. This way it incorporates green financing as defined under Nordea's Green Financing Framework and Sustainability Roadmap objectives. Furthermore, ESG scorecards supporting Nordea's ambitions for 2026 are embedded in the long-term incentive plan, reinforcing sustainability as a strategic priority. The 2025 ESG goals in senior leaders' remuneration aimed to support Nordea in delivering on its sustainability and climate objectives in three key areas: (1) progress against Nordea's Sustainability Roadmap, (2) growth in green financing volumes, and (3) People focus areas, including improvement of gender balance at senior leadership levels. These objectives complement non-financial KPIs on employee engagement, customer focus, and priorities related to risk, compliance and conduct, alongside goals supporting Nordea's financial performance. This means that a material portion of the GLT's and senior leaders' non-financial remuneration metrics at Group level are directly linked to ESG factors, underscoring Nordea's commitment to sustainability and responsible business practices.

ESG FACTORS RISK MANAGEMENT: INTRODUCTION

Policy framework

As part of the overall policy framework, the Sustainability and ESG Policy Framework specifically addresses the integration of ESG related factors into the risk management frameworks. The foundation for the Sustainability and ESG Policy Framework is based on the Group Board Directive (GBD) on Sustainability and GBD on Risk, covering both aspects of double materiality in the CSRD.

Within the Sustainability and ESG Policy Framework, Nordea defines ESG factors as environmental, social or governance characteristics that may have a positive or negative impact in the short, medium or long term on the financial performance or solvency of Nordea or its counterparties, across value chains or business environments. The Sustainability and ESG Policy Framework provides the common definitions and sets their operationalisation through Nordea's strategic and risk management approaches. Continued development of the framework in 2025 focused on extending the identification and management of material ESG-related risks. For example by enhancing the methodology of social and governance risks analysis in the materiality assessment framework, and enhancing the monitoring and control framework, in accordance with the updated Capital Requirements Directive and the EBA Guidelines on the management of environmental, social and governance (ESG) risks. Implementation of these EBA Guidelines will continue in 2026, with the new EBA Guidelines on ESG scenario analysis also adding to the development of the framework.

Within the framework, the GBD on Sustainability sets out the principles for impact materiality embedment in the business strategy and associated governance, while the GBD on Risk sets out the principles for financial materiality embedment in risk management and associated governance. The CEO Instruction (CEOI) on ESG Factors is the starting point for all assessments of ESG-related materiality across the Group. Chief Risk Officer (CRO) Protocol on ESG-related risk and Group Accountable Executive (GAE) Protocol on Sustainability Strategy detail how ESG factors should be integrated into risk management and strategy setting frameworks respectively. These documents expand the financial risk materiality and impact materiality aspects of the DMA. Further updates to the CRO Protocol and GAE Protocol are expected to take place in 2026.

Within the CEOI, an ESG Factor Taxonomy is defined, first developed in 2021 and updated on a yearly basis thereafter. Nordea's ESG Factor Taxonomy aims to bridge the EU Taxonomy (environmental objectives), Global Reporting Initiative Disclosures guidance, Sustainability Accounting Standards Board materiality guidance, European Banking Authority's guidance, ECB Guide on Climate-related and Environmental Risks, the EBA Guidelines on the management of environmental, social and governance (ESG) risks, the CSRD and accompanying ESRS, and other relevant sources.

Approach to the assessment of materiality of ESG factors

Nordea has in place a Group-wide ESG Factor Taxonomy of ESG risk drivers (i.e. hazards). On an annual basis, Nordea performs a bank-wide ESG Materiality Assessment (MA) to map how the ESG factors in the taxonomy can be drivers of prudential risks of Nordea's Common Risk Taxonomy including credit risk, market risk, business model risk (part of capital risk), operational risk (including reputational risk and legal risk, the latter covering litigation and liability risk) and liquidity risk. As part of the ICAAP and ILAAP, the ESG MA is an annual exercise.

For risk identification purposes, Nordea built a comprehensive list of transmission channels, defined as causal chains that explain how ESG risk drivers impact Nordea specifically, through its counterparties, invested assets, third parties or its own operations. Relevance of ESG factors is assessed using heatmaps, literature review and consultation with internal subject matter experts. The risk identification considers various levels of granularity (e.g. individual asset classes, sectors, customers and geographies) to ensure relevant risk coverage of our exposures over various time-horizons. The MA process also includes performing concentration analysis, sensitivity and scenario analyses across different risk categories. Where quantification of a risk is not possible, expert judgement is used within the qualitative assessment parameters. The risk materiality thresholds are aligned to the ICAAP and ILAAP framework and use a four-level banding system relative to our Common Equity Tier 1 (CET1) capital, liquidity indicators, as well as predetermined qualitative criteria.

Nordea assesses ESG-related risks over the short-, medium-, long- and very long-term horizons. The time horizons are defined as follows:

- short term: less than or equal to one year (≤ 1 year)
- medium term: one to five years (1–5 years)
- long term: five to ten years (5–10 years)
- very long term: longer than ten years (> 10 years), extending up to 30 years

In 2025, ESG MA has been enhanced with regard to heatmapping capabilities for social and governance risk, and some aspects on environmental risks, as well as integrating proxies for assessing potential risks arising from Nordea's customers value chains.

Finally, Nordea also performs the DMA as part of CSRD requirements, building on the results of the 2025 ESG MA. This means that Nordea aligns the impact and financial materiality analyses and outcomes to ensure a coherent materiality conclusion.

ESG factors in Risk Appetite Framework

As part of its prudent risk management, Nordea needs to ensure that risks driven by ESG factors (i.e. ESG Factor Taxonomy) are adequately managed and mitigated. Nordea's ESG Risk Appetite Framework (RAF) is a dedicated framework for the ESG-related Risk Appetite Statement (RAS), metrics, limits, and governance. Specific monitoring and reporting processes are in place to ensure that the ESG-related risk profile of Nordea Group, branches and subsidiaries follow internal strategy and targets. This includes that the risk profile remains

- within the parameters of the Group's strategic sustainability objectives
- within the parameters of the Group's financed emissions targets
- in alignment with Nordea's business environment to avoid quick and disruptive changes to the business model or portfolios
- at a limited exposure to material cross-risk ESG-related concentrations
- within the defined lower (i.e. Level 2 and Level 3) limits and controls set for the underlying prudential risk types.

Nordea first introduced a qualitative, Board approved ESG-related RAS in 2019, setting the ESG-related boundaries within which business areas can operate. The current RAS elaborated this further and requires prudent management of material ESG-related risk exposures across all prudential risks, engagement with customers to steer the portfolios' alignment with the Paris Agreement and Nordea's reduction in associated financed emissions over time.

Overall, specific ESG RAF metrics (set at Level 1, Level 2 or Level 3) are in place to monitor and control ESG specific risks. The defined ESG RAF metrics take the following in consideration.

- Consolidation and aggregation of ESG-related risk exposure (i.e. whether the metric controls a specific aspect of the individual risk area's profile or is more broadly part of the Group's cross risk profile), long to very long term Group strategy targets and objectives.
- Level of the risk within the Nordea Common Risk Taxonomy and the relevance of ESG factor exposure, focusing on material ESG factor exposures with a higher impact to the risk profile.
- Nordea's strategic ambition level, covering as relevant Group commitments (e.g. on financed emissions) and exclusion policies for activities that Nordea has decided not to finance.
- Alignment of the metric with other metrics – e.g. tolerances for financed GHG emissions disclosure restatement versus development of financed GHG emissions across the balance sheet over time.

Risk metrics and limits need to be expressed and measured in a consistent manner across business areas and/or Group functions to ensure a consistent and aggregable link to the Group's business and risk strategies and the RAS. The Sustainability and ESG Policy Framework sets guidance for the ESG RAS criteria, governance for limit monitoring, reporting, and breach escalation. In 2021, Board approved Level 1 limit was introduced, with key risk indicators (KRIs) for limiting the Group's financed emissions levels attributed to loans to the public. Continued development of the RAS and KRIs in 2024 and 2025 resulted in the tightening of the Group Level 1 financial emissions limit to assure Nordea will reach its GHG emissions targets. The Group Level 1 limit is further cascaded to the relevant business areas (Level 2 limits), using 2019 baseline levels and 2030 targets. The tightening of Level 1 limits is reflected also in the decline of financed emissions Level 2 limits to follow established targets.

Lending and investment strategies for selected portfolios and/or industries also include controls on Nordea's exposure to harmful or controversial economic activities that Nordea refrains from financing. Sector guidelines, which are publicly available, outline those activities that Nordea either refrains from financing or investing in and provide guidance in terms of requirements or recommendations for Nordea's customers. Sector guidelines also describe how Nordea will engage with customers who are committed to reducing their emissions in line with the Paris Agreement. Nordea publishes such requirements in sector guidelines for forestry, real estate, shipping, agriculture, gambling, fossil fuel based, defence, and mining industries (see 2025 Annual Report, Sustainability Statement chapter E1 Climate change).

These requirements apply under credit, market and liquidity exposures as relevant for the risk profile. For lending exposures, industry credit policies (ICP) provide internal guidance as part of credit risk assessment and loan origination processes, and embed the requirements disclosed in the sector guidelines. For the investment strategy in the Illiquid Exposures portfolio, a detailed ESG analysis is carried out and a separate ESG rating applied in the due diligence phase that is aligned towards Nordea's minimum requirements and long-term targets.

Further details regarding business strategy, risk management and governance associated with ESG factors are provided in the following sub-sections for environmental, social and governance factors.

Environmental, social and governance factors

ENVIRONMENTAL FACTORS

Business strategy, targets and objectives

Managing environmental factors is key for Nordea. Nordea has set out a long-term objective to become a bank with net-zero emissions by 2050 at the latest. This long-term objective is supported by interim emissions reductions targets by 2030, covering the total lending portfolio, as well as material sectors and own operations. To achieve these targets, and contribute to real economy decarbonisation, Nordea works together with its customers to support their transition. Understanding our customers' transition priorities enables us to support them in financing their decarbonisation plans and to develop products and solutions that meet an increasing need to finance the transition. Nordea also prioritises partnering with the broader community on climate and nature-related issues to support system-wide change, and takes an active role to support progress, collaboration and standardisation across the financial industry. A comprehensive and forward-looking analysis is conducted on a regular basis, as part of the annual Business Environment Scanning (BES), to understand how climate- and nature-related factors – across policy, technology, regulation etc. – impact the business environment Nordea operates in. The conclusions from this analysis inform business plans, financed emissions forecasting and various risk processes in order to strengthen Nordea's capability to adapt to changes in its business environment, capture new commercial opportunities and further enable proactive risk management.

ENVIRONMENTAL FACTORS RELATED RISK MANAGEMENT

Risk identification

As defined in the section 'Approach to the assessment of materiality of ESG factors', Nordea has in place a specific ESG Factor Taxonomy. This has been developed taking into account EBA's report on management and supervision of ESG risks for credit institutions and investment firms (EBA/REP/2021/18), the EU's Regulation (EU) 2020/852 and international and regional best practices and sources. In addition, the ESG Factor Taxonomy is aligned to the requirements of the CSRD.

The environmental (E) risk drivers of the ESG Factor Taxonomy consist of three Level 2 factors (i.e. climate and nature-related changes and other environmental hazards). Subsequently, the climate and nature-related changes are further divided into level 3 effects (i.e. physical and transitional effects) and their corresponding constituent (level 4) hazards (i.e. individual risk drivers) as relevant in the context of Nordea's business model.

For risk identification purposes, Nordea developed a comprehensive list of transmission channels to assess how climate and environmental risks impact Nordea through its counterparties, invested assets, third parties or its own operations. These transmission channels and their materiality assessment are described per prudential risk type in the following sections.

The output of the 2025 MA is also reflected in the financial risk materiality of the DMA as required by the CSRD. Mapping ESRS topics towards the Internal ESG Factor Taxonomy is outlined in Figure 3. The assessment has considered the impacts identified in the DMA across different portfolios, geographies and business areas.

Figure 3: Mapping and materiality assessment of the double materiality assessment scope for ESRS E1–E5 towards Nordea internal ESG factor taxonomy for CSRD purposes.

ESRS topic	Nordea ESG factor taxonomy level 2	Nordea ESG factor taxonomy level 3	Impact assessment financial risk perspective ESRS topic
E1: Climate change	Climate-related changes	Physical effects	Material
		Transitional effects	
E2: Pollution	Nature-related changes	Physical effects	Non-material
E3: Water and marine resources	Nature-related changes	Physical effects	Non-material
E4: Biodiversity and ecosystems		Physical effects	Material
E5: Resources use and circular economy		Circular economy	Non-material
ESRS 2: General disclosures	Nature-related changes	Transitional effects	Material

Data adequacy

During 2025, Nordea has improved data quality and accuracy in order to conduct effective risk quantification for environmental factors. Specific data improvements are reflected in the narrative relevant for each template in the quantitative section.

Risk assessment and measurement per material risk type

The following section presents the approach and results of the 2025 ESG MA per material risk type of Nordea's Common Risk Taxonomy, including business model risk, credit risk, market risk, liquidity risk and operational risk for the Environmental part.

Business model risk

Risk factors for business model risk

Business model risk for Nordea is mainly driven by exposure within credit risk, given that Nordea's income and risk exposure amount (REA) are mainly driven (84%) by lending-related activities. This means that the climate and environmental hazards relevant for credit risk are the most relevant for business model risk as well, for example coastal and inland flooding and the need to reduce the GHG emissions of counterparties.

Transmission channels identified for business model risk

Given that business model risk is broader than any single climate and environmental hazard, in most cases the risk cannot be linked toward any single hazard. Hence, different hazards and their impact could carry additional business model risks due to climate risks, manifesting through e.g. increased credit risk, resulting from stranded assets, legal liability, or changing customer preferences.

Materiality assessment method for business model risk

The MA for business model risk included the following methods to evaluate climate transition risk:

- Relevant literature review (e.g. scientific literature, publications from regulators, standard setters and industry groups).
- Quantitative analysis: Net Interest Income (NII) concentration and Net Commission Income (NCI) analysis. In addition, Nordea performed an assessment on the Group-wide emission targets per business areas and potential changes in strategy.
- Stress testing: specific long-term scenario analysis (+30 years).
- Heatmapping: mapping relevant climate and nature risk factors towards transmission channels which will impact Nordea's business model risk (mainly via credit risk).

Business model risk is well considered within Nordea's current strategy via, among others, the portfolio strategies, policy frameworks and customer engagements.

Outcome of materiality assessment for business model risk

The 2025 ESG MA concluded that business model risk is material. Climate and environmental risk drivers could potentially deteriorate Nordea's revenue-making capacity under a business-as-usual approach (i.e. without a strategic response aligned to the business environment). Nordea

already mitigates this impact through strategic response that includes both targets and objectives on reducing exposure into harmful activities (e.g. peat mining and offshore) and financed emissions, as well as via inclusion of climate and environmental factors into our credit strategies and policies.

Credit risk

Risk factors for credit risk

Credit risk for Nordea is driven by the climate-related physical risk drivers related to 'flooding' and the climate-related transition risk drivers related to the 'need to reduce the GHG emissions of counterparties'.

Transmission channels identified for credit risk

'Credit quality deterioration', 'increase in concentration' and 'collateral valuation' have been identified as possible transmission channels of climate and nature related risks. Nordea has exposure to sectors identified as vulnerable to climate-related transition and physical hazards, predominately in residential real-estate (RE). Non-RE portfolios are relatively well diversified across and within different industries.

Materiality assessment method for credit risk

The ESG MA for credit risk included the following methods to evaluate both climate-related physical as well as transition risk:

- Relevant literature review (e.g. scientific literature, publications from regulators, standard setters and industry groups).
- Portfolio exposure analysis.
- Stress testing: The scenarios covered a mixture of short- and long-term scenarios, to test climate and nature transition and climate change physical risk resilience.
- Heatmapping: identified risk drivers are assessed according to a standardised and literature derived set of transmission channels and time horizons, and applied to assess materiality. Hence, with the support of this heatmapping exercise per industry, country and geography, 'collateral devaluation', 'credit quality deterioration' and 'increase in concentration' have been assessed as the most material credit risk transmission channels for Nordea.

Credit risk is also the risk type most affected by nature-related transition risk, arising via Nordea's lending activities. Although some quantification was performed for nature-related credit risks (i.e. stress testing), the methodology, requires further enhancements. Overall, Nordea has low exposure to industries assessed as highly vulnerable to nature-related risks, with highest vulnerability in primary production segments such as agriculture.

Outcome of materiality assessment for credit risk

The 2025 ESG MA concluded that credit risk is assessed as material with capital allocation impact. Risk drivers are assessed primarily on a scenario and stress testing basis where scenarios were applied, supplemented through an assessment of the portfolio exposures and relevant scientific literature. Credit risk represents the most important component of the aggregate risk (84% of REA). Climate and

nature risk drivers are assessed as material drivers of credit risk in the short- to very long-term, although at varying time horizons depending on the driver of risk. Approximately 50% of Nordea's credit exposures are in sectors with pockets that are vulnerable to both climate-related transition and physical hazards, concentrated mainly in real estate portfolio. Compounding water-based hazards are a key risk driver, especially in Denmark and Sweden and to a lesser extent in Finland and Norway (in order of magnitude) for immovable property. In addition, transitional hazards impact regulatory and technological driven counterparties the most. The assessment of the capital amount needed for climate-related credit risk is based on the 1-year REA impact from climate and nature stress testing, considering climate and nature related transitional and climate related physical risks.

Market risk

Risk factors for market risk

Market risk for Nordea is mainly driven by climate-related transition risk drivers related to 'regulatory changes'. There is a lesser effect from climate-related physical risk drivers related to 'extreme weather conditions' (e.g. 'heatwaves & droughts'), and 'flooding' related risk drivers.

Transmission channels identified for market risk

'Fair value asset devaluation' and 'Impact on the Net Interest Income (NII) in the Banking Book are identified' as the only directly relevant transmission channels for market risk.

Materiality assessment method for market risk

The 2025 ESG MA for market risk, i.e. effect of the risk drivers on the trading and banking book fair value (FV), includes the following methods to evaluate both climate-related physical as well as transition risk:

- Relevant literature review (e.g., scientific literature, publications from regulators, standard setters and industry groups).
- Qualitative assessment: qualitative assessment of the combined mitigating factors in the non-trading book. The assessment was based on the portfolio composition (e.g., products and sectors), analysis of the business models, portfolio structures, geographical footprint across the Nordics, the EU and the US, and underlying risk types, e.g., interest rate and equity.
- Stress testing: The market risk stress testing is primarily based on two Phase IV Network for Greening the Financial System (NGFS) scenarios: Delayed Transition and the Current Policies, for climate-related transition and physical risk respectively. The scenarios are based on Integrated Assessment Models (IAMs) which account for multiple compounding events and socio-economic pathways.

Nature-related risk drivers have been assessed, qualitatively through analysis of each portfolio's exposure to sectors vulnerable to nature-related risk, to have limited exposure to vulnerable sectors and where there is, it is deemed not material.

Outcome of materiality assessment for market risk

Stress testing continuously assesses the materiality of ESG risk drivers on market risk. The 2025 MA results assessed market risk as not material. ESG risk drivers are assessed on a scenario and stress testing basis where a combination of scenarios is applied. Climate-related risk drivers are assessed to decrease the fair value (FV) of market risk. However the decrease of FV continues to remain within the risk appetite limits. These results are based on the impact from transition risk drivers related to 'regulatory changes'. The impact is driven by macro and general market shocks to interest rate risk in the liquidity portfolio and equity risk (outside the Nordic region) in the illiquid exposure portfolio. ESG risk drivers cause FV devaluations on the non-traded exposures in the liquidity portfolio, illiquid exposures and defined benefit pension scheme (DBPS) portfolios. Nature-related risks are assessed as immaterial for market risk based on the limited corporate exposure in vulnerable industries.

Liquidity risk

Risk factors for liquidity risk

Liquidity risk for Nordea is mainly driven by the climate-related transition risk drivers related to 'reputational risk', stemming from greenwashing risk.

Transmission channels identified for liquidity risk

'Cash outflows', 'collateral funding impact' and 'high-quality liquid asset (HQLA) devaluation' are identified as the relevant transmission channels for liquidity risk.

Materiality assessment method for liquidity risk

The 2025 ESG MA assessment for liquidity risk, which relates to short-term ESG impacts, includes consideration for Nordea's exposures to Green-House Gas (GHG) emission intensive sectors and the value of the underlying collateral of lending exposures. The methods to assess ESG risks include e.g. relevant literary review and stress testing with three (short-term) scenarios assessed for liquidity risk impact (and was part of the ILAAP process).

Outcome of materiality assessment for liquidity risk

The 2025 ESG MA concluded that climate-related transition risk are assessed as material with no capital allocation impact. Liquidity ratios remain within risk limits under the stress scenarios applied. Updated scenario analysis and materiality thresholds conclude that climate-related physical risk, while relevant, does not have a material impact. Nature, social and governance-related risks are assessed as not material.

Operational risk

Risk factors for operational risk

Operational risk (including reputational risk, liability and litigation risk, financial reporting risk) for Nordea is mainly driven by the climate-related and nature-related transition risk drivers related to 'reputational risk' and 'financial reporting risk'. These stem from the risk of being fined or litigated and from risks arising due to new requirements that challenge processes, data availability and methods. Climate-related physical risk and social risk drivers were assessed as non-material.

Transmission channels identified for operational risk

A total of 11 transmission channels have been identified for operational risk and four of them resulted in material risk for the Environmental part of ESG. These were Failures in ESG disclosure, Increased litigation and liability, Litigation due to greenwashing and changed market perception.

Materiality assessment method for operational risk

The 2025 ESG MA assessment for operational risk includes the following methods :

- Relevant literature review (e.g. scientific literature, publications from regulators, standard setters and industry groups).
- Qualitative assessment: Identification and conclusion of all relevant ESG hazards in parallel with mapping out critical assets/ operations in geographical locations.
- Scenario-based analysis: For each identified ESG-related risk, the most likely time horizon for materialisation was determined. Quantitative and qualitative impact of the ESG hazards, identified as vulnerable for materialisation, are assessed via multiple scenario-based analysis to determine the materiality.

Outcome of materiality assessment for operational risk

The 2025 ESG MA concluded that some aspects of operational risk are material – in particular risk relating to reputational, liability and litigation and financial reporting risks. ESG risk drivers are assessed on a scenario basis where 43 unique scenarios were created across 7 different countries. ESG-related physical risk drivers (scope covering own operations & third-party providers) were assessed as non-material.

Risk response and mitigation

Climate-related transition risks

Nordea issued its first position statement in 2019 outlining key climate transition commitments. This included the development of financed emissions reporting aligned with the GHG Protocol and Partnership for Carbon Accounting Financials (PCAF) Standard. In addition, business areas' strategies towards 2025 are set to engage with counterparties to reduce financed emissions and to grow sustainable financing to support the 2030 internal financed emissions reduction target.

Concerning environmental impacts by Nordea's own operations (see 2025 Annual Report, Sustainability Statement chapter E1 Climate change and E4 Biodiversity and ecosystems), Nordea's Code of Conduct sets out the

importance of employees acting in a manner conducive to caring for the environment and the third-party procurement process assesses selected environmental impacts. Finally, Nordea implemented an internal carbon reduction plan towards 2030 and 2050.

More specifically, sector specific climate targets are defined, covering shipping, agriculture, power production, motor vehicles (cars & vans), fossil fuel, residential real estate (household mortgages and tenant-owner associations), and thermal peat mining. It is outlined how these portfolios must evolve over time to meet long-term objectives (see 2025 Annual Report, Sustainability Statement chapter E1 Climate change). A quantitative financed emissions limit, as defined in the RAF backstops Nordea's 2030 objective, and operates as a carbon budget for retail and corporate lending. The limit is comprised of the financed emissions stemming from lending, covering the Scope 1 and 2 carbon dioxide equivalent GHG emissions of Nordea's counterparties. The limit is measured in relative terms to the 2019 year-end level. The limit is cascaded to the business areas, to ensure a link between the Group objective and industry level targets which are steered at a business area level. Allocations and steering are conducted using 2019 as baseline and 2030 forecasts for financed emissions developments, which are supported in steering through the use of granulated financed emissions data and customer's transition plans. During 2025, Nordea continued to tighten the limits for the total financed emissions to keep on track of its internal targets. The tightening of the financial emissions limits were set in such a way that further revising will only take place if needed. The next target is set to become net zero by 2050, in line with the broader economic transition pathway. To ensure that portfolio steering accounts for quantified climate-related objectives, Nordea has integrated financed emissions developments to the Rolling Financial Forecast (RFF) to 2030 and initiated high level outlooks to 2050, using policy-driven decarbonization targets, client specific reduction targets, and lending volume forecasts. The implied trajectory towards the 2030 financed emission targets and utilization of limits indicated by the forecast are monitored on a quarterly basis and discussed at least semi-annually by senior management, including GLT. To follow the industry-level climate-related transition strategies, available customer-level emissions data is collected and assessed via the internal BES process. The purpose of this part of the BES is to provide insights to the organisation on how ESG factors impact the business environment where Nordea is active or is considering becoming active, and to support Nordea's strategy setting process. Hence, results of the BES aim to support

- business areas in making informed strategic decisions and managing their business strategies in alignment with sustainability-related targets and objectives
- the organisation in further developing processes for managing ESG-related risks, stress-testing and capital
- compliance with relevant supervisory and regulatory requirements regarding the alignment of the business model with the external business environment and monitoring of the alignment of the upcoming Prudential Transition Plan.

Climate-related physical risks

For climate-related physical risks, as part of the ESG Factor Taxonomy, Nordea defined risk drivers which could potentially impact Nordea. Nordea publishes the Group's gross risk exposure to climate-related physical hazards, chronic and acute, in Table 74 of Part 2 of this report. The identified risk drivers are managed and mitigated through a range of private and public, municipal and national actions. These include, but are not limited to, energy performance certificate (EPC) data, availability of corporate transition plans, customer ESG assessments, industry credit policies, national adaptation and insurance availability monitoring and environmental and building certifications and permits. Ongoing data development projects assure more accurate and precise data is being used for risk management. Nordea also has in place specific risk appetite indicators for climate-related physical risks.

Nature-related risks

As described in the introduction, Nordea published its first position on biodiversity and nature-related impacts and risks in 2023. This guiding document outlines Nordea's Biodiversity Roadmap, and the commitments to incorporate biodiversity into the Group's business strategy, governance and risk management towards 2025. Initial steps have been taken by carrying out internal trainings and expanding the Green Funding Framework. Next, Nordea has taken initial steps for extending nature-related targets in Nordea's RAF.

During 2025, Nordea revised its sector guidelines for real estate and will continue during 2026 for sectors such as food production (formerly agriculture and aquaculture), forestry and shipping. Building capacity in terms of understanding, methodologies and data foundation has also continued during 2025.

Nordea uses the WWF Biodiversity Risk Filter and ENCORE for the assessment of biodiversity impacts and ecosystem dependencies. In addition, a biodiversity footprint tool has been tested for biodiversity impact and ecosystem dependency calculation.

As part of the ESG framework, Nordea has defined specific transition and physical risk drivers which potentially could impact Nordea. On the transition risk side Nordea considered a range of risk drivers including regulatory, technology, societal, customer and demographic changes, as well as the competitive landscape, including legal and reputational effects. Physical risks transmit from the dependency on ecosystem services, with risk drivers including e.g., land, fresh water and sea use change, direct exploitation of species, land degradation, and soil sealing. Overall, Nordea's exposure to nature-related risk is mainly driven by transition risks, and the exposure to highly vulnerable sectors is low on the credit risk side. Still, where individual exposures can be low such as on the real estate side, in aggregate the size of the total exposure can drive up the total nature-related risk. While biodiversity-related transition risk has been identified as relevant for Nordea, the risks stemming from the degradation of ecosystems, or physical risks, have not been identified as material due to limited exposure in our portfolio to vulnerable sectors. The transition risk is mainly driven by regulatory changes aimed at curbing nature degradation, and could have a material impact on our credit, operational and business model risks. Credit risk is the risk category most impacted and stems

mainly from our counterparties via our financing. The risk may potentially transmit to us via credit risks (e.g., via credit quality deterioration), and is elevated for sectors such as agriculture, forestry, materials and construction. Also operational risk, e.g. via litigation and reputational risk stemming from greenwashing, could arise. Business model risk stemming from biodiversity-related transition risk could arise over the longer term, such as from the composition and nature of assets on our balance sheet.

During 2025, Nordea has taken further steps to increase our understanding of nature-related impact, risk and opportunity quantification. Nordea has piloted a biodiversity footprint and ecosystem dependency quantification tool, and analysed usability for risk management, strategy and reporting purposes, among others. Nordea has also initiated a multiple year research collaboration with the University of Jyväskylä, Finland, known for its advance research within the area of nature. This will support Nordea in the understanding of assessing the biodiversity dependency and impact of economic activity in the Nordic countries. It will cover the sectors that are particularly impactful and/or vulnerable in relation to biodiversity loss, such as real estate. Overall, Nordea observed that the availability of better data in the market and methodological advancement is needed over time to address biodiversity and ecosystem related impacts, dependencies and risks.

Although the position is forward-looking, Nordea already has several commitments in place to address nature-related changes. For example, with regard to shipping, Nordea is signatory to the Responsible Ship Recycling Standards (RSRS) and Poseidon Principles (PP), aiming to minimize the risks associated with dismantling of vessels, including labour conditions and environmental impact. By following the UN Global Compact together with RSRS, the Equator Principles and PP, specific commitments are in place for selected financial counterparties for recycling, pollution prevention and mitigating climate related risk in shipping and project finance. Mitigation of fresh water stress, resource scarcity and water, and air and land contamination are also addressed in Nordea's current strategic ambition.

Risk control and monitoring

The following section outlines the risk control and monitoring measures per material risk type of Nordea's Common Risk Taxonomy, covering business model risk, credit risk, market risk, liquidity risk and operational risk.

Business model risk

Nordea's medium-term portfolio-wide target to reduce emissions in the lending portfolio by 40-50% by 2030 has been cascaded to individual portfolios deemed material in regard to financed emissions. Nordea has targets covering the residential real estate, shipping, oil & gas, offshore & thermal coal & peat mining portfolios. In addition, the scenarios cover the majority of financed emissions in the lending portfolio, ensuring alignment between Nordea's strategic ambition and the external policy environment through Nordea's own transition plan.

Published sector targets are available at [Nordea.com](https://www.nordea.com) with references to benchmark scenarios used and published in the Annual Report. In addition, Nordea's business areas have set internal medium-term business area specific financed emission targets to steer and control overall portfolio emissions, and supporting targets on customer engagement on the topic of net-zero transition. The progress is monitored by internal reporting and financed emission forecasting to assess deviations from the established pathways. Targets are measured and monitored internally and progress on setting targets is disclosed annually in Nordea's Annual Report. The strategic ambition is backstopped by the risk appetite framework while being monitored via the RFF.

Credit Risk

Nordea considers ESG-related risk as an integral part of the credit process. The ESG factors as part of the ESG Factor Taxonomy, are cascaded down and applied in the credit risk management framework as 'ESG credit risk drivers'. For corporate borrowers, depending on the size and internal segmentation, ESG credit risk drivers are investigated and any identified ESG credit risks are assessed further, either on industry basis (inherent risks) or on customer level. This is accomplished by a semi-automated tool, supplemented by human oversight to flag customers that require enhanced assessment by dedicated ESG analysts with focus on identifying and assessing both customers' vulnerability and resilience towards material ESG credit risks. To support these analyses, external databases are used to monitor performance on specific ESG-related risks and to assess whether the company has been or is involved in ESG-related controversies. Risks that are material to the borrower's credit risk are treated as any other risk driver and further integrated into the credit risk assessment. When impact from ESG-related risk is so severe that it causes misalignment with the rating, an ESG rating override can be applied. The regular monitoring of borrowers' credit risk captures ESG-related issues through the use of early warning indicators (EWI). When an EWI is triggered, it is required to consider whether the event is related to ESG, and if so, an ESG assessment must be requested. Approvals are made according to the established credit decision-making process. For customers associated with high ESG credit risk levels, decisions are escalated to higher-level credit committees as relevant.

In 2025, Nordea's customer risk assessment approach has been updated, to embed material ESG credit risk drivers identified per industry in the ESG Materiality Assessment to the customer risk identification process.

ESG factors affecting business selection decisions, be it through established sector targets, sector guidelines or decisions on individual credit risk, are reflected in the customer selection, capital allocation, collateral valuation and pricing decisions within Nordea. ESG factors can also be reflected in the margin of certain sustainable lending products, such as green loans and sustainability-linked loans where the margin is tied to the financed assets or the customer's ESG performance. Nordea's strategic loan pricing frameworks currently reflect choices in Nordea's business selection and risk appetite, including established targets for risk-adjusted returns on allocated credit risk capital. For transitional effects linked to collaterals, Nordea, for example, reevaluates external shipping appraisers and sources available EPC data for real estate valuation on a quarterly basis. At the same time, the monitoring of the EPC data development is also carried out on a periodic basis.

Climate-related transition risks are assessed with an enhanced focus on customers with business models implying high GHG-emissions. The key components of the assessment include counterparties' GHG emissions developments, corresponding quality of their transition plan and the resulting impact of climate-related transition risks on customer repayment capacity.

Climate-related physical risks as currently assessed, in the context of real estate, are controlled through monitoring measures including insurance coverage requirements for counterparties, municipal, regional and national building regulation and adaptation measures, monitoring by policy makers through early warning indicator systems, Nordea's monitoring for real estate indexed market values and corresponding revaluation approach, and Nordea's current loan-to-value (LTV) requirements.

Potential impacts from nature-related risks are controlled and monitored through counterparty certification systems such as those for forestry management and sustainable real estate. Furthermore, the control and monitoring process for nature-related risk includes having effective and efficient policies and programmes in place to reduce potential harmful impacts on the environment.

ESG-related considerations in the credit process are further guided by the internal industry credit policies.

Market risk

Nordea has been applying PCAF methodology for measuring financed emissions in the listed equity and corporate bond portfolios. That methodology has now been extended to sovereign bonds, further strengthening the bank's ability to measure, report and steer the carbon footprint linked to fair-value inventory holdings in the trading book and investments in the banking book portfolios.

Liquidity risk

The ESG framework within the illiquid exposures portfolio allows for a proactive allocation of investment capital, monitoring and tracking several metrics and data points for ESG factors (those having both positive and negative effects). Current and future impacts and risks are assessed, monitored and controlled. In addition, clients are supported and prompted in seeking to become, if not already, positive-impact contributors. The principles guiding investment decisions include the establishment of a minimum level of qualifying criteria for fund managers seeking to secure investments from Nordea. This also includes securing legal sector guideline protections ahead of future investments. The principles also include the requirement for monitoring progress – on a yearly basis – of ESG factor impacts within the portfolio including the current tracking of financed emissions. Fund managers must be aware of their responsibility when managing institutional capital, including how they can influence where capital is being deployed and how to address ESG factors in the underlying portfolio companies or credit positions they hold. On climate specifically, a core focus is on reduction initiatives, carbon avoidance and carbon neutrality, in addition to securing preservation of natural resources. Nordea aims to understand how ESG factors are captured throughout the investment cycle for each fund manager both during the due diligence process, holding period and exit. Additionally, in real asset fund investments, assessments are made on the holding of green building certificates for real estate, whether shipping assets in the portfolio are following RSRS and Poseidon Principles and/or have Net Zero targets. The principles aim to further improve (risk) management.

Operational risk

ESG factors are embedded in the operational risk taxonomy, to support the identification and assessment of ESG related risks relevant for operational risk. The following tools for operational risk are in place to manage the (ESG) risks:

- scenario analysis, to identify and assess 'tail risks'
- Risk and Control Self-Assessment (RCSA) process, to assess associated risks and controls across Nordea
- Change Risk Management and Approval (CRMA) process, to ensure an understanding of change-related risks before they are operationalised
- Third Party Risk Management (TPRM) process, to ensure that third-party associated risks are appropriately managed
- Incident Management Framework, to ensure appropriate incident handling and reporting.

Finally, operational risks identified as materially impacted by ESG factors are managed in accordance with Nordea's continuous risk management lifecycle per the risk management framework and three LoDs model.

Capital & liquidity adequacy conclusion

ICAAP

Capital adequacy assessment coverage for ESG-related impacts was initiated in 2020 and extended in 2021 to cover all prudential risk categories of Nordea's Common Risk Taxonomy. Hence, for determining capital adequacy relevant for ESG factors Nordea applies a cross-risk view.

As part of the 2025 ICAAP, Nordea assessed each risk of its Common Risk Taxonomy for ESG specific capitalisation purposes, both separately and along a cross-risk. To determine the materiality level of financial impacts, Nordea used the classification system (4 band system) already consistently applied across the prudential risks and outlined in its ICLAAP framework. As a result of the 2025 ICAAP, it was concluded that for climate- and nature-related impact on credit risk, additional capital reservation was deemed relevant. For all other risk types, it was assessed that no additional capitalisation was needed. Nordea has a strong capital position in place to cover for this additional capital.

Nordea notes that all, except market risk, were assessed to include material ESG risks, as evidenced by Nordea's 2025 ESG MA and 2025 DMA. In addition, some aspects of impacts from ESG risk drivers are already integrated to the risk exposure quantification.

ILAAP

Environmental related liquidity risk impacts were quantified in 2022 in a Group level assessment and the process was revisited in 2023. The conclusion of the 2025 ILAAP was that climate-related transitional risks are likely to affect the level of deposits and the usage of facilities, as a result of climate-related costs. However, Nordea's liquidity ratios remain well within risk limits despite the outflows. Overall, results showed that Nordea has a sufficient liquidity buffer in place to cover for ESG-related risks.

Stress testing

As part of the yearly ICLAAP process Nordea performs a set of climate related stress tests. Results are used to determine materiality and impact of ESG risk drivers on Nordea's business model. These stress tests inform how climate- and nature-related effects may affect trading and banking book exposures, Nordea's liquidity position and the resilience of the business strategy.

Credit risk-related stress tests have, since 2020, been used to assess the short-term impact of increases in a tax on GHG emissions which is simulated over a 3-year period using Nordea's credit risk stress testing models, consistently indicating a material impact. The GHG emissions tax scenarios were applied as an increased cost for corporate borrowers to measure the impact on Nordea's credit losses and REA. Stress testing on climate-related physical risks since 2021 has focused on flooding impacts within the Nordic region, using expected flood risk impacts in 2050 to simulate shocks to real estate values in flood prone areas. Medium term stress tests are used to evaluate the credit risk impact of sector and customer transition plans. Long-term stress tests assess the ability to remain aligned to a net zero pathway under uncertainties related to global implementation of the Paris Agreement. The results demonstrated a material dependency on the transition actions of external stakeholders such as customers and

policy makers. The results indicated that climate-related credit risks are material in the short- to long-terms, for both transitional and physical effects.

Market risk related stress testing is no longer in scope for ICAAP as it does not require further capitalisation due to being assessed as non-material for ESG. This is subject to change if it is identified as a material risk in the future through the continuous materiality assessment process.

Liquidity risk related stress testing (for ILAAP purposes), focuses on short-term climate-related transitional risk and physical risk (flooding) scenarios. The stress scenario outcomes informed the Group level materiality assessments of climate aspects. Climate change was assessed as material for liquidity risk, but liquidity ratios remain within risk appetite limits when the climate stress scenarios are applied.

Finally, for operational risk, a diverse set of scenarios was assessed with the conclusion that transition risk drivers associated with legal, greenwashing and ESG disclosure effects are most material.

Nordea continues to develop its stress testing capabilities to quantify the potential impacts of climate- and nature-related changes. From 2023, Nordea has integrated climate-related stress testing into the ICAAP. In the 2025 ICAAP, credit-related stress testing has included short-term scenarios for climate transition risk, physical risk and nature risk integrated within the main ICAAP scenarios. A medium term (10 year) transition scenario was also analysed as part of the 2025 ICAAP in addition to long-term portfolio projections under different transition policy scenarios. Embedding climate change stress testing within the ICAAP has an explicit learning purpose and will include information and features from other parts of Nordea's climate-related activities. This will help further anchor stress testing as part of the overall climate- and nature-related activities and informing those with regards to stress test requirements and results.

SOCIAL FACTORS

Business strategy, targets and objectives

Nordea has defined human rights as part of the foundation for the work within the Group’s social responsibility strategy and fundamental to ensuring a social licence to operate and continued business growth. To further support the Group’s strategy, Nordea has defined thematic focus areas (e.g. human rights) to leverage Nordea’s market position and size to make a positive contribution to society.

Similar to environmental factors, the strategic ambition on social factors is implemented through various internal and external policies, such as the Human Rights policy and Financial wellbeing and inclusion commitment. These have been aligned with international standards and guidelines to cover own operations and financial counterparties.

Nordea is guided by the UN Guiding Principles on Business and Human Rights in implementing human rights due diligence. As part of the implementation Nordea sets expectations and requirements to prevent and mitigate potential adverse human rights impacts. Nordea recognises that some sectors are more exposed to human rights risks and takes this into account in the sector guidelines. Nordea’s internal policies on sanctions additionally address potential social impacts, such as on human rights and corruption, through implementation in the relevant activities and portfolios. Nordea recognises that meaningful sustainability progress requires continuous engagement with diverse stakeholders including customers, media, academics, and Non-Governmental Organisations (NGOs), whose insights highlight critical issues and inform our approach to addressing specific challenges and opportunities.

Concerning selected internal operations, Nordea’s Code of Conduct contains principles on considerations of stakeholder impacts, customer relationships, promoting equality and diversity, human rights, labour rights, and a commitment to control and manage financial crime.

An annual training on the Code of Conduct is mandatory for all staff. Additional voluntary training on human rights is available for all employees finding it relevant for their position. Nordea also sets policies concerning gender balance, non-discrimination, and third-party procurement.

SOCIAL FACTORS-RELATED RISK MANAGEMENT

Risk identification

The social (S) risk drivers of the ESG Factor Taxonomy are aligned with the ESRS topics as part of the CSRD. Risk drivers relate to, among others, labour rights of Nordea’s own workforce and in its value chain, the right of indigenous communities, customer relations and fraud prevention. The ESG Factor Taxonomy also provides mapping from ESG climate and environmental hazards to ESRS topics, sub-topics and sub-sub-topics.

Same as for the Environmental part, the output of the Social part of the 2025 MA is also reflected in the financial risk materiality of the DMA as required by the CSRD. An overall mapping of the ESRS topics and materiality assessment is outlined in Figure 4.

For risk identification purposes, Nordea built a comprehensive list of transmission channels to understand how social risks transmit into Nordea through its counterparties, invested assets, third parties or its own operations. Sector and country heatmaps are used to determine the relevance of social risk for Nordea’s activities. During 2025 these heatmaps for social risk drivers were improved using proprietary and publicly available data and complemented with a comprehensive literature review.

Figure 4: Mapping and materiality assessment of the double materiality assessment scope for ESRS S1–S4 towards Nordea internal ESG factor taxonomy for CSRD purposes.

ESRS topic	Nordea ESG factor taxonomy level 2	Nordea ESG factor taxonomy level 3	Impact assessment financial risk perspective ESRS topic
S1: Own workforce	Own workforce	Working conditions	Material
		Equal treatment and opportunities for all	Non-material
		Other work-related rights	Non-material
S2: Workers in the value chain	Workers in the value chain	Working conditions	Non-material
		Equal treatment and opportunities for all	
		Other work-related rights	
S3: Affected communities	Communities	Economic, social and cultural rights	Non-material
		Rights of indigenous people	
S4: Consumers and end users	Customers relationships	Information	Non-material
		Personal safety	Non-material
		Social inclusion	Non-material

Risk assessment and measurement per relevant risk type

Credit risk

Nordea constructed heatmaps to provide a structured methodology for identifying possible social risks in the value chain. These risks may lead to credit risk, when clients may default as a result of labour-related strikes or fines, and non-financial risks such as reputational risk. Also heatmaps as a tool for risk identification and assessment are used for the identification of the potential risk in sectors in which Nordea's counterparties operate. The heatmaps consider and have embedded the country dimension to account for the discrepancies on how countries protect human rights to varying degrees through their national public policy. Social risks were assessed not to be a materially risk to Nordea's credit risk.

Operational risk

Operational risk for Nordea is mainly driven by customer relationships and cyber security transition risk drivers related to 'information security risk', stemming from vulnerabilities in outdated systems, threat of customer data leakage and lack of training and incident reporting. New transmission channel 'Cyber-attack – Cyber related data breach' was added in 2025. S4 'Consumers and end users' was assessed as material and has been mapped to the Level 2 Information Security risk relating to information and system security, incl. cyber security, access management, failure to protect confidentiality and availability of information, and data damage and theft.

Compliance risk

For compliance risk, the same qualitative assessment as described above was conducted. Two ESRS topics were linked to Nordea's compliance risk of Nordea's Common Risk Taxonomy: S1 'own workforce' and S4 'Consumers and end users', both were partly assessed as being material.

Risk response and mitigation

Credit risk

ESG credit risk drivers, including social factors, are screened for and any identified risks are assessed as part of the credit risk assessment, either on industry basis (inherent risks) or on customer level. Risk mitigants can include social risk related business strategies and social risk control systems. Risks that are material to the borrower's credit risk are treated as any other risk driver and further integrated to the credit risk assessment. When impact from ESG-related risk is so severe that it causes misalignment with the rating, an ESG rating override should be applied. The regular monitoring of borrowers' credit risk captures ESG-related issues through the use of early warning indicators (EWI). When an EWI is triggered, it is required to consider if the event is related to ESG, and if so, an ESG assessment must be requested. In addition to these processes, where relevant, Nordea carries out a social impact assessment when financing large infrastructure and industrial projects.

Operational risk

Social risk factors are defined as part of the ESG Factor Taxonomy and the factors relevant for operational risk are managed via the regular operational risk management framework, which is a set of operational processes for, among others, assessing and measuring operational risks. See section 'Environmental factors related risk management' for an overview of the operational risk management tools in place.

Compliance risk

Relevant social risk factors linked to Compliance risks are subject to the Compliance Risk Management Framework, which is a set of compliance processes for identifying, assessing and measuring, responding to and mitigating, controlling, monitoring, and reporting compliance risks.

Risk control and monitoring

For risks related to social factors, Nordea has in place specific internal industry credit policies that can include ESG-related exclusion criteria, including social risks related criteria. In addition, social risk factors are well-established within Nordea's Common Risk Taxonomy, divided among Level 2 risk types under several prudential risk types. This means the control and monitoring takes place via the regular risk management cycle of Nordea. Therefore, Nordea does not find it necessary to additionally capitalise for social risk.

GOVERNANCE FACTORS

Business strategy, targets and objectives

Strong sustainability governance provides the necessary insight and pace to execute Nordea's strategic sustainability agenda to become the preferred partner within this area. For Nordea, strong governance within the area of ESG implies a strong corporate culture with well-defined values and ethics, clear decision mandates and a strong management framework on human rights, financial crime and information security. Similar to environmental and social factors, the strategic ambition is implemented through various internal and external policies concerning selected own operations and financial counterparties, which have been aligned with international standards, guidelines and benchmarks. Sustainability Development Goals (SDGs) identified as material for achieving sustainable impact on sustainable governance objectives include SDGs 16-17, 'Peace, justice and strong institutions' and 'Partnerships for the goals'.

Nordea is guided by UN guiding principles on business and human rights and sets out financing principles concerning governance factor impacts through the UN Global Compact, and, for project finance, the Equator Principles. As part of the strategy to limit ethical and risk management impacts, Nordea's corresponding sector guideline sets requirements on financing of the gambling industry. Position statements on tax also contain commitments on ethical conduct and transparency in reporting. Specific requirements on reporting transparency and sound risk management are also set for the oil & gas industry. Nordea's internal policies on sanctions, money laundering, terrorist financing and tax evasion are also aimed at reducing governance factor impacts associated with the relevant activities and portfolios. Nordea provides a more in-depth disclosure of tax policy in the 2025 Annual Report, chapter 'Responsible taxpayer'.

Concerning selected internal operations, Nordea's Code of Conduct contains principles on considerations of acting ethically, and compliance with the regulatory framework. Specific policies are issued addressing e.g. conflicts of interest, bribery and corruption as well as taxation and third-party procurement.

GOVERNANCE FACTORS-RELATED RISK MANAGEMENT

Risk identification

The Governance (G) risk drivers of the ESG Factor Taxonomy, are aligned to ESRS topics as part of the CSRD, particularly relating to topics of Financial Crime and Business Conduct. The analysis is done by identifying how these risks could impact Nordea. Sector and country heatmaps are used to determine the relevance of these risk for Nordea's activities. The ESG Factor Taxonomy also provides mapping from ESG hazards to ESRS topics, sub-topics and sub-sub-topics.

Same as for the Environmental and Social parts, the output of the Governance part of the 2025 MA is also reflected in the financial risk materiality of the DMA as required by the CSRD. Overall mapping of the ESRS topics and materiality assessment is outlined in Figure 5.

Figure 5: Mapping and materiality assessment of the double materiality assessment scope for ESRS G1 towards Nordea internal ESG factor taxonomy for CSRD purposes.

