

A photograph of a woman and a young girl sitting in a field of tall, golden-brown grass. The woman, on the left, has long dark hair and is wearing a pink and white striped shirt. She is laughing heartily, her mouth wide open. The girl, on the right, has long brown hair and is wearing a red long-sleeved shirt and blue jeans. She is also laughing, her mouth wide open. The background is a soft-focus field of grass and trees under a bright sky. The overall mood is joyful and carefree.

Nordea

A decorative graphic on the left side of the slide, consisting of several vertical blue bars of varying heights and widths, resembling a stylized bar chart or a modern logo element.

First-quarter results 2021

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.

This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Executive summary

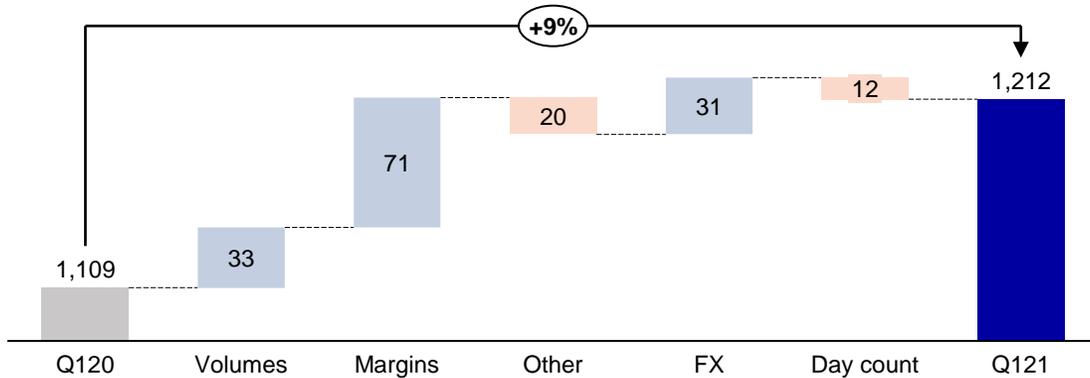
- Continued growth in business volumes and customer satisfaction across Nordics
 - Mortgage lending volumes up 6% y/y and SME lending volumes up 7% y/y
 - Assets under management up 33% to record high of EUR 372bn; particularly strong net inflow into retail funds
- Operating profit up 75% y/y, driven by high income growth, and total income up 21% y/y
 - Net interest income up 9% and net fee and commission income up 8%; net fair value result exceptionally strong
- Cost development in line with plan; cost-to-income ratio* down to 48%
- Profitability improving – return on equity* at 11.0% and earnings per share of EUR 0.19
- Strong credit quality with low realised losses; net loan losses and similar net result EUR 52m or 6bp
- Capital position among strongest in Europe with CET1 ratio of 17.5%, 7.3 percentage points above requirement
 - AGM authorisation for dividend of maximum EUR 0.72 per share, to be distributed after September 2021 in line with ECB guidance
- On track to reach 2022 financial targets

Group quarterly results Q1 2021

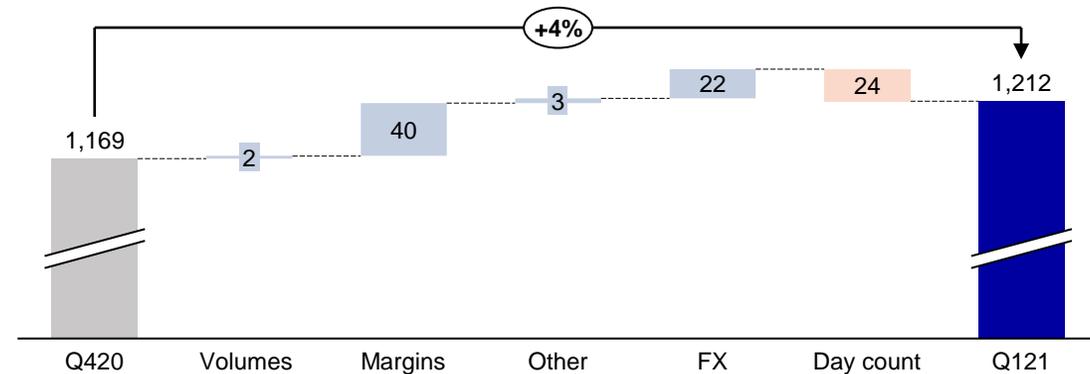
Income statement and key ratios EURm	Q121	Q120	Q1/Q1	Q420	Q1/Q4
Net interest income	1,212	1,109	9 %	1,169	4 %
Net fee and commission income	827	765	8 %	792	4 %
Net fair value result	370	110	236 %	217	71 %
Other income	11	18		41	
Total operating income	2,420	2,002	21 %	2,219	9 %
Total operating expenses excl. RF	-1,095	-1,095	0 %	-1,218	-10 %
Total operating expenses	-1,319	-1,248	6 %	-1,218	8 %
Profit before loan losses	1,101	754	46 %	1,001	10 %
Net loan losses and similar net result*	-52	-155		-28	
Operating profit	1,049	599	75 %	973	8 %
Cost-to-income ratio**, %	48	57		57	
Return on equity**, %	11.0	6.9		8.4	
Diluted earnings per share, EUR	0.19	0.11		0.18	

