

Nordea

Fourth-quarter and full-year results 2025



Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

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Executive summary

Resilient and strong performance despite muted consumer sentiment due to geopolitical tensions

- Return on equity* 14.4% and earnings per share EUR 0.34

Continued solid growth in lending and deposit volumes and assets under management

- Corporate lending up 8% y/y, mortgage lending up 1%. Retail deposits up 6% y/y, corporate deposits up 1%. AuM up 13% y/y

Income resilient

- Total income stable y/y. Net interest income down 5%, as expected; net fee and commission income up 3% and net fair value result up 28%

Expenses down with firm cost management

- Total expenses down 3% y/y with stable levels of strategic investment

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

- Net loan losses and similar net result EUR 49m or 5bp (EUR 66m or 7bp excluding management buffer reduction)

Continued strong capital generation; EUR 250m share buy-back programme executed and new EUR 500m one launched

- CET1 ratio 15.7% – 1.9pp above current regulatory requirement
- Dividend of EUR 0.96 per share proposed for 2025, compared with EUR 0.94 per share for 2024

2026 outlook: return on equity greater than 15% and cost-to-income ratio excluding regulatory fees around 45%

Financial and supporting targets met and exceeded

2025 financial and supporting targets	2021	2025	
Return on equity >15%	11.2%	15.5%	✓
Cost-to-income ratio 44–46%	48.3%	46.0%	✓
Cost of risk normalised at ~10bp*	1bp	5bp	✓
CET1 ratio ~15%, 150bp mgmt. buffer	17.0%	15.7%	✓
Shareholder distributions EUR 17–18bn		EUR 17.4bn**	✓

Note: The latest financial targets and FY 2025 figures are shown. The targets have been upgraded since originally announced at Nordea's Capital Markets Day in 2022: return on equity above 13%, cost-to-income ratio of 45–47%, loan losses of ~10bp, CET1 ratio of 15–16% (150–200bp management buffer) and underlying total shareholder distributions of EUR 15–16bn.

* Full-year net loan losses and similar net result, excluding management judgement buffer releases

** Cumulative 2022–25

Key financials

Fourth-quarter results 2025

Income statement and key ratios EURm	Q425	Q424	Q4/Q4	Q325	Q4/Q3
Net interest income	1,765	1,854	-5%	1,775	-1%
Net fee and commission income	853	825	3%	811	5%
Net insurance result	64	69	-7%	66	-3%
Net fair value result	257	201	28%	245	5%
Other income	9	6	50%	13	-31%
Total operating income	2,948	2,955	0%	2,910	1%
Total operating expenses excl. regulatory fees	-1,362	-1,416	-4%	-1,313	4%
Total operating expenses	-1,386	-1,434	-3%	-1,332	4%
Profit before loan losses	1,562	1,521	3%	1,578	-1%
Net loan losses and similar net result	-49	-54		19	
Operating profit	1,513	1,467	3%	1,597	-5%
Cost-to-income ratio excl. regulatory fees, %	46.2	47.9		45.1	
Cost-to-income ratio with amortised regulatory fees, %	47.2	48.9		46.1	
Return on equity*, %	14.4	14.3		15.8	
Return on tangible equity, %	16.6	16.5		18.3	
Diluted earnings per share, EUR	0.34	0.32	6%	0.36	-6%

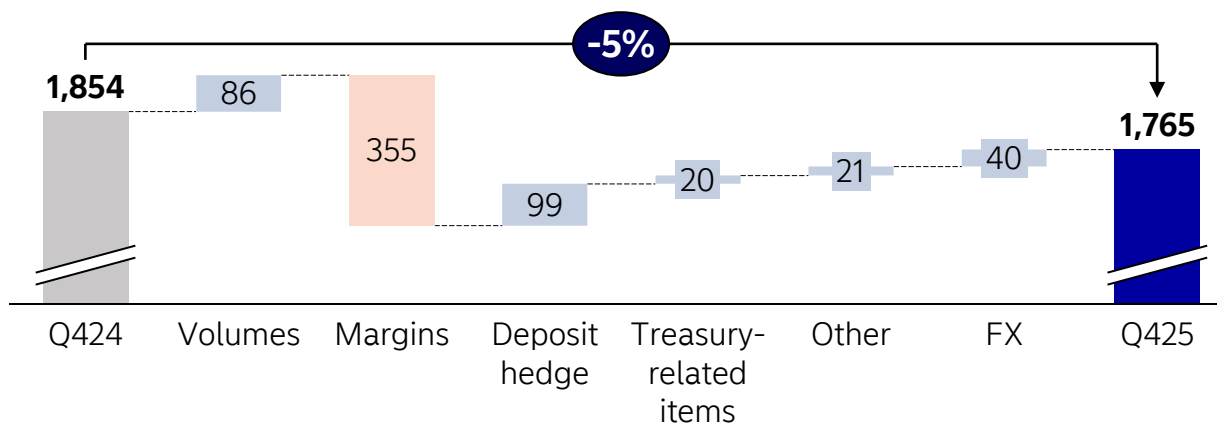
Full-year results 2025

Income statement and key ratios EURm	FY25	FY24	FY/FY
Net interest income	7,167	7,594	-6%
Net fee and commission income	3,249	3,157	3%
Net insurance result	242	253	-4%
Net fair value result	1,045	1,023	2%
Other income	40	57	-30%
Total operating income	11,743	12,084	-3%
Total operating expenses excl. regulatory fees	-5,289	-5,213	1%
Total operating expenses	-5,405	-5,330	1%
Profit before loan losses	6,338	6,754	-6%
Net loan losses and similar net result	-22	-206	
Operating profit	6,316	6,548	-4%
Cost-to-income ratio excl. regulatory fees, %	45.0	43.1	
Cost-to-income ratio with regulatory fees, %	46.0	44.1	
Return on equity, %	15.5	16.7	
Return on tangible equity, %	17.8	19.2	
Diluted earnings per share, EUR	1.39	1.44	-3%

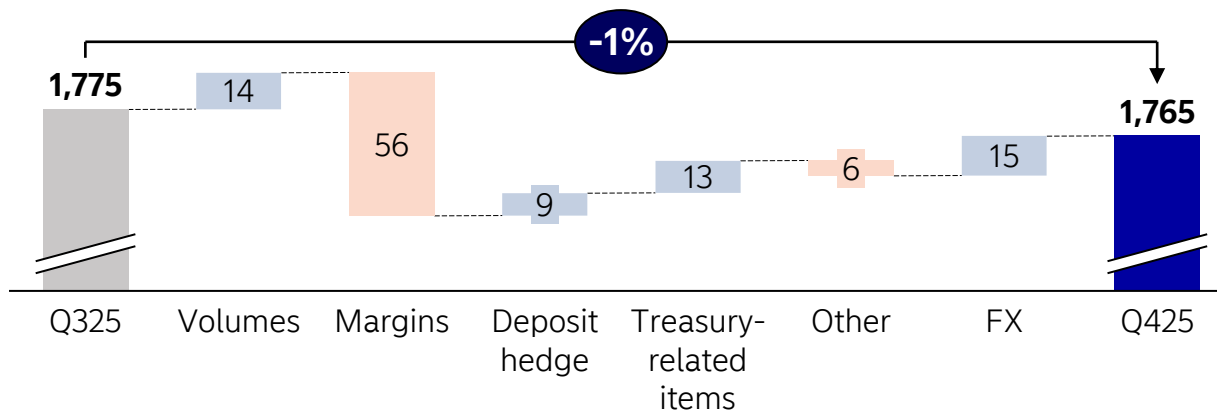
Net interest income

Strong business volume growth, lower margins as expected

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

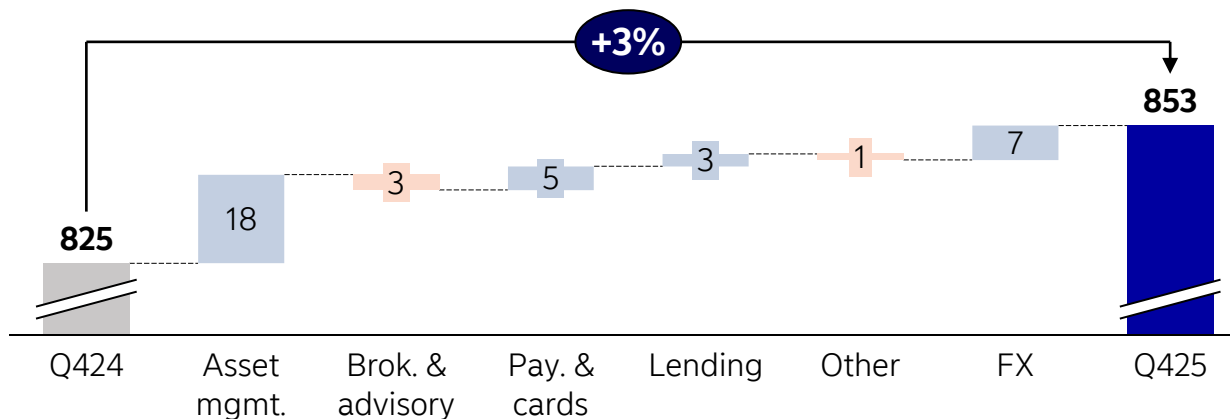


- **Net interest income down 5% y/y, as expected**
- **Strong lending and deposit growth**
 - Corporate lending up 8%
 - Mortgages up 1%
 - Retail deposits up 6%
 - Corporate deposits up 1%
- **Net interest margin 1.57% (1.73% Q424; 1.59% Q325)**
 - Lower deposit and equity margins, driven by lower policy rates, and lower lending margins – offset by positive contribution from deposit hedge

