Video debt investor presentation Q1 2020

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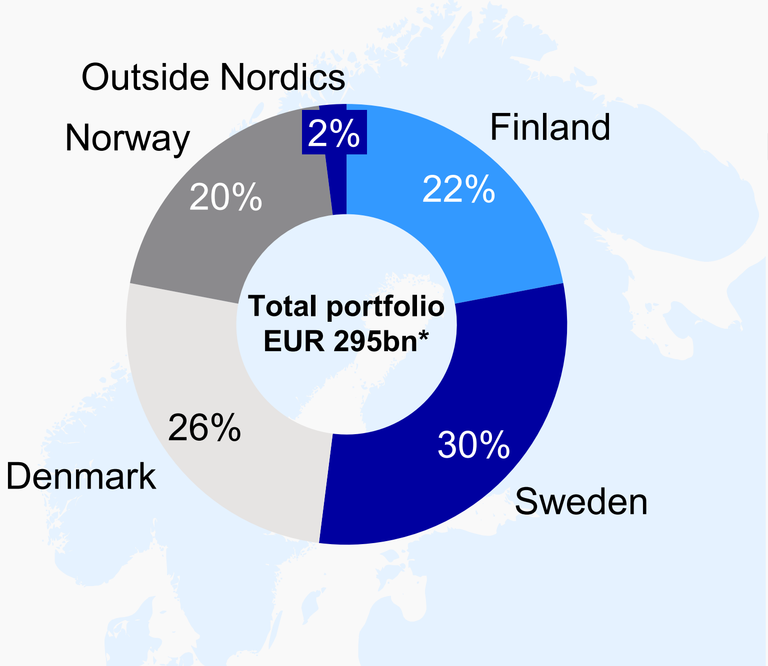
Table of contents

Nordea

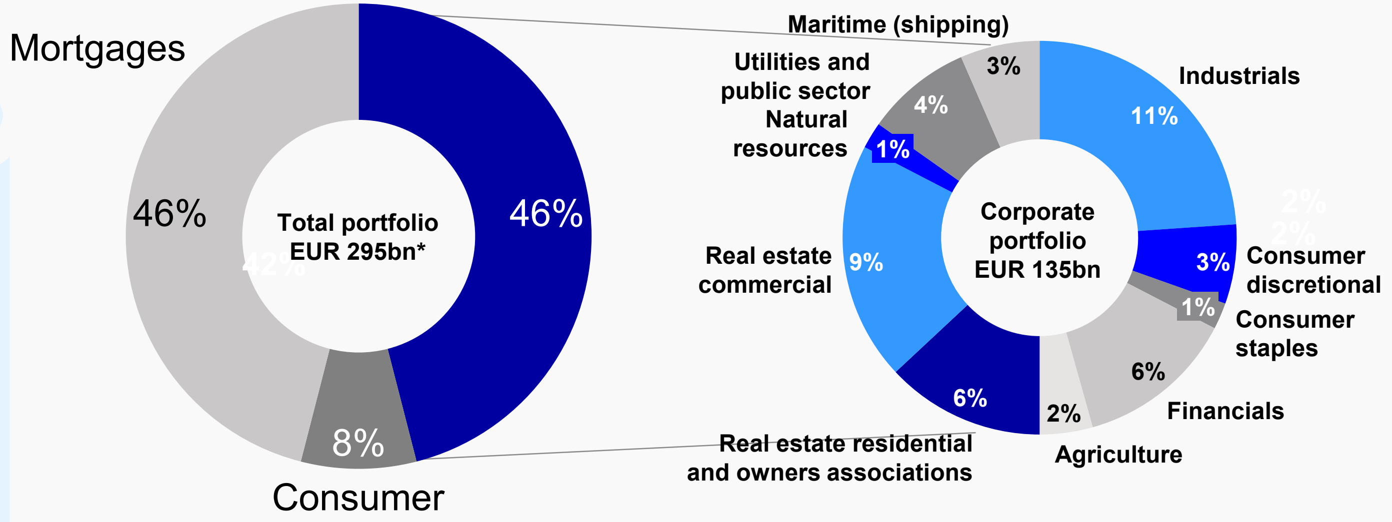
Loan portfolio – well diversified across stable Nordic markets

Well diversified across stable Nordic markets



Nordic societies with well structured social safety nets, strong fiscal positions and effective legal systems

