

Nordea



Capital and Risk Management Report First Quarter 2025

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

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Table 1 - EU KM1 - Key metrics template

During the first quarter Nordea's own funds decreased by EUR 1.0bn¹⁾, of which CET1 increased by EUR 0.1bn, Additional Tier 1 (AT1) decreased by EUR 1bn and Tier 2 (T2) decreased by EUR 0.01bn. The Group's CET1 capital increased mainly due to profit generation net of dividend accrual and foreign exchange effects in retained earnings. These were partly offset by the share buy-back programme launched in March. AT1 capital decreased mostly due to repaid AT1 instrument (EUR 0.8bn). T2 decreased due to changes in book value for T2 instruments. REA increased by EUR 3.8bn, mainly due to foreign exchange effects, the annual operational risk capital requirements update, Basel IV implementation and growth in the corporate portfolio. The increased REA was partly offset by securitisation benefits.

EURm

	a	b	c	d	e
Available own funds (amounts)	Q1 2025 ¹⁾	Q4 2024	Q3 2024 ¹⁾	Q2 2024	Q1 2024
1 Common Equity Tier 1 (CET1) capital	24,632	24,570	23,935	24,315	23,798
2 Tier 1 capital	27,751	28,683	27,844	27,602	27,061
3 Total capital	31,812	32,800	31,703	32,008	31,021
Risk-weighted exposure amounts					
4 Total risk exposure amount	159,685	155,850	153,691	139,333	138,579
4a Total risk exposure pre-floor	159,685				
Capital ratios (as a percentage of risk-weighted exposure amount)					
5 Common Equity Tier 1 ratio (%)	15.4%	15.8%	15.6%	17.5%	17.2%
5b Common Equity Tier 1 ratio considering unfloored TREA (%)	15.4%				
6 Tier 1 ratio (%)	17.4%	18.4%	18.1%	19.8%	19.5%
6b Tier 1 ratio considering unfloored TREA (%)	17.4%				
7 Total capital ratio (%)	19.9%	21.0%	20.6%	23.0%	22.4%
7b Total capital ratio considering unfloored TREA (%)	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 (%)	0.0%	0.0%	0.0%	0.0%	0.0%
9 Institution specific countercyclical capital buffer (%)	1.7%	1.7%	1.6%	1.7%	1.7%
EU 9a Systemic risk buffer (%)	1.6%	1.5%	1.4%	1.0%	0.0%
10 Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 10a Other Systemically Important Institution buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
11 Combined buffer requirement (%)	8.3%	8.2%	8.1%	7.7%	6.7%
EU 11a Overall capital requirements (%)	17.9%	17.8%	17.7%	17.3%	16.3%
12 CET1 available after meeting the total SREP own funds requirements (%)	10.3%	10.4%	10.2%	12.1%	11.8%
Leverage ratio					
13 Total exposure measure	577,736	568,334	566,487	556,605	555,234
14 Leverage ratio (%)	4.8%	5.0%	4.9%	5.0%	4.9%
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 (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14b of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%	0.0%	0.0%	0.0%
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 (%)	0.0%	0.0%	0.0%	0.0%	0.0%
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)	109,424	109,127	107,742	108,379	110,493
EU 16a Cash outflows - Total weighted value	92,187	91,083	88,685	86,011	86,536
EU 16b Cash inflows - Total weighted value	21,872	21,364	20,060	17,715	16,738
16 Total net cash outflows (adjusted value)	70,315	69,718	68,625	68,297	69,797
17 Liquidity coverage ratio (%) ²⁾	156%	157%	157%	159%	159%
Net Stable Funding Ratio					
18 Total available stable funding	291,564	283,292	323,339	323,564	319,522
19 Total required stable funding	233,298	228,512	264,145	265,413	265,493
20 NSFR ratio (%)	125.0%	124.0%	122.4%	121.9%	120.4%

1) Q1 2025 and Q3 2024 figures are shown excluding interim profit.

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

Table 2 - EU OV1 – Overview of total risk exposure amounts

The following table provides an overview of total REA in Q1 2025 where credit risk accounted for the largest risk type with approximately 80% of Pillar I REA. Operational risk and market risk accounted for the second and third largest risk types. REA increased by EUR 3.8bn in Q1 2025, mainly due to foreign exchange effects, the annual operational risk capital requirements update, Basel IV implementation and growth in the corporate portfolio. The increased REA was partly offset by securitisation benefits. The movements between F-IRB and A-IRB are driven by a changed calculation approach moving large corporates to F-IRB following the implementation of CRRIII/Basel IV in Q1 2025.