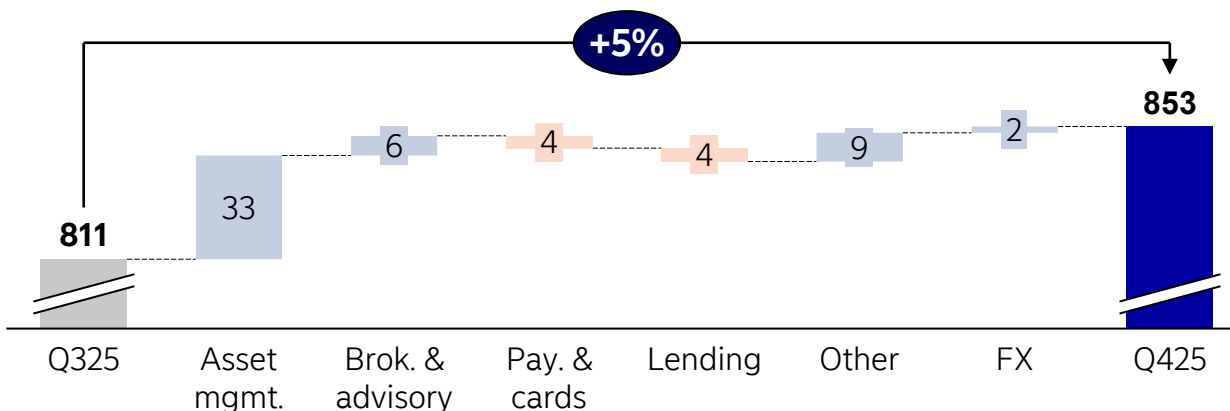
Net fee and commission income

Continued growth, driven by savings and payments

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

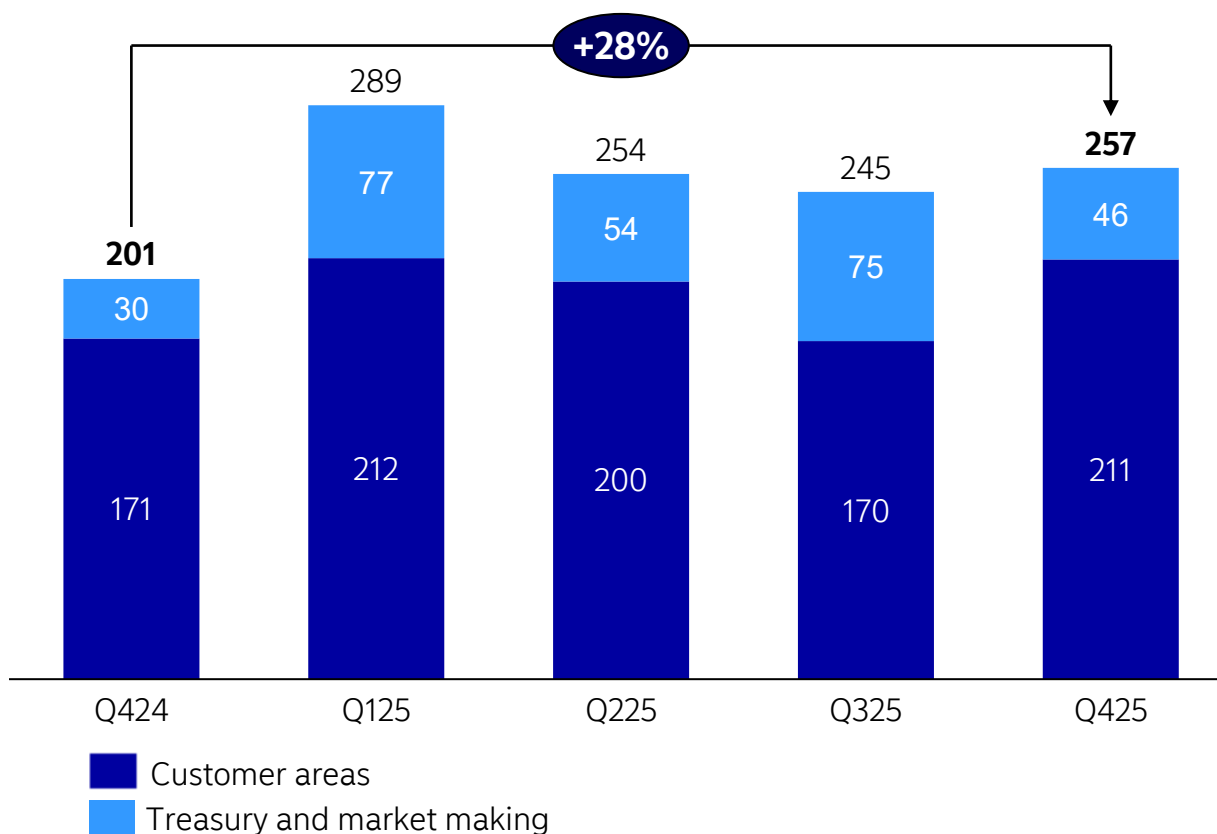


- **Net fee and commission income up 3% y/y**
- **Savings fee income up**
 - AuM up 13%, to EUR 478bn
 - Net flows in Nordic channels (86% of AuM) EUR 4.8bn
 - Net flows in international channels (14% of AuM) EUR 1.7bn
- **Brokerage & advisory fee income down; lower debt capital markets income, stronger secondary equities income**
- **Higher customer activity driving payment and card fee income**
- **Lending fee income up, driven by higher activity**

Net fair value result

Higher customer activity and stronger market making

Net fair value result, EURm

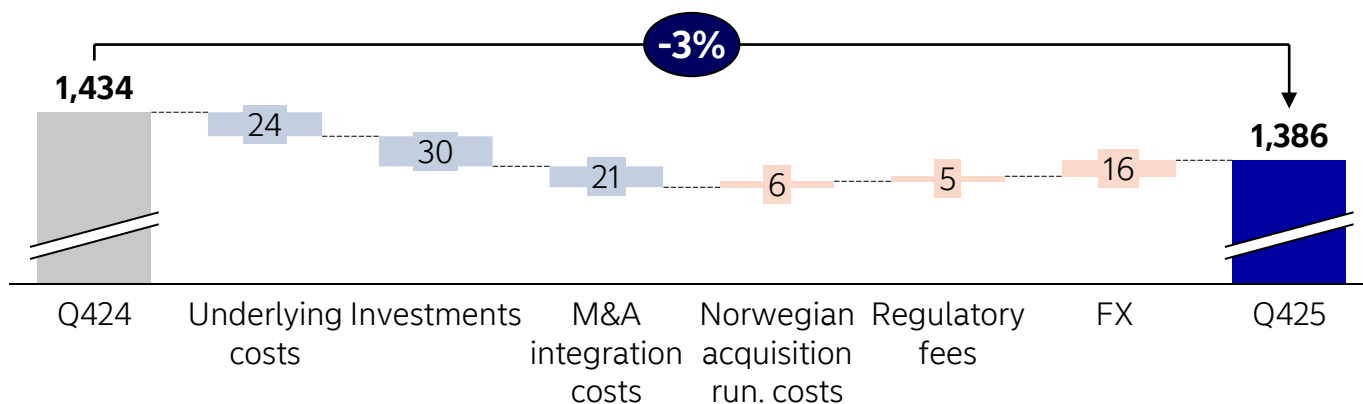


- High customer activity in FX and interest rate hedging
- Market making up, mainly driven by rates products. Good activity across different products
- Treasury up, driven by positive revaluations

