Nordea

Third-quarter 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.

Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

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Third-quarter highlights 2025

Executive summary

Strong performance and resilience although markets remain somewhat muted

- Return on equity* 15.8% and earnings per share EUR 0.36

Lending growth picking up; continued growth in deposit volumes and assets under management

- Mortgage lending up 6% y/y, corporate lending up 6%. Retail deposits up 8% y/y, corporate deposits up 1%. AuM up 11% y/y

Income resilient

- Total income 3% lower y/y. Net interest income down 6%, as expected, and net fee and commission income up 5%

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

- Costs flat y/y as expected, with stable levels of strategic investment

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

- Net loan losses and similar net result reversal of EUR 19m or 2bp (EUR 31m or 3bp excluding management buffer release)

Continued strong capital generation; new share buy-back programme

- CET1 ratio 15.9% – 2.3pp above current regulatory requirement
- New EUR 250m share buy-back programme to be launched on or around 20 October

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

* With amortised resolution fees

Key financials

Third-quarter results 2025

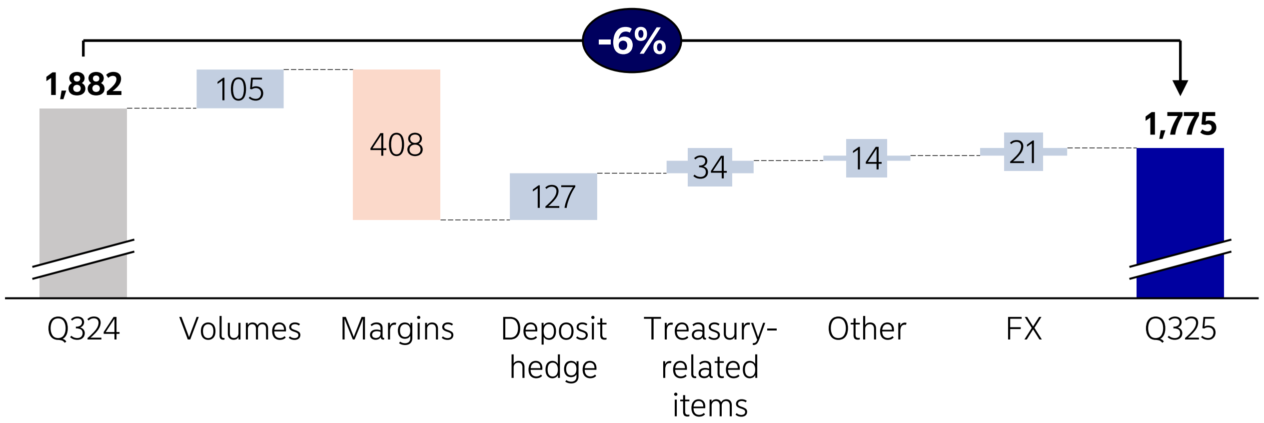
Income statement and key ratios EURm	Q325	Q324	Q3/Q3	Q225	Q3/Q2
Net interest income	1,775	1,882	-6%	1,798	-1%
Net fee and commission income	811	774	5%	792	2%
Net insurance result	66	60	10%	58	14%
Net fair value result	245	284	-14%	254	-4%
Other income	13	14	-7%	9	44%
Total operating income	**2,910**	**3,014**	**-3%**	**2,911**	**0%**
Total operating expenses excl. regulatory fees	-1,313	-1,311	0%	-1,314	0%
Total operating expenses	-1,332	-1,329	0%	-1,333	0%
Profit before loan losses	**1,578**	**1,685**	**-6%**	**1,578**	**0%**
Net loan losses and similar net result	19	-51		21	
Operating profit	**1,597**	**1,634**	**-2%**	**1,599**	**0%**
Cost-to-income ratio excl. regulatory fees, %	45.1	43.5		45.1	
Cost-to-income ratio*, %	46.1	44.5		46.1	
Return on equity*, %	15.8	16.7		16.2	
Return on tangible equity, %	18.3	19.2		18.8	
Diluted earnings per share, EUR	0.36	0.36	0%	0.35	3%

* With amortised resolution fees

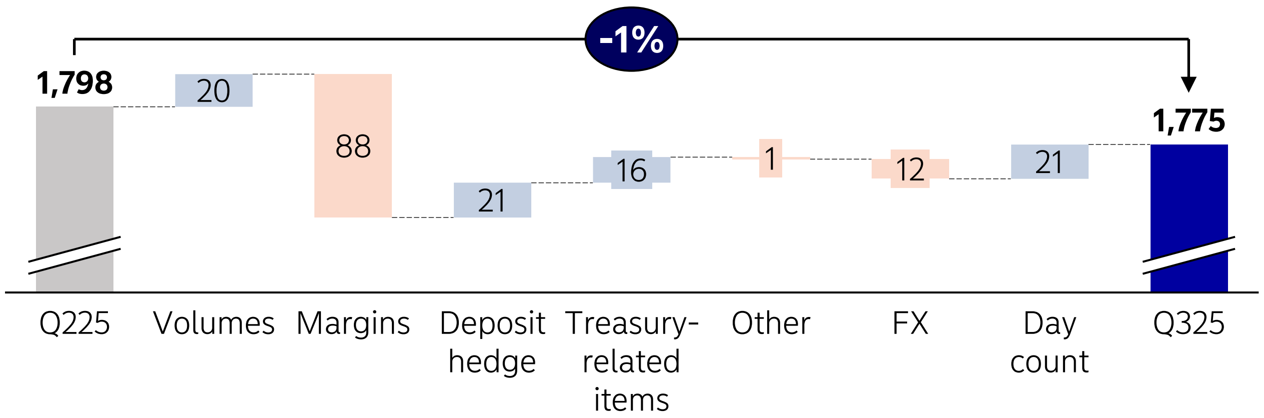
Net interest income

Higher business volumes, lower margins as expected

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

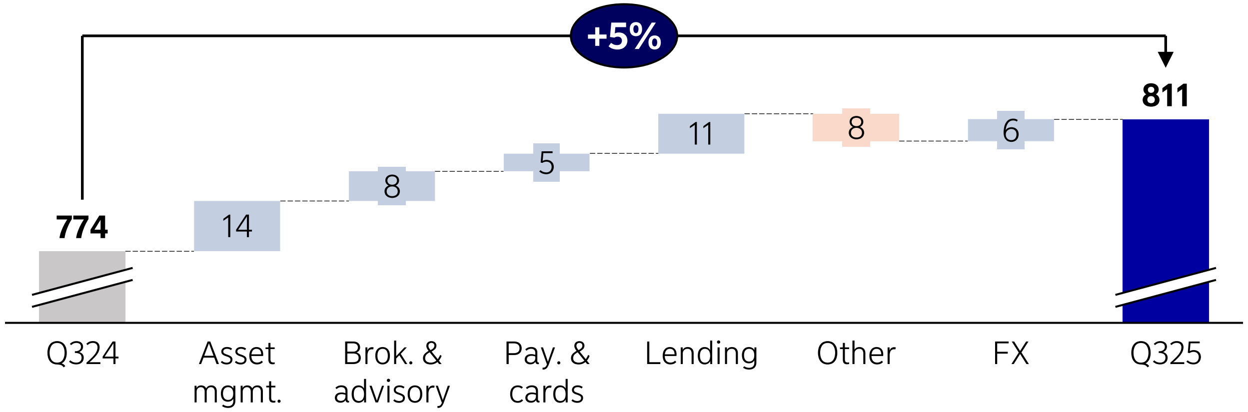


- **Net interest income down 6% y/y, as expected**
- **Lending and deposit growth**
  - Mortgages up 6% (1% excluding Norwegian acquisition)
  - Corporate lending up 6%
  - Retail deposits up 8% (5% excluding Norwegian acquisition)
  - Corporate deposits up 1%
- **Net interest margin 1.59% (1.77% Q324)**
  - Lower deposit and equity margins, driven by lower policy rates and lower lending margins – offset by positive contribution from deposit hedge