Corporate portfolio well diversified across sectors



* Excluding reverse repos

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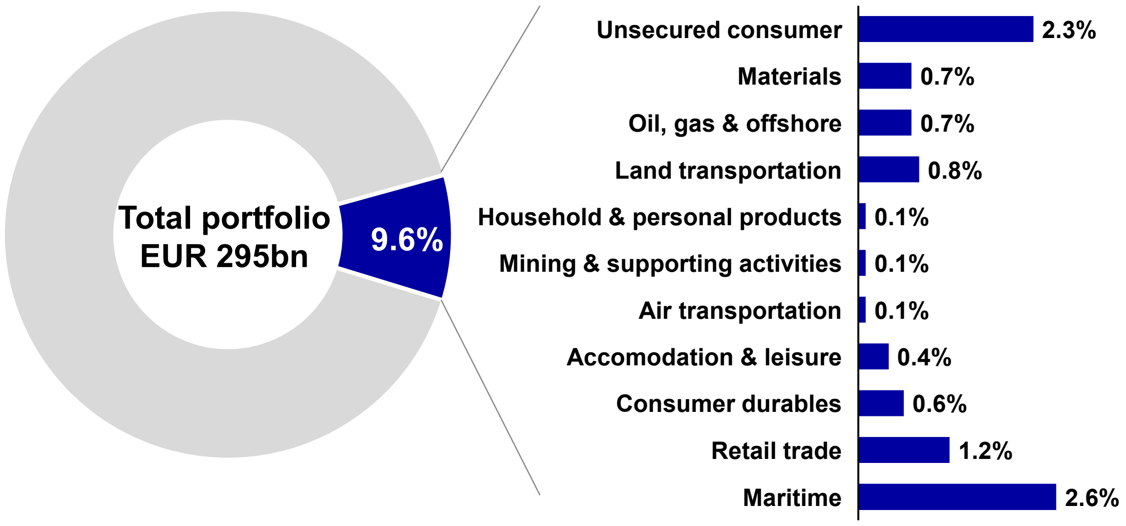
Loan portfolio – well diversified across segments

Exposure to immediately affected segments limited



Close contact with customers and bottom-up review of credit risk

Acting prudently while awaiting clarity on developments in Q2

Nordic social safety nets and government support provide additional protection against future losses

Comments

- Well-positioned entering into the COVID-19 shock
  - total allowances EUR 2.4bn
- Immediately affected segments amount to 9.6% of total loan portfolio
- Q1 provisioning based on factual evidence and identified near term likely losses
- Allowances include management judgement of EUR 327m of which additional EUR 120m in Q1 2020
- It is too early to give an outlook for loan losses, as the economic impact of the COVID-19 is still very uncertain

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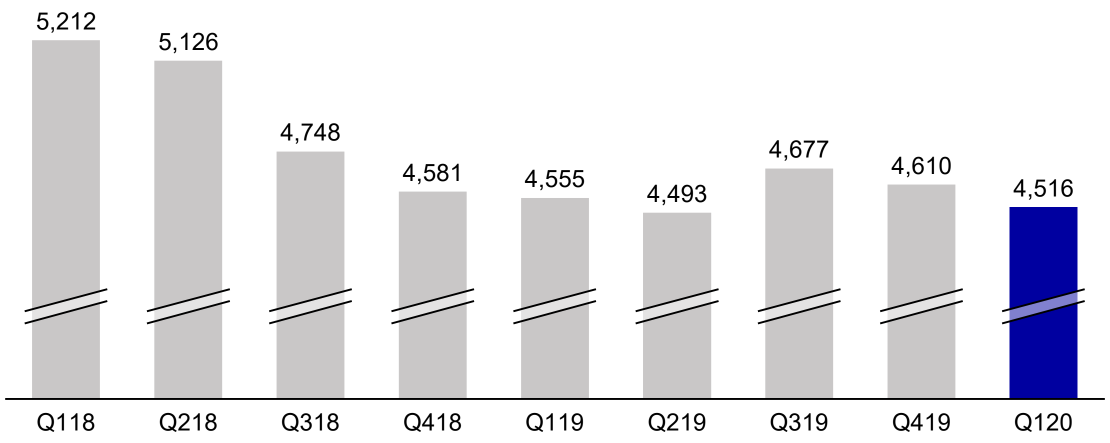
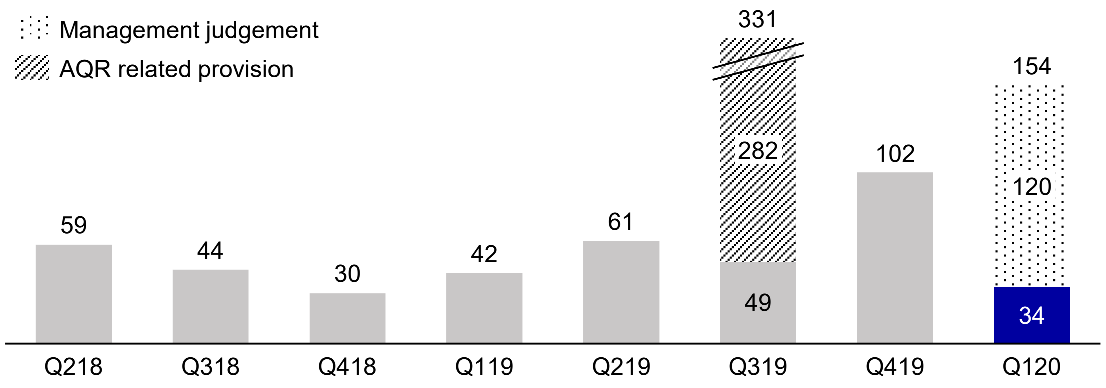
Asset quality – higher provisions due to uncertain economic outlook