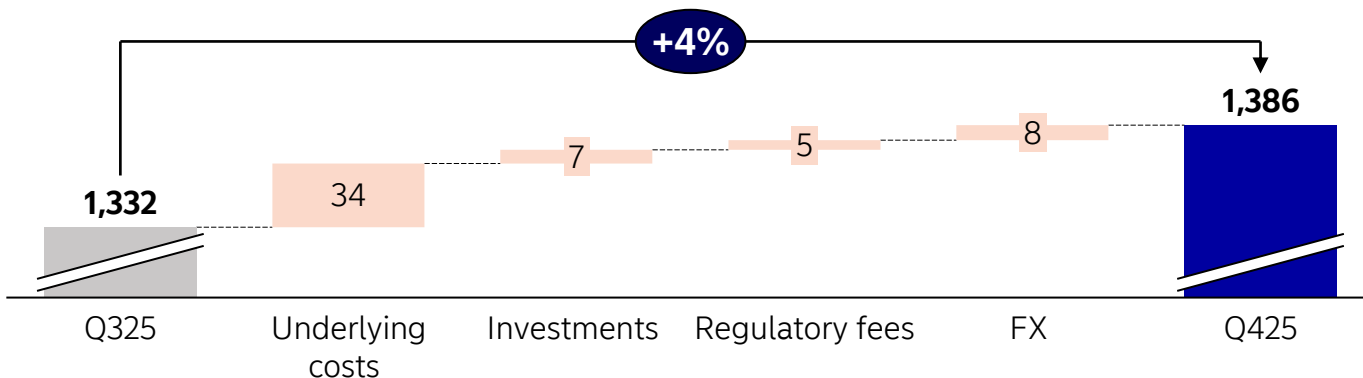
Costs

Costs down in line with plan

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



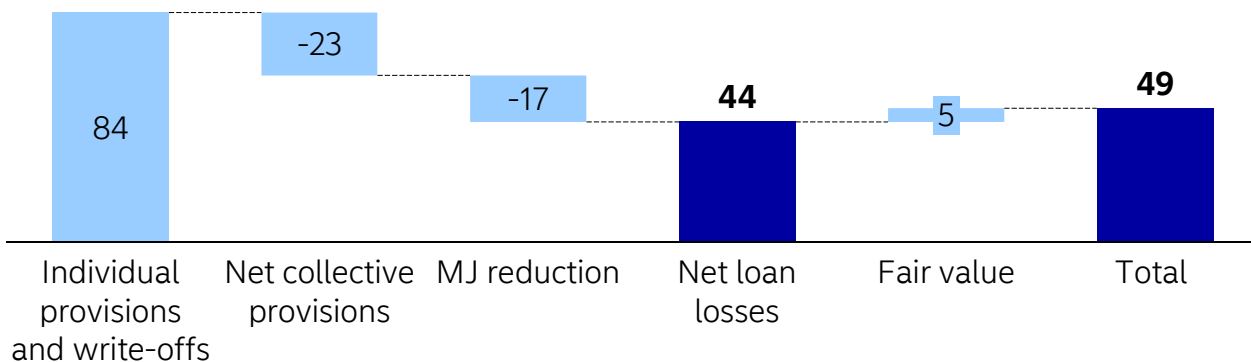
- **Total costs down due to stabilised strategic investment levels and active cost management**

- Underlying costs down, primarily driven by reduction in number of employees
- Investment levels in strategic areas stabilised in line with plan, down from Q424
- M&A integration costs down (Q424 included Norwegian acquisition integration costs)

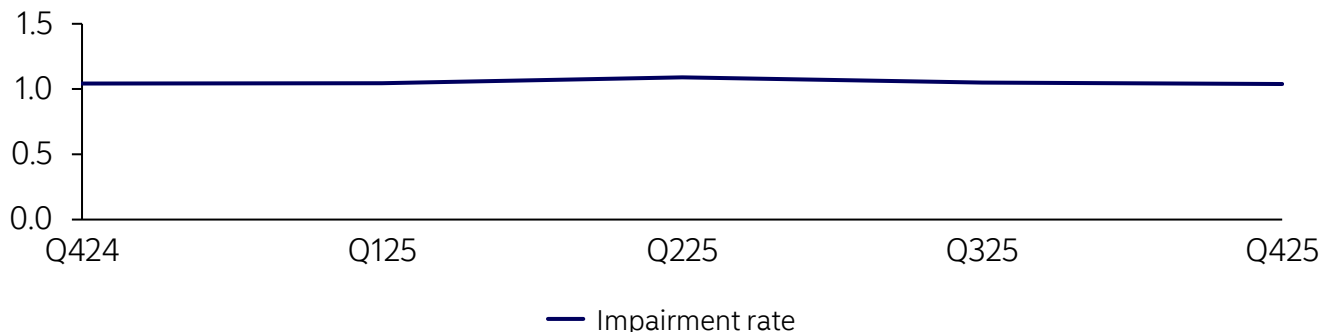
Net loan losses and similar net result

Very strong credit quality

Net loan losses and similar net result, EURm



Impaired (stage 3) loans, %



- **Net loan losses and similar net result EUR 49m (5bp)**

- Individual provisions and write-offs in line with normal fourth quarter and driven by corporates (mainly SMEs), with no industry concentration
- Reduced need for collective provisioning for corporates and households due to favourable credit portfolio developments and outlook
- Management judgement buffer reduced by EUR 17m (now at EUR 276m), driven by decreased uncertainty and lower credit risk due to lower interest rates and inflation

- **Provision levels strong at EUR 1.5bn**

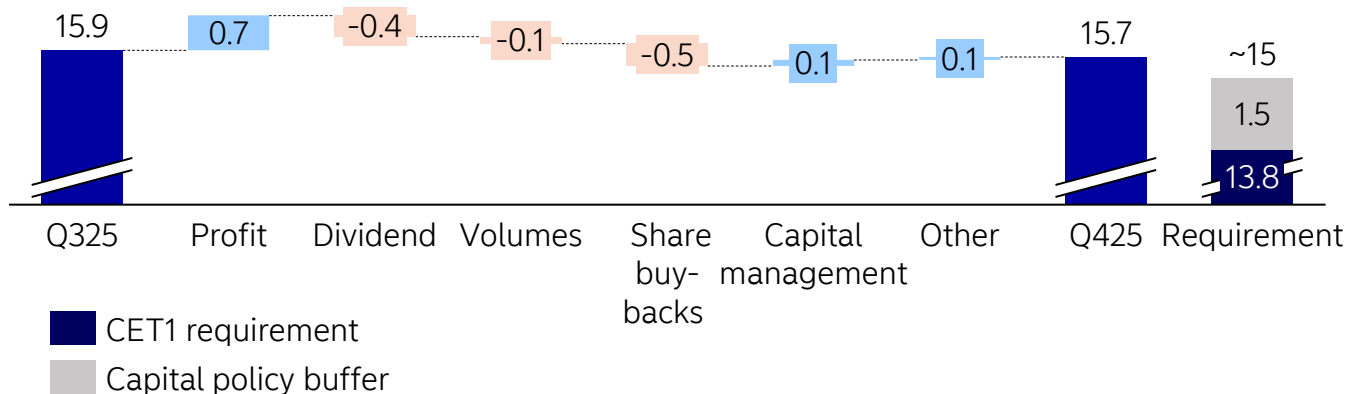
- Strong coverage reflecting high levels of collateral

- **Low level of non-performing loans**

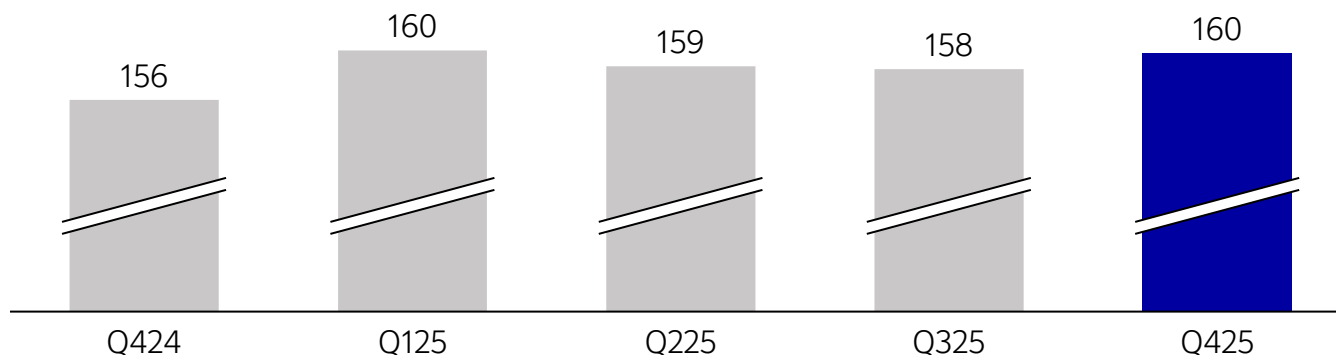
- Stage 3 loans down at 1.04%

Strong capital position

CET1 capital ratio development, %



REA development, EURbn



- **CET1 capital ratio 15.7%**

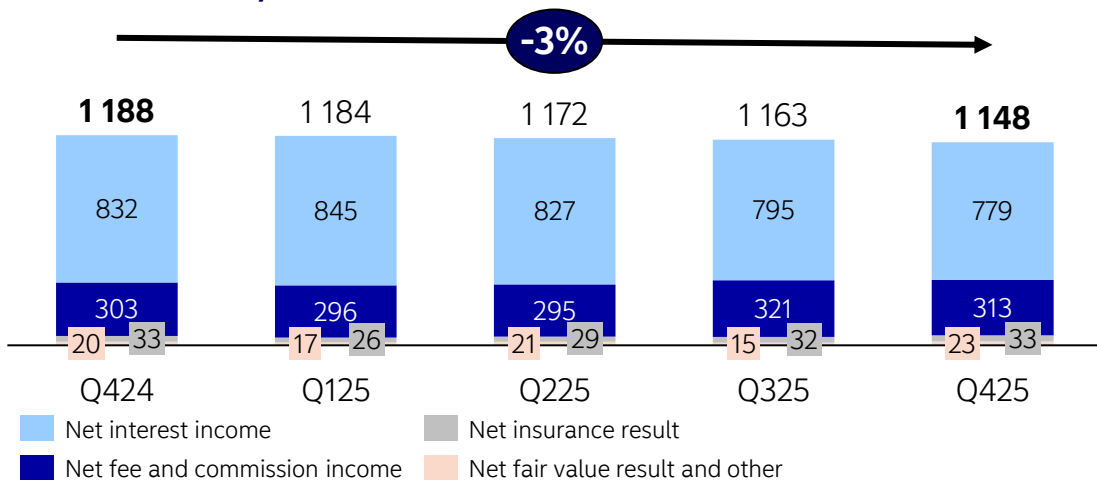
- 1.9 percentage points above regulatory requirement
- Strong capital generation, with excess deployed for volume growth and two new share buy-back programmes
- Risk exposure amount (REA) up EUR 1.3bn due to increased lending volumes – partly offset by capital management initiatives, including launch of new risk-sharing transaction in October

