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

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

* Combined market shares in lending, savings and investments
** Combined market position from small and medium sized companies and large corporates and institutions
Credit - long history of low loan losses, enhanced by portfolio de-risking

Stable underlying loan loss ratios at a low level

- 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

Significant de-risking

- Sale of Poland
- Sale of Baltics
- Securitisation
- Sale of NPL portfolios
- Reduced SOO**
- Managed exit of Russia
- Reduced Danish agriculture

Comments

- Excluding items affecting comparability (IAC) of EUR 282m in Q319 as well as the management judgement of EUR 120m in Q120
- Shipping, oil and offshore
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

* Excluding repos
Loan portfolio – well diversified across segments

Exposure to immediately affected segments limited

- Unsecured consumer: 2.3%
- Materials: 0.7%
- Oil, gas & offshore: 0.7%
- Land transportation: 0.8%
- Household & personal products: 0.1%
- Mining & supporting activities: 0.1%
- Air transportation: 0.1%
- Accommodation & leisure: 0.4%
- Consumer durables: 0.6%
- Retail trade: 1.2%
- Maritime: 2.6%

Total portfolio: EUR 295bn

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

Comments
- Well-positioned entering into the COVID-19 shock
  - total allowance EUR 2.4bn
- Immediate 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 volumes per sector and segment (EURbn) and portions of the total lending portfolio (%), 2020-03-31 (excluding reverse repos)

<table>
<thead>
<tr>
<th>Sector</th>
<th>EURbn</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial institutions</td>
<td>16.2</td>
<td>5.5%</td>
</tr>
<tr>
<td>Crops etc (agriculture)</td>
<td>3.6</td>
<td>1.2%</td>
</tr>
<tr>
<td>Animal husbandry (agriculture)</td>
<td>2.5</td>
<td>0.8%</td>
</tr>
<tr>
<td>Fishing and aquaculture</td>
<td>1.2</td>
<td>0.4%</td>
</tr>
<tr>
<td>Paper and forest products</td>
<td>1.8</td>
<td>0.6%</td>
</tr>
<tr>
<td>Mining etc</td>
<td>0.3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Oil and gas</td>
<td>1.1</td>
<td>0.4%</td>
</tr>
<tr>
<td>Offshore</td>
<td>0.9</td>
<td>0.3%</td>
</tr>
<tr>
<td>Food processing and beverages</td>
<td>1.1</td>
<td>0.4%</td>
</tr>
<tr>
<td>Household and personal products</td>
<td>0.4</td>
<td>0.1%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>2.0</td>
<td>0.7%</td>
</tr>
<tr>
<td>Media and entertainment</td>
<td>1.4</td>
<td>0.5%</td>
</tr>
<tr>
<td>Accomodation and leisure</td>
<td>1.3</td>
<td>0.4%</td>
</tr>
<tr>
<td>Air transportation</td>
<td>0.3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Telecommunication services</td>
<td>1.0</td>
<td>0.3%</td>
</tr>
<tr>
<td>Consumer durables</td>
<td>1.7</td>
<td>0.6%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>3.5</td>
<td>1.2%</td>
</tr>
<tr>
<td>Land transportation</td>
<td>2.3</td>
<td>0.8%</td>
</tr>
<tr>
<td>IT services</td>
<td>1.5</td>
<td>0.5%</td>
</tr>
<tr>
<td>Materials</td>
<td>2.1</td>
<td>0.7%</td>
</tr>
<tr>
<td>Capital goods</td>
<td>3.2</td>
<td>1.1%</td>
</tr>
<tr>
<td>Commercial and professional services</td>
<td>11.0</td>
<td>3.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>6.1</td>
<td>2.1%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>5.3</td>
<td>1.8%</td>
</tr>
<tr>
<td>Commercial real estate</td>
<td>25.6</td>
<td>8.7%</td>
</tr>
<tr>
<td>Residential tenant-owned associations and companies</td>
<td>17.3</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