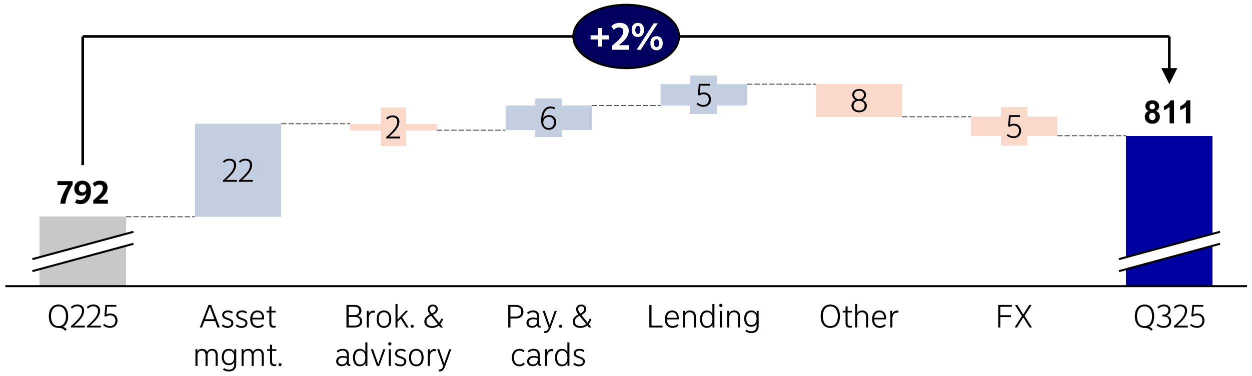
Net fee and commission income

Continued growth, driven by savings and higher activity

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Net fee and commission income up 5% y/y**
- **Savings fee income up**
  - AuM up 11%, to EUR 456bn
  - Net flows in Nordic channels (86% of AuM) EUR 4.4bn
  - Net flows in international channels (14% of AuM) EUR 0.6bn
- **Brokerage & advisory fee income up, driven by higher debt capital market activity**
- **Higher customer activity driving payment and card fee income**
- **Lending fee income up, driven by higher activity**

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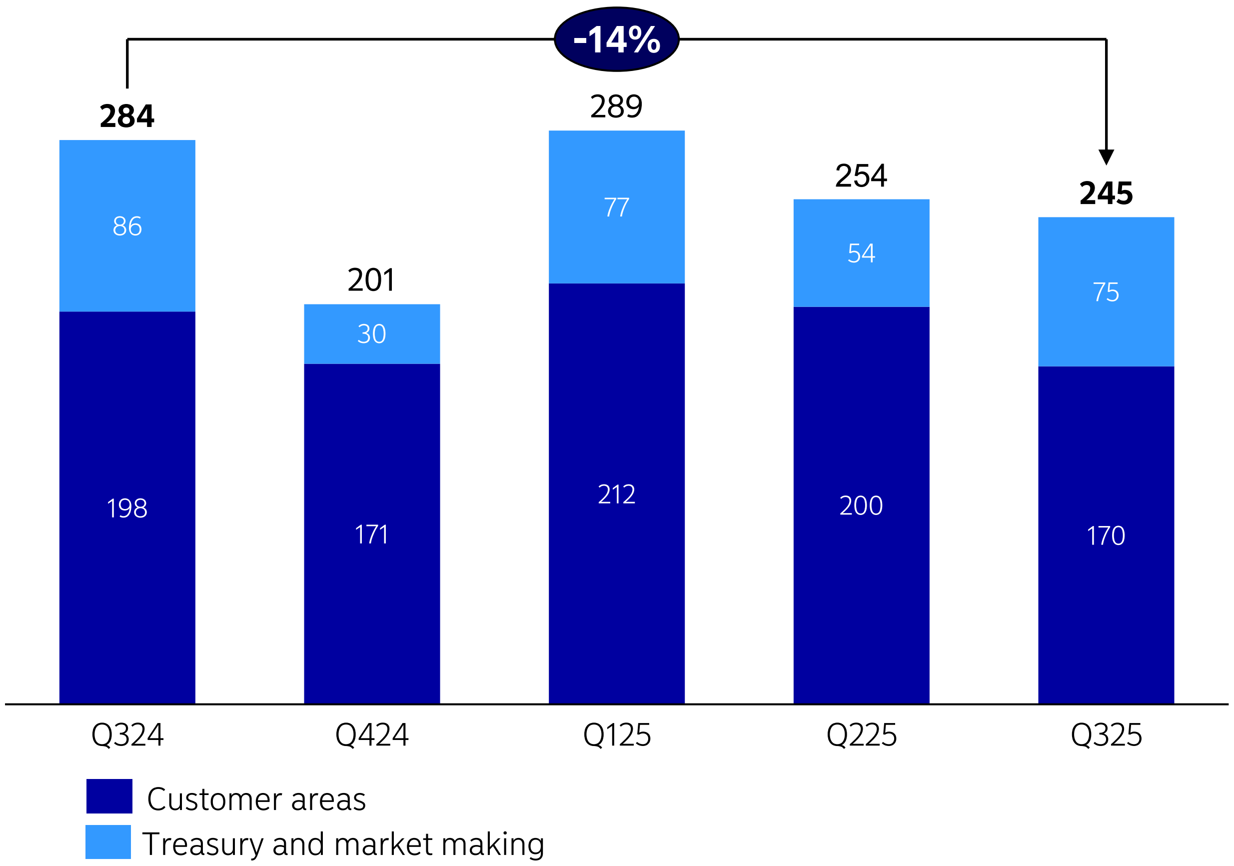
Net fair value result

Solid customer activity

Net fair value result, EURm

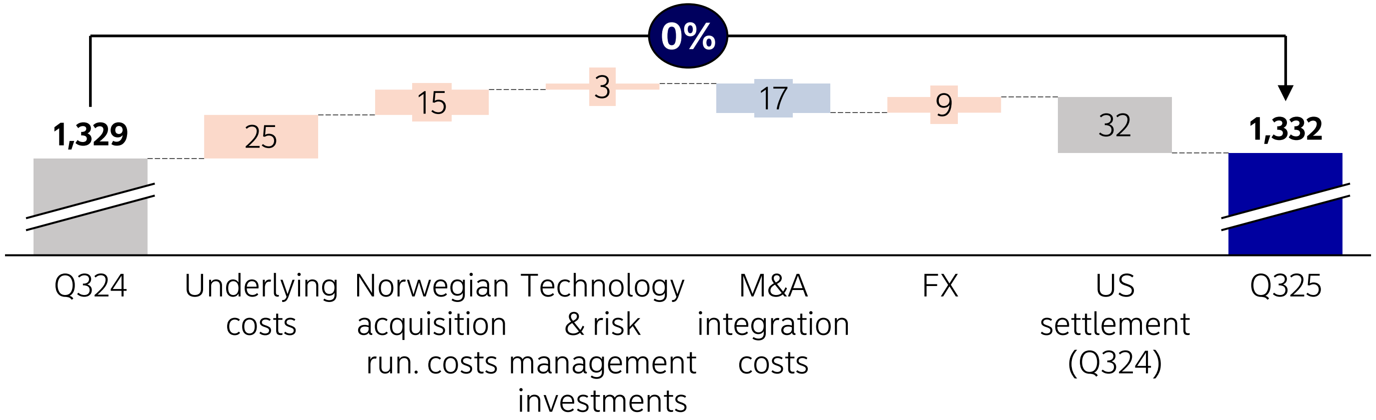


- **Solid customer hedging activity in FX and rates products. Income back to more normal levels after unusually high Q324***
- **Strong market making result offset by Treasury valuation adjustments**

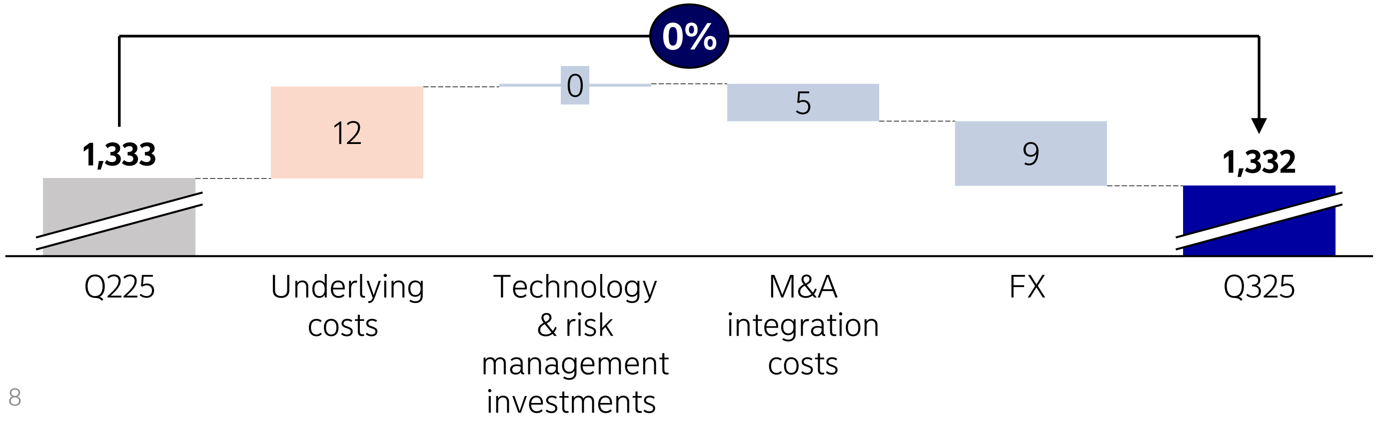
* High hedging activity and higher valuations, driven by significant decreases in rates

Costs stable, in line with plan

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



- **Total costs stable y/y (up 2% excl. FX & US settlement, driven by annual inflation)**
  - 2pp of increase due to underlying costs, driven by annual salary increases and Norwegian acquisition
  - Investments stabilised in line with plan
- **Total full-year costs expected to amount to around EUR 5.4bn in 2025**