ESRS topic	Nordea ESG factor taxonomy level 2	Nordea ESG factor taxonomy level 4	Impact assessment financial risk perspective ESRS topic
G1: business conduct	Business conduct	Corporate culture, values and ethics	Material
		Protection of whistle-blowers	Non-material
		Animal welfare	Non-material
		Political engagement	Non-material
		Management of relationships with suppliers including payment practices	Non-material
ESRS 1: Entity specific disclosures	Financial crime	Money laundering and terrorist financing	Material
ESRS 1: Entity specific disclosures		Sanctions management	Material
G1: business conduct		Bribery and corruption	Material
ESRS 1: Entity specific disclosures		Tax Evasion	Material
ESRS 1: Entity specific disclosures	Cyber security	Cyber security	Material
ESRS 1: Entity specific disclosures	Fraud	Fraud prevention	Material

Risk assessment and measurement per relevant risk type

Operational and compliance risks

Nordea considered G1 'Business Conduct' under its internal ESG Factor Taxonomy under a diverse set of level 2 (or level 3) risks under operational or compliance risk. For both operational and compliance risk the same qualitative assessment as described in the 'Social' section was conducted. It was concluded that G1, including cyber security and fraud was deemed partly material.

Risk response and mitigation

Credit risk

Governance risk factors are defined as part of the ESG Factor Taxonomy and applied in the credit risk management, in the same manner as for environmental risks (see section 'Environmental factors related risk management'). ESG credit risk drivers, including governance factors (e.g. management risk), are screened for and any identified risks are assessed, either on industry basis (inherent risks) or on customer level. Risks that are material to the borrower's credit risk are treated as any other risk driver and further integrated to the credit risk assessment, in particular as part of the management risk assessment which includes scoring the borrower's governance model, business planning, decision making, and trustworthiness. When impact from ESG-related risk is so severe that it causes misalignment with the rating, an ESG rating override can be applied. As explained in the section 'Environmental factors related risk management', the regular monitoring of borrowers' credit risk captures ESG-related issues through the use of early warning indicators (EWI). When an EWI is triggered, it is required to consider if the event is related to ESG, and if so, an ESG assessment must be requested. Further, the customer onboarding process (Know Your Customer (KYC)) and Equator Principles for project finance are examples of due diligence processes in place to mitigate potential risks. Governance-related credit risks may be partly covered by counterparty credit risk and management risk via the rating process. Some of the governance factors, e.g. bribery, tax evasion and fraud as offenses related to financial crime, are mainly assessed within the KYC process. Others, e.g. animal welfare and controversies related to insufficient sustainability governance practises are assessed within the ESG assessment process.

Operational and compliance risk

Operational and compliance risk governance risk factors are defined as part of the ESG Factor Taxonomy and the factors relevant for operational and compliance risk are managed via the regular risk management framework (e.g. responding to and mitigating the identified relevant risks).

Risk control and monitoring

For governance related risks Nordea uses its existing ESG RAF. Among others, the ESG RAF includes specific governance risk related metrics which are monitored on a periodic basis as part of the overall risk appetite reporting to the Board. More specifically, risk metrics and limits are defined for financial reporting risk, including risks related to misstatements or deficiencies in ESG-related financial information as provided in financial, regulatory reporting and related disclosures, covering also the risk of greenwashing. In addition, as explained in section 'Environmental factors related risk management' Nordea has in place specific internal ICPs, which can include ESG-related exclusion criteria, including governance-related criteria.

Overall, governance risk is well-established within the existing risk management cycle of Nordea. Therefore, Nordea does not find it necessary to additionally capitalise for governance risk.

Credit risk

Credit risk is defined as the risk of loss due to failure of counterparties to meet their obligations to clear a debt in accordance with agreed terms and conditions. The risk of loss is lowered by means of credit risk mitigation techniques, such as guarantees or collaterals. The risk stems mainly from various forms of lending, but also from issued guarantees and documentary credits. Credit risk includes counterparty credit risk, transfer risk and settlement risk. This chapter discusses the governance, management and measurement of credit risk in broad terms.

Management of credit risk

Credits granted within Nordea conform to established common principles. The fundamental principles are outlined in the credit guidelines for Nordea. The key principles for managing Nordea's risk exposures are:

- a risk-based approach, i.e. the risk management functions should be aligned to the nature, size and complexity of Nordea's business, ensuring that efforts undertaken are proportional to the risks in question
- independence, i.e. the risk control function should be independent of the business it controls
- the three lines of defence (LoD), as further described in the Group Board Directive on Internal Governance.

The basis of credit risk management in Nordea is credit risk limits that are set for individual customers and groups of connected clients. In addition, Nordea uses concentration risk limits for e.g. industries and geographies. These limits provide an aggregated view and are assigned to units that are responsible for their continuous monitoring and development.

Credit decision making is delegated from the Board of Directors down to various sub-levels of credit decision making bodies. All internal credit risk limits within Nordea are based on credit decisions or authorisations made by a relevant decision-making authority, with the right to decide upon that limit as evidenced in Nordea's powers to act.

Nordea's credit customers are continuously assessed and periodically reviewed based on internal rules, dependent on segment, limit amounts and level of risk.

If credit weakness defined as high risk is identified in relation to a customer exposure, it receives special attention in terms of more frequent review as well as testing the need for individual provisions when a credit event is identified. In addition to continuous monitoring, an action plan is established outlining how to minimise the potential credit loss. If necessary, a special work-out team is set up to support the customer responsible units (CRU).

Individual workout cases are followed by the dedicated high risk credit management units continuously, as well as regularly in the provisioning, rating and credit decision making and review processes.

Table 4: Credit decision making structure for main operations

Level 1	Board of Directors / Board Risk Committee						
Level 2	Chief Executive Officer (CEO) Credit Committee / Executive Credit Committee						
Level 3	Leverage Buyout and Mergers and Acquisitions Credit Committee	Real Estate Management Industry and Construction Credit Committee	Corporate Large Corporations and Institutions Credit Committee	Corporate Business Banking Credit Committee	Int. Banks, Countries, and Financial Institutions Group Credit Committee	Shipping and Offshore Credit Committee	Nordic Household Credit Committee
Level 4	Six eyes decisions (rated customers)			Four eyes decisions (scored customers) – two senior decision makers from Group Credit Management			
Level 5	Four eyes decisions						
Level 6	Personal powers to act						

Nordea has specific industry credit policies in place to monitor the distribution of the credit portfolio and to limit credit risk. Concentration risk in specific industries is monitored by industry groups. Industry credit policies are established for industries where at least two of the following criteria are fulfilled:

- significant weight in the Nordea loan portfolio
- high cyclical and/or volatility of the industry
- assessed as vulnerable to climate-related risks
- special skills and knowledge required.

Nordea has currently implemented the following industry credit policies (ICPs), all of which are approved annually by the Risk Committee:

- Animal husbandry, Crops, Plantation and Hunting
- Banks
- CCPs (Central Clearing Providers)
- Fishing and Aquaculture
- Funds
- Housing Loans
- Insurance
- Leveraged Buy Out
- Leveraged Transactions
- Oil, Gas and Offshore
- Private Equity Fund Financing
- Real Estate Management Industry (REMI)
- Shipping
- TOA/Housing Cooperatives
- Underwriting
- Unsecured Consumer Finance
- Utilities and Power Production
- Climate vulnerable sector ICPs
 - Land Transportation
 - Construction
 - Forestry
 - Mining
 - Materials.

Credit risk appetite

For credit risk, Nordea strives to maintain a well-diversified and robust credit portfolio that is adapted to the structure of Nordea home markets and economies, and this is reflected in the Risk Appetite Framework (RAF) limit setting. Credit risk appetite statements cover the following key areas:

- credit risk concentration which includes limits for single name, sectors, geographies and specific sub-portfolios
- credit portfolio quality which includes limit for expected credit losses, loan losses under severe-but-plausible stress scenarios and non-performing loans.

Furthermore, Nordea's Sustainability and ESG Policy Framework, among others, guide the choice of which customers to serve and what transactions to finance.

Governance of credit risk

Nordea has an internal framework for credit risk which is approved independently of business decision-making and financial performance. The framework is approved by senior management and the Board of Directors, and aligns the risk appetite with the credit risk strategy of the bank.

1st LoD – Group Credit Management (GCM)

GCM is an independent credit risk management function.

The main areas of responsibility for GCM are to

- own and ensure a harmonised, aligned and efficient end-to-end credit process decreasing lead times and enabling great customer experience
- act as a competence centre, enabling high quality and maintaining strong and compliant credit risk management in Nordea
- meet the changes in the competitive environment and enable business opportunities through the digitalised market
- take prudent credit decisions together with the business areas
- optimise the credit risk profile of the bank
- review and approve rating assignment independently from business areas.

2nd LoD – Group Credit Risk Control (GCRC) and Risk Models

GCRC and Risk Models together comprise Nordea's independent credit risk control unit. The main areas of responsibility for GCRC and Risk Models are to

- perform independent oversight on credit risk
- develop and maintain the credit risk framework
- propose credit risk metrics and limits in RAF
- advise on interpretation and implementation of existing and upcoming credit risk regulations
- develop, maintain and monitor internal ratings-based parameters and internal models for rating and scoring. Credit related model development efforts are validated in a separate process governed by Model Risk & Validation
- assessing materiality of changes to the IRB approach.

Measurement of credit risk

GCRC is responsible for supporting prudent risk management and credit processes within the established credit risk appetite, models, policies and frameworks by providing an independent source of information for credit risk reporting.

Additionally, the Credit Portfolio Analysis unit in GCRC is responsible for independently analysing and reporting the status and development of the credit risk in Nordea's portfolio and in the credit processes both internally and externally.

Credit risk reports, provided by 2nd LoD, are included in the quarterly holistic Group Risk Report to the Group Leadership Team (GLT) and the Group Board, as well as in the Chief Risk Officer (CRO) reports to the Boards of Directors in the relevant subsidiaries. Furthermore, credit risk-focused Credit Portfolio Quality Report (CPQR) is provided to the Risk Committee and Group Board quarterly. The RAF limits set by the Board are regularly followed up in reporting.

Credit risk is measured and presented as on-balance sheet loans as well as off-balance sheet items. The main part of the credit portfolio is on-balance sheet lending, consisting of amortised cost lending and fair value lending. Amortised cost lending is the basis for impaired loans, allowances and loan losses. For a large portion of the portfolio, credit risk is measured utilising internal credit risk IRB models while the standardised approach (SA) is used for the remaining portfolios not covered by the IRB models. Nordea's loan portfolio is broken down by segment, industry and geography and reported monthly, quarterly and annually.

ESG-related credit risk

ESG risk drivers are assessed as material drivers for credit risk as a result of the 2025 ESG Materiality Assessment. Details and an in-depth summary can be found in the section 'ESG in Business strategy, Governance and Risk Management'.

Credit risk in the capital adequacy framework

Standardised approach (SA)

Nordea primarily uses the SA to calculate own funds requirements for sovereign exposures, mainly towards central governments and central banks, equity exposures in the banking book and non-profit organisations. In addition, the Capital Requirements Regulation (CRR3) includes revisions to both the IRB approach and the SA, implementing restrictions on the use of the IRB approach for certain exposures.

Internal ratings-based (IRB) approach

Nordea maintains its strategic objective to ensure a high level of IRB model coverage across material credit portfolios. The continued application of the IRB approach reflects Nordea's commitment to using advanced risk measurement methodologies. At the same time, Nordea is pursuing a simplification of the model landscape, aiming to reduce model complexity while maintaining appropriate risk sensitivity and regulatory compliance.

Approval status of the IRB approach

In 2024 Nordea received approval for a new series of retail models, which were implemented in Q3 2024. Re-development of Nordea's non-retail models has been completed, and the IRB application was submitted for approval in 2025. The implementation of the new non-retail models is expected earliest in 2027.

Exposures covered by the IRB approach

Institutions

Nordea uses the foundation internal ratings-based (FIRB) approach to calculate own funds requirements for exposures towards institutional customers.

Corporate

For exposures towards corporate customers, including rated small and medium-sized enterprises (SMEs) the main approach used to calculate own funds requirements is the advanced IRB (AIRB) approach, both for the Nordic countries and international corporate branches. The FIRB approach is used for derivatives and securities lending exposures as well as exposures in the Nordea Finance companies. In accordance with CRR3 rules, the largest corporates were moved from AIRB to FIRB in 2025.

Retail

Nordea uses the AIRB approach to calculate own funds requirements for retail exposures in all Nordic countries, except for Nordea Finance entities in Denmark, Norway and Sweden. Nordea intends to extend its IRB coverage to these entities within the coming years.

Managing and recognising credit risk mitigation (CRM)

CRM constitutes techniques used by a credit institution to reduce the credit risk associated with an exposure which the credit institution continues to hold. CRM techniques can be divided into unfunded credit protection, such as guarantees and credit derivatives, and funded credit protection, such as real estate, other physical assets, financial collateral and receivables.

CRM is an inherent part of the credit decision process. In every credit decision and review, the market value of collaterals and adequacy of other risk mitigation techniques are considered. The market value of a collateral is defined as the estimated amount for which the asset would exchange between a willing buyer and willing seller under current market conditions. On this market value, a haircut is applied. The haircut is defined as a percentage by which the asset's market value is reduced ensuring a margin against a potential loss. The size of the haircut must reflect the liquidation costs and potential uncertainties related to the liquidation process. A minimum haircut is set for each collateral type. The same principles of calculation are used for all exposures.

Credit risk concentrations within CRM may arise in relation to pools of receivables, in which case a conservative margin on the collateral value is applied. Credit risk concentration may also arise with respect to significantly large exposures, to which syndication of loans is the primary tool for managing concentration risk.

Unfunded credit protection is mainly in the form of guarantees by eligible guarantors, such as banks, export credit agencies and other public-sector undertakings as well as insurance companies. Guarantors are assessed for creditworthiness in accordance with Nordea's credit assessment process for counterparties.

Covenants in credit agreements are an important CRM add-on. Most exposures of substantial size and complexity include appropriate covenants. Covenants are designed to react to early warning signs and are carefully monitored.

Nordea has permission to use credit risk mitigation techniques for the computation of minimum capital requirements in both FIRB and AIRB approaches (including retail) within the limitations of the regulation.

Link between the balance sheet and credit risk exposure

This section deals with the link between the loan portfolio as defined by accounting standards and exposure as defined in the Capital Requirements Regulation (CRR). The main differences are outlined in this section to illustrate the link between the different reporting methods.

Original exposure is the exposure before substitution effects stemming from CRM, CCFs for off-balance sheet exposure and allowances within the SA. Exposure is defined as exposure at default (EAD) for IRB exposures and as exposure value for SA exposures. In accordance with the CRR, credit risk exposures are divided into exposure classes where each exposure class is divided into exposure types as follows:

- on-balance sheet items
- off-balance sheet items (e.g. guarantees, credit commitments and unutilised lines of credit)
- securities financing (e.g. repurchase agreements and securities lending)
- derivatives.

Items presented in the Annual Report (AR) are divided as follows (in accordance with accounting standards):

- on-balance sheet items (e.g. loans to central banks and credit institutions, loans to the public, reversed repurchase agreements, positive fair value for derivatives and interest-bearing securities)
- off-balance sheet items (e.g. guarantees and unutilised lines of credit).

On-balance sheet items excluded from the capital requirement reporting

The following items are excluded from the balance sheet when on-balance sheet exposure is calculated in accordance with the CRR:

- balance sheet items not governed by the CRR, such as Nordea Life and Pension (NLP)
- market risk related items in the trading book, such as certain interest-bearing securities and pledged instruments
- derivatives
- other, mainly allowances and intangible assets.

Off-balance sheet items

The following off-balance sheet items are excluded when off-balance sheet exposure is calculated in accordance with the CRR:

- items not governed by the CRR, such as NLP
- assets pledged as security for own liabilities and other assets pledged (apart from leasing), these transactions are reported as securities financing (i.e. a separate exposure type)
- derivatives.

Derivatives and securities financing

The fair value of derivatives is recognised on the balance sheet, while the nominal amount on derivatives is reported off-balance sheet in accordance with accounting standards. In the CRR, derivatives and securities financing are reported as separate exposure types. Also, repurchase agreements and securities lending/borrowing transactions are included in the balance sheet calculated based on nominal value. In the CRR, estimation of these exposure types is performed net of collateral.

Rating and scoring definition

Rating and scoring of customers are used for rank ordering the customers according to their respective default risk. Rating and scoring serve as the base for the probability of default (PD) estimation and are used as integrated parts of the credit risk management and decision-making process, including but not limited to:

- the credit approval process
- calculation of own funds requirements
- calculation of allocated equity (AE) and expected loss (EL)
- monitoring and reporting of credit risk
- performance measurement using the Economic Profit (EP) framework
- input for collective impairment.

Ratings

Ratings are used for corporate and institutional customers. A rating is a rank ordering estimate that reflects the creditworthiness of a customer. The Nordea rating scale consists of 18 distinct grades for non-defaulted customers; from 6+ to 1-, and three grades for defaulted customers; from 0+ to 0-. The default risk of each rating grade is quantified as a one-year PD. Rating grades 2+ and lower are considered as high risk, indicating financial difficulties for the customer and require special attention in the credit process. The consistency and transparency of the ratings are ensured using rating models. A rating model employs a set of specified and distinct rating criteria to produce a rating. These are called input factors and are, together with the criteria for assigning a customer to a specific rating model, the fundamental building blocks of a rating model. Typical input factors are financial factors, customer factors and qualitative factors.

Nordea has developed several rating models for different customer segments, utilising various methods, ranging from statistical to expert based.

A rating is assigned in conjunction with credit proposals, reviews and the annual review of customers, approved independently by representatives from the 1st LoD credit organisation. However, a customer is assigned a new rating as soon as new information indicates the need for it. If the current calculated rating is deemed to not reflect the risk of default, specific override arguments or exception rules can be used within the model to adjust the calculated rating.

Controls and monitoring in connection to rating models are done within GCRC and Risk Models and includes the following:

- monitoring of overrides on rating models
- monitoring of unrated and outdated exposures
- conducting annual control reviews on rating practices and rating models performance
- evaluating model level use of overrides on rating models.

Exposures by credit quality step

Nordea applies the SA primarily for exposures to central and regional governments, central banks and equity holdings. In this approach, the rating from an eligible rating agency is converted to a credit quality step (mapping as defined by the financial supervisory authorities). Each credit quality step corresponds to a fixed risk weight, according to standard association published by the European Banking Authority (EBA). Nordea uses Standard & Poor's (S&P) as

eligible rating agency. Table 22 in "Part 2: Year-end analysis and results" of this report presents the exposures for which the S&P's rating is used to arrive at regulatory credit quality steps. Exposures in the remaining standardised exposure classes are either immaterial, or the risk weight is defined by the regulation.

Scoring

Scoring is used for retail customers. The score is a rank ordering estimate that reflects the creditworthiness of a customer. The risk grade scale for scored customers consists of 18 grades; A+ to F- for non-defaulted customers, and three grades from 0+ to 0- for defaulted customers.

The credit scoring models are statistically derived and based on internal Nordea data. To predict the future performance of customers, certain characteristics are defined based on the customer's previous performance, the products held and behavioural information. The models also take policy requirements and credit processes into account. The customers' credit risk behaviour scores and corresponding risk grades are recalculated monthly.

In Q3 2024, Nordea implemented new retail models that were approved by the ECB in July 2024.

The models are used to support business processes, the credit approval process and the risk management process, including monitoring of various portfolio risks. In the credit process, for example, credit bureau information is used as a supplement.

Scoring in Nordea uses a customer level approach, as opposed to a product-oriented approach. To calculate the score, the customer status as well as the customer's behaviour on all accounts/products, including potential joint commitments, is taken into consideration. The corresponding risk grade is assigned across all the customer's facilities in Nordea.

The scorecards are tailored to country specific variations, taking country specific product features, customer behaviour, macroeconomic development, debt collection processes and national legislation into account. Different scorecards are used for natural person and SME portfolios, as these portfolios exhibit different payment and behavioural patterns. The natural person portfolio is in turn segmented into smaller sub-populations based upon product combinations held by the customer.

The scorecards are segmented according to the following dimensions:

- country
- natural person / SME
- product combination (mortgage, revolving credits, other retail exposure)
- delinquency (depending on volumes), which in this context refers to the customers that are not up to date with the account specific payment terms and conditions.

Rating and scoring migration

The rating and scoring distribution among customers changes mainly due to three factors:

- changes in rating/scoring for existing customers (migration)
- different rating/scoring distribution of new customers compared to customers leaving Nordea
- changes in exposure per rating/scoring for existing customers.

The rating distribution is affected by macroeconomic developments, industry sector developments, changes in business opportunities and changes to customers' financial situation and other company-specific factors. Scoring distribution is affected by macroeconomic development and the customers' behaviour, among other things. The rating models are hybrid models with characteristics of both through-the-cycle (TTC) and point-in-time (PIT) models, whereas the scoring models are closer to PIT. Following this, the migration due to cyclicalities is greater for the scored customers than for the rated customers, which is also reflected through changes in the own funds requirements.

Collateral

Collateral management principles are governed through the Collateral Guideline owned by GCRC in the 2nd LoD. There is a strong relationship between the data used for collateral management and the data used in calculating capital requirements.

Pledge of collateral is a fundamental CRM technique used by the bank. In Nordea, the main collateral types are residential real estate, commercial real estate and other physical collateral. Collateral coverage should generally be higher for exposures to financially weaker customers than for those who are financially strong.

Collateral in the capital requirements calculation

The collateral management in Nordea follows the specific collateral eligibility requirements in the CRR and related guidelines, as well as national regulations, and includes valuation principles of collaterals, legal certainty, and other qualitative requirements that are connected to each collateral type.

Collateral Principles

Collaterals in Nordea must fulfil a number of regulatory requirements to be eligible in the capital calculation. Eligibility requirements vary per collateral type. The following are key eligibility requirements:

- Collateral shall be valued based on current market values.
- There is a sufficiently liquid market for the collateral.
- The value of the asset is sufficiently stable over time.
- The value of the collateral should be regularly monitored. Frequency of monitoring is dependent on collateral type. More frequent monitoring shall be carried out when the market is subject to significant changes in conditions.
- All collateral arrangements must be legally effective and enforceable in relevant jurisdictions.
- All physical collaterals must be insured.

- Deposits in cryptocurrencies cannot be assigned any collateral value, nor can they be included in any net worth and income calculations in the credit assessment process.

IRB framework and model development

Models in the IRB framework

Nordea's rating models for corporate and institutional exposure classes are hybrid models, having characteristics of both TTC and PIT ratings, whereas the scoring models used for the retail exposure class exhibit more PIT characteristics as explained above.

The loss given default (LGD) and credit conversion factor (CCF) parameters are reviewed and appropriately adjusted annually, using both quantitative and qualitative assessments. PD non-retail model estimates are reviewed and validated annually, while PD Retail models are recalibrated quarterly. The quantitative assessment includes statistical tests to ensure that the estimates remain valid when new data is added. The validation is performed by the Model Risk and Validation (MRV) unit, which is organisationally independent from the model owners.

PD estimates are based on the observed default frequency in available internal data and adjusted to long term default frequencies through an add-on. The adjustment for the length of historical internal data available, considers that the rating models used for the corporate and institutional exposure classes have a higher degree of TTC, whereas the scoring models used for the retail exposure class are closer to PIT. The adjustment for the length of internal data available is embedded in the margin of conservatism, which also includes an add-on to compensate for statistical uncertainty in the estimation.

LGD estimates are based on historical losses. LGD measures the net present value of the expected loss including costs caused by a customer's default. The LGD estimates are adjusted to reflect a downturn period for regulatory purposes and include a safety margin for statistical uncertainty in the estimation.

CCF is a statistical multiplier used to calculate EAD by predicting the drawdown of an off-balance exposure. The CCF estimates for retail exposure classes are based on internal data on drawings prior to default, whereas drawings after default are included in the LGD. The CCF estimates for corporate exposure class are also based on internal data but include both drawings prior to and after default. The CCF estimates are adjusted to reflect a downturn period for regulatory purposes and include a safety margin for statistical uncertainty in the estimation.

Organisation of the IRB control mechanism

Nordea's Group Risk, including the Risk Models unit, supports the Chief Risk Officer in executing the responsibilities regarding the IRB approach. Group Risk is responsible for the rating systems, their design, implementation and testing as well as validation by an independent unit. The Credit Risk Control unit in Nordea, comprising of Risk Models and Group Credit Risk Control, is responsible for executing the credit risk control activities covering the IRB approach in accordance with Article 190 (2) of the CRR. The Credit Risk Control unit is independent from the personnel and management functions responsible for originating or reviewing exposures in accordance with Article 190 (1) of the CRR. The Risk Models unit executes the responsibility covering the IRB framework and is organised in teams dedicated to specific roles embedded in organisational units, which are not involved in credit granting.

IRB monitoring and reporting

Risk Models actively participates in the implementation of the IRB approach, by developing, maintaining and ensuring the performance of Nordea's internal risk models for credit risk.

Reporting

Internal reporting on the IRB approach and the Group's credit risk portfolio to Nordea's Group Leadership Team and Group Board is carried out on a regular basis. This ensures that management is regularly and adequately informed of the functioning of the rating systems, hence providing basis for supporting sound decisions on credit risk management.

The Group's key management report on credit risk covers developments in the Group's credit risk portfolio and the main business areas, including developments in key risk indicators. Developments in the portfolio quality are analysed on a segment level, including industry and product type segments. The credit risk indicators used in the report include the main IRB and IFRS9 metrics. In addition to analysis on lending activity and portfolio quality developments, portfolio monitoring related to credit process controls on rating overrides, unrated customers and outdated ratings are covered in the report.

The credit risk report is prepared quarterly by GCRC and submitted to the Credit Risk Sub-Committee (CRSC), the Risk Committee (RC) and the Board Risk Committee (BRIC). The CRSC is a sub-committee of the Risk Committee, which also decides on proposed mitigating actions to key issues identified during the model performance monitoring process.

The status and overview of IRB related findings, recommendations and issues from internal and external stakeholders are presented in the IRB Operational Oversight Report (OO) prepared by Risk Models on a quarterly basis. Moreover, roll-out plans monitoring of permanent partial use are covered in the report, as well as IRB related changes and Financial Supervisory Authority (FSA) applications. In addition to the OO, the model monitoring function within Risk Models issues regular reports on IRB model performance covering aspects such as accuracy, stability and representativeness across the range of IRB models. The regular model specific reports are consolidated into an overarching IRB Model Performance Report (MPR). The OO

and the MPR are submitted to the CRSC and presented to the Risk Committee on a bi-annual basis.

Validation and review of credit risk models

In accordance with Nordea's model risk management framework, validation of rating methodologies and credit risk parameters is performed on a regular basis to verify that the models perform as intended. Validation is the main component of identifying model risk in the IRB framework and plays an important role in the adjustment and development of models. The current validation scope for IRB models encompasses the rank ordering and PD models for rating and scoring customers, as well as models for LGD and CCF parameters. The validation process consists of quantitative analysis of internal historical data enriched by qualitative assessments, especially in cases where validation data is not statistically adequate to give reliable validation results. The quantitative validation of rank ordering models focuses on the discriminatory power of the models, whereas the validation of the risk parameters PD, LGD and CCF, focuses on the predictive power of the parameters in comparison to the historical default and loss experiences, as well as the customers' drawing behaviour.

The risk parameters PD, LGD and CCF, as well as the rank ordering models are reviewed annually in accordance with Nordea's standards and in line with the requirements defined in the CRR. Initial validation is performed on all new models as well as for material changes or extensions to the scope of use of already existing models. Annual validations are performed on models in use according to a pre-defined annual plan. A recalibration of specific parameter estimates settings is triggered based on testing results if deemed necessary. In Nordea Group, the validation of IRB models used for measuring credit risk is conducted by the Model Risk and Validation (MRV) unit, which owns the validation process and methodologies. Independence in respect to the units owning the IRB model development is ensured through separate reporting lines and an escalation process to the committee structure and Chief Risk Officer. All validations of credit risk models are presented to the Model Risk Committee (MRC).

Audit of IRB models

Group Internal Audit assesses whether all significant risks are identified, adequately controlled and appropriately reported by management and the risk functions to the Group Board, its committees and GLT. This includes verifying the integrity of the processes, ensuring the reliability of the methods and techniques as well as the assumptions and sources of information used in Nordea's IRB models.

Changes to the IRB framework

Nordea Group has adopted an internal governance structure covering all changes to the IRB approach, to ensure the correct and adequate level of attention is given to the respective IRB changes by the management. The materiality of the individual changes to the IRB approach determines the level of evaluation. A specific unit in Nordea Group has been appointed as the owner of the materiality assessment process for the IRB models. The unit acts as a support unit for change owners' materiality assessments of potential changes to the IRB approach in accordance with Commission Delegated Regulation (EU) No 529/2014.

Use of internal estimates

Nordea uses the IRB components and risk estimates, such as ratings and PD, both for internal purposes and calculation of regulatory capital. Internal ratings and risk estimates play an important role in Nordea's risk management and decision-making process by supporting credit decisions pertaining to credit approval, risk management, internal capital allocation and credit risk reporting. They also serve as an input in the calculation of loan pricing and expected credit losses governed by the IFRS 9 requirements.

Definition and methodology of impairment

Impairment requirements in Nordea are based on the IFRS 9 expected credit loss model where assets are divided into three groups depending on the "stage" of credit deterioration: Stage 1 includes assets where there has been no significant increase in credit risk; stage 2 includes assets where there has been a significant increase in credit risk; and stage 3 includes defaulted assets. All assets are assessed individually for staging. Individual assessments for impairment are performed on significant assets in stage 3 as well as significant assets in stage 2 with a credit event using three forward-looking and weighted scenarios. Collective provisions are applied for assets in stage 1 and stage 2 as well as insignificant assets in stage 3. Throughout the process of identifying and mitigating credit impairment, Nordea continuously reviews the quality of credit exposures. Weak/high risk exposures and credit impaired exposures are closely monitored and reviewed at least on a quarterly basis in terms of current performance, business outlook, future debt service capacity, and the possible need for provisions.

Individual provisioning

A need for individual provisioning is recognised if, based on credit events and forward-looking scenarios, a negative impact is expected on the customer's expected future cash flow to the extent that full repayment is unlikely (pledged collaterals taken into account). The forward-looking scenarios include "Most likely case", "Positive case" and "Worst case" with standard probabilities of 60%, 20% and 20%.

Exposures with individually assigned provisions are credit impaired, defaulted and in stage 3. The size of the provision is equal to the estimated loss, which is the difference between the book value of the outstanding exposure and the discounted value of the expected future cash flow, including the value of pledged collateral.

Nordea recognises specific credit risk adjustments (SCRAs). SCRAs comprise individually and collectively assessed provisions. SCRAs occurring during the year are referred to as loan losses, while SCRAs in the balance sheet are referred to as allowances and provisions.

Collective provisioning

The collective provisioning model is executed quarterly and assessed for each legal unit/branch. Retail collective provisioning model has been updated to align with the new IRB retail models. One important driver for provisions is the transferring of assets from stage 1 to stage 2 where changes to the lifetime PD are used as the trigger. In addition, exposures belonging to customers with forbearance measures, with payments more than 30 days past due

and/or customers being high risk are also transferred to stage 2. Non-retail exposures with a relative change in annualised lifetime PD exceeding 200% and with at least one rating grade of deterioration are transferred to stage 2.

In stage 1, the provisions equal the 12 months expected loss. In stages 2 and 3, the provisions equal the lifetime expected loss. The model output is complemented with an expert-based analysis process to ensure adequate provisioning. Defaulted customers without individual provisions have collective provisions.

Default

Customers with exposures that are past due more than 90 days, in bankruptcy or considered unlikely to pay are defaulted. Exposures belonging to defaulted customers (non-performing) are in stage 3 and the defaulted customers can be servicing or non-servicing debt.

If a customer recovers from being in default, the customer is seen as cured. Typically, this situation occurs if the customer succeeds in creating a balance in financials. In order to be cured, the recovery should include the customer's total liabilities, an established satisfactory repayment plan and an assessment that the recovery is sustainable.

Forbearance

Forbearance is eased terms including restructuring due to the customer experiencing or about to experience financial difficulties. The intention of granting forbearance for a limited period is to help the customer return to a sustainable financial situation ensuring full repayment of the outstanding debt. Examples of eased terms are changes in amortisation profile, repayment schedule, customer margin as well as ease of covenants. Forbearance is undertaken on a selective and individual basis and followed by impairment testing (non-retail customers) being a credit event. Individual loan loss provisions are recognised, if necessary.

In connection to granting forbearance it must be established whether the net present value (NPV) of the customer's financial obligation is reduced by more than 1%. If the diminished financial obligation exceeds 1%, the customer will be defaulted.

Counterparty credit risk

Counterparty credit risk is the risk that Nordea's counterparty defaults on a derivative contract prior to its maturity and that Nordea at that time has a claim on the defaulting counterparty. In addition, counterparty credit risk also appears in repurchasing agreements and other securities financing contracts.

Derivative contracts are financial instruments, such as futures, forwards, swaps or options that derive their value from underlying market- and credit risk factors, e.g. interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices. The derivative contracts are either traded directly on a regulated marketplace with standard trading terms, e.g. on an exchange or over the counter (OTC), which means the terms connected to the specific contract are individually defined and agreed on with the counterparty.

Nordea trades derivative contracts based on customer demand. Furthermore, Nordea may, within clearly defined risk limits, use derivatives to hedge or take open positions in the bank's operations. Derivatives affect counterparty credit risk, market risk as well as operational and liquidity risk.

Counterparty credit risk (CCR), including that towards central counterparties (CCPs), is managed subject to credit limits like other credit exposures and is treated accordingly. To assess the counterparty credit risk towards CCPs, clearing limits are based on the potential size of the clearing related exposure on each CCP, taking regulatory requirements and the market development into account. Nordea mostly clears OTC trades as a clearing member of qualifying central clearing parties (QCCP) that meets specific regulatory and operational standards set by financial authorities. However, Nordea also clears through clearing brokers, if need be.

Pillar 1 method for counterparty credit risk

In July 2021, Nordea received ECB's permission to use the Internal Model Method (IMM) for the calculation of the own funds requirement for credit risk of positions subject to counterparty credit risk, in accordance with Article 283 of the Capital Requirements Regulation (CRR). The method is used for standard foreign exchange (FX), interest rate and certain inflation products, which constitute the predominant share of Nordea's CCR exposure.

The expected, future CCR (IMM) exposure is calculated by simulating a large set of future scenarios for underlying market risk factors and then revaluing the contracts in each scenario at different time horizons. In these calculations, netting is done of the exposure on contracts within the same legally enforceable netting agreement.

Nordea uses the IMM for calculation of counterparty credit risk exposures in its internal risk management. For regulatory exposures Nordea uses the calibration that provides the highest own funds requirement calculated based on effective expected positive exposure to comply with Article 284 (3). Under the IMM approach, simulated exposure is subject to a regulatory multiplier of 1.4 to reflect the potential for correlation in risk across the portfolio. An

additional 0.15 add-on is applied to take account for asymmetric cashflows in the margin period of risk.

For the part of the portfolio not covered by the IMM, Nordea uses the standardised approach to capture counterparty credit risk (SA-CCR). SA-CCR - exposure at default (EAD) is used for regulatory capital on both the default risk charge and the credit valuation adjustment (CVA) risk charge. EAD under SA-CCR consists of the replacement cost (RC), potential future exposure (PFE) and alpha factor.

The potential future exposure (PFE) is an estimate reflecting possible changes in the future market value of the individual contract during the remaining life of the contract and is measured as the notional principal amount multiplied by an add-on factor. The size of the CRR add-on factor depends on contracts' underlying asset and time to maturity.

CVA represents the market cost of hedging counterparty credit risk and the capital requirement. CVA risk charge reflects the variability in CVA. Calculation of the CVA risk charge is based on the Standardised approach (SA-CVA) for netting sets covered by the IMM and calculated based on the Basic approach (BA-CVA) for the netting sets covered by SA-CCR.

Mitigation of counterparty credit risk exposure

Nordea employs risk mitigation techniques to minimise counterparty credit risk. The most significant one is the use of legally enforceable closeout netting agreements, which allows Nordea to net positive and negative market values on contracts within the same agreement in the event of default of the counterparty. It is Nordea's policy to have legally enforceable closeout netting agreements in place with all trading counterparties thereby being able to fully account for closeout netting. The validity, legality and enforceability of the netting provisions are substantiated by generic closeout netting legal opinions for all relevant jurisdictions.

In addition, Nordea mitigates CCR exposures towards banks, institutional counterparties and hedge funds with financial collateral agreements, where collateral is placed or received to protect the current net exposure. The collateral is mainly cash (EUR, USD, SEK, NOK, DKK and GBP), but also government bonds and to a lesser extent mortgage bonds. Most of the non-cash collateral received stems from highly rated European government bonds as well as Nordic mortgage bonds. Separate credit guidelines are in place for handling financial collateral agreements.

Nordea's financial collateral agreements do not normally contain any trigger dependent features, e.g. rating triggers. Certain agreements contain clauses that may require collateral postings in case of a Nordea downgrading; however, these would not impose any material impact on

Nordea's liquidity position. Based on the rating triggers embedded in International Swaps and Derivatives (ISDA) and Credit Support Annex (CSA) agreements with counterparties as of 31 December 2025, a two-notch downgrade of Nordea's external credit rating from AA- /Aa2 to A/A1 would result in an estimated additional collateral requirement of approximately EUR 4.2 million. A three-notch downgrade from AA- /Aa2 to A- /A2 would result in an estimated additional collateral requirement to approximately EUR 18.4 million. Overall, Nordea's counterparty credit risk mitigation via collateral is considered highly diversified in terms of underlying instruments and most of Nordea's collateralised exposure stems from investment grade counterparties.

To reduce bilateral counterparty credit risk, CCPs are increasingly used for clearing of OTC derivatives. CCPs are mainly used by Nordea to clear interest rate derivatives, repo transactions and credit derivatives. Nordea continues to assess the possibility to clear more derivative volumes through CCPs to further reduce bilateral counterparty credit risk and to comply with the clearing obligation as set out in the European Markets Infrastructure Regulation (EMIR). Nordea's policy is to use CCPs if possible.

Nordea also buys protection in the credit default swap market to hedge CVA risk. Protection for regulatory CVA purposes is bought from large inter-bank counterparties where most of the protection is being cleared by qualified central counterparties which ultimately reduces bilateral risk.

Wrong way risk exposures

Wrong way risk (WWR) occurs when the risk of a counterparty defaulting increases as the exposure to that counterparty also increases.

Nordea undertakes systematic analysis and reporting of general wrong way risk (GWWR). GWWR is identified by performing historical trend analysis to highlight correlations within the portfolio between the counterparty's exposure and its credit quality, i.e. credit rating.

Moreover, automatic identification procedures are in place to identify potential specific wrong-way risk (SWWR), i.e. situations where the future exposure to a counterparty is positively correlated to the counterparty's probability of default for a reason that is specific to that counterparty. Transactions that are assessed to have a) significant degree of SWWR and b) legal connection, are named eligible SWWR transactions and are subject to increased monitoring and higher capital requirements as defined in the CRR.

Counterparty credit risk and settlement risk for internal credit limit purposes

Counterparty credit risk for internal credit limit purposes is for the main part of the portfolio calculated using IMM. Nordea covers counterparty credit risk under its credit risk framework. Limits and exposures are included in the overall credit risk appetite and individual limits are independently monitored and controlled.

The exposures included in the IMM are subject to periodic stress tests with the aim to identify adverse scenarios affecting exposures on counterparty, industry and country level.

Settlement risk is a type of risk arising in the timeframe from the execution of a trade to the settling of that same trade, e.g. through payment of cash against receiving a security.

The risk amount is the principal of the transaction, and a loss could occur if a counterpart was to default after Nordea has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or security.

The settlement risk on individual counterparties is restricted by settlement risk limits. Each counterparty is assessed in the credit process and clearing agents, correspondent banks and custodians are selected with a view to minimise settlement risk. Nordea is a member of CLS (Continuous Linked Settlement), which is a global financial market infrastructure that eliminates settlement risk by providing payment-versus-payment settlement for FX transactions between eligible counterparties in the 18 eligible currencies.

Exposure measures related to Credit Valuation Adjustment Risk Charge

CVA risk is the risk for changes in the fair value adjustments of derivatives and fair-valued SFTs due to changes in counterparties' credit quality. CVA risk charge is by nature a market risk measure but relies on the counterparty credit risk exposure calculation. The calculation of CVA risk charge has two components: the standardised approach (SA-CVA) and the basic approach (BA-CVA). Nordea calculates the own funds requirements for CVA risk using the SA-CVA as the sum of: a) own funds requirements for delta risk which capture the risk in Nordea's aggregate CVA and the eligible hedges movements in the relevant non-volatility related risk factors and b) own funds requirements for vega risk which capture the risk in Nordea's aggregate CVA and the eligible hedges movements in the relevant volatility related risk factors. For CVA risk using BA-CVA method, Nordea calculates the own funds requirements in line with the definition in Article 384 of the CRR.

CVA risk is governed within Nordea's CCR framework (models, measures, systems, processes and reporting). The first line of defence and the second line of defence are involved in the day-to-day management, control and oversight of CVA risk. Model Risk Committee (MRC), a sub-committee of the Risk Committee (RC), decides on CVA model "fit-for-purpose" approval based on the results of the independent model validation. The CVA model is then approved for use and business implementation by the Market and Counterparty Credit Risk Committee (MCCR), also a sub-committee of the Risk Committee (RC). The

MCCR is mandated to take decision on matters related to Counterparty Credit Risk (CCR) including CVA risk, and its members are therefore considered as part of Senior Management. Risk Committee carries out the duties of the management body, including approving all aspects of the CVA models. The Chief Risk Officer (CRO) as the chair of the Risk Committee approves the policy under which CVA risk is governed. Within the 1st LoD, the responsibilities include: CVA trading and hedging, owner of sensitivities, reporting of Accounting CVA and DVA. Within 2nd LoD, the responsibilities include: owning CVA models, independent oversight of CVA risk, assessing appropriateness of trading limits, reporting to senior management regularly on exposure and risk concentrations, model development, monitoring and maintenance of CVA models.

Market risk

Market risk is the risk of losses to Nordea arising from adverse price movements affecting the market value of its positions in the trading and non-trading books, or net interest income in its banking book. Market risks include, but are not limited to, changes in equity or commodity prices, interest rate moves or fluctuations in foreign exchange rates.

Market risk management principles

The management of risk in Nordea is governed by principles and procedures which are stated in the Group's internal rules and are adhered to throughout the organisational value chain, which includes the three lines of defence (LoD) model.

More specifically, market risk is managed based on guiding principles and overall rules set out in the "Group CEO Instructions on Market Risk". These instructions are supplemented by Protocols issued by the 2nd LoD and relevant 1st LoD guidelines and frameworks. Key elements of market risk management in Nordea are summarised below:

- risk identification and measurement
 - The Group uses a range of measures to capture the material aspects of market risk.
 - Stress tests are carried out on a regular basis to estimate the possible losses that may occur under severe, but plausible, market conditions.
- market risk mitigation and management
 - Market risk is managed through clearly defined risk mandates in terms of limits and restrictions on which instruments may be traded and by which desk.
 - Hedging strategies (or use of alternative methods of mitigation) are monitored.
 - The framework for the approval and valuation of traded financial instruments requires the analysis and documentation of each instrument's features and risk factors.
- risk limits and monitoring
 - Traded market risks are controlled through daily monitoring of profit and loss, and all market risks are subject to daily measurement and control of risk exposures and monitoring of market risk appetite limits.
 - Non-traded market risks are subject to daily, weekly or monthly, depending on risk type, measurement and control of risk exposures and monitoring of market risk appetite limits.

Governance of market risk

The market risk governing bodies are the Board of Directors, Board Risk Committee (BRIC), Risk Committee (RC) and Asset and Liability Committee (ALCO). Additional decision-making bodies with responsibilities specific to market risk are shown in the figure 6 below.

1st LoD responsibilities – business areas and Group functions

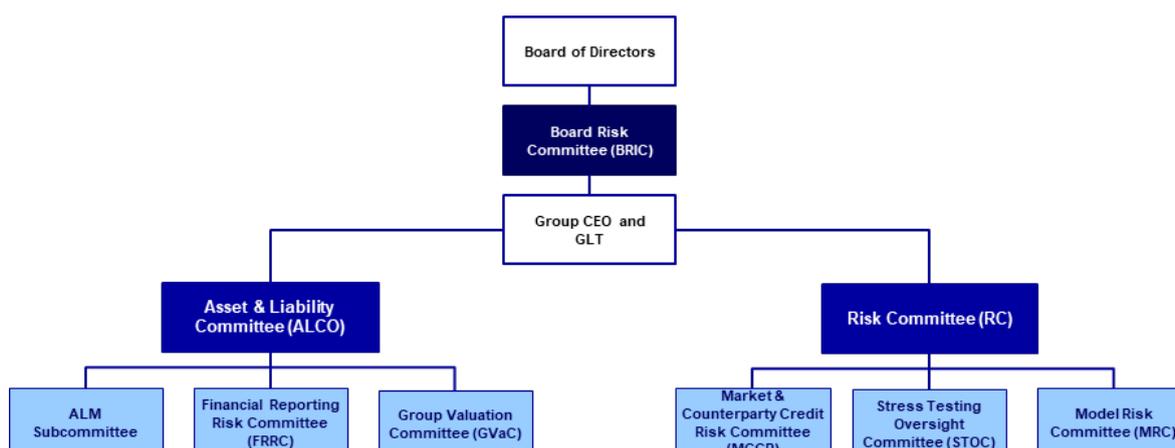
Relevant 1st LoD business areas and Group functions are responsible for providing sufficient information in their business plan on the expected future risk profile of their business so that this can be used as an input to the independent determination of the risk appetite by the 2nd LoD. In addition, the 1st LoD is responsible for implementing the risk framework as designed by the 2nd LoD.

2nd LoD responsibilities – GR

Group Risk (GR) provides all relevant risk-related information to the Board to enable it to set the market risk strategy and risk appetite. GR is also responsible for overseeing appropriate risk identification and monitoring in the business through the design of the Risk Management Framework. Furthermore, GR is responsible for overseeing that the risk framework is appropriately implemented by the 1st LoD.

3rd LoD responsibilities – GIA

Group Internal Audit (GIA) provides additional assurance to the Board and Group Leadership Team (GLT) on the adequacy of internal controls and risk management processes.



Traded market risk

Traded market risk arises mainly from client-driven trading activities and related hedges in Nordea Markets which is part of Large Corporates & Institutions.

Traded market risk management

Nordea Markets takes market risks as part of its business model to support corporate and institutional clients through a range of fixed income, equity, foreign exchange and structured products. The market risks Nordea Markets is exposed to include interest rate risk, credit spread risk, equity risk, foreign exchange risk, commodity risk and inflation risk.

Furthermore, Nordea is one of the major Nordic mortgage lenders and market makers in Nordic corporate and government bonds. Holding inventory is a consequence of providing secondary market liquidity.

Traded market risk measurement

Nordea uses several quantitative risk measurement methods for market risk: value at risk, stress testing, sensitivity analysis, parametric methods and Monte Carlo simulation.

Value at risk is based on historical scenarios and is the primary market risk measurement metric, complemented by stress testing.

Parametric methods are used to capture equity event risk including the impact of defaults on equity related positions (these risks are part of specific equity risk).

Monte Carlo simulation is used in the incremental risk measure model and the comprehensive risk measure model to capture the default and migration risks.

The value at risk, stressed value at risk, equity event risk, incremental risk measure and the comprehensive risk measure models are approved by the bank's regulator for NBAbp at solo and consolidated level, the ECB, for use in calculating market risk own funds requirements under the internal model approach (IMA). The same models, with the same calibration and settings as used for regulatory capital requirements, are used for internal risk management purposes.

Standardised approach (SA) is applied to risk exposures which are not covered by the IMA.

Value at risk (VaR)

Nordea's value at risk (VaR) model is based on the expected shortfall measure (ES) instead of a quantile-based VaR measure.

Nordea calculates VaR using historical simulation. The current portfolio is revalued based on historical daily changes in market prices, rates and other market risk factors observed during the last 500 business days and translated to changes in the current market risk factors. Nordea uses absolute, relative and mixed translation methods for different risk categories.

The revaluation of the current portfolio is performed for each position using either a linear approximation method or a full re-valuation method, depending on the nature of the position.

The historical data window is updated every business day to cover the last 500 business days. From the empirical distribution of returns, ES is used to calculate a VaR number as the average of the 6 worst outcomes from the distribution of portfolio value changes. The resulting ES confidence level

is 98.8%. The quality of the approximation depends on the magnitude of the worst observed losses (i.e. the heaviness of the tail of the portfolio loss distribution), which is reassessed periodically as part of Nordea's risk model maintenance processes. The mixed translation method scales historical returns to take into account the dependencies that exist between risk factor levels and changes in these levels. No weighting method is used for historically simulated returns. The one-day VaR number is subsequently scaled to a 10-day number using the square root of time method.

The total VaR number used for regulatory capital requirements includes interest rate, credit spread, foreign exchange rate, equity and inflation risks in a single model. This allows for diversification amongst all these risk categories including general and specific risk factors in scope for the VaR model.