- **Regulatory developments**

- CET1 requirement up by ~20bp due to full reciprocation of Norwegian systemic risk buffer of 4.5% by Finnish Financial Supervisory Authority
- Final European Central Bank Supervisory Review and Evaluation Process decision: P2R maintained at 1.60%, of which 0.90% must be met with CET1 capital

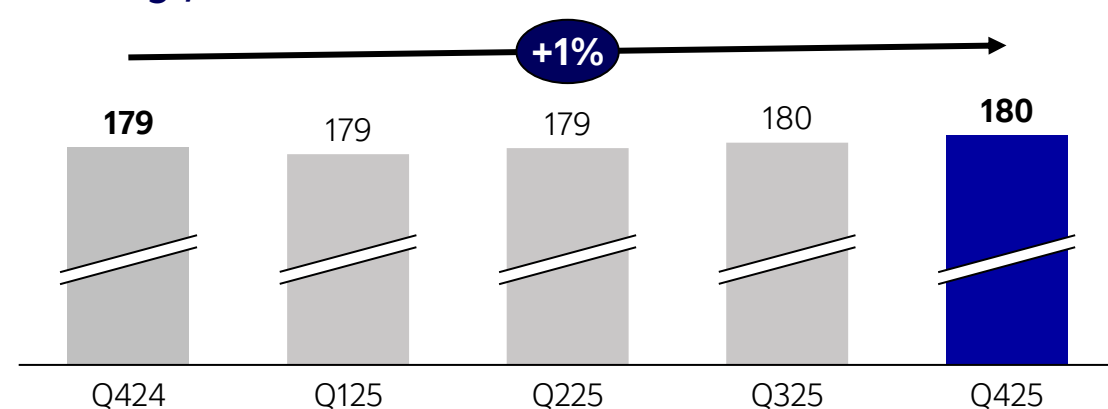
Volume and NCI growth partly offset impact of lower deposit margins

Total income, EURm

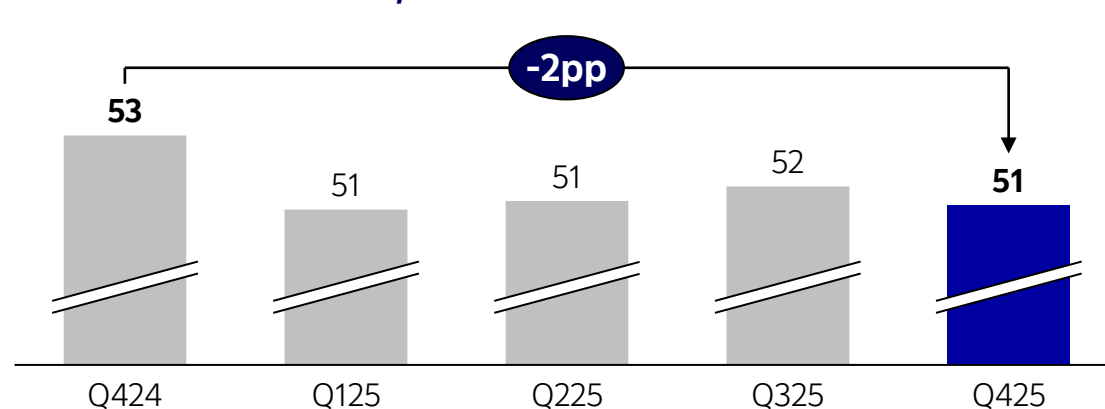


- Mortgage volumes up 1%, deposit volumes up 5% and net flows into retail funds strong at EUR 1.7bn
- Net interest income down 6% due to lower deposit margins
- Net fee and commission income up 3%, driven by savings
- Cost-to-income ratio 51% (53% Q424)

Lending*, EURbn

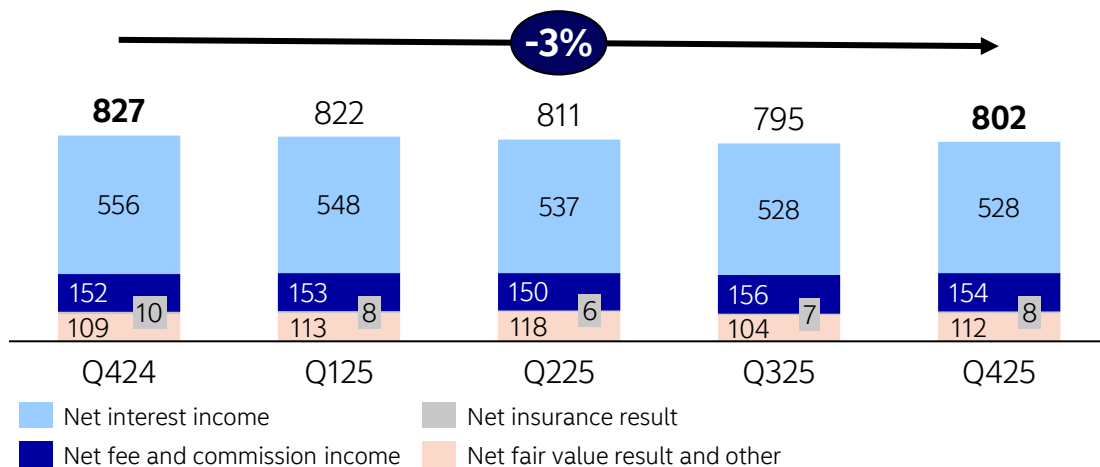


Cost-to-income ratio**, %



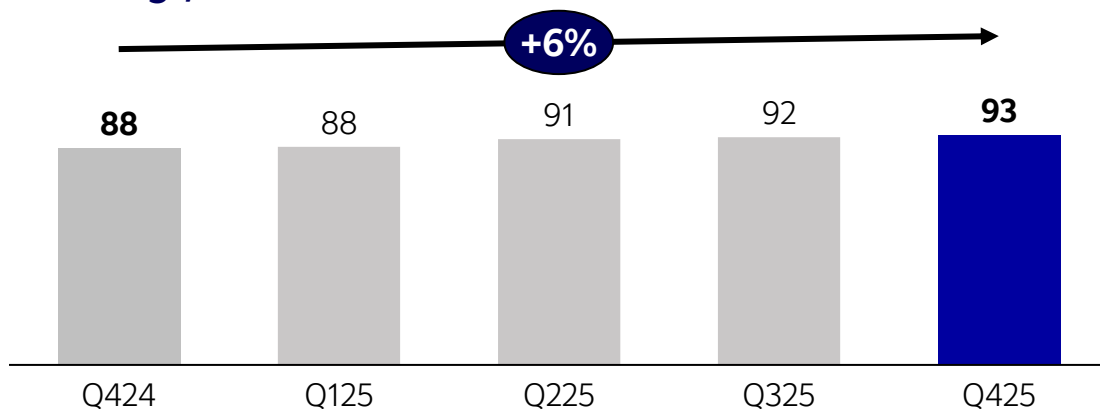
Continued strong business volume growth partly offset lower deposit margins

Total income, EURm

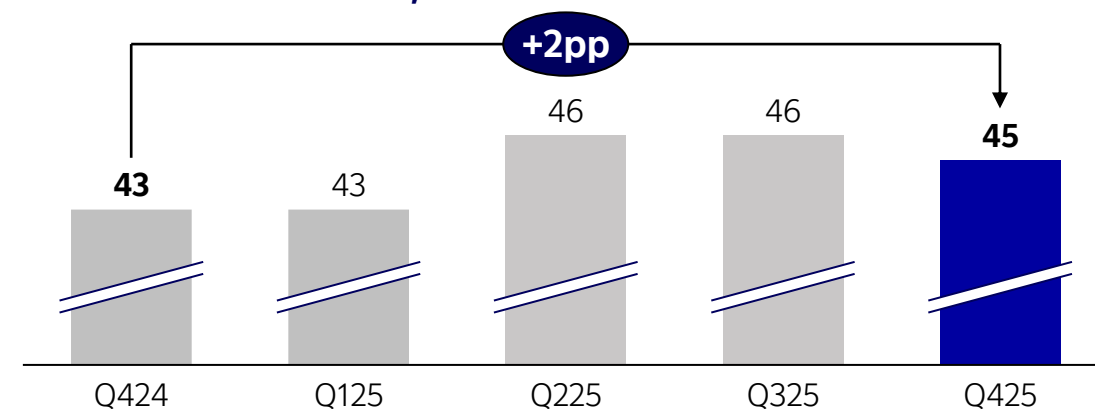


- Lending volumes up 6% and deposit volumes up 5%
- Net interest income down 5% due to lower deposit margins
- Net fee and commission income up 1%, driven by higher payment and card fee income and lending fee income
- Cost-to-income ratio 45% (43% Q424)