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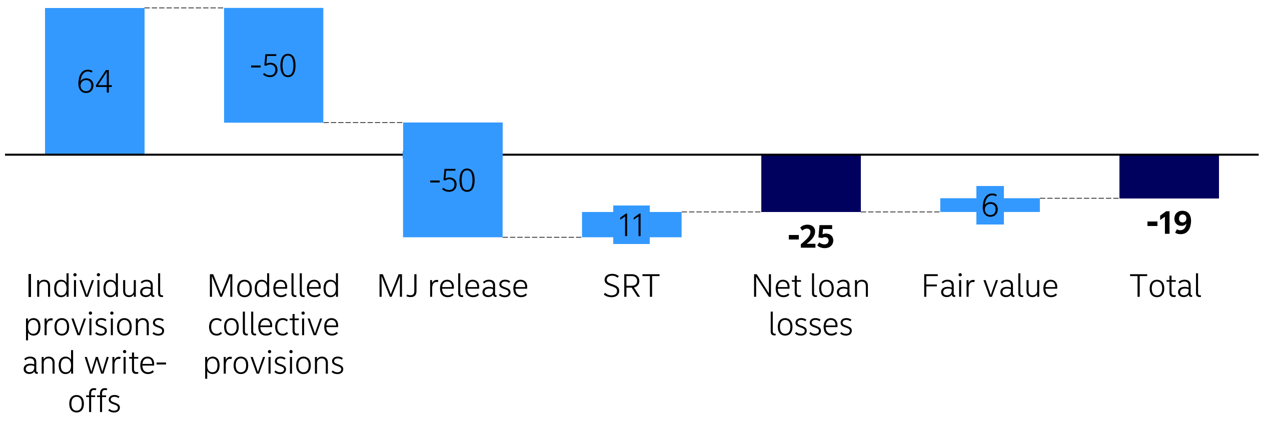
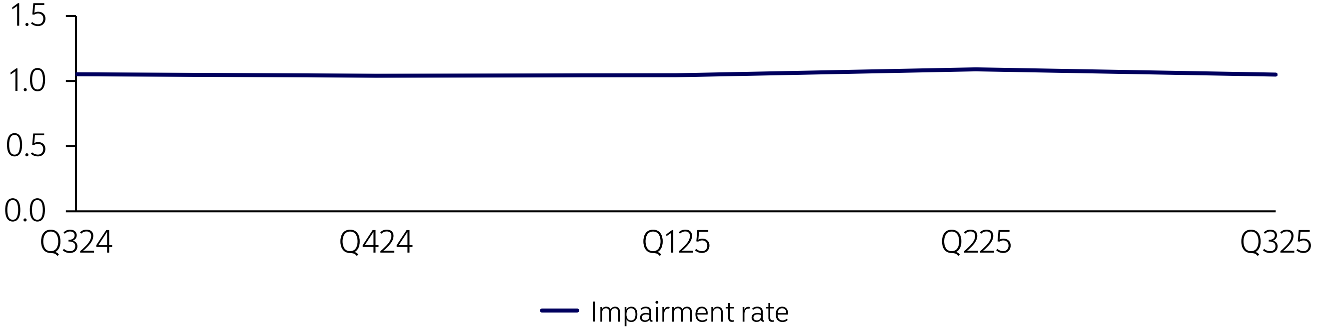
Net loan losses and similar net result

Exceptionally strong credit quality again

Net loan losses and similar net result, EURm



Impaired (stage 3) loans, %



- **Net loan losses and similar net result reversal of EUR 19m (-2bp)**
  - Low individual provisions and write-offs
  - Reduced need for collective provisioning for corporates and households
  - Management judgement buffer reduced by EUR 50m (now at EUR 291m), driven by decreased uncertainty and lower credit risk due to lower interest rates and inflation
- **Provision levels strong at EUR 1.5bn**
  - Solid coverage reflecting high levels of collateral
- **Low level of non-performing loans**
  - Stage 3 loans down at 1.05%

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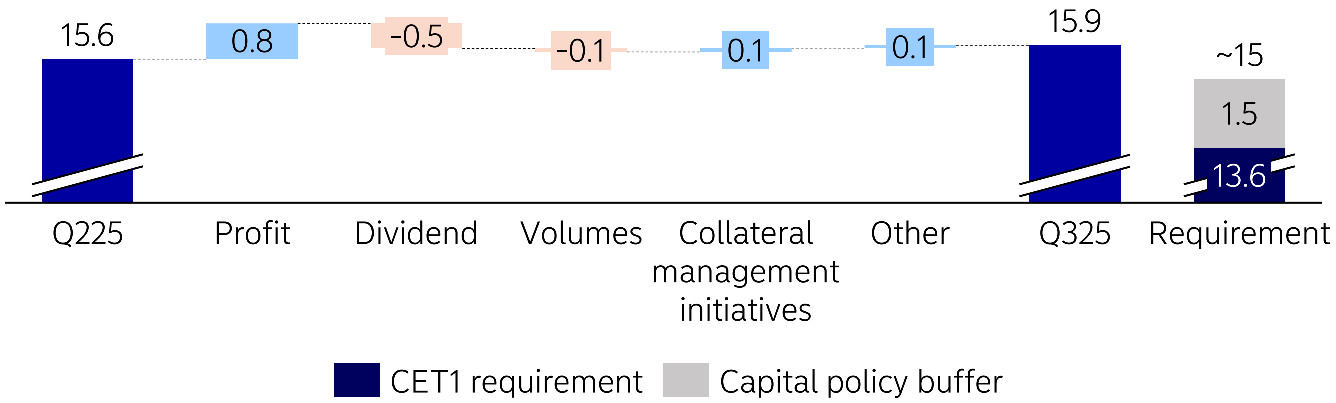
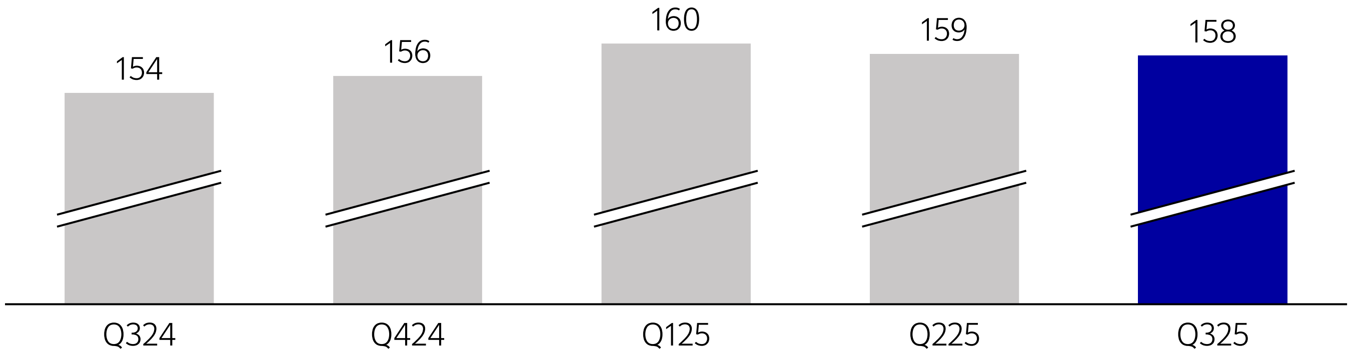
Capital

Strong capital position

CET1 capital ratio development, %



REA development, EURbn



- **CET1 ratio up 30bp at 15.9%**
  - 2.3pp above regulatory requirement
  - CET1 capital up EUR 0.4bn with continued strong profit generation
  - Risk exposure amount down EUR 0.2bn as increased lending volumes and FX effects due to SEK and NOK appreciations were countered by collateral management initiatives increasing collateral utilisation
- **Regulatory developments**
  - Increase in Norwegian risk weight floor for residential real estate exposures from 20% to 25% to be reciprocated by Finnish FSA from 1 January 2026. No impact on Nordea's total REA

