

A woman with blonde hair tied back, wearing a light blue long-sleeved shirt and dark leggings, is sitting on a windowsill. She is looking at a silver laptop open in front of her. Her right hand is pointing at the laptop screen, and her left hand is holding a smartphone. The window behind her is large and multi-paned, showing a view of green trees outside. The lighting is bright and natural, coming from the window. The overall mood is calm and focused.

Nordea

Debt investor presentation Q1 2020

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.

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1. Nordea quarterly update

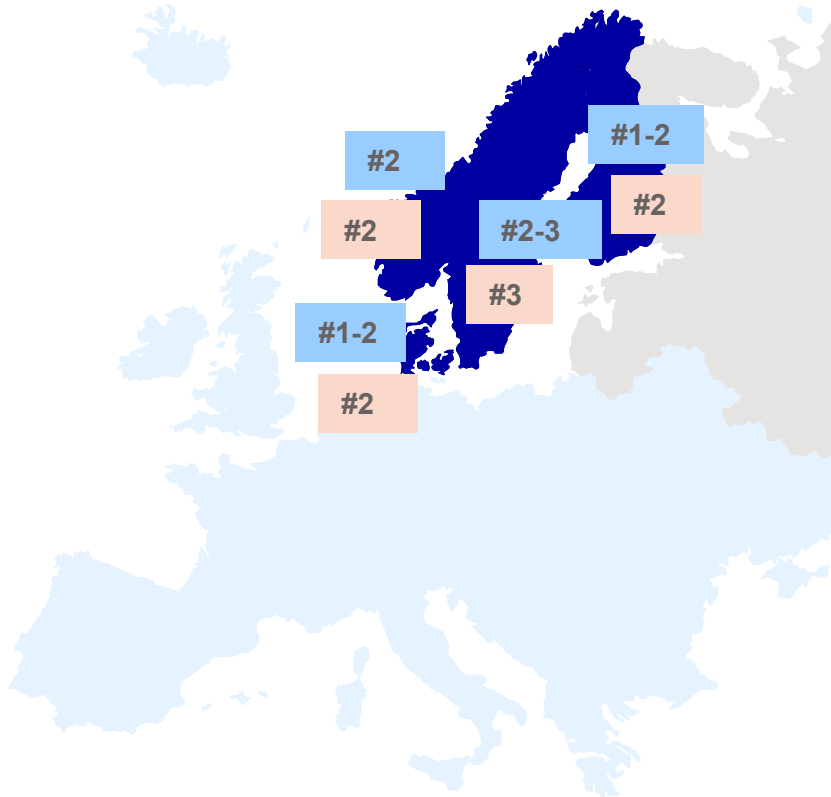
The largest financial services group in the Nordics

Household market position*

#1

Corporate & Institutional market position**

#1



Business position

- Leading market position in all four Nordic countries
- Universal bank with strong position in household, corporate and institutions, and asset and wealth management
- Well-diversified business mix between net interest income, net commission income and capital markets income

10 million customers and strong distribution power

- 9.3 million household customers
- 530,000 small and medium-sized companies
- 2,650 large corporates and institutions, including Nordic Top 500
- Approx. 340 branch office locations
- Enhanced digitalisation of the business for customers
- Income evenly distributed between the business areas

Financial strength (Q120)

- EUR 2.0bn in total income, EUR 0.6bn in operating profit
- EUR 600bn of assets
- EUR 31.5bn in equity capital
- CET1 ratio 16.0%
- Leverage ratio 4.8%

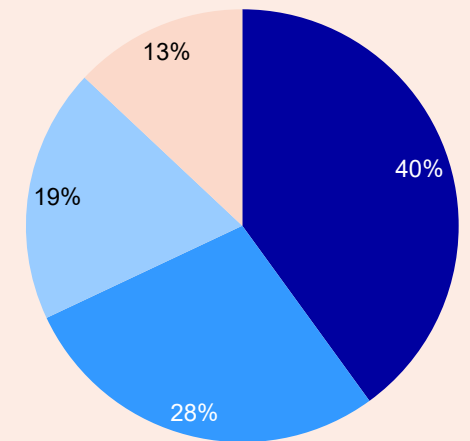
AA level credit ratings (senior preferred bonds)

- Moody's Aa3 (stable outlook)
- S&P AA- (negative outlook)
- Fitch AA (rating watch negative)

EUR 21bn in market cap (Q120)

- One of the largest Nordic corporations
- A top-15 universal bank in Europe

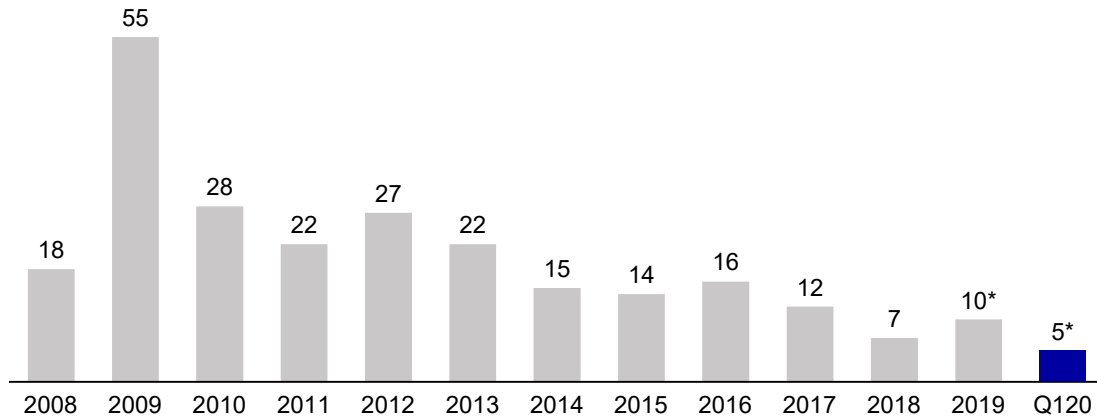
Operating income per business area, Q120



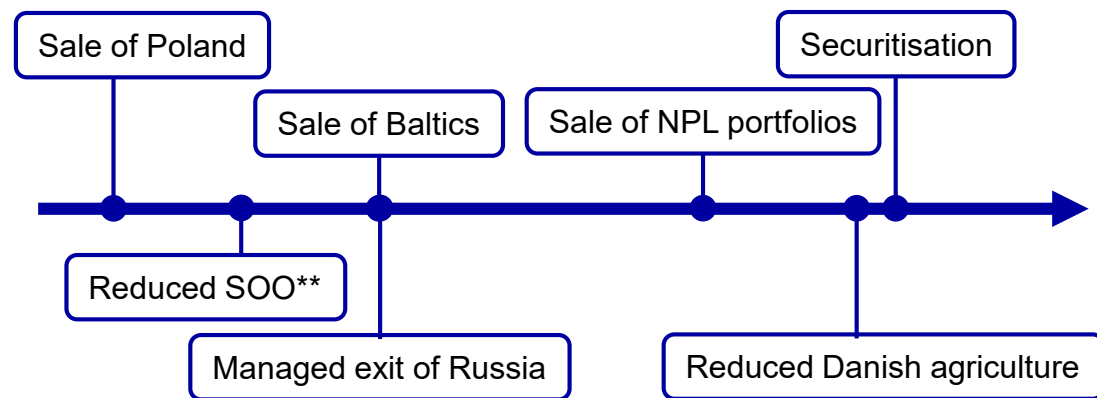
■ Personal Banking
 ■ Large Corporates & Institutions
 ■ Business Banking
 ■ Asset & Wealth Management

Credit - long history of low loan losses, enhanced by portfolio de-risking

Stable underlying loan loss ratios at a low level



Significant de-risking



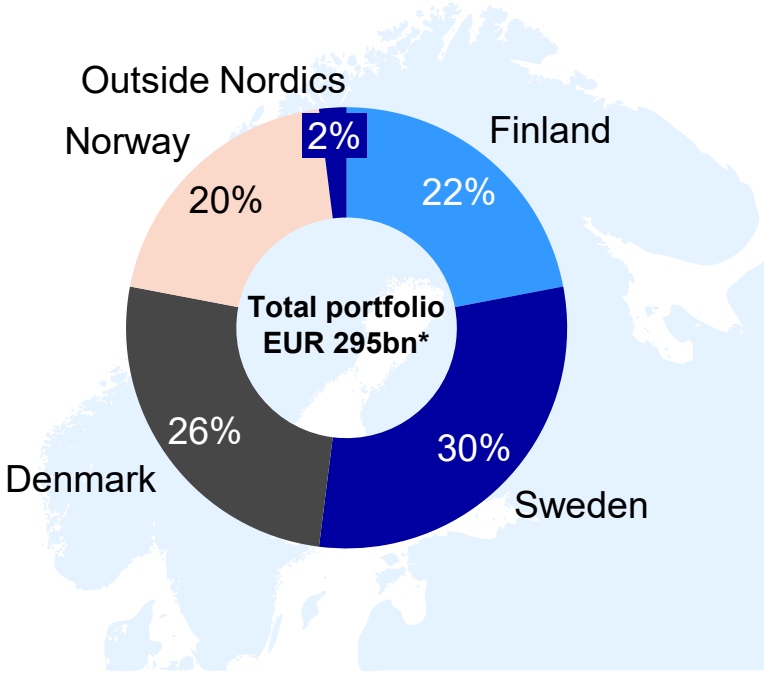
Comments

- Low and stable loan loss ratios
- Low risk appetite and prudent management of risk
- Average loan losses 19 bps since 2008
- Average loan losses during 2008-2010 amounted to 33 bps compared to average of Nordic peers of 57 bps
- Risk profile further reduced by divestments and reductions in high risk exposures

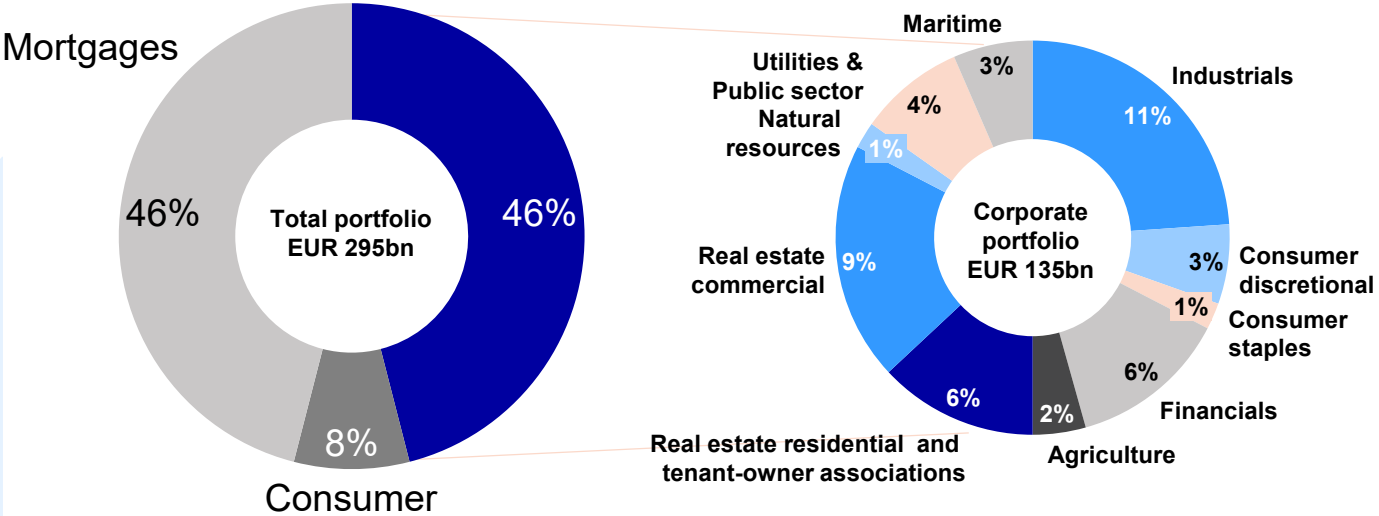
Loan portfolio – well diversified across stable Nordic markets

Well diversified across stable Nordic markets

Corporate portfolio well diversified across sectors

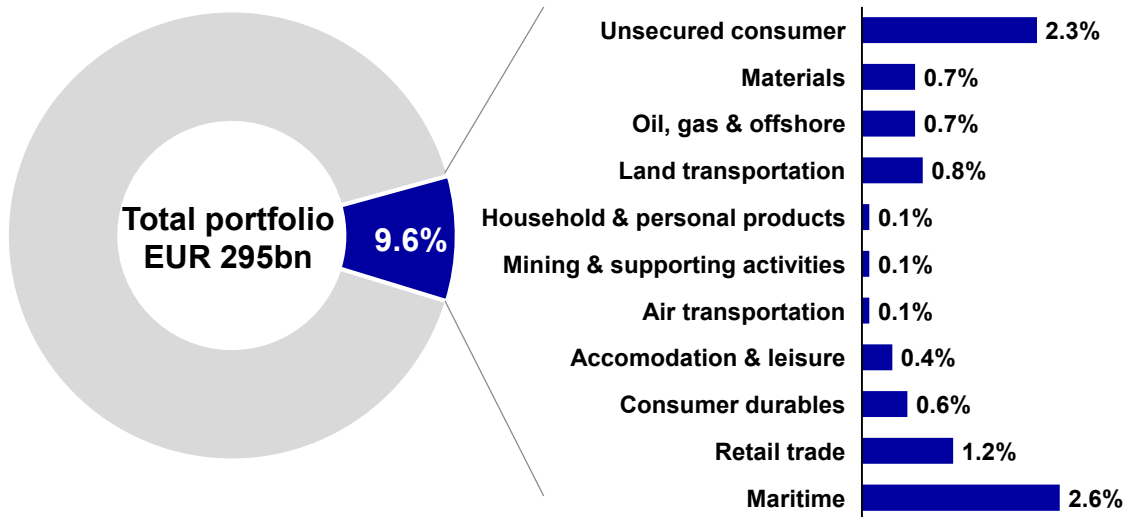


Nordic societies with well structured social safety nets, strong fiscal positions and effective legal systems



Loan portfolio – well diversified across segments

Exposure to immediately affected segments limited



Comments

- Well-positioned entering into the COVID-19 shock
 - total allowance EUR 2.4bn
- Immediately affected segments amount to 9.6% of total loan portfolio
- Q120 provisioning based on factual evidence and identified near term likely losses
- Allowances include management judgement of EUR 327m of which EUR 120m in Q120
- It is too early to give an outlook for loan losses, as the economic impact of the COVID-19 is still very uncertain



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

Lending split with low concentration to each sector and segment

Lending volumes per sector and segment (EURbn) and portions of the total lending portfolio (%), 2020-03-31 (excluding reverse repos)