EURm

	Total risk exposure amounts (TREA)	Total own funds requirements	
	a Q1 2025	b Q4 2024 ¹⁾	c Q1 2025
1 Credit risk (excluding CCR)	125,664	125,184	10,053
2 <i>Of which the standardised approach</i>	14,634	13,449	1,171
3 <i>Of which the Foundation IRB (F-IRB) approach</i>	24,767	9,774	1,981
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>	79,450	101,961	6,356
6 Counterparty credit risk - CCR	2,656	3,995	307
7 <i>Of which the standardised approach</i>	601	802	48
8 <i>Of which internal model method (IMM)</i>	1,615	2,129	129
EU 8a <i>Of which exposures to a CCP</i>	77	77	6
9 <i>Of which other CCR</i>	364	591	29
10 Credit valuation adjustments risk - CVA risk	1,184	396	95
EU 10a <i>Of which the standardised approach (SA)</i>	916		73
EU 10b <i>Of which the basic approach (F-BA and R-BA)</i>	268		21
EU 10c <i>Of which the simplified approach</i>			
15 Settlement risk	3		0
16 Securitisation exposures in the non-trading book (after the cap)	3,666	3,461	293
17 <i>Of which SEC-IRBA approach</i>	3,449	3,249	276
18 <i>Of which SEC-ERBA (including IAA)</i>	55	54	4
19 <i>Of which SEC-SA approach</i>	162	158	13
EU 19a <i>Of which 1250% / deduction</i>			
20 Position, foreign exchange and commodities risks (Market risk) ²⁾	5,387	5,336	431
21 <i>Of which the Alternative standardised approach (A-SA)</i>			
EU 21a <i>Of which the Simplified standardised approach (S-SA)</i>			
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	17,874	1,690
EU 24a Exposures to crypto-assets			
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	540	412	27
26 Output floor applied (%)	50		
27 Floor adjustment (before application of transitional cap)			
28 Floor adjustment (after application of transitional cap)			
29 Total	159,685	155,850	12,775

1) Credit risk (excluding CCR) TREA for Q4 2024 has been restated to include "Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR", which was previously reported on separate row.

2) Due to the postponement of application of CRR3 changes to capital requirements for Market Risk (FRTB), rows 21, 21a and 22 are not yet applicable.

Table 3 - EU CMS1 - Comparison of modelled and standardised risk weighted exposure amounts at risk level

The following table provides a comparison of actual REA compared to REA calculated using the full standardised approach and REA after transitional arrangements, which is the base of the output floor. The higher REA according to full standardised approach is driven by the currently unrated corporate exposures. 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 Q1 2025 the total REA base for output floor was EUR 232.7bn, while total actual REA was EUR 159.7bn, 68.6% of the unmitigated output floor REA. As of Q1 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)	104,217	14,634	118,851	215,839	189,426
2 Counterparty credit risk	2,567	89	2,656	6,322	4,569
3 Credit valuation adjustment		1,184	1,184	1,184	1,184
4 Securitisation exposures in the banking book	3,449	217	3,666	8,879	5,273
5 Market risk	4,680	707	5,387	11,129	11,129
6 Operational risk		21,125	21,125	21,125	21,125
7 Other risk weighted exposure amounts	6,813	3	6,816	3	3
8 Total	121,726	37,959	159,685	264,481	232,710

Table 4 - EU CMS2 – Comparison of modelled and standardised risk weighted exposure amounts