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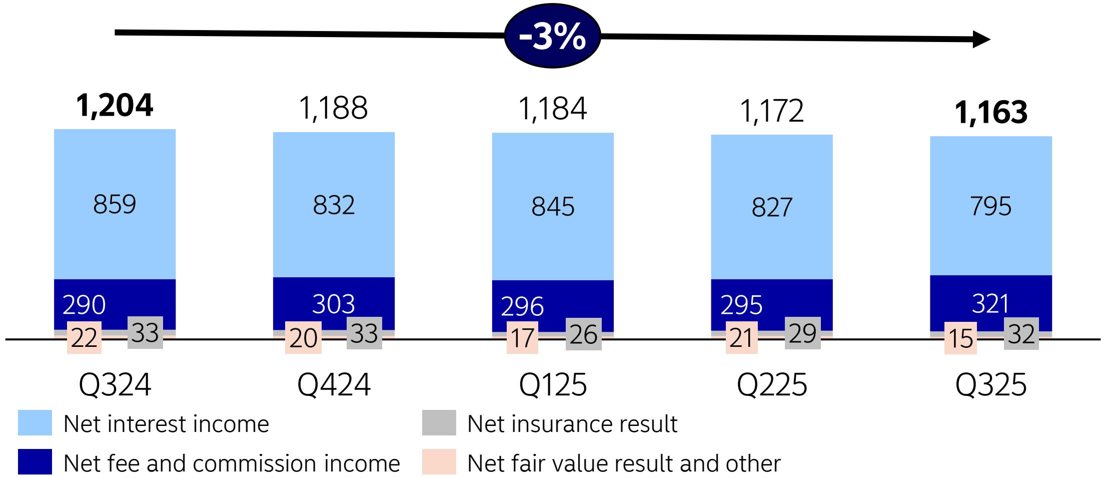
Personal Banking

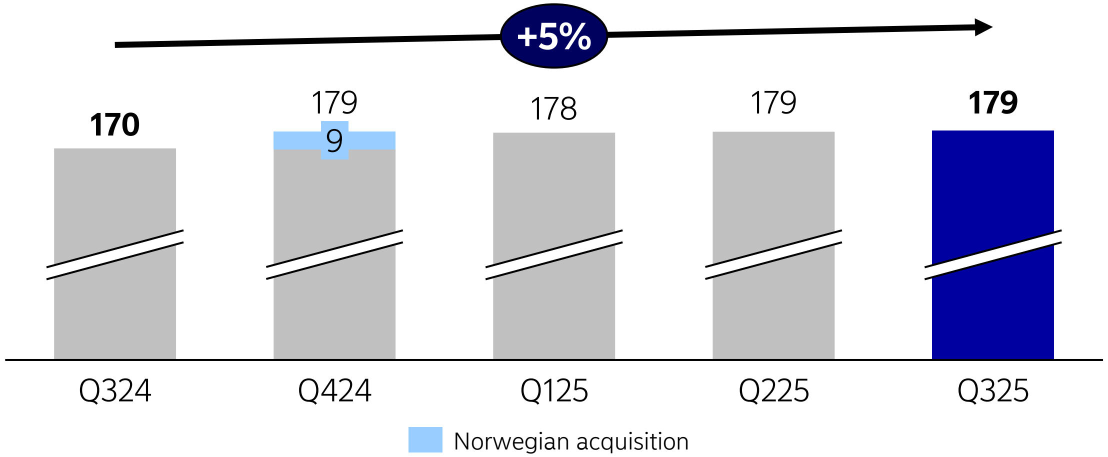
Volume and fee income growth partly offsetting impact of lower deposit margins

Total income, EURm

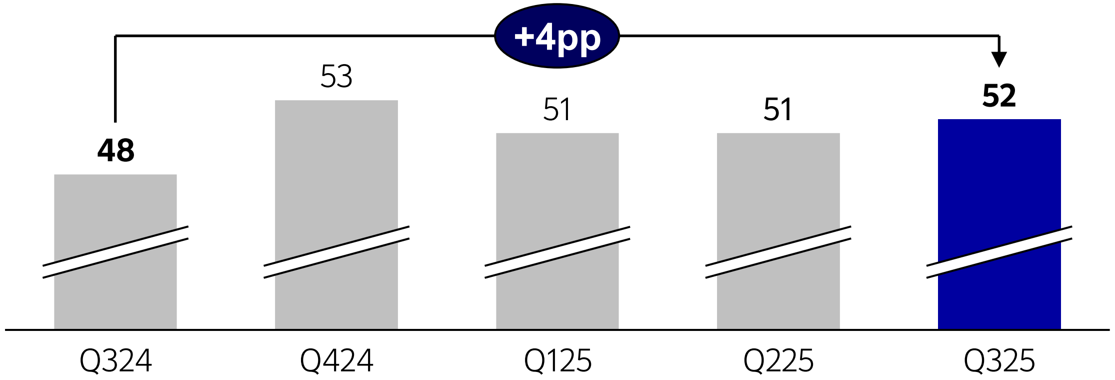


- Mortgage volumes up 6% and deposit volumes up 8%
- Net interest income down 7% due to lower deposit margins
- Net fee and commission income up 11%, driven by savings income and payment and card fees
- Cost-to-income ratio 52% (48% Q324)

Lending*, EURbn



Cost-to-income ratio**, %



* Excluding FX effects
** With amortised resolution fees

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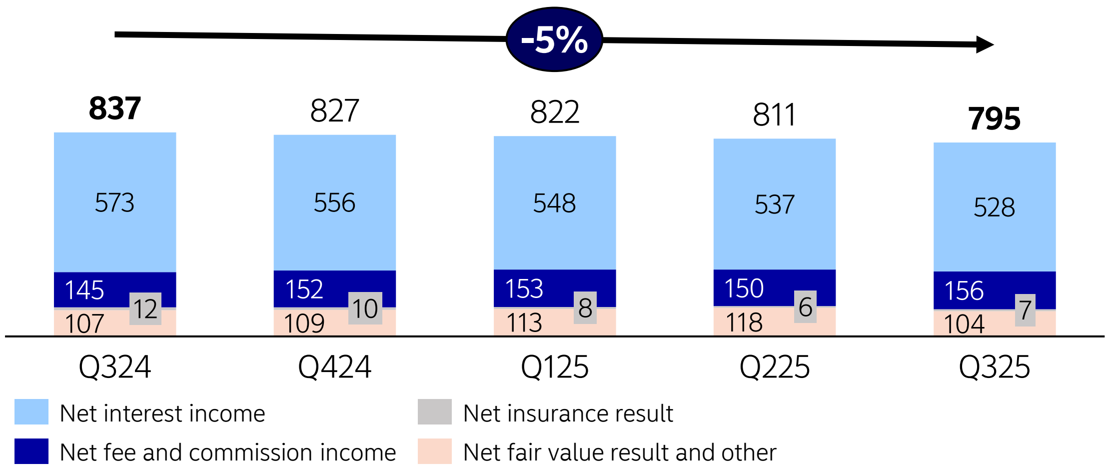
Business Banking

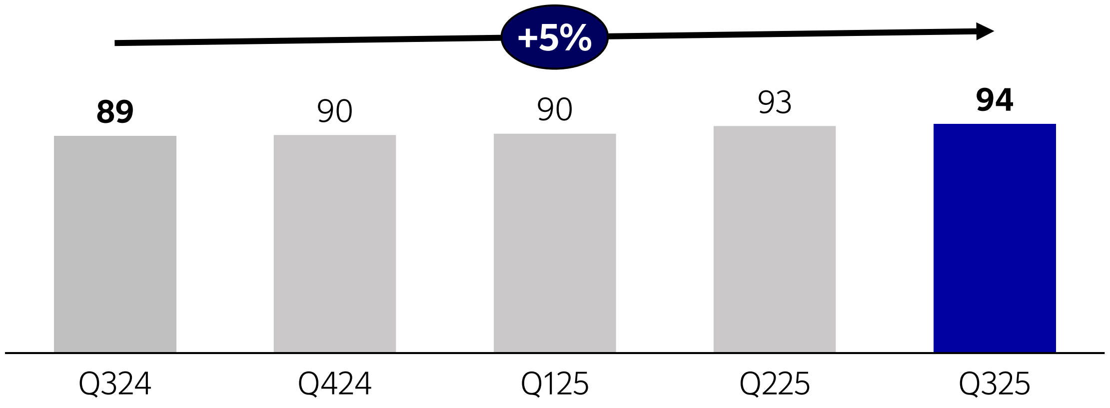
Continued volume growth and higher fee income partly offsetting lower margins

Total income, EURm

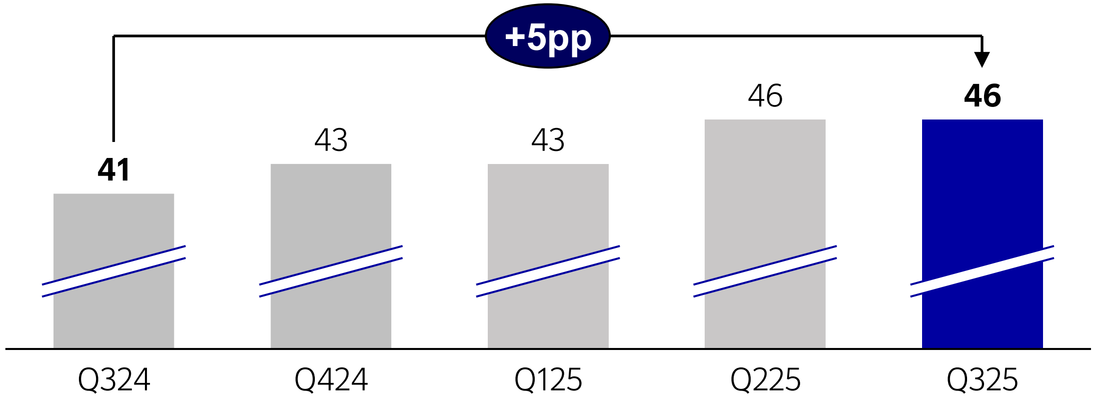


- Lending volumes up 5% and deposit volumes up 9%
- Net interest income down 8% due to lower deposit margins
- Net fee and commission up 8%, driven by higher lending fee and debt capital markets (DCM) income
- Cost-to-income ratio 46% (41% Q324) – impacted by higher investment