Financial institutions	16.2	5.5%	<i>Maritime (shipping):</i>		
Crops etc (agriculture)	3.6	1.2%	Tankers (crude, product, chemical)	2.2	0.7%
Animal husbandry (agriculture)	2.5	0.8%	Dry cargo	0.9	0.3%
Fishing and aquaculture	1.2	0.4%	Gas tankers	1.3	0.4%
Paper and forest products	1.8	0.6%	RoRo vessels	0.3	0.1%
Mining etc	0.3	0.1%	Container ships	0.1	0.0%
Oil and gas	1.1	0.4%	Car carriers	0.5	0.2%
Offshore	0.9	0.3%	Supply vessels	0.6	0.2%
Food processing and beverages	1.1	0.4%	Floating production	0.2	0.1%
Household and personal products	0.4	0.1%	Oil services	0.3	0.1%
Healthcare	2.0	0.7%	Cruise	0.4	0.1%
Media and entertainment	1.4	0.5%	Ferries	0.2	0.1%
Accommodation and leisure	1.3	0.4%	Other	0.8	0.3%
Air transportation	0.3	0.1%	Utilities, distribution and waste management	2.9	1.0%
Telecommunication services	1.0	0.3%	Power production	1.9	0.6%
Consumer durables	1.7	0.6%	Public Services	3.4	1.2%
Retail trade	3.5	1.2%	Other industries	0.9	0.3%
Land transportation	2.3	0.8%	Household mortgage loans	136.2	46.2%
IT services	1.5	0.5%	<i>of which household mortgage loans Denmark</i>	33.7	11.4%
Materials	2.1	0.7%	<i>of which household mortgage loans Finland</i>	30.2	10.2%
Capital goods	3.2	1.1%	<i>of which household mortgage loans Norway</i>	29.0	9.8%
Commercial and professional services	11.0	3.7%	<i>of which household mortgage loans Sweden</i>	43.3	14.7%
Construction	6.1	2.1%	Secured, collateralised consumer loans	17.4	5.9%
Wholesale trade	5.3	1.8%	Unsecured consumer loans	6.7	2.3%
Commercial real estate	25.6	8.7%	Public sector	3.4	1.2%
Residential tenant-owned associations and companies	17.3	5.9%	Total loans to the public	295.1	100.0%

Loan portfolio – good quality and low exposure to highly affected industries

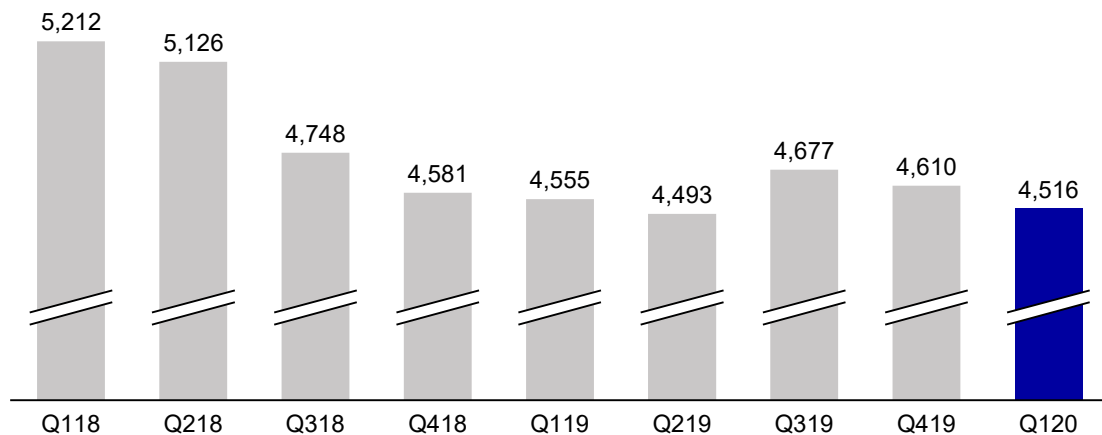
Sector	Total lending* EURbn	Share of total portfolio	Impaired loans ratio, %	Allowance ratio, %	Loan loss ratio Q1, bps
Corporates	135	46	2.1	47	34
Housing loans	136	46	0.7	4	1
Consumer lending	24	8	3.1	43	70
Total	295	100	1.6	39	22

Corporate segment	Industries immediately affected by COVID-19	Total lending* EURbn	Share of total portfolio, %	Impaired loans ratio, %	Allowance ratio, %	Loan loss ratio Q1, bps
<i>Maritime</i>	<i>Maritime</i>	8.1	2.5	8.2	39	197
<i>Consumer discretionary</i>	<i>Retail trade</i>	3.6	1.1	2.5	61	185
	<i>Consumer durables</i>	1.7	0.5	2.8	50	82
	<i>Accommodation & leisure</i>	1.3	0.4	1.0	44	90
	<i>Air transportation</i>	0.3	0.1	1.1	64	13
<i>Industrials</i>	<i>Land transportation</i>	2.3	0.7	2.4	38	37
	<i>Materials</i>	2.2	0.7	5.6	62	51
<i>Natural resources</i>	<i>Oil, gas & offshore</i>	2.3	0.7	33.2	46	1,239
	<i>Mining & supporting activities</i>	0.3	0.1	2.1	34	36
<i>Consumer staples</i>	<i>Household & personal products</i>	0.4	0.1	1.1	68	97
	Total	22	6.9	7.9	45	245

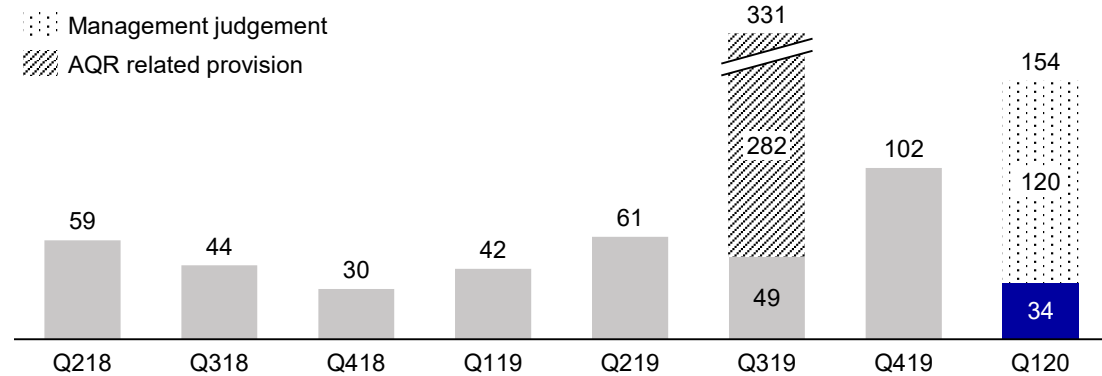
- Allowance ratio for impaired loans increased to 39% from 35% in Q119
- Total allowance coverage against future losses of EUR 2.4bn including management judgement of EUR 327m

Asset quality – higher provisions due to uncertain economic outlook

Stage 3 impaired loans at amortised cost, EURm



Total net loan losses, EURm

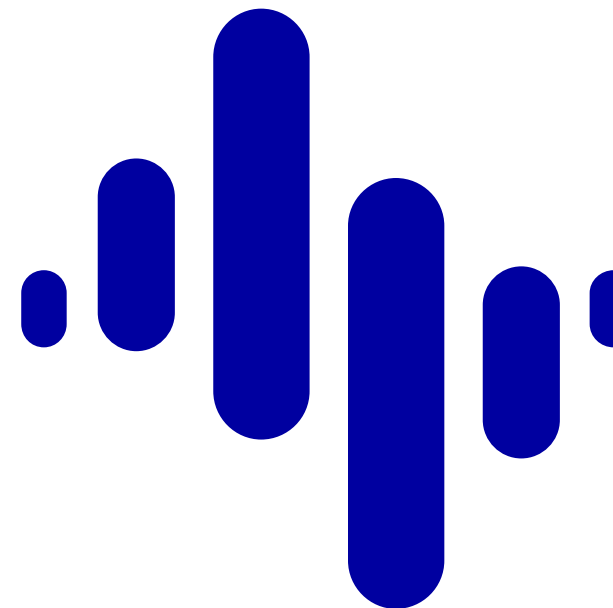


Comments

- 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 Q220

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

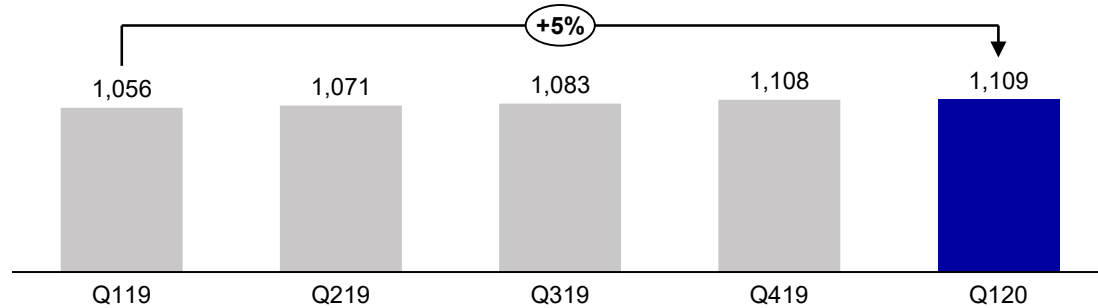
The actions we are taking are focused on doing all we can to support our customers, keeping our employees safe and ensuring business continuity

Group quarterly results Q1 2020 excluding one-offs*

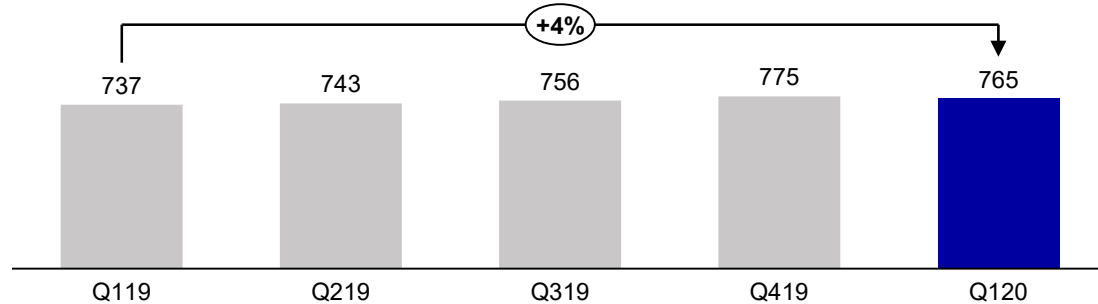
Income statement, EURm	Q120	Q119	Q1/Q1	Q419	Q1/Q4
Net interest income	1,109	1,056	5%	1,108	0%
Net fee and commission income	765	737	4%	775	-1%
Net fair value result	109	264	-59%	266	-59%
Other income	18	59		7	
Total operating income	2,001	2,115	-5%	2,156	-7%
Total operating expenses	-1,248	-1,357	-8%	-1,179	6%
Profit before loan losses	753	758	-1%	977	-23%
Net loan losses	-154	-42		-102	
Operating profit	599	716	-16%	875	-31%
Cost/income ratio with amortised resolution fees, %	57	57	0	57	0
Return on equity with amortised resolution fees, %	7.1	8.1	-1.0	7.6	-0.5

Revenues – improvement in net interest and commission income

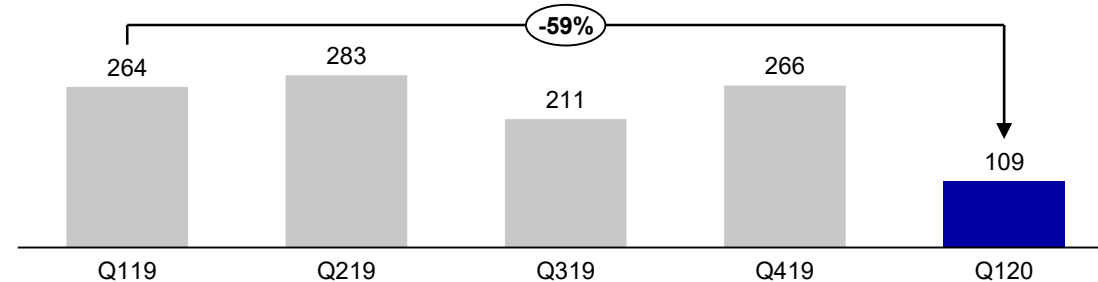
Net interest income, EURm



Net commission income, EURm



Net fair value, EURm

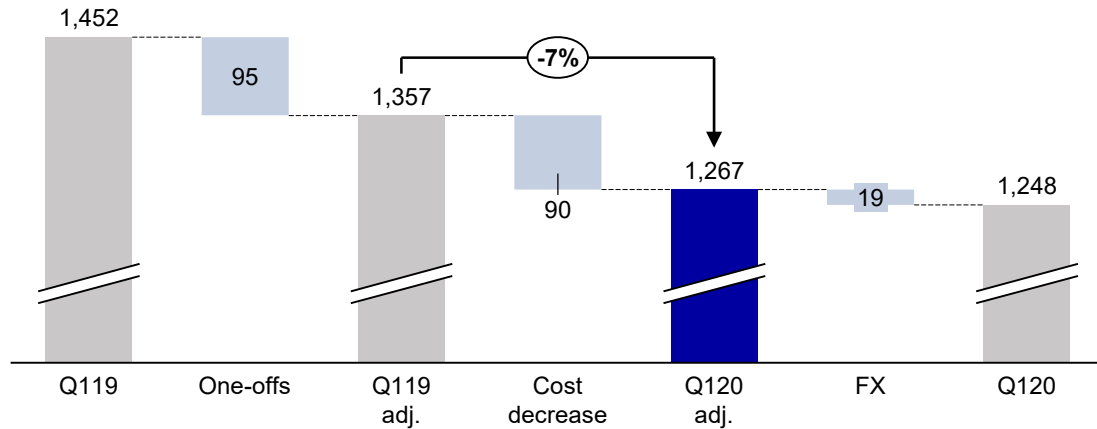


Comments year over year

- 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

Costs – progressing according to plan

Year over year bridge, EURm



Quarter over quarter bridge, EURm



Comments

- Tangible effects from cost focus
 - all main cost items are lower
 - continued decline of full-time employees, -3%
 - staff expenses down 3%
 - depreciation & amortisation slightly down
- Total cost 3% lower excl. resolution fees