Stressed value at risk (SVaR)

The SVaR number is calculated using a similar methodology to the VaR. However, whereas the VaR model is based on data from the last 500 business days, the SVaR is based on a specific historical 250-business day period with considerable stress in financial markets. In addition, SVaR is calculated as the average of the 3 worst returns of the empirical distribution of portfolio value changes. The ES confidence level is 98.8%. Since the relevant period with stressed markets will depend on the current portfolio composition, the level of SVaR in relation to the VaR is monitored daily and the stress period can be changed if deemed necessary to adequately measure the risk in a stressed market environment. The specific historical 250-business day period to be used is reviewed at least annually. Currently, the stress period covers a period during the latest global financial crisis.

Incremental risk measure (IRM)

The incremental risk measure (IRM) model measures the risk of losses due to credit migration or defaults of issuers of tradable debt in bond and credit derivative positions held in the trading book (excluding the correlation trading portfolio which is covered by the comprehensive risk measure model). The model uses a Monte Carlo simulation approach based on a Gaussian copula model. The correlation structure between issuers is specified via a factor model. The liquidity horizon is one year, over which a constant portfolio is assumed, in line with the Capital Requirements Regulation (CRR) article 374.

The model is based on transition matrices, where the elements are probabilities of migration from the current rating class to another rating class. The probabilities are obtained from a single source, a major rating agency.

For each simulation and each issuer, a rating migration is generated either to a new rating class, unchanged rating class or default. In case of a simulated default, the portfolio loss is calculated based on the recovery rate of the issuer assuming deterministic recovery rates. For a simulated unchanged rating class, the portfolio loss is zero. In case of a simulated migration to another (non-default) rating class, the portfolio loss is calculated using a grid-based revaluation method (interpolation between pre-calculated portfolio net present values, where full revaluation is used in the pre-calculations). A spread multiplier matrix is then used

to translate each simulated migration to a new credit spread.

For each simulation, portfolio losses are aggregated across issuers, such that each simulation corresponds to one total portfolio loss. The IRM number is based on ES. The model uses 50,000 simulated scenarios and the average of the 100 worst simulated total portfolio losses is the output of the model, corresponding to an ES confidence level of 99.8%. The transition matrices and spread multiplier matrices are recalibrated annually.

The IRM is calculated and monitored daily.

Comprehensive risk measure (CRM)

The comprehensive risk measure (CRM) model measures the correlation risk, credit spread risk, default risk, recovery rate risk and index credit default swap basis risk in the correlation trading portfolio. The model is based on Monte Carlo simulation. The liquidity horizon is one year, over which a constant portfolio is assumed (consistent with the IRM model).

The approach for default simulation is the same as that used in the IRM model (Gaussian copula model). In case of default, the realised recovery rate is simulated to determine the loss given default. In case of non-default, a credit spread move is simulated based on another Gaussian copula model component (which shares the same driving random variables with the default model component, i.e. the random sources of the default model also drive the credit spread model). The marginal distribution for each single issuer spread move is given by a lognormal distribution and the recovery rates used in the valuation are simulated assuming a beta distribution. The index credit default swap (CDS) basis is simulated as a lognormally distributed multiplier to the CDS index hazard rate curve that is implied by the spreads of the individual issuers. The resulting CDS index hazard rate curve, including the multiplier, is then used to derive the CDS index spread curve. Base correlations for collateralised debt obligations (CDOs) and correlations for nth-to-default baskets are simulated via a function of Gaussian random variables. The function is applied to keep the resulting correlations in the interval between zero and one.

For each simulation, a full revaluation method is used, and the results for each issuer are aggregated to determine the portfolio loss. The model simulates 50,000 scenarios and selects 25,000 based on a sampling scheme. The sampling scheme ensures that high loss scenarios are selected, effectively producing the same tail scenarios as a method based on 50,000 simulated scenarios without the sampling scheme. The CRM number is calculated as the average of the 100 worst portfolio loss scenarios, corresponding to a 99.8% ES confidence level. The transition matrices and other model parameters are calibrated annually.

The CRM is calculated and monitored weekly.

Equity event risk (EER)

The equity event risk (EER) model is part of Nordea's IMA framework. The EER model captures two different parts of specific equity risk: equity jump risk and equity related losses due to defaults.

The equity jump risk component measures the risk of losses that are specific to each single stock and beyond the VaR model's confidence level. The jump risk is calculated based on a parametric model for the single stock returns. The confidence level corresponds to the worst 10-business day return occurring at a frequency of once every 500 business days.

The equity default risk component measures equity related portfolio loss due to the default of a company. An intensity model with constant 10-business day intensity is assumed.

The EER is calculated and monitored daily.

Standardised approach (SA)

SA is used for calculating market risk own funds requirement for commodity risk, gold, specific risk for callable and floating mortgage bonds, commercial paper, credit/rate hybrids and credit spread options, as well as for equity risk related to structured products, Tier 1 and Tier 2 bonds.

Back-testing

Back-testing of the VaR model is performed daily using both hypothetical profit and loss (P&L) and actual P&L. Hypothetical P&L is the P&L that would have been realised if the positions in the portfolio had been held constant during the following trading day. The actual P&L also includes intra-day trading. The P&L numbers are compared to one-day VaR numbers (98.8% ES confidence level). Overshootings are defined as the historical days where either the actual and/or the hypothetical losses are worse than the 1-day VaR number. The largest of the number of actual P&L overshootings and hypothetical P&L overshootings in the last 12 months determines the capital multiplier addend according to the red/amber/green colour zones specified in the CRR.

Non-traded market risk

Non-traded market risk principally arises from the core banking business of Nordea, related hedges and regulatory or other external requirements (e.g. liquid asset buffer).

Non-traded market risk management

Group Treasury is responsible for the comprehensive risk management of all non-traded market risk exposures in the Group's balance sheet. For transparency and a clear division of responsibilities within Group Treasury, banking book risk management is divided across several frameworks – each with a clear risk mandate, specific limits and controls including hedges implemented to reduce risks across frameworks.

The non-traded market risks that Nordea is exposed to are interest rate risk, credit spread risk, foreign exchange risk (both structural and non-structural) and equity risk.

Interest rate risk in the banking book (IRRBB) and credit spread risk in the banking book (CSRBB) are the current or prospective risks to Nordea's capital and earnings arising from adverse movements in interest rates and credit spreads. Business areas transfer their banking book interest rate exposures to Group Treasury through a funds transfer pricing framework. IRRBB and CSRBB are then managed centrally and include gap risk, basis risks, behavioural risks and non-linear risks. These risks are also delineated by currency.

Due to the lending structure in Nordea's home markets, most of the contractual interest rate exposures are floating rate. Consequently, wholesale funding is also swapped to floating rate. The resulting repricing gap risk is managed on an aggregated basis by currency and, where applicable, by legal entity (primarily the mortgage companies). The net outright interest rate risk stemming from the repricing gaps, together with the limited fixed interest rate risk, is hedged with interest rate swaps (IRS) and overnight index swaps (OIS). As described further below, non-maturing deposits (NMDs) give rise to directional interest rate risk. The behavioural NMD risk is partially hedged with standard IRS under an ALCO mandate specifying a target hedge ratio.

Nordea is subject to CSRBB from liquidity buffer bond investments and from its wholesale funding activities. Liquid assets are managed in accordance with the liquidity buffer and pledge/collateral frameworks. Most of the directional interest rate risk arising from bond holdings is hedged primarily with maturity matched IRS and OIS payer swaps. Forward rate agreements and listed futures contracts are also used to hedge credit spread and interest rate fixing risks. CSRBB stemming from liquidity buffer holdings is managed under risk appetite limits for asset classes and issuer names to ensure diversification. CSRBB on the liability side is managed as part of the funding strategy.

Interest rate risk and credit spread risk in the banking book

IRRBB and CSRBB are measured, monitored and managed using three key risk metrics which are: economic value (EV) risk, fair value (FV) risk, and net interest income (NII) risk; FV and NII risk are also measured together as earnings risk (ER).

As IRRBB and CSRBB are seen as material risks, the risk metrics are monitored, limited and reported on Board Risk Committee (BRIC) and Risk Committee (RC) level. The risk metrics are used to assess differing aspects of the

manifestation of interest rate risk. These are described in more detail below.

The IRRBB EV risk metric considers the change in the EV of banking book assets, liabilities and interest-bearing derivative exposures resulting from interest rate movements, independently of accounting classification and ignoring credit spreads and commercial margins. The metric assumes a run-off balance sheet and includes behavioural modelling for non-maturing deposits (NMDs) and prepayments as well as assumptions on floors embedded in customer loans and deposits.

Changes in the EV of the banking book are measured using a range of internal stress scenarios and the six standardised scenarios defined by the Basel Committee on Banking Supervision (BCBS). To ensure transparency and easy understandability the risk appetite limit under EV risk is measured against a standardized -50bp parallel shift scenario. EV scenario outcomes are estimated daily for management information purposes, but fully calculated and monitored monthly against risk appetite limits.

The FV risk metric considers the potential revaluation risk relating to IRRBB and CSRBB positions held under FV accounting classifications. FV sensitivities in the banking book are monitored against internal stress scenarios of interest rate and credit spread shocks. The scenarios are calibrated to reflect severe but plausible events designed to test specific risks that are or may result from the exposures under FV accounting. The risk is measured daily and a risk appetite limit is set against the worst outcome of the scenarios. The FV scenarios are applied to both the banking book and trading book portfolios, and the Board risk appetite limit considers the combined impact across both. The FV risk metric is monitored daily.

The IRRBB and CSRBB net interest income (NII) risk metrics consider the potential change in NII resulting from interest rate and credit spread movements over a one-year horizon. The model uses a constant balance sheet assumption, implied forward rates and behavioural modelling for NMDs and prepayments as well as assumptions on floors embedded in customer loans and deposits. Similar to EV risk, NII risk is measured using a range of internal stress scenarios and the standardised up/down scenarios defined by the BCBS. The exposure risk appetite limit under NII risk appetite is again measured against a standardised -50bp parallel shift scenario. The NII risk metrics for IRRBB and CSRBB are monitored monthly.

The measurement of IRRBB is dependent on key assumptions applied in the models. The most material assumptions relate to loan prepayments, NMDs and customer floors. The internal models for prepayments and NMDs are based on historical customer behaviour and Nordea's historically observed pricing behaviour. Nordea's NMD model estimates a stable non-interest sensitive portion of the deposits that is available for hedging. Importantly, the NMD modelling segregates the linear interest rate risk and floors. Modelling of behavioural interest rate risk introduces model risk and Nordea therefore applies haircuts to the modelled NMD sensitivities. Regular back-testing and model monitoring is performed for both prepayment models and NMD models to ensure that the models remain accurate. Nordea's average and maximum modelled durations for NMDs are currently 3.2 and 15 years, respectively. The average duration for the core retail deposits amounts to 4.2

years and for core non-financial wholesale deposits to 2.5 years. Including non-core deposits, average durations across retail and non-financial wholesale deposits fall to 2.4 years.

Nordea allocates capital for IRRBB and CSRBB under Pillar 2. The Pillar 2 IRRBB and CSRBB capital allocation is based on the most adverse outcome of an EV risk component and an Earnings risk component. The EV risk component covers the impact on the bank's equity due to adverse movements in the marked-to-market of the full balance sheet. The Earnings risk component covers the impact of rate changes on future earnings capacity, and the impact on banking book positions accounted for at FV through profit and loss or FV through other comprehensive income, excluding Illiquid Exposures portfolio, which are separately capitalised.

IRRBB and CSRBB is managed centrally in Group Treasury against EV, FV, earnings and NII risk limits. Risk is managed in various frameworks but overall risk is coordinated and measured against overall EV, FV earnings and NII risk limits capturing all banking book exposures. When managing IRRBB, Group Treasury tries to make use of natural risk offsets from cash products with different directional exposures by for example offsetting floating rate loan book exposure with short-term funding or deposits. In many areas natural offsets do not exist or are inefficient to use and therefore risks stemming from NMDs, liquidity buffer bond holdings and issued long-term funding are hedged stand-alone with derivatives. Derivatives hedges are also used to hedge residual risks in frameworks where natural offsets exist but are incomplete. The most commonly used derivatives are linear plain vanilla instruments like interest rate swap (IRS), overnight index swap (OIS), cross-currency swaps, Forex (FX) forwards/swaps and bond futures. For non-linear risks stemming from explicit caps and collars embedded in or associated with customer loans, the non-linear option risk is hedged in an automated setup with the trading book. Otherwise derivative hedges are done both with external counterparties and Nordea's trading book to ensure full market access. Derivative hedges are to a large degree under hedge accounting relationship but short-dated FX derivatives and futures are under FV accounting.

Structural foreign exchange

Nordea is exposed to structural FX risk defined as the mismatch between the currency composition of its Common Equity Tier 1 (CET1) capital and risk exposure amount (REA).

CET1 capital is largely denominated in EUR, with the only significant non-EUR equity amounts stemming from mortgage subsidiaries. On the other hand, due to Nordea's cross-border activities, REA is denominated in SEK, NOK, DKK, EUR and USD. As a result, changes in FX rates can negatively impact Nordea's CET1 ratio.

This risk is monitored on a daily basis through a stress test that translates the Board's risk appetite into a limit that measures the CET1 ratio sensitivity to fluctuations in FX rates.

Since 2021, Nordea runs a structural FX hedging programme with permission from the European Central Bank (ECB) to exclude, from the calculation of the net open currency position, structural positions in SEK, NOK and USD that are deliberately taken to hedge against variation of the CET1 ratio caused by exchange rate fluctuations. Nordea partially hedges the sensitivity of the CET1 ratio by taking

open positions in SEK, NOK and USD, partially aligning the currency compositions of equity and REA. This stabilises the CET1 ratio but increases volatility in the value of Nordea's equity in reporting currency EUR from movements in FX.

Validation of risk models

Independent model validation

All models including pricing and valuation models (both vendor and proprietary), are governed by a group-wide common model governance framework. This framework outlines standards for the model risk management throughout the model life cycle including the development process and the processes for independent model validation and periodic review.

As part of the model governance framework, all market risk models are subject to independent model validation. This includes models used for regulatory capital purposes for both traded and non-traded market risk. Validation activities are carried out by Model Risk & Validation, which is independent and organisationally separate from the risk-taking units and the market risk model developers.

Market risk models are validated both prior to use and on an ongoing basis to ensure that they remain sound and are used and perform in line with the design objectives. Model Risk & Validation compiles the results of validation activities in reports that are presented at the Model Risk Committee (MRC), including a summary of validation activities, a list of identified validation findings and assessment of their severity as well as potential mitigations to be implemented by the model owners.

Validation elements include verification of the model environment and control, data, model design and model use, including internal back-testing. Ongoing validation involves assessment of the adequacy and effectiveness of the model control setup and model performance monitoring. The implementation of model risk mitigations, as recommended in model validation reports and agreed in the MRC, is monitored on a regular basis and progress is tracked through implementation.

The model validation is carried out both on an aggregate level, through periodic reviews of the models, as well as on a more granular model component level. The scope for this includes:

- risk factor models
- pricing models, including both full revaluation models and approximations (e.g. based on sensitivities)
- compliance of risk measure
- choice and adequacy of proxies
- model assumptions, including correlation modelling in IRM and CRM
- model calibration, including assessing the choice of stress period for stressed VaR
- evaluation of model performance through measures such as internal back-testing analysis
- robustness of models across scenarios.

Validation by the developers

Stress tests of the IRM input parameters (main scenarios involve shifts to probabilities of default and correlation parameters) are conducted annually, as part of the validation processes performed by Risk Models in the 2nd LoD (the unit responsible for the development of risk models).

Other validation processes performed by Risk Models and model owner include proxy control, market data input controls and stress testing to assess the adequacy of the VaR and stressed VaR numbers. Stress testing covering the VaR and stressed VaR scope is performed regularly based on internally developed market risk scenarios, which are calibrated using historical data.

Market risk monitoring and control

Market risk appetite

The market risk appetite for the Group is expressed through risk appetite statements issued by the Board. The statements are defined for the trading and banking books.

The 2nd LoD ensures that the risk appetite is appropriately translated into specific Risk Appetite Statements. They review and monitor that risk limits proposed by 1st LoD are set appropriately to ensure that risk-taking remains within Nordea's risk appetite. 2nd LoD performs independent assessment of any risk appetite breaches.

Stress testing

As part of the overall risk appetite framework (RAF), holistic and bespoke stress tests are used to measure the market risk appetite and calibrate limits to monitor and control the full set of material market risk factors to which the bank is exposed. The RAF scenarios cover seven severe but plausible macroeconomic events that can foreseeably affect both trading and banking book positions. The scenarios cover different risk factors, products, tenors and geographical regions. The mix of the macro-economic scenarios is reviewed annually and can change year-on-year..

The RAF stress tests are run and validated frequently in line with the regulatory requirement and are calibrated at least annually to ensure appropriate risk factor coverage and to focus on areas to which Nordea's treasury and trading activity is particularly sensitive.

Additional controls

Markets & Treasury Financial Control within the 1st LoD is responsible for the design and performance of comprehensive controls in line with the risk management framework.

GR monitors and controls traded market risk on a daily basis. The process includes analysis and reporting of risk sensitivities related to e.g. interest rates, credit spreads, FX and equity exposures and capital measures.

Furthermore, GR is responsible for monitoring market risk appetite statements and adherence, and for the escalation of breaches in line with internal guidelines for limit monitoring and oversight.

Inclusion in the trading book

For regulatory purposes, all positions must be assigned to either the trading book or the banking book. This classification impacts the regulatory treatment of positions, in particular regulatory capital requirements. The criteria for the allocation of positions to either the trading book or banking book are set out in the internal trading book/banking book boundary guideline, applicable to all entities included in Nordea's consolidated position.

The Group includes in the trading book all positions in financial instruments held either with trading intent, or to hedge positions held with trading intent.

Positions assigned to the trading book are either free of restrictions on their tradability or able to be hedged. Any position not defined as a trading book position is assigned to the banking book. The trading strategy for the trading book and the investment and funding guideline for the banking book mandate activities and positions in the respective books that ensure compliance with the boundary guideline and regulatory requirements. The 1st LoD performs controls to verify that activities carried out are compliant with the trading strategy and investment and funding guideline and that they receive the appropriate book classification. GR oversees and regularly challenges the control activities of the 1st LoD in this regard. Any position in breach of the mandated activities is reclassified. The decision is taken within the senior governance body of the business areas where the 2nd LoD is represented.

Requirements for prudent valuation

Nordea's valuation framework, including standards for prudent valuation, covers all positions held at FV across the Nordea Group including both trading and banking books.

Policies, procedures and reporting lines

Nordea's valuation framework consists of policies and procedures that outline the different valuation related processes. This includes the overall principles for calculation of FV and valuation adjustments as well as definitions of the responsibilities, a price source hierarchy, the frequency of independent price verification and the timing of closing prices.

Operational valuation controls including independent price verification are performed by a valuation control function within the 1st LoD, which is independent from the risk-taking units in the front office. An independent valuation control unit within the 2nd LoD has the responsibility for independent review, further monitoring and analysis of the valuations and controls performed by the 1st LoD and provides independent assessment and reporting on any identified risks.

Daily revaluations

Positions in the regulatory trading book are revalued on a daily basis.

Whenever possible, Nordea marks its positions to market using observable prices. However, for many assets and liabilities, observable market transactions and market information might not be available. When a price for an identical asset or liability is not observable and hence marking to market is not possible, Nordea applies a mark to model approach.

Nordea marks to mid-market prices (average of bid and ask) but applies a portfolio adjustment, referred to as close-out-cost valuation adjustment, to adjust the net open market risk exposures from mid-market prices to ask or bid prices (depending on the net position).

Independent price verification

The independent price verification (IPV) comprises verification of the correctness of valuations by comparing the prices to independently sourced data. The result of the IPV is analysed and any findings are escalated as appropriate. The verification of the correctness of prices and inputs is at a minimum carried out on a monthly basis and for many products it is carried out daily. Third-party information, such as broker quotes and pricing services, is used as benchmark data in the verification. The quality of the benchmark data is assessed on a regular basis.

Valuation adjustments in FV

FV of financial assets and liabilities are generally calculated as the theoretical net present value of the individual instruments. This calculation is supplemented by portfolio adjustments as detailed below.

Nordea incorporates credit valuation adjustments (CVA) and debit valuation adjustments (DVA) into derivative valuations. CVA and DVA reflect the impact on FV from the counterparty's credit risk and Nordea's own credit quality, respectively. Calculations are based on estimates of exposure at default, probability of default and recovery rates, on a counterparty basis. Generally, exposure at default for CVA and DVA is based on expected exposure and is estimated through the simulation of underlying risk factors. Where possible, Nordea obtains credit spreads from the CDS market, and probabilities of default (PDs) are inferred from this data. For counterparties that do not have a liquid CDS market, PDs are estimated using a cross sectional regression model, which calculates an appropriate proxy CDS spread given each counterparty's rating, region and industry.

The impact of funding costs and funding benefits on the valuation of uncollateralised and imperfectly collateralised derivatives is partly reflected in the calculated net present value through the applied discounting curve and partly through the addition of a separate funding fair valuation adjustment (FFVA). In addition, Nordea applies IPV adjustments, close-out cost adjustments and model risk adjustments for identified model deficiencies in its FV measurement.

Valuation model governance

All models, including pricing and valuation models (both vendor and proprietary), are governed by a group wide common model governance framework.

Proprietary models are developed in the 1st LoD. Independent model validation of all valuation models is conducted by a Model Validation team in the 2nd LoD before final approval in the bank's Model Risk Committee. Depending on the specific use of the model, the model may also have to be approved in other committees such as the Group Valuation Committee or the Market & Counterparty Credit Risk Committee.

Additional valuation adjustments

In addition to the valuation adjustments that are directly applied in FV, Nordea calculates a number of additional valuation adjustments to account for valuation uncertainty. This includes additional valuation adjustments for:

- market price uncertainty
- close-out costs (covering uncertainty in the close-out cost valuation adjustment)
- model risk (including adjustments due to unobservable parameters)
- unearned credit spreads (covering uncertainty in the CVA)
- investing and funding costs (covering uncertainty in the FFVA)
- concentrated positions
- future administrative costs
- early termination cost
- operational risks.

The additional valuation adjustments are calculated and aggregated in accordance with the Commission Delegated Regulation (EU) 2016/101 and are deducted from the CET1 capital in the calculation of Nordea's capital ratios.

Pillar 1 market risk own funds requirement

The table below summarises the scope of the IMA approval in the context of the Pillar 1 market risk own funds requirement. Commodity risk and gold are under SA.

Table 5: Pillar 1 market risk own funds

Measure	General risk	Specific risk
VaR model	Interest rate risk Equity risk ** Foreign exchange risk Inflation risk	Specific interest rate risk * Specific equity risk **
Stressed VaR model	Interest rate risk Equity risk ** Foreign exchange risk Inflation risk	Specific interest rate risk * Specific equity risk **
EER model	No general risk	Event risk of equities **
IRM model	No general risk	Event risk of debt instruments *
CRM model	No general risk	Specific risk of correlation trading *

* IMA excludes specific risk on Tier 1 and Tier 2 bonds, callable mortgage bonds, commercial paper, credit options and related hedges and credit/interest rate hybrids. Specific interest rate risk for these products are included under SA.

** IMA excludes both general and specific equity risk for structured equity risk and fund-linked derivatives. The excluded general and specific equity risk is included under SA.

Other risks

Nordea defined benefits pension risk

Defined benefit pension schemes (DBPS) carry risks (including market and longevity risks) arising from Nordea-sponsored defined benefit pension obligations for past and current employees. The ability of the pension schemes to meet the projected pension payments is maintained through investments and ongoing scheme contributions. Risks can manifest through increases in the value of liabilities and through falls in the value of assets. These risks are regularly reported and monitored and include consideration of subcomponents of market risk such as interest rate, inflation, credit spread, real estate and equity risk. To minimise the risks to Nordea, limits are imposed on potential losses under severe but plausible stress events and on capital drawdown. In addition, regular reviews of the schemes' strategic asset allocation are undertaken to ensure the investment approach reflects Nordea's risk appetite.

On a day-to-day basis, Group Treasury has first line responsibility for the schemes with GR providing second line oversight and support. The overall responsibility within Nordea for the management of defined benefit pension schemes lies with ALCO.

Nordea allocates capital for DBPS risk under Pillar 2 add-on.

Operational risk and compliance risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk and model risk. Compliance risk is defined as the risk of failure to comply with applicable regulations and related internal rules.

Operational and compliance risks are inherent in all of Nordea's businesses and operations. Employees throughout Nordea are accountable for the operational and compliance risks related to their mandate and for managing these risks within risk limits and risk appetite in accordance with the operational and compliance risk management frameworks.

Group Risk (GR) and Group Compliance (GC) together constitute the second line of defence (2nd LoD) for operational and compliance risks respectively.

Operational risk management and oversight functions within GR are responsible for developing and maintaining the overall operational risk management framework as well as for monitoring and overseeing the operational risk management of the first line of defence (1st LoD). The independent risk control functions monitor and oversee that operational risks are appropriately identified, assessed and mitigated; follow up risk exposures towards risk appetite; and assess the adequacy and effectiveness of the operational risk management framework.

The focus areas of the monitoring and oversight performed are decided during an annual planning process that includes business areas, key risk areas and operational risk processes. Operational risk reporting, including capital reporting, is carried out by 1st LoD and shared with business areas, Group functions and relevant committees. In addition, 2nd LoD independently prepares and submits risk reports on all material risk exposures including risk appetite utilisation and incidents to the Chief Risk Officer (CRO), who thereafter reports to the Chief Executive Officer (CEO) in the Group Leadership Team (GLT), the Group Board and relevant committees.

The Risk Appetite Statement (RAS) for operational risk sets the tone for effective risk management. The risk appetite is measured with risk appetite limits for a) number and types of operational risks and b) total loss amounts arising from operational and compliance risk incidents.

GC constitutes the independent 2nd LoD compliance function and is responsible for developing and maintaining the compliance policy which sets out the framework for the management of compliance risks. Also, GC is responsible for guiding the business in their implementation of and adherence to the policy.

Compliance activities are presented in the form of an annual compliance plan to the President of Nordea Bank Abp and Chief Executive Officer of the Nordea Group (Group CEO) and the Board Risk Committee. The annual compliance activities represent the compliance activities of Nordea, combining GC's overall approach to key risk areas. The plan is comprised of detailed plans for business areas, Group functions, consolidated Group subsidiaries, branches and for each compliance risk area.

GC is responsible for regular reporting on their plans to the Board, the CEO in GLT, branch management and

relevant committees, at least quarterly. GC reports on the status and development of Nordea's compliance risks including information on major deficiencies along with consequence analyses. Regular reporting also contains information on emerging risks as well as risk trends and status and key observations from monitoring and testing activities and investigations.

Nordea's compliance risk appetite is expressed with a qualitative statement establishing that Nordea has no appetite for Compliance risks that could endanger its reputation, licences or strategy. Further, Nordea must have sufficient controls in place to ensure compliance with regulation.

Management of operational and compliance risks

Nordea's Group Board Directives on Risk, Risk Appetite and Internal Governance set out the principles for the management of risks in Nordea. Based on these principles, Nordea has established supporting internal rules for operational and compliance risk that form the overall operational and compliance risk management frameworks. Management of operational and compliance risk includes all activities aimed at identifying, assessing, measuring, responding to and mitigating, controlling, monitoring and reporting on risks.

Risks are identified through various processes, for example risk assessment processes, approval of changes as well as the reporting of incidents. The objective is to identify risks in the most comprehensive manner, covering both emerging and latent risks.

Risk assessment and measurement is done by applying Nordea's common risk assessment grid for operational and compliance risks, which assigns probability of the risks occurring and the impact in case of materialisation.

Responses to risks are decided in line with risk appetite. The types of risk response include mitigation, acceptance, avoidance and for operational risk: transfer.

Risk control and monitoring is performed to ensure that risks are appropriately identified, assessed and responded to; that risk exposures are kept within limits; and that risk management procedures are efficient and adhere to internal and external rules.

The regulatory change management process ensures that new and amended rules and regulations are identified. The impact of the rules and regulations is assessed, and appropriate implementation measures are taken to ensure timely implementation.

The Operational Risk Committee (ORC) has been appointed by the executive Risk Committee for decision-making related to and supporting group-wide prudent management of operational risks.

The Compliance, Conduct and Product Committee (CCPC) also appointed by the executive Risk Committee is responsible for decision-making related to and supporting group-wide prudent management of compliance risks.

Key operational and compliance risk management processes

Risk and Control Self-Assessment

The Risk and Control Self-Assessment (RCSA) process ensures overview and assessment of operational and compliance risks across Nordea. The process improves risk awareness and enables effective assessment, control and mitigation of identified risks. Furthermore, the RCSA process and its results provide the basis and input for risk reporting in Nordea.

Compliance Independent Risk Assessment

The objective of the Compliance Independent Risk Assessment (CIRA) process is to provide an independent assessment of compliance risk exposure and to challenge and advise the 1st LoD on implementation of an effective risk management framework. The CIRA process is the independent 2nd LoD risk assessment conducted across Nordea, using the common risk assessment grid for non-financial risks.

Financial Crime Enterprise Risk Assessment

The Financial Crime Enterprise Risk Assessment (FCERA) is an internal annual process (with quarterly updates) enabling Nordea to a) identify and assess the inherent financial crime risks which Nordea is exposed to, b) evaluate the effectiveness of the control environment to manage these risks, and ultimately, c) derive the residual risk. Based on the identified inherent and residual risks FCERA enables Nordea to implement a risk-based approach to its financial crime risk management activities.

Change Risk Management and Approval

The purpose of the Change Risk Management and Approval (CRMA) process is to ensure that risks arising from a change are identified, assessed and managed before a change is approved and implemented. This is to ensure that no unexpected events occur when going live with the change.

The CRMA process must be applied to all types of change and development initiatives including, but not limited to, changes e.g. involving new or changed processes, organisational changes, Information Communication and Technology "ICT" changes, new outsourcing arrangements and exceptional transactions.

Product Approval Process

The Product Approval Process (PAP) applies when new products or services are introduced or changes are made to existing products or services. Decommissioning and changes in target market or distribution channels are also in scope of the PAP. The PAP framework ensures that relevant financial and non-financial risks are consistently identified, assessed

and managed in line with Nordea's risk appetite framework before products and services are introduced to customers. Final approvals are governed by business area committees.

Issue Management

Issues are defined as deficiencies in the control environment, i.e. defects and/or quality matters within the internal control environment for managing risk. When such deficiencies are discovered they must be reported as issues. In practice, the Issue Management Framework consists of multiple processes across all three LoDs.

Incident Management

The Incident Management Framework ensures appropriate handling and reporting of detected incidents to minimise the impact on Nordea and its customers, prevent reoccurrence, and reduce the impact of future incidents. When incidents are detected, they are immediately assessed to determine their severity. Depending on the nature of the incident and the severity assessed, different requirements on stakeholder involvement and external reporting applies, including incident notification to relevant authorities.

Scenario Analysis

Scenario Analysis is performed in order to identify and assess operational and compliance risks with high financial and/or non-financial impacts and low probability of materialising, so called "tail risks". Analysis of tail risks contributes to an increased understanding, awareness and management of forward-looking risk and remediation of possible identified control gaps/deficiencies.

Business Continuity and Crisis Management (BC & CM)

The BC & CM framework in Nordea ensures the capability to handle extraordinary events and crises and assures the continued delivery and recovery of prioritised products, services and processes to predefined acceptable levels. Extraordinary events and crisis situations are timely and appropriately escalated and responded to through pre-established structures.

The capabilities are validated by testing and exercising the organisation and established plans to ensure protecting its resources (e.g. people, premises, technology and information), supply chain, interested parties and reputation, before a disruptive incident occurs.

This includes ensuring that roles and responsibilities are clear, known and communicated to all involved.

Information and Communication Technology Risk Management

The objective of Information and Communication Technology Risk Management is to ensure that information and communication technology and data management risks are appropriately identified, assessed and managed.

Nordea maintains an Information Security Management System for implementation of the principles and requirements for information security, with the overall objective to preserve the confidentiality, integrity and availability of Nordea's information, and information entrusted to Nordea, by applying a risk-based methodology.

Raise Your Concern

The objective of the Raise Your Concern (RYC or “whistleblowing”) process is to ensure that all Nordea stakeholders, including customers, partners, affected communities as well as Nordea’s own employees, have the right to speak up and always feel safe in doing so if they have concerns about suspected misconduct such as breaches of human rights, or irregularities such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour in Nordea’s operations, products or services.

Third Party Risk Management (TPRM)

The objective of Third Party Risk Management (TPRM) is to ensure that risks related to third parties and third party activities, including but not limited to outsourcing are appropriately identified, assessed and managed before entering into, during, as well as when exiting a third party arrangement. TPRM ensures risks associated with third parties and third party activities are kept within risk appetite and risk limits.

Complaints Handling

The objective of the Complaints Handling process is to ensure that customer complaints relating to Nordea’s services or products are handled appropriately and promptly, in an independent and consistent manner. Customer complaints are considered individually to ensure fair customer outcomes and the process includes identifying and acting to address the root causes of the complaints to rectify and/or mitigate systematic risks and problems.

Minimum own funds requirement for operational risk

Nordea’s own funds requirements for operational risk are calculated according to the Business Indicator Approach (BIA). Under this approach, the own funds requirement is determined by applying a standardised regulatory percentage to the Business Indicator (BI), which is calculated using specific items from Nordea’s audited financial statements and accounting records – such as net interest, lease and dividend income, fee and commission income and expenses, and trading and banking book profit or loss – averaged over the previous three financial years. Certain items, including insurance-related income and expenses, administrative costs, impairments, and corporate tax, are excluded in accordance with the regulatory definition.

In line with the regulatory prescribed approach, the systems and data used to calculate the own funds requirement is based on financial statements and underlying accounting records.

Model Risk Management

Model risk emerges whenever business decisions depend on models. Model risk is the potential for adverse consequences from model errors or the inappropriate use of modelled outputs to inform business decisions. It is a Level 1 Risk in the Nordea Risk Taxonomy. Models are used across both financial and non-financial contexts, encompassing a diverse range of applications such as customer selection, product pricing, transaction monitoring for financial crime, creditworthiness assessment, and financial reporting. Evaluating model performance is an ongoing process

involving continuous monitoring as well as comprehensive reviews of model structure and data integrity.

Given heightened regulatory scrutiny — including examinations of capital and provisioning models by the ECB and the implementation of the EU AI Act—model risk remains a primary focus area. Model risk is overseen through a risk appetite statement for model risk. Model risk is managed through a set of policies, procedures and guidelines aligned with Nordea’s general risk management framework.

The redevelopment of internal ratings-based (IRB) and IFRS 9 models within the Model Development Programme (MDP) and Fundamental Review of the Trading Book remains a priority. Emphasis is placed on improving data quality for model inputs and ensuring full compliance with the applicable regulations. The retail credit IRB models have received regulatory approval and been implemented in 2024, while we are in the process of applying for approval of new non-retail credit IRB models. Additionally, a significant initiative has been launched to develop and implement Artificial Intelligence (AI) models to support Nordea’s business strategy.

Attention also continues on climate risk models and ESG models supporting Nordea’s sustainability agenda. The AI and machine learning models, where rapid technological advancement—such as generative AI—is transforming modelling approaches. Nordea is ensuring compliance with the EU AI Act in deploying these models.

Actions taken to manage model risk:

- Nordea is investing in the redevelopment of IRB, IFRS 9 and stress testing models used across our lending businesses to strengthen modelling capabilities and align with Basel requirements.
- Our Model Risk Management (MRM) framework has been updated to comply with ECB requirements and also incorporates global best practices that are suitable for Nordea’s model risk profile. Nordea will undertake a comprehensive review of model tiering across the organisation, evaluating the materiality and complexity of all models and assigning tiers to determine oversight levels.
- A new governance framework has been established for AI models.
- Model Risk Committee continues to oversee model risk at Group level.
- The Model Risk and Validation Management (MRV) function collaborates closely with model owning areas and model users to support the development of IRB, IFRS 9, FRTB, Treasury and stress testing models across risk management, pricing, capital and liquidity management, and credit risk measurement.
- Additional assurance is provided by MRV operating as 2nd LoD, which assesses whether model development and use controls meet policy standards and evaluate the adequacy of model risk procedures.
- Models using AI or generative AI techniques undergo thorough review by relevant risk teams and ongoing business monitoring to ensure appropriate oversight. A dedicated AI model risk framework addresses the range of risks associated with these advanced methodologies and acknowledges their multidisciplinary nature.

Liquidity risk and ILAAP

Liquidity risk is the risk that Nordea can only meet its liquidity commitments at an unsustainably high price or, ultimately, is unable to meet its obligations as they come due. Nordea is exposed to liquidity risk in lending, investment, funding, off-balance sheet exposures or other activities which could result in negative cash flow mismatches and an inability to liquidate assets or obtain adequate funding. The Internal Liquidity Adequacy Assessment Process (ILAAP) is a process for the identification, measurement and monitoring of liquidity risk and it aims to ensure that Nordea is able to cover all liquidity risks over the foreseeable future including during periods of stress. The level of liquidity needs to be adequate from an internal perspective, from the perspective of regulators, as well as market participants and depositors.

Objective of liquidity risk management

The objective of liquidity risk management is to ensure that Nordea can meet cash flow obligations, including on an intraday basis, across market cycles and during periods of stress.

Management of liquidity risk

Nordea's liquidity management and strategy are based on the Group Board Directive on Liquidity Risk and Group CEO Instructions on Liquidity Risk, resulting in various liquidity risk measures, limits and organisational procedures. Group Treasury (GT) is responsible for the daily management of the Group's liquidity positions, liquidity buffers and wholesale funding including the mobilisation of cash around the Group, and funds transfer pricing (FTP).

Nordea, including the Group and individual subsidiaries and branches, is subject to various liquidity regulations. On a consolidated level, the Group is supervised by the European Central Bank (based on the regulatory framework described in "Regulatory development" chapter) and regulated by the Financial Supervisory Authority (FSA) in Finland and must comply with Finnish regulatory requirements. Significant branches in Denmark, Sweden, and Norway are subject to local oversight by the local regulators, while still being subject to ECB requirements on a consolidated basis. Subsidiaries and branches are also subject to local jurisdictional requirements on a stand-alone basis. These regulations are intended to measure and monitor levels of liquidity risk and cover both short-term liquidity risk and long-term structural liquidity risk.

Liquidity risk management focuses on both short-term liquidity risk and long-term structural liquidity risk. To ensure funding at all times, including in situations where normal funding sources would not suffice, Nordea holds a liquidity buffer. The liquidity buffer consists of central bank cash and central bank eligible high-quality liquid securities that can be readily sold or used as collateral in funding operations.

A key objective of the funding and liquidity strategy is to secure continuous access to stable, cost-efficient and competitive wholesale funding whilst considering external requirements (e.g. regulatory requirements), and internal requirements, as well as secure prudent liquidity management. Moreover, the strategy considers market conditions such as market capacity, proactive investor

dialogues, stable issuance behaviour as well as Nordea's AA – credit rating. To that end the strategy strives to preserve Nordea's strong credit rating enabling access to wholesale funding both in periods of stress and at an attractive cost. Competitive access to wholesale funding is further enhanced by the diversified business model of Nordea resulting in low volatility in earnings and capital supporting low volatility in secondary market spreads.

Intraday liquidity risk arises from intraday timing mismatches of payments. Nordea mitigates the intraday risk by effective operational management of intraday liquidity risk including position monitoring, reporting and controls, forecasting of intraday liquidity, payment and collateral management, and client and product management. In addition, intraday liquidity risk can be mitigated by having access to a surplus of intraday liquidity, such as balances at central banks, unencumbered liquid assets that can be converted to intraday liquidity by pledging with the central banks, or balances with other banks that can be used for intraday settlement.

A robust infrastructure of systems and controls is in place enabling timely production of reports, as well as the appropriate levels of analysis needed to assess Nordea's liquidity position on an ongoing basis.

Liquidity stress testing

Liquidity stress testing is carried out to identify liquidity risk drivers and stress scenarios which could impair Nordea's ability to meet cash flow obligations when they come due, either because of scarce liquidity resources or significantly increased costs in funding needed to generate liquidity. Liquidity stress testing is an important tool for evaluating the impact of exceptional but plausible events on the liquidity and funding position of the Group, as well as individual subsidiaries and branches. Liquidity stress testing in Nordea is done regularly on standard scenarios complemented by ad hoc stress testing, including cyber attack and climate risk scenarios.

The standard scenarios in daily use assess the cash flow impact of the following specific liquidity stresses over various time horizons:

- Market-wide stress, characterised by events comparable to those experienced in 2007-09. Although Nordea and other financial institutions are affected by these events, Nordea is not subject to a unique institution-specific stress.
- Idiosyncratic stress, characterised by an institution-specific event whereby Nordea's credit rating is downgraded. Other institutions and the markets overall are not in a stressed condition.
- Combined stress, characterised by market-wide and idiosyncratic stresses occurring simultaneously.

Pricing of liquidity risk

Appropriate transfer pricing mechanisms are maintained within the internal FTP framework to ensure that transactions are subject to market-based charges and benefits that incentivise behaviours that ultimately aim at driving the Group's balance sheet and liquidity profile in accordance with Group goals. GT administers this process by applying interest rate charges and liquidity premiums to transactions and profit centres. It is based on the levels of funding received, the cost of maintaining a liquidity buffer and other underlying interest rate and liquidity risk generated therein. The FTP is based on regulatory requirements and observed liquidity behaviours where assumptions are formally set each year in advance of the coming year. This aligns with funding and liquidity planning and overall management target setting processes for the coming year within the Rolling Financial Forecasting process.

Liquidity contingency planning

The Liquidity Contingency Plan addresses a framework for recognising a possible liquidity crisis well in advance with a set of liquidity early warning signals and the strategy for managing such liquidity crisis. The objective of the plan is to mitigate the impact of a possible liquidity stress event by assuring continuous access to liquidity needed to accommodate critical business activities. The Liquidity Contingency Plan can be triggered by a breach of an early warning signal, or as part of a proactive move in anticipation of a financial or liquidity stress by the liquidity First Response Team. Upon activation, the First Response Team is responsible for notifying all relevant internal and external stakeholders, including the business areas, Asset & Liability Committee (ALCO), Group Risk (GR) and Investor Relations as well as the financial authorities.

Liquidity risk appetite

For liquidity risk, the risk appetite is anchored to liquidity stress testing results over specified time horizons as well as regulatory requirements and has implications for nature and scope of activities undertaken by Nordea. In addition, the liquidity risk appetite determines the size of Nordea's liquidity buffers. The risk appetite framework and supporting liquidity risk limits will secure prudent hedging activities and mitigate the overall liquidity risk in Nordea. This framework is also used in monitoring the effectiveness of the liquidity risk management.

Nordea adheres to the following risk appetite statements approved by the Board of Directors in December 2025:

- Nordea shall maintain overall liquidity levels in support of its business strategy and to maintain the confidence of markets both in normal and dislocated markets. This is measured by Liquidity Coverage Ratio (LCR) and Liquidity Stress Coverage.
- Nordea should target an appropriate structural composition of its assets, liabilities and off-balance sheet commitments in support of its business strategy and regulatory requirements measured through Net Stable Funding Ratio (NSFR).

Governance of liquidity risk

Nordea operates under a three lines of defence (LoD) model for the governance of liquidity risk. GT, in its role as 1st LoD, is responsible for pursuing Nordea's liquidity and funding strategy in compliance with the liquidity risk appetite. GT manages and executes liquidity risk management processes, which include issuing funding and capital instruments, managing liquidity buffers, and defining the principles for pricing liquidity risk.

The business areas also play a key role in providing 1st LoD liquidity risk management, including identifying and assessing the liquidity risk impact of their activities, including new product initiatives, and assessing liquidity risk mitigation strategies in conjunction with GT.

Group Risk, in its role as 2nd LoD, provides independent risk oversight of liquidity risk management at Nordea and is responsible for establishing the internal rules framework for managing liquidity risk and performing independent liquidity stress testing. This includes developing and maintaining risk management processes and reporting processes, as well as reviewing and providing input to the liquidity risk appetite framework. Further, GR also verifies that all material liquidity risks have been identified by the 1st LoD and regularly performs reviews to assess the effectiveness and efficiency of the liquidity risk management framework.

Measurement of liquidity risk

The key internal measure is liquidity stress coverage, that defines the risk appetite by requiring that Nordea maintains sufficient liquidity to survive at least three months under a combined institution-specific and market-wide liquidity stress scenario with limited mitigation actions.

Key regulatory metrics are the LCR and the NSFR, also defining the risk appetite. The LCR is a ratio measuring the amount of qualifying highly rated assets (i.e. cash with central banks, highly rated sovereigns, otherwise known as high quality liquid assets (HQLA)) available to cover potential cash outflows during the first 30 days of a severe liquidity stress event, as prescribed by regulations. The Group as well as its subsidiaries must, at a minimum, comply with the LCR standards prescribed by the EU's CRR and further clarified through the European Commission's Delegated Acts. The NSFR requires that banks, including Nordea, hold sufficient levels of stable funding, given the duration and stability of their assets. The governance, compliance and supervisory actions are aligned between NSFR and LCR.

Additional metrics are in place for monitoring the liquidity and funding profiles at a more detailed level across Nordea as well as its subsidiaries and branches.

A framework of liquidity risk limits is in place to gauge and assess whether the liquidity risk profile of the Group and its subsidiaries and branches remain within the parameters of the liquidity risk appetites. GT will drive any actions needed to remediate any liquidity risk limit breach. The nature of the escalation and actions required in the event of a breach depend upon the limit hierarchy.

ILAAP

The Internal Liquidity Adequacy Assessment Process (ILAAP) is a continuous process for the Nordea Group as well as its eligible subsidiaries. The ILAAP provides an assessment of liquidity adequacy through a comprehensive analysis of liquidity risk management practices in the respective entities.

As part of the ILAAP, the Group Board concludes in the Liquidity Adequacy Statement that Nordea has adequate liquidity to support current and projected business activities under both normal and stressed conditions, underpinned by a robust liquidity risk management framework as well as adequate systems and controls. The major basis of this adequacy assessment is that Nordea has rigorously adhered to regulatory requirements and internal risk appetite limits.

Securitisation and credit derivatives

Securitisations, or risk sharing transactions as they are also referred to, are part of Nordea's strategic balance sheet toolbox allowing for diversification of the capital sourcing, optimisation of the capital position without impacting Nordea's business practices nor client relationships and reducing the bank's exposure to credit tail risk events.

Introduction to securitisation and credit derivatives trading

A securitisation is a transaction whereby the credit risk associated with an exposure or pool of exposures is tranching, payments in the transaction are dependent upon the performance of the exposure or pool of exposures and the subordination of tranches determines the distribution of losses during the ongoing life of the transaction. In a traditional securitisation, the ownership of the assets is transferred to a Securitisation Special Purpose Entity (SSPE), which in turn issues securities backed by these assets. In a synthetic securitisation, ownership of the assets does not change, the credit risk is transferred to the investor using credit derivatives or financial guarantees. Also, for synthetic securitisations, an SSPE may be used to facilitate the structure.

Banks can play several roles in securitisation. First, banks can act as originators by having assets they themselves originated as underlying exposures. Second, banks can act as sponsors or investors in which role they establish, manage or invest in securitisations of assets from third party entities. Third, through their credit trading activity, banks can themselves invest in or make market for these securities as well as create these exposures in credit derivatives markets.

Nordea is active within the securitisation area in several capacities. For the Group's clients Nordea may act as an arranger, structurer, investor and/or placement agent. In the credit derivatives market Nordea may act as an intermediary with focus on Nordic names, and Nordea may also trade collateralised debt obligation (CDO) tranches as a way of hedging credit risk related to high exposures on single exposures.

Risk sharing transactions

Risk sharing transactions constitute a core part of the balance sheet toolbox enabling Nordea to tap into complementary sources of capital for redeployment into its core business. Under these transactions, investors agree to provide credit protection linked to the junior or mezzanine credit risk of a referenced portfolio.

Given the weight attached to the client relationship, Nordea typically achieves risk transfer through so-called synthetic securitisation, performed through financial guaranteed structures where the referenced assets remain on Nordea's balance sheet. The transactions are structured in accordance with the relevant regulations such that Significant Risk Transfer (SRT) is achieved.

Relevant policies, regulations and assorted risks

Nordea's Significant Risk Transfer Directive outlines the principles for the effective and robust assessment, monitoring and management of SRT transactions in Nordea under relevant regulations. Risk limits are articulated outlining Nordea's appetite in terms of associated risk exposure amount (REA) in relation to Nordea's credit risk as well as flowback risks. The latter arises when the credit risk flows back to the bank and consequently becomes subject to a higher capital need.

Monitoring of securitisation risks

Securitisation risks are monitored according to the internal rules established in Nordea and to specific governance processes for securitisations. Nordea's Guideline for 2nd LoD Monitoring and Control of SRTs and Certain Other Transactions provides a framework to ensure that transactions are reviewed and compliant with all regulatory requirements at inception and on an ongoing basis. Flowback risks, structural risks, regulatory risks and foreign exchange risks associated with securitisation activities are monitored continuously.