Lending*, EURbn



Cost-to-income ratio**, %



* Excluding FX effects
** With amortised resolution fees

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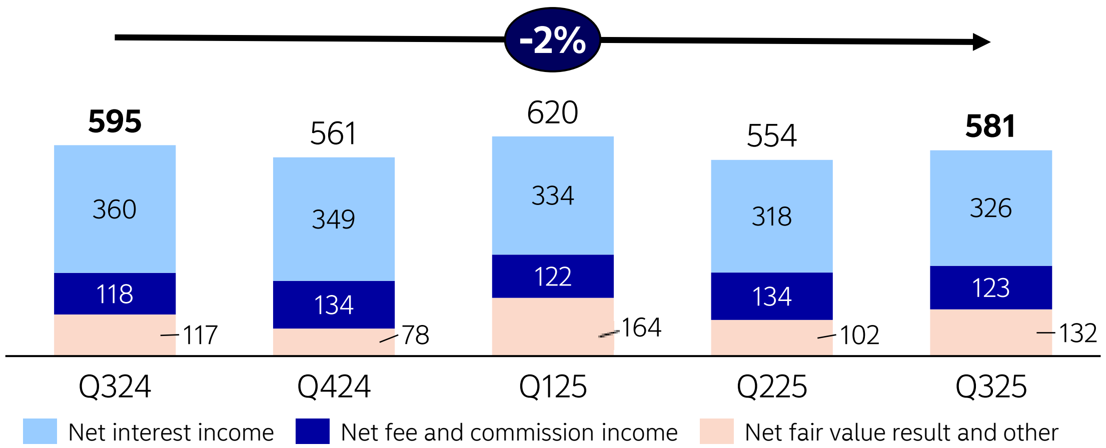
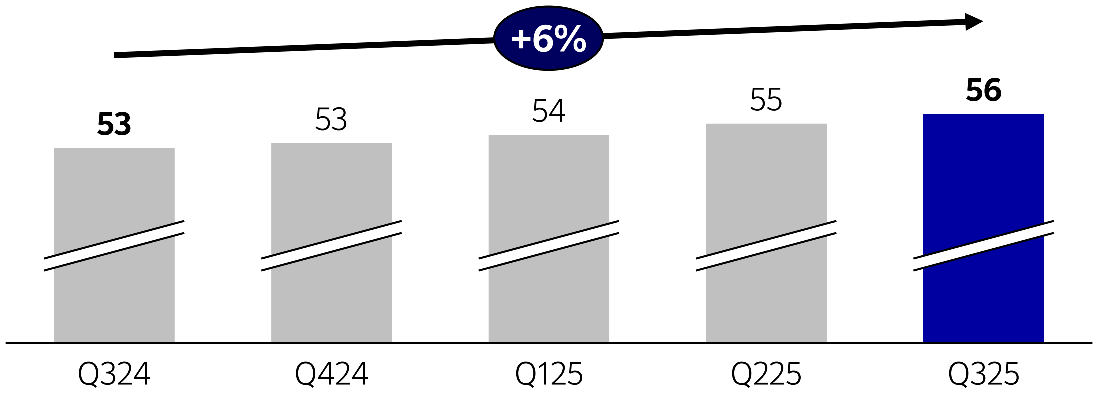
Continued strong lending volume growth; income impacted by lower interest rates

Total income, EURm

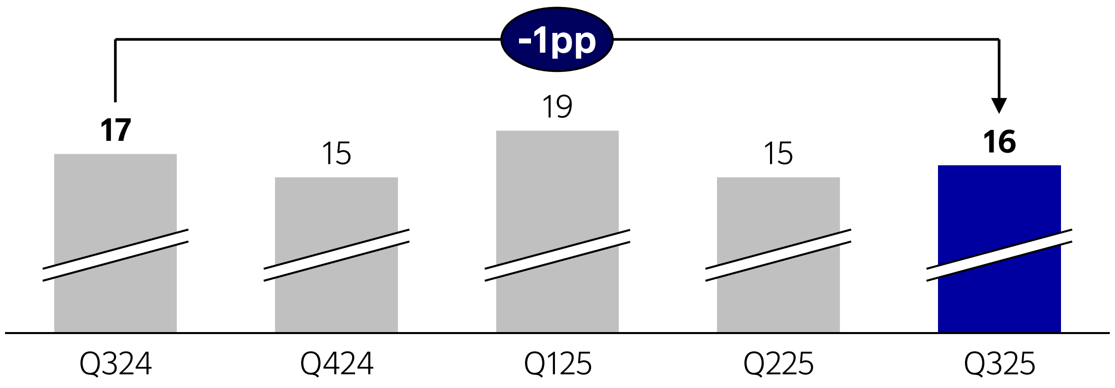


- Lending volumes up 6%
- Net interest income down 9% due to lower interest rates
- Net fee and commission income up 4%, driven by DCM and lending fees, while event-driven business limited
- Net fair value income up 13% due to high customer activity and market making income
- Return on allocated equity 16% (17% Q324)

Lending*, EURbn



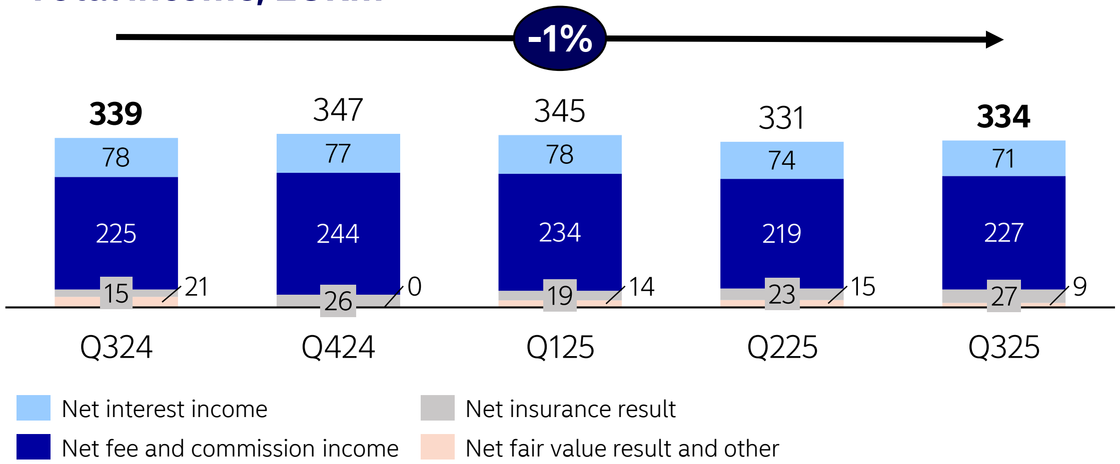
Return on allocated equity**, %



* Excluding repos
** With amortised resolution fees

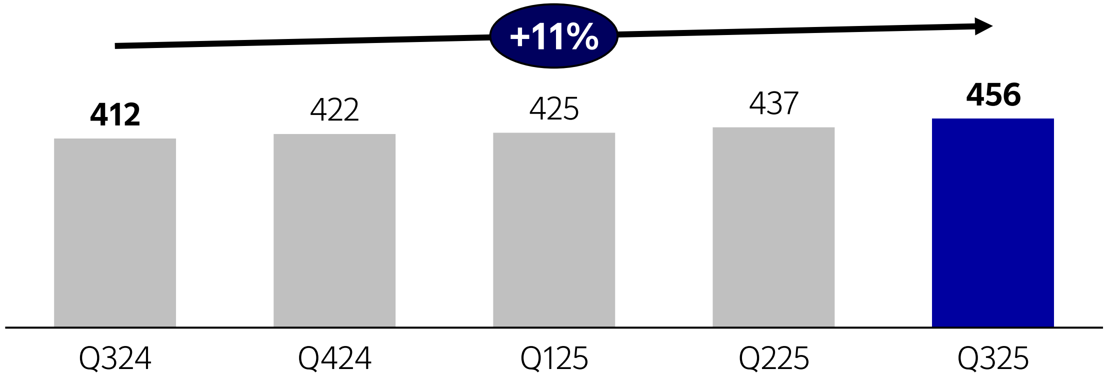
Strong net flows in Nordic channels and record-high customer activity in Private Banking