Outlook

- Cost target for 2020 to be below EUR 4.7bn

Nordea is committed to delivering on financial targets

Cost to income ratio in FY22

50%

Return on equity in FY22

>10%

Capital policy

**150-200 bps
management buffer**
above the regulatory CET1 requirement

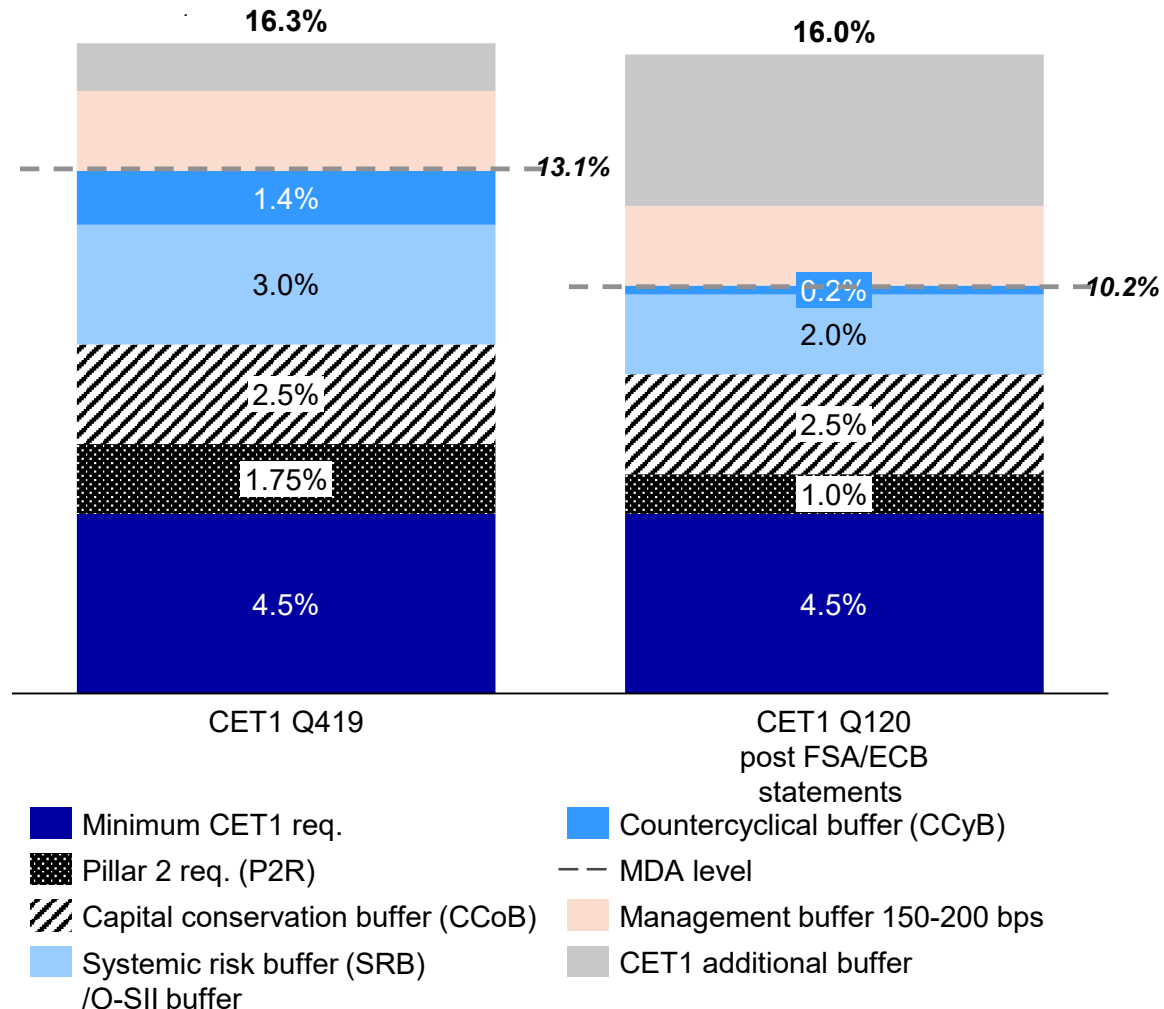
Dividend policy

**60-70% pay-out of distributable
profits to shareholders**
Excess capital intended to be distributed
to shareholders through buybacks

2. Capital, AML and Sustainability

Capital – strong position enabling long-term sustainable growth

CET1 capital position and requirement



Comments

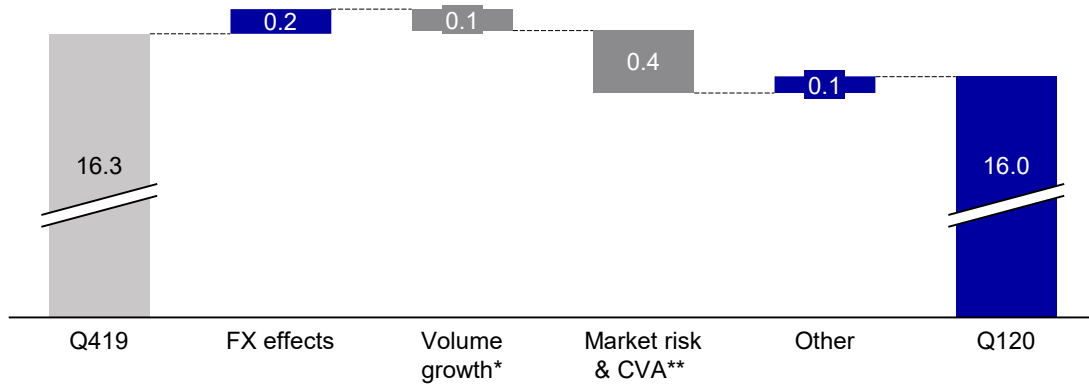
- Q1 CET1 ratio 16.0% compared to the current requirement of 10.2%
- CET1 buffer above requirement of ~5.8%-points corresponding to ~EUR 8.8bn
- CET1 requirements lowered by ~2.9%-points
- The ECB allow banks to partially use capital instruments, additional tier 1 (AT1) and tier 2 (T2) capital, to meet 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

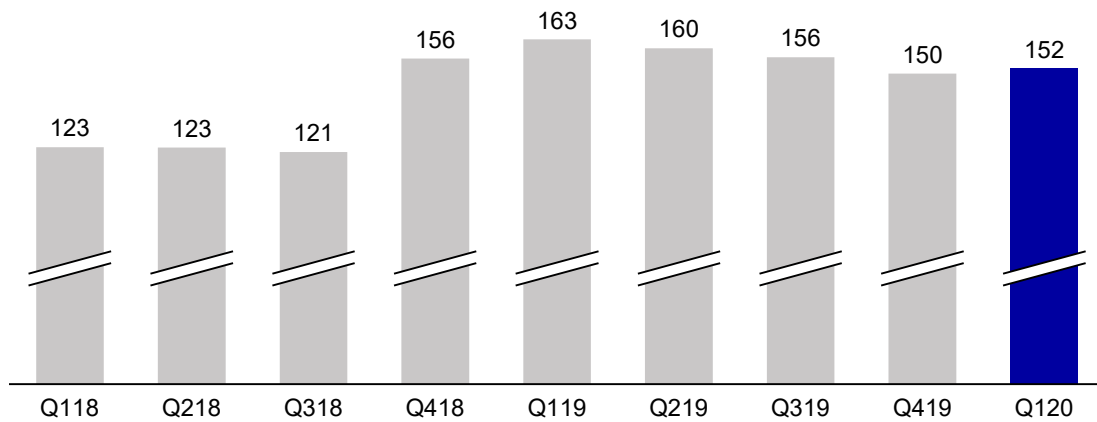
CCyB	Q419	Q120
Denmark	1.0%	0.0%
Norway	2.5%	1.0%
Sweden	2.5%	0.0%
Group CCyB	1.4%	0.2%
Finnish SRB/O-SII*	3.0%	2.0%
P2R (CET1)**	1.75%	1.0%
		Δ -2.9%

Capital – stable REA and capital development

CET1 capital ratio development, %



REA development, EURbn

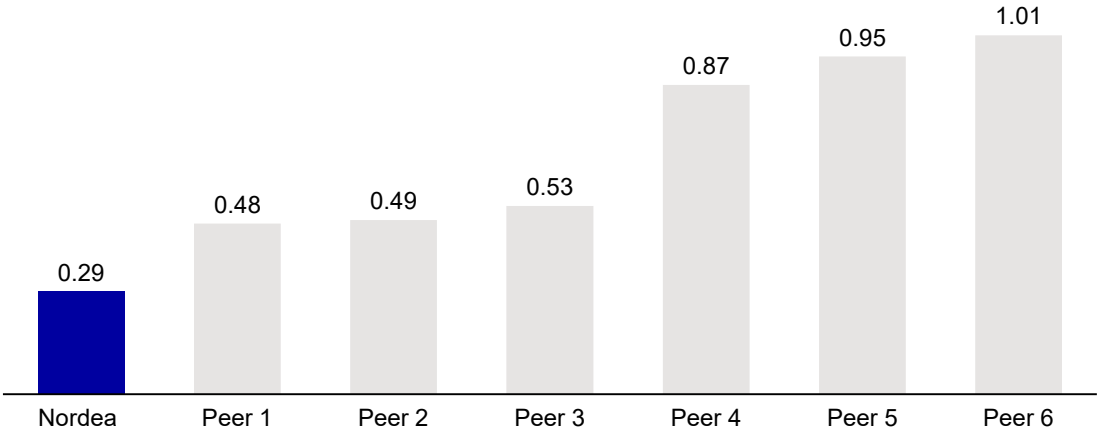


Comments

- Balance sheet increased 8% in Q120
 - lending in local currencies increased EUR 5.5bn
 - central bank deposits increased EUR 19bn following participation in central bank facilities in all countries
 - fair value of derivatives and normalised repo activities increased the balance sheet by EUR 32bn
- CET1 capital ratio at 16%
 - risk exposure amount (REA) increased EUR 1.9bn
 - limited credit REA migration in Q120
 - weaker NOK and SEK partly offset the effect of increased lending volumes

Capital – low historic volatility and significant buffer to regulatory requirements

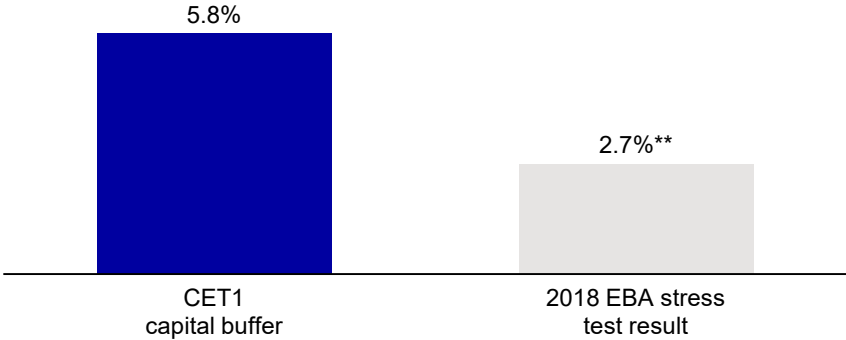
Low CET1 volatility, 2006-19*, %



Comments

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

Capital buffer substantial



21 * 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

Significant investments into anti-financial crime

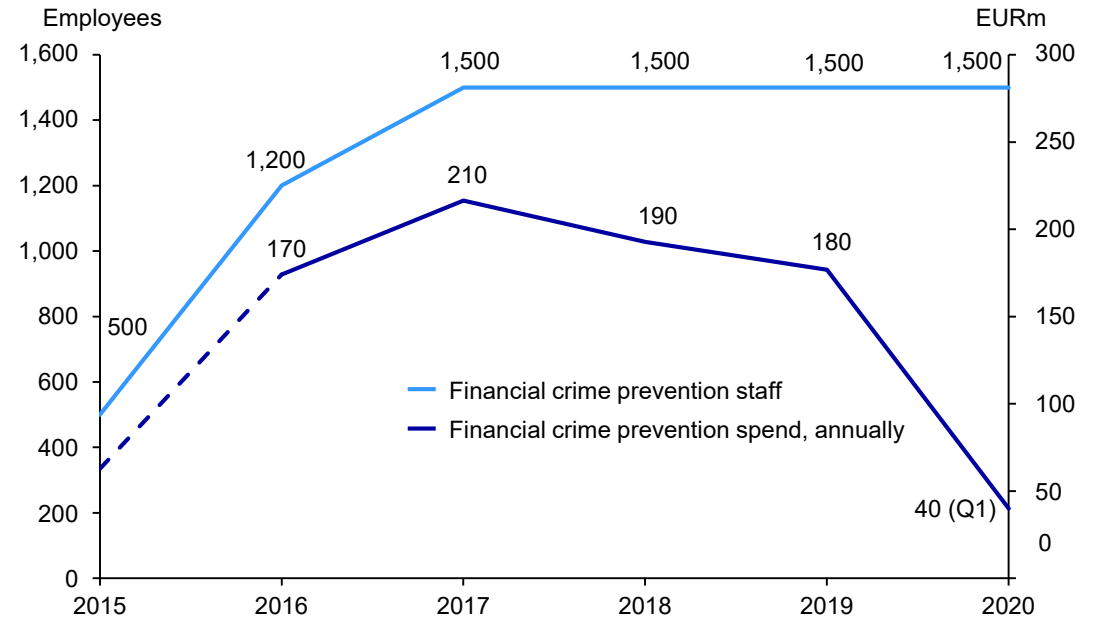
Actions against money laundering

- We collaborate closely with all relevant authorities including law enforcement and regulators and encourage to even closer collaboration on multiple levels as financial crime knows no borders
- Significantly strengthened financial crime defence, more than EUR 800m spent since 2016
- Around 2 billion transactions annually subject to hundreds of different monitoring scenarios, resulting in hundreds of thousands of alerts, leading to thousands of Suspicious Activity Reports (SARs) filed with the relevant authorities
- More than 1,500 employees dedicated to working on prevention of financial crime – 12,000 employees in direct contact with our customers are trained regularly to identify signs of financial crime

AML topics for Nordea

- The Danish FSA inspected our processes in 2015 and handed it over to the Danish Public Prosecutor in 2016. Investigation not yet concluded
 - The ‘troika laundromat’ is a complex of allegations which has been covered by media on several occasions and is included in the Danish investigation
- In October 2018, Hermitage Capital filed money laundering allegations with all Nordic regulators. Swedish, Finnish and Norwegian authorities have stated that no formal investigations would be opened
- Provision of EUR 95m in Q119 related to past weak AML processes
 - Given uncertainty around the outcome of possible fines, this level of provision for ongoing AML related matters will be maintained, while also continuing the dialogue with the Danish authorities regarding their allegations for historical AML weaknesses
- Nordea was fined by the Swedish FSA in 2013 and 2015 for insufficient AML processes in the past. In 2018, the Swedish FSA concluded a review of Nordea AML prevention, which led to feedback but no further action

Significant build-up



Sustainability matters in all Nordea's business

Nordea plays an active role in the sector to lead sustainable change

- UNEP FI Principles for Responsible Banking (PRB), only Nordic bank among the founders
- Collective Commitment to Climate Action (CCCA)
- Net-Zero Alliance
- Task Force on Climate-related Financial Disclosures (TCFD)
- Poseidon Principles

Financing

ESG risk evaluation process in lending

Green corporate loans
Sustainability linked loans
Green mortgages
Green car financing
Green bonds

Investments

Responsible investment policy

Sustainable selection AuM
ESG funds
Sustainable balanced funds
Sustainable pensions

Advice

Leading position in sustainable finance

Green bond issuance
Winner of Prospera rankings
Advice on ESG to issuers and investors
Leading green finance framework advisory

Business Ethics and Values Committee

- Established 2015, committee at Group CEO level
- Ethical and values aspects on all Nordea's business and operations

Nordea's ambition and commitments

Nordea has set the mission to enable the transition to a sustainable future in our capacity of a major bank and through the choices we make.