Nordea originates SRTs with the following characteristics:

- Payments in the transaction or scheme are contingent on the performance of the exposure or pool of exposures.
- The subordination of tranches determines the distribution of losses during the ongoing life of the transaction or risk transfer scheme.
- Does not create exposures which possess all characteristics of being classified as specialised lending.

Securitisation positions are subject to the regulatory accounting treatment defined in the International Financial Reporting Standard (IFRS) and the capital treatment by the Capital Requirements Regulation (CRR). In the role as originator, Nordea follows the development of the securitisation regulation framework continuously to ensure strict adherence to regulation and, as appropriate, guidance.

Accounting policies related to securitisation transactions

Financial assets are derecognised from the balance sheet when the contractual rights to the cash flows from the financial asset expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterparty has performed and repaid its obligation (e.g. repaying a loan to Nordea). Gains and losses are recognised when the assets are derecognised by comparing the carrying amount to the proceeds received.

Synthetic securitisations are generally defined as transactions where an institution buys protection using financial guarantees or credit derivatives where the exposures are not derecognised from the balance sheet. For Nordea's transactions, they typically follow accounting recognition rules specific to guarantees.

For loans not derecognised, provisions are recognised for the expected losses on the loans without considering the protection bought. The protection is recognised separately, either as a derivative or as a reimbursement right for guarantees.

Traditional securitisations where Nordea acts as investor

Nordea invests in a limited number of SSPEs. These SSPEs have been established to facilitate or secure customer transactions with the purpose of supporting securitisations for Nordea corporate and financial customers. The investments are typically in the senior tranches of the securitisation.

Credit derivative trading

Nordea acts as an intermediary in the credit derivatives market, mainly in Nordic names. Nordea also may use credit derivatives to hedge positions in corporate bonds and synthetic CDOs.

When Nordea sells protection in a CDO transaction, it carries the risk of losses in the reference portfolio if a credit event occurs. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio triggered by a credit event are carried by the seller of protection.

It is Nordea's policy that CDO positions are held in the trading book and booked at fair value in accordance with IFRS 13, meaning that they are either mark-to-market or mark-to-model depending on the availability of external prices. Model prices are derived based on standard industry methods. Inputs are available market prices and assumptions primarily relate to correlation.

Credit derivative transactions create counterparty credit risk in a similar manner to other derivative transactions.

Counterparties in these transactions are typically subject to a financial collateral agreement, where the exposure is covered daily by collateral placements.

ICAAP, stress testing and capital allocation

The main objective of Nordea's Internal Capital Adequacy Assessment Process (ICAAP) is to ensure that Nordea and its legal entities are adequately capitalised to cover all risk incurred by the business over a foreseeable future, including during periods of stress. The level of capital needs to be adequate from an internal perspective, a regulatory perspective, as well as from a market participant perspective.

ICAAP

The purpose of the ICAAP is to identify, assess, quantify, manage and mitigate the risks Nordea is exposed to both now and on a forward-looking basis. The ICAAP is a continuous process increasing awareness of capital requirements and exposure to material risks throughout the organisation, both in the business area and legal entity dimensions.

As a key part of the ICAAP, stress testing is an important tool for understanding capital and risk under stressed conditions in a firm-wide perspective on a regular and ad hoc basis, and for specific areas as well as segments. The ICAAP includes a regular dialogue with supervisory authorities, ratings agencies and other external stakeholders with respect to capital management, measurement and mitigation techniques used.

The capital ratios, capital forecasts and capital requirement for Nordea and its subsidiaries are regularly monitored to ensure that the capitalisation is adequate. The current capital position and forecasts are reported to the Asset and Liability Committee (ALCO), Risk Committee (RC), Group Leadership Team (GLT) and the Group Board of Directors as well as the subsidiary Boards of Directors. Capital requirements and capital adequacy are thoroughly reviewed and documented annually in Nordea's ICAAP submission to supervisory authorities. This includes the Capital Adequacy Statement, which is ultimately decided on and signed by the Group Board.

Capital planning

The objective of the capital planning process is to ensure that Nordea and its subsidiaries have a sound mechanism of budgeting financial resources and forecasting the future needs of long-term plans and targets, as well as ensuring Nordea remains within its risk appetite. The process includes forecasts of capital requirements, available capital as well as the impact of new regulations. Capital planning is based on key components of the Nordea Financial Planning Framework, which includes lending volume growth by customer segment and country as well as forecasts of net profit, including assumptions of future loan losses. The capital planning process also considers macroeconomic forecasts to reflect the future impact of credit risk migration on the capital situation of Nordea. An active capital planning process ensures that Nordea can make necessary capital arrangements to accommodate strategic and business objectives, regardless of the state of the economy or the introduction of new capital adequacy regulations.

Pillar 2 Requirement (P2R)

On 28 October 2025 the European Central Bank (ECB) decided to maintain Nordea's Pillar 2 Requirement (P2R) at 1.60% of own funds, of which 0.90% must be met with CET1 capital.

Capital and dividend policies

Nordea maintains a strong capital position in line with its capital policy. Nordea targets a management buffer of 150bp above the regulatory CET1 requirement. This reflects Nordea's strong capital generation and enables the Group to manage capital efficiently while maintaining a prudent buffer above requirements. Nordea's ambition is to distribute 60–70% of the net profit for the year to shareholders. Excess capital will be used for organic growth and strategic business acquisitions, as well as being subject to buy-back considerations.

Dividend proposal and share buy-backs

Nordea continues to have strong capital generation and to be focused on maintaining an efficient capital structure. The Group launched a new share buy-back programme, of EUR 500m, on 18 December 2025 and will end the programme by 8 May 2026 at the latest.

In total, four programmes were launched in 2025, amounting to a total of EUR 1.25bn. On 31 December 2025 Nordea Bank Abp's distributable earnings, including profit for the financial year and after subtracting capitalised development expenses, were EUR 21,482m. Other unrestricted equity, consisting of invested unrestricted equity, amounted to EUR 1,077m.

Nordea's Board of Directors has decided to propose that the Annual General Meeting (AGM) of 24 March 2026 decide on a dividend payment of EUR 0.96 per share. This corresponds to approximately 68% of the net profit for the year. The Board of Directors has also decided to propose that the AGM authorise it to decide on the distribution of a mid-year dividend in 2026. The mid-year dividend amount is intended to be set at a level corresponding to approximately 50% of the Nordea Group's net profit for the six-month period ending 30 June 2026, while being subject to a maximum total amount of EUR 3bn. The mid-year dividend is considered to form the first part of the total dividend distribution to be paid for the financial year 2026 under the company's dividend policy. The mid-year dividend will be paid based on the annual accounts to be adopted for the financial year ended 31 December 2025. The intention is for the Group Board to decide on the mid-year dividend in conjunction with the interim report for the second quarter.

Dividends will not be paid for shares held by Nordea on the dividend record dates.

Capital transferability and restrictions

Nordea may transfer capital within the Group without operational or legal impediments. However, transfers are subject to the general conditions for entities considered solvent and with sufficient liquidity under national legislation and sometimes subject to approval from the local supervisor. Internal transfers of capital between legal entities are of importance in governing the capital positions of the Nordea Group and its legal entities.

Internal capital requirement (ICR)

As part of ICAAP, Nordea defines the ICR as the internal capital requirement for all material risks from an internal economic perspective, taking into account the regulatory, normative through-the-cycle perspective, adequate to withstand periods of stress.

Based on the normative Pillar 1 risks as regulatory prescribed, Nordea calculates an internal Pillar 1 equivalent. For all other risks identified as material and that are determined to be covered by capital, internally assessed and approved add-ons are then quantified to arrive at a total capital requirement for ICR purposes. Examples of such risks include interest rate risk in the banking book, concentration risk and pension risk. Capital is also held for ESG factors relating to credit risk.

In addition to calculating capital for its various risk types, Nordea conducts comprehensive capital adequacy stress tests to analyse the effects of a series of stress scenarios. The results of the stress tests are considered in Nordea's ICR as buffers for economic stress.

Stress testing

Nordea's resilience to stress is a key factor in determining the capital required to support its business and execute the Group's strategy. The stress testing approach and framework are governed by robust oversight and governance. Key stakeholders include the GLT, the Board Risk Committee, and the Boards of Directors of Nordea's subsidiaries, all of whom are actively engaged in the ICAAP stress testing process. Additionally, ALCO and RC conduct detailed reviews of the stress tests and assess their potential implications for Nordea's future capital position. Methodologies, scenarios, and results are thoroughly reviewed and discussed within the Stress Test Oversight Committee, a sub-committee of the RC. Final decisions on scenarios and key stress design features are made by the RC.

Stress testing is conducted at least annually as part of the ICAAP, with ad hoc stress tests performed throughout the year as needed. To evaluate Nordea's capital adequacy, a range of plausible scenarios is used to stress material risks and explore both specific and general vulnerabilities in Nordea's operations and financial position.

As part of ICAAP and the capital planning process, firm-wide stress tests serve as a critical risk management tool. They assess how severe but plausible changes in the business and macroeconomic environment could affect Nordea's capital needs. These tests demonstrate how capital

requirements fluctuate under stress, impacting income statements, the balance sheet, regulatory capital requirements, and capital ratios.

Nordea also conducts reverse stress tests across various recovery scenarios to support the development of the Group Recovery Plan. Reverse stress testing is further used to challenge the assumptions and scenarios applied in the annual ICAAP exercise. In addition, several stand-alone stress tests are performed for individual risk types, such as market risk and liquidity risk.

Stress test scenarios

The annual ICAAP stress test is based on three-year global macroeconomic scenarios including selected ESG components and relevant stress-testing design elements. These scenarios are designed to reflect shocks that are particularly pertinent to the current macroeconomic environment and to effectively challenge Nordea's risk profile.

While the annual stress test relies on comprehensive macroeconomic scenarios involving projections of multiple economic indicators, ad hoc stress tests may instead focus on direct estimates of changes in risk parameters or on a limited set of macroeconomic variables. This flexibility allows senior management to define tailored scenarios and assess their potential impact to support strategic planning.

Once a scenario is developed and quantified, its effects are translated into relevant parameters and simulated. Advanced models, complemented by expert judgment, are used to evaluate the scenario's impact.

Stress test calculation

Stressed parameters derived from the scenarios are used to estimate the impact on regulatory capital and financial statements. Regulatory capital requirements are calculated based on risk exposure amounts (REAs) for credit risk, market risk, and operational risk. These calculations are aggregated and presented as the total capital requirement.

Loan losses under stress are calculated using a bottom-up approach, incorporating stressed rating migrations and collateral valuations. Point-in-time probabilities of default (PDs), which are functions of the downturn scenarios, are applied in the loan loss estimation. The model also accounts for idiosyncratic losses related to exposures to individual customers and specific industries. Both specific and collective provisions are included in the loan loss calculations.

The stressed impact on other key income statement items, such as net interest income and net fee and commission income, is also assessed. The resulting effect on net profit after dividends is used to determine the impact on own funds. Own funds are then compared against stressed REAs and leverage exposures to calculate the effect on relevant capital ratios during the stress scenario.

Capital allocation

Allocated Equity (AE) is a framework to allocate capital held by Nordea to its business areas and is a central component in the Value Creation Framework (VCF). The VCF supports the operational decision-making process in Nordea to enhance performance management and ensure shareholder value creation.

AE reflects Nordea's anticipated equity by aligning to a target CET1 ratio level, which is set by the capital policy to ensure a sustainable long-term capitalisation for Nordea Group. To further align AE to equity, both CET1 deductions and other equity items are included in AE.

Nordea Life and Pensions (NLP)

The nature of life insurance leads NLP to take risks that are somewhat different from those faced in the banking operation. Those differences relate mainly to market and liquidity risks and life & health insurance risks. In addition to those risks, NLP is also exposed to other risks such as compliance and operational events.

Governance

The Boards of Directors of Nordea Life Holding AB (NLH AB)¹ and its subsidiaries are responsible for the management of the holding functions and the legal entities. The Boards ensure that NLP's organisational structure is appropriate and transparent with a clear division of duties and areas of responsibility ensuring effective and sound governance.

As a part of Nordea Group, NLP and its employees are governed by Nordea Group Directives. In addition, NLP has implemented NLP Group policies, instructions, guidelines and charters as appropriate to meet the specific NLP business needs or regulatory requirements. The local entities have additional policies, guidelines, processes and procedures in place as needed to comply with local legislation and local business requirements. The risk management system is embedded in this governance framework by the NLP Risk Management Strategy, NLP Risk Management Policy and the Risk Appetite Framework.

NLP's system of governance is based on a "three lines of defence (LoD)" model with a clear division of roles and responsibilities throughout the organisation. The first line of defence (1st LoD) is represented by the business. It is responsible for business operation and day-to-day management of risks. The second line of defence (2nd LoD) consists of the NLP group and local risk management functions, actuaries, and the NLP compliance function. Together, they represent independent control and risk functions which support the 1st LoD and verify effective risk management. As part of the 2nd LoD, NLP performs a detailed annual Own Risk and Solvency Assessment (ORSA) at Group level. Corresponding local ORSA processes are performed for local entities. The third line of defence (3rd LoD) is represented by Group Internal Audit, which assesses the internal control framework and processes for risk identification, control and reporting.

Risk and capital management

The key principles underlying the NLP Risk Management Strategy are:

- Risks to be taken on must be within the Risk Appetite Framework and its expression as limits, thresholds and targets. The risks must comply with NLP's return considerations and business strategy.
- Risks should only be taken if they are understood and can be managed, monitored and reported. Other risks must be avoided.
- The risk strategy, risk appetite, risk management and the control framework must be coherent and consistent at both global and local level.
- The risk management function acts as a risk partner for the business.
- The risk management strategy must meet present regulatory requirements. It must also acknowledge expected future regulatory requirements and pursue a swift course of alignment.

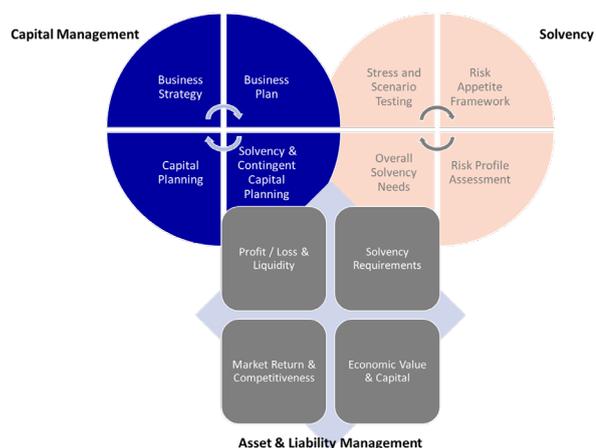
The risk management system is implemented using the well-known cycle of risk identification, risk measurement, risk monitoring, risk and capital management and risk reporting.

NLP follows a capital management process which covers all risks taken over the business planning period and assesses them under normal circumstances and stress scenarios covering macroeconomic risk, business risk and emerging risk developments.

NLP's key principle is that the level of capital must be adequate from an internal and regulatory perspective under all considered scenarios. This principle is the essence of the connection between risk management, capital management and asset & liability management.

¹ NLH AB is the holding company of Nordea Life & Pensions

Figure 7: Relating the capital management process to ORSA and Asset and Liability Management



The capital management process, which is illustrated in figure 7, is based on key components of NLP's business plan and financial forecast. It ensures that NLP is prepared to make the necessary capital arrangements depending on the state of the economy, developments regarding capital adequacy regulation and changing strategic and business objectives.

Capital management is governed by the NLP Capital Policy which specifies the internal solvency ratio limit for NLP. The policy is supplemented by the NLP Capital Contingency Plan which specifies measures to restore the solvency position to acceptable levels in case of any breaches of the internal or regulatory limits.

Business profile

The life and pensions business of NLP consists of a range of different life and health products, from endowments with duration of a few years to very long-term pension savings contracts with durations exceeding 40 years. The products are categorised into different lines of business in accordance with the terminology applied in the Quantitative Reporting Templates. The following lines of business exist within NLP:

- participating savings products
- unit-linked products
- other life insurance
- health insurance.

Market return products (unit-linked products) are clearly dominating NLP's new business. Traditional products (participating savings and life insurance products) and health insurance take minor roles in NLP's new business profile but remain at about 16% of the overall NLP assets under management.

Risk profile and risk management

The main risks that NLP is exposed to are market risks and life & health insurance risks. The risks are measured continuously by solvency capital requirements, exposure measurement on investment assets, and stress and sensitivity analysis. The risks are monitored against the risk appetite and existing limits.

Market risk

Market risk at NLP arises from the sensitivity of the values of assets and liabilities to changes in the level or volatility of market prices or interest rates. Main exposures to market risk originate from participating savings products and unit-linked savings products. Of these two product types, participating savings products are the main source of market risk. Buffers are maintained for this product portfolio in order to stabilise the solvency position and ensure stable returns to policy holders. Within market risk, interest rate risk, equity risk and credit spread risk are the most relevant risks.

NLP recognises that environmental, social and governance risks (ESG risks) are likely to manifest in the form of market risk. Sustainability considerations in particular have developed into a focus area and influence NLP's business strategy, investment decisions and risk processes. NLP assesses the materiality of climate-related market risk as a part of the Double Materiality Assessment process of Nordea Group, in Compliance with the EU Corporate Sustainability Reporting Directive (CSRD), and of its ORSA Process. The assessment employs quantitative methods (so called Climate Value-at-Risk data). For 2025, the assessment for the ORSA concluded that climate-related market risk is not material from a Group perspective.. In addition, there are other perspectives than solvency such as transmission channels by which ESG factors obtained through asset and liability allocation have the potential to lead to material impacts for NLP as a separate subsidiary. Uncertainty related to factors such as parameters used in climate scenarios, advances in research and data availability, macroeconomic aspects, the influence of tipping points on physical climate risk, the complexity of value chains, considerations for biodiversity and sudden changes of customer expectations and the regulatory environment all influence the way in which climate-related market risks are perceived and how they materialise.

In addition to the considerations NLP Group has with regard to its own financial and impact materiality, NLP Group recognises the relevance of sustainability-related market risks for its customers. This is especially due to the long-term investment horizon of NLP customers and the fact that NLP offers pension and savings products where customers take partial or full market risk. This implies that the effects of sustainability-related market risks, which are expected to manifest and reduce investment returns over a time period of several decades will also transmit to the customers of NLP. For further details on NLP's ESG-related risk strategy and management, please refer to the Sustainability Statement in the Annual Report of Nordea Bank Abp.

Life & health insurance risk

Life & health insurance risk is the risk of unexpected losses due to changes in the level, trend or volatility of mortality, longevity, disability and surrender/ lapse rates. The largest life insurance risks for NLP group are lapse risk and life expense risk.

Lapse risk is the most important insurance risk. It is primarily caused by unit-linked savings products and risk products, where the present value of future profits contributes positively to own funds under Solvency II.

Expense risk is the second most important insurance risk and arises from employment costs, cost of commissions, IT development and infrastructure.

Capital management

Managing the solvency position

NLP is regulated under Solvency II framework. The solvency position is calculated according to the Solvency II standard formula. The calculation of the solvency position makes use of long-term guaranteed adjustments and transitional measures. Their impacts are calculated, monitored and reported on an ongoing basis to ensure full transparency of the reliefs they provide and to consider their effect on management decisions.

NLP's Risk Appetite Framework and capital policy set a solvency ratio limit of 125% and NLP aims to operate above this. The solvency ratio limit is set well above the regulatory limit of 100% in order to provide an adequate buffer against volatility in the Solvency II balance sheet. This ensures that capital management can be performed in a planned and structured way rather than by inefficient ad hoc measures. NLP operated well above the solvency ratio limit of 125% during all of 2025.

Allocated Equity (AE)

NLP is included in Nordea's AE Framework (see section 'Capital allocation' in chapter 'ICAAP, stress testing and capital allocation' for more information).

Financial buffers

Financial buffers for participating savings products provide NLP with the ability to generate stable returns for policyholders. For NLP's shareholder, Nordea, financial buffers represent P&L protection against insufficient returns on their investment.

Continuous monitoring and risk mitigation

Market risk

Market risk and its risk sub-types are measured and monitored through calculations of the Solvency II capital requirements and investment limits for risky exposures. In addition, NLP regularly performs stress tests with standalone equity and interest rate shocks and combined shocks. NLP also performs more specific macroeconomic scenarios to assess the need for future capitalisation.

The results of stress tests and scenario analyses are monitored against limits prescribed by the NLP Capital Policy.

Market risk is mitigated by applying hedging and asset allocation strategies.

Life & health insurance risk

Lapse and longevity risks are measured and monitored through calculations of the Solvency II capital requirements.

To assess the resilience of the business to sudden changes in the lapse rate, a regular sensitivity test is performed at NLP group and local entity level. As lapse risk is linked to the behaviour of policy holders, it is mitigated through ensuring that NLP offers products which are attractive, competitive and meet customer needs.

Longevity risk is primarily controlled through adequate product pricing and adjusting life parameters for trends and life expectancy. The vast majority of longevity risk is attached to products no longer on sale. Mortality rates and life expectancies are updated and benchmarked annually.

Life expense risk is managed through cost control and cost efficiency. Increased process automation and shared services contribute to an improvement of the cost/income ratio.

Risk terminology and measures

Advanced IRB (AIRB) approach

See internal ratings-based approach (IRB).

Business model risk

The risk associated with failing to adopt an appropriate business model, set appropriate goals and targets in the bank strategy, or adapt to external developments.

Capital risk

The risk of insufficient capital to meet internal and external capital requirements.

Compliance risk

The risk of failure to comply with applicable regulations and related internal rules.

Comprehensive risk measure (CRM)

CRM measures the risk of losses from rating migration and issuer default in the correlation trading portfolio, specifically for securitised and re-securitised credit products, e.g., collateralised debt obligations (CDOs).

Concentration risk

The risk of losses arising due to concentrations in the exposures of the credit portfolio, e.g. when the portfolio is largely exposed to a few individual borrowers.

Correlation risk

The risk arising from a disparity between the estimated and actual correlation between two assets, currencies, derivatives, instruments or markets.

Counterparty credit risk (CCR)

The risk that counterparties fail to fulfil financial contractual commitments to Nordea related to a derivative transaction, repurchasing agreement or other securities financing contracts.

Credit risk

The risk of loss due to failure of counterparties to meet their obligations to clear a debt in accordance with agreed terms and conditions.

Default risk

The risk that a counterparty is unable to make the required payments on their debt obligations.

ESG related credit risk

The risk of credit losses from the current or prospective impacts of ESG factors.

ESG related capital risk

The risk to Nordea's cost of capital or its ability to raise capital due to changes in market perceptions of Nordea's long-term resilience specifically related to climate risk, whether transitional or physical in nature.

ESG related market risk

The risk of loss related to changes in market values or net interest income from the current or prospective impacts of ESG factors.

ESG related liquidity risk

Defined as the risk to Nordea meeting its liquidity commitments from the impact ESG factors may have on the existing liquidity risks.

Expected exposure

The expected exposure is the expected average exposure on a future target date conditional on positive market values. Expected exposure is calculated for internal model method (IMM) approved contracts by simulating a large set of future scenarios for the underlying price factors and then revaluing the contracts in each scenario at different time horizons. In these calculations, netting is done of the exposure on contracts within the same legally enforceable netting agreement.

Foreign exchange (FX) risk

The risk of losses due to changes in the value of Nordea's positions and holdings directly caused by FX related market factors, including spot prices, forward prices and volatilities.

Foundation IRB (FIRB)

See internal ratings-based approach (IRB).

General wrong way risk (GWWR)

GWWR occurs when the trade position is affected by factors like interest rates, inflation, or political tension in a particular region and most often appears on portfolio level.

Incremental risk measure (IRM)

IRM measures the risk of losses from rating migration and issuer default for un-securitised credit products, e.g., bonds and credit derivatives, in Nordea's trading book.

Internal model method (IMM)

IMM exposure is calculated by simulating future scenarios for underlying price factors and revaluing the contracts in each scenario at different time horizons. Netting of the exposures is done on contracts within the same legally enforceable netting agreement. Nordea uses a stressed calibration of the IMM for calculation of the CCR exposures. Under IMM, simulated exposure is subject to a regulatory multiplier of 1.4 to reflect the potential for correlation in risk across the portfolio. Nordea has approval to use the IMM to calculate the regulatory CCR exposures in accordance with the credit risk framework in the Capital Requirements Regulation (CRR). The method is used for standard FX and interest rate products which constitute the predominant share of the exposure.

Internal ratings-based approach (IRB)

Subject to approval by their supervisor, banks are allowed to calculate their own funds requirements for credit risk capital using an internally developed approach, the IRB, rather than the standardised approach. The bank may be authorised to use the foundation IRB (FIRB), the advanced IRB (AIRB) or a combination of the two with FIRB used for calculating own funds requirements for some exposures and AIRB for others. With an FIRB approval, banks are permitted to use internal estimates for probability of default (PD). An AIRB approval permits banks to use internal estimates for loss given default (LGD) and credit conversion factors (CCF) in addition to internal estimates for PD as permitted by an FIRB approval.

Insurance risk

The risk of unexpected losses due to changes in the level, trend or volatility of lapse rates, mortality rates, longevity rates, disability rates, or expenses.

Interest rate risk

The risk that the value of a position will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve, or in any other interest rate relationship.

Interest rate risk in the banking book (IRRBB)

The risk to earnings or to the economic value of the banking book arising from changes in interest rates and credit or funding spreads.

Lapse risk

Risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level or volatility of the rates of policy lapses, terminations, renewals and surrenders.

Liquidity risk

The risk that Nordea can only meet its liquidity commitments at an unsustainably high price or, ultimately, is unable to meet its obligations as they come due.

Longevity risk

Risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities.

Market risk

The risk of loss in Nordea's positions in either the trading book or non-trading book as a result of changes in market rates and parameters that affect the market values or net interest income flows. Market risk exists irrespective of the accounting treatment of the positions.

Mark to market method

For the part of the portfolio not covered by IMM, Nordea uses the mark to market method for calculating the regulatory exposure, which is essentially the sum of current net exposure and potential future exposure. The potential future exposure is an estimate reflecting possible changes in the future market value of the individual contract during the remaining life of the contract and is measured as the notional principal amount multiplied by an add-on factor. The size of the CRR add-on factor, depends on the contracts' underlying asset and time to maturity.

Model risk

The risk of adverse effects on capital adequacy, financial loss, poor business and strategic decision-making and damage to Nordea's reputation, from the use of models.

Operational risk

The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk.

Output floor

A floor for banks that use internal models, requiring their calculated risk exposure amounts (REA) to be no less than 72.5% of the REA under standardised approaches. It applies on an aggregate level across credit, market, and operational risk, with a phase-in starting at 50% in 2025 and full implementation at 72.5% by 2030, including transitional rules until 2032.

Pension risk

The risk that Nordea-sponsored defined benefit pension plans become underfunded.

Point-in-time (PIT) methodology

Used for model calibration. A PIT rating system uses all currently available obligor-specific and aggregate information to assign obligors to risk grades. In a PIT rating system, an obligor's rating is expected to change as its economic prospects change.

Probability of default (PD)

The likelihood that a loan will not be repaid and will fall into default.

Rating model

A rating model employs a set of specified and distinct rating criteria to produce a rating. These are called input factors and are, together with the criteria for assigning a customer to a specific rating model, the fundamental building blocks of a rating model. Typical input factors are financial factors, customer factors and qualitative factors.

Recovery rate risk

The risk that following a default, contracts of the defaulting entity cannot be honoured in full, thereby leading to financial loss to Nordea.

Reputational risk

The risk of damage to trust in Nordea from the Group's customers, employees, authorities, investors, partners and general public with the potential for adverse economic impact.

Risk appetite

The aggregate level and types of risk Nordea is willing to assume within its risk capacity, and in line with its business model, to achieve its strategic objectives.

Risk capacity

The maximum level of risk Nordea is deemed able to assume given its capital, its risk management and control capabilities, and its regulatory constraints. Risk capacity is set in line with Nordea's capital position, including an appropriate shock absorbing capacity.

Risk grade

Risk grade is calculated based on the customer's behaviour on all accounts/products including potential joint commitments. The corresponding risk grade is assigned across all of the customer's facilities in Nordea.

Settlement risk

Settlement risk is a type of risk arising during the process of settling a contract or executing a payment. The risk amount is the principal of the transaction, and a loss could occur if a counterpart was to default after Nordea has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or security.

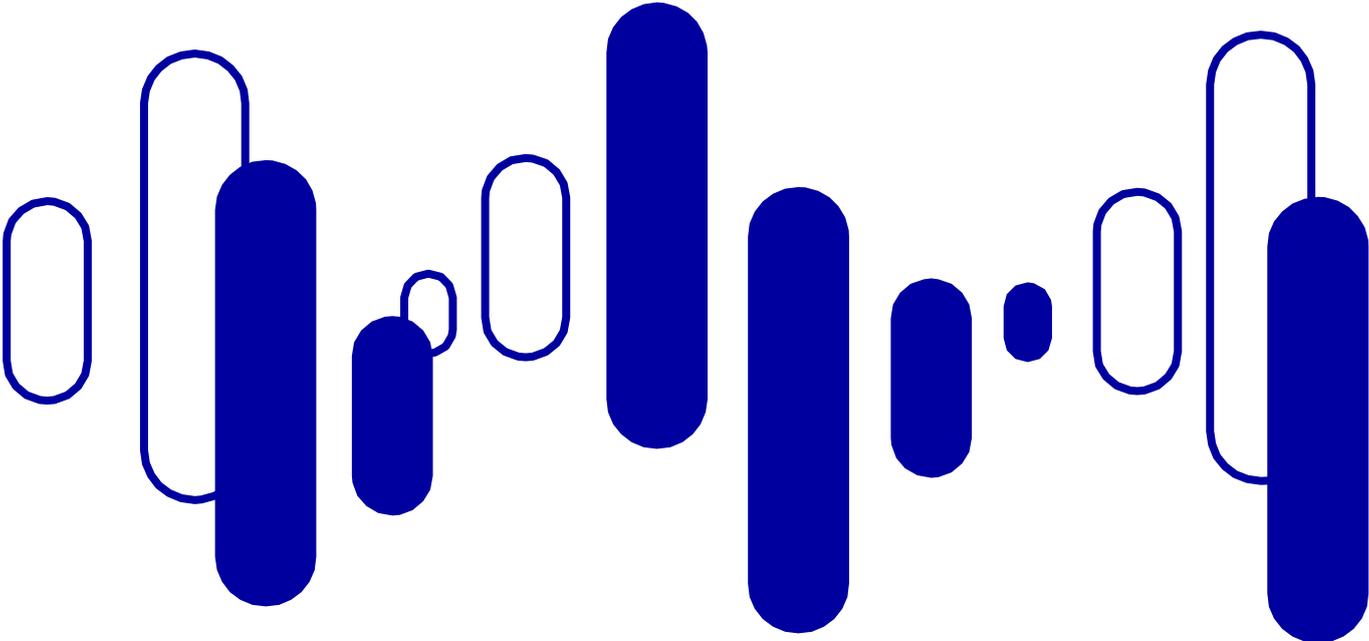
Standardised approach (SA)

The risk weights in the SA are set by the regulation and are based on external rating and exposure class. Some exposure classes are derived from the type of counterparty, while others are based on asset type, product type, collateral type or exposure size. Currently in Nordea, the SA remains in use for some smaller portfolios as well as sovereign and equity portfolios.

Structural FX risk

The risk to capital ratios that arises from a mismatch between the currency distribution of the risk exposure amounts and the currency distribution of capital.

Part 2: Year-end analysis and results



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Table 1 - Summary of items included in own funds including profit

Nordea's Own Funds as of end Q4 2025 amounted to EUR 33.9bn (EUR 32.8bn in Q4 2024), of which CET1 capital constituted EUR 25.1bn (EUR 24.6bn in Q4 2024), Additional Tier 1 capital EUR 4.2bn (EUR 4.1bn in Q4 2024) and Tier 2 capital EUR 4.5bn (EUR 4.1bn in Q4 2024). Compared to Q4 2024, the increase in CET1 capital was mainly driven by profit generation net of dividend accrual, partly countered by the deduction of four new share buy-back programmes. Tier 2 capital increased EUR 0.4bn during the year, mainly driven by Tier 2 issuance in Q4 2025.

EURm	Q4 2025	Q4 2024
Calculation of own funds		
Equity in the consolidated situation	27,574	26,629
Profit of the period	4,843	5,062
Accrued dividend	-3,284	-3,279
Common Equity Tier 1 capital before regulatory adjustments	29,133	28,411
Deferred tax assets	-14	-24
Intangible assets	-2,840	-2,704
IRB provisions shortfall (-)	-44	-228
Pension assets in excess of related liabilities	-256	-271
Other items, net	-848	-614
Total regulatory adjustments to Common Equity Tier 1 capital	-4,002	-3,842
Common Equity Tier 1 capital (net after deduction)	25,131	24,570
Additional Tier 1 capital before regulatory adjustments	4,261	4,138
Total regulatory adjustments to Additional Tier 1 capital	-13	-25
Additional Tier 1 capital	4,248	4,113
Tier 1 capital (net after deduction)	29,379	28,683
Tier 2 capital before regulatory adjustments	4,550	4,167
IRB provisions excess (+)		
Deductions for investments in insurance companies		
Other items, net	-25	-50
Total regulatory adjustments to Tier 2 capital	-25	-50
Tier 2 capital	4,525	4,117
Own funds (net after deduction)	33,904	32,800
Own funds, excluding profit		
EURm	Q4 2025	Q4 2024
Common Equity Tier 1 capital	23,566	22,774
Tier 1 capital (net after deduction)	27,814	26,887
Total own funds	32,339	31,004
Own Funds reported to ECB		
	Q4 2025	Q4 2024
Profit inclusion	Including profit	Including profit

Table 2 - Drivers behind development of the CET1 capital ratio

During 2025 the CET1 ratio decreased by 2bps, mainly driven by the launch of four share buy-back programmes (-79bps) and volume growth (-31bps). These were partly offset by profit generation net of dividend accrual (+99bps).

	CET1 ratio
Q4 2024	15.76%
Profit	3.07%
Dividend accrual	-2.08%
Share buy-backs	-0.79%
FX effects	0.01%
Credit quality	0.02%
Volumes, incl derivatives	-0.31%
Basel IV	0.06%
Other	-0.01%
Q4 2025	15.74%

Table 3 - Bridge between IFRS equity and CET1 capital

The following table discloses a bridge between IFRS equity and CET1 capital as of Q4 2025 and Q4 2024.

EURm	2025	2024
Balance sheet equity	32,419	32,436
Valuation adjustment for non-CRR companies	-19	-28
Other adjustments	-25	-824
Sub-total	32,375	31,585
Dividend	-3,284	-3,279
Goodwill	-1,642	-1,638
Intangible assets	-1,198	-1,066
Shortfall deduction	-44	-228
Pension deduction	-256	-271
Other deductions	-819	-532
Common Equity Tier 1 capital	25,131	24,570

Table 4 - EU OV1 – Overview of total risk exposure amounts

REA increased by EUR 1.3bn during Q4 2025 due to increased corporate lending volumes. The REA increase was partly offset by capital management initiatives, including the launch of a new risk-sharing transaction in October 2025.

EURm

	Total risk exposure amounts (TREA)		Total own funds requirements
	a	b	c
	Q4 2025	Q3 2025	Q4 2025
1 Credit risk (excluding CCR)	126,847	125,682	10,148
2 <i>Of which the standardised approach</i>	12,193	12,675	975
3 <i>Of which the Foundation IRB (F-IRB) approach</i>	23,840	23,328	1,907
4 <i>Of which slotting approach</i>			
EU 4a <i>Of which equities under the simple risk weighted approach</i>			
5 <i>Of which the Advanced IRB (A-IRB) approach</i>			
6 Counterparty credit risk - CCR	80,014	79,122	6,401
7 <i>Of which the standardised approach</i>	2,548	2,603	204
8 <i>Of which internal model method (IMM)</i>	473	617	38
EU 8a <i>Of which exposures to a CCP</i>	1,482	1,461	119
9 <i>Of which other CCR</i>	60	80	5
10 Credit valuation adjustments risk - CVA risk	533	445	43
EU 10a <i>Of which the standardised approach (SA)</i>	455	591	36
EU 10b <i>Of which the basic approach (F-BA and R-BA)</i>	310	347	25
EU 10c <i>Of which the simplified approach</i>	144	244	12
15 Settlement risk	0	0	0
16 Securitisation exposures in the non-trading book (after the cap)	3,526	3,375	282
17 <i>Of which SEC-IRBA approach</i>	3,189	3,111	255
18 <i>Of which SEC-ERBA (including IAA)</i>	121	84	10
19 <i>Of which SEC-SA approach</i>	216	180	17
EU 19a <i>Of which 1250% / deduction</i>			
20 Position, foreign exchange and commodities risks (Market risk) ¹⁾	5,158	4,995	413
21 <i>Of which the Alternative standardised approach (A-SA)</i>			
EU 21a <i>Of which the Simplified standardised approach (S-SA)</i>	714	783	57
22 <i>Of which Alternative Internal Model Approach (A-IMA)</i>			
EU 22a Large exposures			
23 Reclassifications between the trading and non-trading books			
24 Operational risk	21,125	21,125	1,690
EU 24a Exposures to crypto-assets			
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	173	229	14
26 Output floor applied (%)	50%	50%	
27 Floor adjustment (before application of transitional cap)			
28 Floor adjustment (after application of transitional cap)			
29 Total	159,659	158,371	12,773

¹⁾ Due to the postponement of application of CRR3 changes to capital requirements for Market Risk (FRTB), rows 21 and 22 are not yet applicable. The amount disclosed on row 21a is calculated in accordance with the pre-FRTB (CRR2) regulation, per EBA requirement.

Table 5 - EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts at risk level

The higher REA in full standardised approach compared to current modelled approach is driven by high share of corporate exposures without external ratings. It is to be noted that full standardised REA from market risk is calculated based on CRR2 and will be recalculated when FRTB based on CRR3 is implemented. In Q4 2025 the total REA base for output floor was EUR 235.5bn, while total actual REA was EUR 159.7bn, 67.8% of the unmitigated output floor REA. As of Q4 2025 the output floor is not constraining for Nordea.

EURm	a	b	c	d	EU d
	RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1 Credit risk (excluding counterparty credit risk) ¹⁾	114,654	12,193	126,847	224,103	193,650
2 Counterparty credit risk	2,483	65	2,548	7,247	5,074
3 Credit valuation adjustment		455	455	455	455
4 Securitisation exposures in the banking book	3,189	337	3,526	8,832	4,942
5 Market risk	4,444	714	5,158	10,221	10,221
6 Operational risk		21,125	21,125	21,125	21,125
7 Other risk weighted exposure amounts					
8 Total	124,771	34,888	159,659	271,982	235,467

¹⁾ Including the additional risk exposure amount related to Swedish RW floor due to Article 458 CRR and the additional risk exposure amount due to Article 3 of the CRR (related to changed capital treatment, from internal ratings-based (IRB) to standardised, for certain portfolios not part of the non-retail model application).

Table 6 - EU CMS2 – Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level

In Q4 2025 the total credit risk REA base for output floor was EUR 193.6bn, while total actual REA was EUR 126.8bn. As of Q4 2025 the output floor is not constraining for Nordea.

EURm	a	b	c	d	EU d
	Risk weighted exposure amounts (RWEAs)				
	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1 Central governments and central banks			158	158	158
EU 1a Regional governments or local authorities			19	19	19
EU 1b Public sector entities	7	14	7	14	14
EU 1c Categorised as Multilateral Development Banks in SA					
EU 1d Categorised as International organisations in SA					
2 Institutions	565	821	779	1,034	1,034
3 Equity			1,646	1,646	1,646
5 Corporates	37,473	56,038	39,259	83,443	57,825
5.1 <i>Of which: F-IRB is applied</i>					
5.2 <i>Of which: A-IRB is applied</i>					
EU 5a <i>Of which: Corporates - General</i>	37,209	54,494	38,946	81,739	56,280
EU 5b <i>Of which: Corporates - Specialised lending</i>	13	130	13	130	130
EU 5c <i>Of which: Corporates - Purchased receivables</i>	251	1,414	300	1,574	1,414
6 Retail	9,446	12,449	11,752	14,755	14,755
6.1 <i>Of which: Retail - Qualifying revolving</i>					
EU 6.1a <i>Of which: Retail - Purchased receivables</i>	15	109	16	109	109
EU 6.1b <i>Of which: Retail - Other</i>	9,431	12,339	11,737	14,646	14,646
6.2 <i>Of which: Retail - Secured by residential real estate</i>					
EU 7a Categorised as secured by immovable properties and ADC exposures in SA	58,943	102,403	61,255	109,549	104,715
EU 7b Collective investment undertakings (CIU)			2,204	2,206	2,206
EU 7c Categorised as exposures in default in SA	3,522	3,658	3,695	3,831	3,831
EU 7d Categorised as subordinated debt exposures in SA			976	976	976
EU 7e Categorised as covered bonds in SA	1,897	3,391	1,897	3,391	3,391
EU 7f Categorised as claims on institutions and corporates with a short-term credit assessment in SA					
8 Other non-credit obligation assets	2,800	2,683	3,197	3,079	3,079
9 Total	114,654	181,457	126,847	224,103	193,650

Table 7 - EU CC1 - Composition of regulatory own funds

At the end of Q4 2025, CET1 after regulatory adjustments increased to EUR 25.1bn (EUR 24.0bn¹ in Q2 2025). The increased CET1 was mainly driven by profit generation net of dividend accrual, partly offset by two new share buy-back programmes. Additional Tier 1 (AT1) capital after regulatory adjustments increased to EUR 4.2bn (EUR 3.0bn in Q2 2025), mainly driven by three new AT1 issuances. Tier 2 capital after regulatory adjustments increased to EUR 4.5bn (EUR 4.0bn in Q2 2025) mainly driven by one new Tier 2 issuance.

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EURm		
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1 Capital instruments and the related share premium accounts	4,050	11,12
<i>of which: Instrument type 1</i>	4,050	
<i>of which: Instrument type 2</i>		
<i>of which: Instrument type 3</i>		
2 Retained earnings	23,099	13,14,18
3 Accumulated other comprehensive income (and other reserves)	469	15
EU-3a Funds for general banking risk		
4 Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
5 Minority interests (amount allowed in consolidated CET1)		
EU-5a Independently reviewed interim profits net of any foreseeable charge or dividend	1,559	17
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	29,177	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	-199	
8 Intangible assets (net of related tax liability) (negative amount)	-2,840	1
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-14	2,4
11 Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-43	16
12 Negative amounts resulting from the calculation of expected loss amounts	-44	
13 Any increase in equity that results from securitised assets (negative amount)		
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	3	
15 Defined-benefit pension fund assets (negative amount)	-256	3
16 Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-44	20
17 Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
EU-20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-3	
EU-20b <i>of which: qualifying holdings outside the financial sector (negative amount)</i>		
EU-20c <i>of which: securitisation positions (negative amount)</i>	-3	
EU-20d <i>of which: free deliveries (negative amount)</i>		
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
22 Amount exceeding the 17,65% threshold (negative amount)		
23 <i>of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities</i>		
24 Not applicable		
25 <i>of which: deferred tax assets arising from temporary differences</i>		
EU-25a Losses for the current financial year (negative amount)		
EU-25b Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26 Not applicable		
27 Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a Other regulatory adjustments	-606	
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	-4,046	
29 Common Equity Tier 1 (CET1) capital	25,131	

Additional Tier 1 (AT1) capital: instruments		
30 Capital instruments and the related share premium accounts	4,263	5
31 <i>of which: classified as equity under applicable accounting standards</i>		19
32 <i>of which: classified as liabilities under applicable accounting standards</i>	4,263	
33 Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		6
EU-33a Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35 <i>of which: instruments issued by subsidiaries subject to phase out</i>		
36 Additional Tier 1 (AT1) capital before regulatory adjustments	4,263	
Additional Tier 1 (AT1) capital: regulatory adjustments		
37 Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-2	7
38 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39 Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40 Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
42 Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a Other regulatory adjustments to AT1 capital	-13	
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	-15	
44 Additional Tier 1 (AT1) capital	4,248	
45 Tier 1 capital (T1 = CET1 + AT1)	29,379	
Tier 2 (T2) capital: instruments		
46 Capital instruments and the related share premium accounts	4,550	8
47 Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		9
EU-47a Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49 <i>of which: instruments issued by subsidiaries subject to phase out</i>		
50 Credit risk adjustments		
51 Tier 2 (T2) capital before regulatory adjustments	4,550	

Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-1	10
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital	-24	
57	Total regulatory adjustments to Tier 2 (T2) capital	-25	
58	Tier 2 (T2) capital	4,525	
59	Total capital (TC = T1 + T2)	33,904	
60	Total Risk exposure amount	159,659	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	15.7%	
62	Tier 1 capital	18.4%	
63	Total capital	21.2%	
64	Institution CET1 overall capital requirements	13.8%	
65	<i>of which: capital conservation buffer requirement</i>	2.5%	
66	<i>of which: countercyclical capital buffer requirement</i>	1.7%	
67	<i>of which: systemic risk buffer requirement</i>	1.7%	
EU-67a	<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement</i>	2.5%	
EU-67b	<i>of which: additional own funds requirements to address the risks other than the risk of excessive leverage</i>	0.9%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	10.3%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	17	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	12	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	57	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	655	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

¹⁾ Q2 2025 figures were shown excluding interim profit.

Table 8 - EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

In Q4 2025 the difference between the balance sheet in the audited financial statements and figures corresponding to the consolidated situation under CRR was EUR 99.5bn. The reason for the difference is that insurance operations are excluded from the regulatory scope of consolidation.

	a	b	c
	Balance sheet as in published financial statements ¹⁾	Under regulatory scope of consolidation ²⁾	Reference
EURm	As of Q4 2025	As of Q4 2025	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1 Cash and balances with central banks	38,206	38,159	
2 Loans to central banks	6,947	6,947	
3 Loans to credit institutions	4,038	3,694	
4 Loans to the public	381,871	383,251	
5 Interest bearing securities	79,872	72,759	
6 Shares	39,587	15,409	
7 Assets in pooled schemes and unit-linked investments contracts	70,677	3,844	
8 Derivatives	17,633	17,663	
9 Fair value changes of the hedged items in portfolio hedge of interest rate risk	-158	-158	
10 Investments in associated undertakings and joint ventures	462	1,484	
11 Intangible assets	4,088	3,498	
<i>of which: Goodwill and other intangible assets</i>	<i>3,429</i>	<i>2,840</i>	8
12 Properties and equipment	1,564	1,503	
13 Investment properties	2,215	6	
14 Deferred tax assets	180	71	
<i>of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences</i>	<i>19</i>	<i>14</i>	10 ³⁾
15 Current tax assets	383	354	
16 Retirement benefit assets	334	334	
<i>of which: Retirement benefit assets net of tax</i>	<i>256</i>	<i>256</i>	15
17 Other assets	5,621	5,221	
18 Prepaid expenses and accrued income	832	787	
19 Assets held for sale			
Total assets	654,350	554,824	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
1 Deposits by credit institutions and central banks	34,131	34,131	
2 Deposits and borrowings from the public	242,874	244,198	
3 Deposits in pooled schemes and unit-linked investment contracts	71,611	4,007	
4 Insurance contract liabilities	33,097		
5 Debt securities in issue	196,276	196,745	
6 Derivatives	18,078	18,112	
7 Fair value changes of the hedged items in portfolio hedge of interest rate risk	-567	-567	
8 Current tax liabilities	672	595	
9 Other liabilities	14,408	13,891	
10 Accrued expenses and prepaid income	1,298	1,294	
11 Deferred tax liabilities	601	585	
12 Provisions	348	346	
13 Retirement benefit obligations	296	277	
14 Subordinated liabilities	8,810	8,810	
<i>of which: AT1 Capital instruments and the related share - premium accounts</i>	<i>4,263</i>	<i>4,263</i>	30
<i>of which: T2 Capital instruments and the related share - premium accounts</i>	<i>4,550</i>	<i>4,550</i>	33
15 Liabilities held for sale			
Total liabilities	621,931	522,424	
Shareholders' Equity			
1 Additional Tier 1 capital holders			
2 Share capital	4,050	4,050	
3 Invested unrestricted equity	1,077	1,077	
<i>of which: Capital instruments and the related share - premium accounts</i>	<i>1,080</i>	<i>1,080</i>	
4 Other reserves	-2,550	-2,521	
<i>of which: Accumulated other comprehensive income</i>	<i>-656</i>	<i>-611</i>	
<i>of which: Fair value reserves related to gains or losses on cash flow hedges</i>	<i>43</i>	<i>43</i>	
5 Retained earnings	29,842	29,793	
Total shareholders' equity	32,419	32,400	
Total liabilities and shareholders' equity	654,350	554,824	

¹⁾ Nordea Group is the accounting group as disclosed in the Annual Report.

²⁾ Nordea consolidated situation in accordance with CRR.

³⁾ Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities.