Net interest income – continued growth in business volumes

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm

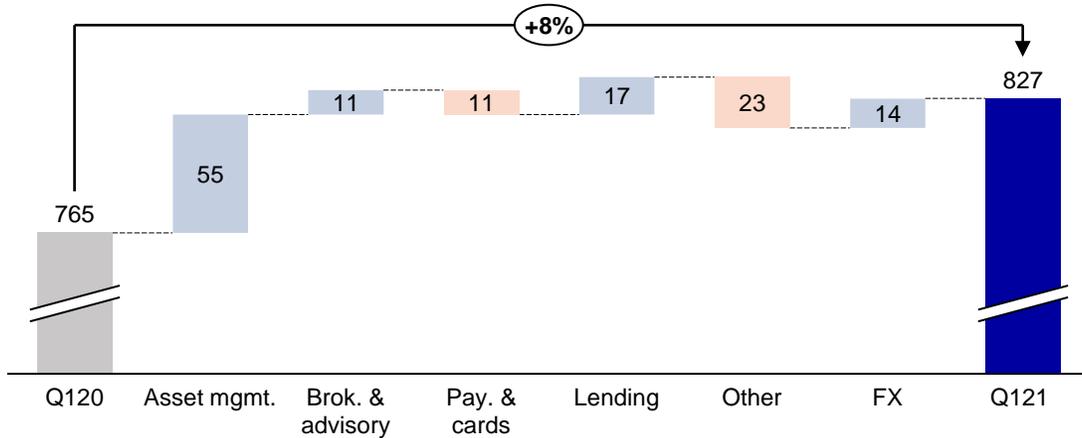


Comments

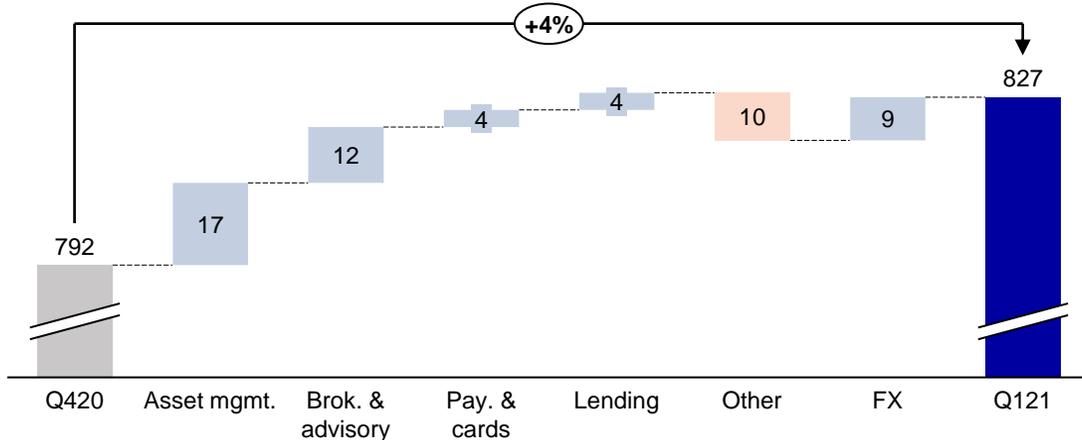
- Net interest income up 9% (up 7% excl. Nordea Finance Equipment)
- Mortgage volumes up 6% and lending to SMEs up 7%
 - Continued increase in customer satisfaction scores
- Continued improvement in lending margins for large corporates
- Lower funding costs and benefit received through participation in ECB's TLTRO III also contributing

Net fee and commission income – highest level since 2017, driven by savings and advisory

Year-over-year bridge, EURm



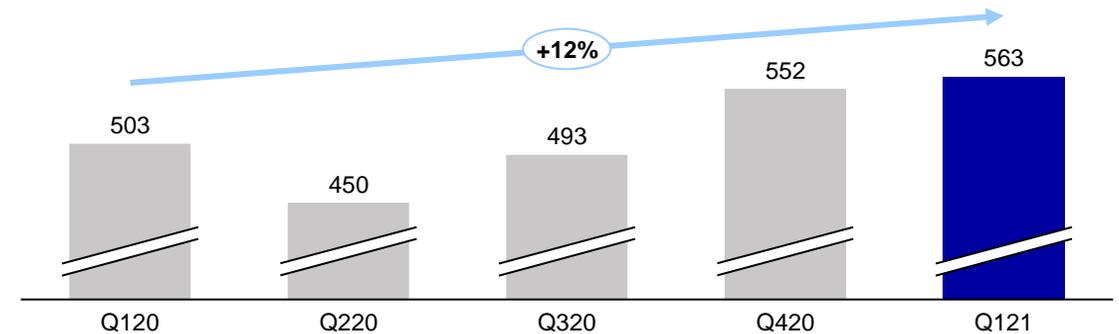
Quarter-over-quarter bridge, EURm



Comments

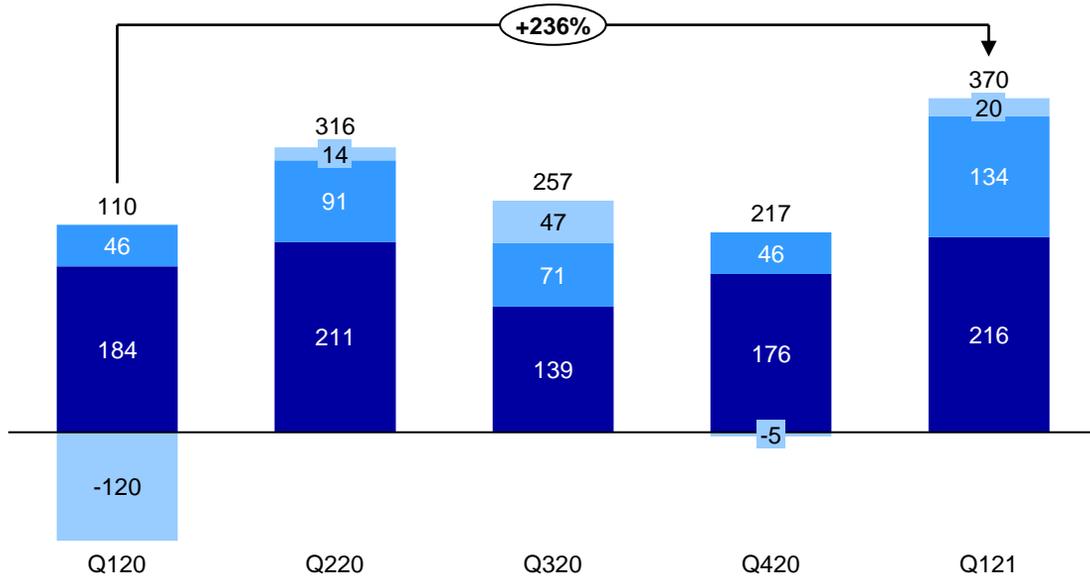
- Net fee and commission income up 8%
- Savings and investment commission income up 12%, driven by AuM growth
- Higher levels of customer activity in brokerage and advisory business
- Card income remains subdued

Savings and investment commission income, EURm



Net fair value result – exceptionally strong result in all areas

Net fair value result, EURm



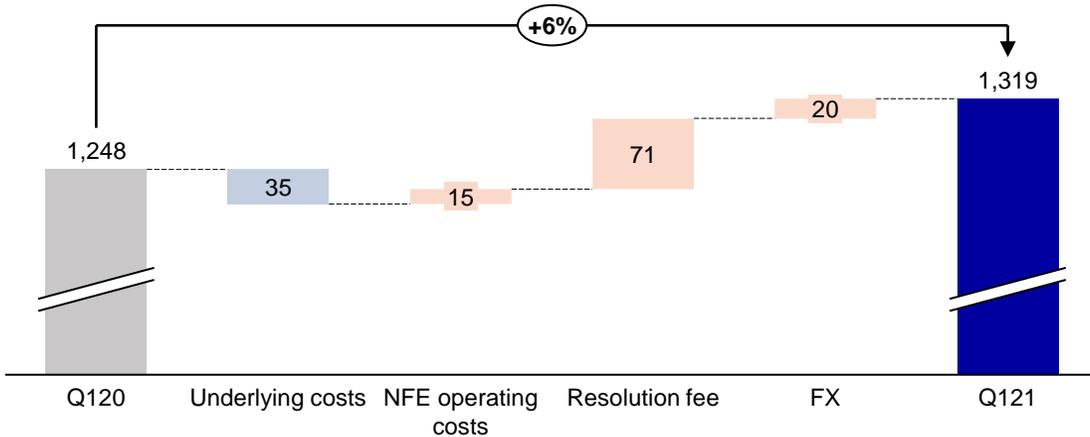
■ Customer areas* ■ Treasury & other**
■ Market-making operations

Comments

- High activity in customer areas
- Exceptionally strong quarter in market-making operations
 - Very strong trading result in fixed income, FX and equities
- Treasury lifted by revaluations of holdings