### Maritime (shipping):

<table>
<thead>
<tr>
<th>Sector</th>
<th>EURbn</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tankers (crude, product, chemical)</td>
<td>2.2</td>
<td>0.7%</td>
</tr>
<tr>
<td>Dry cargo</td>
<td>0.9</td>
<td>0.3%</td>
</tr>
<tr>
<td>Gas tankers</td>
<td>1.3</td>
<td>0.4%</td>
</tr>
<tr>
<td>RoRo vessels</td>
<td>0.3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Container ships</td>
<td>0.1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Car carriers</td>
<td>0.5</td>
<td>0.2%</td>
</tr>
<tr>
<td>Supply vessels</td>
<td>0.6</td>
<td>0.2%</td>
</tr>
<tr>
<td>Floating production</td>
<td>0.2</td>
<td>0.1%</td>
</tr>
<tr>
<td>Oil services</td>
<td>0.3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Cruise</td>
<td>0.4</td>
<td>0.1%</td>
</tr>
<tr>
<td>Ferries</td>
<td>0.2</td>
<td>0.1%</td>
</tr>
<tr>
<td>Other</td>
<td>0.8</td>
<td>0.3%</td>
</tr>
<tr>
<td>Utilities, distribution and waste management</td>
<td>2.9</td>
<td>1.0%</td>
</tr>
<tr>
<td>Power production</td>
<td>1.9</td>
<td>0.6%</td>
</tr>
<tr>
<td>Public Services</td>
<td>3.4</td>
<td>1.2%</td>
</tr>
<tr>
<td>Other industries</td>
<td>0.9</td>
<td>0.3%</td>
</tr>
<tr>
<td>Household mortgage loans</td>
<td>136.2</td>
<td>46.2%</td>
</tr>
<tr>
<td>of which household mortgage loans Denmark</td>
<td>33.7</td>
<td>11.4%</td>
</tr>
<tr>
<td>of which household mortgage loans Finland</td>
<td>30.2</td>
<td>10.2%</td>
</tr>
<tr>
<td>of which household mortgage loans Norway</td>
<td>29.0</td>
<td>9.8%</td>
</tr>
<tr>
<td>of which household mortgage loans Sweden</td>
<td>43.3</td>
<td>14.7%</td>
</tr>
<tr>
<td>Secured, collateralised consumer loans</td>
<td>17.4</td>
<td>5.9%</td>
</tr>
<tr>
<td>Unsecured consumer loans</td>
<td>6.7</td>
<td>2.3%</td>
</tr>
<tr>
<td>Public sector</td>
<td>3.4</td>
<td>1.2%</td>
</tr>
<tr>
<td>Total loans to the public</td>
<td>295.1</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Loan portfolio – good quality and low exposure to highly affected industries

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

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

- 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

* Total lending is defined as lending to the public at amortised cost and fair value, before allowances
Asset quality – higher provisions due to uncertain economic outlook

### Stage 3 impaired loans at amortised cost, EURm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>5,212</th>
<th>5,126</th>
<th>4,748</th>
<th>4,581</th>
<th>4,555</th>
<th>4,493</th>
<th>4,677</th>
<th>4,610</th>
<th>4,516</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q118</td>
<td>Q218</td>
<td>Q318</td>
<td>Q418</td>
<td>Q119</td>
<td>Q219</td>
<td>Q319</td>
<td>Q419</td>
<td>Q120</td>
</tr>
</tbody>
</table>

### Total net loan losses, EURm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>59</th>
<th>44</th>
<th>30</th>
<th>42</th>
<th>61</th>
<th>49</th>
<th>102</th>
<th>154</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q218</td>
<td>Q318</td>
<td>Q418</td>
<td>Q119</td>
<td>Q219</td>
<td>Q319</td>
<td>Q419</td>
<td>Q120</td>
</tr>
</tbody>
</table>

**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

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*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*

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

*Income: Q419: LR Realkredit (138m)
Costs: Q119: AML provision (95m)
Revenues – improvement in net interest and commission income