- The ambition is to be acknowledged as a leading European bank in the transition to a sustainable future by 2021.
- Nordea is committed to:
good corporate citizenship, human rights, labour rights and freedom, equal opportunities and diversity, caring for the wellbeing of our employees, ethics, honesty and sincerity, and caring for the environment
- We reject bribery and corruption

International commitments

- UN Global Compact – UNEP Finance Initiative
- Equator Principles
- Carbon Disclosure Project reporting
- UNEP Finance Initiative Principles for Responsible Banking

Acknowledgements for our sustainability work

- Best ESG process (CFI.co)
- UN Principles for Responsible Investments score A+
- Hirschel & Kramer Brand index ranks Nordea as one of the top 10 fund houses out of 220 who is 'truly committed' to ESG in 2019
- Misum – walking the talk
- Best reporting

Sustainability ratings



Company Rating: C (A+ to D-)*



ESG Score: 21.2 (0 to 100)**

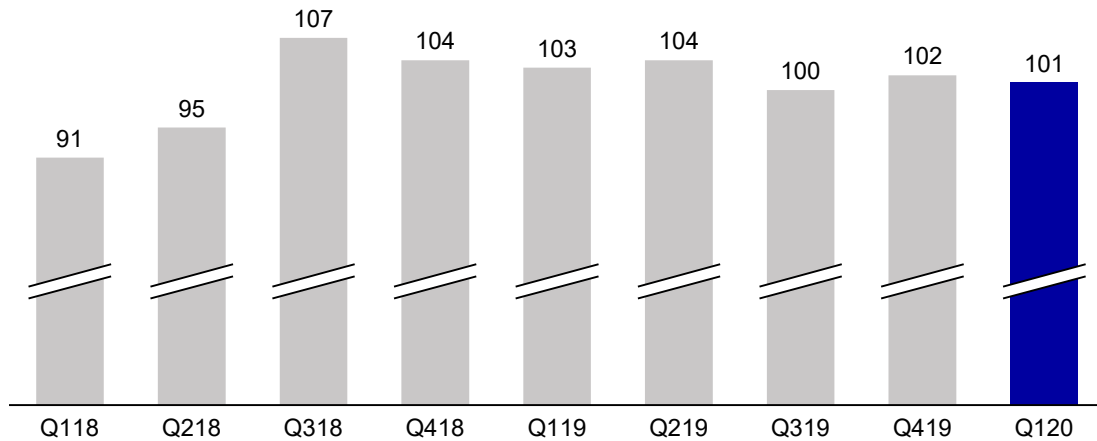


ESG Rating: BBB (AAA to CCC)

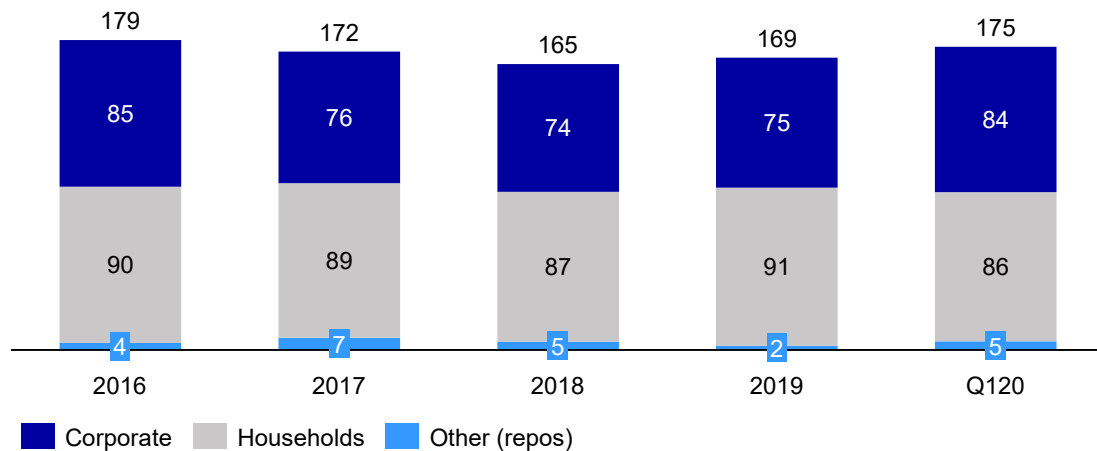
3. Funding

Liquidity – solid liquidity position supporting our customers

Liquidity buffer development, EURbn



Deposits, EURbn

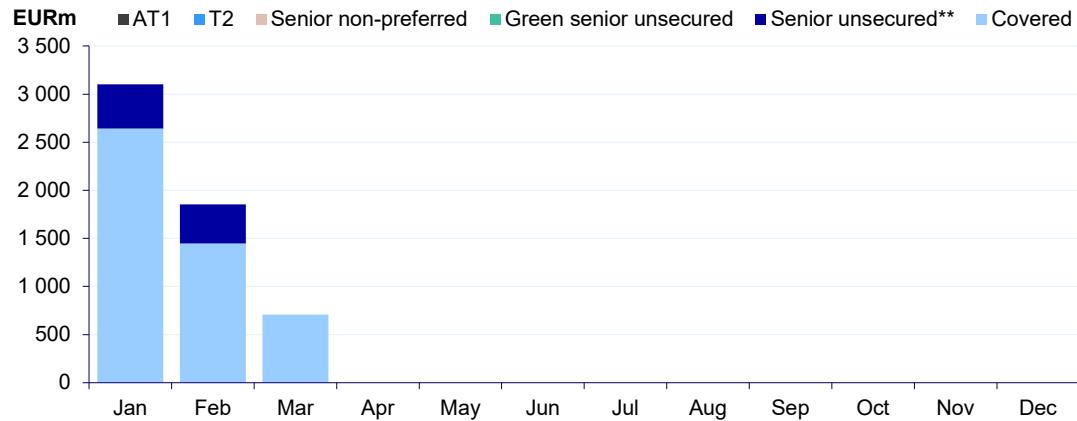


Comments

- 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

Solid funding operations

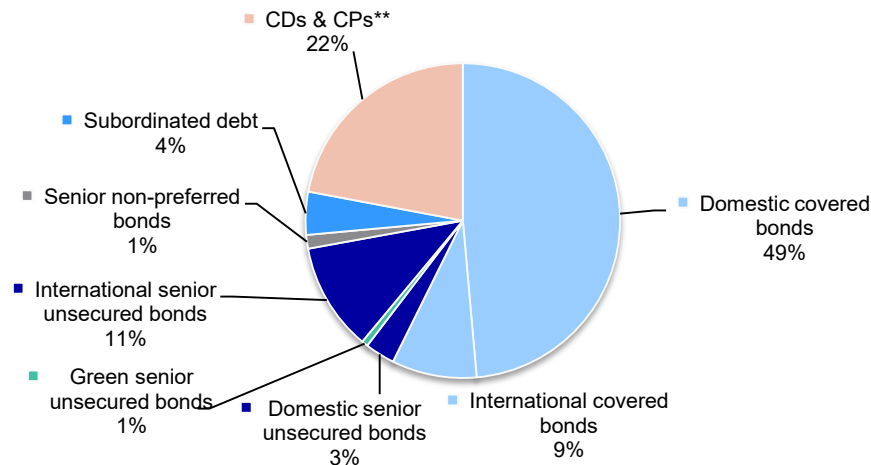
Long-term issuance Q120, gross volumes, EUR 5.7bn*



Strong funding position

- EUR 5.7bn issued in Q120
- NSFR 109.7% per Q120 -further improved from the previous quarter
- 78% of total funding is long-term per Q120
- 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

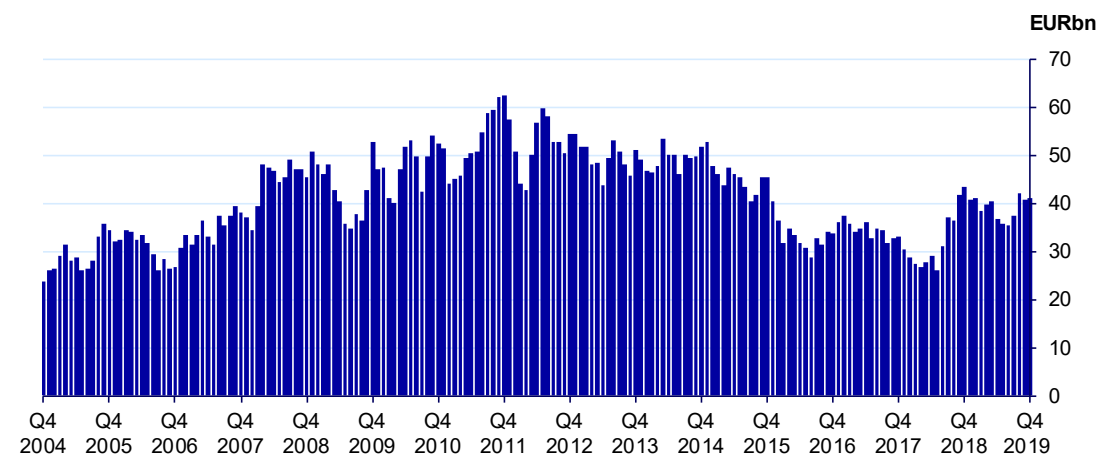
- Full year 2020 funding plan EUR 20-25bn (excl. capital instruments and Nordea Kredit) to be issued via covered bonds and senior unsecured debt
- Approximately 50% of this expected to be issued in domestic markets
- Near-term focus will be issuance of senior preferred and continued issuance of covered 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 Q220 and Q121

Short-term funding – prudent and active management

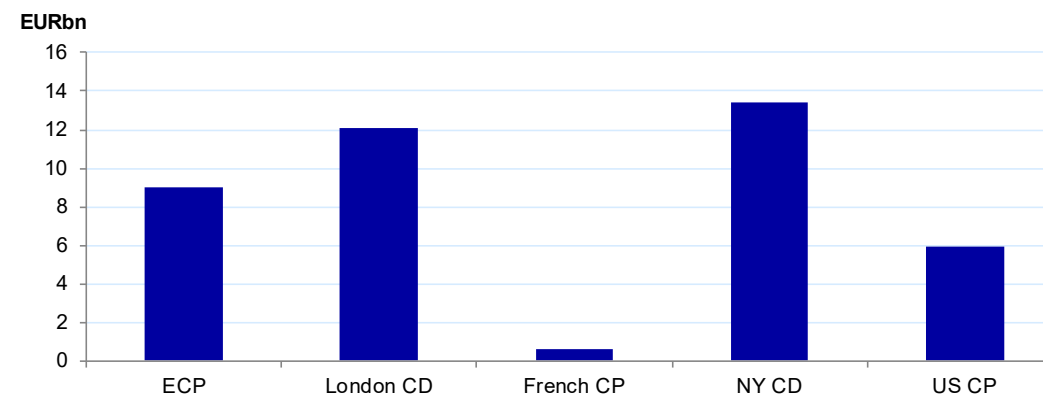
Comments

- The end of first quarter of 2020 was focused on managing effect of COVID-19 in the short term funding market
 - Markets erratic and with wide spread for some weeks, keeping Nordea out of the market
 - After first reactions markets have recovered and funding has been issued at very attractive levels
- Outstanding volumes stabilised to the EUR 40bn level towards the end of the quarter
- All programmes despite French CP, due to pricing, have been working very well
- Total outstanding short-term funding has ranged between EUR 36-49bn during Q120
- Short dated issuance remains an attractive funding component for the group at the current levels
- Outstanding very stable between the European versus US programmes

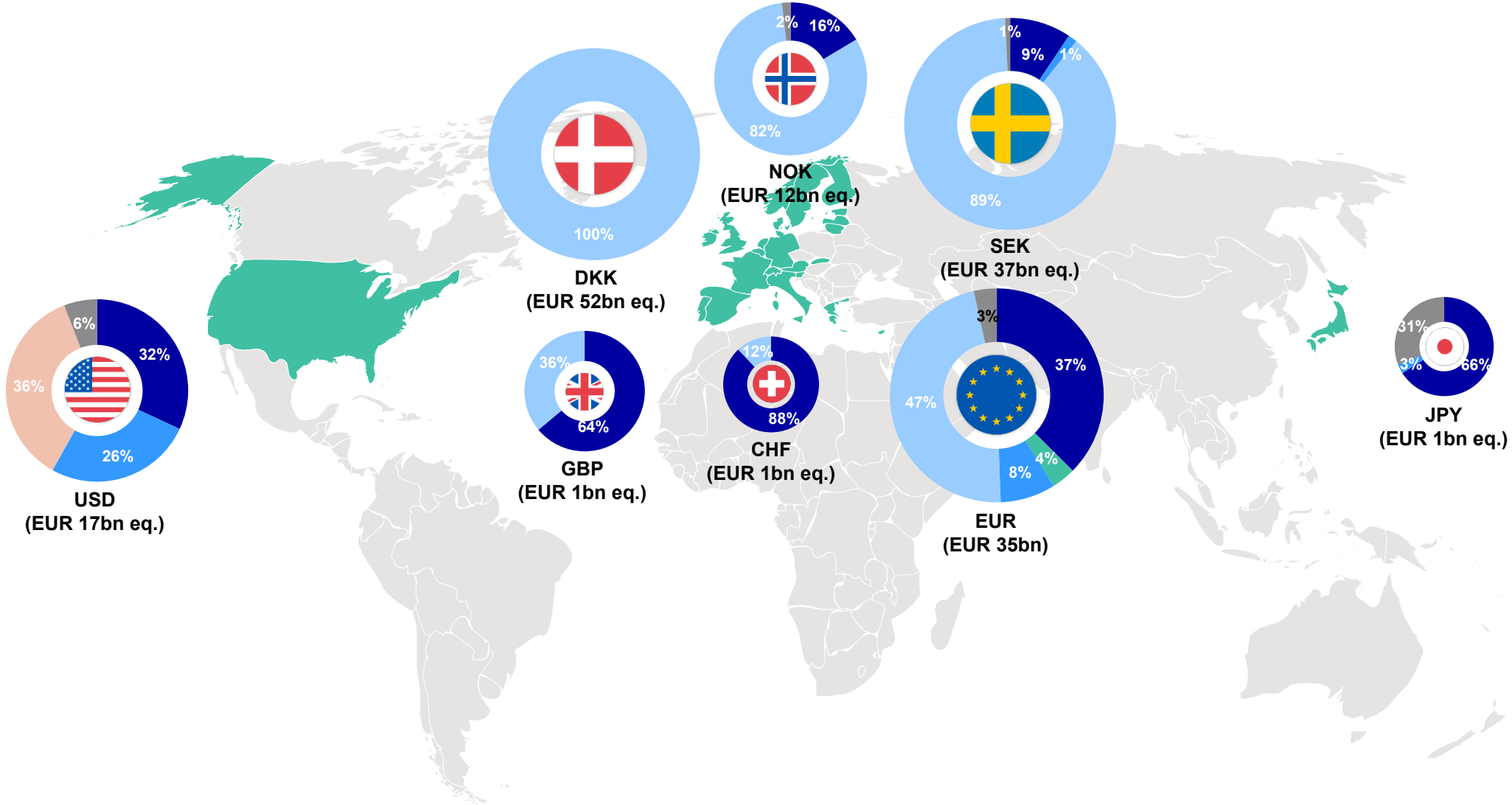
Short-term issuance



Split between programmes

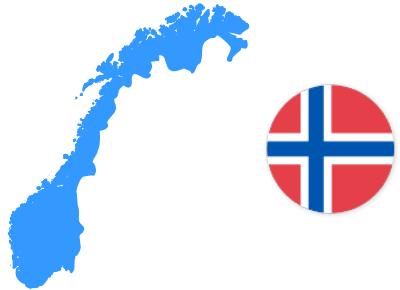
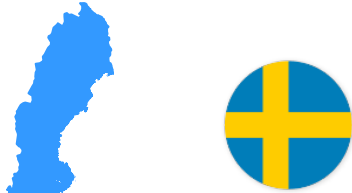