Costs – underlying cost decrease in line with plan

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



Comments

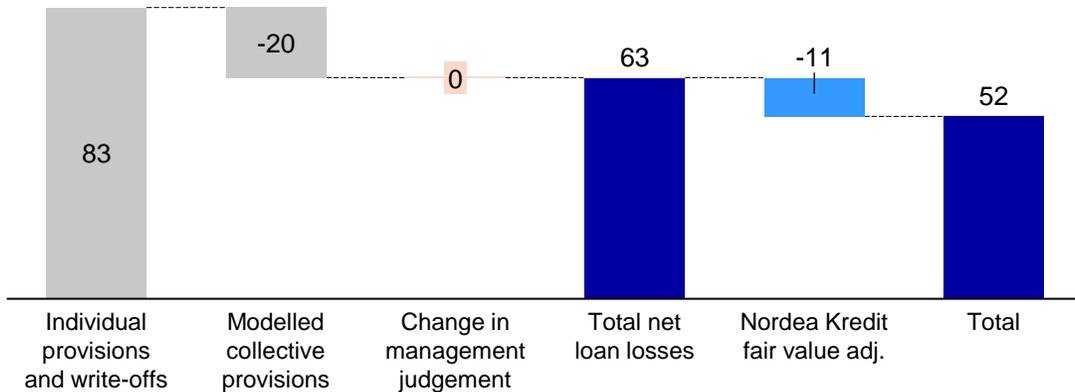
- Underlying costs down 3% (EUR 35m)
 - Full-year resolution fee of EUR 224m booked in Q1 2021
 - Exchange rate effects and inclusion of Nordea Finance Equipment (NFE)
- Staff costs down 2%, even after including NFE

Outlook

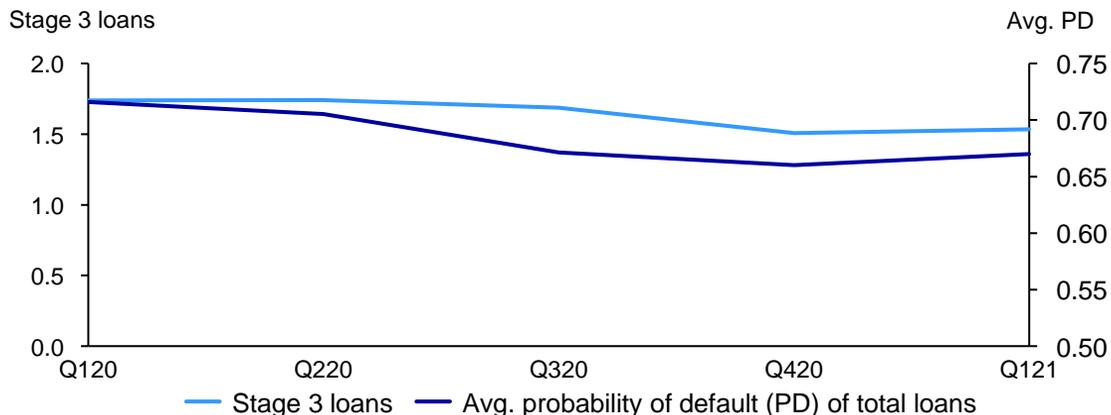
- Work to increase operational efficiency to continue
- 2021 costs expected to be below EUR 4.6bn, despite headwinds from higher business activity and strengthening exchange rates

Net loan losses and similar net result – credit quality remains strong

Net loan losses and similar net result Q121, EURm



Stage 3 loans and PD of total loans, %

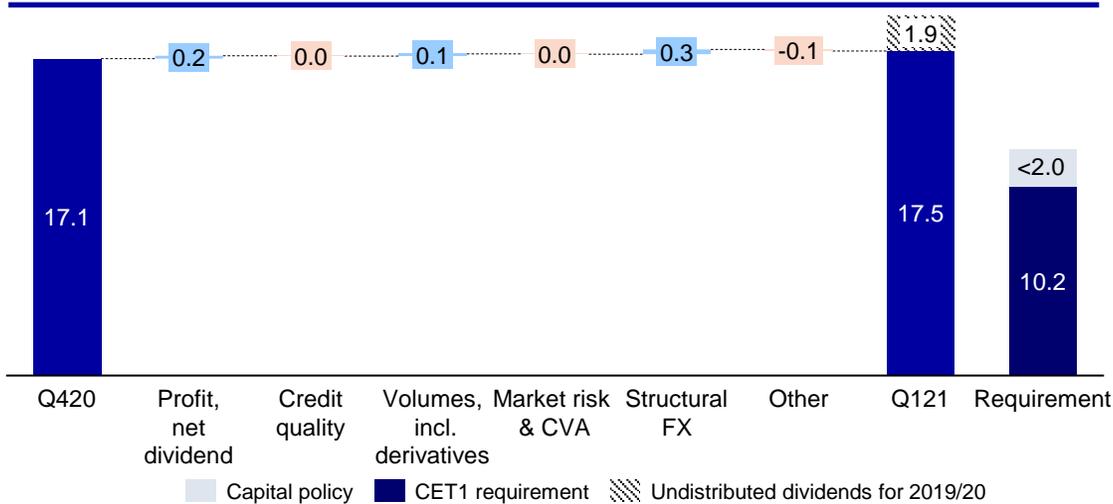


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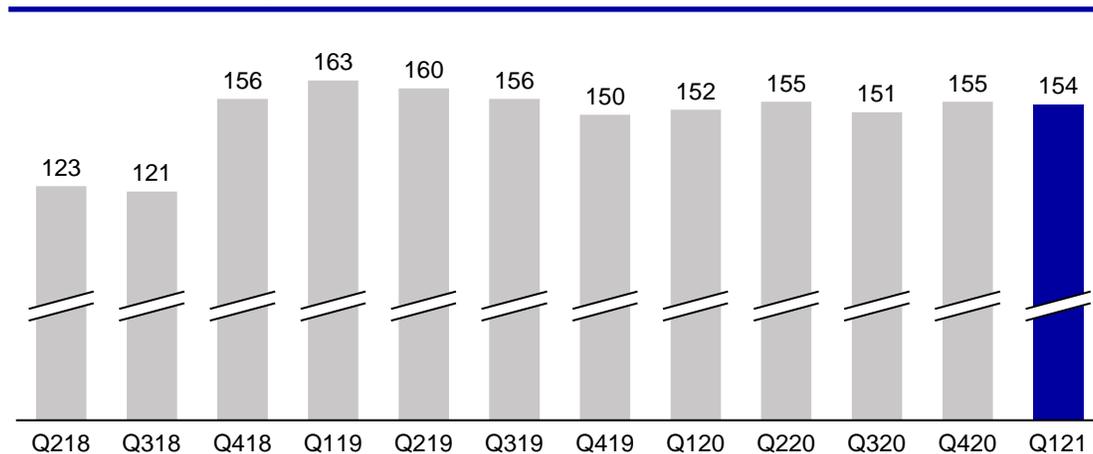
- Net loan losses and similar net result EUR 52m
- Credit quality strong and realised net loan losses low
 - Stage 3 loans 1.53%, slight increase q/q, mainly due to exchange rate movements
 - Loan losses mainly related to small number of individual customers affected by COVID-19 crisis
 - Limited negative credit migration
- Management judgement buffer of EUR 650m kept on balance sheet as full impact of COVID-19 pandemic on Nordea's customers remains uncertain