Total income, EURm

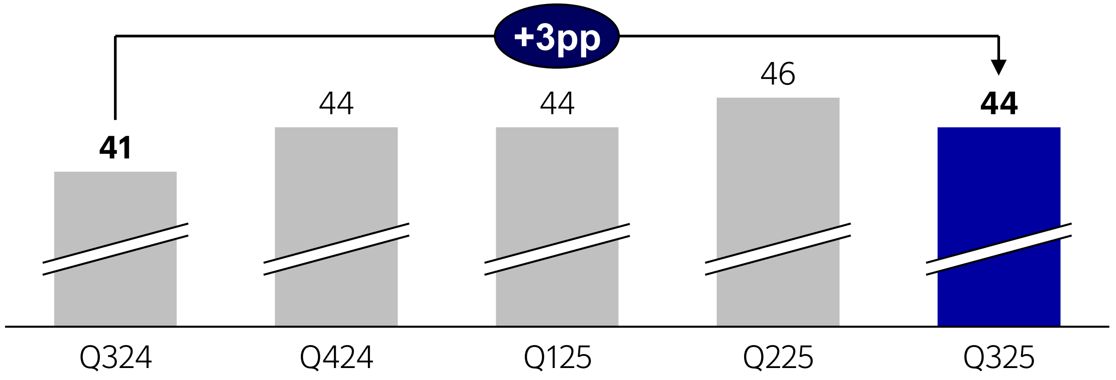


- Record-high customer activity in Private Banking, with net flows of EUR 1.5bn, driven by Sweden and Finland
- Flows in higher margin wholesale distribution channel continuing to stabilise
- Assets under management up 11%, to EUR 456bn
  - Nordic channels net inflows EUR 4.4bn during quarter
  - International channels net inflows EUR 0.6bn
- Cost-to-income ratio 44% (41% Q324)

Assets under management, EURbn



Cost-to-income ratio*, %



* With amortised resolution fees

2025: The preferred financial partner in the Nordics

Unique Nordic diversification and scale

Profitable growth and high capital efficiency

Continued high profitability and capital generation

Outlook for 2025: on track to deliver return on equity of above 15%

2025 financial target

Return on equity

>15%

Assumes CET1 requirement of 15%, including management buffer

Rates assumed to normalise at ~2%

Supported in 2025 by

Cost-to-income ratio
44–46%

Loan losses
Normalised ~10bp annually

Capital and dividend policies

60–70% dividend payout ratio; excess capital distributed through buy-backs

Management buffer of 150bp above regulatory CET1 requirement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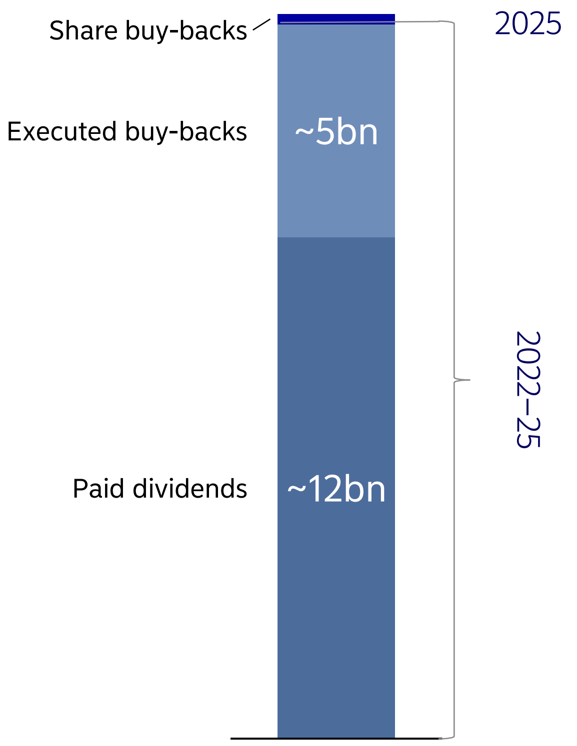
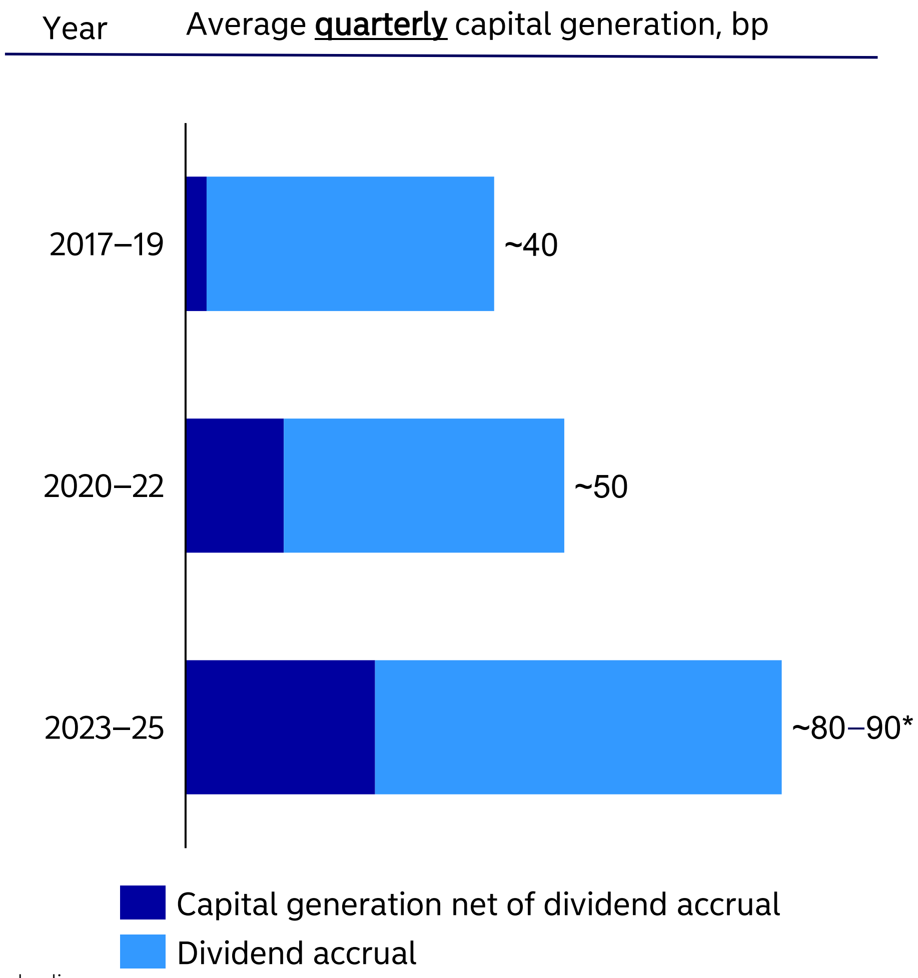
Capital excellence

Strong capital generation supporting returns

Shareholder returns supported by continued strong capital generation





- **Capital return commitment reaffirmed**
  - Strong capital generation
  - Unchanged dividend policy
  - Share buy-backs to distribute excess capital
- **New EUR 250m share buy-back programme to be launched on or around 20 October**
- **Continued use of share buy-backs to distribute excess capital in line with capital policy**

* Indicative, based on 15% RoE and current dividend policy

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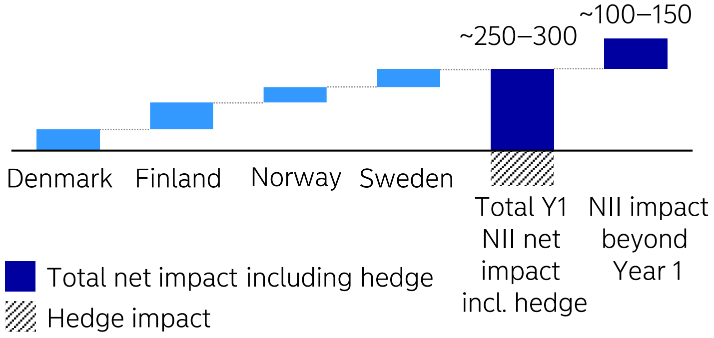
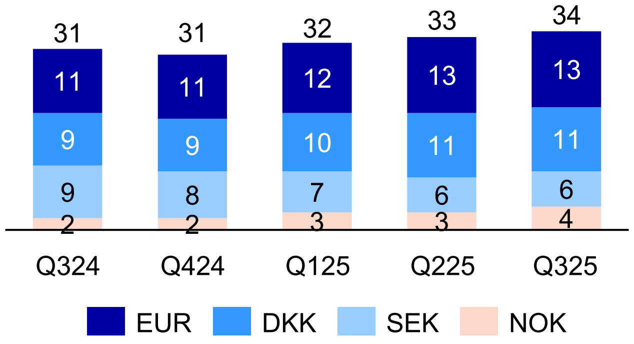
Net interest income sensitivity