Long-term funding – Nordea’s global issuance platform



■ Covered bond
 ■ Senior unsecured
 ■ Green senior unsecured
 ■ Senior non-preferred
 ■ CDs > 1 year
 ■ Capital instruments

















Nordea covered bond operations

<p><i>Four aligned covered bond issuers with complementary roles</i></p>	<p>Nordea Eiendomskreditt</p> 	<p>Nordea Hypotek</p> 	<p>Nordea Kredit</p> 	<p>Nordea Mortgage Bank</p> 
Legislation	Norwegian	Swedish	Danish	Finnish
Cover pool assets	Norwegian residential mortgages	Swedish residential mortgages primarily	Danish residential & commercial mortgages	Finnish residential mortgages primarily
Cover pool size*	EUR 16.9bn (eq.)	EUR 53.5bn (eq.)	Balance principle	EUR 21.9bn
Covered bonds outstanding*	EUR 9.9bn (eq.)	EUR 31.8bn (eq.)	EUR 58.6bn (eq.)	EUR 16.1bn
OC*	71%	68%	8%*	37%
Issuance currencies	NOK, GBP, USD, CHF	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa / -	Aaa / AAA	Aaa / AAA	Aaa / -

- Covered bonds are an integral part of Nordea's long term funding operations
- Issuance in Scandinavian and international currencies
- ECBC Covered Bond Label on all Nordea covered bond issuance

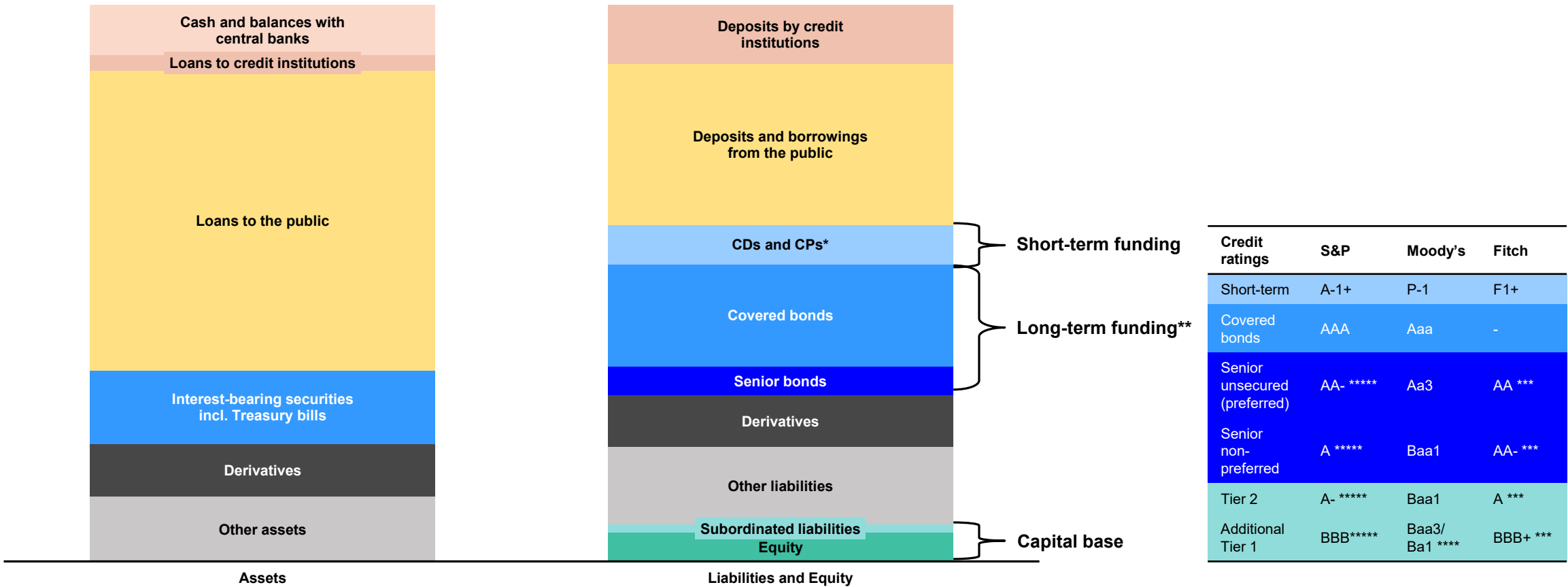


Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	Callable
Nordea Bank	Senior non-preferred	 EUR	1,000	Fixed	Jun-18	Jun-23	
Nordea Bank	Senior non-preferred	 SEK	2,250 750	Fixed FRN	Jun-18	Jun-23	
Nordea Bank	Senior non-preferred	 USD	750 250	Fixed FRN	Aug-18	Aug-23	
Nordea Bank	Tier 2	 USD	500	Fixed	Sep-18	Sep-33	15NC10
Nordea Bank	Senior non-preferred	 NOK	2,000	FRN	Sep-18	Sep-23	
Nordea Bank	Tier 2	 SEK  NOK	1,750 500	FRN FRN	Sep-18	Sep-28	10NC5
Nordea Hypotek*	Covered	 SEK	5,000	Fixed	Jan-19	Sep-24	
Nordea Eiendomskreditt*	Covered	 NOK	10,000	FRN	Feb-19	Jun-24	
Nordea Mortgage Bank	Covered	 EUR	1,500	Fixed	Mar-19	Mar-26	
Nordea Bank	Additional Tier 1	 USD	1,250	Fixed	Mar-19	Mar-26	PerpNC7
Nordea Eiendomskreditt*	Covered	 NOK	1,500	Fixed	May-19	May-26	
Nordea Mortgage Bank	Covered	 EUR	1,000	Fixed	May-19	May-27	
Nordea Bank	Senior preferred, Green bond	 EUR	750	Fixed	Jun-19	Jun-26	
Nordea Eiendomskreditt*	Covered	 NOK	7,500	FRN	Jan-20	Mar-25	
Nordea Hypotek*	Covered	 SEK	5,500	Fixed	Feb-20	Sep-25	

Diversified balance sheet

Total assets Q120 EUR 600bn



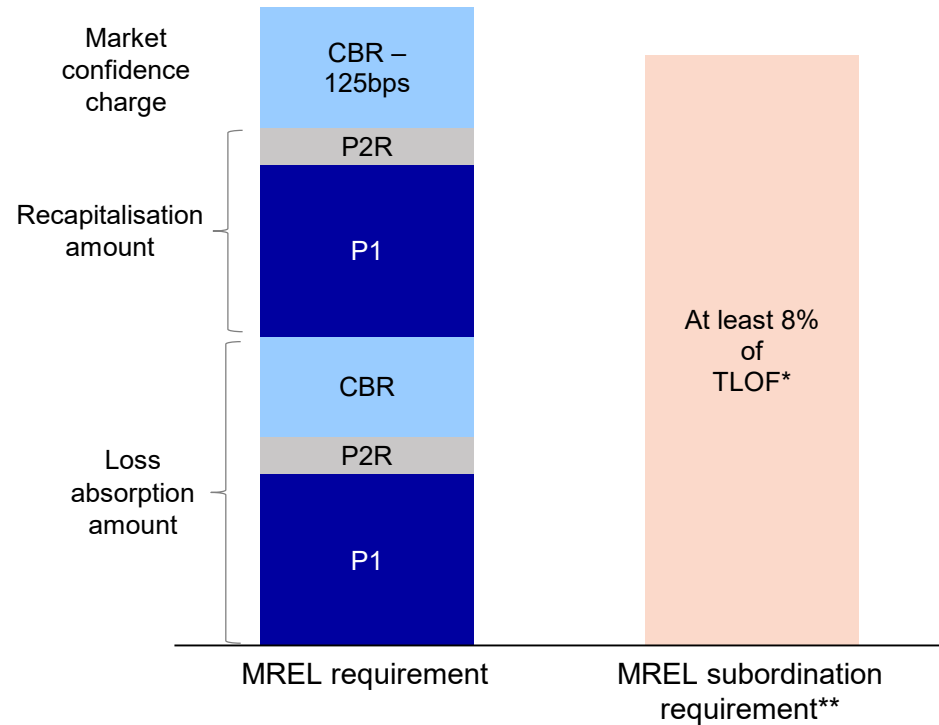
* Including CDs with original maturity over 1 year
 ** Excluding subordinated liabilities

*** Rating watch negative
 **** Unsolicited ratings

***** Negative outlook

MREL requirements

Single Resolution Board (SRB) methodology



Nordea MREL requirement

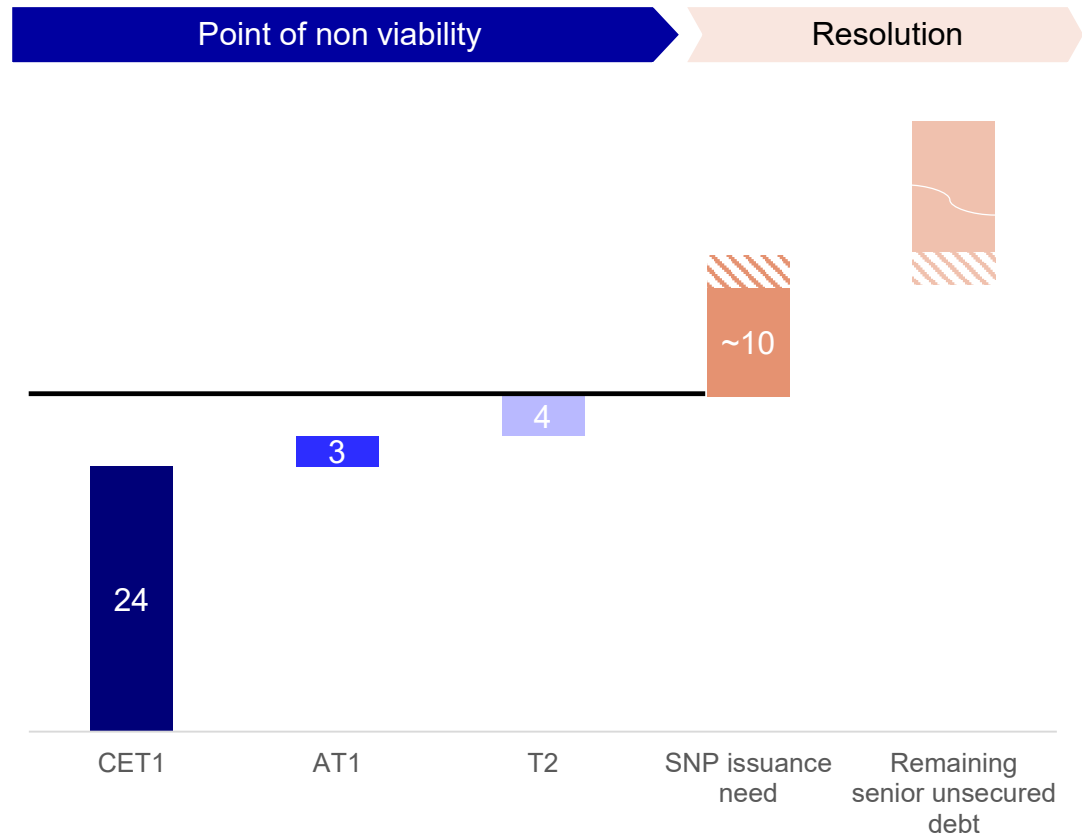
- Transitional MREL requirement expected to be 8% of TLOF in Q220
- MREL requirement based on SRB methodology expected to be decided during Q121
- Eligible instruments: own funds, senior non-preferred (SNP) and senior unsecured debt

Nordea MREL subordination requirement

- MREL subordination requirement based on the SRB public MREL policy on Banking Package (SRMR2/BRRD2) expected to be decided during Q121
- Eligible instruments: own funds and SNP, unless senior allowance granted
- MREL subordination requirement will drive SNP issuance need

Senior non-preferred issuance plan

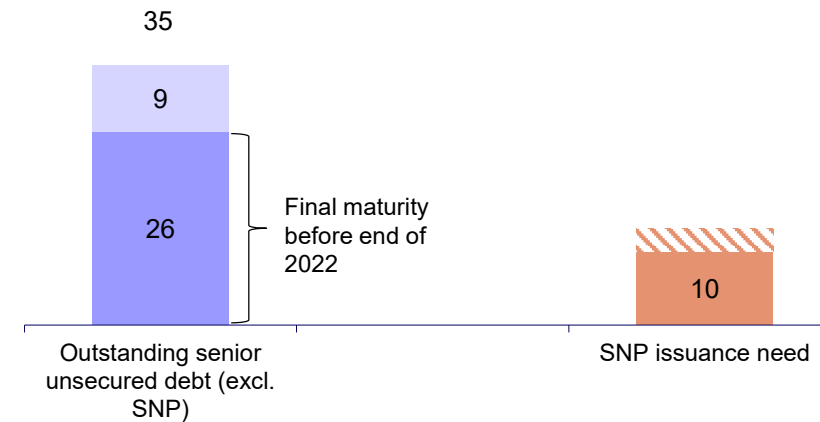
Own funds and bail-in-able debt, EURbn



Comments

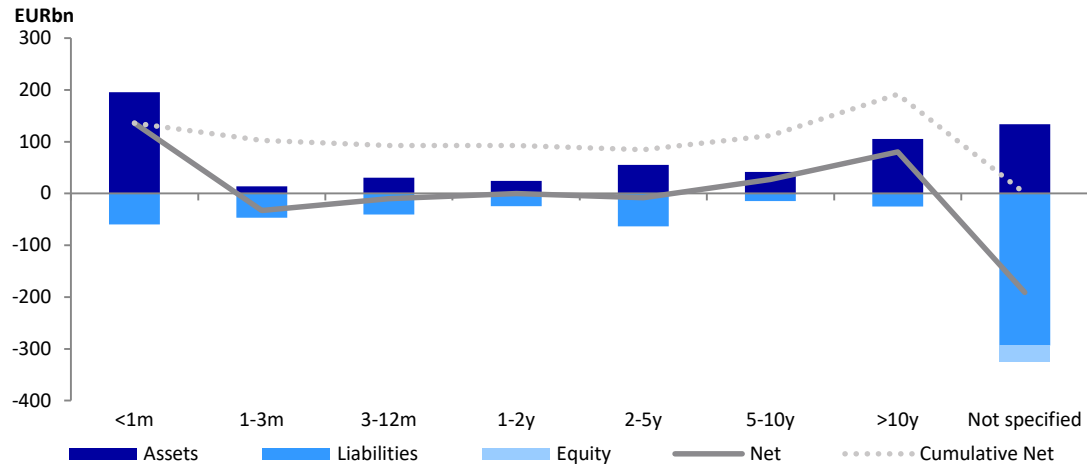
- Issuance period for planned total SNP of EUR ~10bn* may be extended from the end of 2022 to the end of 2023, as a result of prolonged implementation time for MREL subordination requirement in SRMR2/BRRD2 and COVID-19
- SNP issuance plan to be reviewed in Q220 in connection with the publication of SRB MREL policy on Banking Package (SRMR2/BRRD2)
- SNP issuance plan to be reviewed again in Q121 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