Lending*, EURbn

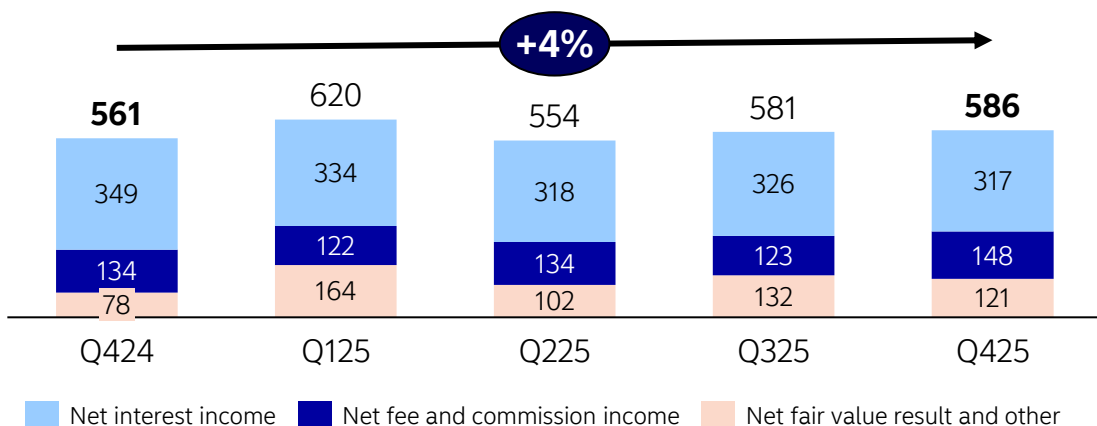


Cost-to-income ratio**, %



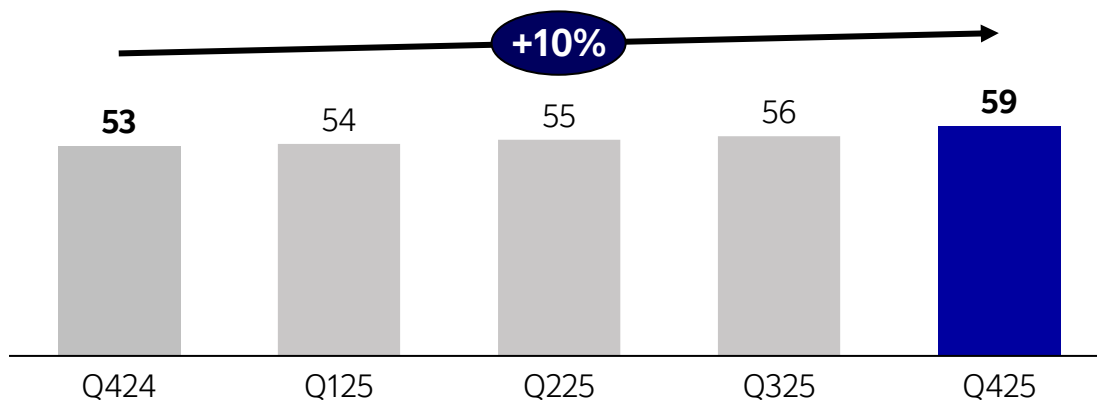
Continued strong lending volume growth and strong ancillary income

Total income, EURm

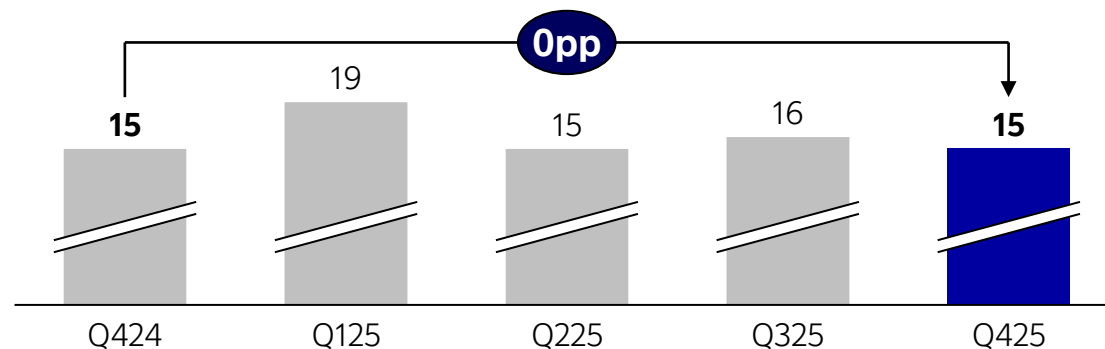


- Lending volumes up 10%
- Net interest income down 9% due to lower interest rates
- Net fee and commission income up 10%, driven by equities and asset management products
- Net fair value income up 54% due to high customer activity and market making income
- Return on allocated equity 15% (15% Q424)

Lending*, EURbn

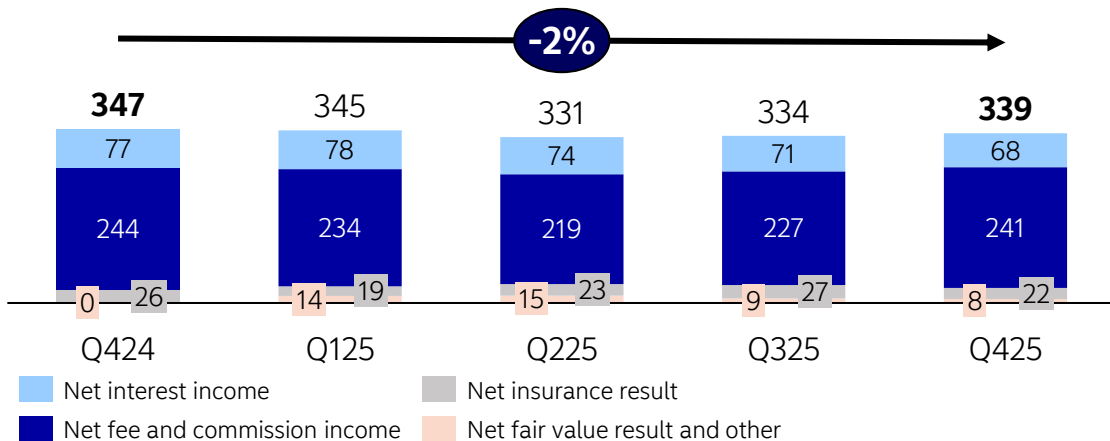


Return on allocated equity**, %



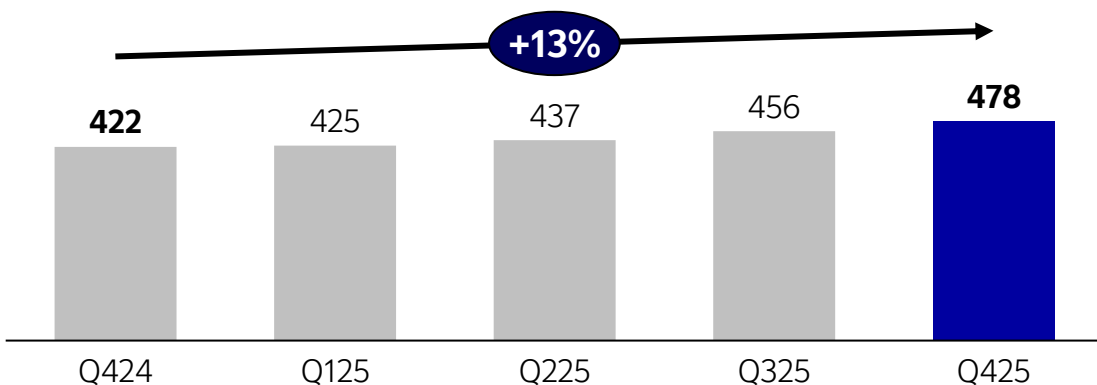
Continued strong net flows in Nordic channels and high customer activity in Private Banking