Capital – very strong capital position to support customers and pay dividends

CET1 capital ratio development, %



REA development, EURbn

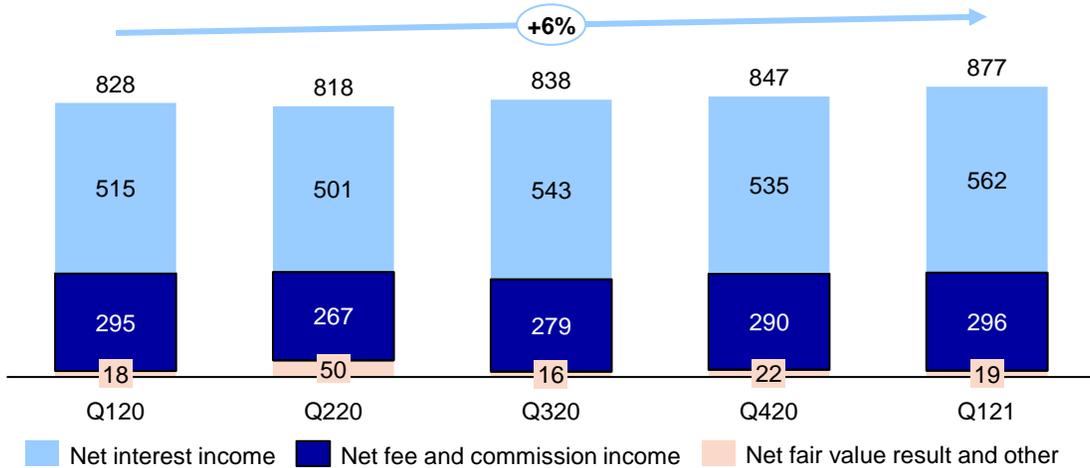


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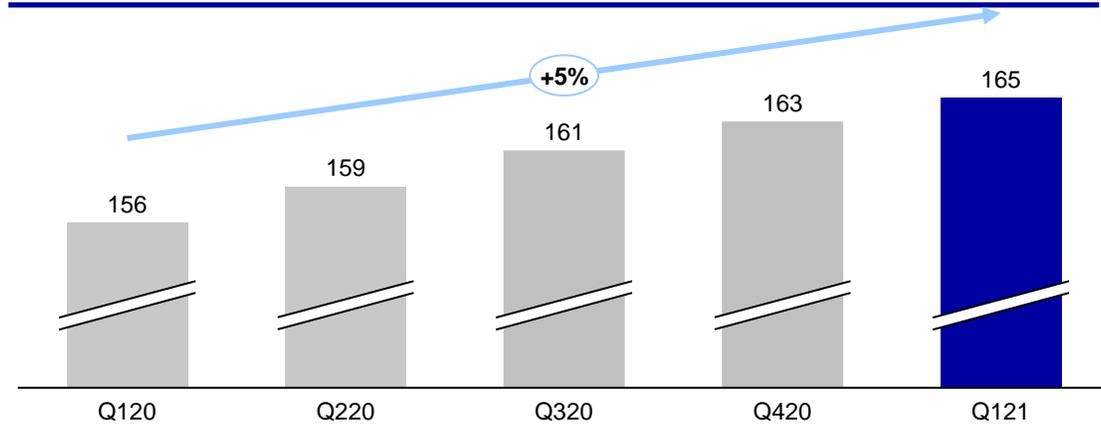
- CET1 capital ratio 17.5%, 7.3 percentage points above regulatory requirement*
- Risk exposure amount down EUR 1.4bn to EUR 154bn, mainly driven by implementation of structural FX waiver
- CET1 capital up EUR 0.4bn, mainly driven by profit net of dividend
- Plenty of capacity to support customers and distribute capital
- Dividend distribution
 - EUR 0.07 per share distributed by Nordea on 1 March 2021
 - Board of Directors authorised by AGM to decide on dividend payment of maximum EUR 0.72 per share, covering remaining dividend for 2019 and 2020 dividend

Personal Banking – continued good growth in business volumes

Total income, EURm



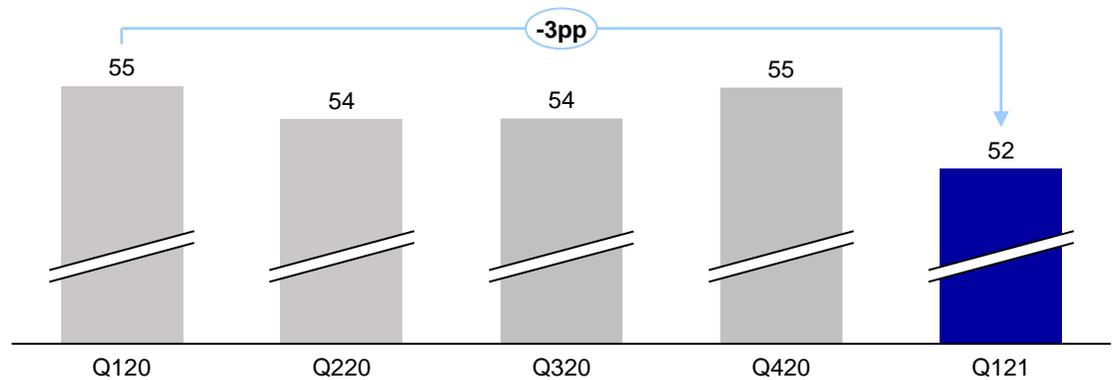
Lending*, EURbn



Comments

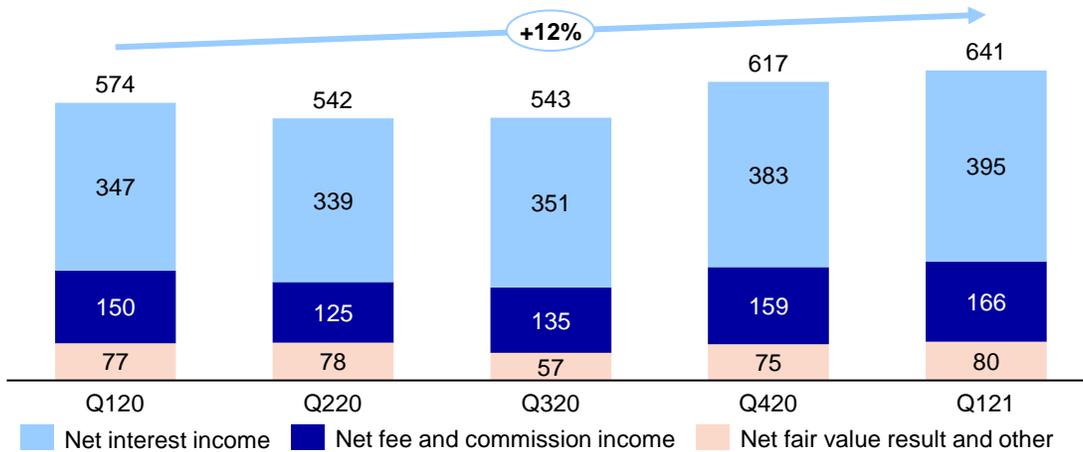
- Continued good mortgage volume growth across Nordic countries: up 6%*
- Total income up 6%
 - Nordea winning market shares across the Nordics
 - Continued recovery in net fee and commission income; subdued payment and card fee income offset by higher savings income
- Improved cost efficiency: cost-to-income ratio down to 52%