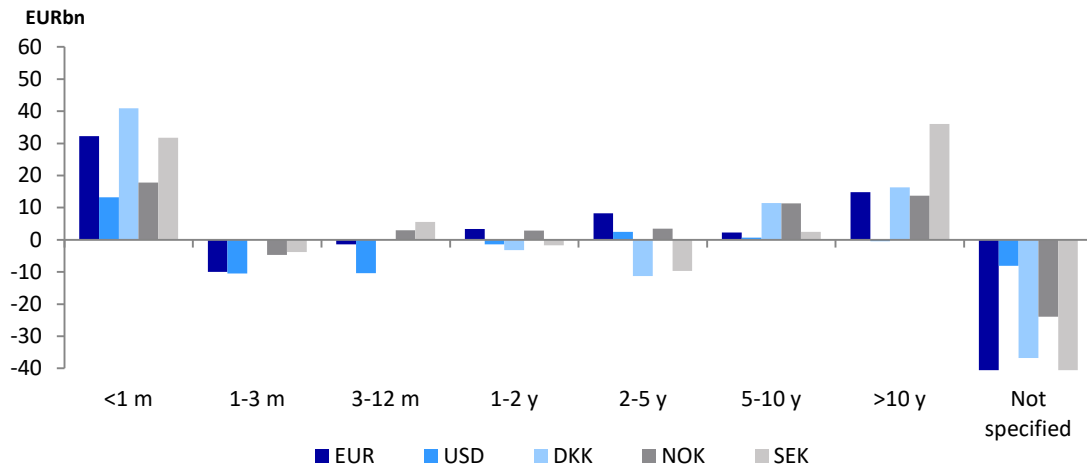


Maturity profile

Maturity profile



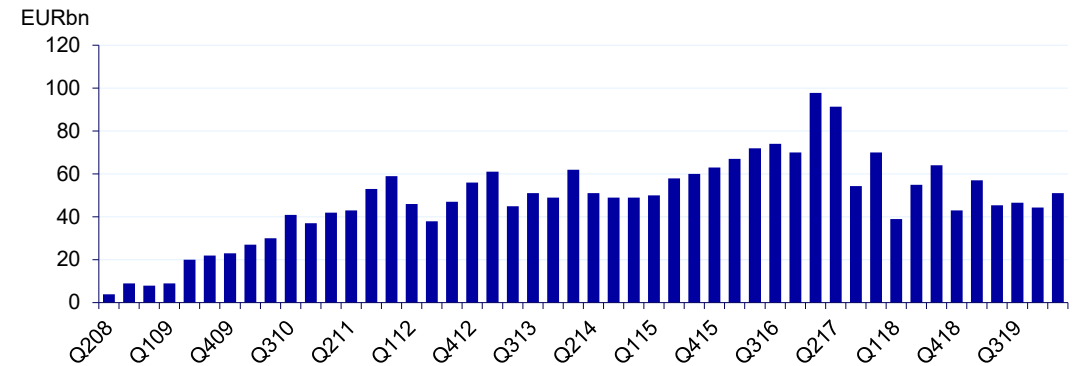
Maturity gap by currency



Comments

- The balance sheet maturity profile has during the last couple of years become more balanced by
 - Lengthening of issuance and focusing on asset maturities
- Resulting in a well balanced structure in assets and liabilities in general, as well as by currency
 - The structural liquidity risk is similar across all currencies
- Balance sheet considered to be well balanced also in foreign currencies
- Long-term liquidity risk is managed through own metric; net balance of stable funding (NBSF)

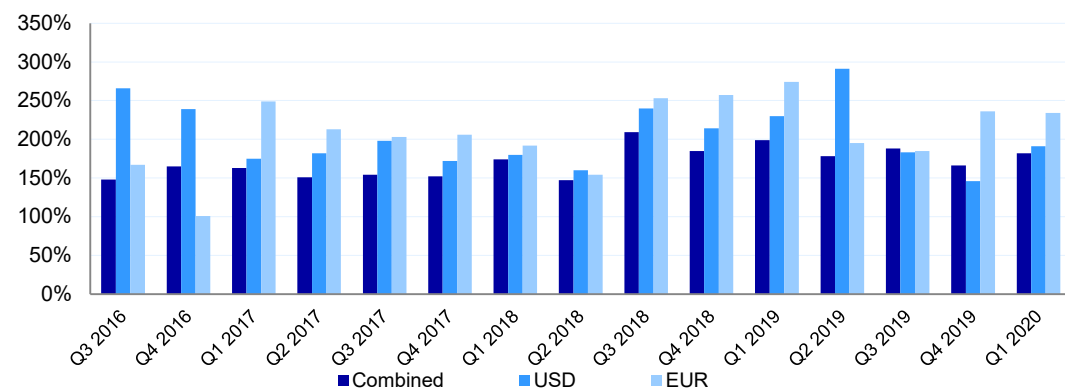
Net balance of stable funding



NBSF is an internal metric, which measures the excess of stable liabilities against stable assets. The stability period was changed into 12 month (from 6 months) from the beginning of 2012. In Q317 the data sourcing was updated and classifications now in line with the CRR.

Liquidity coverage ratio

Liquidity coverage ratio (LCR)



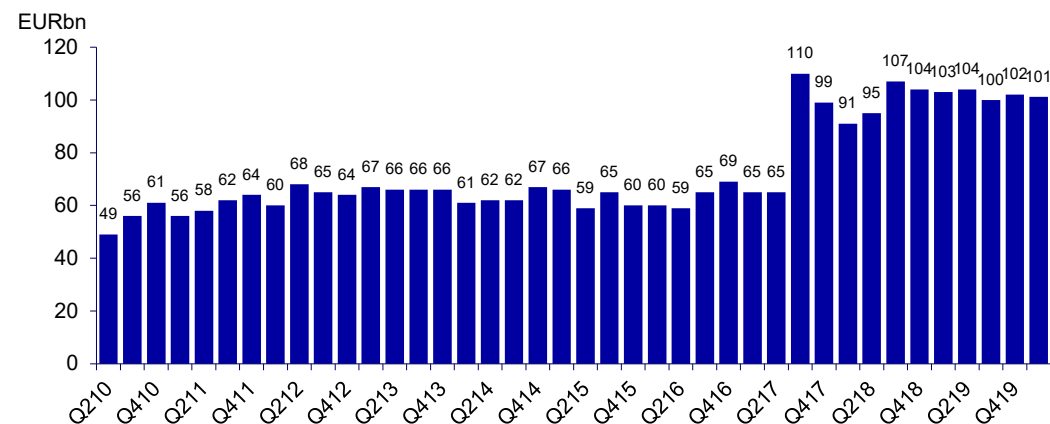
LCR subcomponents, EURbn

EURm	Combined		USD		EUR	
	Unweighted value	Weighted value	Unweighted value	Weighted value	Unweighted value	Weighted value
Total high-quality liquid assets (HQLA)	101,141	99,329	19,633	19,616	26,837	26,742
Liquid assets level 1	99,768	98,165	19,607	19,594	26,553	26,501
Liquid assets level 2	1,373	1,165	27	23	284	241
Cap on level 2	0	0	0	0	0	0
Total cash outflows	335,888	75,801	61,717	41,016	135,512	45,664
Retail deposits & deposits from small business customers	91,545	6,039	338	51	30,740	2,090
Unsecured wholesale funding	102,757	47,512	17,634	10,770	29,325	12,795
Secured wholesale funding	31,900	5,087	5,561	1,744	16,584	1,515
Additional requirements	69,065	12,007	31,958	27,793	45,567	26,291
Other funding obligations	40,623	5,157	6,227	658	13,298	2,973
Total cash inflows	67,672	21,316	38,284	30,762	58,965	34,248
Secured lending (e.g. reverse repos)	43,510	6,413	3,908	2,639	15,683	1,130
Inflows from fully performing exposures	12,589	5,853	2,077	965	4,951	2,301
Other cash inflows	11,573	9,050	32,299	32,204	38,331	38,126
Limit on inflows		0		-5,046		-7,309
Liquidity coverage ratio (%)		182%		191%		234%

Comments

- EBA Delegated Act LCR in force starting from October 2016
 - LCR of 182%
 - LCR compliant in USD and EUR
- Compliance is reached by high quality liquidity buffer and management of short-term cash flows
- Nordea liquidity buffer EUR 101bn, which includes the cash and central bank balances
 - New liquidity buffer method introduced in July 2017

Liquidity buffer, time series

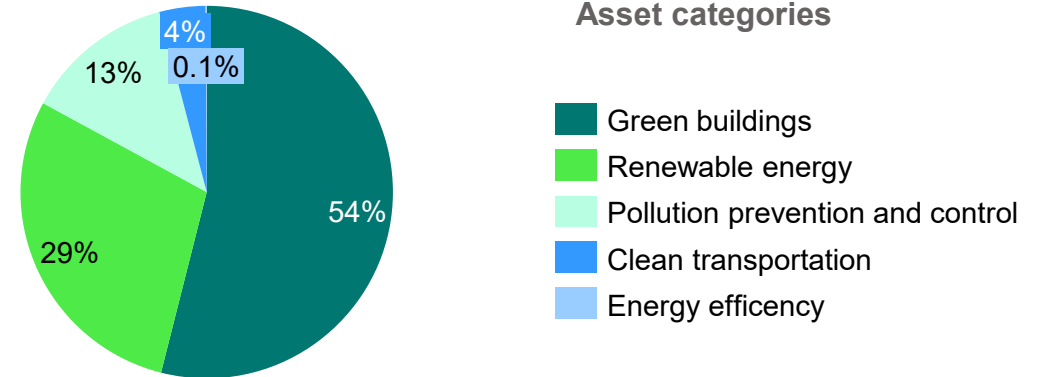


Green bonds

Deepened green bond focus

- Green bond framework and inaugural green bond issuance (2017)
- Second green bond issued in May 2019, as a 7-year EUR 750m senior unsecured bond
- Recent green bond framework update includes also the Danish matched funding principle and specific process for Danish green bond issuances
- Nordea aims at continuing to be a relevant issuer of green bonds, and has set a target of being the leading arranger of sustainability bonds and the leading bank on green lending in the Nordics by 2021
- The externally reviewed green bond asset portfolio EUR 2.6bn in Q319. The updated composition of the portfolio and the most recent Second Party Opinion is available on Nordea's website

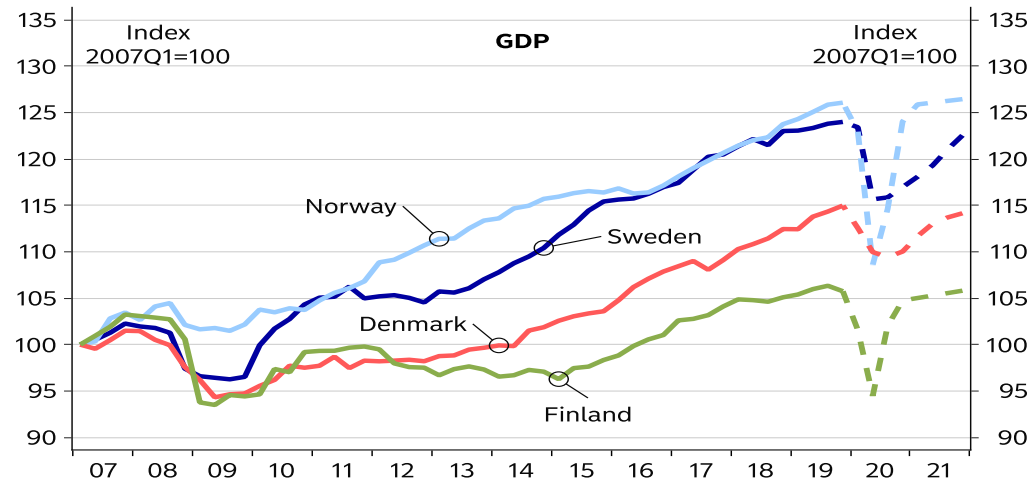
Green bond asset portfolio



4. Macro

Nordic economies – years before back to normal

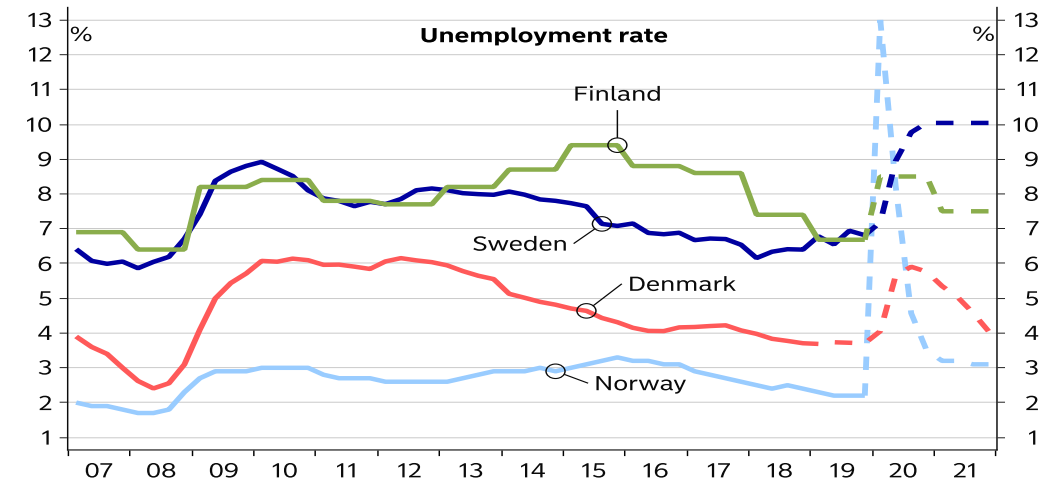
GDP development



Comments

- The global economy is in recession and the next few months will be extremely challenging. Lockdowns will trigger lower consumer spending and investments on top of the disruptions in the global supply chain
- The Nordic countries have responded to the COVID-19 crisis with lockdowns of a varying degree. The extent of the economic consequences depends on when restrictions will be lifted – not just in the Nordics but also in the rest of the world
- Unemployment is expected to surge. Relatively quick recoveries are expected in Denmark, Finland and Norway, but unemployment will remain elevated in Sweden for a long time