Stage 3 impaired loans at amortised cost, EURm



Total net loan losses, EURm



Comments

- Stable level of impaired loans
- Allowance ratio for impaired loans increased to 39%
- Non performing loan ratio amounts to 1.7%
  - below European average of 2.4%
- Underlying loan losses of EUR 34m
- Total net loan loss of EUR 154m including management judgement
- Rating changes have not been imposed on customers due to temporary COVID-19 related liquidity challenges
- Continued close monitoring with update of macro-economic scenarios for IFRS9 models in Q2 2020

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Executive summary

- COVID-19 has affected all of us
  - immediate priorities; our customers, staff safety and business continuity
  - several ongoing initiatives aimed at supporting our customers
  - early signs of Nordic societies opening up, but high uncertainty remains
- Solid first quarter result despite the economic challenges
  - net interest income up 5%, net commission income up 4%
  - costs according to plan, down 8% YoY
  - cost to income ratio unchanged at 57%
- Strong capital and liquidity position to support our customers
  - CET1 ratio 16%, 5.8%-points total CET1 buffer above current requirements
  - liquidity coverage ratio at 182%, liquidity buffer of over EUR 100bn
- Well diversified credit portfolio – higher provisions due to uncertain economic outlook
  - net loan losses of EUR 34m
  - management judgement of EUR 120m in the quarter
  - total management judgement allowances of EUR 327m
- We remain committed to delivering on our FY2022 targets

Nordea's response to the COVID-19

Household customers

- Total customer activity level and accessibility remain high despite the limitations in the branch openings
- Share of remote meetings increased from 40% to 80%
- More than 60,000 instalment-free period applications received, 97% approval rate in granted applications
- Six times higher participation rate for Private Banking webinars

Corporate customers

- Intensity in customer interactions at record-high level – during the first weeks of the crisis +30% more meetings than average, mostly virtual meetings
- Over 30,000 corporate customers contacted proactively and close to 8,000 instalment-free period applications granted
- EUR 13bn of credit requests in March with swift handling times

Our employees

- +70% of staff working remotely – fully operational during the crisis
- Trading operations and other critical banking operations in multiple sites
- Business continuity plans in place – group crisis management team installed late-February with daily meetings
- Increased cyber security efforts
- Support to and training of leaders in how to lead through crisis

The actions we are taking are focused on doing all we can to support our customers, keeping our employees safe and ensuring business continuity

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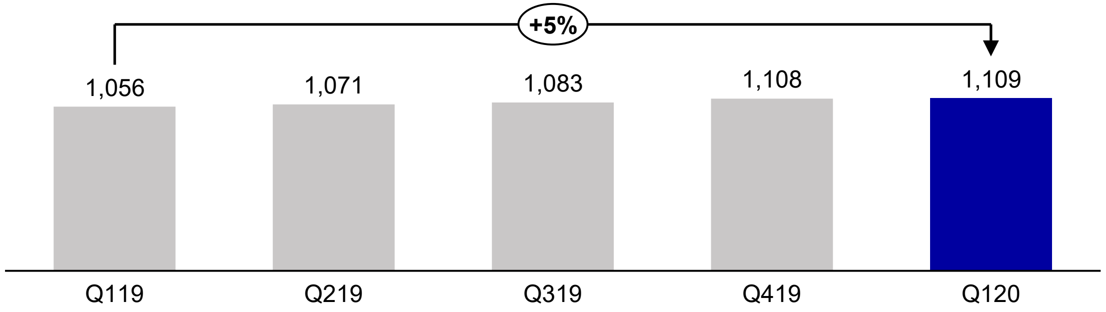
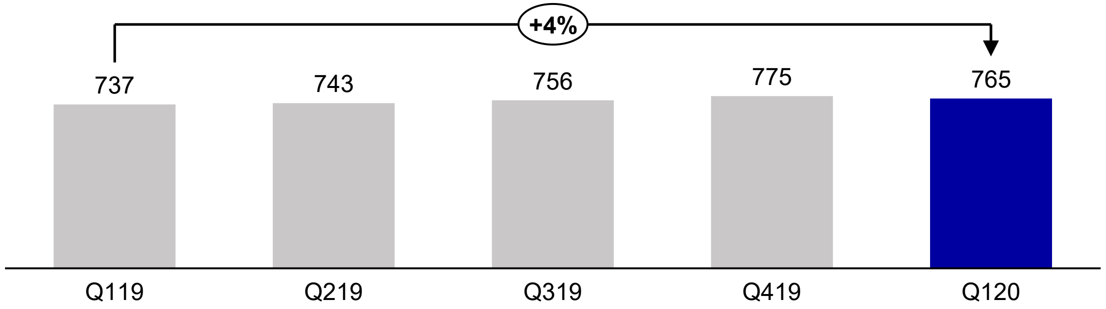
Revenues – improvement in net interest and commission income