Cost-to-income ratio**, %

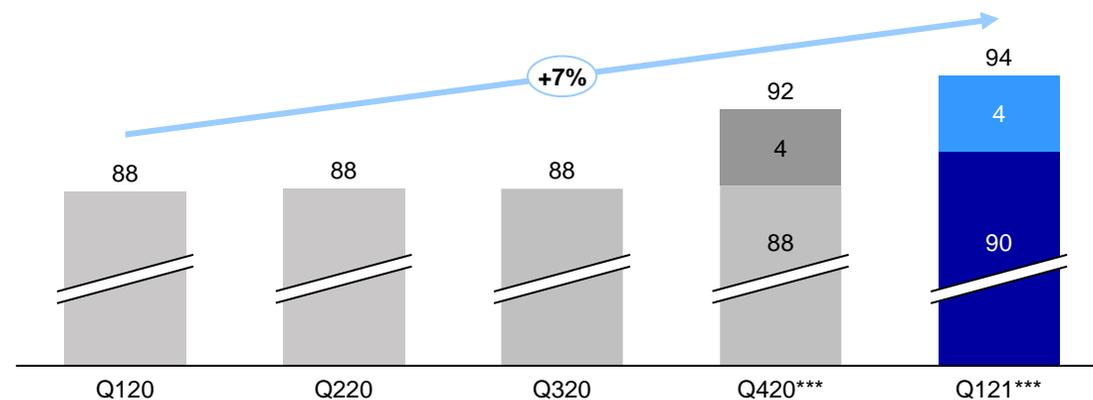


Business Banking – high levels of business activity

Total income, EURm



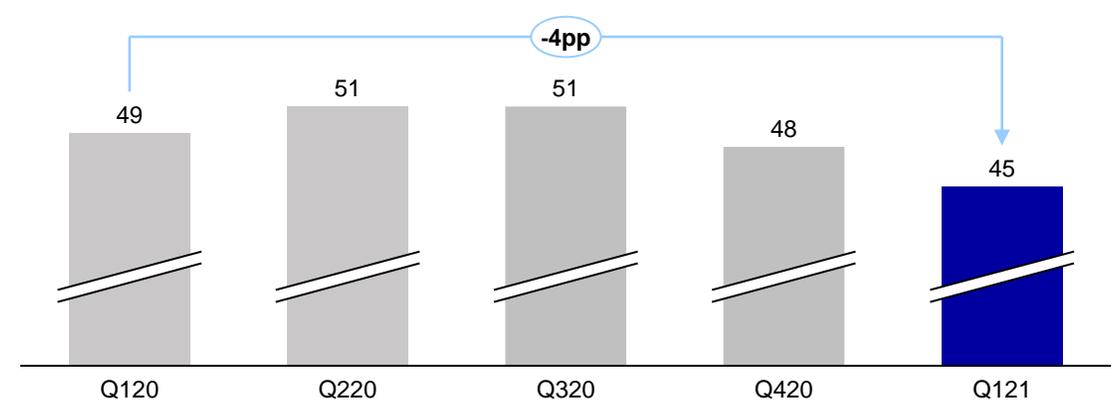
Lending*, EURbn



Comments

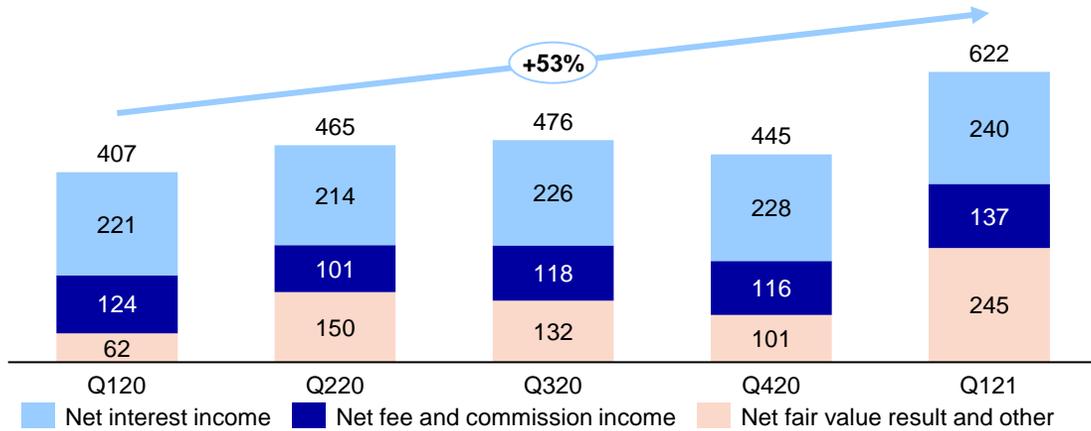
- Strong quarter with continued high levels of business activity
- Lending volumes up 7%* (3% excluding NFE), with growth in all countries
- Higher capital markets income partially offset by lower payment fees
- Higher customer satisfaction
- Improved cost efficiency: cost-to-income ratio down to 45%

Cost-to-income ratio**, %

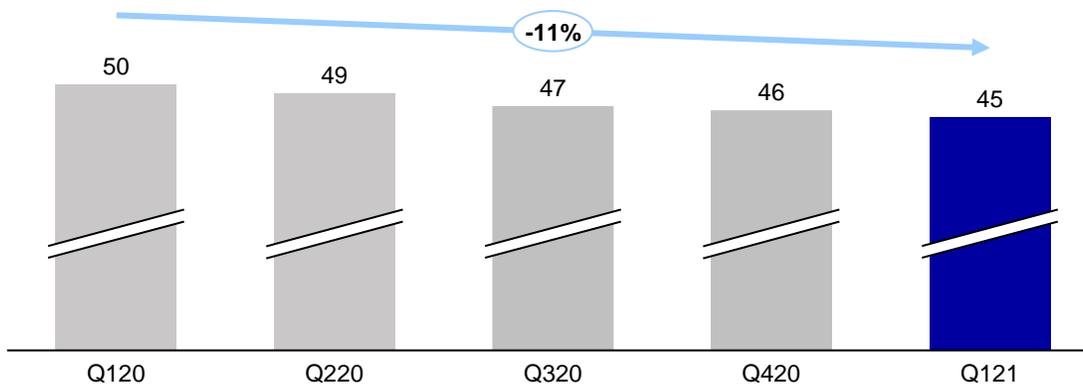


Large Corporates & Institutions – strong progress on strategic repositioning plan

Total income, EURm



Lending*, EURbn

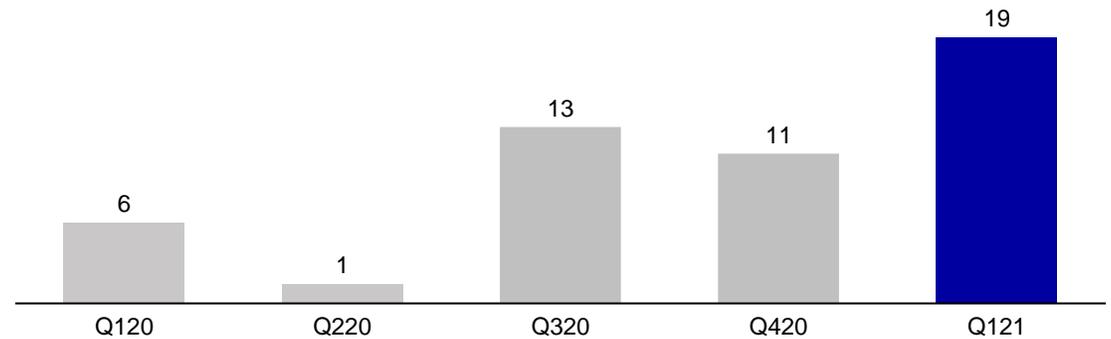


13 * Excluding repurchase agreements
 ** With amortised resolution fees
 ***Excluding resolution fees