**Net interest income, EURm**
- Q119: 1,056
- Q219: 1,071
- Q319: 1,083
- Q419: 1,108
- Q120: 1,109
- +5%

**Net commission income, EURm**
- Q119: 737
- Q219: 743
- Q319: 756
- Q419: 775
- Q120: 765
- +4%

**Net fair value, EURm**
- Q119: 264
- Q219: 283
- Q319: 211
- Q419: 266
- Q120: 109
- -59%

**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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>One-offs</th>
<th>Cost decrease</th>
<th>FX</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q119</td>
<td>1,452</td>
<td>1,357</td>
<td>90</td>
<td>1,267</td>
</tr>
<tr>
<td>Q120 adj.</td>
<td>95</td>
<td></td>
<td>19</td>
<td>1,248</td>
</tr>
</tbody>
</table>

-7% increase

### Quarter over quarter bridge, EURm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cost decrease</th>
<th>Resolution fee</th>
<th>FX</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q419</td>
<td>1,179</td>
<td>1,101</td>
<td>153</td>
<td>1,248</td>
</tr>
<tr>
<td>Q120 adj.</td>
<td>78</td>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-7% increase

### 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
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

Nordea is committed to delivering on financial targets
2. Capital, AML and Sustainability
Capital – strong position enabling long-term sustainable growth

**CET1 capital position and requirement**

- **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**

<table>
<thead>
<tr>
<th>Country</th>
<th>CCyB Q419</th>
<th>CCyB Q120</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>1.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>2.5%</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>2.5%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Group CCyB</td>
<td>1.4%</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Finnish SRB/O-SII*</td>
<td>3.0%</td>
<td>2.0%</td>
<td></td>
</tr>
<tr>
<td>P2R (CET1)**</td>
<td>1.75%</td>
<td>1.0%</td>
<td>Δ-2.9%</td>
</tr>
</tbody>
</table>

* 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%
Capital – stable REA and capital development

CET1 capital ratio development, %

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FX effects</th>
<th>Volume growth*</th>
<th>Market risk &amp; CVA**</th>
<th>Other</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q419</td>
<td></td>
<td>0.2</td>
<td>0.1</td>
<td>0.4</td>
<td>16.3</td>
</tr>
<tr>
<td>Q120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16.0</td>
</tr>
</tbody>
</table>

REA development, EURbn

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q118</th>
<th>Q218</th>
<th>Q318</th>
<th>Q418</th>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q419</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q118</td>
<td>123</td>
<td>123</td>
<td>121</td>
<td>156</td>
<td>163</td>
<td>160</td>
<td>156</td>
<td>150</td>
<td>152</td>
</tr>
</tbody>
</table>

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

* Increase in risk exposure amount stemming from growth in credit risk exposure
** Credit valuation adjustments
Capital – low historic volatility and significant buffer to regulatory requirements

**Low CET1 volatility, 2006-19*, %**

<table>
<thead>
<tr>
<th>Bank</th>
<th>CET1 Volatility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nordea</td>
<td>0.29</td>
</tr>
<tr>
<td>Peer 1</td>
<td>0.48</td>
</tr>
<tr>
<td>Peer 2</td>
<td>0.49</td>
</tr>
<tr>
<td>Peer 3</td>
<td>0.53</td>
</tr>
<tr>
<td>Peer 4</td>
<td>0.87</td>
</tr>
<tr>
<td>Peer 5</td>
<td>0.95</td>
</tr>
<tr>
<td>Peer 6</td>
<td>1.01</td>
</tr>
</tbody>
</table>

**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**

- **5.8%** CET1 capital buffer
- **2.7%** 2018 EBA stress test result

---

* 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
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)

* Highest rating within sector is C+
** Lower score represents lower ESG risk (scale has changed, previously the other way around)
3. Funding
Liquidity – solid liquidity position supporting our customers