Total income, EURm

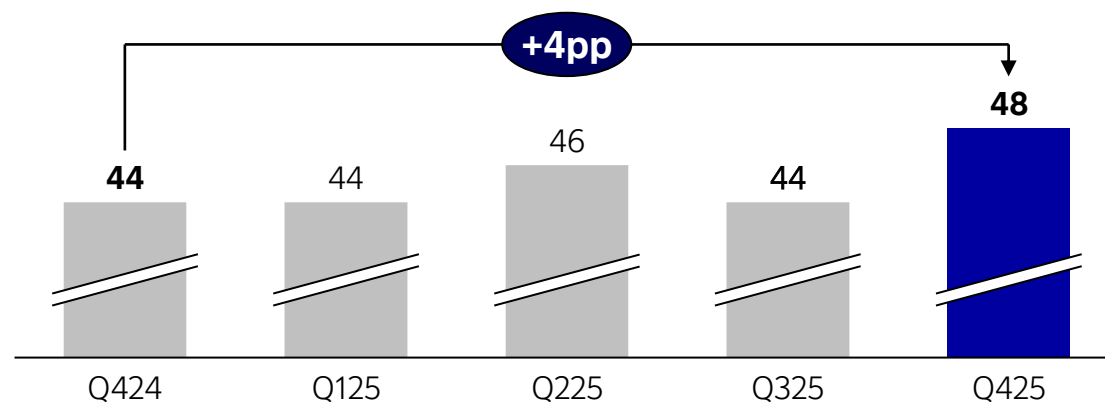


- Continued high customer activity in Private Banking, with net flows of EUR 1.6bn, driven by Sweden and Finland
- Higher margin wholesale distribution channel continuing to stabilise, with net flows of EUR 0.8bn
- Assets under management up 13%, to EUR 478bn
 - Nordic channels net inflows EUR 4.8bn during quarter
 - International channels net inflows EUR 1.7bn
- Cost-to-income ratio 48% (44% Q424)

Assets under management, EURbn



Cost-to-income ratio*, %



Why own Nordea

The best-performing financial services group in the Nordics in 2030

Leading customer experience and faster-than-market income growth

Unique Nordic scale benefits driving efficiency and competitive advantage

Superior EPS growth and sustained high profitability

Outlook for 2026: return on equity greater than 15% and cost-to-income ratio excluding regulatory fees around 45%

2030 financial targets

Return on equity

>15%

throughout period and significantly higher in 2030¹

Cost-to-income ratio²

40–42%

Supported by

High credit quality

Loan losses ~10bp

Capital excellence and EUR >20bn in total shareholder distributions during 2026–30

60–70% payout ratio with semi-annual distributions³, and buy-backs⁴

2030 ambition

Deliver earnings per share of EUR ~2.0

1. Assuming CET1 ratio of around 15.5%

2. Excluding regulatory fees

3. Mid-year distribution paid from retained earnings

4. Used to distribute excess capital

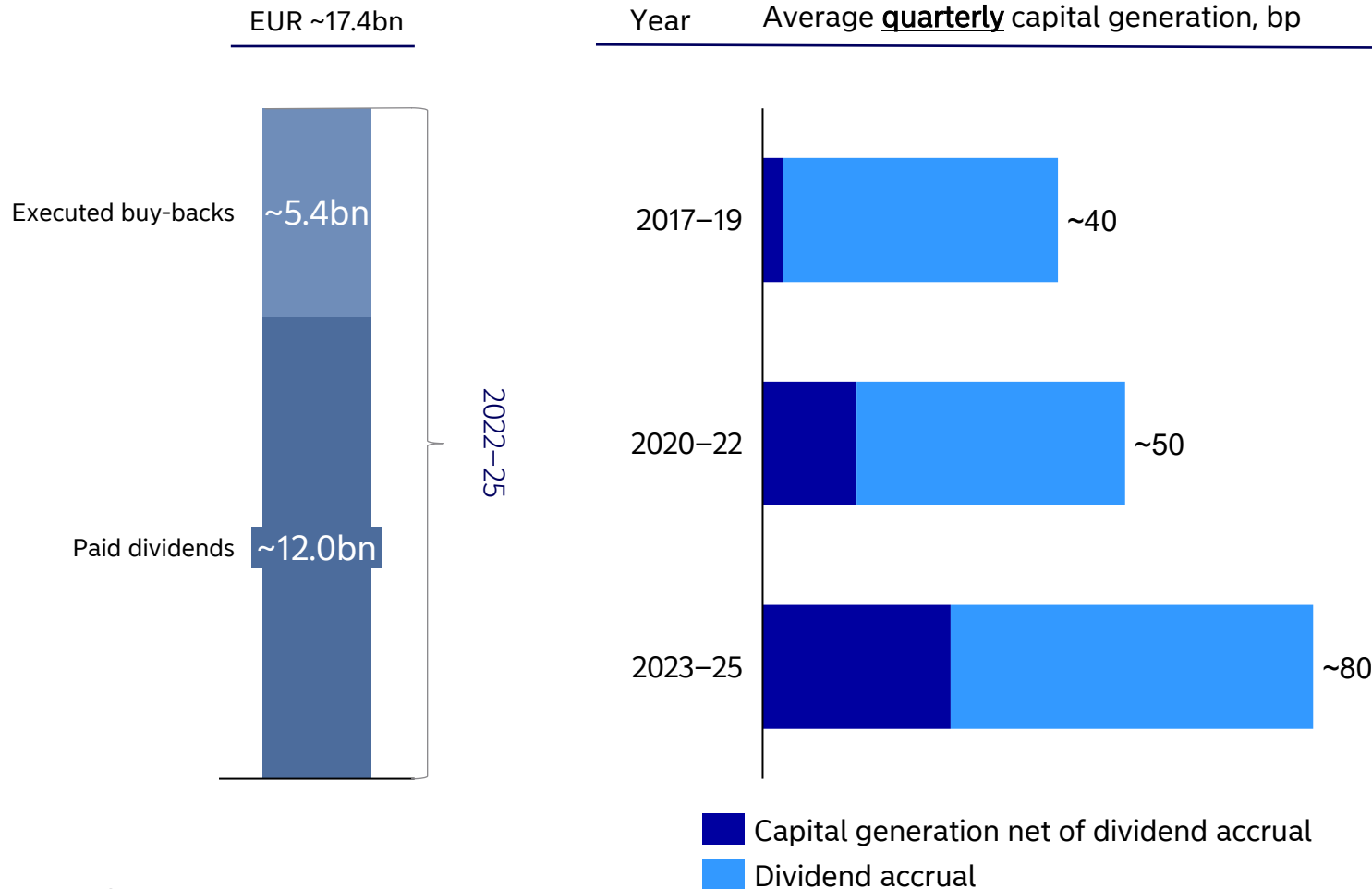
Nordea



Capital excellence

Strong capital generation supporting returns

Shareholder returns supported by continued strong capital generation

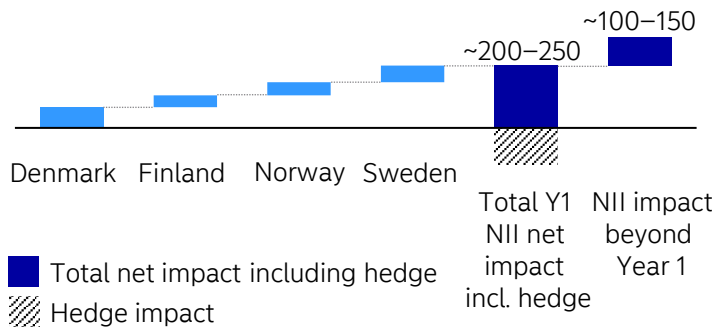


- **Capital return commitment reaffirmed**
 - Strong capital generation
 - Unchanged dividend policy, with mid-year dividend¹
 - Share buy-backs to distribute excess capital
- **EUR 250m share buy-back programme completed on 12 December and new EUR 500m share buy-back programme launched on 18 December**

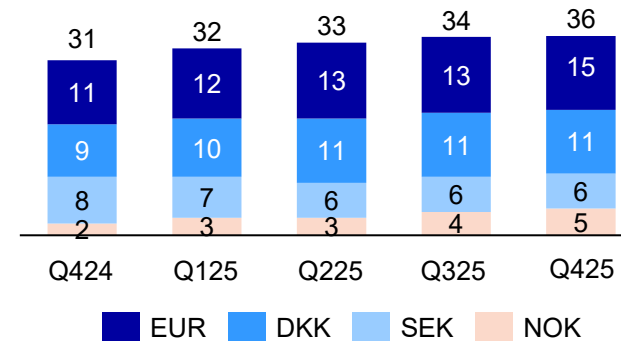
Net interest income sensitivity

Net interest income sensitivity to policy rate changes

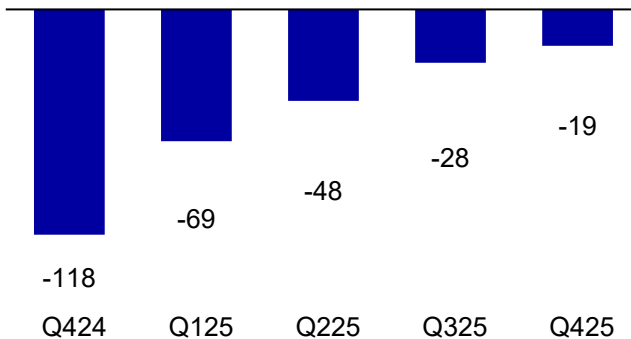
Sensitivity to +50bp parallel shift in policy rates*, EURm