Comments

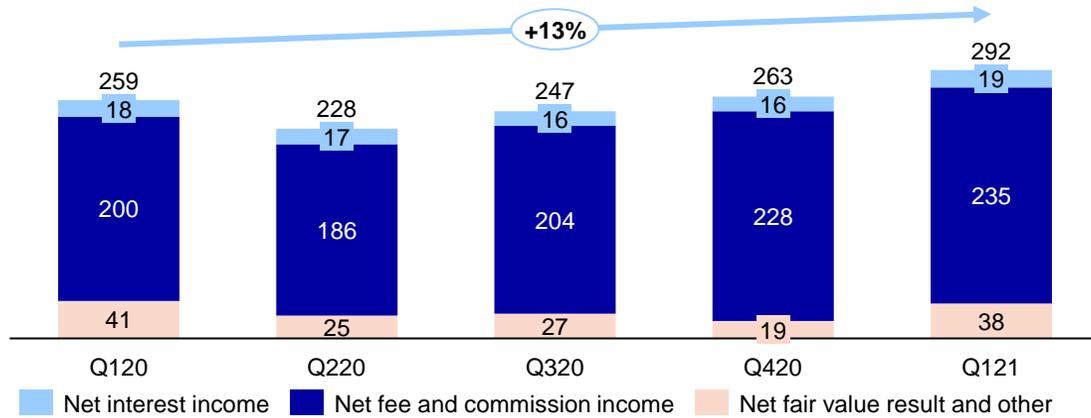
- Total income up 53% – improvements across all income lines
- Margins higher while total lending down due to repositioning
- High activity within Investment Banking and Equities
- NFV driven by high customer activity and strong risk management
- Further capital efficiencies with economic capital down 20% vs last year
- Costs down 2%***
- Improvement in return on capital at risk, now 19%

Return on capital at risk**, %



Asset & Wealth Management – record volumes and strong net inflow

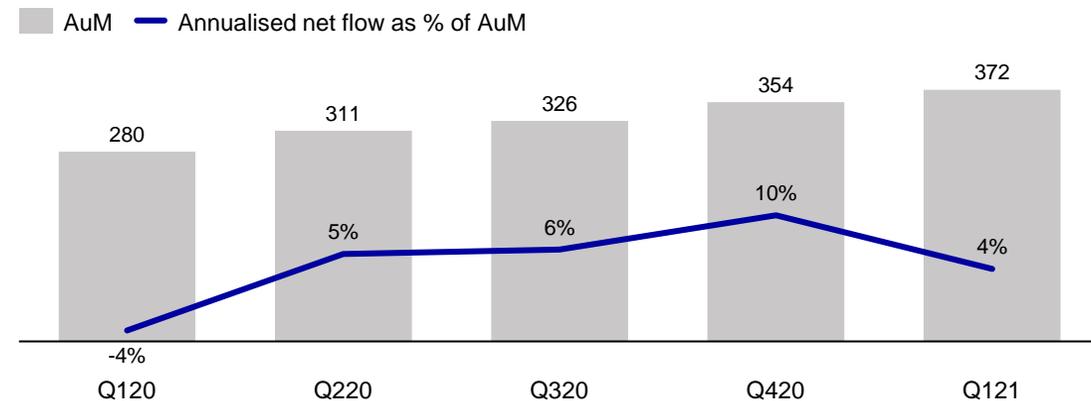
Total income, EURm



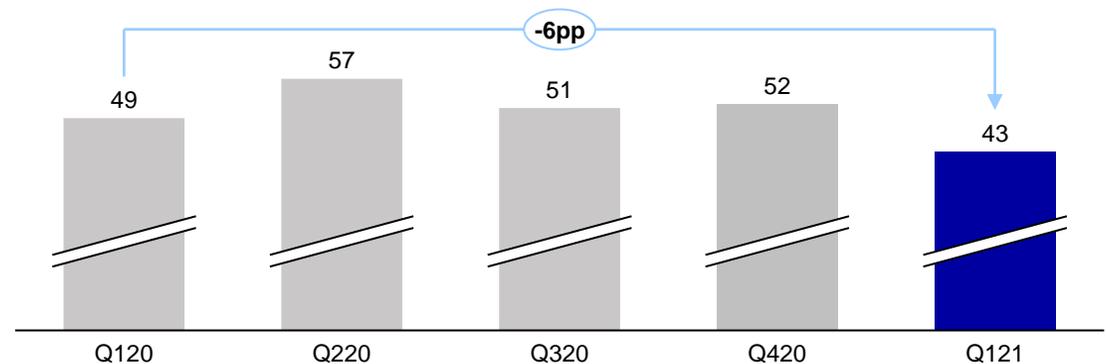
Comments

- Assets under management (AuM) up 33% to all-time high of EUR 372bn
- Net inflow of EUR 3.3bn, with strong contributions from retail funds, Private Banking and Life & Pension
- Continued strong demand for sustainability product offerings
- Customer satisfaction high, especially in Private Banking
- Total income up 13%, mainly driven by AuM increase
- Costs down 3%; improved cost-to-income ratio of 43%

Assets under management, EURbn, and net flows, %



Cost-to-income ratio*, %



We are committed to delivering on our financial targets

2022 TARGETS

Cost-to-income ratio

50%

Capital policy

150-200bp
management buffer
above regulatory CET1 requirement

Return on equity

>10%

Dividend policy

60-70% payout of distributable
profits to shareholders
Excess capital intended to be distributed
to shareholders through buy-backs