Liquidity buffer development, EURbn

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q118</td>
<td>91</td>
<td>95</td>
<td>104</td>
<td>103</td>
<td>102</td>
</tr>
<tr>
<td>Q218</td>
<td>95</td>
<td>107</td>
<td>104</td>
<td>104</td>
<td>100</td>
</tr>
<tr>
<td>Q318</td>
<td>104</td>
<td>104</td>
<td>104</td>
<td>100</td>
<td>101</td>
</tr>
<tr>
<td>Q418</td>
<td>103</td>
<td>103</td>
<td>104</td>
<td>101</td>
<td></td>
</tr>
</tbody>
</table>

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

Deposits, EURbn

<table>
<thead>
<tr>
<th>Year</th>
<th>Corporate</th>
<th>Households</th>
<th>Other (repos)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>179</td>
<td>90</td>
<td>4</td>
</tr>
<tr>
<td>2017</td>
<td>172</td>
<td>89</td>
<td>7</td>
</tr>
<tr>
<td>2018</td>
<td>165</td>
<td>74</td>
<td>5</td>
</tr>
<tr>
<td>2019</td>
<td>169</td>
<td>75</td>
<td>2</td>
</tr>
<tr>
<td>2020</td>
<td>175</td>
<td>84</td>
<td>5</td>
</tr>
</tbody>
</table>

* Excluding repos
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

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

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

* Excluding Nordea Kredit covered bonds
** Including CDs with original maturity over 1 year
*** As of Q120 78% of total funding is long-term
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
Long-term funding – Nordea’s global issuance platform

- **USD (EUR 17bn eq.)**: 36% Covered bond, 32% Green senior unsecured
- **DKK (EUR 52bn eq.)**: 6% Covered bond, 82% Green senior unsecured
- **GBP (EUR 1bn eq.)**: 36% Covered bond, 64% Senior unsecured
- **CHF (EUR 1bn eq.)**: 12% Covered bond, 88% Green senior unsecured
- **NOK (EUR 12bn eq.)**: 89% Covered bond, 1% Capital instruments
- **EUR (EUR 35bn)**: 37% Covered bond, 8% Senior unsecured, 4% Green senior unsecured
- **SEK (EUR 37bn eq.)**: 3% Covered bond, 97% Senior unsecured
- **JPY (EUR 1bn eq.)**: 66% Covered bond, 3% Senior unsecured

- **Senior non-preferred**: 82%
- **CDs > 1 year**: 1%
- **Capital instruments**: 1%

Nordea
Nordea covered bond operations

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Nordea Eiendomskreditt</th>
<th>Nordea Hypotek</th>
<th>Nordea Kredit</th>
<th>Nordea Mortgage Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cover pool assets</td>
<td>Norwegian residential mortgages</td>
<td>Swedish residential mortgages primarily</td>
<td>Danish residential &amp; commercial mortgages</td>
<td>Finnish residential mortgages primarily</td>
</tr>
<tr>
<td>Cover pool size*</td>
<td>EUR 16.9bn (eq.)</td>
<td>EUR 53.5bn (eq.)</td>
<td>Balance principle</td>
<td>EUR 21.9bn</td>
</tr>
<tr>
<td>Covered bonds outstanding*</td>
<td>EUR 9.9bn (eq.)</td>
<td>EUR 31.8bn (eq.)</td>
<td>EUR 58.6bn (eq.)</td>
<td>EUR 16.1bn</td>
</tr>
<tr>
<td>OC*</td>
<td>71%</td>
<td>68%</td>
<td>8%*</td>
<td>37%</td>
</tr>
<tr>
<td>Issuance currencies</td>
<td>NOK, GBP, USD, CHF</td>
<td>SEK</td>
<td>DKK, EUR</td>
<td>EUR</td>
</tr>
<tr>
<td>Rating (Moody’s / S&amp;P)</td>
<td>Aaa / -</td>
<td>Aaa / AAA</td>
<td>Aaa / AAA</td>
<td>Aaa / -</td>
</tr>
</tbody>
</table>

- 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

*Reported values as per Q419 and for Nordea Kredit only include capital centre 2 (CC2). Nordea Kredit no longer reports for CC1 (RO), as this capital centre only accounts for a minor part (<1%) of the outstanding volumes of loans and bonds.
## Nordea recent benchmark transactions