Net interest income sensitivity to policy rate changes

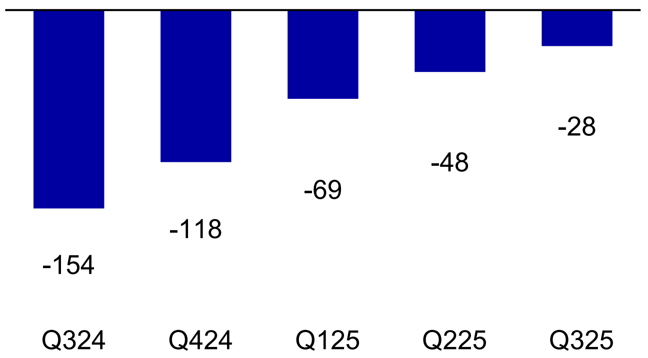
Sensitivity to +50bp parallel shift in policy rates*, EURm



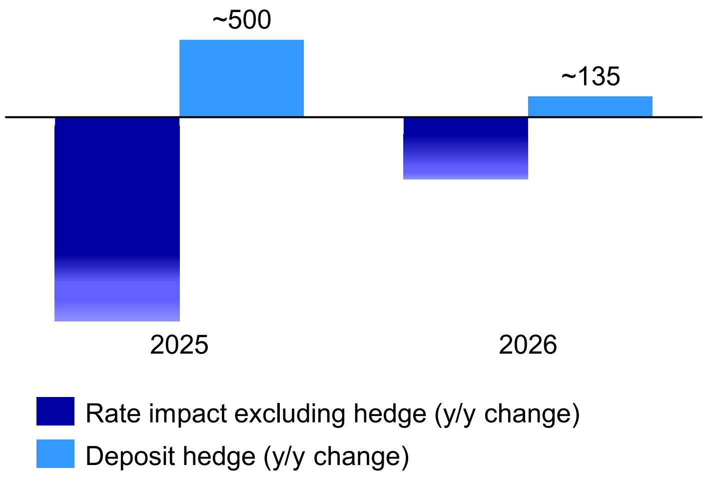
Deposit hedge – nominal volume, EURbn



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

* Symmetrical for -50bp parallel shift
** Based on end-Q3 market rates

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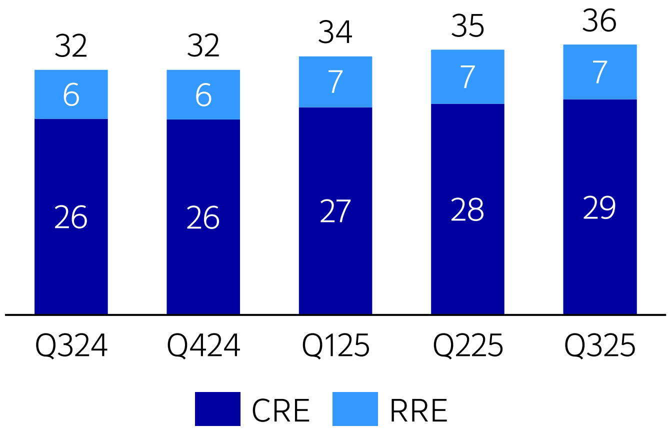
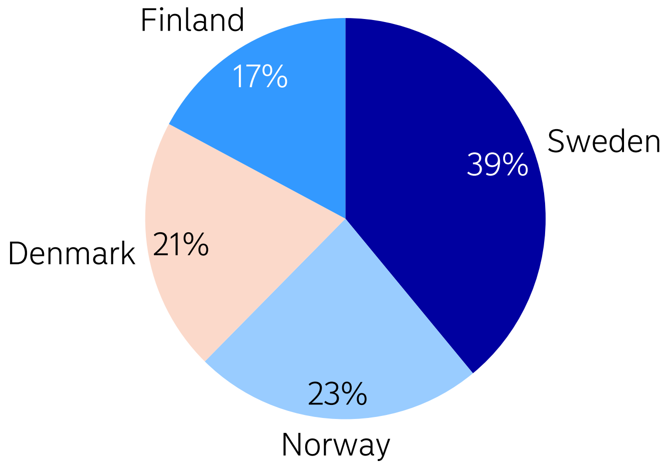
Credit portfolio – real estate management industry (REMI)*

Well-diversified portfolio, high-quality lending

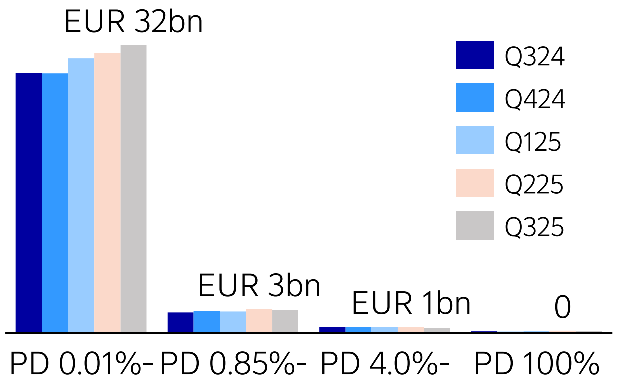
Lending volumes stable



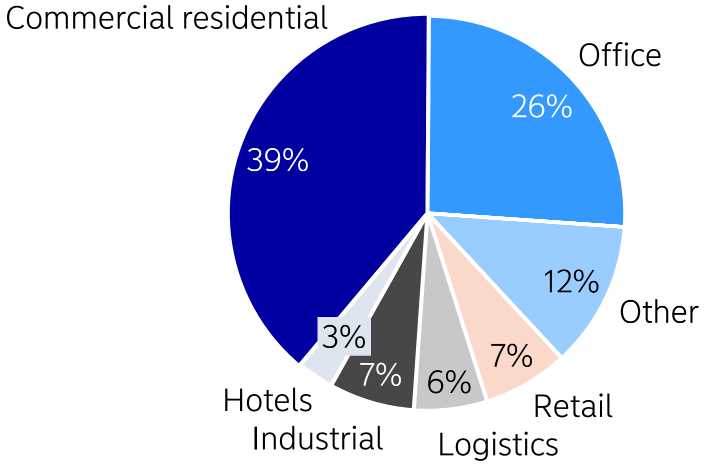
Diversified across countries



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



Diversified across types



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

* Excluding tenant-owner associations (TOAs)

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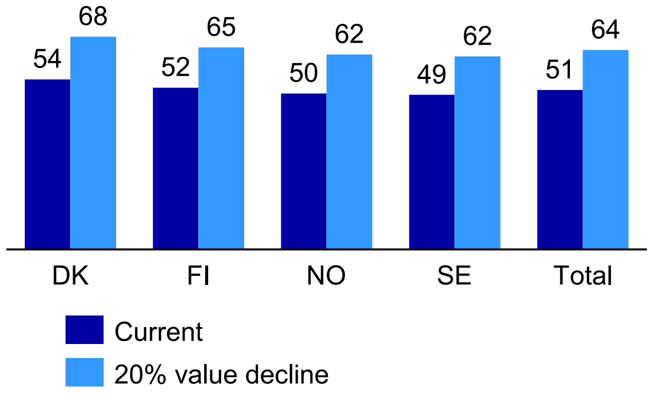
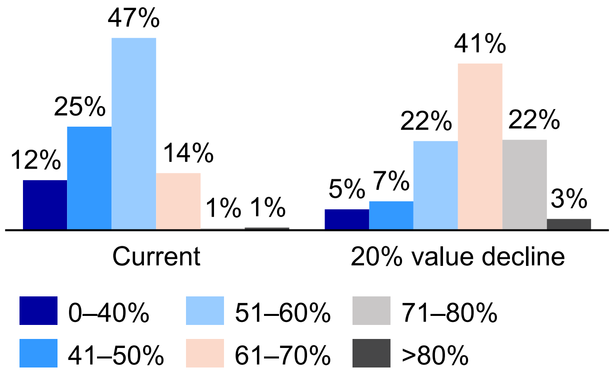
Credit portfolio – real estate management industry (REMI)*

Solid LTVs, resilient interest coverage, high occupancy

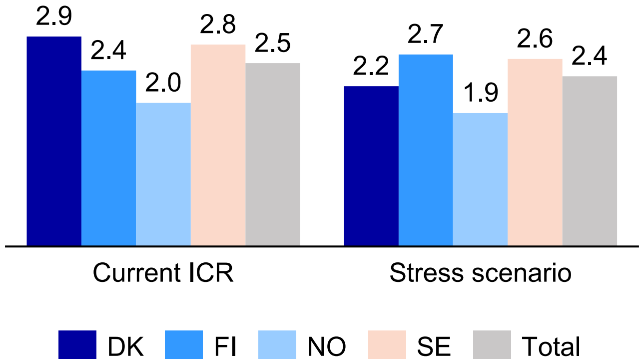
Solid LTV levels for all countries



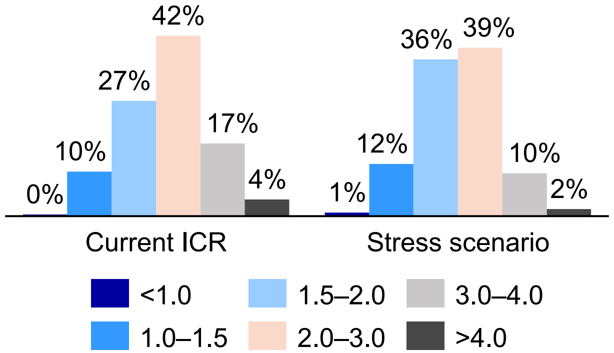
Majority of portfolio with low LTV



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%**

* Based on analysis of largest customers in portfolio in Q3 2025, corresponding to 56% of EAD (excl. TOAs). For smaller customers in portfolio, corresponding to other 44% of EAD (excl. TOAs), credit quality is monitored through various credit risk indicators, such as PD and IFRS 9 stages