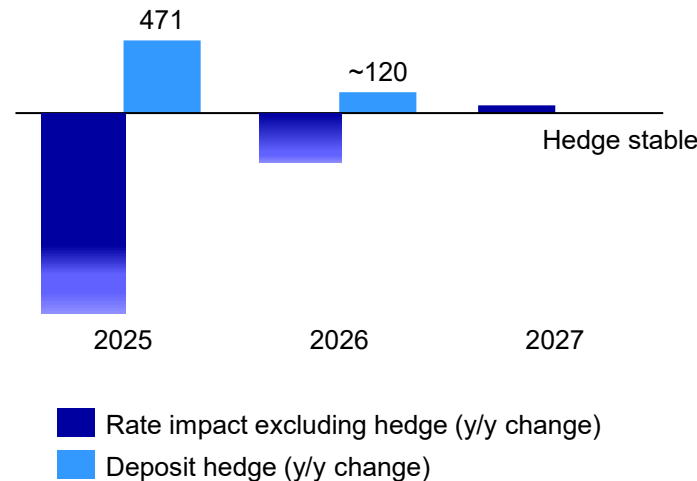
Deposit hedge – nominal volume, EURbn



Quarterly NII impact from deposit hedge (absolute), EURm



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



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

- Actual pass-through varying between account types and countries, and throughout rate cycles
- Sensitivity reflecting modelled risk over cycle – NII impact lower following initial rate cuts and higher thereafter

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

- Volumes and loan/deposit pricing
- Wholesale funding costs

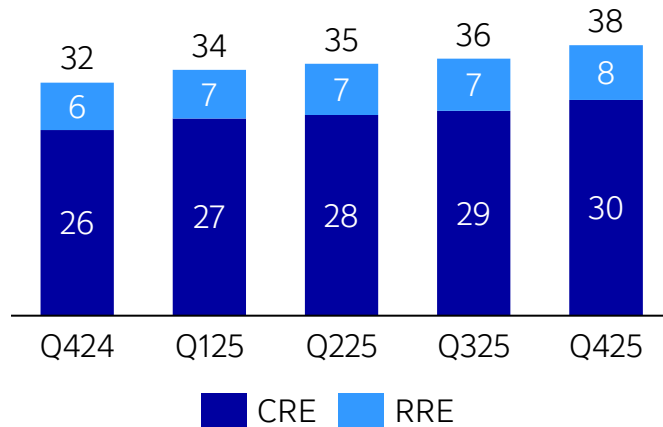
- **Deposit hedging reduces sensitivity to interest rate changes**

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

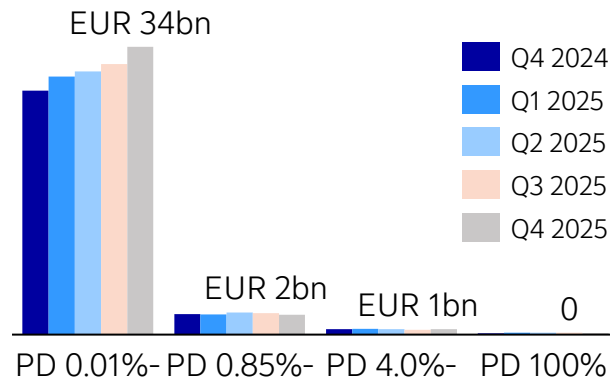
Credit portfolio – real estate management industry (REMI)*

Well-diversified portfolio, high-quality lending

Lending volumes increasing slightly

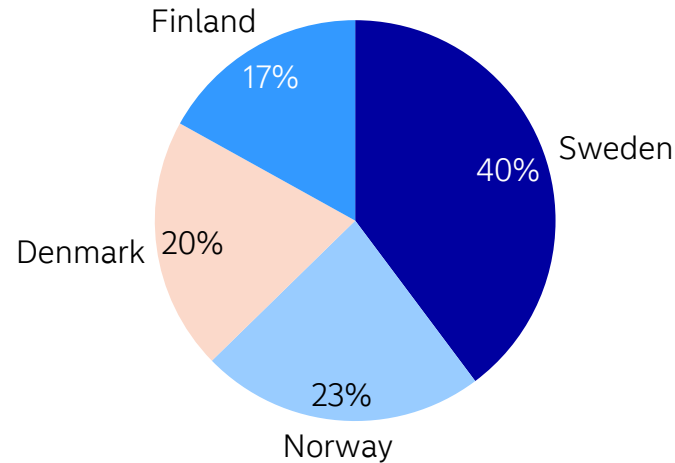


91% of portfolio with low probability of default (PD)

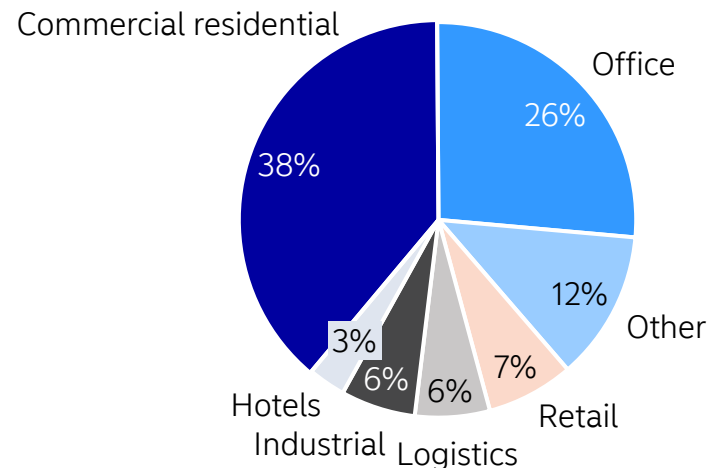


* Excluding tenant-owner associations (TOAs)

Diversified across countries



Diversified across types

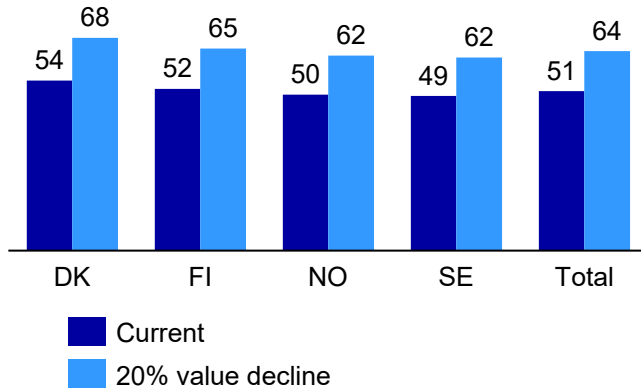


- **Well-diversified portfolio across Nordic markets**
- **91% of exposure towards low-risk customers, 6% towards increased risk, only 2% towards high risk and less than 1% impaired**
- **Portfolio mainly comprising central, modern office and residential properties**
- **Strict underwriting standards: conservative credit policy with focus on cash flow**

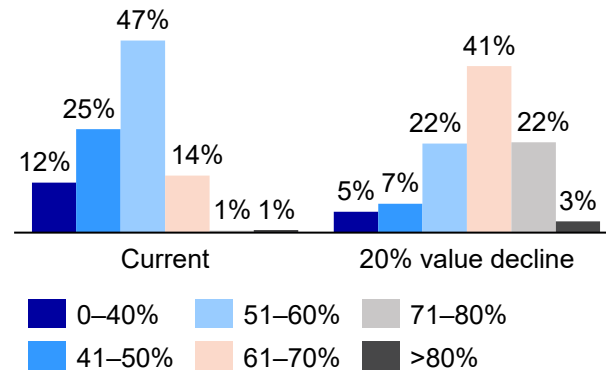
Credit portfolio – real estate management industry (REMI)*