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

* Continued tap issuance
Diversified balance sheet

Total assets Q120 EUR 600bn

- **Assets**
  - Cash and balances with central banks
  - Loans to the public
  - Interest-bearing securities incl. Treasury bills
  - Derivatives
  - Other assets

- **Liabilities and Equity**
  - Deposits by credit institutions
  - Deposits and borrowings from the public
  - CDs and CPs*
  - Covered bonds
  - Senior bonds
  - Derivatives
  - Other liabilities
  - Subordinated liabilities
  - Equity

**Capital base**

**Short-term funding**

- CDs and CPs*
- Covered bonds
- Senior bonds
- Derivatives
- Other liabilities
- Subordinated liabilities
- Equity

**Long-term funding**

- Covered bonds
- Senior unsecured (preferred)
- Senior non-preferred
- Tier 2
- Additional Tier 1

**Credit ratings**

- **S&P**
  - Short-term A-1+
  - Covered bonds AAA
  - Senior unsecured (preferred) AA- *****
  - Senior non-preferred A *****
  - Tier 2 A- *****
  - Additional Tier 1 BBB*****

- **Moody’s**
  - Short-term P-1
  - Covered bonds Aaa
  - Senior unsecured (preferred) Aa3
  - Senior non-preferred Baa1
  - Tier 2 Baa1
  - Additional Tier 1 Ba3/Ba1***

- **Fitch**
  - Short-term F1+
  - Covered bonds -
  - Senior unsecured (preferred) AA ****
  - Senior non-preferred AA, ***
  - Tier 2 A **
  - Additional Tier 1 BBB+ ***

---

* 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

---

*Total liabilities and own funds

**At least 8% of TLOF and potentially 2x(P1+P2R)+CBR, applied for banks with total assets > EUR 100bn. Potential senior allowance can be granted after SRB approval.*
Senior non-preferred issuance plan

---

### Own funds and bail-in-able debt, EURbn

<table>
<thead>
<tr>
<th>CET1</th>
<th>AT1</th>
<th>T2</th>
<th>SNP issuance need</th>
<th>Remaining senior unsecured debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>~10</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 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

- Final maturity before end of 2022: EUR 26bn
- Outstanding senior unsecured debt (excl. SNP): EUR 35bn
- SNP issuance need: EUR 10bn

---

*EUR 10bn does not include potential refinancing amount

**Excluding amortised Tier 2
The balance sheet maturity profile has 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)