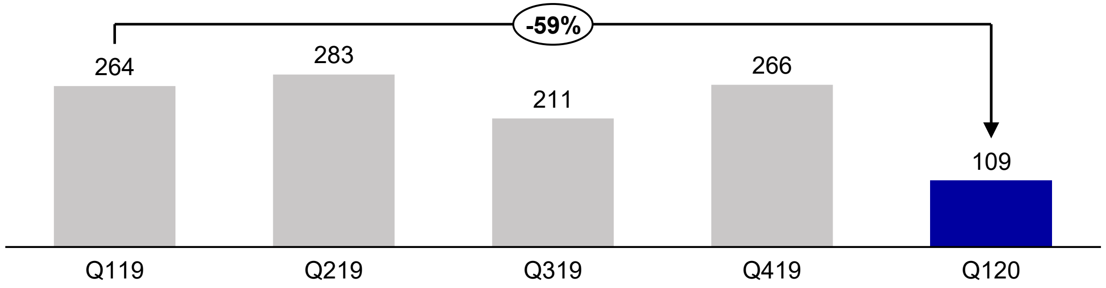
Net interest income, EURm



Net commission income, EURm



Net fair value, EURm



Comments year over year

- Net interest income up 5%
  - lending volumes up 4%
  - margins overall stable YoY, improving in the quarter
  - increased corporate loan demand in March
- Net commission income up 4%
  - growth in both lending and savings fees
  - strong commission income from equities and advisory
  - higher asset management and Life & Pension fees
    - down in March due to lower assets under management (AuM) affected by lower asset prices
- Net fair value down 59%
  - valuations significantly affected by falling asset prices, lower interest rates and widening credit spreads
  - revenues from customer business unchanged

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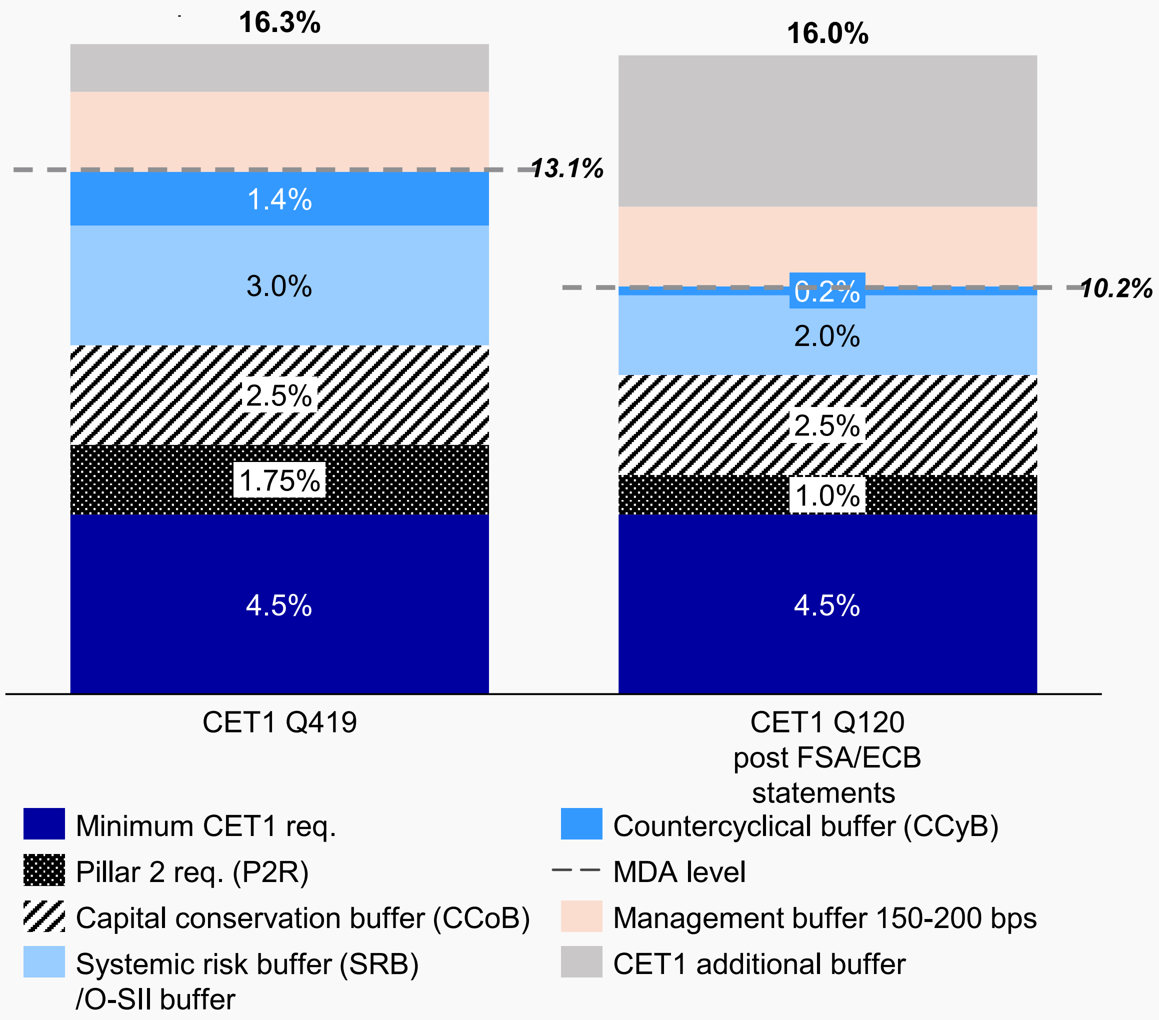
Capital – strong position enabling long-term sustainable growth