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Thank you

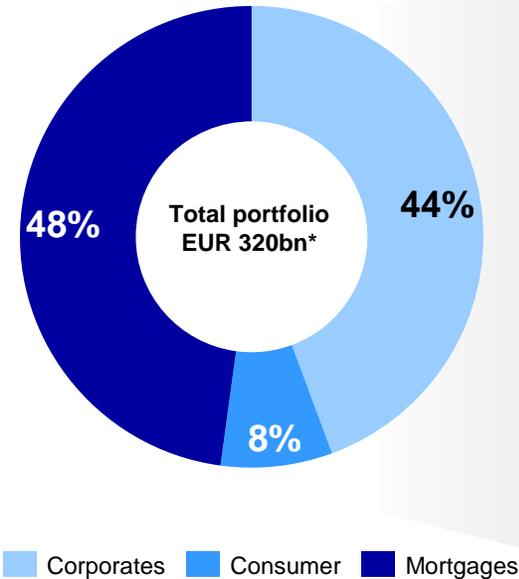
Nordea

Appendix

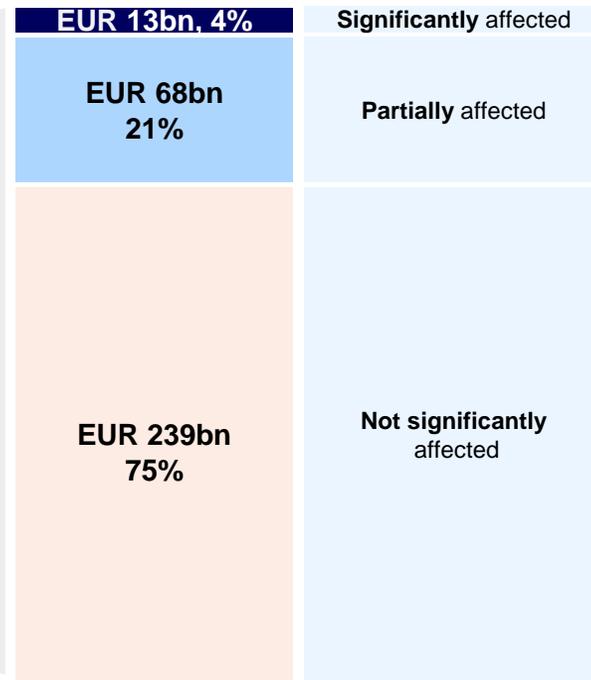


Loan book – well diversified with strong credit quality

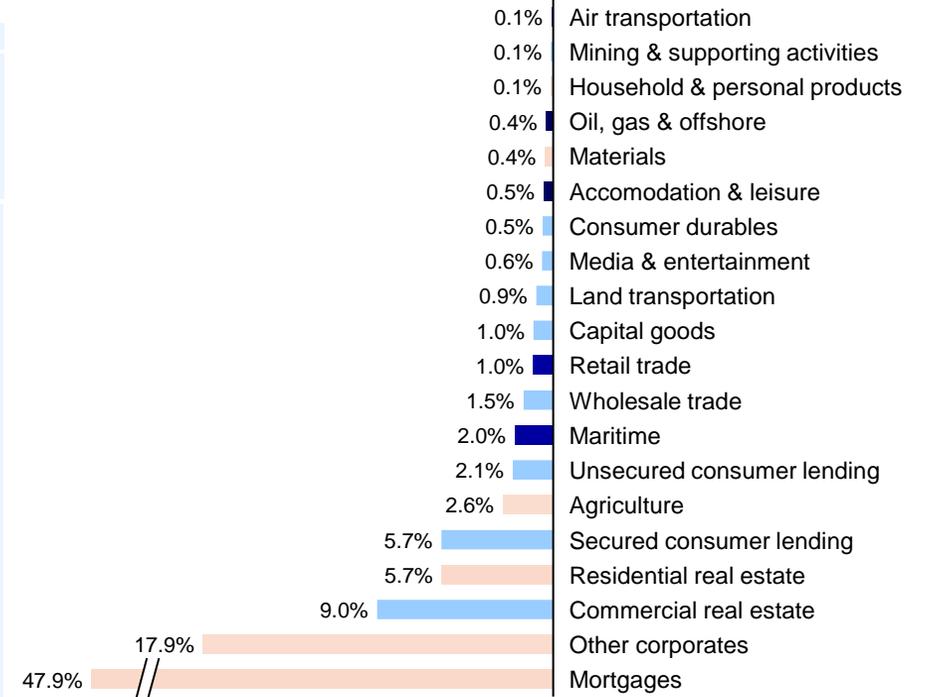
Portfolio well diversified across countries and segments



Updated analysis of COVID-19 impact by segment



Five segments with 4% of total exposures significantly affected



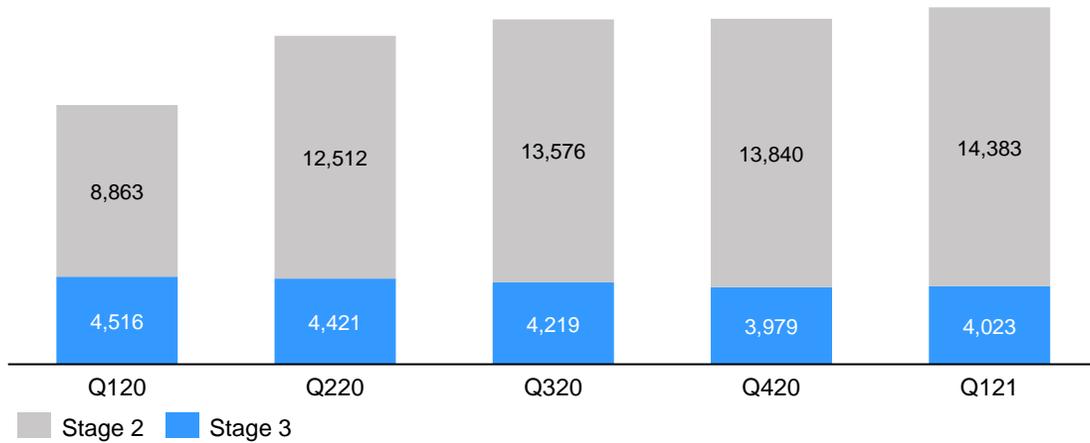
Nordic societies have well-structured social safety nets, strong fiscal positions and effective legal systems