Solid LTVs, resilient interest coverage, high occupancy

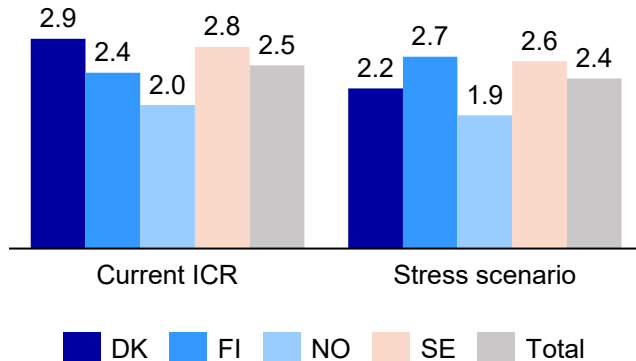
Solid LTV levels for all countries



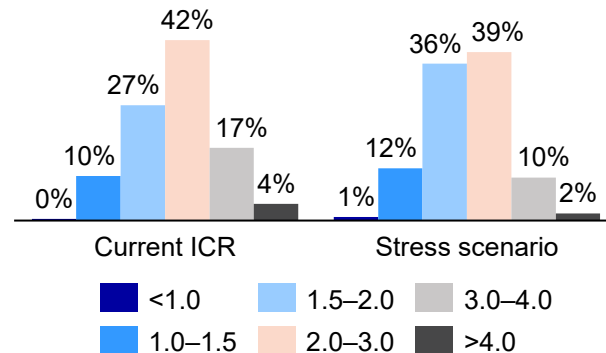
Majority of portfolio with low LTV



High ICR in all countries



ICR above 1.0 in stress scenario for 99% of portfolio

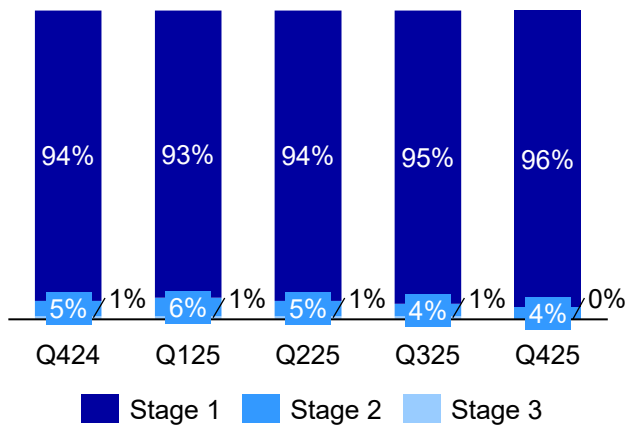


- **85% of exposures with LTV below 60%**
 - In event of 20% decline in market value, 75% of portfolio still with LTV below 70%
- **Average interest coverage ratio (ICR) 2.5x**
 - Average ICR 2.4x in stress scenario
 - Stress scenario: all debt refinanced day one at 5Y swap rates plus margins (4.0–5.5%); no hedging
- **Strict interest rate hedging requirements**
 - 64% of customer debt hedged, with average maturity 4.2 years
- **Low vacancy rates, with average letting ratio 95%**

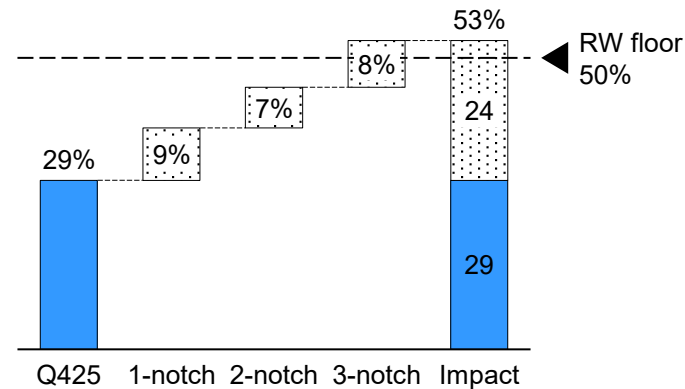
Credit portfolio – real estate management industry (REMI)*

Low levels of risk exposure

Strong credit quality, with 96% of IFRS 9 portfolio in stage 1

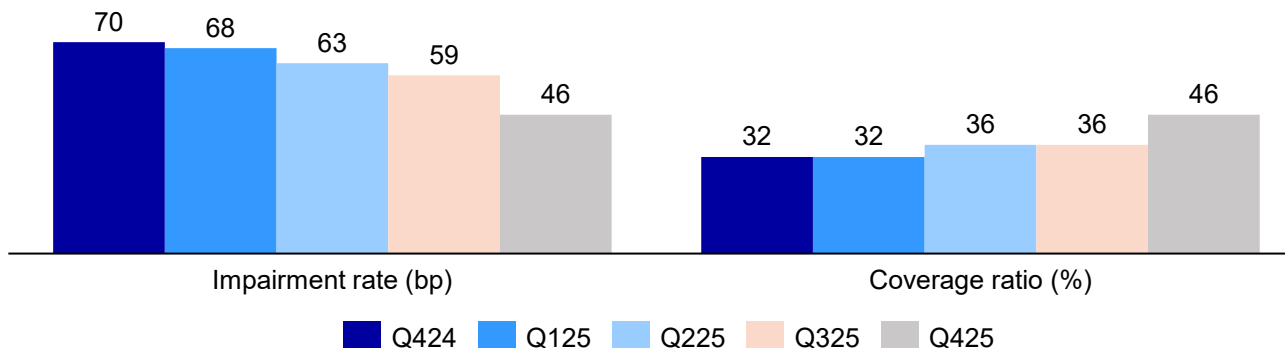


Minimal REA impact even from 3-notch downgrade due to risk weight floors



- Continued strong credit quality
- Only 4% of portfolio in stage 2
- 0.46% of portfolio impaired: further decrease
- Provision coverage up at 46% due to decrease in impaired lending and stable allowances
- REA protected by risk weight floors

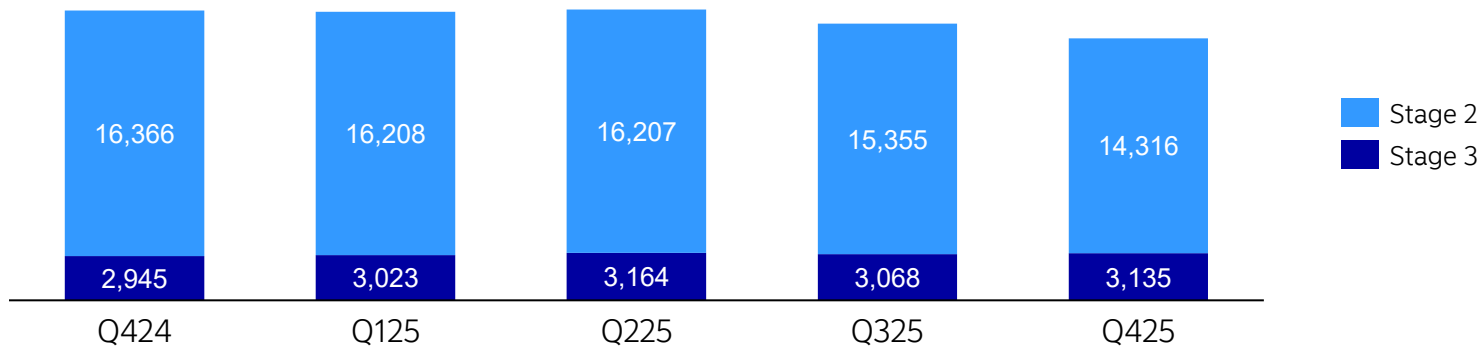
Low impairment rate and strong coverage for impaired portfolio



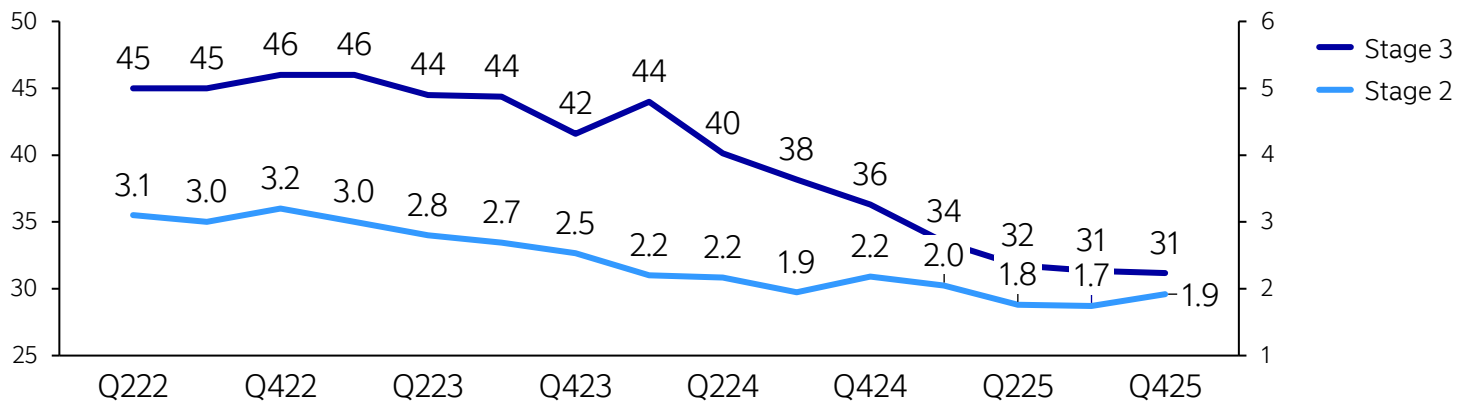
Impairments and provisioning coverage

Further reduction in high-risk exposure

Stage 2 and 3 loans at amortised cost, EURm



Coverage ratio, %



- **Stage 2 loans stable at 5% of total loans**
 - Decrease of EUR 1bn, driven by improved economic environment
- **Stage 3 loans down at 1.04% of total loans**
 - Small increase in stage 3 loans offset by larger increase in total lending
- **Coverage ratio for stage 3 portfolio stable at 31%**
 - Both stage 3 lending and allowances slightly up
 - Stage 2 coverage ratio up, mainly due to upgrade of some loans to stage 1
 - Solid coverage reflecting high levels of collateral
- **Coverage ratios some of highest among Nordic peers**