Table 9 - EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments¹

Q4 2025							
Instruments for meeting own funds requirements							
1 Issuer	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	FI4000297767	US65559CAA99/ US65559D2A65	US65559CAD39/ US65559D2D05	US65559CAD39/ US65559D2D05	XS2898085589	XS2898090746	USX60003AC87/ US65558BRAK59
2a Public of private placement	Public	Public	Public	Public	Public	Public	Public
3 Governing law(s) of the instrument	Finnish	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)
3a Contractual recognition of write down and conversion powers of resolution authorities	N/A	Yes	Yes	Yes	Yes	Yes	Yes
Regulatory treatment							
4 Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
5 Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7 Instrument type (types to be specified by each jurisdiction)	Share as published in Regulation (EU) No 575/2013 article 28	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52
8 Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	EUR 4,050m	EUR 1,080m	EUR 784m	EUR 347m	EUR 135m	EUR 673m	EUR 231m
9 Nominal amount of instrument	EUR 4,049,951,919	USD 1,250m / EUR 1,066m	USD 1,000m / EUR 853m	SEK 3,750m / EUR 347m	NOK 1,600m / EUR 135m	USD 800m / EUR 682m	SEK 2,500m / EUR 231m
EU-9a Issue price	N/A	100 per cent					
EU-9b Redemption price	N/A	100 per cent of Nominal amount					
10 Accounting classification	Shareholders' equity	Liability - amortised cost					
11 Original date of issuance	N/A	26-Mar-2019	1-Sep-2021	6-Sep-2024	6-Sep-2024	25-Sep-2024	27-Aug-2025
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13 Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity
14 Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	N/A	26-Mar-2026 In addition tax/regulatory call 100 per cent of nominal amount	1-Mar-2029 to 1-Sep-2029 In addition tax/regulatory call 100 per cent of nominal amount	6-Sep-2029 to 6-Mar-2030 In addition tax/regulatory call 100 per cent of nominal amount	6-Sep-2029 to 6-Mar-2030 In addition tax/regulatory call 100 per cent of nominal amount	25-Sep-2031 to 25-Mar-2032 In addition tax/regulatory call 100 per cent of nominal amount	27-Nov-2030 In addition tax/regulatory call 100 per cent of nominal amount
16 Subsequent call dates, if applicable	N/A	26-Mar and 26-Sep each year after first call date	1-Mar and 1-Sep each year after first call period	6-Mar, 6-Jun, 6-Sep, 6-Dec each year after first call period	6-Mar, 6-Jun, 6-Sep, 6-Dec each year after first call period	25-Sep and 25-Mar each year after first call period	27-Feb, 27-May, 27-Aug, 27-Nov each year after first call date
Coupons / dividends							
17 Fixed or floating dividend / coupon	N/A	Fixed	Fixed	Floating	Floating	Fixed	Floating
18 Coupon rate and any related index	N/A	Fixed 6.625 per cent per annum, until first call date, thereafter fixed 5-year US Treasury +4.11 per cent per annum	Fixed 3.750 per cent per annum until 1 September 2029, thereafter fixed 5-year CMT Rate + 2.602 per cent per annum	Floating 3-month STIBOR + 2.80 per cent per annum	Floating 3-month NIBOR + 2.85 per cent per annum	Fixed 6.300 per cent per annum until 25 March 2032, thereafter fixed 5-year CMT Rate + 2.66 per cent per annum	Floating 3-month STIBOR + 2.50 per cent per annum
19 Existence of a dividend stopper	N/A	No	No	No	No	No	No
EU-20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
EU-20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21 Existence of step up or other incentive to redeem	N/A	No	No	No	No	No	No

22 Noncumulative or cumulative	N/A	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	N/A	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible
24 If convertible, conversion trigger(s)	N/A	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory
25 If convertible, fully or partially	N/A	Fully, if trigger level breached Fully or partially, if decided by Resolution authority	Fully, if trigger level breached Fully or partially, if decided by Resolution authority	Fully, if trigger level breached Fully or partially, if decided by Resolution authority	Fully, if trigger level breached Fully or partially, if decided by Resolution authority	Fully, if trigger level breached Fully or partially, if decided by Resolution authority	Fully, if trigger level breached Fully or partially, if decided by Resolution authority
26 If convertible, conversion rate	N/A	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means USD 6.44.	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means USD 8.21.	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means SEK 84.74.	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means NOK 87.19.	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means USD 8.16.	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means SEK 105.67.
27 If convertible, mandatory or optional conversion	N/A	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
28 If convertible, specify instrument type convertible into	N/A	Common Equity Tier 1					
29 If convertible, specify issuer of instrument it converts into	N/A	Nordea Bank Abp					
30 Write-down features	N/A	Yes	Yes	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)	N/A	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory
32 If write-down, full or partial	N/A	Fully or Partially					
33 If write-down, permanent or temporary	N/A	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b Ranking of the instrument in normal insolvency proceedings	1. CET1	2. AT1					
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Tier 2					
36 Non-compliant transitioned features	No	No	No	No	No	No	No
37 If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a Link to the full term and conditions of the instrument (signposting)	Articles of Association Nordea Bank Abp	USD 1,250,000,000 6.625% Perpetual Non-Call March 2026 Additional Tier 1 Notes (Regulation S ISIN US65559D2A65 Rule 144A ISIN US65559CAA99) - Conditions	USD 1,000,000,000 Perpetual Reset Additional Tier 1 Conversion Notes (Regulation S ISIN US65559D2D05 Rule 144A ISIN US65559CAD39) - Conditions	SEK 3,750,000,000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS2898085589) - Conditions	NOK 1,600,000,000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS2898090746) - Conditions	USD 800,000,000 Perpetual Reset Additional Tier 1 Conversion Notes (Regulation S ISIN USX60003AC87 Rule 144A ISIN US65558RAK59) - Conditions	SEK 2 500 000 000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS3167441768) - Conditions
7a cont. Link to the full term and conditions of the instrument (signposting) - cont.		USD 1,250,000,000 6.625% Perpetual Non-Call March 2026 Additional Tier 1 Notes (Regulation S ISIN US65559D2A65 Rule 144A ISIN US65559CAA99) - Pricing Supplement	USD 1,000,000,000 Perpetual Reset Additional Tier 1 Conversion Notes (Regulation S ISIN US65559D2D05 Rule 144A ISIN US65559CAD39) - Pricing Supplement	SEK 3,750,000,000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS2898085589) - Pricing Supplement	NOK 1,600,000,000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS2898090746) - Pricing Supplement	USD 800,000,000 Perpetual Reset Additional Tier 1 Conversion Notes (Regulation S ISIN USX60003AC87 Rule 144A ISIN US65558RAK59) - Pricing Supplement	SEK 2 500 000 000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS3167441768) - Pricing Supplement

1) 'N/A' inserted if the question is not applicable

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Instruments for meeting own funds requirements

	Nordea Bank Abp						
1 Issuer	Nordea Bank Abp						
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS3167443467	US65558RAQ20/ USX6000AAA61	N/A	N/A	N/A	US65557FAH91/ US65557HAH57	XS2343459074
2a Public of private placement	Public	Public	Private	Private	Private	Public	Public
3 Governing law(s) of the instrument	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)
3a Contractual recognition of write down and conversion powers of resolution authorities	Yes						
Regulatory treatment							
4 Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1	Additional Tier 1	Tier 2				
5 Post-transitional CRR rules	Additional Tier 1	Additional Tier 1	Tier 2				
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & consolidated						
7 Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 52	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
8 Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	EUR 297m	EUR 716m	EUR 57m	EUR 98m	EUR 52m	EUR 424m	EUR 986m
9 Nominal amount of instrument	NOK 3,500m / EUR 296m	USD 850m / EUR 725m	JPY 10,000m / EUR 54m	JPY 20,000m / EUR 109m	JPY 10,000m / EUR 54m	USD 500m / EUR 426m	EUR 1,000m
EU-9a Issue price	100 per cent	99.784 per cent					
EU-9b Redemption price	100 per cent of Nominal amount						
10 Accounting classification	Liability - amortised cost						
11 Original date of issuance	27-Aug-2025	10-Sep-2025	06-Jun-2018	06-Jun-2018	06-Jun-2018	13-Sep-2018	18-May-2021
12 Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	No maturity	No maturity	26-Feb-2034	04-Mar-2040	12-Oct-2040	13-Sep-2033	18-Aug-2031
14 Issuer call subject to prior supervisory approval	Yes						
15 Optional call date, contingent call dates and redemption amount	27-Nov-2030 In addition tax/regulatory call 100 per cent of nominal amount	10-Nov-2033 In addition tax/regulatory call 100 per cent of nominal amount	26-Feb-2029 In addition tax/regulatory call 100 per cent of nominal amount	04-Mar-2035 In addition tax/regulatory call 100 per cent of nominal amount	12-Oct-2035 In addition tax/regulatory call 100 per cent of nominal amount	13-Sep-2028 In addition tax/regulatory call 100 per cent of nominal amount	18-May-2026 to 18-Aug-2026 In addition tax/regulatory call 100 per cent of nominal amount
16 Subsequent call dates, if applicable	27-Feb, 27-May, 27-Aug, 27-Nov each year after first call date	10-Nov and 10-May each year after first call date	26-Feb and 26-Aug each year after first call date	4-Mar and 4-Sep each year after first call date	12-Apr and 12-Oct each year after first call date	N/A	18-Aug each year after first call period
Coupons / dividends							
17 Fixed or floating dividend / coupon	Floating	Fixed	Fixed to floating	Fixed to floating	Fixed to floating	Fixed	Fixed
18 Coupon rate and any related index	Floating 3-month NIBOR + 2.55 per cent per annum	Fixed 6.750 per cent per annum until first call date, thereafter fixed 5-year CMT Rate + 2.72 per cent per annum	Fixed USD 4.51 per cent per annum to call date, thereafter floating rate equivalent to 6-month JPY Deposit +1.1 per cent per annum	Fixed USD 3.75 per cent per annum, until first call date, thereafter floating 6-month JPY deposit +1.2 per cent per annum	Fixed USD 3.84 per cent per annum, until first call date, thereafter floating 6-month JPY deposit +1.2 per cent per annum	Fixed 4.625 per cent per annum, until first call date, thereafter fixed 5-year mid swap +1.69 per cent per annum	Fixed 0.625 per cent per annum until 18-Aug-2026, thereafter fixed 5-year mid swap + 0.92 per cent per annum
19 Existence of a dividend stopper	No						
EU-20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	No						

22 Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible
24 If convertible, conversion trigger(s)	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Group CET1 ratio 5.125 per cent Issuer CET1 ratio 5.125 per cent In addition, point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory
25 If convertible, fully or partially	Fully, if trigger level breached Fully or partially, if decided by Resolution authority	Fully, if trigger level breached Fully or partially, if decided by Resolution authority	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
26 If convertible, conversion rate	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means NOK 112.55.	The greater of the current market price of an Ordinary Share and the Floor Price as of the conversion date. Floor price means USD 10.82.	N/A	N/A	N/A	N/A	N/A
27 If convertible, mandatory or optional conversion	Mandatory	Mandatory	N/A	N/A	N/A	N/A	N/A
28 If convertible, specify instrument type convertible into	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
29 If convertible, specify issuer of instrument it converts into	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp
30 Write-down features	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory
32 If write-down, full or partial	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
33 If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b Ranking of the instrument in normal insolvency proceedings	2. AT1	2. AT1	3. T2	3. T2	3. T2	3. T2	3. T2
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Senior non-preferred	Senior non-preferred	Senior non-preferred	Senior non-preferred	Senior non-preferred
36 Non-compliant transitioned features	No	No	No	No	No	No	No
37 If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a Link to the full term and conditions of the instrument (signposting)	NOK 3 500 000 000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS316744346) Conditions	USD 850,000,000 Perpetual Reset Additional Tier 1 Conversion notes (Regulation S ISIN USX6000AAA61 Rule 144A ISIN US65558RAQ20) Conditions	JPY 10 billion Loan Agreement, due 26 February 2034	JPY 20 billion Loan Agreement, due 4 March 2040	JPY 10 billion Loan Agreement, due 12 October 2040	USD 500000000 4.625% Fixed Rate Reset Subordinated notes due 13 September 2033 (Regulation S ISIN US65557FAH91 Rule 144A ISIN US65557HAH57) - Conditions	EUR 1,000,000,000 Fixed Rate Reset Subordinated Notes due August 2031 (XS2343459074) - Conditions
37a cont. Link to the full term and conditions of the instrument (signposting) - cont.	NOK 3 500 000 000 Perpetual Floating Rate Additional Tier 1 Conversion Notes (ISIN XS316744346) Pricing Supplement	USD 850,000,000 Perpetual Reset Additional Tier 1 Conversion notes (Regulation S ISIN USX6000AAA61 Rule 144A ISIN US65558RAQ20) Pricing supplement				USD 500000000 4.625% Fixed Rate Reset Subordinated notes due 13 September 2033 (Regulation S ISIN US65557FAH91 Rule 144A ISIN US65557HAH57) - Pricing Supplement	EUR 1,000,000,000 Fixed Rate Reset Subordinated Notes due August 2031 (XS2343459074) - Final Terms

1) 'N/A' inserted if the question is not applicable

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Instruments for meeting own funds requirements

	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp
1 Issuer	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS2343845389	XS2343847674	XS2385122630	XS2385122630	XS2828791074	NO0013405712	XS3232967318
2a Public of private placement	Public	Public	Public	Public	Public	Public	Public
3 Governing law(s) of the instrument	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Governed by English law, except for the subordination provisions which are governed by the jurisdiction of incorporation of the Issuer (Finnish law)	Finnish	Finnish	Finnish
3a Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Regulatory treatment							
4 Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7 Instrument type (types to be specified by each jurisdiction)	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
8 Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	EUR 278m	EUR 92m	EUR 539m	EUR 528m	EUR 772m	EUR 233m	EUR 490m
9 Nominal amount of instrument	SEK 3,000m / EUR 277m	SEK 1,000m / EUR 92m	GBP 500m / EUR 573m	EUR 500m	EUR 750m	NOK 2,750m / EUR 232m	EUR 500m
EU-9a Issue price	100 per cent	100 per cent	99.723 per cent	99.818 per cent	99.708 per cent	100 per cent	99.551 per cent
EU-9b Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount			
10 Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost			
11 Original date of issuance	18-May-2021	18-May-2021	9-Sep-2021	23-Nov-2023	29-May-2024	21-Nov-2024	19-Nov-2025
12 Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13 Original maturity date	18-Aug-2031	18-Aug-2031	9-Dec-2032	23-Feb-2034	29-May-2035	21-May-2035	19-Nov-2035
14 Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	18-May-2026 to 18-Aug-2026 In addition tax/regulatory call 100 per cent of nominal	18-May-2026 to 18-Aug-2026 In addition tax/regulatory call 100 per cent of nominal	9-Sep-2027 to 9-Dec-2027 In addition tax/regulatory call 100 per cent of nominal amount	23-Nov-2028 to 23-Feb-2029 In addition tax/regulatory call 100 per cent of nominal	28-Feb-2030 to 29-May-2030 In addition tax/regulatory call 100 per cent of nominal	21-Feb-2030 to 21-May-2030 In addition tax/regulatory call 100 per cent of nominal	19-Nov-2030 In addition tax/regulatory call 100 per cent of nominal amount
16 Subsequent call dates, if applicable	18-Feb, 18-May, 18-Aug, 18-Nov each year after first call period	18-Feb, 18-May, 18-Aug, 18-Nov each year after first call period	9-Jun and 9-Dec each year after first call period	23-Feb each year after first call period	29-May each year after first call period	21-Feb, 21-May, 21-Aug, 21-Nov each year after first call period	19-Nov each year after first call period
Coupons / dividends							
17 Fixed or floating dividend / coupon	Floating	Fixed to Floating	Fixed	Fixed	Fixed	Floating	Fixed
18 Coupon rate and any related index	Floating 3-month STIBOR + 0.98 per cent per annum	Fixed 1.385 per cent per annum until 18-Aug-2026, thereafter floating 3-month STIBOR + 0.98 per cent per annum	Fixed 1.625 per cent per annum until 9-Dec-2027, thereafter fixed 5-year UK Treasury rate + 1.30 per cent per annum	Fixed 4.875 per cent per annum until 23-Feb-2029, thereafter fixed 5-year mid swap + 1.85 per cent per annum	Fixed 4.125 per cent per annum until 29-May-2030, thereafter fixed 5-year mid swap + 1.35 per cent per annum	Floating 3-month NIBOR + 1.50 per cent per annum	Fixed 3.250 per cent per annum until 19-Nov-2030, thereafter fixed 5-year mid swap + 0.98 per cent per annum
19 Existence of a dividend stopper	No	No	No	No	No	No	No
EU-20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	No	No	No	No	No	No	No

22 Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible	Convertible
24 If convertible, conversion trigger(s)	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory
25 If convertible, fully or partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
26 If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27 If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28 If convertible, specify instrument type convertible into	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
29 If convertible, specify issuer of instrument it converts into	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp	Nordea Bank Abp
30 Write-down features	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory	Point of non-viability, subject to decision by the Resolution authority. Contractual and statutory
32 If write-down, full or partial	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
33 If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b Ranking of the instrument in normal insolvency proceedings	3. T2	3. T2	3. T2	3. T2	3. T2	3. T2	3. T2
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior non-preferred	Senior non-preferred	Senior non-preferred	Senior non-preferred	Senior non-preferred	Senior non-preferred	Senior non-preferred
36 Non-compliant transitioned features	No	No	No	No	No	No	No
37 If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a Link to the full term and conditions of the instrument (signposting)	SEK 3,000,000,000 Floating Rate Subordinated Notes due August 2031 (XS2343845389) - Final Conditions	SEK 1,000,000,000 Fixed-to-Floating Rate Subordinated Notes due August 2031 (ISIN XS2343847674) - Conditions	GBP 500,000,000 Fixed Rate Reset Subordinated Notes due December 2032 (ISIN XS2385122630) - Conditions	EUR 500,000,000 Green Fixed Rate Reset Subordinated Notes due 23 February 2034 (ISIN XS2723860990) - Conditions	EUR 750,000,000 Green Fixed Rate Reset Subordinated Notes due May 2035 (ISIN XS2828791074) - Conditions	NOK 2,750,000,000 Floating Rate Notes due May 2035 (ISIN NO0013405712) - Conditions	EUR 500,000,000 Green Fixed Rate Reset Subordinated Notes due November 2035 ISIN XS3232967318-Conditions
7a cont. Link to the full term and conditions of the instrument (signposting) - cont.	SEK 3,000,000,000 Floating Rate Subordinated Notes due August 2031 (XS2343845389) - Final Terms	SEK 1,000,000,000 Fixed-to-Floating Rate Subordinated Notes due August 2031 (ISIN XS2343847674) - Final Terms	GBP 500,000,000 Fixed Rate Reset Subordinated Notes due December 2032 (ISIN XS2385122630) - Final Terms	EUR 500,000,000 Green Fixed Rate Reset Subordinated Notes due 23 February 2034 (XS2723860990) - Final Terms	EUR 750,000,000 Green Fixed Rate Reset Subordinated Notes due May 2035 (ISIN XS2828791074) - Final Terms	NOK 2,750,000,000 Floating Rate Notes due May 2035 (ISIN NO0013405712) - Final Terms	EUR 500,000,000 Green Fixed Rate Reset Subordinated Notes due November 2035 ISIN XS3232967318-Final Terms

1) 'N/A' inserted if the question is not applicable

Table 11 - EU CR1-A - Maturity of exposures

For exposures classified as loans and advances, 55 % were in the >5 years bucket. For exposures classified as debt securities, 72% were in the >1<=5 years bucket. Total exposure amount for both groups in Q4 2025 was EUR 519.9bn.

EURm	a	b	c	d	e	f
	Net exposure value					
Q4 2025	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1 Loans and advances		94,265	108,105	256,187	4,081	462,638
2 Debt securities		9,171	41,161	6,932		57,263
3 Total		103,436	149,266	263,118	4,081	519,901

Table 12 - EU CR2 - Changes in the stock of non-performing loans and advances

Final stock of non-performing loans and advances amounted to EUR 3.6bn at the end of Q4 2025.

EURm	a
Q4 2025	Gross carrying amount
010 Initial stock of non-performing loans and advances	3,435
020 Inflows to non-performing portfolios	2,066
030 Outflows from non-performing portfolios	-1,888
040 <i>Outflows due to write-offs</i>	-360
050 <i>Outflow due to other situations</i>	-1,528
060 Final stock of non-performing loans and advances	3,614

Table 13 - EU CR3 – CRM techniques overview: disclosure of the use of credit risk mitigation techniques

In Q4 2025, 59% of the total exposures have at least one credit risk mitigation (CRM) mechanism (collateral, financial guarantees), of which the majority are secured by real estate collaterals.

EURm

	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
	a	b	c	d	e
1 Loans and advances	129,317	263,237	250,374	12,863	
2 Debt securities	55,758				
3 Total	185,074	263,237	250,374	12,863	
4 <i>Of which non-performing exposures</i>	<i>1,049</i>	<i>1,522</i>	<i>1,394</i>	<i>128</i>	
EU-5 <i>Of which defaulted</i>	<i>1,049</i>	<i>1,522</i>			

Table 14- EU CR4 – Standardised approach – credit risk exposure and CRM effects

The total exposure amount before CCF and CRM for the standardised approach amounted to EUR 104bn in Q4 2025. The on-balance sheet exposure remained stable at EUR 92bn compared to Q2 2025. The REA density decreased from 14% to 12%.

EURm

	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
	a	b	c	d	e	f
1 Central governments or central banks	66,888	911	70,653	533	158	0%
2 Non-central government public sector entities	4,091	8,160	5,172	1,079	19	0%
EU 2a Regional government or local authorities	4,091	8,160	5,172	1,079	19	0%
EU 2b Public sector entities	0		0		0	20%
3 Multilateral development banks	1,743	20	1,742	0		0%
EU 3a International organisations	2,442		2,442			0%
4 Institutions	424	5	391	1	213	54%
5 Covered bonds						
6 Corporates	1,720	577	1,817	190	1,787	89%
6.1 Of which: Specialised Lending						
7 Subordinated debt exposures and equity	2,240		2,240		2,623	117%
EU 7a Subordinated debt exposures	651		651		976	150%
EU 7b Equity	1,589		1,589		1,646	104%
8 Retail	3,273	547	3,179	22	2,307	72%
9 Secured by mortgages on immovable property and ADC exposures	6,930	1,138	6,930	259	2,311	32%
9.1 Secured by mortgages on residential immovable property - non IPRE	6,757	1,105	6,757	256	2,171	31%
9.2 Secured by mortgages on residential immovable property - IPRE	70	6	70	2	35	48%
9.3 Secured by mortgages on commercial immovable property - non IPRE	57	8	57	1	42	73%
9.4 Secured by mortgages on commercial immovable property - IPRE	11		11		12	104%
9.5 Acquisition, Development and Construction (ADC)	35	19	35		52	150%
10 Exposures in default	123	8	120	1	174	144%
EU 10a Claims on institutions and corporates with a short-term credit assessment						
EU 10b Collective investment undertakings	1,332	452	1,332	181	2,206	146%
EU 10c Other items	516		513		395	77%
11 Not applicable						
12 TOTAL	91,724	11,818	96,532	2,266	12,193	12%

Table 15 - EU CR5 - Standardised approach - credit risk exposures by regulatory portfolio and risk

At the end of Q4 2025 the total exposure amount was EUR 98.8bn. The largest decrease was observed in the exposures secured by mortgages on immovable property with 20% risk-weight, mainly driven by decreased residential mortgage volumes in the Norwegian portfolio.

EURm	Risk weight																				Total	Of which unratd						
	0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	105%	110%	130%	150%			250%	370%	400%	1250%	Others	z
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y			
1 Central governments or central banks	71,091				29											9					0	57					71,186	0
2 Non-central government public sector entities	6,154				97																						6,251	
EU 2a Regional governments or local authorities	6,154				97																						6,251	
EU 2b Public sector entities					0																						0	
3 Multilateral development banks	1,742																										1,742	1,742
EU 3a International organisations	2,442																										2,442	2,442
4 Institutions					28	0	299		8												56						392	358
5 Covered bonds																												
6 Corporates					16					94			1		1,896												2,008	2,006
6.1 Of which: Specialised Lending																												
7 Subordinated debt exposures and equity															1,551						651	38				2,240	2,240	
EU 7a Subordinated debt exposures																					651					651	651	
EU 7b Equity															1,551						0	38				1,589	1,589	
8 Retail exposures													3,188		3						0				10	3,202	3,202	
9 Secured by mortgages on immovable property and ADC exposures	1,396				3,725	14				9			1,934	0	11	1	18			37					44	7,189	7,186	
9.1 Secured by mortgages on residential immovable property - non IPRE	1,396				3,687	14				0			1,903	0	2										11	7,013	7,013	
9.1.1 No loan splitting applied													429		0										0	429	429	
9.1.2 loan splitting applied (secured)					3,687	14																			0	3,701	3,701	
9.1.3 loan splitting applied (unsecured)	1,396									0			1,474	0	2										10	2,883	2,883	
9.2 Secured by mortgages on residential immovable property - IPRE					38	0							30		0	1				2					0	72	72	
9.3 Secured by mortgages on commercial immovable property - non IPRE										9			0		8		8								32	58	55	
9.3.1 No loan splitting applied													0		3										3			
9.3.2 loan splitting applied (secured)										9							8								32	49	49	
9.3.3 loan splitting applied (unsecured)													0		6										6	6	6	
9.4 Secured by mortgages on commercial immovable property - IPRE										0					0		10								2	11	11	
9.5 Acquisition, Development and Construction (ADC)																					35					35	35	
10 Exposures in default					0										15						106				0	121	121	
EU 10a Claims on institutions and corporates with a short-term credit assessment																												
EU 10b Collective investment undertakings (CIU)															61						9			0	1,443	1,513	1,513	
EU 10c Other items										1					151										361	513	513	
11 not applicable																												
EU 11c TOTAL	82,825				3,895	15	299		104	9		5,123	0	3,697	1	18			858	95			0	1,858	98,798	21,323		

Table 16 - EU CR6 – IRB approach – credit risk exposures by exposure class and PD range

The following tables show a comprehensive overview of statistics and inputs used to define the exposure classes under the IRB approach, such as EAD, average PD and average LGD. The CR6 tables are broken down by exposure class and obligor grade, and are presented excluding counterparty credit risk (CCR).

EURm	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
	0.00 to <0.15												
	0.00 to <0.10												
	0.10 to <0.15												
	0.15 to <0.25												
	0.25 to <0.50												
	0.50 to <0.75	0	0	0.0 %	0	0.54%	13	32.19%		0	19.3 %	0	
	0.75 to <2.50	0	4	0.0 %	0	1.54%	62	30.86%		0	29.1 %	0	
	0.75 to <1.75	0	2	0.0 %	0	1.44%	37	30.37%		0	28.3 %	0	
RIRB Retail -	1.75 to <2.5	0	2	0.0 %	0	2.30%	25	34.50%		0	35.0 %	0	
Purchased receivables	2.50 to <10.00	1	159	0.0 %	1	9.13%	1,523	41.57%		1	61.8 %	0	
	2.5 to <5	0	5	0.1 %	0	3.20%	74	34.50%		0	41.7 %	0	
	5 to <10	1	154	0.0 %	1	9.39%	1,449	41.87%		1	62.7 %	0	
	10.00 to <100.00	2	44	0.0 %	2	13.53%	772	44.05%		1	70.2 %	0	
	10 to <20	2	18	0.0 %	2	10.58%	367	44.42%		1	72.0 %	0	
	20 to <30	0	0	0.0 %	0	28.63%	6	30.00%		0	75.0 %	0	
	30.00 to <100.00	0	26	0.0 %	0	90.73%	399	34.16%		0	22.3 %	0	
	100.00 (Default)	0	6	0.0 %	0	100.00%	41	35.73%		0	280.9 %	0	
	Sub-total	3	214	0.0 %	3	13.53%	2,411	42.69%		2	71.2 %	0	
	0.00 to <0.15	9,913	859	9.3 %	9,993	0.11%	68,956	19.44%		517	5.2 %	2	-365
	0.00 to <0.10	6,654	740	8.1 %	6,714	0.10%	48,520	15.07%		249	3.7 %	1	-365
	0.10 to <0.15	3,259	119	16.5 %	3,279	0.12%	20,436	28.38%		267	8.1 %	1	
	0.15 to <0.25	59,891	4,029	7.8 %	60,203	0.19%	434,512	18.30%		4,442	7.4 %	22	
	0.25 to <0.50	23,104	1,049	11.9 %	23,229	0.35%	124,916	26.55%		3,816	16.4 %	22	0
	0.50 to <0.75	30,249	5,010	14.1 %	30,957	0.62%	172,771	14.68%		7,934	25.6 %	29	0
	0.75 to <2.50	22,496	2,132	9.8 %	22,705	1.17%	123,303	17.99%		7,386	32.5 %	52	0
	0.75 to <1.75	21,237	1,953	9.7 %	21,427	1.13%	114,768	18.19%		7,015	32.7 %	48	0
	1.75 to <2.5	1,259	179	11.1 %	1,279	1.85%	8,535	14.65%		371	29.0 %	4	
RIRB Retail - Secured	2.50 to <10.00	10,395	1,017	10.9 %	10,506	4.30%	60,264	15.65%		5,383	51.2 %	77	0
by residential real	2.5 to <5	7,294	681	9.6 %	7,359	3.05%	40,646	15.14%		3,260	44.3 %	37	
estate	5 to <10	3,101	336	13.6 %	3,147	7.22%	19,618	16.85%		2,123	67.5 %	41	0
	10.00 to <100.00	2,273	146	8.5 %	2,285	22.99%	16,750	20.88%		2,480	108.5 %	110	0
	10 to <20	1,559	111	7.3 %	1,567	15.60%	11,237	20.69%		1,665	106.2 %	51	
	20 to <30	266	10	9.9 %	267	25.33%	2,351	25.59%		415	155.3 %	18	0
	30.00 to <100.00	447	25	13.2 %	451	47.28%	3,162	18.75%		400	88.8 %	41	
	100.00 (Default)	925	3	41.4 %	926	100.00%	8,198	27.73%		1,009	108.9 %	174	-20
	Sub-total	159,245	14,246	10.9 %	160,804	1.59%	1,009,670	18.74%		32,966	20.5 %	489	-385

EURm	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions	
		a	b	c	d	e	f	g	h	i	j	k	l	
RIRB Retail - Other	0.00 to <0.15	913	2,581	47.7 %	2,143	0.09%	511,428	49.10%		250	11.7 %	1	-256	
	<i>0.00 to <0.10</i>	673	1,639	39.9 %	1,327	0.08%	341,437	43.55%		111	8.4 %	0	-256	
	<i>0.10 to <0.15</i>	239	942	61.2 %	816	0.12%	169,991	58.12%		138	17.0 %	1	0	
	0.15 to <0.25	6,831	3,866	27.1 %	7,881	0.19%	641,548	27.04%		878	11.1 %	4		
	0.25 to <0.50	2,674	2,647	45.5 %	3,879	0.37%	288,261	36.02%		872	22.5 %	5	0	
	0.50 to <0.75	2,870	2,513	31.5 %	3,661	0.63%	184,948	31.65%		1,023	27.9 %	8	0	
	0.75 to <2.50	5,806	3,668	43.2 %	7,391	1.25%	474,737	34.95%		3,104	42.0 %	33	0	
	<i>0.75 to <1.75</i>	5,239	3,396	42.7 %	6,689	1.16%	415,046	34.92%		2,764	41.3 %	28	0	
	<i>1.75 to <2.5</i>	568	272	49.2 %	702	2.10%	59,691	35.29%		340	48.5 %	5	0	
	2.50 to <10.00	3,427	1,347	40.5 %	3,973	4.55%	352,402	37.26%		2,581	65.0 %	70	-156	
	<i>2.5 to <5</i>	2,199	922	43.1 %	2,596	3.27%	226,093	37.30%		1,596	61.5 %	33	0	
	<i>5 to <10</i>	1,228	425	35.1 %	1,377	6.97%	126,309	37.19%		985	71.6 %	37	-156	
	10.00 to <100.00	1,192	340	69.6 %	1,428	21.39%	111,150	39.09%		1,364	95.5 %	122	-7	
	<i>10 to <20</i>	744	269	76.0 %	949	13.28%	63,835	40.72%		871	91.7 %	55	-4	
	<i>20 to <30</i>	232	40	46.4 %	251	25.61%	22,738	33.95%		258	102.9 %	23	-1	
	<i>30.00 to <100.00</i>	215	31	43.9 %	229	50.46%	24,577	37.96%		235	102.9 %	44	-2	
	100.00 (Default)	741	38	10.7 %	745	100.00%	56,584	59.59%		1,216	163.1 %	349	-34	
Sub-total		24,454	17,000	39.1 %	31,101	4.43%	2,621,058	34.74%		11,288	36.3 %	592	-453	
AIRB Corporates - Specialised lending	0.00 to <0.15	8			8	0.15%	1	35.70%	2.5	2	21.9 %	0		
	<i>0.00 to <0.10</i>													
	<i>0.10 to <0.15</i>	8			8	0.15%	1	35.70%	2.5	2	21.9 %	0		
	0.15 to <0.25	14	37	40.0 %	29	0.22%	3	35.06%	4.7	15	52.8 %	0		
	0.25 to <0.50													
	0.50 to <0.75													
	0.75 to <2.50	56	27	41.5 %	68	1.11%	3	28.96%	2.7	37	55.3 %	0		
	<i>0.75 to <1.75</i>	56	25	40.0 %	66	1.09%	2	28.88%	2.7	36	54.7 %	0		
	<i>1.75 to <2.5</i>		3	56.5 %	1	2.05%	1	32.70%	2.5	1	84.0 %	0		
	2.50 to <10.00													-1
	<i>2.5 to <5</i>													-1
	<i>5 to <10</i>													-1
	10.00 to <100.00													
<i>10 to <20</i>														
<i>20 to <30</i>														
<i>30.00 to <100.00</i>														
100.00 (Default)	11	50	37.1 %	30	100.00%	2	34.70%	2.5	5	15.8 %	16	-17		
Sub-total		89	114	39.1 %	134	22.74%	9	31.94%	3.1	59	44.0 %	16	-18	

EURm	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
	0.00 to <0.15	29,751	8,861	48.7 %	34,069	0.97%	46,867	25.85%	2.5	8,340	24.5 %	52	-44
	0.00 to <0.10	24,969	5,640	51.5 %	27,874	1.15%	45,268	25.22%	2.5	6,292	22.6 %	50	-44
	0.10 to <0.15	4,782	3,221	43.8 %	6,195	0.15%	1,599	28.69%	2.3	2,048	33.1 %	2	
	0.15 to <0.25	9,791	3,342	54.0 %	11,590	0.22%	2,668	25.55%	2.5	4,084	35.2 %	6	
	0.25 to <0.50	31,330	7,303	53.5 %	35,233	0.44%	7,418	24.55%	2.5	15,350	43.6 %	35	
	0.50 to <0.75	0			0	0.84%		40.00%	1.0	0	60.2 %	0	
	0.75 to <2.50	16,819	4,924	52.1 %	19,389	1.05%	5,284	25.03%	2.5	9,434	48.7 %	51	0
	0.75 to <1.75	15,293	4,248	51.7 %	17,492	0.95%	4,437	24.92%	2.5	8,366	47.8 %	41	
AIRB Corporates - Other	1.75 to <2.5	1,526	676	54.8 %	1,897	2.01%	847	26.11%	2.5	1,068	56.3 %	10	0
	2.50 to <10.00	867	356	60.8 %	1,084	3.55%	590	26.33%	2.4	757	69.8 %	9	-150
	2.5 to <5	867	356	60.8 %	1,084	3.55%	590	26.33%	2.4	757	69.8 %	9	-150
	5 to <10												
	10.00 to <100.00	1,870	576	53.0 %	2,194	17.04%	7,410	24.91%	2.6	1,724	78.6 %	104	-4
	10 to <20	1,021	332	52.1 %	1,195	11.53%	958	26.12%	2.5	1,041	87.2 %	37	-2
	20 to <30	174	37	57.8 %	195	22.04%	285	23.18%	2.5	138	70.9 %	12	-1
	30.00 to <100.00	676	207	53.5 %	804	24.12%	6,167	23.50%	2.9	544	67.7 %	55	0
	100.00 (Default)	1,087	230	26.8 %	1,148	95.70%	1,000	27.84%	2.5	1,170	101.9 %	452	-578
	Sub-total	91,514	25,591	51.5 %	104,708	2.12%	71,237	25.23%	2.5	40,858	39.0 %	709	-776
AIRB Total		275,306	57,164	37.5 %	296,750		3,101,642		2.5	85,173	28.7 %	1,806	-1,633
	0.00 to <0.15	28,648	1,146	27.4 %	28,962	0.07%	422	12.41%	2.2	2,251	7.8 %	2	0
	0.00 to <0.10	25,735	992	26.5 %	25,998	0.06%	317	12.29%	2.2	1,945	7.5 %	2	0
	0.10 to <0.15	2,913	154	33.1 %	2,964	0.12%	105	13.46%	2.3	306	10.3 %	0	
	0.15 to <0.25	372	191	36.8 %	442	0.17%	86	22.71%	2.7	104	23.5 %	0	
	0.25 to <0.50	43	285	22.7 %	108	0.27%	102	44.62%	1.5	38	35.4 %	0	
	0.50 to <0.75	39	5	16.9 %	40	0.65%	20	44.99%	3.1	20	50.9 %	0	
	0.75 to <2.50	2	20	29.2 %	8	1.26%	28	31.32%	2.9	4	43.1 %	0	
	0.75 to <1.75	2	20	29.2 %	8	1.26%	28	31.32%	2.9	4	43.1 %	0	
	1.75 to <2.5												
FIRB Institutions - Total	2.50 to <10.00	7	41	22.5 %	16	4.36%	24	45.00%	1.7	13	79.5 %	0	-55
	2.5 to <5	2	34	24.8 %	10	2.37%	22	45.00%	2.2	5	48.6 %	0	
	5 to <10	5	7	11.9 %	6	8.05%	2	45.00%	0.9	8	136.8 %	0	-55
	10.00 to <100.00	7	0	50.0 %	7	26.55%	39	43.56%	4.1	18	263.2 %	1	0
	10 to <20	0			0	0.30%		20.01%	2.5	0	24.2 %	0	
	20 to <30	6			6	28.44%	39	44.83%	4.3	18	280.3 %	1	0
	30.00 to <100.00	0	0	50.0 %	0	0.05%		45.00%	2.8	0	29.2 %	0	
	100.00 (Default)	0			0	16.55%	1	44.36%	1.1	0	25.5 %	0	0
	Sub-total	29,118	1,688	27.5 %	29,583	0.08%	722	12.76%	2.2	2,448	8.3 %	4	-55

	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
EURm		a	b	c	d	e	f	g	h	i	j	k	l
	0.00 to <0.15	9	171	35.3 %	70	0.04%	14	44.99%	1.4	7	10.7 %	0	
	0.00 to <0.10	9	171	35.3 %	70	0.04%	14	44.99%	1.4	7	10.7 %	0	
	0.10 to <0.15												
	0.15 to <0.25												
	0.25 to <0.50	1			1	0.05%		45.00%	2.4	0	18.5 %	0	
	0.50 to <0.75												
	0.75 to <2.50												
	0.75 to <1.75												
	1.75 to <2.5												
FIRB Public Sector Entities - Total	2.50 to <10.00	0			0	0.04%		45.00%	2.5	0	4.2 %	0	0
	2.5 to <5	0			0	0.04%		45.00%	2.5	0	4.2 %	0	
	5 to <10												0
	10.00 to <100.00	0			0	28.56%	2	45.00%	5.0	0	270.5 %	0	0
	10 to <20												
	20 to <30	0			0	28.56%	2	45.00%	5.0	0	270.5 %	0	0
	30.00 to <100.00												
	100.00 (Default)												
	Sub-total	10	171	35.3 %	70	0.04%	16	45.00%	1.4	8	10.8 %	0	0
	0.00 to <0.15	77	158		77	0.09%	152	34.58%	0.6	10	12.4 %	0	
	0.00 to <0.10	27	116		27	0.07%	87	37.50%	0.5	3	9.7 %	0	
	0.10 to <0.15	50	42		50	0.11%	65	32.97%	0.7	7	13.9 %	0	
	0.15 to <0.25	274	196		274	0.18%	147	30.14%	0.6	43	15.8 %	0	
	0.25 to <0.50	153	278		153	0.21%	235	33.38%	1.5	37	24.2 %	0	
	0.50 to <0.75	0			0	0.10%		40.10%	2.5	0	9.7 %	0	
	0.75 to <2.50	174	228		174	0.13%	198	39.12%	2.9	49	28.1 %	0	
	0.75 to <1.75	94	205		94	0.15%	144	38.33%	2.3	23	24.8 %	0	
	1.75 to <2.5	80	23		80	0.11%	54	40.05%	3.7	26	32.0 %	0	
FIRB Corporates - Purchased Receivables	2.50 to <10.00	62	15		62	0.16%	23	40.24%	2.7	10	16.0 %	0	
	2.5 to <5	14	15		14	0.32%	23	38.43%	3.5	5	34.0 %	0	
	5 to <10	48			48	0.12%		40.77%	2.5	5	10.7 %	0	
	10.00 to <100.00	1,082	626		1,082	0.23%	1,252	28.71%	0.7	114	10.6 %	1	
	10 to <20	75	21		75	0.38%	44	39.41%	2.0	11	14.7 %	0	
	20 to <30	2	12		2	0.11%	6	39.47%	2.3	0	12.4 %	0	
	30.00 to <100.00	1,005	593		1,005	0.22%	1,202	27.90%	0.6	103	10.2 %	1	
	100.00 (Default)	10	2		10	0.10%	7	40.16%	2.1	35	344.2 %	0	
	Sub-total	1,832	1,503		1,832	0.20%	2,014	31.00%	1.0	298	16.3 %	1	

EURm	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
		a	b	c	d	e	f	g	h	i	j	k	l
	0.00 to <0.15	20,170	22,465	37.4 %	28,571	0.12%	2,243	40.57%	1.9	8,025	28.1 %	13	0
	<i>0.00 to <0.10</i>	6,686	10,798	39.0 %	10,901	0.08%	1,205	38.64%	2.4	2,949	27.1 %	3	0
	<i>0.10 to <0.15</i>	13,484	11,667	35.9 %	17,669	0.15%	1,038	41.76%	1.6	5,075	28.7 %	10	
	0.15 to <0.25	5,854	9,321	30.9 %	8,732	0.22%	1,371	37.38%	2.0	3,185	36.5 %	7	
	0.25 to <0.50	11,546	8,483	31.8 %	14,245	0.43%	2,682	34.20%	2.0	7,542	52.9 %	18	0
	0.50 to <0.75	5	0	40.0 %	3	0.30%		44.62%	2.9	4	144.6 %	0	
	0.75 to <2.50	5,026	3,726	25.8 %	5,986	0.98%	2,532	35.00%	2.3	3,919	65.5 %	19	
	<i>0.75 to <1.75</i>	4,438	3,366	26.6 %	5,334	0.86%	1,935	34.83%	2.4	3,413	64.0 %	14	
	<i>1.75 to <2.5</i>	588	360	17.7 %	652	1.92%	597	36.38%	2.2	507	77.7 %	5	
FIRB Corporates - Other	2.50 to <10.00	201	157	23.2 %	237	3.63%	392	34.32%	2.6	224	94.6 %	3	-148
	<i>2.5 to <5</i>	197	157	23.2 %	234	3.60%	392	34.24%	2.6	222	94.9 %	3	
	<i>5 to <10</i>	3	0	40.0 %	3	5.55%		40.26%	2.4	2	73.1 %	0	-148
	10.00 to <100.00	447	434	22.0 %	542	18.31%	4,853	34.51%	2.4	765	141.0 %	34	-11
	<i>10 to <20</i>	270	341	22.3 %	347	10.92%	559	35.00%	2.3	455	131.3 %	13	-4
	<i>20 to <30</i>	57	21	19.6 %	61	22.88%	152	33.53%	2.4	102	167.8 %	5	0
	<i>30.00 to <100.00</i>	120	71	21.4 %	135	35.24%	4,142	33.69%	2.8	207	153.9 %	16	-7
	100.00 (Default)	319	218	30.4 %	385	92.05%	379	38.06%	2.3	37	9.7 %	134	-130
	Sub-total	43,568	44,804	33.8 %	58,702	1.08%	14,452	37.89%	2.0	23,701	40.4 %	228	-290
FIRB Total		74,529	48,166	32.5 %	90,187		16,929		2.1	26,454	29.3 %	233	-345

Table 17 - EU CR6-A - Scope of the use of IRB and SA approaches

The scope of the use of IRB and SA approaches is described in the table below. The IRB approach accounted for 80% out of total exposure including institutions, corporates and retail. The amount of exposures subject to permanent partial use of SA was 18%, including central governments, central banks, equity and collective investment undertakings (CIUs). The amount of exposures subject to a roll-out plan was 2%.

EURm

	Total exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
	a	b	c	d	e
1 Central governments or central banks		76,940	100%		
2 Regional governments and local authorities					
3 Public sector entities	70	72	0%	100%	
4 Institutions		29,935	1%	98%	0%
5 Corporates	154,349	152,031	0%	99%	1%
5.1 Of which Corporates - General		149,906	0%	99%	1%
5.2 Of which Corporates - Specialised lending		262		100%	
5.2.1 Of which Corporates - Specialised lending, excluding slotting approach		262		100%	
5.2.2 Of which Corporates - Specialised lending under slotting approach					
5.3 Of which Corporates - Purchased Receivables		1,863		100%	0%
6 Retail	185,766	198,929	0%	95%	5%
6.1 Of which Retail – Qualifying revolving					
6.2 Of which Retail – Secured by residential immovable property		162,648	0%	96%	4%
6.3 Of which Retail - Purchased Receivables	129	266	20%	57%	23%
6.4 Of which Retail - Other retail exposures	33,369	36,015	1%	165%	34%
7 Equity		2,239	100%		
EU 7a Collective investment undertakings (CIU)		1,513	100%		
8 Other non-credit obligation assets	3,088	3,603	6%	86%	8%
7 Total	372,820	465,261	18%	80%	2%

Table 18 - EU CR7-A – IRB approach – disclosure of the extent of the use of CRM techniques

The table provides a comprehensive overview of the use of credit risk mitigation techniques according to Advanced IRB approach and Foundation IRB approach broken down by exposure class, along with their impact on credit risk mitigation methods in the calculation of risk-weighted exposure amounts (RWEAs). Compared to Q2 2025, A-IRB RWEA increased by 2.0bn and F-IRB RWEA increased by 0.5bn. The increase was mainly driven by increased corporate lending.

A-IRB	Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWEAs			
	Total exposures ¹⁾	Funded credit protection (FCP)							Unfunded credit protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects) ¹⁾			
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)			Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	
															a
1 Central governments and central banks															
2 Regional governments and local authorities															
3 Public sector entities															
5 Corporates	96,127	1%	68%	57%	0%	10%							37,339	37,056	
5.1 Corporates – General	95,994	1%	68%	57%	0%	10%							37,280	36,997	
5.2 Corporates – Specialised lending	134												59	59	
5.3 Corporates - Purchased Receivables															
6 Retail	183,302	0%	86%	85%	0%	1%					0%		43,025	42,958	
6.1 Retail – Qualifying revolving															
6.2 Retail – secured by residential immovable property	152,204		100%	100%									31,669	31,669	
6.3 Retail - Purchased Receivables	3		5%		5%								50	2	
6.4 Retail - Other retail exposures	31,094	2%	19%	13%	0%	6%					1%		11,306	11,287	
7 Total	279,429	1%	80%	76%	0%	4%					0%		80,364	80,014	

EURm

F-IRB	Credit risk mitigation techniques											Credit risk mitigation methods in the calculation of RWEAs			
	Total exposures ¹⁾	Funded credit protection (FCP)									Unfunded credit protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects) ¹⁾	
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)			
															a
1 Central governments and central banks															
2 Regional governments and local authorities															
3 Public sector entities	70		0%			0%							7	8	
4 Institutions	29,583	0%	0%	0%	0%	0%					0%		2,438	2,448	
5 Corporates	54,213	1%	20%	10%	3%	7%					9%		21,291	21,384	
5.1 Corporates – General	52,381	2%	19%	11%	1%	7%					7%		21,039	21,087	
5.2 Corporates – Specialised lending															
5.3 Corporates - Purchased Receivables	1,832		48%		48%						77%		252	298	
6 Total	83,867	1%	13%	7%	2%	4%					6%		23,736	23,840	

¹⁾ Columns a through l and n are shown in exposure class after substitution impacts, per EBA mapping. Column m shown in exposure class without substitution impacts.

Table 19 - EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach

During Q4 2025 the IRB REA increased by EUR 1.4bn, mainly driven by increased asset size primarily due to growth in corporate lending volumes. FX effects from appreciated SEK further increased IRB REA. This was partly offset by the launch of a new risk-sharing transaction.