CET1 capital position and requirement



Comments

- Q1 CET1 ratio 16.0% compared to the current requirement of 10.2%
- CET1 buffer above requirement of ~5.8%-points corresponding to ~EUR 8.8bn
- CET1 requirements lowered by ~2.9%-points
- The ECB allow banks to partially use capital instruments, additional tier 1 (AT1) and tier 2 (T2) capital, to meet the P2R
- Nordea has postponed the 2019 dividend decision, i.e. dividend amount still deducted from the CET1 capital ratio

Recent updates to capital requirements

CCyB	Q419	Q120
Denmark	1.0%	0.0%
Norway	2.5%	1.0%
Sweden	2.5%	0.0%
Group CCyB	1.4%	0.2%
Finnish SRB/O-SII*	3.0%	2.0%
P2R (CET1)**	1.75%	1.0%
		Δ -2.9%

* Lowered SRB was formally decided 6 April by Finnish FSA

** P2R of 1.75% valid from 1 January 2020. Following ECB decision 12 March 2020, the P2R of 1.75% can be covered with at least CET1 56%, AT1 up to ~19% and Tier 2 up to ~25%

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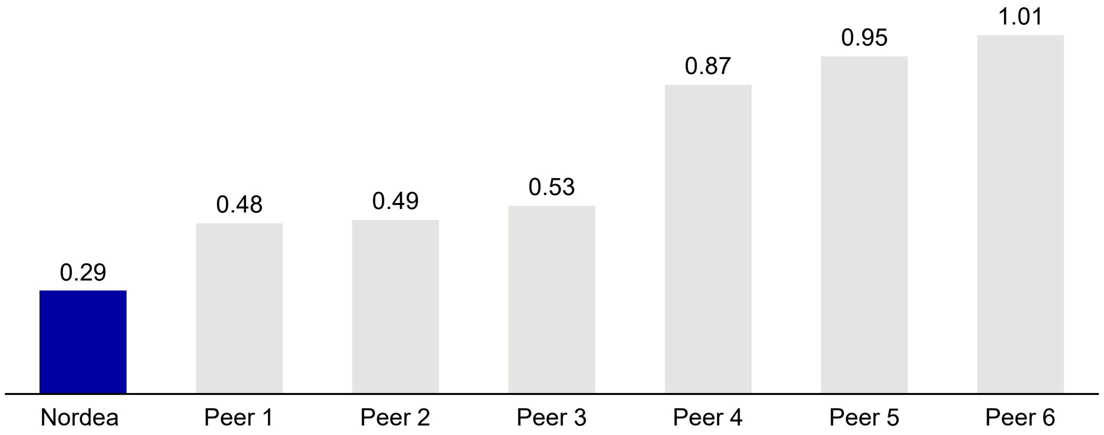
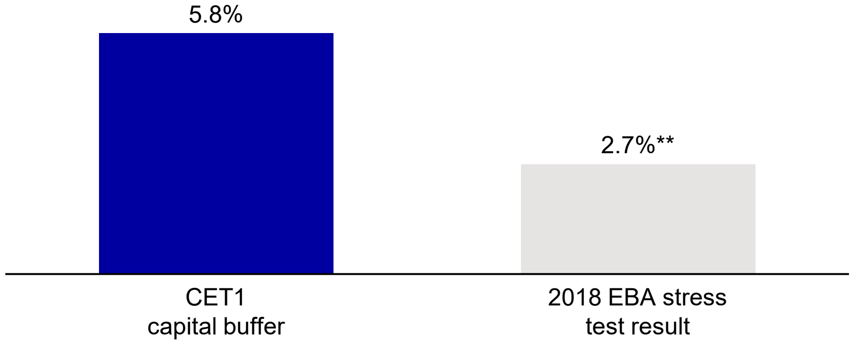
Capital – low historic volatility and significant buffer to regulatory requirements