Lending by country

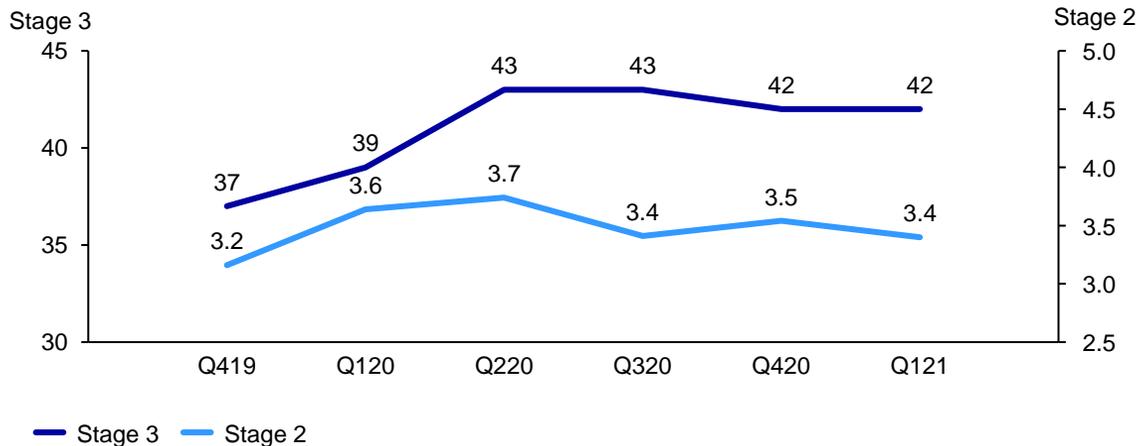


Strong and stable credit quality

Stage 2 and 3 loans at amortised cost, EURm



Coverage ratio, %

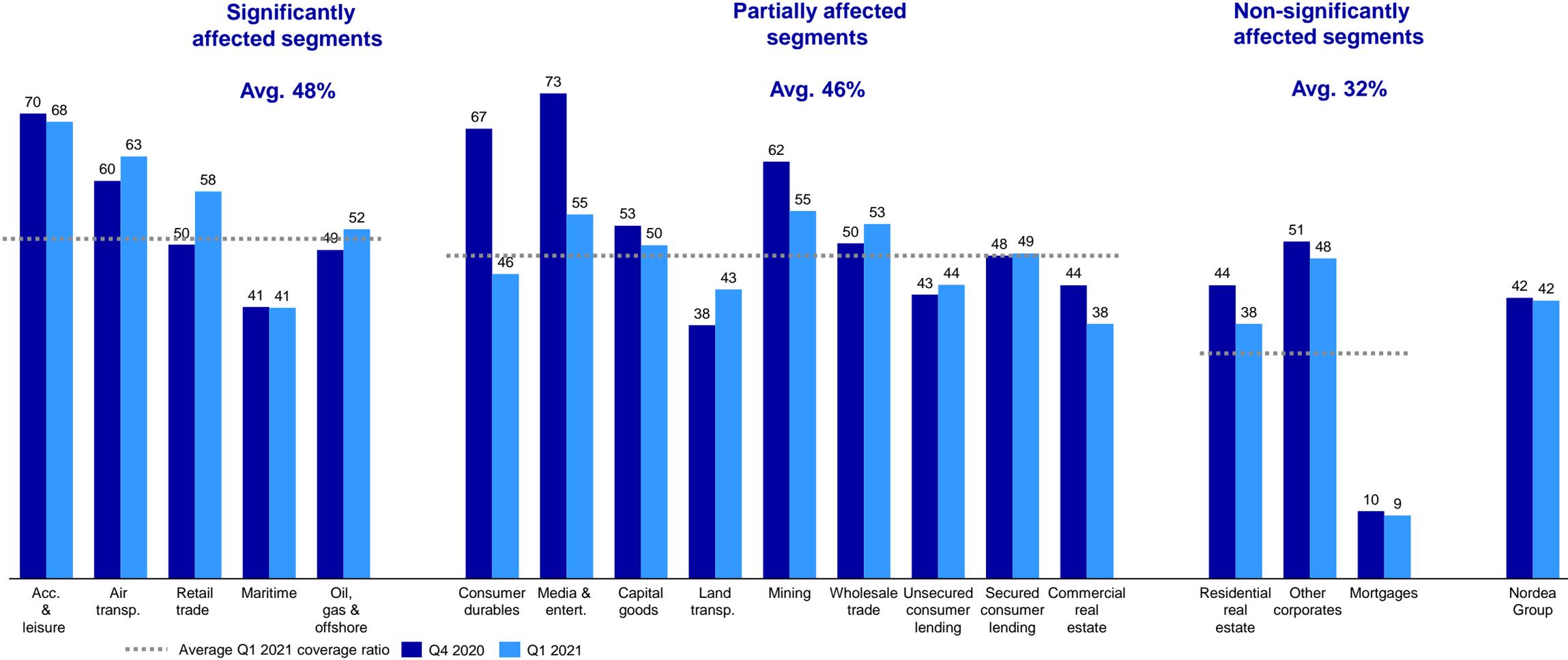


Comments

- Stage 2 loans slightly up (4% q/q), related to small number of COVID-19-affected customers
- Stage 3 loans still at low levels; small increase q/q due to exchange rate movements
- Coverage ratio for potential losses in stage 3 kept at 42%

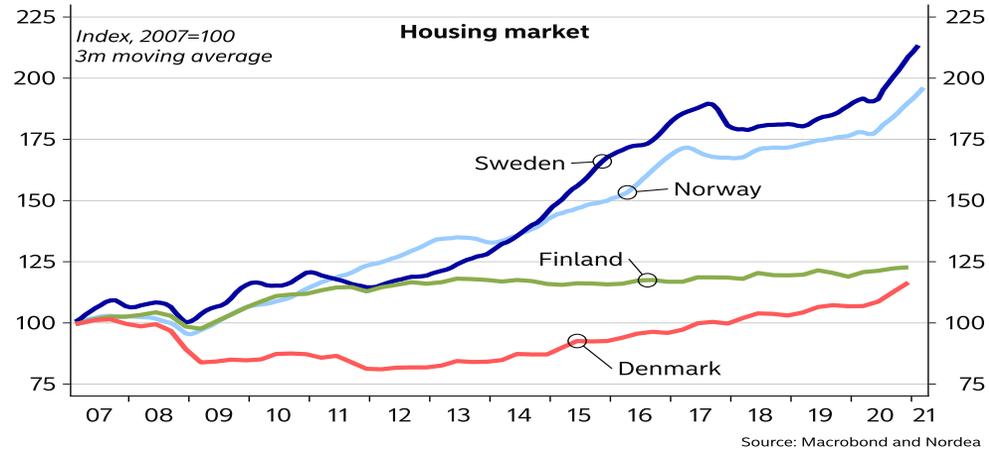
Coverage ratios – well provisioned for potential losses

Coverage ratios



Nordic economic development – resilient economies rebounding

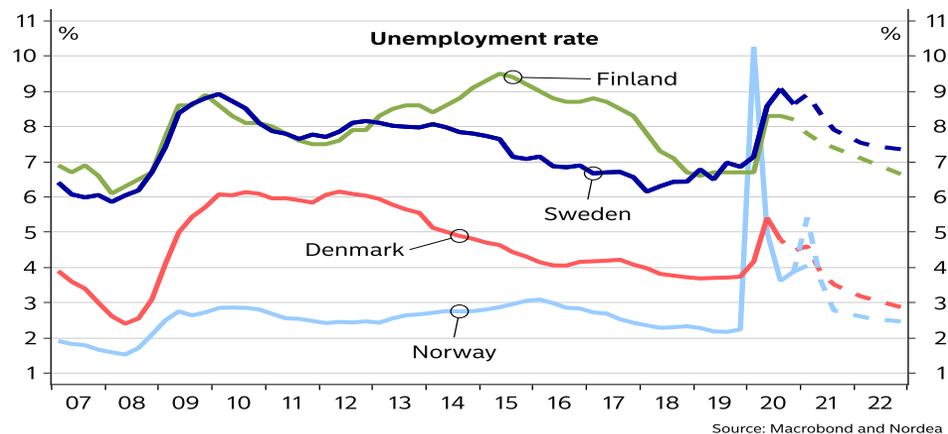
House prices



Comments

- Danish GDP up 0.7% q/q in Q4. Unemployment up to 4.6% in February and house prices up 12% y/y in March.
- Finnish GDP up 0.4% q/q in Q4. Unemployment down to 8.1% in February and house prices up 1% y/y in February.
- Norwegian mainland GDP up 1.8% q/q in Q4. Unemployment up to 4.2% in March, and house prices up 13% y/y in March.
- Swedish GDP down 0.2% q/q in Q4. Unemployment down to 8.4% in March and house prices up 20% y/y in March.

Unemployment rate



GDP forecasts, %, y/y (Nordea Markets)

Country	2020	2021E	2022E
Denmark	-2.7	2.5	3.5
Finland	-2.9	3.0	2.0
Norway	-2.5	2.7	4.3
Sweden	-2.8	4.0	3.0