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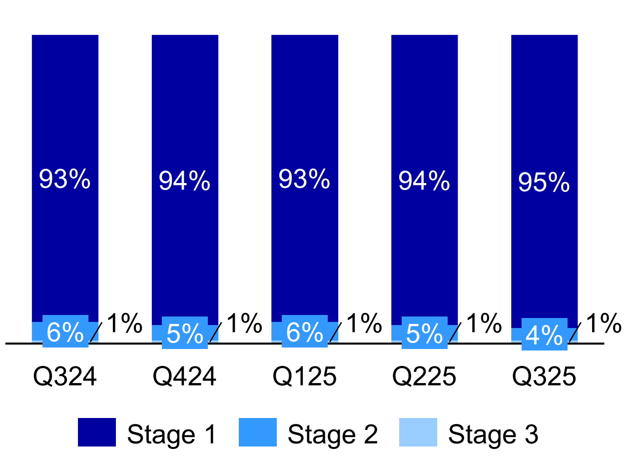
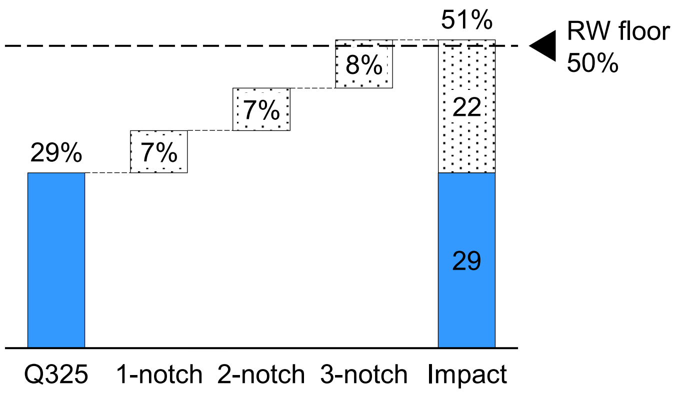
Credit portfolio – real estate management industry (REMI)*

Low levels of risk exposure

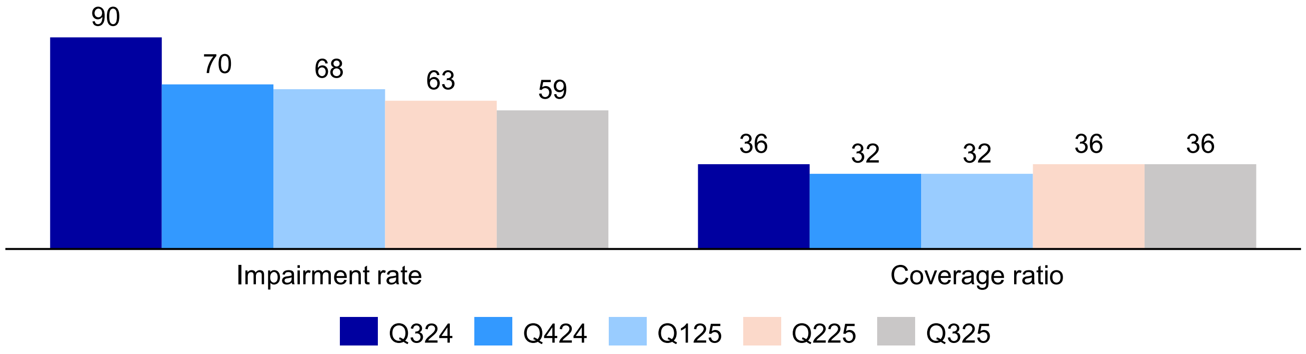
Strong credit quality, with 95% of IFRS 9 portfolio in stage 1



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



Low impairment rate and strong coverage for impaired portfolio



- **Continued strong credit quality**
- **Only 4% of portfolio in stage 2**
- **0.6% of portfolio impaired: slight decrease**
- **Provision coverage 36%, reflecting high collateralisation**
- **REA protected by risk weight floors**

* Excluding TOAs

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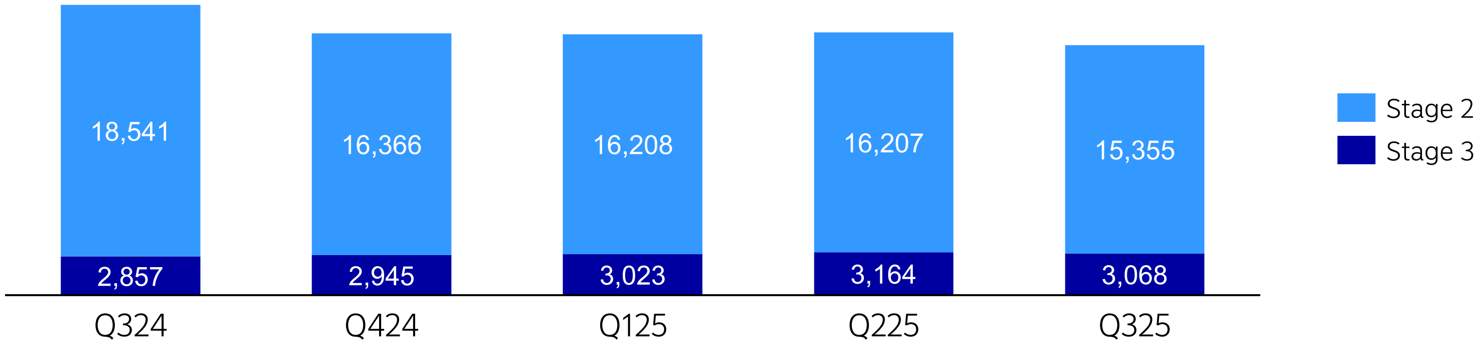
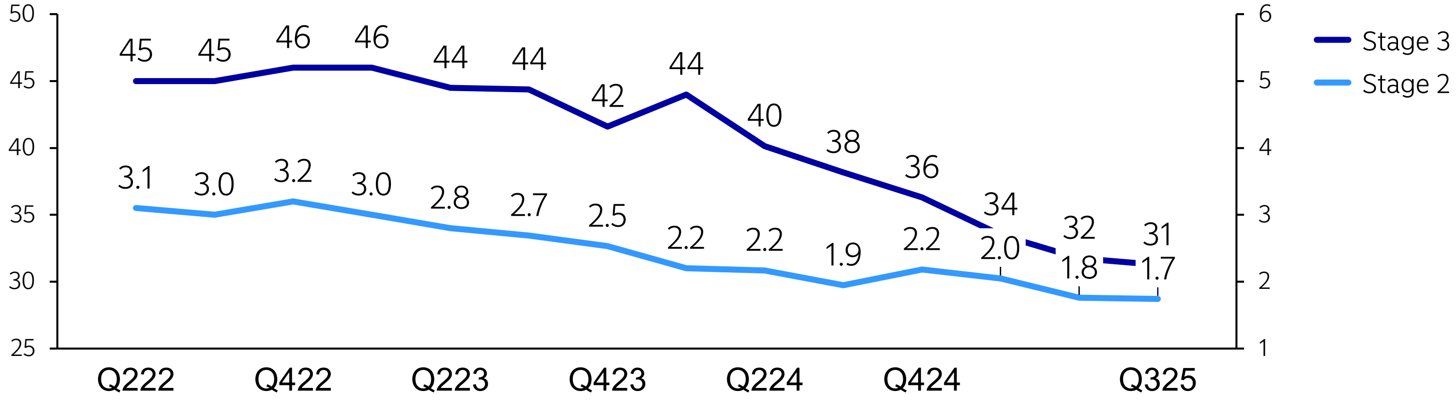
Impairments and provisioning coverage

Continued resilience in strong credit portfolio

Stage 2 and 3 loans at amortised cost, EURm



Coverage ratio, %



- **Stage 2 loans down at 5% of total loans**
  - EUR 0.8bn moved to stage 1 due to improved economic environment
- **Stage 3 loans down at 1.05% of total loans**
- **Coverage ratio for stage 3 portfolio slightly down at 31%**
  - Reduction driven by MJ release and write-offs fully covered by provisions
  - Stage 2 coverage ratio slightly down due to released provisions, reflecting reduced US trade uncertainty and lower interest rates
- **Coverage ratios some of highest among Nordic peers**

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