Low CET1 volatility, 2006-19*, %



Capital buffer substantial



Comments

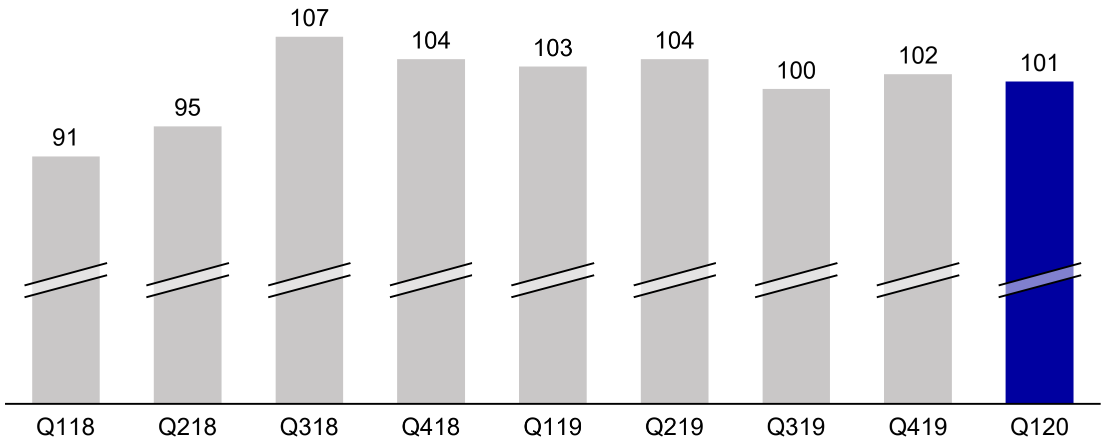
- A stable capital base
- Low CET1 volatility
- Robust capital position
- Current capital buffer is double 2018 EBA stress test CET1 impact

* 2006-2019 calculated as quarter-on-quarter volatility in CET1 ratio, adjusted so that the volatility effect of those instances in which the CET1 ratio increases between quarters is excluded. Excl. Q418 for all the banks (due to Nordea move into the Single Supervisory Mechanism (SSM) and for Swedish peers' move of Pillar 2 mortgage risk weight add-ons into Pillar 1

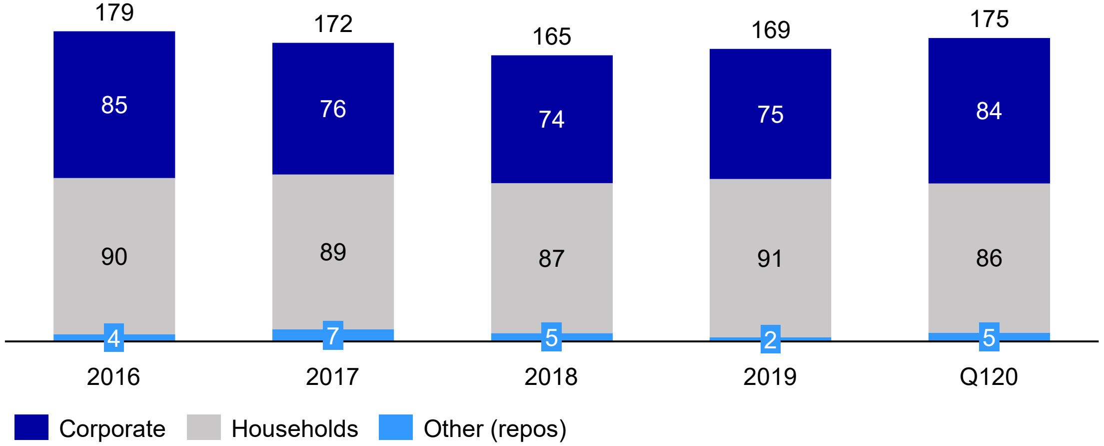
** Based on risk exposure amount of EUR 126bn versus current risk exposure amount of EUR 152bn

Liquidity – solid liquidity position supporting our customers

Liquidity buffer development, EURbn



Deposits, EURbn



Comments

- Robust liquidity position
  - stable liquidity buffer of over EUR 100bn
  - liquidity coverage ratio (LCR) improved to 182% from 166% in Q419
  - EU net stable funding ratio (NSFR) improved to 109.7% from 108.6% in Q419
- Corporate clients drew down EUR 2.4bn committed facilities in March 2020
- Deposits* increased 6% in local currencies
- Central bank facilities used in all Nordic countries