Unemployment rate

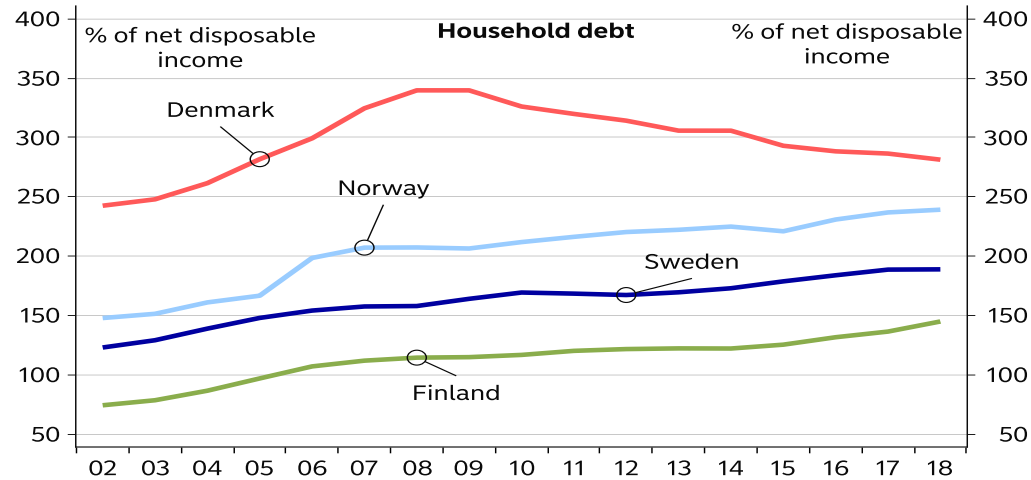


GDP, %, U-shaped scenario

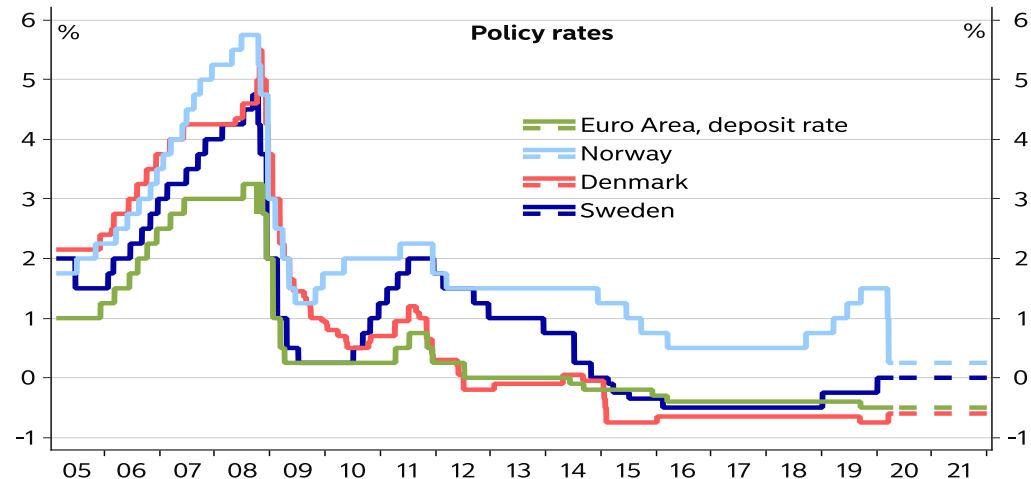
Country	2018	2019	2020E	2021E
Denmark	2.4	2.2	-3.0 (1.5)	2.4 (1.5)
Finland	1.6	1.0	-5.0 (1.0)	2.7 (0.5)
Norway	2.2	2.3	-6.2 (1.8)	7.3 (1.6)
Sweden	2.3	1.3	-4.6 (0.8)	-0.2 (1.8)

Nordic interest rates – low for very long

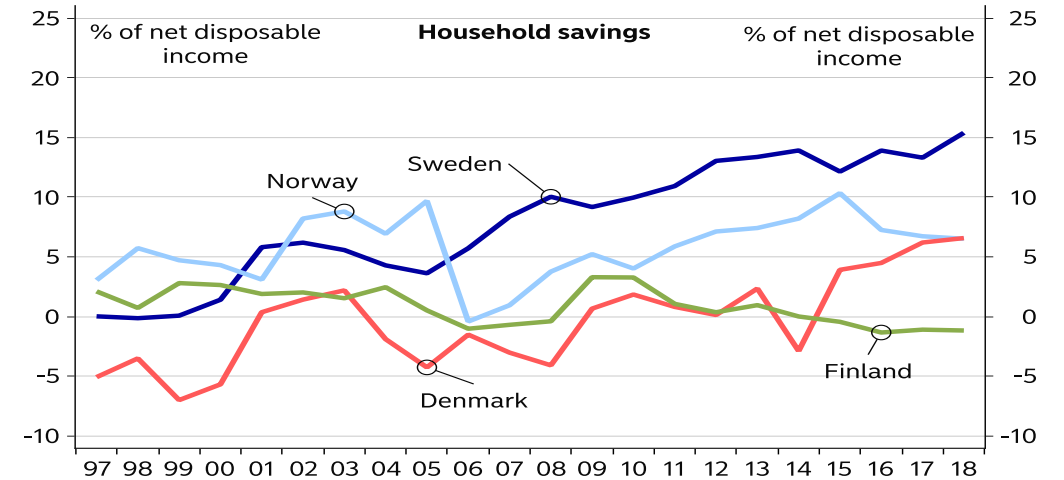
Household debt



Policy rates



Household savings

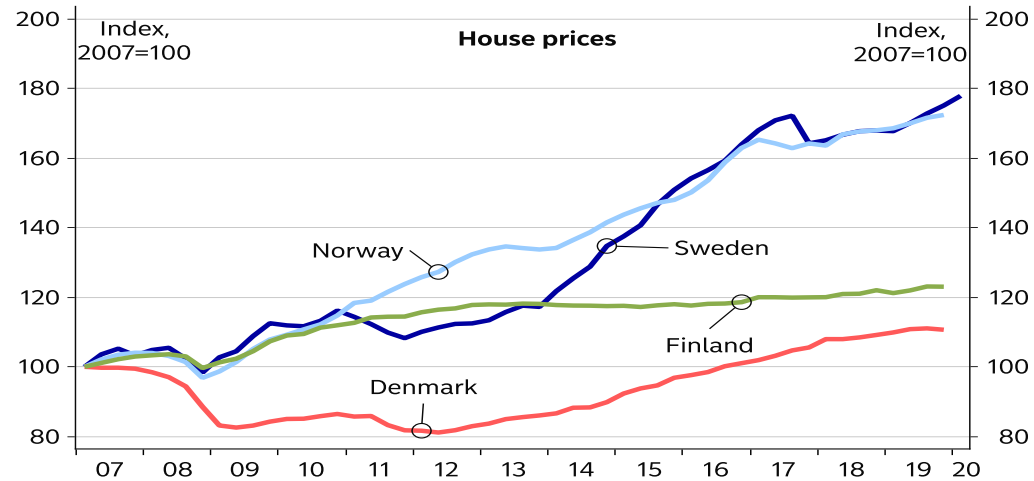


Comments

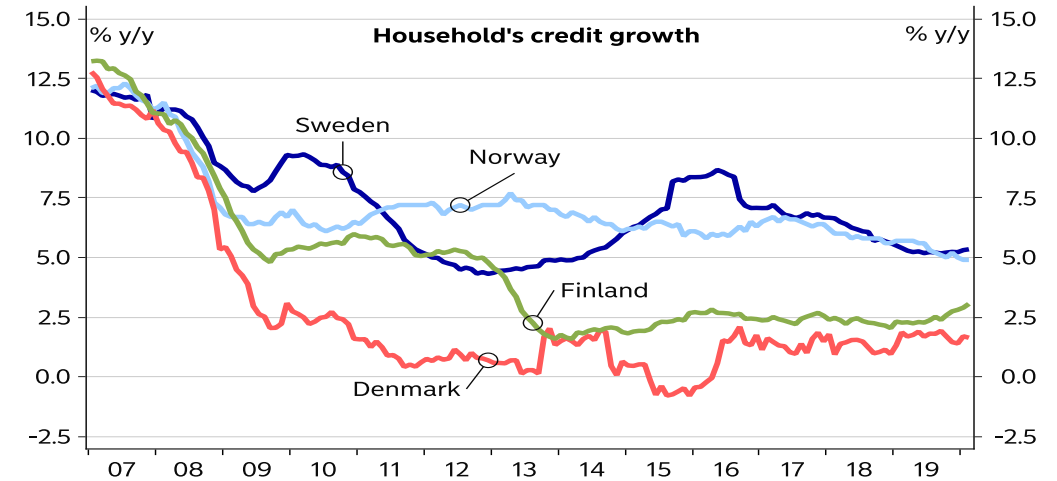
- Household debt is likely to level off in the coming year, in line with decelerating activity on the housing market. However, the debt ratio remains at very high levels in all countries. Uncertainty and higher unemployment will lead to increased precautionary savings, which could affect consumption negatively
- Norway has seen two rate cuts totalling 125 bps in one week. Policy rates have been left unchanged in Sweden and the Euro area while Denmark hiked the interest rate due to technical reasons. Liquidity measures have been ramped up by all central banks, and the governments have launched large fiscal packages to cushion the fall. Monetary policy will remain accommodative for a long time

House price development in the Nordics

House prices



Household's credit growth



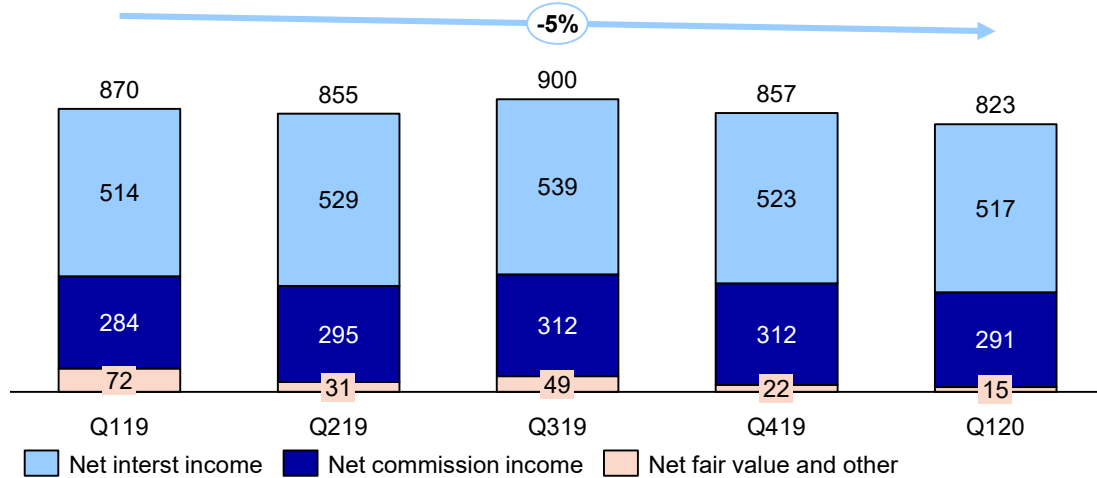
Comments

- Rising unemployment and high uncertainty will take its toll on the Nordic housing markets. Before the crisis, low interest rates kept the Nordic housing markets afloat and stable price increases were expected in the coming years. Declines are expected in all countries this year but low interest rates, accommodative central banks and reduced supply should limit the downside in the short term.
- Household credit growth has stabilized in the last years. In Sweden and especially Finland, credit growth was picking up while Denmark was trending sideways. Nordic households will likely increase their precautionary savings due to high levels of uncertainty, which could affect consumption growth negatively. Increased savings and lower activity in the housing market will dampen credit growth.

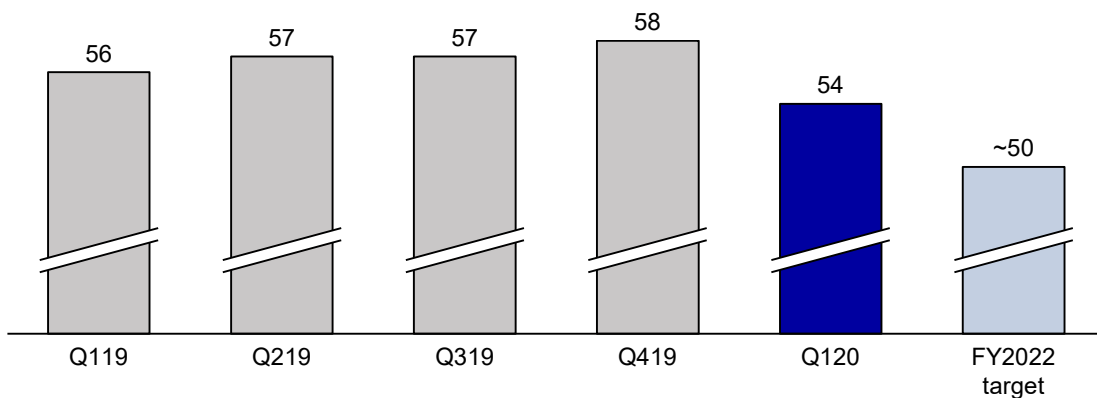
5. Business areas – update

Personal Banking – continued mortgage volume growth

Total income*, EURm



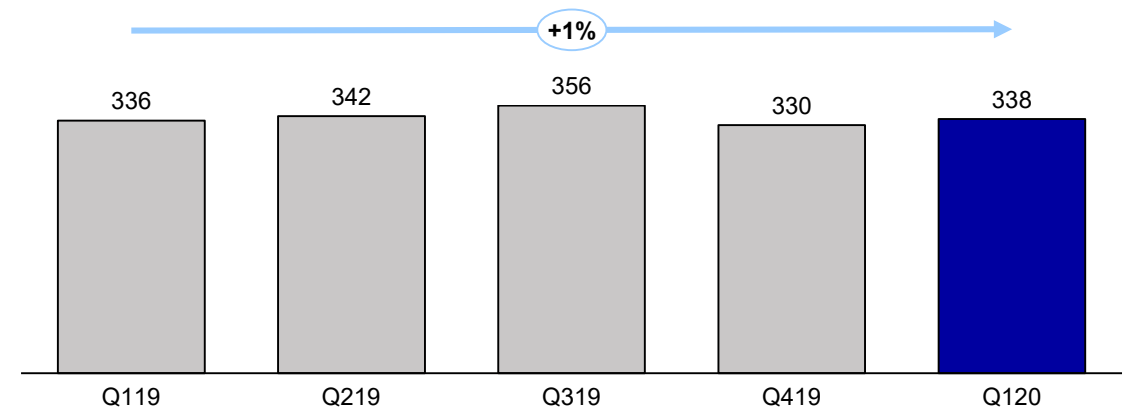
Cost to income ratio*, %



Comments

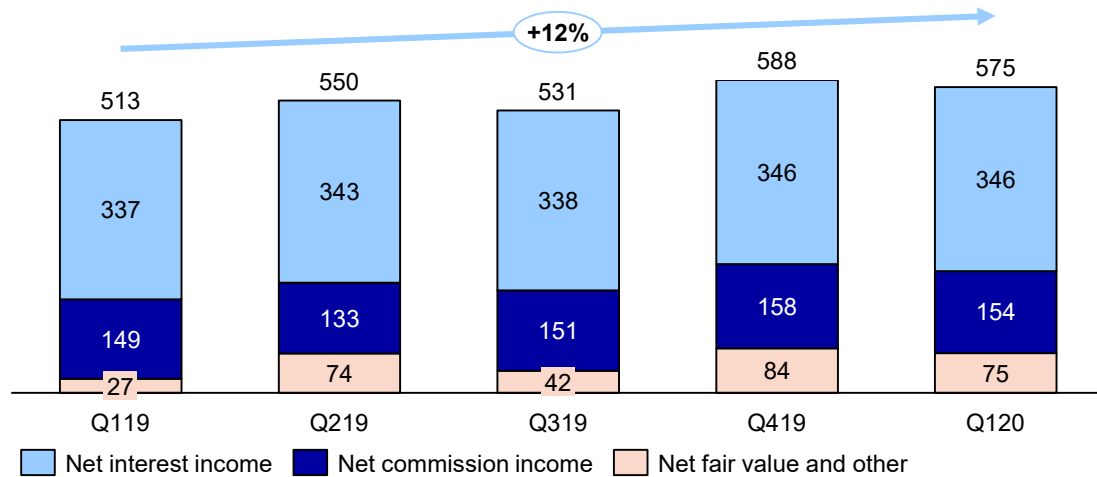
- Net interest income up 1% driven by mortgage volume growth which continued in all markets
- Net commission income up 2% on improved savings fees
- Total revenues down due to asset sales in Q119
- Lending margin improved in Norway, stable in Denmark and Finland
- Challenging fee development in March mainly due lower card and savings fees
- Cost decreased 11% improving cost to income ratio to 54%