EURm

	Risk weighted exposure amount a
1 Risk weighted exposure amount as of Q3 2025	105,292
2 Asset size (+/-)	1,432
3 Asset quality (+/-)	-7
4 Model updates (+/-)	
5 Methodology and policy (+/-)	
6 Acquisitions and disposals (+/-)	
7 Foreign exchange movements (+/-)	190
8 Other (+/-)	-255
9 Risk weighted exposure amount as of Q4 2025	106,652

Table 20 - EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale)

The following table discloses a back-testing of the probability of default (PD), by comparing the regulatory PD with the actual default frequency (ADF). PD and Observed average default rate are calculated per exposure class and sub-exposure class, as well as on the approach levels; FIRB vs AIRB for the Corporate exposure class. The exposure classes and PD ranges are specified in columns a and b. Column c, d and e depict the number of obligors at the end of the previous year, the number of obligors of which defaulted during the year and the observed average default rate. Column f depicts the exposure-weighted average PD from Q4 2025 which aligns with CR6. Column g depicts the arithmetic average PD at Q4 2024 that fall within the bucket of the fixed PD range and counted in column c. Column h depicts the simple average of the annual default rate of the five most recent years (obligors at the beginning of each year that are defaulted within the year/total obligor count at the beginning of the year). A comparison of columns g and h gives an indication of how Nordea's current regulatory PD performs in a 5 year horizon.

A-IRB

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		c	d				
a	b	c	d	e	f	g	h
Corporates – Specialised lending	0.00 to <0.15	2	0	0.00%	0.15%	0.15%	0.00%
	<i>0.00 to <0.10</i>						
	<i>0.10 to <0.15</i>	2	0	0.00%	0.15%	0.15%	0.00%
	0.15 to <0.25	1	0	0.00%	0.22%	0.22%	0.00%
	0.25 to <0.50						
	0.50 to <0.75						
	0.75 to <2.50	2	2	100.00%	1.11%	1.29%	100.00%
	<i>0.75 to <1.75</i>	2	2	100.00%	1.09%	1.29%	100.00%
	<i>1.75 to <2.5</i>				2.05%		
	2.50 to <10.00	1	0	0.00%		3.61%	0.00%
	<i>2.5 to <5</i>	1	0	0.00%		3.61%	0.00%
	<i>5 to <10</i>						
	10.00 to <100.00						
	<i>10 to <20</i>						
<i>20 to <30</i>							
<i>30.00 to <100.00</i>							
100.00 (Default)					100.00%		100.00%

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		c	d				
a	b	c	d	e	f	g	h
Corporates – Other	0.00 to <0.15	1,836	9	0.49%	0.97%	0.10%	0.45%
	<i>0.00 to <0.10</i>	1,040	8	0.77%	1.15%	0.07%	0.46%
	<i>0.10 to <0.15</i>	796	1	0.13%	0.15%	0.15%	0.43%
	0.15 to <0.25	1,235	14	1.13%	0.22%	0.22%	0.51%
	0.25 to <0.50	2,297	12	0.52%	0.44%	0.44%	0.83%
	0.50 to <0.75	57	1	1.75%	0.84%	0.59%	5.31%
	0.75 to <2.50	2,941	47	1.60%	1.05%	1.45%	1.99%
	<i>0.75 to <1.75</i>	1,701	23	1.35%	0.95%	1.02%	1.31%
	<i>1.75 to <2.5</i>	1,240	24	1.94%	2.01%	2.04%	3.00%
	2.50 to <10.00	2,082	41	1.97%	3.55%	4.58%	3.81%
	<i>2.5 to <5</i>	1,447	31	2.14%	3.55%	3.30%	3.43%
	<i>5 to <10</i>	635	10	1.57%		7.49%	5.24%
	10.00 to <100.00	4,108	128	3.12%	17.04%	32.60%	2.99%
	<i>10 to <20</i>	600	52	8.67%	11.53%	12.68%	7.88%
<i>20 to <30</i>	230	18	7.83%	22.04%	24.61%	10.76%	
<i>30.00 to <100.00</i>	3,278	58	1.77%	24.12%	36.81%	2.00%	
100.00 (Default)		427	427	100.00%	95.70%	100.00%	100.00%

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail – Purchased receivables	0.00 to <0.15						
	<i>0.00 to <0.10</i>						
	<i>0.10 to <0.15</i>						
	0.15 to <0.25						
	0.25 to <0.50						
	0.50 to <0.75	11	0	0.00%	0.54%	0.69%	0.00%
	0.75 to <2.50	60	1	1.67%	1.54%	1.63%	0.61%
	<i>0.75 to <1.75</i>	41	0	0.00%	1.44%	1.33%	0.00%
	<i>1.75 to <2.5</i>	19	1	5.26%	2.30%	2.29%	2.48%
	2.50 to <10.00	1,533	86	5.61%	9.13%	9.35%	1.80%
	<i>2.5 to <5</i>	74	6	8.11%	3.20%	3.33%	2.37%
	<i>5 to <10</i>	1,459	80	5.48%	9.39%	9.66%	1.10%
	10.00 to <100.00	763	297	38.93%	13.53%	63.76%	8.08%
	<i>10 to <20</i>	159	17	10.69%	10.58%	10.67%	2.67%
<i>20 to <30</i>	2	1	50.00%	28.63%	28.63%	10.28%	
<i>30.00 to <100.00</i>	602	279	46.35%	90.73%	77.90%	42.84%	
100.00 (Default)		42	42	100.00%	100.00%	100.00%	100.00%

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail – Secured by residential real estate	0.00 to <0.15	74,480	34	0.05%	0.11%	0.06%	0.07%
	<i>0.00 to <0.10</i>	72,792	34	0.05%	0.10%	0.06%	0.06%
	<i>0.10 to <0.15</i>	1,688	0	0.00%	0.12%	0.13%	0.10%
	0.15 to <0.25	420,560	312	0.07%	0.19%	0.19%	0.19%
	0.25 to <0.50	216,620	390	0.18%	0.35%	0.36%	0.45%
	0.50 to <0.75	107,381	208	0.19%	0.62%	0.63%	0.82%
	0.75 to <2.50	122,354	654	0.53%	1.17%	1.16%	1.38%
	<i>0.75 to <1.75</i>	111,932	533	0.48%	1.13%	1.08%	1.20%
	<i>1.75 to <2.5</i>	10,422	121	1.16%	1.85%	1.99%	2.65%
	2.50 to <10.00	65,722	1,388	2.11%	4.30%	4.47%	3.58%
	<i>2.5 to <5</i>	41,725	539	1.29%	3.05%	2.96%	3.14%
	<i>5 to <10</i>	23,997	849	3.54%	7.22%	7.08%	5.59%
	10.00 to <100.00	17,610	1,976	11.22%	22.99%	30.95%	17.88%
	<i>10 to <20</i>	8,238	775	9.41%	15.60%	16.00%	12.89%
	<i>20 to <30</i>	4,153	488	11.75%	25.33%	23.89%	10.48%
	<i>30.00 to <100.00</i>	5,219	713	13.66%	47.28%	59.82%	38.07%
100.00 (Default)		8,014	8,014	100.00%	100.00%	100.00%	100.00%

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail – Other	0.00 to <0.15	547,842	318	0.06%	0.09%	0.08%	0.08%
	<i>0.00 to <0.10</i>	<i>358,379</i>	<i>135</i>	<i>0.04%</i>	<i>0.08%</i>	<i>0.05%</i>	<i>0.07%</i>
	<i>0.10 to <0.15</i>	<i>189,463</i>	<i>183</i>	<i>0.10%</i>	<i>0.12%</i>	<i>0.13%</i>	<i>0.12%</i>
	0.15 to <0.25	578,996	502	0.09%	0.19%	0.19%	0.19%
	0.25 to <0.50	395,925	861	0.22%	0.37%	0.39%	0.41%
	0.50 to <0.75	100,364	219	0.22%	0.63%	0.61%	0.77%
	0.75 to <2.50	464,854	3,294	0.71%	1.25%	1.25%	1.48%
	<i>0.75 to <1.75</i>	<i>419,912</i>	<i>2,763</i>	<i>0.66%</i>	<i>1.16%</i>	<i>1.14%</i>	<i>1.31%</i>
	<i>1.75 to <2.5</i>	<i>44,942</i>	<i>531</i>	<i>1.18%</i>	<i>2.10%</i>	<i>2.24%</i>	<i>2.59%</i>
	2.50 to <10.00	335,738	9,536	2.84%	4.55%	4.65%	4.10%
	<i>2.5 to <5</i>	<i>206,765</i>	<i>3,850</i>	<i>1.86%</i>	<i>3.27%</i>	<i>3.26%</i>	<i>3.21%</i>
	<i>5 to <10</i>	<i>128,973</i>	<i>5,686</i>	<i>4.41%</i>	<i>6.97%</i>	<i>6.88%</i>	<i>6.47%</i>
	10.00 to <100.00	168,041	13,846	8.24%	21.39%	49.26%	15.56%
	<i>10 to <20</i>	<i>47,651</i>	<i>3,903</i>	<i>8.19%</i>	<i>13.28%</i>	<i>13.67%</i>	<i>11.23%</i>
	<i>20 to <30</i>	<i>23,789</i>	<i>3,186</i>	<i>13.39%</i>	<i>25.61%</i>	<i>23.92%</i>	<i>14.72%</i>
<i>30.00 to <100.00</i>	<i>96,601</i>	<i>6,757</i>	<i>6.99%</i>	<i>50.46%</i>	<i>73.06%</i>	<i>35.89%</i>	
100.00 (Default)		58,255	58,255	100.00%	100.00%	100.00%	100.00%

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
A-IRB Total	0.00 to <0.15	570,650	336	0.06%	0.74%	0.08%	0.08%
	<i>0.00 to <0.10</i>	<i>378,087</i>	<i>149</i>	<i>0.04%</i>	<i>0.91%</i>	<i>0.05%</i>	<i>0.06%</i>
	<i>0.10 to <0.15</i>	<i>192,563</i>	<i>187</i>	<i>0.10%</i>	<i>0.14%</i>	<i>0.13%</i>	<i>0.12%</i>
	0.15 to <0.25	680,980	545	0.08%	0.19%	0.19%	0.18%
	0.25 to <0.50	466,180	950	0.20%	0.40%	0.38%	0.41%
	0.50 to <0.75	159,687	302	0.19%	0.62%	0.62%	0.76%
	0.75 to <2.50	489,408	3,464	0.71%	1.14%	1.26%	1.43%
	<i>0.75 to <1.75</i>	<i>438,695</i>	<i>2,872</i>	<i>0.65%</i>	<i>1.06%</i>	<i>1.15%</i>	<i>1.27%</i>
	<i>1.75 to <2.5</i>	<i>50,713</i>	<i>592</i>	<i>1.17%</i>	<i>1.97%</i>	<i>2.22%</i>	<i>2.38%</i>
	2.50 to <10.00	380,071	10,134	2.67%	4.31%	4.62%	3.79%
	<i>2.5 to <5</i>	<i>236,928</i>	<i>4,084</i>	<i>1.72%</i>	<i>3.15%</i>	<i>3.23%</i>	<i>2.96%</i>
	<i>5 to <10</i>	<i>143,143</i>	<i>6,050</i>	<i>4.23%</i>	<i>7.15%</i>	<i>6.91%</i>	<i>5.95%</i>
	10.00 to <100.00	187,192	15,420	8.24%	20.40%	47.49%	13.10%
	<i>10 to <20</i>	<i>55,819</i>	<i>4,431</i>	<i>7.94%</i>	<i>13.70%</i>	<i>13.84%</i>	<i>10.30%</i>
	<i>20 to <30</i>	<i>25,095</i>	<i>3,348</i>	<i>13.34%</i>	<i>24.53%</i>	<i>24.18%</i>	<i>13.65%</i>
<i>30.00 to <100.00</i>	<i>106,278</i>	<i>7,641</i>	<i>7.19%</i>	<i>35.32%</i>	<i>70.66%</i>	<i>17.68%</i>	
100.00 (Default)		62,365	62,365	100.00%	98.27%	100.00%	100.00%

F-IRB

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		c	d				
a	b	c	d	e	f	g	h
Corporates – Purchased receivables	0.00 to <0.15	1,121	27	2.41%	0.09%	0.10%	1.39%
	<i>0.00 to <0.10</i>	<i>646</i>	<i>15</i>	<i>2.32%</i>	<i>0.07%</i>	<i>0.09%</i>	<i>1.57%</i>
	<i>0.10 to <0.15</i>	<i>475</i>	<i>12</i>	<i>2.53%</i>	<i>0.11%</i>	<i>0.11%</i>	<i>1.15%</i>
	0.15 to <0.25	64	2	3.13%	0.18%	0.20%	1.42%
	0.25 to <0.50	86	1	1.16%	0.21%	0.42%	1.05%
	0.50 to <0.75	8	1	12.50%	0.10%	0.61%	2.50%
	0.75 to <2.50	59	3	5.08%	0.13%	1.16%	1.87%
	<i>0.75 to <1.75</i>	<i>51</i>	<i>3</i>	<i>5.88%</i>	<i>0.15%</i>	<i>1.04%</i>	<i>1.85%</i>
	<i>1.75 to <2.5</i>	<i>8</i>	<i>0</i>	<i>0.00%</i>	<i>0.11%</i>	<i>1.97%</i>	<i>1.00%</i>
	2.50 to <10.00	13	1	7.69%	0.16%	4.19%	7.77%
	<i>2.5 to <5</i>	<i>11</i>	<i>1</i>	<i>9.09%</i>	<i>0.32%</i>	<i>3.76%</i>	<i>8.17%</i>
	<i>5 to <10</i>	<i>2</i>	<i>0</i>	<i>0.00%</i>	<i>0.12%</i>	<i>6.58%</i>	<i>10.00%</i>
	10.00 to <100.00	164	2	1.22%	0.23%	34.87%	0.55%
	<i>10 to <20</i>	<i>8</i>	<i>0</i>	<i>0.00%</i>	<i>0.38%</i>	<i>12.26%</i>	<i>2.50%</i>
	<i>20 to <30</i>	<i>1</i>	<i>0</i>	<i>0.00%</i>	<i>0.11%</i>	<i>27.71%</i>	<i>0.00%</i>
	<i>30.00 to <100.00</i>	<i>155</i>	<i>2</i>	<i>1.29%</i>	<i>0.22%</i>	<i>36.08%</i>	<i>0.51%</i>
100.00 (Default)		2	2	100.00%	0.10%	100.00%	100.00%

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		c	d				
a	b	c	d	e	f	g	h
Corporates – Other	0.00 to <0.15	1,296	7	0.54%	0.12%	0.08%	0.69%
	<i>0.00 to <0.10</i>	<i>940</i>	<i>5</i>	<i>0.53%</i>	<i>0.08%</i>	<i>0.06%</i>	<i>0.66%</i>
	<i>0.10 to <0.15</i>	<i>356</i>	<i>2</i>	<i>0.56%</i>	<i>0.15%</i>	<i>0.15%</i>	<i>0.77%</i>
	0.15 to <0.25	604	6	0.99%	0.22%	0.22%	0.68%
	0.25 to <0.50	1,201	10	0.83%	0.43%	0.43%	1.91%
	0.50 to <0.75	4	0	0.00%	0.30%	0.64%	0.00%
	0.75 to <2.50	1,083	19	1.75%	0.98%	1.21%	1.95%
	<i>0.75 to <1.75</i>	<i>869</i>	<i>15</i>	<i>1.73%</i>	<i>0.86%</i>	<i>1.01%</i>	<i>2.01%</i>
	<i>1.75 to <2.5</i>	<i>214</i>	<i>4</i>	<i>1.87%</i>	<i>1.92%</i>	<i>2.04%</i>	<i>1.65%</i>
	2.50 to <10.00	153	8	5.23%	3.63%	3.62%	3.22%
	<i>2.5 to <5</i>	<i>152</i>	<i>8</i>	<i>5.26%</i>	<i>3.60%</i>	<i>3.59%</i>	<i>3.27%</i>
	<i>5 to <10</i>	<i>1</i>	<i>0</i>	<i>0.00%</i>	<i>5.55%</i>	<i>6.96%</i>	<i>0.00%</i>
	10.00 to <100.00	1,980	59	2.98%	18.31%	33.17%	2.53%
	<i>10 to <20</i>	<i>219</i>	<i>25</i>	<i>11.42%</i>	<i>10.92%</i>	<i>12.23%</i>	<i>7.14%</i>
	<i>20 to <30</i>	<i>67</i>	<i>4</i>	<i>5.97%</i>	<i>22.88%</i>	<i>24.43%</i>	<i>7.69%</i>
	<i>30.00 to <100.00</i>	<i>1,694</i>	<i>30</i>	<i>1.77%</i>	<i>35.24%</i>	<i>36.22%</i>	<i>1.80%</i>
100.00 (Default)		112	112	100.00%	92.05%	100.00%	100.00%

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Institutions	0.00 to <0.15	445	0	0.00%	0.07%	0.08%	1.30%
	<i>0.00 to <0.10</i>	<i>310</i>	<i>0</i>	<i>0.00%</i>	<i>0.06%</i>	<i>0.06%</i>	<i>0.72%</i>
	<i>0.10 to <0.15</i>	<i>135</i>	<i>0</i>	<i>0.00%</i>	<i>0.12%</i>	<i>0.12%</i>	<i>2.86%</i>
	0.15 to <0.25	110	0	0.00%	0.17%	0.17%	2.92%
	0.25 to <0.50	109	0	0.00%	0.27%	0.33%	2.58%
	0.50 to <0.75	52	0	0.00%	0.65%	0.66%	2.07%
	0.75 to <2.50	37	0	0.00%	1.26%	1.23%	0.71%
	<i>0.75 to <1.75</i>	<i>36</i>	<i>0</i>	<i>0.00%</i>	<i>1.26%</i>	<i>1.20%</i>	<i>0.73%</i>
	<i>1.75 to <2.5</i>	<i>1</i>	<i>0</i>	<i>0.00%</i>		<i>2.48%</i>	<i>0.00%</i>
	2.50 to <10.00	33	0	0.00%	4.36%	2.99%	0.00%
	<i>2.5 to <5</i>	<i>32</i>	<i>0</i>	<i>0.00%</i>	<i>2.37%</i>	<i>2.82%</i>	<i>0.00%</i>
	<i>5 to <10</i>	<i>1</i>	<i>0</i>	<i>0.00%</i>	<i>8.05%</i>	<i>8.46%</i>	<i>0.00%</i>
	10.00 to <100.00	44	0	0.00%	26.55%	28.17%	0.46%
	<i>10 to <20</i>	<i>1</i>	<i>0</i>	<i>0.00%</i>	<i>0.30%</i>	<i>11.23%</i>	<i>0.00%</i>
	<i>20 to <30</i>	<i>43</i>	<i>0</i>	<i>0.00%</i>	<i>28.44%</i>	<i>28.56%</i>	<i>0.50%</i>
<i>30.00 to <100.00</i>				<i>0.05%</i>			
100.00 (Default)		39	39	100.00%	16.55%	100.00%	100.00%
Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Public sector entities	0.00 to <0.15	15	0	0.00%	0.04%	0.04%	0.00%
	<i>0.00 to <0.10</i>	<i>15</i>	<i>0</i>	<i>0.00%</i>	<i>0.04%</i>	<i>0.04%</i>	<i>0.00%</i>
	<i>0.10 to <0.15</i>						
	0.15 to <0.25						
	0.25 to <0.50					0.05%	
	0.50 to <0.75						
	0.75 to <2.50						
	<i>0.75 to <1.75</i>						
	<i>1.75 to <2.5</i>						
	2.50 to <10.00					0.04%	
	<i>2.5 to <5</i>					0.04%	
	<i>5 to <10</i>						
	10.00 to <100.00	3	0	0.00%	28.56%	28.56%	0.00%
	<i>10 to <20</i>						
	<i>20 to <30</i>	3	0	0.00%	28.56%	28.56%	0.00%
<i>30.00 to <100.00</i>							
100.00 (Default)							

Exposure class	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
F-IRB Total	0.00 to <0.15	3,731	34	0.91%	0.09%	0.09%	0.76%
	<i>0.00 to <0.10</i>	2,329	18	0.77%	0.07%	0.07%	0.72%
	<i>0.10 to <0.15</i>	1,402	16	1.14%	0.14%	0.13%	0.81%
	0.15 to <0.25	1,454	8	0.55%	0.21%	0.22%	0.60%
	0.25 to <0.50	3,070	24	0.78%	0.43%	0.43%	1.24%
	0.50 to <0.75	86	1	1.16%	0.71%	0.65%	1.75%
	0.75 to <2.50	2,894	49	1.69%	0.95%	1.24%	1.62%
	<i>0.75 to <1.75</i>	2,272	34	1.50%	0.85%	1.02%	1.38%
	<i>1.75 to <2.5</i>	622	15	2.41%	1.72%	2.04%	2.44%
	2.50 to <10.00	491	18	3.67%	2.98%	3.79%	3.31%
	<i>2.5 to <5</i>	464	16	3.45%	3.37%	3.56%	3.22%
	<i>5 to <10</i>	27	2	7.41%	1.22%	7.71%	4.63%
	10.00 to <100.00	3,926	187	4.76%	6.35%	31.58%	3.69%
	<i>10 to <20</i>	656	80	12.20%	9.04%	12.16%	8.20%
	<i>20 to <30</i>	237	30	12.66%	22.86%	25.27%	8.39%
	<i>30.00 to <100.00</i>	3,033	77	2.54%	4.35%	36.27%	2.50%
100.00 (Default)		387	387	100.00%	89.67%	100.00%	100.00%

Table 21 - EU CR10.5 - Equity exposures under Articles 133 (3) to (6) and Article 495a(3) CRR
 The total exposure amount for equity exposures amounted to EUR 1.6bn in Q4 2025.

Categories	On-balancesheet exposure	Off-balancesheet exposure	Average risk weight	Exposure value	Risk weighted exposure amount
EURm	a	b	c	d	e
Exposures subject to Article 495a.3	1,349		100%	1,349	1,349
Other ¹⁾	240		124%	240	297
Total	1,589			1,589	1,646

¹⁾ The 'Other' category comprises of associated undertakings and joint ventures subject to Article 48(4), as well as equity holdings in entities in accordance with Articles 19, 48(4), 133 and 495a(1) of the CRR.

Table 22 - Standardised exposure classes, distributed by credit quality step

The table presents the credit quality steps and equivalent S&P ratings for applicable exposure classes in the Standardised Approach. The decreased exposure towards central governments or central banks from 2024 to 2025 is mainly driven by changes in lending volume. This exposure class also includes Deferred Tax Assets (DTAs), which are subject to a risk weight of 100% or 250% depending on the nature of the tax asset.

EURm	Standard & Poor's rating	Risk weight	Original Exposure		Exposure	
			Dec 2025	Dec 2024	Dec 2025	Dec 2024
(a) Central Governments or Central banks						
1	AAA to AA-	0%	69,273	74,700	72,648	78,073
2	A+ to A-	20%	4	51	29	79
3	BBB+ to BBB-	50%				
4 to 6 or blank	BB+ and below, or without rating	100-250%	81	133	67	59
Total			69,358	74,884	72,744	78,212
(b) Regional Governments or local authorities						
1	AAA to AA- ¹⁾	0% - 20% ¹⁾	12,494	11,241	6,494	5,865
2	A+ to A-	50%				
3 to 6 or blank	BBB+ and below, or without rating	100-250%				
Total			12,494	11,241	6,494	5,865
(c) Public sector entities						
1	AAA to AA- ¹⁾	0% - 20% ¹⁾	0	0	0	0
2	A+ to A-	50%				
3 to 6 or blank	BBB+ and below, or without rating	100-250%				
Total			0	0	0	0
(d) Multilateral Developments Banks						
1	AAA to AA- ²⁾	0% - 20% ²⁾	2,464	2,867	2,443	2,843
2	A+ to A-	50%				
3 to 6 or blank	BBB+ and below, or without rating	100-250%				
Total			2,464	2,867	2,443	2,843
(e) Institutions						
1	AAA to AA-	20%	28	385	28	385
2	A+ to A-	50%	6	7	8	7
3 to 6 or blank	BBB+ and below, or without rating	30, 40, 100-150%	395		356	
Total			429	393	392	393
(f) Corporates						
1	AAA to AA-	20%	4		16	
2	A+ to A-	50%	8	1	94	1
3 to 4	BBB+ to BB-	100%	2,284	2,198	1,898	1,883
5 to 6 or blank	B+ and below, or without rating	75, 150%	2	0	1	0
Total			2,299	2,199	2,010	1,884

¹⁾ Includes exposures treated as exposures to the central government, regional government or local authority as provisioned by CRR and that receives a 0%-risk weight.

²⁾ Includes exposures to specific entities and receives a 0%-risk weight as provisioned by CRR.

Table 23 - EU CQ1 - Credit quality of forborne exposures

Forbearance is eased terms or restructuring due to the borrower experiencing or about to experience financial difficulties. The intention of granting forbearance for a limited time period is to help the customer return to a sustainable financial situation ensuring full repayment of the outstanding debt. Examples of forbearance are changes in amortisation profile, repayment schedule, customer margin as well as easing of covenants. Forbearance is undertaken on a selective and individual basis and is followed by impairment testing. At the end of Q4 2025, total forborne loans and advances amounted to EUR 3.4bn.

EURm	a	b	c	d	e		f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Of which defaulted	Of which impaired						
Q4 2025									
005 Cash balances at central banks and other demand deposits									
010 Loans and advances	2,021	1,329	1,329	1,319	-42	-418		1,951	460
020 <i>Central banks</i>									
030 <i>General governments</i>									
040 <i>Credit institutions</i>									
050 <i>Other financial corporations</i>	0	100	100	100	-0	-57		2	1
060 <i>Non-financial corporations</i>	1,034	818	818	812	-26	-297		764	220
070 <i>Households</i>	986	412	412	408	-16	-64		1,185	238
080 Debt Securities									
090 Loan commitments given	109	98	98	98	4	0		65	24
100 Total	2,130	1,427	1,427	1,417	-46	-418		2,016	484

Table 24 - EU CQ3 - Credit quality of performing and non-performing exposures by past due days

Credit quality remained solid during the year 2025. Total gross carrying amount of performing and non-performing loans and advances was EUR 355.6bn at the end of Q4 2025. During the year 2025, performing loans and advances increased by EUR 19.3bn, mainly in household portfolio. Non-performing loans and advances increased by EUR 0.2bn. The majority of non-performing loans and advances (74%) are loans that are classified as 'Unlikely to pay that are not past-due or past-due less than or equal to 90 days'.

EURm	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
Q4 2025												
005 Cash balances at central banks and other demand deposits	38,357	34,411	3,946									
010 Loans and advances	352,022	351,702	320	3,614	2,682	128	215	323	225	27	14	3,614
020 <i>Central banks</i>	5,907	5,907										
030 <i>General governments</i>	1,109	1,107	1	22	22							22
040 <i>Credit institutions</i>	1,145	1,145	0	3	3							3
050 <i>Other financial corporations</i>	13,299	13,299	0	163	161	0	1	0	1			163
060 <i>Non-financial corporations</i>	133,186	133,107	79	1,852	1,586	35	66	88	64	9	5	1,852
070 <i>Of which SMEs</i>	54,394	54,349	45	941	768	25	35	52	52	6	3	941
080 <i>Households</i>	197,377	197,138	239	1,573	910	93	148	234	160	18	10	1,573
090 Debt securities	55,759	55,759										
100 <i>Central banks</i>												
110 <i>General governments</i>	16,528	16,528										
120 <i>Credit institutions</i>	32,191	32,191										
130 <i>Other financial corporations</i>	4,732	4,732										
140 <i>Non-financial corporations</i>	2,309	2,309										
150 Off-balance-sheet exposures	116,843			532								532
160 <i>Central banks</i>												
170 <i>General governments</i>	8,803											
180 <i>Credit institutions</i>	554			0								0
190 <i>Other financial corporations</i>	7,363			5								5
200 <i>Non-financial corporations</i>	69,753			496								496
210 <i>Households</i>	30,371			31								31
220 Total	562,982	441,873	4,266	4,146	2,682	128	215	323	225	27	14	4,146

Table 25 - EU CQ4 - Quality of non-performing exposures by geography

The distribution of defaulted exposures by geography shows approximately 98% of the total defaulted volume concentrated to exposures in Nordic countries, of which the largest portion (34%) is in Finland. During the second half of the year 2025 the total defaulted exposures decreased by EUR 56m.

EURm	a	b	c	d	e	f	g
	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing	Of which defaulted	Of which subject to impairment			
Q4 2025							
010 On-balance-sheet exposures	411,395		3,614		-1,376		-65
020 Finland	69,189		1,293		-600		
030 Sweden	122,997		614		-231		
040 Norway	83,724		528		-192		
050 Denmark	101,458		1,129		-309		-65
060 Other countries	34,028		50		-44		
070 Off-balance-sheet exposures	117,375		532			158	
080 Finland	19,363		126			29	
090 Sweden	34,771		280			26	
100 Norway	23,647		16			14	
110 Denmark	23,801		84			83	
120 Other countries	15,793		26			6	
130 Total	528,771		4,146		-1,376	158	-65

Table 26 - EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

The non-financial corporate portfolio was well diversified between industry groups. Real estate activities and manufacturing contributed to the largest share of total loans and advances. During the second half of the year 2025, defaulted loans and advances decreased by EUR 0.1bn to EUR 1.9bn, primarily driven by manufacturing, wholesale & retail trade and construction.

	a	b		d	e	f
		Gross carrying amount				
		Of which non-performing	Of which loans and advances subject to impairment			
			c			
			Of which defaulted		Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Q4 2025						
010 Agriculture, forestry and fishing	7,878		275		-49	-19
020 Mining and quarrying	619		5		-2	
030 Manufacturing	18,778		329		-190	
040 Electricity, gas, steam and air conditioning supply	5,734		73		-31	
050 Water supply	1,521		33		-8	
060 Construction	5,808		169		-104	
070 Wholesale and retail trade	9,696		339		-191	
080 Transport and storage	7,431		43		-27	
090 Accommodation and food service activities	1,769		46		-44	
100 Information and communication	4,477		207		-47	
110 Financial and insurance activities	8,671		8		-10	
120 Real estate activities	52,819		147		-81	
130 Professional, scientific and technical activities	3,266		114		-51	
140 Administrative and support service activities	3,413		40		-31	
150 Public administration and defense, compulsory social security	252				-0	
160 Education	343		3		-3	
170 Human health services and social work activities	1,397		5		-5	
180 Arts, entertainment and recreation	812		13		-10	
190 Other services	352		3		-4	
200 Total	135,039		1,852		-889	-19

Table 27 - EU CQ7 - Collateral obtained by taking possession and execution processes¹⁾

Non-Property Plant and Equipment make up 100% of the total collaterals claimed at the end of Q4 2025. During the second half of the year 2025 assets claimed decreased by EUR 2.1m, driven by a decrease in other collateral.

EURm	a	b
	Collateral obtained by taking possession ¹⁾	
Q4 2025	Value at initial recognition	Accumulated negative changes
010 Property, plant and equipment (PP&E)		
020 Other than PP&E	8.6	-3.0
030 <i>Residential immovable property</i>	0.5	-0.1
040 <i>Commercial immovable property</i>		
050 <i>Movable property (auto, shipping, etc.)</i>	1.8	
060 <i>Equity and debt instruments</i>	4.7	-2.8
070 <i>Other collateral</i>	1.6	
080 Total	8.6	-3.0

¹⁾ Excluding entities which are not in scope according to FINREP reporting definition.

Table 28 - EU CCR1 - Analysis of CCR exposure by approach

Nordea is using three methodologies when calculating the counterparty credit risk amounts. For derivatives Nordea uses the Standardised Approach (SA-CCR) and the Internal Model Method (IMM). For Securities Financing Transactions (SFT), Nordea uses the financial collateral comprehensive method. The decrease in RWEA over the past half year is mainly driven by market factors, in particular by (i) material appreciation of the SEK and (ii) higher interest rates in EUR area and Nordic countries.

EURm	a	b	c	d	e	f	g	h
	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
Q4 2025								
EU-1 EU - Original Exposure Method (for derivatives)				1,40				
EU-2 EU - Simplified SA-CCR (for derivatives)				1,40				
1 SA-CCR (for derivatives)	119	793		1,40	1,731	1,280	1,421	473
2 IMM (for derivatives and SFTs)			3,894	1,55	11,654	6,035	6,098	1,482
2a <i>Of which securities financing transactions netting</i>								
2b <i>Of which derivatives and long settlement transactions netting sets</i>			3,894		11,654	6,035	6,098	1,482
2c <i>Of which from contractual cross-product netting</i>								
3 Financial collateral simple method (for SFTs)								
4 Financial collateral comprehensive method (for SFTs)					53,796	2,717	3,483	534
5 VaR for SFTs								
6 Total					67,180	10,033	11,003	2,489

EURm	a	b	c	d	e	f	g	h
	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
Q2 2025								
EU-1 EU - Original Exposure Method (for derivatives)								
EU-2 EU - Simplified SA-CCR (for derivatives)								
1 SA-CCR (for derivatives)	161	791		1,40	1,657	1,340	1,339	477
2 IMM (for derivatives and SFTs)			4,081	1,55	12,602	6,326	6,313	1,644
2a <i>Of which securities financing transactions netting</i>								
2b <i>Of which derivatives and long settlement transactions netting sets</i>			4,081		12,602	6,326	6,313	1,644
2c <i>Of which from contractual cross-product netting</i>								
3 Financial collateral simple method (for SFTs)								
4 Financial collateral comprehensive method (for SFTs)					42,427	2,631	2,631	410
5 VaR for SFTs								
6 Total					56,686	10,296	10,283	2,531

Table 29 - EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights

The total amount of EAD for the standardised approach between Q2 2025 and Q4 2025 decreased by 527 EURm. Decreased institutional lending was offset by increased central government or central bank lending.

EURm	Risk weight												Total exposure value
	a	b	c	d	e	f	g	h	i	j	k	l	
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others		
Q4 2025													
1 Central governments or central banks	1,558												1,558
2 Regional government or local authorities	226				17								243
3 Public sector entities													
4 Multilateral development banks	701												701
5 International organisations	75												75
6 Institutions		503											503
7 Corporates									2				2
8 Retail													
9 Institutions and corporates with a short-term credit assessment													
10 Other items												0	0
11 Total exposure value	2,559	503			17				2			0	3,081

EURm	Risk weight												Total exposure value
	a	b	c	d	e	f	g	h	i	j	k	l	
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others		
Q2 2025													
1 Central governments or central banks	1,315				9								1,325
2 Regional government or local authorities	277				24								301
3 Public sector entities													
4 Multilateral development banks	801												801
5 International organisations	1												1
6 Institutions		1,175											1,175
7 Corporates									6				6
8 Retail													
9 Institutions and corporates with a short-term credit assessment													
10 Other items													
11 Total exposure value	2,394	1,175			33				6				3,608

Table 30 - EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale

EU CCR4 tables show EAD for counterparty credit risk (CCR) according to the IRB approach broken down by exposure class and obligor grade, providing a comprehensive overview of original and regulatory exposures as well as statistics on the inputs used for their computation, such as EAD, average PD and average LGD. Between Q2 2025 and Q4 2025, total EAD increased by EUR 0.6bn and REA remained stable, while REA density decreased to 29%.

EURm		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
Public sector entities (F-IRB)								
1	0.00 to < 0.15	1	0.04%	2	45.0%	2.0	0	12%
2	0.15 to < 0.25							
3	0.25 to < 0.50							
4	0.50 to < 0.75							
5	0.75 to < 2.50							
6	2.50 to < 10.00							
7	10.00 to < 100							
8	100 (Default)							
9	Sub-total (Public sector entities (F-IRB))	1	0.04%	2	45.0%	2.0	0	12%

EURm		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Institutions (F-IRB)								
1	0.00 to < 0.15	4,512	0.08%	123	45.0%	1.0	999	22%
2	0.15 to < 0.25	346	0.17%	30	45.0%	0.0	103	30%
3	0.25 to < 0.50	27	0.33%	22	45.0%	1.0	13	48%
4	0.50 to < 0.75	42	0.66%	15	45.0%	1.0	26	62%
5	0.75 to < 2.50	8	1.57%	7	45.0%	1.0	7	88%
6	2.50 to < 10.00	2	2.85%	3	45.0%	1.0	2	108%
7	10.00 to < 100	0	28.56%	3	45.0%	1.0	0	236%
8	100 (Default)							
9	Sub-total (Institutions (F-IRB))	4,936	0.09%	203	45.0%	1.0	1,149	23%

EURm		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (F-IRB)								
1	0.00 to < 0.15	2,301	0.08%	1,056	42.1%	1.0	558	24%
2	0.15 to < 0.25	277	0.22%	381	39.9%	2.0	122	44%
3	0.25 to < 0.50	543	0.43%	978	40.4%	2.0	316	58%
4	0.50 to < 0.75							
5	0.75 to < 2.50	268	1.11%	766	38.9%	3.0	225	84%
6	2.50 to < 10.00	43	3.61%	52	39.9%	2.0	47	110%
7	10.00 to < 100	41	20.59%	301	41.6%	3.0	64	157%
8	100 (Default)	8	100.00%	43	37.6%	2.0	0	0%
9	Sub-total (Corporates (F-IRB))	3,481	0.74%	3,577	41.4%	2.0	1,333	38%

EURm		a	b	c	d	e	f	g
	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (A-IRB)								
1	0.00 to < 0.15							
2	0.15 to < 0.25	0	0.22%		40.0%	3.0	0	150%
3	0.25 to < 0.50	0	0.46%		40.0%	3.0	0	58%
4	0.50 to < 0.75							
5	0.75 to < 2.50	1	2.05%		40.0%	1.0	0	86%
6	2.50 to < 10.00							
7	10.00 to < 100	0	12.33%		40.0%	1.0	0	168%
8	100 (Default)		0.10%		0.0%			
9	Sub-total (Corporates (A-IRB))	1	3.61%		40.0%	1.0	1	99%

10	Total (all CCR relevant exposure classes)	8,419	0.36%	3,782	43.5%	1.0	2,483	29%
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Table 31 - EU CCR5 – Composition of collateral for CCR exposures

Collateral used in derivative transactions reflects the total amounts of collateral posted and received, on the day of reporting. For the Security Finance Transactions (SFT) the trade collateral (counterparty's obligation in the transaction) is included as collateral. The main driver of increased collaterals are (i) pricing difference, (ii) market movement on over-the-counter equity and cross currency swaps.

Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
	a	b	c	d	e	f	g	h
Q4 2025								
1 Cash – domestic currency		2,510		2,311	9	11,970	4	18,896
2 Cash – other currencies		655		417	199	28,457	1	45,457
3 Domestic sovereign debt						2		3
4 Other sovereign debt								
5 Government agency debt		720		420	128	9	26	304
6 Corporate bonds		42		1	818	59,998	2,988	31,710
7 Equity securities					5,880	8,813		12,779
8 Other collateral	1,527	82	1,555	332		4,618	770	6,670
9 Total	1,527	4,009	1,555	3,481	7,034	113,866	3,790	115,819

Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
	a	b	c	d	e	f	g	h
Q2 2025								
1 Cash – domestic currency		2,955		2,804	6	17,487	3	16,535
2 Cash – other currencies		490		454	75	46,907		58,043
3 Domestic sovereign debt								
4 Other sovereign debt								
5 Government agency debt		494		623	166	17	26	297
6 Corporate bonds		37		5	785	34,987	2,311	15,087
7 Equity securities					4,694	1,452		2,217
8 Other collateral	1,124	231	1,152	279		2,240	1,084	9,488
9 Total	1,124	4,207	1,152	4,166	5,726	103,089	3,426	101,667

Table 32 - EU CCR6 - Credit derivatives exposures

The credit derivative notional amounts increased in the second half of 2025. Net fair value of protection sold increased driven by increased assets whereas net protection bought increased in absolute terms driven by increased liabilities.

EURm	a	b
Q4 2025	Protection bought	Protection sold
Notionals		
1 Single-name credit default swaps	3,395	2,907
2 Index credit default swaps	181,420	181,475
3 Total return swaps		
4 Credit options		
5 Other credit derivatives	1,969	2,803
6 Total notionals	186,783	187,185
Fair value		
7 Positive fair value (asset)	34	5,259
8 Negative fair value (liability)	-5,222	-71
EURm	a	b
Q2 2025	Protection bought	Protection sold
Notionals		
1 Single-name credit default swaps	3,050	2,597
2 Index credit default swaps	158,247	157,592
3 Total return swaps		
4 Credit options		
5 Other credit derivatives	2,520	2,868
6 Total notionals	163,816	163,057
Fair value		
7 Positive fair value (asset)	36	4,301
8 Negative fair value (liability)	-4,229	-68

Table 33 - EU CCR7 - RWEA flow statements of CCR exposures under the IMM

RWEA for CCR exposures under the Internal Model Method (IMM) decreased slightly during Q4 2025, mainly driven by reduced asset size offset by increased credit quality of the portfolio.

EURm	a
Q4 2025	RWEA
1 RWEA as at the end of the previous reporting period	1,520
2 Asset size	-55
3 Credit quality of counterparties	80
4 Model updates (IMM only)	3
5 Methodology and policy (IMM only)	
6 Acquisitions and disposals	
7 Foreign exchange movements	
8 Other	-63
9 RWEA as at the end of the current reporting period ¹⁾	1,485

EURm	a
Q3 2025	RWEA
1 RWEA as at the end of the previous reporting period	1,708
2 Asset size	-253
3 Credit quality of counterparties	99
4 Model updates (IMM only)	
5 Methodology and policy (IMM only)	
6 Acquisitions and disposals	
7 Foreign exchange movements	
8 Other	-34
9 RWEA as at the end of the current reporting period	1,520

1) All exposures including CCP exposures

Table 34 - EU CCR8 – Exposures to CCPs

Nordea's exposure towards Central Clearing Counterparties (CCP) decreased between Q2 2025 and Q4 2025 mainly driven by weakening EUR against SEK and NOK as well as tightening of credit spreads.

EURm Q4 2025	a	b
	Exposure value	RWEA
1 Exposures to QCCPs (total)	1,366	60
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	381	8
3 (i) OTC derivatives	251	5
4 (ii) Exchange-traded derivatives	113	2
5 (iii) SFTs	16	
6 (iv) Netting sets where cross-product netting has been approved		
7 Segregated initial margin	741	
8 Non-segregated initial margin	122	2
9 Prefunded default fund contributions	122	50
10 Unfunded default fund contributions		
11 Exposures to non-QCCPs (total)		
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13 (i) OTC derivatives		
14 (ii) Exchange-traded derivatives		
15 (iii) SFTs		
16 (iv) Netting sets where cross-product netting has been approved		
17 Segregated initial margin		
18 Non-segregated initial margin		
19 Prefunded default fund contributions		
20 Unfunded default fund contributions		

EURm Q2 2025	a	b
	Exposure value	RWEA
1 Exposures to QCCPs (total)	1,920	85
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	814	16
3 (i) OTC derivatives	467	9
4 (ii) Exchange-traded derivatives	142	3
5 (iii) SFTs	205	4
6 (iv) Netting sets where cross-product netting has been approved		
7 Segregated initial margin	580	
8 Non-segregated initial margin	361	7
9 Prefunded default fund contributions	166	62
10 Unfunded default fund contributions		
11 Exposures to non-QCCPs (total)		
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13 (i) OTC derivatives		
14 (ii) Exchange-traded derivatives		
15 (iii) SFTs		
16 (iv) Netting sets where cross-product netting has been approved		
17 Segregated initial margin		
18 Non-segregated initial margin		
19 Prefunded default fund contributions		
20 Unfunded default fund contributions		

Table 35 - EU CVA2 - Credit valuation adjustment risk under the Full Basic Approach (F-BA)

BA-CVA covers mainly equity and credit derivatives. The own funds requirements constitute about half of that of SA-CVA (see table 36), with Single Name CDS and Index Hedging being more evenly distributed than in SA-CVA.

EURm Q4 2025	a	EU b
	Own funds requirements	Notional of CVA hedges
1 BACVAcsr-unhedged	18	
2 BACVAcsr-hedged	14	
3 Total	12	
EU 4 Single-name CDS		63
EU 5 Index CDS		45
EU 6 Total		108

Table 36 - EU CVA3 - Credit valuation adjustment risk under the Standardised Approach (SA)

Nordea always aims to use liquid single name CDS where possible. The scope of SA-CVA is almost exclusively large financial corporates, which are most likely to have a liquid single name CDS. This is reflected in the hedging approach.

Q4 2025	a	b	EU c
	Own funds requirements (EURm)	Number of counterparties	Notional of CVA hedges (EURm)
Risk classes			
1 Interest rate risk	3		
2 Foreign exchange risk	6		
3 Reference credit spread risk			
4 Equity risk			
5 Commodity risk			
6 Counterparty credit spread risk	16		
7 Total	25		
Counterparty types of transactions			
EU 8 Central banks			
EU 9 General Governments		34	
EU 10 Credit institutions		166	
EU 11 Investment firms		224	
EU 12 Other financial corporations (excluding investment firms)		73	
EU 13 Non-financial corporations		1	
EU 14 Total		498	
CVA Hedges			
EU 15 Single name CDS			376
EU 16 Index CDS			194
EU 17 Other derivatives classified as CVA risk hedges			
EU 18 Total			570

Table 37 - EU CVA4 – RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)

The decrease in SA-CVA RWEA is mainly driven by credit and can largely be contributed to reduced exposures and credit spreads tightening.

EURm	a
Q4 2025	Risk weighted exposure amount
1 Risk weighted exposure amount as at the end of the previous reporting period	347
2 Risk weighted exposure amount as at the end of the current reporting period	310

Table 38 - EU OR1 - Operational risk losses

Overall operational risk losses have been stable throughout the period, with two exceptions: 2019 primarily due to a EUR 95m provision and associated legal costs for a potential anti-money laundering (AML) fine (EUR 126m in total net loss, including all incidents above EUR 20,000); 2024 primarily due to a EUR 32m fine related to the adequacy of Nordea's AML programme during 2008 to 2019, corrective measures and compensations in relation to errors in the collection of overdue debt, and additional contributions from operational processing errors (EUR 135m in total net loss, including all incidents above EUR 20,000). Nordea has not excluded any incident events in the period.

	a	b	c	d	e	f	g	h	i	j	k
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Ten-year
Using €20,000 threshold											
1 Total amount of operational risk losses net of recoveries (no exclusions) (EURm)	16	135	20	19	16	19	126	14	16	29	41
2 Total number of operational risk losses	132	184	196	176	134	165	145	125	140	136	153
3 Total amount of excluded operational risk losses (EURm)											
4 Total number of excluded operational risk events											
5 Total amount of operational risk losses net of recoveries and net of excluded losses	16	135	20	19	16	19	126	14	16	29	41
Using €100,000 threshold											
6 Total amount of operational risk losses net of recoveries (no exclusions) (EURm)	12	130	14	14	12	14	122	10	11	26	36
7 Total number of operational risk losses	40	56	42	44	29	42	25	26	35	55	39
8 Total amount of excluded operational risk losses (EURm)											
9 Total number of excluded operational risk events											
10 Total amount of operational risk losses net of recoveries and net of excluded losses	12	130	14	14	12	14	122	10	11	26	36
Details of operational risk capital calculation											
11 not applicable											
12 not applicable											
13 not applicable											

Table 39 - EU OR2 - Business Indicator, components and subcomponents

Compared to previous periods, the increase in Business Indicator is mainly driven by increased net interest income and fee and commission income.

EURm	a	b	c	d
BI and its subcomponents	T	T-1	T-2	Average value
1 Interest, lease and dividend component (ILDC)				6,330
EU 1 ILDC related to the individual Institution/consolidated Group (excluding entities considered by Article 314(3))				
1a Interest and lease income	21,451	19,780	8,836	16,689
1b Interest and lease expense	14,318	12,990	3,767	10,359
1c Total assets/Asset component	510,410	494,531	514,877	506,606
1d Dividend income/ dividend component				
2 Services component (SC)				3,987
2a Fee and commission income	3,896	3,773	4,032	3,900
2b Fee and commission expense	1,050	1,024	1,085	1,053
2c Other operating income	30	27	37	31
2d Other operating expense	144	86	30	87
3 Financial component (FC)				1,149
3a Net profit or loss applicable to trading book (TB)	572	959	-530	334
3b Net profit or loss applicable to banking book (BB)	-662	-231	-1,553	-815
EU 3c Approach followed to determine the TB/BB boundary (PBA or accounting approach)				PBA
4 Business Indicator (BI)				11,467
5 Business indicator component (BIC)				1,690
Disclosure on the BI	a			
6a BI gross of excluded divested activities				11,467
6b Reduction in BI due to excluded divested activities				
EU 6c Impact in BI of mergers/acquisitions				

Table 40 - EU OR3 - Operational risk own funds requirements and risk exposure amounts

Total operational risk REA increased by EUR 3.3bn compared to Q4 2024, mainly driven by changed regulatory method following the introduction of CRR 3.