* Excluding repos

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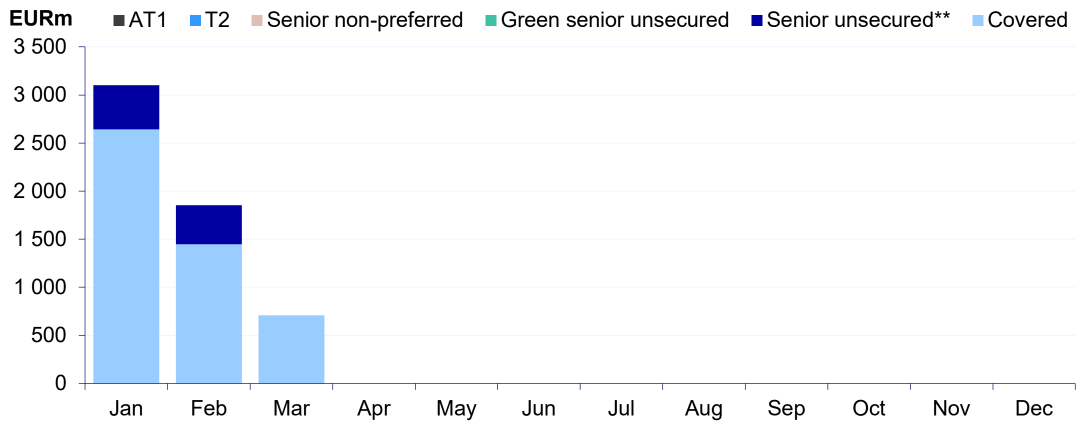
Solid funding operations

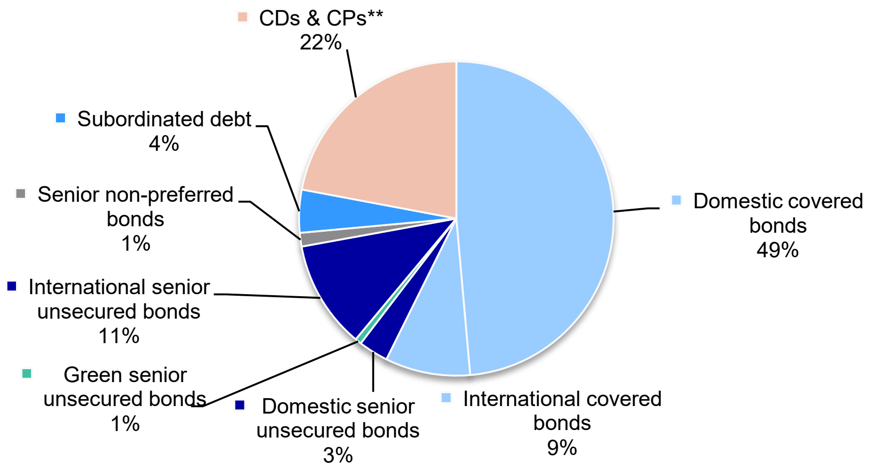
Long-term issuance Q1 2020, gross volumes, EUR 5.7bn*



Strong funding position

- EUR 5.7bn issued in Q1 2020
- NSFR 109.7% per Q1 2020 -further improved from the previous quarter
- 78% of total funding is long-term per Q1 2020
- Domestic covered bond markets functioning well
- Participation in Central Bank facilities in all Nordic countries

Long-term and short-term funding outstanding, EUR 192bn



High-level issuance plan for 2020

- Full year 2020 funding plan EUR 20-25bn (excl. capital instruments and Nordea Kredit) to be issued via covered bonds and senior unsecured debt
- Approximately 50% of this expected to be issued in domestic markets
- Near-term focus will be issuance of senior preferred and continued issuance of covered bonds
- Total expected need of senior non-preferred debt of EUR ~10bn over the coming years of which around EUR 2.7bn has been issued. To be reviewed in Q2 2020 and Q1 2021

* Excluding Nordea Kredit covered bonds
** Including CDs with original maturity over 1 year
*** As of Q120 78% of total funding is long-term