Operating profit*, EURm

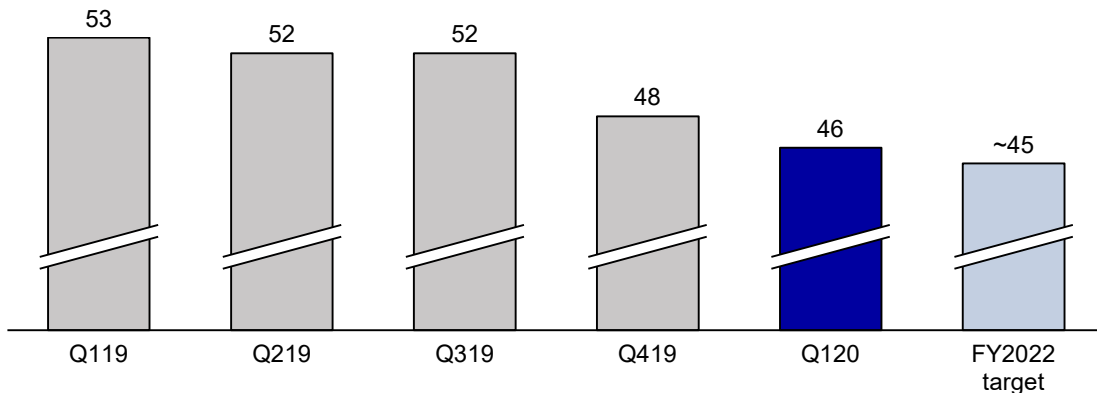


Business Banking – good business trend continues

Total income*, EURm



Cost to income ratio*, %

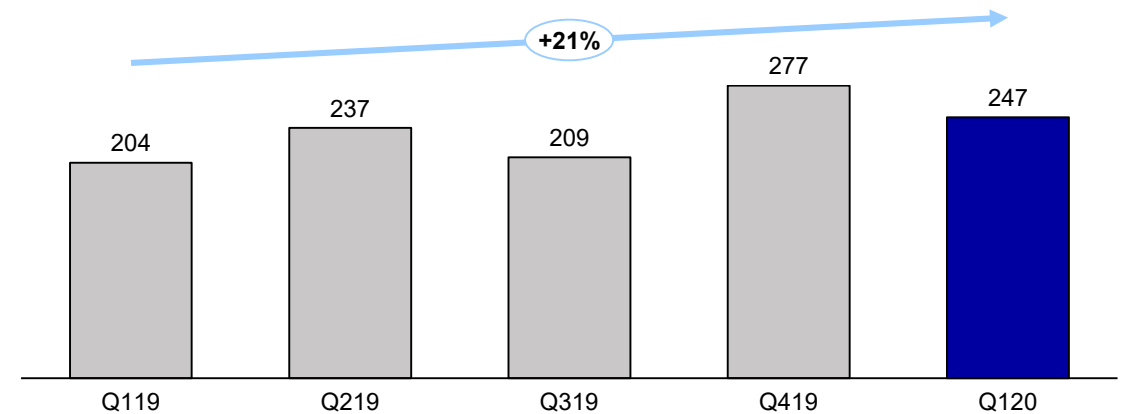


43 * Excluding distribution agreement and with amortised resolution fees

Comments

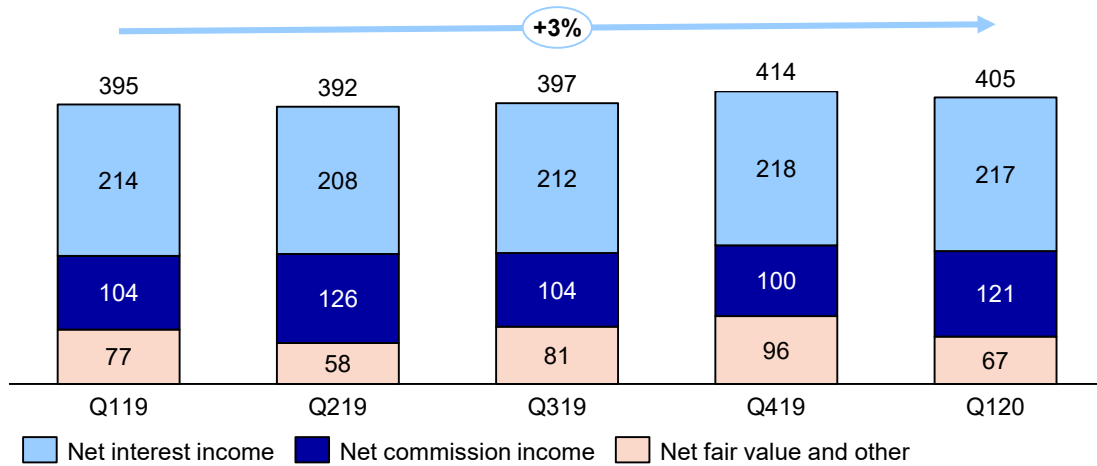
- Strong trend on all income lines
- Lending volumes increased 5% in local currency and deposit margins improved
- Double-digit revenue growth in Norway and Sweden
- Good customer activity in Markets products
- Strong demand on FX and interest rate products in March

Operating profit*, EURm

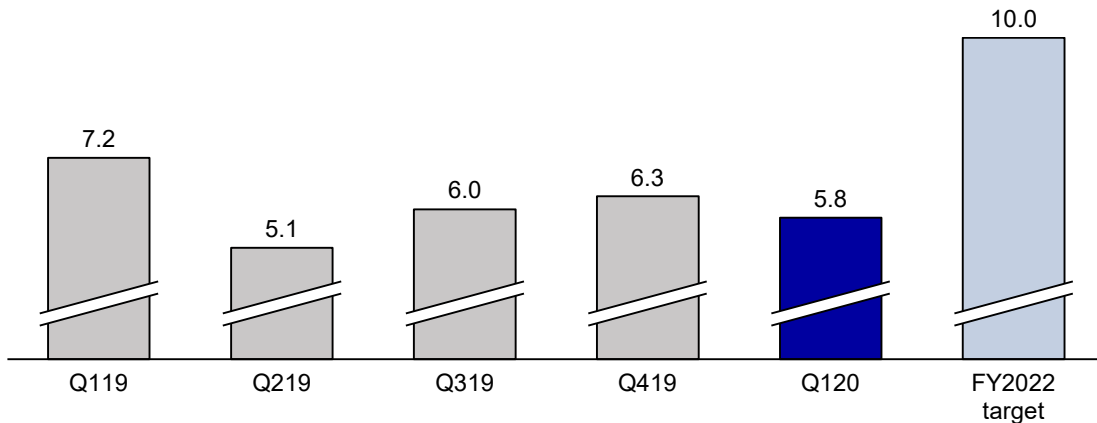


Large Corporates & Institutions – re-positioning progressing

Total income, EURm



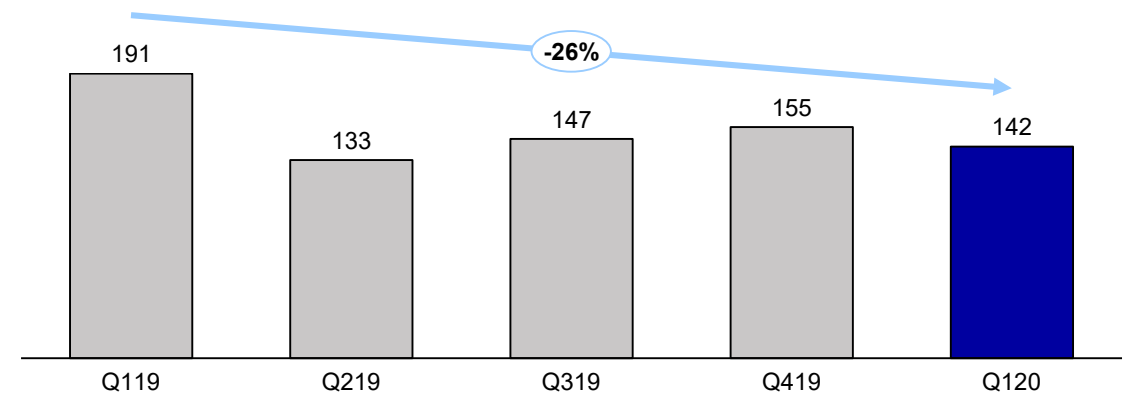
RoCAR*%



Comments

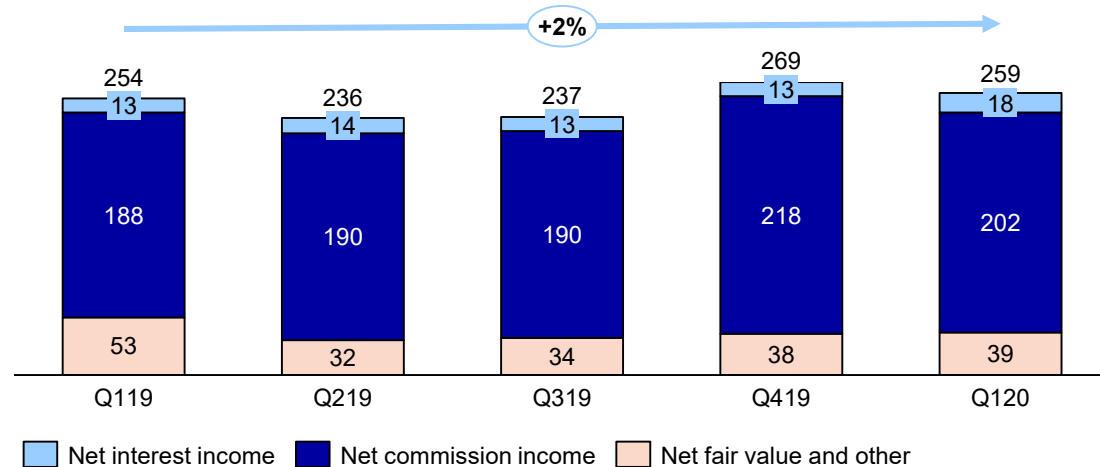
- Increasing lending volumes, high demand in March
- Strong commissions from equities and advisory
 - slower DCM activity in March due to difficult credit markets
- Net fair value adversely affected by valuation adjustments EUR 46m
- Net loan losses EUR 52m vs net reversals in Q119
- Costs down 11%, improving cost to income ratio to 52%

Operating profit*, EURm



Asset & Wealth Management – decreased AuM due to lower asset prices

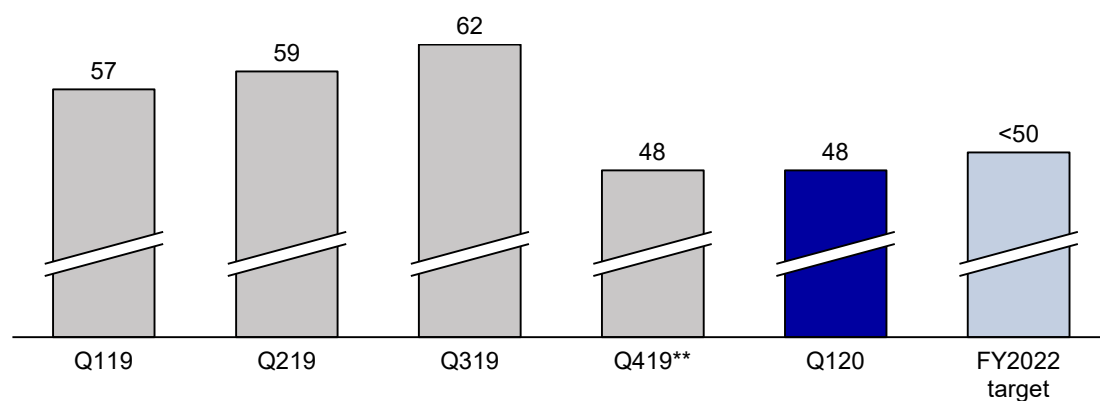
Total income, EURm



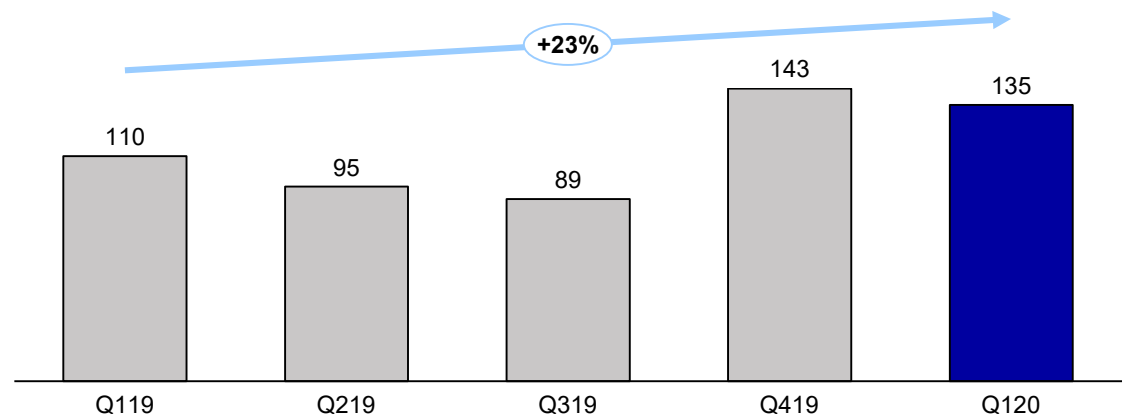
Comments

- Net commission income up 7% YoY, but down 7% in the quarter due to Q4 performance fees and lower AuM
- AuM decreased 14% in Q1 to EUR 280bn driven mainly by lower asset prices
- Net outflows limited to 3bn in significant market turbulence, and offset by increasing deposits
- Total expenses flat from previous quarter

Cost to income ratio*, %



Operating profit*, EURm



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