The following table provides a comparison of actual credit risk REA compared to REA calculated using the full standardised approach and REA after transitional arrangements, which is the base of the output floor. In Q1 2025 the total credit risk REA base for output floor was EUR 189.4bn, while total actual REA was EUR 118.9bn¹⁾. As of Q1 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		7	187	195	195
EU 1a Regional governments or local authorities		6	11	16	16
EU 1b Public sector entities	24	24	24	24	24
EU 1c Categorised as Multilateral Development Banks in SA		7		7	7
EU 1d Categorised as International organisations in SA					
2 Institutions	971	1,115	1,107	1,251	1,251
3 Equity			1,887	1,887	1,887
5 Corporates	34,202	53,727	36,109	82,016	55,603
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>	33,959	52,044	35,865	80,129	53,918
EU 5b <i>Of which: Corporates - Specialised lending</i>	22	45	22	45	45
EU 5c <i>Of which: Corporates - Purchased receivables</i>	220	1,638	244	1,842	1,638
6 Retail	9,738	11,766	12,497	14,523	14,523
6.1 <i>Of which: Retail - Qualifying revolving</i>					
EU 6.1a <i>Of which: Retail - Purchased receivables</i>	19	142	20	142	142
EU 6.1b <i>Of which: Retail - Other</i>	9,719	11,624	12,477	14,381	14,381
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	51,639	97,182	55,318	101,037	101,037
EU 7b Collective investment undertakings (CIU)	204	595	2,536	2,927	2,927
EU 7c Categorised as exposures in default in SA	2,673	3,939	2,852	4,149	4,149
EU 7d Categorised as subordinated debt exposures in SA			981	981	981
EU 7e Categorised as covered bonds in SA	1,785	4,058	1,785	4,058	4,058
EU 7f Categorised as claims on institutions and corporates with a short-term credit assessment in SA					
8 Other non-credit obligation assets	2,980	2,396	3,556	2,767	2,767
9 Total	104,217	174,824	118,851	215,839	189,426

1) Excluding the additional risk exposure amount related to Swedish RW floor due to Article 458 CRR.

Table 5 - EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach

During the first quarter the IRB REA decreased by EUR 1.6bn, mainly driven by Basel IV. This was partly offset by FX effects from appreciating NOK and SEK, and increased asset size.

EUR

	Risk weighted exposure amount
	a
1 Risk weighted exposure amount as of Q4 2024	105,854
2 Asset size (+/-)	985
3 Asset quality (+/-)	-11
4 Model updates (+/-)	
5 Methodology and policy (+/-)	-3,561
6 Acquisitions and disposals (+/-)	
7 Foreign exchange movements (+/-)	1,346
8 Other (+/-)	-396
9 Risk weighted exposure amount as of Q1 2025	104,217

Table 6 - EU CCR7 - RWEA flow statements of CCR exposures under the IMM

This table only includes exposures calculated under the Internal Model Method (IMM). Decrease in RWEA throughout the first quarter of 2025 is mainly attributed to improved credit quality of counterparties, combined with decrease in portfolio asset size.

EURm	a
Q1 2025	RWEA
1 RWEA as at the end of the previous reporting period	2,129
2 Asset size	-177
3 Credit quality of counterparties	-299
4 Model updates (IMM only)	
5 Methodology and policy (IMM only)	
6 Acquisitions and disposals	
7 Foreign exchange movements	
8 Other	-38
9 RWEA as at the end of the current reporting period	1,615

EURm	a
Q4 2024	RWEA
1 RWEA as at the end of the previous reporting period	2,098
2 Asset size	13
3 Credit quality of counterparties	9
4 Model updates (IMM only)	0
5 Methodology and policy (IMM only)	
6 Acquisitions and disposals	
7 Foreign exchange movements	12
8 Other	-2
9 RWEA as at the end of the current reporting period	2,129

Table 7 - EU CVA4 – RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)

New capital models for Credit Valuation Adjustment Risk Charge have been implemented as of 1 January 2025 (SA CVA and BA CVA). The new capital models are in general more capital intense.

EURm

a

Q125

Risk weighted exposure amount

1 Risk weighted exposure amount as at the end of the previous reporting period	204
2 Risk weighted exposure amount as at the end of the current reporting period	916