EURm	a
1 Business Indicator Component (BIC)	1,690
EU 1 Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	1,690
2 Not applicable	-
3 Minimum Required Operational Risk Own Funds Requirements (OROF)	1,690
4 Operational Risk Exposure Amounts (REA)	21,125

Table 41 - EU LIQ1 - Quantitative information of LCR

Nordea Group's short term liquidity risk exposure, measured by Liquidity Coverage Ratio (LCR), has remained on a strong and stable level during 2025. The main drivers of Nordea Group's LCR results are outflows associated with customer deposits, which are counterbalanced by high quality liquid assets. In Q4 2025 net outflows decreased slightly and liquid assets increased slightly, driving LCR higher compared to Q3. Liquidity buffer in Nordea Group is composed mainly of cash with central banks, government bonds, government related entity bonds and high quality covered bonds. During the quarter Nordea was able to actively use all its funding programmes, maintained its strong name in the funding markets, and held a strong and diversified funding base across all main currencies. Nordea Group's main funding sources at the end of Q4 2025 were customer deposits (44% of total liabilities) and issued debt securities (37% of total liabilities). Nordea has a centralised liquidity management function where Group Treasury is responsible for the management of the Group's liquidity positions, liquidity buffers, external and internal funding including the mobilisation of cash around the Group, and Funds Transfer Pricing. Nordea actively manages LCR on currency level by holding liquid assets across all significant currencies and by managing possible currency mismatches. Nordea's derivative exposures and their impact to LCR are closely monitored and managed. Associated collateral calls during possible liquidity crises are monitored, managed as well as stressed in LCR.

EURm	a	b	c	d	e	f	g	h
	Total unweighted value (average)				Total weighted value (average)			
EU 1a Quarter ending on (31 Dec 2025)	31 Dec 25	30 Sep 25	30 Jun 25	31 Mar 25	31 Dec 25	30 Sep 25	30 Jun 25	31 Mar 25
EU 1b Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets								
1 Total high-quality liquid assets (HQLA)					111,344	111,180	110,815	109,424
Cash - Outflows								
2 Retail deposits and deposits from small business customers, of which:	118,851	116,651	114,456	112,516	8,458	8,209	7,971	7,744
3 <i>Stable deposits</i>	81,368	79,638	77,612	75,689	4,068	3,982	3,881	3,784
4 <i>Less stable deposits</i>	37,483	37,012	36,844	36,827	4,389	4,227	4,091	3,959
5 Unsecured wholesale funding	110,942	110,905	109,582	108,269	54,839	55,323	55,234	55,189
6 <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	19,034	18,911	18,685	18,422	4,744	4,713	4,657	4,591
7 <i>Non-operational deposits (all counterparties)</i>	83,617	83,564	82,775	81,602	41,804	42,180	42,456	42,353
8 <i>Unsecured debt</i>	8,291	8,430	8,122	8,245	8,291	8,430	8,122	8,245
9 Secured wholesale funding					11,720	11,320	11,690	9,825
10 Additional requirements	79,749	77,802	76,015	74,074	13,529	13,515	13,700	13,643
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	5,097	5,324	5,671	5,736	4,763	5,004	5,380	5,486
12 <i>Outflows related to loss of funding on debt products</i>								
13 <i>Credit and liquidity facilities</i>	74,653	72,478	70,344	68,338	8,766	8,511	8,320	8,157
14 Other contractual funding obligations	2,558	2,320	2,282	2,189	2,122	1,993	2,064	2,080
15 Other contingent funding obligations	42,786	42,910	43,350	43,729	3,653	3,669	3,697	3,707
16 Total cash outflows					94,321	94,029	94,358	92,187
Cash - Inflows								
17 Secured lending (e.g. reverse repos)	40,697	40,144	39,092	37,051	9,642	9,228	9,167	8,046
18 Inflows from fully performing exposures	16,672	16,578	16,386	15,975	11,627	11,586	11,510	11,134
19 Other cash inflows	2,725	2,580	2,732	2,692	2,725	2,580	2,732	2,692
EU-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b (Excess inflows from a related specialised credit institution)								
20 Total cash inflows	60,094	59,302	58,210	55,718	23,994	23,393	23,408	21,872
EU-20a <i>Fully exempt inflows</i>								
EU-20b <i>Inflows subject to 90% cap</i>								
EU-20c <i>Inflows subject to 75% cap</i>	59,823	58,938	57,678	55,056	23,994	23,393	23,408	21,872
Total Adjusted Value								
21 Liquidity buffer					111,344	111,180	110,815	109,424
22 Total net cash outflows					70,327	70,635	70,949	70,315
23 Liquidity coverage ratio					159%	158%	156%	156%

Table 42 - EU LIQ2 - Net Stable Funding Ratio

The NSFR is defined as the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF). All liabilities and capital instruments are assigned an ASF weight, while assets and certain off-balance sheet positions receive an RSF weight. The objective is to reduce funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of funding stress. The NSFR was 123.7% at the end of Q4 2025. It represents a 238bps increase compared to the previous quarter (121.3%), primarily driven by increase in corporate and unsecured wholesale funding. The following tables sets out the unweighted and weighted value of the NSFR components of the Nordea Group during 2025 (i.e. quarter-end observation).

Q4 2025

ASF

EURm	a	b	c	d	e	
	No maturity	Unweighted value by residual maturity			Weighted value	
		< 6 months	6 months to < 1yr	≥ 1yr		
Available stable funding (ASF) Items						
1	Capital items and instruments	30,373	2,465	3,240	33,612	
2	Own funds	30,373	2,465	3,240	33,612	
3	Other capital instruments					
4	Retail deposits		116,749	978	129	110,197
5	Stable deposits		81,714	576	70	78,246
6	Less stable deposits		35,036	401	58	31,952
7	Wholesale funding:		200,741	23,338	84,827	150,326
8	Operational deposits		20,705	0		10,353
9	Other wholesale funding		180,035	23,338	84,827	139,974
10	Interdependent liabilities		4,981	4,357	43,915	
11	Other liabilities:	756	12,949	128	3,194	3,259
12	NSFR derivative liabilities	756				
13	All other liabilities and capital instruments not included in the above categories		12,949	128	3,194	3,259
14	Total available stable funding (ASF)					297,395

RSF

EURm	a	b	c	d	e	
	No maturity	Unweighted value by residual maturity			Weighted value	
		< 6 months	6 months to < 1yr	≥ 1yr		
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)				3,695	
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		745	740	58,419	50,918
16	Deposits held at other financial institutions for operational purposes		964		0	482
17	Performing loans and securities:		122,561	20,997	151,130	160,384
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		4,603			61
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		56,940	2,723	3,842	8,567
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		48,173	12,800	66,696	87,178
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit					
22	Performing residential mortgages, of which:		9,859	5,063	75,942	59,901
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit		3,937	4,696	60,556	43,678
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		2,986	411	4,650	4,677
25	Interdependent assets		1,145	756	51,351	
26	Other assets:		12,182	131	15,954	17,192
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		751			638
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted		8,367			418
31	All other assets not included in the above categories		3,065	131	15,954	16,136
32	Off-balance sheet items		20,174	13,130	86,031	7,771
33	Total RSF					240,442

NSFR

34	Net Stable Funding Ratio (%)					123.7%
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Q3 2025

ASF

EURm	a	b	c	d	e	
	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Available stable funding (ASF) Items						
1	Capital items and instruments	31,051	1,167	1,364	2,739	33,790
2	<i>Own funds</i>	<i>31,051</i>	<i>1,167</i>	<i>1,364</i>	<i>2,739</i>	<i>33,790</i>
3	<i>Other capital instruments</i>					
4	Retail deposits		115,668	792	81	109,005
5	<i>Stable deposits</i>		<i>81,754</i>	<i>457</i>	<i>43</i>	<i>78,143</i>
6	<i>Less stable deposits</i>		<i>33,914</i>	<i>336</i>	<i>38</i>	<i>30,862</i>
7	Wholesale funding:		201,108	28,043	75,718	142,021
8	<i>Operational deposits</i>		<i>20,072</i>			<i>10,036</i>
9	<i>Other wholesale funding</i>		<i>181,036</i>	<i>28,043</i>	<i>75,718</i>	<i>131,985</i>
10	Interdependent liabilities		5,052	3,525	44,741	
11	Other liabilities:	414	20,619	141	3,140	3,211
12	<i>NSFR derivative liabilities</i>	<i>414</i>				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		<i>20,619</i>	<i>141</i>	<i>3,140</i>	<i>3,211</i>
14	Total available stable funding (ASF)					288,027

RSF

EURm	a	b	c	d	e	
	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					3,748
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		655	666	52,627	45,856
16	Deposits held at other financial institutions for operational purposes		1,392		7	703
17	Performing loans and securities:		121,830	23,307	153,174	162,098
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		<i>6,058</i>			<i>109</i>
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		<i>55,995</i>	<i>4,319</i>	<i>4,604</i>	<i>10,111</i>
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		<i>46,338</i>	<i>14,138</i>	<i>64,140</i>	<i>84,757</i>
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>					
22	<i>Performing residential mortgages, of which:</i>		<i>10,593</i>	<i>4,472</i>	<i>79,558</i>	<i>62,302</i>
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		<i>4,662</i>	<i>4,109</i>	<i>64,278</i>	<i>46,166</i>
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		<i>2,847</i>	<i>378</i>	<i>4,871</i>	<i>4,819</i>
25	Interdependent assets		1,242	747	51,330	
26	Other assets:		18,900	143	15,632	17,338
27	<i>Physical traded commodities</i>					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		<i>1,339</i>			<i>1,138</i>
29	<i>NSFR derivative assets</i>					
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		<i>7,390</i>			<i>369</i>
31	<i>All other assets not included in the above categories</i>		<i>10,172</i>	<i>143</i>	<i>15,632</i>	<i>15,830</i>
32	Off-balance sheet items		24,831	8,256	85,186	7,704
33	Total RSF					237,446

NSFR

34	Net Stable Funding Ratio (%)					121.3%
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Q2 2025

ASF

EURm	a	b	c	d	e	
	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Available stable funding (ASF) Items						
1	Capital items and instruments	29,715	89	2,432	2,740	32,456
2	<i>Own funds</i>	29,715	89	2,432	2,740	32,456
3	<i>Other capital instruments</i>					
4	Retail deposits		114,502	794	59	107,926
5	<i>Stable deposits</i>		81,541	480	39	77,959
6	<i>Less stable deposits</i>		32,961	315	19	29,967
7	Wholesale funding:		202,872	18,042	80,915	143,087
8	<i>Operational deposits</i>		21,614	0		10,807
9	<i>Other wholesale funding</i>		181,258	18,042	80,915	132,279
10	Interdependent liabilities		5,894	4,958	41,471	
11	Other liabilities:		17,427	198	3,223	3,323
12	<i>NSFR derivative liabilities</i>					
13	<i>All other liabilities and capital instruments not included in the above categories</i>		17,427	198	3,223	3,323
14	Total available stable funding (ASF)					286,791

RSF

EURm	a	b	c	d	e	
	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					3,372
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		717	762	60,251	52,470
16	Deposits held at other financial institutions for operational purposes		932		1	467
17	Performing loans and securities:		116,070	21,688	140,867	150,271
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		4,644			14
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		56,011	1,957	3,202	7,591
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		42,286	14,730	63,269	82,287
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>					
22	<i>Performing residential mortgages, of which:</i>		10,304	4,517	69,927	55,918
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		4,540	4,124	54,649	39,854
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		2,825	483	4,469	4,460
25	Interdependent assets		1,204	577	50,541	
26	Other assets:		12,188	201	15,929	18,182
27	<i>Physical traded commodities</i>					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		1,314			1,117
29	<i>NSFR derivative assets</i>		568			568
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		7,323			366
31	<i>All other assets not included in the above categories</i>		2,983	201	15,929	16,132
32	Off-balance sheet items		23,576	8,800	83,398	7,675
33	Total RSF					232,437

NSFR

34	Net Stable Funding Ratio (%)					123.4%
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Q1 2025

ASF

EURm	a	b	c	d	e	
	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Available stable funding (ASF) Items						
1	Capital items and instruments	30,447		1,248	4,197	34,644
2	<i>Own funds</i>	30,447		1,248	4,197	34,644
3	<i>Other capital instruments</i>					
4	Retail deposits		111,804	885	59	105,491
5	<i>Stable deposits</i>		79,690	555	39	76,271
6	<i>Less stable deposits</i>		32,114	330	20	29,219
7	Wholesale funding:		217,046	17,469	80,498	148,023
8	<i>Operational deposits</i>		21,904	154		11,029
9	<i>Other wholesale funding</i>		195,142	17,316	80,498	136,995
10	Interdependent liabilities		5,786	5,018	41,925	
11	Other liabilities:	853	14,643	189	3,311	3,405
12	<i>NSFR derivative liabilities</i>	853				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		14,643	189	3,311	3,405
14	Total available stable funding (ASF)					291,564

RSF

EURm	a	b	c	d	e	
	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					3,859
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		698	734	60,078	52,283
16	Deposits held at other financial institutions for operational purposes		907		1	454
17	Performing loans and securities:		116,879	22,329	142,015	151,125
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		4,894			
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		56,220	2,802	2,407	7,110
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		42,780	13,744	62,529	81,412
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>					
22	<i>Performing residential mortgages, of which:</i>		9,913	5,263	71,897	57,434
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		4,163	4,855	56,330	41,123
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		3,072	520	5,182	5,169
25	Interdependent assets		1,145	589	50,994	
26	Other assets:		13,908	193	16,421	17,868
27	<i>Physical traded commodities</i>					
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		948			806
29	<i>NSFR derivative assets</i>					
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		8,474			424
31	<i>All other assets not included in the above categories</i>		4,486	193	16,421	16,639
32	Off-balance sheet items		20,286	13,113	83,350	7,708
33	Total RSF					233,298

NSFR

34	Net Stable Funding Ratio (%)					125.0%
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Table 43 - EU AE1 - Encumbered and unencumbered assets

The below disclosure represents the computed median values of the four quarters of 2025. The main source of encumbrance for Nordea is issuance of covered bond and the associated encumbrance of the covered pool. Nordea issues covered bonds through its mortgage subsidiaries Nordea Eiendomsredditt AS, Nordea Kredit Realkreditaktieselskab, Nordea Hypotek AB (publ) and Nordea Mortgage Bank PLC, and consequently parts of the mortgage loans in the cover pools are encumbered. Nordea continues to maintain a level of unencumbered and eligible loans that can be used to issue funding via covered bonds if additional liquidity is required. Overcollateralisation of covered bonds in each mortgage company is well above the regulatory and rating-agency requirements. Other less significant contributors to encumbrance are collateral for derivatives and repo trading within Nordea Bank Abp. Most of the unencumbered assets consist of loans and residual equity instruments, debt securities and other assets. In the table, an asset is treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn.

EURm

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	010	of which notionally eligible EHQLA and HQLA ¹⁾ 030	040	of which notionally eligible EHQLA and HQLA ¹⁾ 050	060	of which EHQLA and HQLA ¹⁾ 080	090	of which EHQLA and HQLA ¹⁾ 100
010 Assets of the reporting institution	192,537	59,436			359,335	81,686		
030 Equity instruments	6,350				12,178			
040 Debt securities	29,135	25,765	29,135	25,765	44,525	41,808	44,467	41,750
050 <i>of which: covered bonds</i>	20,994	19,736	20,994	19,736	24,392	22,983	24,392	22,983
060 <i>of which: securitisations</i>								
070 <i>of which: issued by general governments</i>	6,151	6,131	6,151	6,131	13,187	13,163	13,187	13,163
080 <i>of which: issued by financial corporations</i>	22,290	19,348	22,290	19,348	27,965	25,805	27,965	25,805
090 <i>of which: issued by non-financial corporations</i>	1,231	560	1,231	560	1,291	878	1,291	878
120 Other assets	155,801	34,341			303,188	39,878		

¹⁾ EHQLA stands for Extremely High Quality Liquid Assets; HQLA stands for High Quality Liquid Assets

Table 44 - EU AE2 - Collateral received and own debt securities issued

The below disclosure represents the computed median values of the four quarters of 2025. The table below describes the collateral received or own debt securities available which can be used if additional liquidity is required, as well as those already encumbered.

EURm

	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
			Fair value of collateral received or own debt securities issued available for encumbrance	
	010	of which notionally eligible EHQLA and HQLA 030	040	of which EHQLA and HQLA 060
130 Collateral received by the disclosing institution	14,355	9,629	70,430	60,645
140 Loans on demand				
150 Equity instruments	3,533		4,400	
160 Debt securities	10,665	9,629	25,124	20,101
170 <i>of which: covered bonds</i>	7,657	6,751	19,751	
180 <i>of which: securitisations</i>				
190 <i>of which: issued by general governments</i>	2,421	2,421	5,046	5,042
200 <i>of which: issued by financial corporations</i>	7,456	6,550	19,648	14,852
210 <i>of which: issued by non-financial corporations</i>	373	226	697	443
220 Loans and advances other than loans on demand			37,351	37,351
230 Other collateral received			3,086	3,086
240 Own debt securities issued other than own covered bonds or securitisations			60	
241 Own covered bonds and securitisations issued and not yet pledged				
250 Total collateral received and own debt securities issued	206,117	68,769		

Table 45 - EU AE3 - Sources of encumbrance

The below disclosure represents the computed median values of the four quarters of 2025.

EURm		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	170,147	201,718

Table 46 - EU MR1 - Market risk under the standardised approach

The risk-weighted exposure amount (RWEA) for market risk under the standardised approach increased in Q4 2025 to EUR 714m compared to EUR 697m in Q2 2025.

EURm	a
Q4 2025	RWEAs
Outright products¹⁾	
1 Interest rate risk (general and specific)	518
2 Equity risk (general and specific)	68
3 Foreign exchange risk	
4 Commodity risk	5
Options	
5 Simplified approach	
6 Delta-plus approach	
7 Scenario approach	122
8 Securitisation (specific risk)	
9 Total	714

¹⁾ Outright products refer to positions in products that are not optional.

EURm	a
Q2 2025	RWEAs
Outright products¹⁾	
1 Interest rate risk (general and specific)	491
2 Equity risk (general and specific)	53
3 Foreign exchange risk	
4 Commodity risk	1
Options	
5 Simplified approach	
6 Delta-plus approach	5
7 Scenario approach	147
8 Securitisation (specific risk)	
9 Total	697

¹⁾ Outright products refer to positions in products that are not optional.

Table 47 - EU MR2-A - Market risk under the Internal Model Approach (IMA)

Market risk under the IMA decreased slightly in Q4 2025 to EUR 4.4bn, compared to EUR 4.5bn in Q2 2025. The decrease was primarily driven by a lower contribution from sVaR, as interest rate risk was slightly reduced, as well as lower contribution from comprehensive risk measure (CRM).

EURm	a	b
	RWEAs	Own funds requirements
Q4 2025		
1 VaR (higher of values a and b)	1,404	112
(a) Previous day's VaR (VaRt-1)		43
(b) Multiplication factor (mc) x average of previous 60 working days (VaRavg)		112
2 SVaR (higher of values a and b)	2,027	162
(a) Latest available SVaR (SVaRt-1)		57
(b) Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		162
3 IRC (higher of values a and b)	719	58
(a) Most recent IRC measure		58
(b) 12 weeks average IRC measure		56
4 Comprehensive risk measure (higher of values a, b and c)	294	24
(a) Most recent risk measure of comprehensive risk measure		24
(b) 12 weeks average of comprehensive risk measure		22
(c) Comprehensive risk measure - Floor		23
5 Other		
6 Total	4,444	356

EURm	a	b
	RWEAs	Own funds requirements
Q2 2025		
1 VaR (higher of values a and b)	1,333	107
(a) Previous day's VaR (VaRt-1)		33
(b) Multiplication factor (mc) x average of previous 60 working days (VaRavg)		107
2 SVaR (higher of values a and b)	2,130	170
(a) Latest available SVaR (SVaRt-1)		48
(b) Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		170
3 IRC (higher of values a and b)	699	56
(a) Most recent IRC measure		55
(b) 12 weeks average IRC measure		56
4 Comprehensive risk measure (higher of values a, b and c)	356	28
(a) Most recent risk measure of comprehensive risk measure		22
(b) 12 weeks average of comprehensive risk measure		28
(c) Comprehensive risk measure - Floor		28
5 Other		
6 Total	4,519	361

Table 48 - EU MR2-B - RWEA flow statements of market risk exposures under the IMA

The risk-weighted exposure amount (RWEA) for market risk under the IMA increased in Q4 2025 to EUR 4.4bn, compared to EUR 4.2bn in Q3 2025 driven by higher contributions from VaR, sVaR and IRC. The increase in VaR and sVaR was driven by higher interest rate risk while the increase in IRC was driven by higher credit spread risk.

EURm	a	b	c	d	e	f	g
	VaR	sVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
1 RWEAs Q3 2025	1,363	1,952	590	306		4,212	337
1a Regulatory adjustment	-850	-1,242		-39		-2,131	-171
1b RWEAs Q3 2025 (end of the day)	514	710	590	267		2,080	166
2 Movement in risk levels	30	8	129	27		194	16
3 Model updates/changes							
4 Methodology and policy							
5 Acquisitions and disposals							
6 Foreign exchange movements							
7 Other							
8a RWEAs Q4 2025 (end of the day)	543	718	719	294		2,275	182
8b Regulatory adjustment	860	1,309				2,170	174
8 RWEAs Q4 2025	1,404	2,027	719	294		4,444	356

EURm	a	b	c	d	e	f	g
	VaR	sVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
1 RWEAs Q2 2025	1,333	2,130	699	356		4,519	361
1a Regulatory adjustment	-922	-1,528	-9	-85		-2,544	-204
1b RWEAs Q2 2025 (end of the day)	411	602	691	272		1,975	158
2 Movement in risk levels	103	108	-101	-5		106	8
3 Model updates/changes							
4 Methodology and policy							
5 Acquisitions and disposals							
6 Foreign exchange movements							
7 Other							
8a RWEAs Q3 2025 (end of the day)	514	710	590	267		2,080	166
8b Regulatory adjustment	850	1,242	0	39		2,131	171
8 RWEAs Q3 2025	1,363	1,952	590	306		4,212	337

Table 49 - EU MR3 - IMA values for trading portfolios

Average market risk measured by VaR was EUR 33m in the second half of 2025 and was primarily driven by interest rate risk, while average SVaR was EUR 46m. Average Incremental Risk Charge (IRC) was EUR 20m in the second half of 2025. Average Comprehensive Risk Measure (CRM) during the same period was EUR 20m.

EURm	
Q3-Q4 2025	
a	
VaR (10 day 99%)	
1 Maximum value	54
2 Average value	33
3 Minimum value	16
4 Period end	43
SVaR (10 day 99%)	
5 Maximum value	62
6 Average value	46
7 Minimum value	32
8 Period end	57
IRC (99.9%)	
9 Maximum value	33
10 Average value	20
11 Minimum value	14
12 Period end ¹	58
Comprehensive risk measure (99.9%)	
13 Maximum value	23
14 Average value	20
15 Minimum value	18
16 Period end	20

EURm	
Q1-Q2 2025	
a	
VaR (10 day 99%)	
1 Maximum value	59
2 Average value	37
3 Minimum value	24
4 Period end	33
SVaR (10 day 99%)	
5 Maximum value	68
6 Average value	50
7 Minimum value	37
8 Period end	48
IRC (99.9%)	
9 Maximum value	35
10 Average value	20
11 Minimum value	12
12 Period end ¹	55
Comprehensive risk measure (99.9%)	
13 Maximum value	89
14 Average value	17
15 Minimum value	6
16 Period end	19

¹)IRC period end value is with multiplier and it matches with 'Most recent IRC measure' on tab MR2-A

Table 50 - EU MR4: Comparison of VaR estimates with gains/losses

The figure below shows the 250 days VaR backtest of the trading book at the end of Q4 2025. The VaR model is considered being of a satisfactory quality if less than five exceptions are recorded within the last 250 banking days. By the end of Q4 2025, the backtests based on simulated profit/loss (SPL) and actual profit/loss (APL) were in the green zone with one SPL exception and one APL exception during the last 250 business days. The backtest deciding the capital multiplier is the one with the highest number of exceptions based on hypothetical profit/loss or actual profit/loss.

EURm

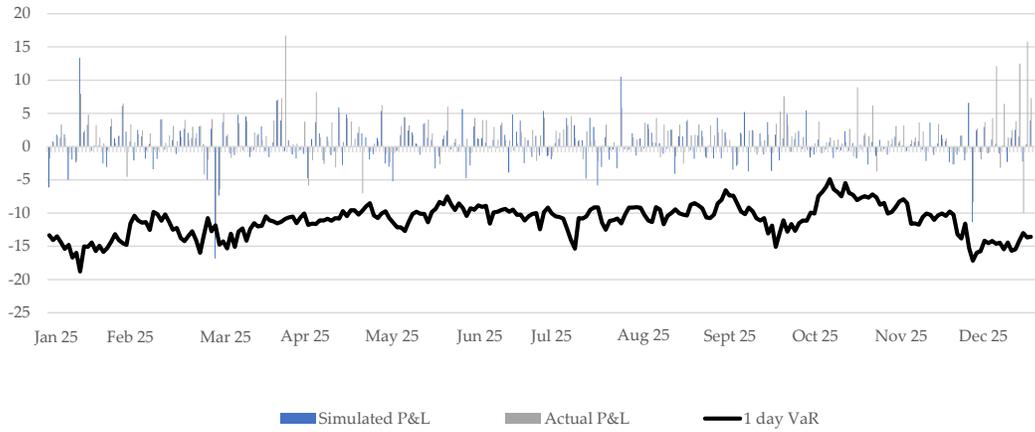


Table 51 - EU IRRBB1 - Interest rate risks of non-trading book activities

At the end of December 2025, the worst outcome of the six Basel scenarios for economic value (EV) of equity was driven by the parallel shock down scenario, with a loss of EUR 1.6bn. Compared to Q2 2025, the scenario with the worst loss is unchanged parallel down. The decrease in EV sensitivity compared to Q2 2025 reflects proactive risk reduction measures taken as part of the implementation of the Group's IRRBB strategy which primarily targets a reduction in NII SOT but has repercussions for EV risk (given that measures taken go beyond the 1y horizon the absolute impact on EV is larger than for NII). The asymmetrical risk for rates up/down scenarios stems from the asymmetrical impact of deposit and loan floors at current rate levels (liability floors in-the-money while asset floors not) and netting of gains as prescribed in the regulatory technical standards on Supervisory Outlier Test (RTS on SOT) netting.

The worst loss out of the parallel shock scenarios for net interest income (NII) risk also continues to be driven by the parallel shock down scenario, where the loss was EUR 1.2bn. Compared to Q2 2025, the scenario with worst loss is unchanged and the risk level decreased due to proactive balance sheet risk management targeting a reduction in the NII SOT as described above. The implementation of SOT prescribed netting of gains for NII (description below) explains the majority of asymmetrical risk for rates up/down.

EURm	a	b	c	d
	Changes of the economic value of equity		Changes of the net interest income	
	Q4 2025	Q2 2025	Q4 2025	Q2 2025
1 Parallel up	118	309	406	531
2 Parallel down	-1,631	-2,122	-1,218	-1,463
3 Steepener	362	285		
4 Flattener	-1,350	-1,219		
5 Short rates up	-775	-484		
6 Short rates down	10	-209		

Table 52 - EU PV1 - Prudent valuation adjustments (PVA)

Total Additional Valuation Adjustments (AVAs) for Q4 2025 was EUR 199m, which is a decrease of around EUR 11m compared to Q4 2024. The decrease was mainly driven by changes in AVAs for Model Risk following improvements in Impairment Loss modelling (EUR -19m).

EURm	a	b	c	d	e	EU e1	EU e2	f	g	h
Category level AVA	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
1 Market price uncertainty	80	71	2	13		5	10	90	48	42
2 Not applicable										
3 Close-out cost	5	26	11	11				26	17	8
4 Concentrated positions	5	19	1	6				31	20	11
5 Early termination										
6 Model risk	7	13		32		8	20	40	28	12
7 Operational risk	4	6	1	1				12	6	5
10 Future administrative costs	1	0		1				1	1	0
12 Total Additional Valuation Adjustments (AVAs)								199	121	78

Table 53 - EU SEC1 - Securitisation exposures in the non-trading book

At the end of Q4 2025 Nordea had ten securitisations where the institution acts as an originator and twelve transactions where the institution acts as an investor.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Institution acts as originator						Institution acts as sponsor				Institution acts as investor				
	Traditional		Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total		
	STS	Non-STS	of which SRT	of which SRT		STS	Non-STS			STS	Non-STS				
EURm															
1 Total exposures				22,314	22,314	22,314						1,620	1,063		2,683
2 Retail (total)				8,291	8,291	8,291						597	605		1,202
3 residential mortgage				8,291	8,291	8,291							605		605
4 credit card															
5 other retail exposures												597			597
6 re-securitisation															
7 Wholesale (total)				14,023	14,023	14,023						1,023	458		1,481
8 loans to corporates				14,023	14,023	14,023							201		201
9 commercial mortgage															
10 lease and receivables												1,023	258		1,281
11 other wholesale															
12 re-securitisation															

Table 54 - EU SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

Nordea's total exposure value of securitisation exposures amounted to EUR 22.3bn as of Q4 2025. Nordea's RWEA of the securitisation position was fully calculated using the SEC-IRBA approach and amounted to EUR 3.2bn.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
EURm																	
1 Total exposures	21,568	746			3	22,314				3,189				255			
2 Traditional transactions																	
3 Securitisation																	
4 Retail																	
5 Of which STS																	
6 Wholesale																	
7 Of which STS																	
8 Re-securitisation																	
9 Synthetic transactions	21,568	746			3	22,314				3,189				255			
10 Securitisation	21,568	746			3	22,314				3,189				255			
11 Retail underlying	8,291					8,291				1,244				99			
12 Wholesale	13,277	746			3	14,023				1,945				156			
13 Re-securitisation																	

Table 56 - EU SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

Nordea's outstanding nominal amount of exposures securitised by the institution amounted to EUR 23.7bn at the end of Q4 2025 and consisted of retail (residential mortgage) and wholesale (loans to corporates). The exposures in default amounted to EUR 15m.

	a	b	c
Exposures securitised by the institution - Institution acts as originator or as sponsor			
	Total outstanding nominal amount	Total amount of specific credit risk adjustments made during the period	
EURm		Of which exposures in default	
1 Total exposures	23,675	15	14
2 Retail (total)	8,606		0
3 residential mortgage	8,606		0
4 credit card			
5 other retail exposures			
6 re-securitisation			
7 Wholesale (total)	15,069	15	13
8 loans to corporates	15,069	15	13
9 commercial mortgage			
10 lease and receivables			
11 other wholesale			
12 re-securitisation			

Table 57 - EU L11 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

In Q4 2025 the total carrying value of assets, as reported in the financial statements, amounted to EUR 654bn. The total carrying value for assets under the scope of prudential consolidation was EUR 555bn, the majority of which was subject to the credit risk framework (77%).

EURm	a	b	c	d	e	f	g
	Carrying values of items						
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements							
1 Cash and balances with central banks	38,206	38,159	38,159				
2 Loans to central banks	6,947	6,947	5,911	1,036			
3 Loans to credit institutions	4,038	3,694	1,515	2,179			
4 Loans to the public	381,871	383,251	324,235	36,124	22,817		75
5 Interest bearing securities	79,872	72,759	47,923			24,836	
6 Shares	39,587	15,409	2,833			13,971	-1,395
7 Assets in pooled schemes and unit-linked investment contracts	70,677	3,844				0	3,844
8 Derivatives	17,633	17,663		17,663			
9 Fair value changes of the hedged items in portfolio hedge of interest rate risk	-158	-158				-158	
10 Investments in associated undertakings and joint ventures	462	1,484	1,484				0
11 Intangible assets	4,088	3,498	573				2,925
12 Properties and equipment	1,564	1,503	1,503				
13 Investment properties	2,215	6	6				
14 Deferred tax assets	180	71	57				14
15 Current tax assets	383	354	354				
16 Retirement benefit assets	334	334					334
17 Other assets	5,621	5,221	679			4,541	
18 Prepaid expenses and accrued income	832	787	787				
19 Assets held for sale							
20 Total assets	654,350	554,824	426,019	57,001	22,817	43,190	5,796

EURm	a	b	c	d	e	f	g
	Carrying values of items						
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements							
1 Deposits by credit institutions and central	34,131	34,131		10,546			23,585
2 Deposits and borrowings from the public	242,874	244,198	4,019	21,130			219,049
3 Deposits in pooled schemes and unit-linked investment contracts	71,611	4,007					4,007
4 Insurance contract liabilities	33,097						
5 Debt securities in issue	196,276	196,745					196,745
6 Derivatives	18,078	18,112		18,112			
7 Fair value changes of the hedged items in portfolio hedge of interest rate risk	-567	-567				-567	
8 Current tax liabilities	672	595					595
9 Other liabilities	14,408	13,891					13,891
10 Accrued expenses and prepaid income	1,298	1,294					1,294
11 Deferred tax liabilities	601	585					585
12 Provisions	348	346					346
13 Retirement benefit obligations	296	277					277
14 Subordinated liabilities	8,810	8,810					8,810
15 Liabilities held for sale							
16 Total liabilities	621,931	522,424	4,019	49,788		-567	469,184

Table 58 - EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

The following table provides information on the main sources of differences between the accounting carrying values and the regulatory exposures. Additionally, off-balance sheet amounts are included in the exposure amounts considered for regulatory purposes.

EURm	a	b	c	d	e
	Total ¹⁾	Items subject to			
		Credit risk framework	Securitisation framework ²⁾³⁾	CCR framework	Market risk framework ⁴⁾
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	554,824	426,019	22,817	57,001	43,190
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	522,424	4,019		49,788	-567
3 Total net amount under the scope of prudential consolidation	495,787	422,000	22,817	7,213	43,757
4 Off-balance-sheet amounts	117,387	111,320	6,067		
5 Differences in valuations	-199	-78			
6 Differences due to different netting rules, other than those already included in row 2	16,117			16,117	
7 Differences due to consideration of provisions	1,965	1,965			
8 Differences due to the use of credit risk mitigation techniques (CRMs)	-21,983	-947		-21,036	
9 Differences due to credit conversion factors	-77,905	-75,376	-2,529		
10 Differences due to Securitisation with risk transfer					
11 Other differences	-28,018	6,284		9,335	
12 Exposure amounts considered for regulatory purposes	503,151	465,168	26,355	11,628	

1) Total values in column a may not equal the sum of the remaining columns in this table (b to e) as certain items are treated under both the counterparty credit risk as well as the market risk framework (as per template EU LI1). In addition, the amounts on rows 1 and 2 are presented following EBA mapping and include the carrying value of items not subject to own funds requirements or subject to deduction from own funds.

2) As Nordea's securitisation position is synthetic, all is classified as on-balance according to the securitisation framework. But as the securitisation is including e.g. loan promises, an off-balance part is deducted, stemming from adjustments related to Credit Conversion Factors (CCFs).

3) Sponsor activities are not included in the table above (although are included in the Securitisation chapter).

4) Exposure amount is not the relevant measure calculated under the market risk framework, resulting in a difference between carrying values and exposure amounts considered for regulatory purposes. Therefore, the exposure amount according to the market risk framework is adjusted to zero.

Table 59 - EU L13 - Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c					g	h
		Method of prudential consolidation						
Name of the entity	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity	
Nordea Bank Abp	Full consolidation	X					Credit institution	
Nordea Finance Finland Ltd	Full consolidation	X					Credit institution	
Nordea Mortgage Bank Plc	Full consolidation	X					Credit institution	
Nordea Funds Ltd	Full consolidation	X					Financial institution	
Suomen Luotto-osuuskunta	Equity method			X			Financial institution	
Tukirahoitus Oy	Full consolidation	X					Financial institution	
NF Fleet Oy	Equity method			X			Ancillary services undertaking	
Nordea Eiendoms kreditt AS	Full consolidation	X					Credit institution	
Nordea Finans Norge AS	Full consolidation	X					Financial institution	
NF Fleet AS	Equity method			X			Ancillary services undertaking	
Nordea Finans Danmark A/S	Full consolidation	X					Financial institution	
Nordea Kredit Realkreditaktieselskab	Full consolidation	X					Credit institution	
Fionia Asset Company A/S	Full consolidation	X					Financial institution	
UL Transfer Aps	Full consolidation	X					Financial institution	
NAMIT 10 K/S	Full consolidation	X					Financial institution	
Ejendomsselskabet Vestre Stationsvej 7, Odense A/S	Full consolidation	X					Ancillary services undertaking	
NF Fleet A/S	Equity method			X			Ancillary services undertaking	
LLC Promyshlennaya Kompaniya Vestkon	Full consolidation	X					Ancillary services undertaking	
Nordea Hypotek AB (publ)	Full consolidation	X					Credit institution	
Nordea Finans Sverige AB (publ)	Full consolidation	X					Credit institution	
Nordea Asset Management Holding AB	Full consolidation	X					Financial institution	
Bankomat AB	Equity method			X			Financial institution	
NF Fleet AB	Equity method			X			Ancillary services undertaking	
Nordea Markets Holding Company INC	Full consolidation	X					Financial institution	
Nordea Investment Management AB	Full consolidation	X					Financial institution	
Trill Impact AB	Equity method			X			Financial institution	
Nordea Investment Funds S.A.	Full consolidation	X					Financial institution	
Nordea Investment Management North America Inc	Full consolidation	X					Financial institution	
Nordea Asset Management UK Ltd	Full consolidation	X					Financial institution	
Nordea Asset Management Singapore PTE.LTD	Full consolidation	X					Financial institution	
Nordea Securities LLC	Full consolidation	X					Financial institution	
Privatmegleren Bomegaholding AS	Full consolidation	X					Financial institution	
Nordic Baltic Holding (NBH) AB	Full consolidation			X			Dormant	
Nordea Baltic AB	Full consolidation			X			Dormant	
Nordea Asset Management Schweiz GmbH	Full consolidation			X			Not financial institution	
NAM Chile SpA	Full consolidation			X			Not financial institution	
Nordea Limited	Full consolidation			X			Dormant	
Nordea Vallila Fastighetsförvaltning Ab	Full consolidation			X			Holding of lease contract	
Kiinteistö Oy Kaarenritva	Full consolidation			X			Real estate	
Nordea Essendropsgate Eiendomsforvaltning AS	Full consolidation			X			Holding of lease contract	

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
First Card AS	Full consolidation			X			Dormant
Privatmegleren AS	Full consolidation			X			Real estate franchise
Privatmegleren Nyeboliger AS	Equity method			X			Real estate broker
Danbolig A/S	Full consolidation			X			Real estate agency
Structured Finance Servicer A/S	Full consolidation			X			Administration entity
Nordea Hästen Fastighetsförvaltning AB	Full consolidation			X			Holding of lease contract
Nordea Life Holding AB, including related subsidiaries and participations	Full consolidation			X			Insurance group
Myymäen Autopaikoitus Oy	Equity method			X			Real estate, parkinghouse
Finansinfrastruktur i Sverige AB	Equity method			X			Holding company
Siirto Brand Oy	Equity method			X			Services to merchants and businesses
OPEN POS Nordic Group AB	Equity method			X			Wholesale of office equipment
Bomega AS	Equity method			X			Housing advertisement
Eiendomsverdi AS	Equity method			X			Statistical valuation of property
e-nettet A/S	Equity method			X			IT service
USE Intressenter AB	Equity method			X			Holding company
Invidem AB	Equity method			X			Dormant
Subaio ApS	Equity method			X			SaaS products
Tibern AB	Equity method			X			Digital communication platform
Nordea Asset Management Alternative Investments AB	Full consolidation				X		Immaterial entity, article 19
Nordea Private Equity Holding A/S	Full consolidation				X		Immaterial entity, article 19
Nordea Private Equity III - GLOBAL A/S	Full consolidation				X		Immaterial entity, article 19
Nordea Private Equity II - EU MM Buyout A/S	Full consolidation				X		Immaterial entity, article 19
PWM Global PE III ApS	Full consolidation				X		Immaterial entity, article 19
Nordea Private Equity GP 1 S.à.r.l.	Full consolidation				X		Immaterial entity, article 19
Nordea Private Equity General Partner 1 SCS	Full consolidation				X		Immaterial entity, article 19
Nordea Private Markets GP S.à.r.l.	Full consolidation				X		Immaterial entity, article 19
CrediWire ApS	Equity method				X		Immaterial entity, article 19
Svenska e-fakturabolaget AB	Equity method				X		Immaterial entity, article 19
Getswish AB	Equity method				X		Immaterial entity, article 19

Table 60 - EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

The risk of excessive leverage is included in the Group's reporting and control processes and is monitored by the Group Board and CEO. The leverage ratio as defined in the CRDIV/CRR is further an integrated part of the Risk appetite framework for which internal limits and targets are set. The leverage ratio increased by 0.3 percentage points compared to Q2 2025, from 4.8% to 5.1%. This was mainly driven by increased Tier 1 capital, primarily due to issuance of Additional Tier 1 instruments and increased profit net of dividend accrual.

EURm

	a
	Applicable amount
1 Total assets as per published financial statements	654,350
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-99,526
3 (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4 (Adjustment for temporary exemption of exposures to central banks (if applicable))	
5 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7 Adjustment for eligible cash pooling transactions	-3,332
8 Adjustment for derivative financial instruments	1,415
9 Adjustment for securities financing transactions (SFTs)	172
10 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	32,783
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
EU-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	
EU-11b (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12 Other adjustments	-13,257
13 Total exposure measure	572,605

Table 61 - EU LR2 - LRCOM: Leverage ratio common disclosure

The leverage ratio increased by 0.3 percentage points compared to Q2 2025, from 4.8% to 5.1%. This was mainly driven by increased Tier 1 capital, primarily due to issuance of Additional Tier 1 instruments and increased profit net of dividend accrual. The leverage ratio exposure increased by EUR 11.2bn, mainly driven by increased corporate lending and increased securities financing transactions (SFTs). Note that the Q2 2025 leverage ratio is reported excluding profit.

	CRR leverage ratio exposures	
	a	b
	Q4 2025	Q2 2025
On-balance sheet exposures (excluding derivatives and SFTs)		
1 On-balance sheet items (excluding derivatives, SFTs, but including collateral)	494,649	485,782
2 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-8,591	-6,205
4 (Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5 (General credit risk adjustments to on-balance sheet items)		
6 (Asset amounts deducted in determining Tier 1 capital)	-4,024	-3,955
7 Total on-balance sheet exposures (excluding derivatives and SFTs)	482,034	475,622
Derivative exposures		
8 Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1,641	2,104
EU-8a Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9 Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	13,576	12,771
EU-9a Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b Exposure determined under Original Exposure Method		
10 (Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b (Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)		
11 Adjusted effective notional amount of written credit derivatives	187,166	163,049
12 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-183,305	-159,282
13 Total derivatives exposures	19,078	18,642
Securities financing transaction (SFT) exposures		
14 Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	42,897	41,100
15 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-3,394	-5,425
16 Counterparty credit risk exposure for SFT assets	6	10
EU-16a Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17 Agent transaction exposures		
EU-17a (Exempted CCP leg of client-cleared SFT exposure)		
18 Total securities financing transaction exposures	39,510	35,685
Other off-balance sheet exposures		
19 Off-balance sheet exposures at gross notional amount	117,387	115,032
20 (Adjustments for conversion to credit equivalent amounts)	-84,604	-82,682
21 (General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22 Off-balance sheet exposures	32,783	32,349
Excluded exposures		
EU-22a (Exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)		
EU-22b (Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))		
EU-22c (Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d (Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e (Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f (Excluded guaranteed parts of exposures arising from export credits)	-800	-907
EU-22g (Excluded excess collateral deposited at triparty agents)		
EU-22h (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j (Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k (Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)		
EU-22l (Exposures deducted in accordance with point (q) of Article 429a(1) CRR)		
EU-22m (Total exempted exposures)	-800	-907
Capital and total exposure measure		
23 Tier 1 capital	29,379	26,934
24 Total exposure measure	572,605	561,392
Leverage ratio		
25 Leverage ratio	5.1%	4.8%
EU-25 Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.1%	4.8%
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	5.1%	4.8%
26 Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b of which: to be made up of CET1 capital (percentage points)		
27 Leverage ratio buffer requirement (%)		
EU-27a Overall leverage ratio requirement (%)	3.0%	3.0%
Choice on transitional arrangements and relevant exposures		
EU-27b Choice on transitional arrangements for the definition of the capital measure		

Disclosure of mean values

28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	39,202	36,123
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	39,503	35,675
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	572,304	561,840
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	572,304	561,840
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.1%	4.8%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.1%	4.8%

Table 62 - EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

Total leverage exposure on-balance sheet items was EUR 485bn in Q4 2025, of which 93% were related to banking book exposures and 7% were related to trading book exposures. The distribution of banking book exposures on asset class level can be found in the table below.

EURm

	a
	CRR leverage ratio exposures
EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	485,447
EU-2 Trading book exposures	35,455
EU-3 Banking book exposures, of which:	449,992
EU-4 <i>Covered bonds</i>	28,241
EU-5 <i>Exposures treated as sovereigns</i>	66,896
EU-6 <i>Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns</i>	8,341
EU-7 <i>Institutions</i>	1,234
EU-8 <i>Secured by mortgages of immovable properties</i>	160,162
EU-9 <i>Retail exposures</i>	25,164
EU-10 <i>Corporates</i>	124,030
EU-11 <i>Exposures in default</i>	2,424
EU-12 <i>Other exposures (eg equity, securitisations, and other non-credit obligation assets)</i>	33,499

Table 63 - EU INS1 - Insurance participations

The exposure value and risk exposure amount disclosed in the table below is related to exposure towards Nordea Life Holding treated in accordance with article 49.1 of the CRR.

EURm	Exposure value	Risk exposure amount
1 Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	1,349	1,349

Table 64 - EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio

In 2025 supplementary own funds requirements of the financial conglomerate increased to EUR 36.4bn (compared to EUR 35.1bn in 2024). Capital adequacy ratio of the financial conglomerate decreased to 116% (compared to 117% in 2024).

EURm

	a
	2025
1 Supplementary own fund requirements of the financial conglomerate (amount)	36,390
2 Capital adequacy ratio of the financial conglomerate (%)	116%

Table 65 - EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer
 Countercyclical buffer requirements remained stable at 1.7% in Q4 2025 compared to Q2 2025.

	a	b	c		d	e	f	g		h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk- weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)		
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total					
EURm															
Countries with existing CCyB rate															
001	Armenia	0	0			0	0					0	0	0.0%	1.5%
002	Australia	9	112	0	111	232	2	0				2	25	0.0%	1.0%
003	Belgium	1	443	0	0	484	28	0			1	29	363	0.3%	1.0%
004	Bulgaria	0	7			7	0					0	2	0.0%	2.0%
005	Chile	0	4			4	0					0	2	0.0%	0.5%
006	Croatia		2			2	0					0	1	0.0%	1.5%
007	Cyprus	0	171			171	12					12	144	0.1%	1.0%
008	Czech Republic	0	26			26	1					1	7	0.0%	1.3%
009	Denmark	1,692	85,264	428	3,167	1,878	92,430	2,321	44	6	2,371	29,641	22.5%	2.5%	
010	Estonia	18	114		8	0	140	7	0	0	7	91	91	0.1%	1.5%
011	Faroe Islands	0	422			422	9				9	114	114	0.1%	1.0%
012	France	2	377	16	216	22	633	20	5	1	26	319	319	0.2%	1.0%
013	Germany	27	706	1	165	16	915	24	6	1	30	381	381	0.3%	0.8%
014	Greece	0	26			26	1				1	14	14	0.0%	0.3%
015	Hong Kong		27			27	0				0	5	5	0.0%	0.5%
016	Hungary	1	17			18	0				0	4	4	0.0%	1.0%
017	Iceland	0	474		43	32	549	13	0	1	14	176	176	0.1%	2.5%
018	Ireland	22	1,133	0	2	627	1,784	43	1	5	50	620	620	0.5%	1.5%
019	Republic of Korea	0	7		14		21	0	0		0	6	6	0.0%	1.0%
020	Latvia	0	18			18	0				0	6	6	0.0%	1.0%
021	Lithuania	1	29			0	31	1		0	1	8	8	0.0%	1.0%
022	Luxembourg	642	5,360	0	12	1,231	7,246	182	4	14	201	2,510	2,510	1.9%	0.5%
023	Netherlands	10	496	0	99	31	638	20	2	1	23	290	290	0.2%	2.0%
024	Norway	9,342	59,519	59	890	10,231	80,041	1,942	15	105	2,062	25,781	25,781	19.6%	2.5%
025	Poland	2	156			157	6				6	74	74	0.1%	1.0%
026	Romania	0	10			11	0				0	3	3	0.0%	1.0%
027	Slovakia	1	7			8	0				0	2	2	0.0%	1.5%
028	Slovenia	0	3			3	0				0	3	3	0.0%	1.0%
029	Spain	2	204	0	3	12	222	6	0	1	7	82	82	0.1%	0.5%
030	Sweden	3,220	102,465	35	2,360	8,755	116,835	2,817	26	105	2,949	36,858	36,858	28.0%	2.0%
031	United Kingdom	254	2,543	1	7	21	2,826	108	8	1	116	1,452	1,452	1.1%	2.0%
	Sub-total	15,248	260,143	540	7,098	22,897	305,926	7,564	113	242	7,918	98,980	98,980	75.2%	
Countries with own funds requirements weight 1% or above and no existing CCyB rate															
001	Finland	870	68,192	4	821	3,434	73,322	1,913	56	39	2,008	25,106	25,106	19.1%	
002	United States	481	4,212	3	55	30	4,781	171	86	1	258	3,222	3,222	2.4%	
	Sub-total	1,351	72,404	8	876	3,464	78,103	2,083	142	40	2,266	28,328	28,328	21.5%	
Countries with own funds requirement below 1% and no existing CCyB rate															
	Sub-total	185	7,650	14	381	0	8,231	335	8	0	343	4,292	4,292	3.3%	
	Total	16,784	340,197	562	8,355	26,360	392,260	9,983	263	282	10,528	131,600	131,600	100.0%	

Table 66 - EU CCyB2 - Amount of institution-specific countercyclical capital buffer
Countercyclical capital buffer rate requirements remained stable at EUR 2.7bn in Q4 2025.