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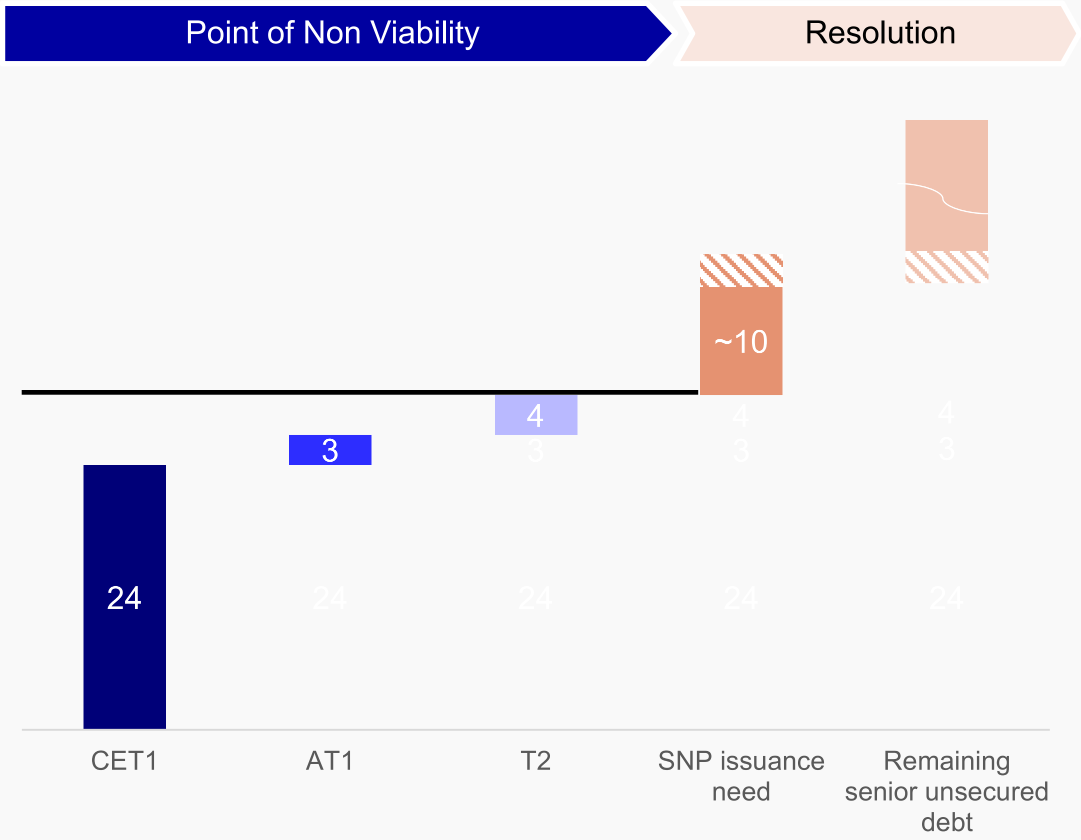
Senior non-preferred issuance plan

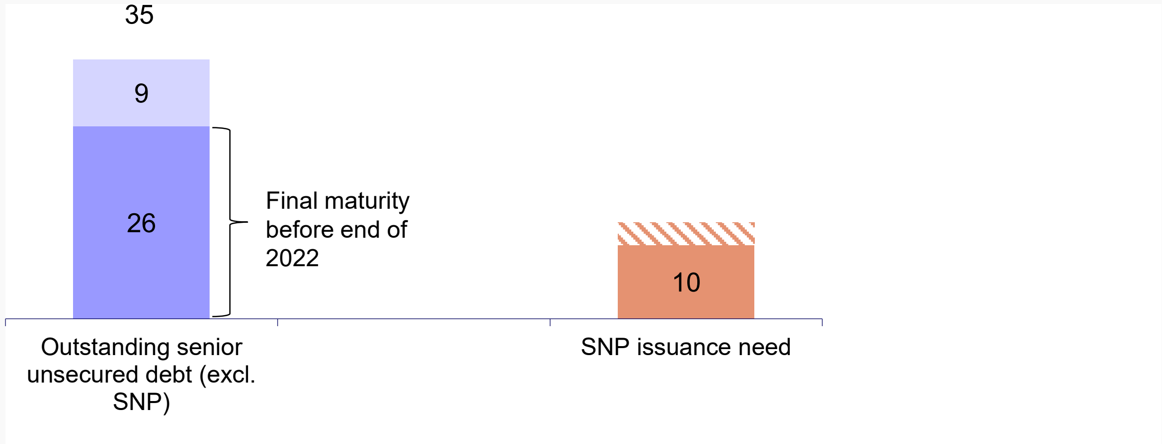
Own funds and bail-in-able debt, EURbn



Comments

- Issuance period for planned total SNP of EUR ~10bn* may be extended from the end of 2022 to the end of 2023, as a result of prolonged implementation time for MREL subordination requirement in SRMR2/BRRD2 and COVID-19
- SNP issuance plan to be reviewed in Q2 2020 in connection with the publication of SRB MREL policy on Banking Package (SRMR2/BRRD2)
- SNP issuance plan to be reviewed again in Q1 2021 in connection with the SRB decision for Nordea on MREL subordination requirement
- Nordea's own funds of ~EUR 31bn** will rank junior to SNP investors
- Nordea has issued SNP of EUR 2.7bn since June 2018

Senior bonds available for potential refinancing in SNP format, EURbn



* EUR 10bn does not include potential refinancing amount
** Excluding amortised Tier 2

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