Table 8 - EU LIQ1 - Quantitative information of LCR

Nordea Group's short term liquidity risk exposure, measured by Liquidity Coverage Ratio (LCR), remained on a good and stable level during 2024 and during Q1 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 Q1 2025 both net outflows and liquid assets slightly increased and hence LCR was stable compared to Q4. Liquidity buffer in Nordea Group is composed mainly of cash with central banks, government bonds, government related 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 Q1 2025 were customer deposits (37% of total liabilities) and issued debt securities (30% 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 is 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 March 2025)	31 Mar 25	31 Dec 24	30 Sep 24	30 Jun 24	31 Mar 25	31 Dec 24	30 Sep 24	30 Jun 24
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)					109,424	109,127	107,742	108,379
Cash - Outflows								
2 Retail deposits and deposits from small business customers, of which:	112,516	111,410	110,655	110,129	7,744	7,671	7,670	7,684
3 <i>Stable deposits</i>	75,689	74,101	73,026	72,610	3,784	3,705	3,651	3,630
4 <i>Less stable deposits</i>	36,827	37,309	37,630	37,519	3,959	3,966	4,019	4,054
5 Unsecured wholesale funding	108,269	106,839	104,744	104,864	55,189	55,192	54,135	54,185
6 <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	18,422	18,314	18,549	18,934	4,591	4,564	4,623	4,718
7 <i>Non-operational deposits (all counterparties)</i>	81,602	80,154	77,423	76,392	42,353	42,257	40,741	39,928
8 <i>Unsecured debt</i>	8,245	8,371	8,772	9,539	8,245	8,371	8,772	9,539
9 Secured wholesale funding					9,825	8,247	6,533	3,973
10 Additional requirements	74,074	73,405	73,436	73,870	13,643	13,876	14,210	14,228
11 <i>Outflows related to derivative exposures and other collateral requirements</i>	5,736	5,976	6,281	6,313	5,486	5,725	5,948	5,889
12 <i>Outflows related to loss of funding on debt products</i>								
13 <i>Credit and liquidity facilities</i>	68,338	67,429	67,154	67,557	8,157	8,151	8,262	8,339
14 Other contractual funding obligations	2,189	2,365	2,392	2,268	2,080	2,365	2,392	2,268
15 Other contingent funding obligations	43,729	43,409	43,321	43,046	3,707	3,731	3,744	3,674
16 Total cash outflows					92,187	91,083	88,685	86,011
Cash - Inflows								
17 Secured lending (e.g. reverse repos)	37,051	35,570	33,105	30,541	8,046	7,025	5,969	4,459
18 Inflows from fully performing exposures	15,975	16,413	16,155	15,707	11,134	11,141	10,614	9,828
19 Other cash inflows	2,692	3,198	3,477	3,428	2,692	3,198	3,477	3,428
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	55,718	55,182	52,737	49,676	21,872	21,364	20,060	17,715
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>	55,056	54,454	52,076	49,183	21,872	21,364	20,060	17,715
Total Adjusted Value								
21 Liquidity buffer					109,424	109,127	107,742	108,379
22 Total net cash outflows					70,315	69,718	68,625	68,297
23 Liquidity coverage ratio					156%	157%	157%	159%

Table 9 - EU MR2-B - RWA flow statements of market risk exposures under the IMA

Market risk under the IMA increased in Q1 2025 to EUR 4,7bn compared to EUR 4,6bn in Q4 2024. The increase was primarily driven by higher contribution from IRC on the back of increased corporate credit exposure and VaR, partially offset by lower contribution from SVaR.

	a	b	c	d	e	f	g
EURm	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
1 RWEAs Q4 2024	1,676	2,346	376	188		4,587	367
1a Regulatory adjustment	-1,137	-1,686	-20	-93		-2,936	-235
1b RWEAs Q4 2024 (end of the day)	539	661	355	96		1,650	132
2 Movement in risk levels	-102	-86	180	48		40	3
3 Model updates/changes							
4 Methodology and policy							
5 Acquisitions and disposals							
6 Foreign exchange movements							
7 Other							
8a RWEAs Q1 2025(end of the day)	437	575	535	144		1,690	135
8b Regulatory adjustment	1,294	1,659		36		2,990	239
8 RWEAs Q1 2025	1,731	2,234	535	180		4,680	374

	a	b	c	d	e	f	g
EURm	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
1 RWEAs Q3 2024	1,597	2,138	389	199		4,323	346
1a Regulatory adjustment	-1,184	-1,447	-13	-152		-2,796	-224
1b RWEAs Q3 2024 (end of the day)	413	691	376	47		1,527	122
2 Movement in risk levels	126	-31	-21	49		123	10
3 Model updates/changes							
4 Methodology and policy							
5 Acquisitions and disposals							
6 Foreign exchange movements							
7 Other							
8a RWEAs Q4 2024 (end of the day)	539	661	355	96		1,650	132
8b Regulatory adjustment	1,137	1,686	20	93		2,936	235
8 RWEAs Q4 2024	1,676	2,346	376	188		4,587	367

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 First Quarter 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, 4 July 2025

Ian Smith

Group Chief Financial Officer, Nordea Bank Abp