EURm	a
1 Total risk exposure amount	159,659
2 Institution specific countercyclical capital buffer rate	1.67%
3 Institution specific countercyclical capital buffer requirement	2,668

Table 67 - EU KM2 - Key metrics - MREL¹⁾

Compared to Q2 2025, MREL and subordinated MREL as percentage of TREA increased, mainly driven by increased own funds, partly offset by higher TREA. MREL as a percentage of TEM increased, mainly driven by increased own funds, partly offset by higher TEM. Subordinated MREL as a percentage of TEM remained stable.

		a	
		Minimum requirement for own funds and eligible liabilities (MREL)	
EURm		Q4 2025	Q2 2025 ²⁾
Own funds and eligible liabilities, ratios and components			
1	Own funds and eligible liabilities	58,479	54,179
EU-1a	<i>Of which own funds and subordinated liabilities</i>	46,494	45,346
2	Total risk exposure amount of the resolution group (TREA)	159,659	158,576
3	Own funds and eligible liabilities as a percentage of the TREA	36.6%	34.2%
EU-3a	<i>Of which own funds and subordinated liabilities</i>	29.1%	28.6%
4	Total exposure measure (TEM) of the resolution group	572,605	561,392
5	Own funds and eligible liabilities as percentage of the TEM	10.2%	9.7%
EU-5a	<i>Of which own funds or subordinated liabilities</i>	8.1%	8.1%
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)		
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)		
6c	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks <i>pari passu</i> with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks <i>pari passu</i> with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)		
Minimum requirement for own funds and eligible liabilities (MREL)			
EU-7	MREL expressed as a percentage of the TREA	32.0%	31.9%
EU-8	<i>Of which to be met with own funds or subordinated liabilities</i>	27.0%	27.0%
EU-9	MREL expressed as a percentage of the TEM	7.0%	7.0%
EU-10	<i>Of which to be met with own funds or subordinated liabilities</i>	7.0%	7.0%

¹⁾G-SII Requirement for own funds and eligible liabilities (TLAC) is not applicable for Nordea Group.

²⁾Q2 2025 figures are shown excluding profit.

Table 68 - EU TLAC1 - Composition - MREL¹⁾

This table discloses composition of own funds and eligible liabilities for Nordea Group as at Q4 2025.

EURm	a
	Minimum requirement for own funds and eligible liabilities (MREL)
Own funds and eligible liabilities and adjustments	
1 Common Equity Tier 1 capital (CET1)	25,131
2 Additional Tier 1 capital (AT1)	4,248
6 Tier 2 capital (T2)	4,525
11 Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	33,904
Own funds and eligible liabilities: Non-regulatory capital elements	
12 Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	12,590
EU-12a Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	0
EU-12b Eligible liabilities instruments that are subordinated to excluded liabilities issued prior to 27 June 2019 (subordinated grandfathered)	0
EU-12c Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	0
13 Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)	10,764
EU-13a Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	1,279
14 Amount of non subordinated eligible liabilities instruments, where applicable after application of Article 72b (3) CRR	11,985
17 Eligible liabilities items before adjustments	24,575
EU-17a <i>Of which subordinated liabilities items</i>	12,590
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements	
18 Own funds and eligible liabilities items before adjustments	58,479
19 (Deduction of exposures between multiple point of entry (MPE) resolution groups)	
20 (Deduction of investments in other eligible liabilities instruments)	
22 Own funds and eligible liabilities after adjustments	58,479
EU-22a <i>Of which: own funds and subordinated liabilities</i>	46,494
Risk-weighted exposure amount and leverage exposure measure of the resolution group	
23 Total risk exposure amount (TREA)	159,659
24 Total exposure measure (TEM)	572,605
Ratio of own funds and eligible liabilities	
25 Own funds and eligible liabilities as a percentage of TREA	36.6%
EU-25a <i>Of which own funds and subordinated liabilities</i>	29.1%
26 Own funds and eligible liabilities as a percentage of TEM	10.2%
EU-26a <i>Of which own funds and subordinated liabilities</i>	8.1%
27 CET1 (as a percentage of the TREA) available after meeting the resolution group's requirements	8.8%
28 Institution-specific combined buffer requirement	
29 <i>of which capital conservation buffer requirement</i>	
30 <i>of which countercyclical buffer requirement</i>	
31 <i>of which systemic risk buffer requirement</i>	
EU-31a <i>of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	
Ratio of own funds and eligible liabilities	
EU-32 Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013	

¹⁾ Rows in the template with "Empty set in EU" and columns related to TLAC are not applicable.

Table 69 - EU TLAC3b - Creditor ranking - resolution entity¹⁾
 This table discloses creditor ranking for Nordea Bank Abp as at Q4 2025.

EURm	Insolvency ranking					Sum of 1 to n
	1	2	3	8	9	
	(most junior)				(most senior)	
1 Description of insolvency rank	CET1	AT1	T2	Senior non-preferred liabilities	Claims without priority or guarantee	
5 Own funds and liabilities potentially eligible for meeting MREL	21,039	4,248	4,535	12,715	12,044	54,581
6 <i>of which residual maturity ≥ 1 year < 2 years</i>				2,359	4,585	6,944
7 <i>of which residual maturity ≥ 2 year < 5 years</i>				5,451	7,075	12,526
8 <i>of which residual maturity ≥ 5 years < 10 years</i>			4,386	4,872	180	9,438
9 <i>of which residual maturity ≥ 10 years, but excluding perpetual securities</i>			149	33	203	386
10 <i>of which perpetual securities</i>	21,039	4,248				25,287

¹⁾ Rows in the template with "Empty set in EU" are not required to be populated and hidden.

Table 70 - Template 1 - Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

The template provides information on exposures towards non-financial corporates and covers assets in the banking book such as loans, debt securities and equities. Nordea includes counterparty Scope 1, Scope 2 and Scope 3 GHG emissions (column i-j) for all sectors and subsectors that highly contribute to climate change. GHG financed emissions are reported based on customers' reported emissions as well as on country-specific and industry-level proxy information. Nordea's financed emissions are estimated according to the Partnership for Carbon Accounting Financials (PCAF) standard, with certain deviations and own methods applied for shipping vessels and through applying dynamic proxies for estimated business loans data to reflect the average changes in emissions over time.

Sector split is based on NACE codes and subject to further harmonization with other financial reporting. The identification of exposures to counterparties excluded from EU Paris-aligned benchmarks (column b) is made using external data from Bloomberg.

Sector/subsector	Gross carrying amount (Mln EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)***	Of which stage 2 exposures**	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions								
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
1 Exposures towards sectors that highly contribute to climate change*	112,982	974	5,708	1,202	-627	-149	-435	45,192,384	35,363,070	22%	82,016	5,290	7,624	18,052	6.2
2 A - Agriculture, forestry and fishing	8,566	-	252	150	-41	-6	-30	3,886,871	1,835,687	18%	4,302	507	780	2,977	11.9
3 B - Mining and quarrying	710	49	34	3	-3	-1	-1	575,356	369,105	66%	656	39	1	14	3.2
4 B.05 - Mining of coal and lignite	0	-	0	-	0	0	-	4	0	0%	0	-	-	0	10.0
5 B.06 - Extraction of crude petroleum and natural gas	43	43	1	-	0	0	-	96,825	90,994	99%	43	-	-	1	0.7
6 B.07 - Mining of metal ores	173	6	6	-	0	0	-	122,320	82,279	94%	168	1	-	4	3.6
7 B.08 - Other mining and quarrying	294	0	21	3	-2	0	-1	235,848	150,073	40%	257	32	1	4	3.7
8 B.09 - Mining support service activities	200	0	5	-	0	0	0	120,358	45,759	73%	189	6	0	5	2.7
9 C - Manufacturing	16,249	457	1,725	233	-145	-57	-79	15,590,552	13,938,938	37%	12,189	653	221	3,186	4.5
10 C.10 - Manufacture of food products	1,855	-	141	11	-10	-5	-3	2,354,163	1,705,134	26%	1,263	52	7	534	2.9
11 C.11 - Manufacture of beverages	63	-	2	1	-1	0	-1	20,607	18,282	17%	32	10	1	19	7.8
12 C.12 - Manufacture of tobacco products	63	-	3	-	0	0	-	10,054	8,946	96%	60	-	-	3	1.6
13 C.13 - Manufacture of textiles	97	-	4	23	-8	0	-8	107,062	91,640	28%	86	6	0	5	4.0
14 C.14 - Manufacture of wearing apparel	47	-	4	4	-1	0	-1	17,588	12,601	0%	43	1	1	2	3.6
15 C.15 - Manufacture of leather and related products	5	-	0	0	0	0	0	446	394	0%	5	0	-	0	3.7
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	702	-	49	12	-5	-1	-4	222,192	178,551	4%	486	57	6	154	3.7
17 C.17 - Manufacture of pulp, paper and paperboard	620	-	171	0	-4	-4	0	300,104	239,109	36%	200	101	6	313	12.7

Sector/subsector	Gross carrying amount (Mln EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years	Average weighted maturity	
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)***	Of which stage 2 exposures**	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions	Of which Scope 3 financed emissions								
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
18	C.18 - Printing and service activities related to printing	70	-	28	5	-2	-1	-1	19,501	15,629	26%	57	4	1	7	6.5
19	C.19 - Manufacture of coke oven products	1	0	0	-	0	0	-	4,085	3,715	67%	1	0	-	0	7.5
20	C.20 - Production of chemicals	736	-	152	2	-9	-8	-1	527,157	404,159	82%	679	5	11	42	2.1
21	C.21 - Manufacture of pharmaceutical preparations	648	13	16	0	-1	0	0	91,617	72,825	81%	588	9	1	49	1.4
22	C.22 - Manufacture of rubber products	900	-	31	7	-5	-1	-3	898,589	865,866	26%	820	15	15	50	3.7
23	C.23 - Manufacture of other non-metallic mineral products	390	-	72	3	-4	-1	-3	300,455	179,302	39%	301	32	8	49	3.8
24	C.24 - Manufacture of basic metals	463	0	72	59	-13	-5	-7	442,648	274,972	42%	210	31	44	178	9.1
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	1,317	-	310	11	-13	-8	-4	775,486	705,007	23%	897	92	31	297	8.3
26	C.26 - Manufacture of computer, electronic and optical products	2,312	437	85	7	-8	-2	-5	471,282	420,811	72%	2,163	42	8	99	2.8
27	C.27 - Manufacture of electrical equipment	432	-	91	16	-4	-1	-3	1,862,417	1,840,359	26%	220	29	11	171	13.1
28	C.28 - Manufacture of machinery and equipment n.e.c.	2,379	5	189	10	-20	-14	-4	5,152,820	5,006,833	30%	1,838	77	40	425	5.2
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	478	-	41	3	-1	0	0	1,274,777	1,258,131	27%	411	7	9	51	4.0
30	C.30 - Manufacture of other transport equipment	149	2	26	4	-2	-1	-1	80,541	57,634	0%	101	4	2	42	6.4
31	C.31 - Manufacture of furniture	646	-	163	30	-24	-2	-22	302,201	276,216	31%	562	8	8	68	2.2
32	C.32 - Other manufacturing	1,676	-	65	21	-10	-1	-8	269,313	239,562	19%	1,035	51	8	582	1.9
33	C.33 - Repair and installation of machinery and equipment	203	-	10	2	-3	-2	-1	85,448	63,262	1%	132	19	3	49	3.9
34	D - Electricity, gas, steam and air conditioning supply	6,102	0	25	56	-24	-1	-21	1,564,674	704,717	41%	4,346	530	354	871	5.1
35	D35.1 - Electric power generation, transmission and distribution	5,360	0	21	1	-4	-1	0	1,141,037	607,901	40%	4,121	474	41	724	3.8
36	D35.11 - Production of electricity	2,494	0	10	1	-2	-1	0	733,227	391,719	25%	2,122	269	38	64	3.0

Sector/subsector	Gross carrying amount (Mln EUR)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	≤ 5 years	> 5 year ≤ 10 years	> 10 year ≤ 20 years	> 20 years	Average weighted maturity	
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)***	Of which stage 2 exposures**	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions	Of which Scope 3 financed emissions								
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	117	-	0	0	0	0	0	87,377	34,632	63%	65	51	1	0	5.2
38	D35.3 - Steam and air conditioning supply	625	-	3	54	-21	0	-21	336,260	62,183	43%	160	5	312	148	16.7
39	E - Water supply; sewerage, waste management and remediation activities	1,731	-	75	32	-8	-2	-6	656,978	319,746	35%	1,324	198	38	171	8.2
40	F - Construction	6,453	0	626	168	-97	-14	-79	2,713,489	2,152,137	13%	5,573	418	99	364	3.3
41	F.41 - Construction of buildings	3,212	0	269	90	-46	-4	-41	1,498,170	1,384,073	15%	2,942	42	51	177	2.5
42	F.42 - Civil engineering	507	-	42	6	-9	-1	-9	188,537	129,992	21%	375	106	4	22	4.4
43	F.43 - Specialised construction activities	2,734	0	315	71	-42	-10	-30	1,026,782	638,072	9%	2,255	270	43	165	4.2
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	10,349	76	1,112	317	-179	-49	-126	13,970,625	12,834,659	23%	7,240	747	260	2,101	5.2
45	H - Transportation and storage	8,371	391	201	49	-28	-4	-20	5,175,419	2,458,728	40%	6,361	984	429	595	4.2
46	H.49 - Land transport and transport via pipelines	1,878	73	117	32	-17	-2	-15	452,906	205,029	13%	1,375	318	91	93	4.9
47	H.50 - Water transport	4,067	319	25	1	-3	0	0	3,968,819	1,625,647	57%	3,375	566	25	100	2.9
48	H.51 - Air transport	29	-	0	0	0	0	0	47,707	14,167	23%	29	0	-	0	0.7
49	H.52 - Warehousing and support activities for transportation	2,239	-	56	17	-7	-1	-5	663,076	578,067	32%	1,426	99	313	401	6.4
50	H.53 - Postal and courier activities	158	-	2	0	-1	0	0	42,911	35,818	59%	156	1	0	1	2.3
51	I - Accommodation and food service activities	1,942	-	97	43	-27	-3	-24	499,468	443,022	22%	1,203	52	622	64	6.6
52	L - Real estate activities	52,509	-	1,562	152	-74	-14	-48	558,952	306,329	13%	38,821	1,161	4,819	7,708	6.9
53	Exposures towards sectors other than those that highly contribute to climate change*	24,365	120	1,494	650	-281	-34	-109				18,027	1,208	426	4,703	2.9
54	K - Financial and insurance activities	9,301	-	120	12	-9	-3	-5				8,746	169	34	352	1.4
55	Exposures to other sectors (NACE codes J, M - U)	15,064	120	1,374	639	-272	-31	-105				9,282	1,039	392	4,351	3.8
56	TOTAL	137,347	1,094	7,202	1,852	-908	-183	-544	45,192,384	35,363,070	18%	100,044	6,498	8,051	22,755	5.7

* In accordance with the Commission delegated regulation (EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Recital 6:

Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

** Including exposures reported under fair value

*** In accordance to EBA no-action letter as of August 6th, 2025, column (c) "of which environmentally sustainable (CCM)"

Table 71 - Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

The template provides information on the distribution of loans collateralized by immovable property by energy consumption and by the Energy Performance Certificate (EPC) label of the collateral.

In the template exposures to collaterals located in Norway are included in the Total EU area. Further, physical location of the collateral is used when allocating exposures to Total EU area and Total non-EU area.

In cases where data on energy performance in kWh/m2 is not available, energy performance is assigned based on EPC label, and if unavailable, based on national average for the building type. The national average data is sourced from the Partnership for Carbon Accounting Financials (PCAF) European building emission factor database. For Denmark all EPC labels with numbers (e.g. A2020, F1) are summed into singular letter EPC label (e.g. A, F).

Counterparty sector	Total gross carrying amount amount (in MEUR)															
	Level of energy efficiency (EP score in kWh/m ² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral		
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated	
1 Total EU area	246,585	39,625	154,434	51,436	850	196	46	10,310	16,574	26,494	27,195	22,871	11,285	7,452	124,405	97%
2 Of which Loans collateralised by commercial immovable property	42,962	4,214	22,563	15,872	225	70	20	2,572	2,386	3,085	2,491	2,132	1,057	622	28,616	100%
3 Of which Loans collateralised by residential immovable property	203,623	35,411	131,871	35,564	625	126	26	7,738	14,188	23,409	24,704	20,738	10,228	6,830	95,788	96%
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	0.22	0.04	0.18	-	-	-	-	-	-	-	0.05	-	-	-	0.17	100%
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	173,091	11,415	114,489	47,012	175	-	-	-	-	-	-	-	-	-	120,265	100%
6 Total non-EU area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 72 - Template 3 - Banking book - Indicators of potential climate change transition risk: Alignment metrics

The template provides information on the degree of alignment of Nordea's five material sectors against the IEA NZE2050 scenario for the year 2030. The data in this template does not represent Nordea's own sector targets; those are communicated in Nordea's Annual Report.

Column (c) includes exposures for Q4 2025 for the sectors and NACE codes referenced in the column (b) as a result of the materiality assessment. The materiality assessment performed considers NACE codes relevant for this disclosure through different filters. The filters consider each sector's exposure as share of loan portfolio; GHG emissions as share of loan portfolio; the availability of an alignment metric disclosed by the customer; and finally the availability of an IEA pathway. Alignment metrics are disclosed for the relevant sub-sectors and NACE codes. For Maritime transport Nordea uses the Poseidon Principles (IMO 2050) scenario for columns (d) - (g) in the absence of an IEA pathway.

Column (d) represents alignment metric in Q4 2025 for the sectors deemed material. The alignment metric values are calculated for customers where their emission intensity are available in public reports for the reference year, weighted by Q4 2025 each customer's lending exposure. For Renewable Power Production, however, a proxy was used instead of customer-specific data. The metric for the Maritime sector intensity uses the parameters of fuel consumption and distance travelled. Further the deadweight tonnage is used for segments where the cargo is weight critical and gross tonnage is used for vessels with volume-critical cargo. The latter category includes Cruise, Ferry Ro-Pax, Ferry-pax only and Vehicle carriers. In Q4 2025, the Automotive sector intensity for cars and vans manufacturing clients with a new metric gCO2e/km was reported.

Column (f) calculates the distance to the IEA NZE2050 scenario based on the difference between alignment metric (d) and the IEA NZE2050 scenario for the year 2030. A negative number in column (f) implies average portfolio alignment metric is already lower than the IEA scenario for 2030, while a positive number indicates it is higher.

Column (g) represents the linear reduction of the IEA NZE2050 scenario metric three years after the reference year and does not represent where Nordea's portfolio is targeted to be in three years. For example, the Power sector's current intensity level of 16g CO2/kwh is ahead of the IEA pathway's intensity level for both target (2027) and 2030.

Targets in column (g) do not represent Nordea's targets disclosed in the annual report. Nordea's sector targets disclosed in the annual report are not aligned with the three-year time framework required in a column (g), nor are they always based on IEA NZE2050 scenario or use the same intensity metrics.

	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (EURm)	Alignment metric	Year of reference	Distance to IEA NZE2050 in % *	Target (year of reference + 3 years)
1	Power	D.35.11	2,494	16 g CO2e/kWh	2024	-89%	228 g CO2e/kWh
2	Fossil fuel combustion	B.06.1, C.19.2	44	6 kg CO2e/BOE	2024	-85%	60 kg CO2e/BOE
3	Automotive	C.29.10	102	92 g CO2e/km	2024	44%	73 g CO2e/km
4	Maritime transport	H.50	4,067	6.8 g CO2/dwt-nm	2024	0.07	6.9 g CO2/dwt-nm
5	Iron and steel, coke, and metal ore production	C.24.1, C.24.52	234	1.4 t CO2e/t steel	2024	31%	1.2 t CO2e/t steel

* PIT distance to 2030 NZE2050 scenario in % (for each metric)

Table 73 - Template 4: Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

The template provides information on exposure to any of the top 20 carbon intensive firms in the world, identified by using the Carbon Majors database by InfluenceMap*. Based on the firms' combined scope 1 and 3 emissions as of 2024 (latest available). The exposure is immaterial and refers to purchase of receivables exposure towards one company.

a	b	c	d	e
Gross carrying amount (aggregate) (EURm)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)**	Of which environmentally sustainable (CCM)***	Weighted average maturity (in years)	Number of top 20 polluting firms included
1	0.3	0.0001%	0.08	1

*The Carbon Majors database is available at carbonmajors.org

**For counterparties among the top 20 carbon emitting companies in the world

*** In accordance to EBA no-action letter as of August 6th, 2025, column (c) "of which environmentally sustainable (CCM)" is left empty

Table 74 - Template 5: Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk

The template provides information on exposures subject to physical risk. It includes exposures on loans collateralised by residential and commercial immovable property for all counterparty types. The split by collateral is disclosed in row 10-11 while split by sectors for non-retail collateralised by immovable property is disclosed in row 1-9.

Nordea's current approach focuses on assessing how the change in physical hazards, due to climate change, potentially impacts valuations of immovable properties over time up to year 2100. The physical hazard sensitivity is calculated on a postal code level. The template discloses exposures subject to physical risk in RCP 4.5 for the time period 2011-2040.

Nordea uses physical hazard data from Swedish Meteorological and Hydrological Institute (SMHI), which consists of information on 12 different climate hazard indices that can be divided into climate indices, hydrological indices, and fire risk. Each hazard index indicates the change in the respective physical hazard due to climate change. The SMHI data covers the Nordic countries, hence only exposures with collaterals located in the Nordics having postal code information are included in the template (columns c-o).

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount (Mln EUR)													
	of which exposures sensitive to impact from climate change physical events													
	Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity								of which Stage 2 exposures	Of which non-performing exposures
1 A - Agriculture, forestry and fishing	8,566	25	11	53	218	25	69	82	157	11	8	-1	0	0
2 B - Mining and quarrying	710	0	0	0	0	19	0	0	0	0	-	0	0	0
3 C - Manufacturing	16,249	26	4	12	12	14	18	20	17	8	1	0	0	0
4 D - Electricity, gas, steam and air conditioning supply	6,102	17	4	21	34	17	5	37	34	0	5	0	0	0
5 E - Water supply; sewerage, waste management and remediation activities	1,731	7	0	1	1	8	1	5	3	0	1	0	0	0
6 F - Construction	6,453	26	2	8	33	18	27	22	20	8	2	-1	0	-1
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	10,349	31	6	17	32	16	28	34	24	7	2	0	0	0
8 H - Transportation and storage	8,371	6	2	12	12	19	16	8	8	2	1	0	0	0
9 L - Real estate activities	52,509	715	36	196	372	11	598	459	262	40	6	-3	0	-2
10 Loans collateralised by residential immovable property	203,623	501	203	858	4,550	31	2,565	1,929	1,618	198	42	-7	-2	-4
11 Loans collateralised by commercial immovable property	42,962	518	52	268	316	13	431	369	354	45	22	-4	-1	-4
12 Repossessed collaterals	0	-	-	-	-	-	-	-	0	-	-	-	-	-
13 Other relevant sectors (breakdown below where relevant)	26,307	58	23	77	209	22	159	103	105	17	4	-1	0	0

Table 75 - Assets and liabilities of NLP

The table shows NLP's assets and liabilities as of Q4 2025 on an IFRS basis. The development of assets and liabilities is determined predominantly by in- and outflows of insurance premiums, claims, investment returns and holding of capital in NLP.

EURm	2025	2024
Assets		
Investment properties	2,209	2,125
Shares	23,272	19,984
Alternative investments	906	966
Debt securities - At fair value	5,886	6,517
Debt securities - Held to maturity	674	751
Deposits and treasury bills	1,890	1,813
Financial assets backing investment contracts	67,604	57,385
Other financial assets	474	279
Other assets	1,193	1,248
Total assets	104,108	91,070
Liabilities		
Insurance contract liabilities	33,097	30,351
Investment contract liabilities	67,604	57,396
Other financial liabilities	1,273	1,334
Other liabilities	140	126
Shareholders' equity	1,344	1,213
Subordinated loans	650	650
Total liabilities and equity	104,108	91,070

Table 76 - Effects of market risk on NLP

The table shows the impact of interest rate, equity price and spread movements on profit and contractual service margin (CSM).

EURm	2025		2024	
	Impact on profit	Impact on CSM	Impact on profit	Impact on CSM
Equity -20% ¹⁾	-32	-216	-29	-230
Interest rates -50 bps	0	-96	0	-111
Interest rates +50 bps	0	83	0	98
Spread +50 bps	-3	-13	-3	-13
Combined market stress ²⁾	-46	-327	-44	-362

¹⁾ Including alternative investments and -5% on properties.

²⁾ Interest rates -50 bps, equity -20%, spreads +50 bps.

Table 77 - Effects of life and insurance risks

The table shows the sensitivity of NLP to changes in life insurance risk. The impact is split between the effect on profit and contractual service margin (CSM).

EURm	2025		2024	
	Impact on profit	Impact on CSM	Impact on profit	Impact on CSM
Lapses +10%	-6	-21	-5	-21
Expenses +10%	-15	-95	-14	-88
Mortality +10%	1	3	2	7
Disability +10%	-15	-3	-13	-3
Longevity +10%	-3	-10	-5	-21

Table 78 - Product return, traditional life insurance

The table shows the product return of traditional business for the consolidated life companies. Assets under management (AuM) are affected by the product return and the in- and outflows of business.

EURm	2025		2024	
	AuM	Product return	AuM	Product return
Finland	2,109	-1.4%	2,274	7.7%
Sweden	4,346	13.5%	3,734	11.9%
Norway	4,900	2.7%	4,923	1.7%
Denmark	2,610	5.7%	2,876	18.1%
Total AuM	13,964	5.6%	13,807	8.5%

Table 79 - Guarantee levels, estimates of present value of future cash flows

The table shows the expected fulfilment cash flows (EFCF) divided into guarantee levels.

EURm	2025	2024
EFCF ¹⁾		
0%	370	378
0 - 2%	4,665	4,137
2 - 3%	3,132	2,933
3 - 4%	1,924	2,143
> 4%	1,242	1,349
Total	11,333	10,940

¹⁾ The expected fulfilment cash flow (EFCF) is the present value of the currently expected amounts that will be collected from premiums, net of expected pay out for claims, benefits and directly attributable expenses.

Table 80 - Remaining contractual service margin (CSM) from insurance contracts
 The table shows the projected development of the CSM in NLP.

EURm	Insurance contracts							Total
	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years	
Q4 2025								
Traditional insurance	78	71	66	62	54	225	366	922
Unit-linked insurance	71	55	49	43	38	133	143	532
Life- and disability insurance	31	10	9	8	8	30	52	148
Total	181	136	124	113	100	388	561	1,602

EURm	Insurance contracts							Total
	1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	More than 10 years	
Q4 2024								
Traditional insurance	69	63	59	55	49	214	387	896
Unit-linked insurance	80	67	60	53	45	166	213	684
Life- and disability insurance	30	9	8	7	7	28	48	137
Total	179	139	127	115	101	408	648	1,717

Table 81 - Solvency position

The table shows the solvency position at the end of 2024 and 2025.

EURm	2025	2024
Solvency capital requirement	2,984	2,706
Own funds	4,458	4,108
Solvency margin	1,474	1,402
Solvency position	149%	152%

Table 82 - Solvency sensitivity

The table shows the solvency position under baseline and stressed conditions at the end of 2024 and 2025.

	2025	2024
Solvency position	149%	152%
Equity drop 20%	151%	163%
Interest rates down 50 bps	149%	150%
Interest rates up 50 bps	150%	153%

Table 83 - CRR reference table

CRR ref.	High level summary	Reference	Frequency
Title II: Technical criteria on transparency and disclosure			
Article 435 Risk management objectives and policies			
(1) (a)	The strategies and processes to manage those categories of risks	Throughout Part 1 ¹⁾	Annual
(1) (b)	Organisation and governance	Throughout Part 1	Annual
(1) (c)	Reporting systems	Throughout Part 1	Annual
(1) (d)	Hedging policies	Throughout Part 1	Annual
(1) (e)	Management declaration on risk management adequacy	Board risk statement	Annual
(1) (f)	Risk profile	Board risk statement	Annual
(2) (a) - (e)	Disclosures regarding governance arrangements	Information can be found in: Nordea.com > About us > Corporate Governance	Annual
Article 436 Scope of application			
(a)	Name of the institution.	Cover page	Annual
(b)	Reconciliation between the consolidated financial statements	EU LI3	Annual
(c)	Breakdown of assets and liabilities of the consolidated financial statements	EU LI1	Annual
(d)	Reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements and the exposure amount used for regulatory purposes	EU LI2	Annual
(e)	Breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment	EU PV1	Annual
(f)	Practical or legal impediments to transfer of own funds or to the repayment of liabilities between parent and subsidiaries	Part 1, ICAAP, stress testing and capital allocation	Annual
(g)	Capital shortfalls in subsidiaries outside the scope of consolidation	Not applicable	
(h)	Making use of articles on derogations from a) prudential requirements (Article 7) and b) liquidity requirements for individual subsidiaries/entities (Article 9)	Nordea does not apply Article 7 and Article 9.	
Article 437 Own funds			
(a)	Full reconciliation to own funds and balance sheet	EU CC1, EU CC2	Semi-annual
(b)	Description of main features of the instruments	EU CCA	Annual
(c)	Full terms and conditions of the instruments	Information can be found in: Nordea.com > Investors > Debt and rating > Capital instruments > Main features	Annual
(d) (i)- (e)	Separate disclosure of the nature and amounts Description of all restrictions applied to own funds calculations	EU CC1	Semi-annual
(f)	Calculation of capital ratios	EU CC1	Semi-annual
Article 437a Disclosure of own funds and eligible liabilities			
(a)	Composition of their own funds and eligible liabilities, their maturity and their main features	Nordea is not a globally significant institution or a material subsidiary of non-EU G-SII. Hence, it is not subject to CRR 92a or 92b and CRR 437a disclosure requirement. However, Nordea is subject to disclosure according to BRRD. See references under BRRD ref.	
(b)	Ranking of eligible liabilities in the creditor hierarchy		
(c)	Total amount of each issuance of eligible liabilities instruments referred to in Article 72b and the amount of those issuances that is included in eligible liabilities items within the limits specified in Article 72b(3) and (4)		
(d)	Total amount of excluded liabilities referred to in Article 72a(2)		
Article 438 Own funds requirements and risk-weighted exposure amounts			
(a)	Summary of the approach to assessing adequacy of capital to its activities	Part 1, ICAAP, stress testing and capital allocation	Annual
(b)	Amount of the additional own funds requirements	Part 1, EU KM1	Quarterly
(c)	Upon demand from the authorities, result of the ICAAP	Not applicable	
(d) - (h)	Own funds requirements for credit risk (Standardised and IRB approach), market and operational risk	EU OV1, EU CMS1, EU CMS2, EU CR8, EU CCR7, EU MR2-B, EU CVA4 EU CR10.5 EU INS1, EU INS2	Quarterly Semi-annual Annual
		As Nordea does not apply the slotting approach, the disclosure of EU CR10.1 - CR10.4 is not applicable.	

Article 439 Exposure to counterparty credit risk			
(a)	Methodology to assign internal capital and credit limits for counterparty credit exposures	Part 1, Counterparty credit risk	Annual
(b)	Policies related to guarantees and other credit risk mitigants	Part 1, Counterparty credit risk	Annual
(c)	Policies for wrong-way risk exposures	Part 1, Counterparty credit risk	Annual
(d)	Impact of any collateral postings upon credit rating downgrade	Part 1, Counterparty credit risk	Annual
(e)	Amount of segregated and unsegregated collateral received and posted per type of collateral	EU CCR5	Semi-annual
(f)	The exposure values before and after the effect of the credit risk mitigation for derivative transactions	EU CCR1	Semi-annual
(g)	The exposure values before and after the effect of the credit risk mitigation for securities financing transactions	EU CCR1	Semi-annual
(i)	The exposure value to central counterparties and the associated risk exposures	EU CCR8	Semi-annual
(j)	The notional amounts and fair value of credit derivative transactions and distribution of credit derivatives products	EU CCR6	Semi-annual
(k)	The estimate of alpha where the institution has received the permission of the competent authorities to use its own estimate	EU CCR1	Semi-annual
(l)	Separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452	EU CCR3, EU CCR4	Semi-annual
(m)	for institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off- balance-sheet derivative business	EU CCR1	Semi-annual
Article 440 Countercyclical capital buffers			
(a)	The geographical distribution of the exposure amounts and risk- weighted exposure amounts of its credit exposures	EU CCyB1	Semi-annual
(b)	The amount of their institution-specific countercyclical capital buffer	EU CCyB2	Semi-annual
Article 441 Indicators of global systemic importance			
(1) - (2)	Indicator values used for determining the score of the institution	As Nordea is not a globally significant institution, the disclosure is not applicable	
Article 442 Exposures to credit risk and dilution risk			
(a)	The scope and definitions that they use for accounting purposes of 'past due' and 'impaired' and the differences	Part 1, Credit risk	Annual
(b)	The approaches and methods adopted for determining specific and general credit risk adjustments	Part 1, Credit risk	Annual
(c)	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures	1. EU CQ1, EU CQ4, EU CQ5, EU CQ7, EU CR1 2. As Nordea's non-performing loan ratio is below the 5% threshold, the disclosure of EU CR2a, EU CQ2, EU CQ6,EU CQ8 is not applicable.	Semi-annual
(d)	Ageing analysis of accounting past due exposures	EU CQ3	Annual
(e)	The gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments	EU CQ4, EU CQ5	Semi-annual
(f)	Changes in the gross amount of defaulted on- and off-balance-sheet exposures	1. EU CR1, EU CR2 2. As Nordea's non-performing loan ratio is below the 5% threshold, the disclosure of EU CR2a is not applicable.	Semi-annual
(g)	The breakdown of loans and debt securities by residual maturity	EU CR1-A	Semi-annual
Article 443 Encumbered and unencumbered assets			
	The carrying amount per exposure class broken down by asset quality and the total amount of the carrying amount that is encumbered and unencumbered	EU AE1, EU AE2, EU AE3, EU AE4	Annual
Article 444 The use of the Standardised Approach			
(a)	The names of the nominated ECAIs and ECAs and the reasons for any changes in those nominations over the disclosure period	Part 1, Credit risk	Annual
(b)	The exposure classes for which each ECAI or ECA is used	Part 1, Credit risk	Annual
(c)	Description of the process used to transfer the issuer and issue credit ratings onto items not included in the trading book	Part 1, Credit risk	Annual
(d)	The association of the external rating of each nominated ECAI or ECA with the risk weights that correspond to the credit quality steps	Part 1, Credit risk Table: Standardised exposure classes, distributed by credit quality step	Annual
(e)	The exposure values before and after credit risk mitigation associated with each credit quality step	EU CC1, EU CCR3, EU CR4, EU CR5	Semi-annual
Article 445 Exposure to market risk ²⁾			
	Own Funds requirements	EU MR1	Semi-annual

Article 445a Disclosure of CVA risk			
(1) (a)	Overview of their processes to identify, measure, hedge and monitor their CVA risk	Part 1, Counterparty credit risk	Annual
(1) (b)	Whether institutions meet the simplified CVA risk eligibility (Article 273a(2)) and, if they do, confirm their choice of the simplified calculation method (Article 385) and its resulting CVA risk capital requirement	Part 1, Counterparty credit risk	Annual
(1) (c)	The total number of counterparties for which the standardised approach is used, with a breakdown by counterparty types	EU CVA3	Annual
(2) (a)	Institutions using the standardised approach set out in Article 383 for calculating the own funds requirements for CVA risk shall disclose, the structure and the organisation of their internal CVA risk management function and governance	Part 1, Counterparty credit risk	Annual
(2) (b)	their total own funds requirements for CVA risk under the standardised approach with a breakdown by risk class	EU CVA3	Annual
(2) (c)	an overview of the eligible hedges used in that calculation, with a breakdown by type of instruments set out in Article 386(2)	EU CVA3	Annual
(3) a	Own funds requirements for CVA risk under the basic approach	EU CVA2	Annual
		As Nordea does not use the Reduced Basic Approach, the disclosure of EU CVA1 is not applicable.	
3 (b)	An overview of the eligible hedges used in the calculation of own funds requirements for CVA risk under the basic approach, with a breakdown by type of instruments set out in Article 386(3)	EU CVA2	Annual
Article 446 Operational risk management			
(1) (a)	Main characteristics and elements of the operational risk management framework	Part 1, Operational risk and compliance risk	Annual
(1) (b)	Own funds requirement for operational risk equal to the business indicator component calculated in accordance with Article 313	EU OR3	Annual
(1) (c)-(d)	Information on the business indicator	EU OR2	Annual
(2) (a)	Where applicable, annual operational risk losses for each of the last 10 financial years, calculated in accordance with Article 316(1)	EU OR1	Annual
(2) (b)	The number of exceptional operational risk events and the amounts of the corresponding aggregated net operational risk losses that were excluded from the calculation of the annual operational risk loss	EU OR1	Annual
Article 447 Key metrics			
(a)	Composition of own funds and own funds requirements	EU KM1	Quarterly
(aa)	Where applicable, the risk-based capital ratios as calculated in accordance with Article 92(2), by using the un-floored total risk exposure amount instead of the total risk exposure amount	EU KM1	Quarterly
(b)	Total risk exposure amount	EU KM1	Quarterly
(c)	Where applicable, the amount and composition of additional own funds which the institutions are required to hold in accordance with point (a) of Article 104(1) of Directive 2013/36/EU	EU KM1	Quarterly
(d)	The combined buffer requirement which the institutions are required to hold in accordance	EU KM1	Quarterly
(e)	Leverage ratio and the total exposure measure	EU KM1	Quarterly
(f)	Information in relation to liquidity coverage ratio	EU KM1	Quarterly
(g)	Information in relation to net stable funding requirement	EU KM1	Quarterly
(h)	Own funds and eligible liabilities ratios and their components, numerator and denominator	As Nordea is not a globally significant institution or a material subsidiary of non-EU G-SII, it is not subject to CRR 92a or 92b.	
Article 448 Exposures to interest rate risk on positions not held in the trading book			
(1) (a)	The changes in the economic value of equity calculated under the six supervisory shock	EU IRRBB1	Semi-annual
(1) (b)	The changes in the net interest income calculated under the two supervisory shock scenarios	EU IRRBB1	Semi-annual
(1) (c)	Description of key modelling and parametric assumptions	Part 1, Market risk	Annual
(1) (d)	Explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph	Part 1, Market risk	Annual
(1) (e)	Description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities	Part 1, Market risk	Annual
(1) (f)	Description of the overall risk management and mitigation strategies for those risks	Part 1, Market risk	Annual
(1) (g)	Average and longest repricing maturity assigned to non-maturity deposits	Part 1, Market risk	Annual
Article 449 Exposure to securitisation positions			
(a)	A description of securitisation and re-securitisation activities	Part 1, Securitisation and credit derivatives	Annual
(b)	The type of risks exposed to in securitisation and re-securitisation activities by level of seniority	Part 1, Securitisation and credit derivatives	Annual
(c)	The approaches for calculating the risk-weighted exposure amounts	Part 1, Securitisation and credit derivatives	Annual
(d) -(f)	Different roles played by the institution in the securitisation process and the extent of its involvement	Part 1, Securitisation and credit derivatives	Annual
(g)	Summary of accounting policies for securitisation activity	Part 1, Securitisation and credit derivatives	Annual
(h)	The names of the ECAs used for securitisations and the types of exposure for which each agency is used	Part 1, Securitisation and credit derivatives	Annual

(i)	Description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three, including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI	Part 1, Securitisation and credit derivatives	Annual
(j)	Separately for the trading book and the non-trading book, the carrying amount of securitisation exposures	1. EU SEC1 2. As Nordea has no securitisation positions in trading book, the disclosure of EU SEC2 is not applicable.	Semi-annual
(k) (i)	Non-trading book activities - aggregate amount of securitisation positions where institutions act as originator or sponsor	EU SEC3	Semi-annual
(k) (ii)	Non-trading book activities - aggregate amount of securitisation positions where institutions act as investor	EU SEC4	Semi-annual
(l)	For exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments	EU SEC5	Semi-annual
Article 449a Disclosure of environmental, social and governance risks (ESG risks)			
	From 28 June 2022, large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU. In light of the on-going simplification efforts from the European Commission related to EU Taxonomy, templates 6-10 are omitted as supported by the EBA in their no-action letter 5 August 2025. For the same reason, column c in Templates 1 and 4 is left empty due to this column including EU Taxonomy information. Template 3 is updated on an annual basis. For Nordea information on templates 6, 7, 8 and 10, refer to the Pillar 3 report for Q4 2024.	1. Part 1: - ESG factors in business strategy, governance and risk management - Environmental, social and governance factors	Annual
		Templates 1, 2, 4, 5 Template 3	Semi-annual Annual
Article 449b Disclosure of aggregate exposure to shadow banking entities			
	Institutions shall disclose the information concerning their aggregate exposure to shadow banking entities, as referred to in Article 394(2), second subparagraph	According to Consultation Paper on Draft Implementing Technical Standards (EBA/CP/2025/07), institutions shall use the template EU SB1 to disclose the information referred to in Article 449b of Regulation (EU) No 575/2013 starting with reference date as of 31 December 2026 (Article 2(4) of the draft ITS).	
Article 450 Remuneration policy			
1	Remuneration policy and practices:	Information can be found in: Remuneration Policy for Governing Bodies AGM 2024	Annual
(1) (a)	- decision making of remuneration committee	Remuneration Policy for Governing Bodies AGM 2024, page 3, bottom section.	Annual
(1) (b)	- link between pay and performance	Remuneration Policy for Governing Bodies AGM 2024, 5 and first paragraph of page 6	Annual
(1) (c - f)	- criteria for performance measurement, variable components parameters	Annual Report 2025, page 73 and 74 (Board of Directors report on Remuneration)	Annual
(1) (g)-(i)	- aggregate quantitative information including necessary splits	Group remuneration disclosure report 2025, page 2	Annual
(1) (j)	- total remuneration for each member of the management body, upon request	Annual Report 2025, tables on page 262	Annual
(1) (k)	- information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU	Group remuneration disclosure report 2025, page 15	Annual
2	- quantitative information per member of the management body for significant institutions	Annual report 2025, tables on page 262 and 263	Annual
Article 451 Leverage ratio			
(1) (a)	The leverage ratio and how the institutions apply Article 499(2)	EU LR2	Semi-annual
(1) (b)	A breakdown of the total exposure measure	EU LR1, EU LR2, EU LR3	Semi-annual
(1) (c)	Where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7)	EU LR2	Semi-annual
(1) (d)	A description of the processes used to manage the risk of excessive leverage	EU LR1	Semi-annual
(1) (e)	A description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	EU LR1	Semi-annual
2	Public development credit institutions as defined in Article 429a(2) shall disclose the leverage ratio without the adjustment to the total exposure measure	EU LR2	Semi-annual
3	Large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated in accordance with the implementing act referred to in Article 430(7)	EU LR2	Annual

Article 451a Liquidity requirements			
1	Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article (see subparagraphs 2-4)	Part 1, Liquidity risk and ILAAP	Annual
2 (a) -	Components of the LCR	EU LIQ1	Quarterly
3 (a) -	Components of the NSFR	EU LIQ2	Semi-annual
4 (a) -	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk	Part 1, Liquidity risk and ILAAP	Annual
(c)			
Article 451b Disclosure of crypto-asset exposures and related activities			
	Description of institution's crypto-asset exposures, crypto-asset services and other activities related to crypto-assets, their impact on the risk profile of the institution, and relevant risk management policies	Board risk statement Part 1, Credit Risk EU CAE1 is not applicable as Nordea does not have crypto-asset exposures.	Annual
Title III: Qualifying requirements for the use of particular instruments or methodologies			
Article 452 Use of the IRB Approach to credit risk			
(a)	Permission from the authority to use IRB approach	Part 1, Credit risk	Annual
(b)	For each exposure class referred to in Article 147, the percentage of the total exposure value of each exposure class subject to the Standardised Approach	EU CR6-A	Annual
(c) (i)-	Control mechanisms for rating systems	Part 1, Credit risk	Annual
(d)	Role of the functions involved in the development, approval and subsequent changes of the credit risk models	Part 1, Credit risk	Annual
(e)	Scope and main content of the reporting related to credit risk models	Part 1, Credit risk	Annual
(f) (i)-	Description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio	Part 1, Credit risk	Annual
(iii)			
(g) (i)-	Information components in relation to each exposure class referred to in Article 147	EU CCR4, EU CR6	Semi-annual
(h)	Institutions' estimates of PDs against the actual default rate for each exposure class over a longer period	1. EU CR9 2. As Nordea does not apply point (f) of Article 180(1), the disclosure of EU CR9.1 is not applicable.	Annual
Article 453 Use of credit risk mitigation techniques			
(a)	The core features of the policies and processes for on- and off- balance-sheet netting and an indication of the extent to which institutions make use of balance sheet netting	Part 1, Credit risk	Annual
(b)	The core features of the policies and processes for eligible collateral evaluation and management	Part 1, Credit risk	Annual
(c)	A description of the main types of collateral taken by the institution to mitigate credit risk	Part 1, Credit risk	Annual
(d)	For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purpose of reducing capital requirements	Part 1, Credit risk	Annual
(e)	Information about market or credit risk concentrations within the credit mitigation taken	Part 1, Credit risk	Annual
(f)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, the total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments	EU CR3	Semi-annual
(g)	Corresponding conversion factor and the credit risk mitigation associated with the exposure	EU CR4, EU CR7-A	Semi-annual
(h)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach, the on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation	EU CR4	Semi-annual
(i)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach, the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class	EU CR4	Semi-annual
(j)	For institutions calculating risk-weighted exposure amounts under the IRB Approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives	EU CR7 is not applicable as Nordea does not currently use credit derivatives as credit risk mitigation for banking book exposures.	
Article 454 Use of the Advanced Measurement Approaches to operational risk			
	Description of the use of insurance and other risk-transfer mechanisms for the purpose of mitigating operational risk	CRR3 does not allow Advanced Measurement Approach, the disclosure of this information is not applicable.	

Article 455 Use of Internal Market Risk Models ²⁾			
(a) (i)	Characteristics of the models used	Part 1, Market risk	Annual
(a) (ii)	For the internal models for incremental default and migration risk and for correlation trading	Part 1, Market risk	Annual
(a) (iii)	Description of stress testing applied to the sub-portfolio	Part 1, Market risk	Annual
(a) (iv)	Approaches used for back-testing and validating the accuracy and consistency of the internal	Part 1, Market risk	Annual
(b)	Scope of permission by the competent authority	Part 1, Market risk	Annual
(c)	Description of the extent and methodologies for compliance with the requirements set out in Articles 104 and 105	Part 1, Market risk	Annual
(d) (i) -	The highest, lowest and average of VaR, sVaR, Incremental risk charge and Comprehensive	EU MR3	Semi-annual
(iii)	Risk Charge		
(e)	The elements of the own fund requirement as specified in Article 364	EU MR2-A	Semi-annual
(f)	Weighted average liquidity horizon for each sub-portfolio covered by the internal models for incremental default and migration risk and for correlation trading	Part 1, Market risk	Annual
(g)	Comparison of the daily end-of-day VaR measures to the one-day changes of the portfolio's value	EU MR4	Semi-annual

Accompanying this report are the required disclosures of Nordea Kredit Realkreditatieselskab, Nordea Hypotek AB, Nordea Mortgage Bank Plc and Nordea Eiendoms kreditt. The subsidiaries' disclosures are included as appendices and will be published at nordea.com.

1) "Part 1" refers to the qualitative section of the annual Capital and Risk Management Report.

2) Following CRR 520a: "Until 1 January 2027, institutions shall continue to apply Part Three, Title IV, and the market risk requirements of Articles 430, 430b, 445 and 455 of this Regulation in the version in force on 8 July 2024.

Table 84 - BRRD reference table

BRRD ref.	High level summary	Reference	Frequency
Title II: Technical criteria on transparency and disclosure			
Article 45i Supervisory reporting and public disclosure of the requirement			
(3) (a)	The amounts of own funds and eligible liabilities	EU KM2	Semi-annual
(3) (b)	The composition of the items, including their maturity profile and ranking in normal insolvency proceedings	EU TLAC1, EU TLAC3b	Annual
(3) (c)	The applicable requirement	EU KM2	Semi-annual

Attestation Concerning Disclosures under Part Eight of Regulation (EU) No 575/2013

I hereby attest that, to the best of my knowledge, the disclosures in the Capital and Risk Management Report 2025 provided under Part Eight of Regulation (EU) No 575/2013 (as amended) have been prepared in accordance with the formal policies and internal processes, systems and controls.

Helsinki, 12 March 2026

Ian Smith

Group Chief Financial Officer, Nordea Bank Abp