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

**LCR subcomponents, EURbn**

<table>
<thead>
<tr>
<th>EURbn</th>
<th>Combined Unweighted value</th>
<th>Combined Weighted value</th>
<th>USD Unweighted value</th>
<th>USD Weighted value</th>
<th>EUR Unweighted value</th>
<th>EUR Weighted value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total high-quality liquid assets (HQLA)</td>
<td>101,141</td>
<td>99,329</td>
<td>19,633</td>
<td>19,616</td>
<td>26,837</td>
<td>26,501</td>
</tr>
<tr>
<td>Liquid assets level 1</td>
<td>99,768</td>
<td>98,165</td>
<td>19,607</td>
<td>19,594</td>
<td>26,553</td>
<td>26,501</td>
</tr>
<tr>
<td>Liquid assets level 2</td>
<td>1,373</td>
<td>1,165</td>
<td>27</td>
<td>23</td>
<td>284</td>
<td>241</td>
</tr>
<tr>
<td>Cap on level 2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total cash outflows</td>
<td>335,888</td>
<td>75,801</td>
<td>61,717</td>
<td>41,016</td>
<td>135,512</td>
<td>45,644</td>
</tr>
<tr>
<td>Retail deposits &amp; deposits from small business customers</td>
<td>91,545</td>
<td>6,039</td>
<td>338</td>
<td>51</td>
<td>30,740</td>
<td>2,090</td>
</tr>
<tr>
<td>Unsecured wholesale funding</td>
<td>102,757</td>
<td>47,512</td>
<td>17,634</td>
<td>10,770</td>
<td>29,325</td>
<td>12,795</td>
</tr>
<tr>
<td>Secured wholesale funding</td>
<td>31,900</td>
<td>5,087</td>
<td>5,561</td>
<td>1,744</td>
<td>16,584</td>
<td>1,315</td>
</tr>
<tr>
<td>Additional requirements</td>
<td>69,065</td>
<td>12,007</td>
<td>31,958</td>
<td>27,793</td>
<td>45,567</td>
<td>26,291</td>
</tr>
<tr>
<td>Other funding obligations</td>
<td>40,623</td>
<td>5,157</td>
<td>6,227</td>
<td>658</td>
<td>13,298</td>
<td>2,973</td>
</tr>
<tr>
<td>Total cash inflows</td>
<td>87,672</td>
<td>21,316</td>
<td>38,284</td>
<td>30,762</td>
<td>58,985</td>
<td>34,248</td>
</tr>
<tr>
<td>Secured lending (e.g. reverse repos)</td>
<td>43,510</td>
<td>6,413</td>
<td>3,908</td>
<td>2,639</td>
<td>15,665</td>
<td>1,330</td>
</tr>
<tr>
<td>Inflows from fully performing exposures</td>
<td>12,589</td>
<td>5,853</td>
<td>2,077</td>
<td>965</td>
<td>4,951</td>
<td>2,301</td>
</tr>
<tr>
<td>Other cash inflows</td>
<td>11,973</td>
<td>9,050</td>
<td>32,299</td>
<td>32,204</td>
<td>38,331</td>
<td>38,126</td>
</tr>
<tr>
<td>Limit on inflows</td>
<td>0</td>
<td>-5,046</td>
<td>-7,309</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Liquidity coverage ratio (%)</td>
<td>182%</td>
<td>191%</td>
<td>254%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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
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

<table>
<thead>
<tr>
<th>Asset categories</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green buildings</td>
<td>54%</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>29%</td>
</tr>
<tr>
<td>Pollution prevention and control</td>
<td>13%</td>
</tr>
<tr>
<td>Clean transportation</td>
<td>4%</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

Nordea
4. Macro
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.

GDP development

Unemployment rate

GDP, %, U-shaped scenario

<table>
<thead>
<tr>
<th>Country</th>
<th>2018</th>
<th>2019</th>
<th>2020E</th>
<th>2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>2.4</td>
<td>2.2</td>
<td>-3.0 (1.5)</td>
<td>2.4 (1.5)</td>
</tr>
<tr>
<td>Finland</td>
<td>1.6</td>
<td>1.0</td>
<td>-5.0 (1.0)</td>
<td>2.7 (0.5)</td>
</tr>
<tr>
<td>Norway</td>
<td>2.2</td>
<td>2.3</td>
<td>-6.2 (1.8)</td>
<td>7.3 (1.6)</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.3</td>
<td>1.3</td>
<td>-4.6 (0.8)</td>
<td>-0.2 (1.8)</td>
</tr>
</tbody>
</table>

Source: Nordea Markets and Macrobond
Dotted lines are based on Nordea's baseline scenarios and are not official forecasts.
Forecasts from Nordea January Economic Outlook in parentheses.
Visit E-markets.nordea.com for an overview of all scenarios.
Nordic interest rates – low for very long

Household debt

Household savings

Policy rates

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.

Source: Nordea Markets and Macrobond
House price development in the Nordics

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.

Source: Nordea Markets and Macrobond
5. Business areas – update
Personal Banking – continued mortgage volume growth

Total income*, EURm

- 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%

Cost to income ratio*, %

Operating profit*, EURm

* Excluding distribution agreement and with amortised resolution fees
Business Banking – good business trend continues

Total income*, EURm

<table>
<thead>
<tr>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q419</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>149</td>
<td>133</td>
<td>151</td>
<td>158</td>
<td>154</td>
</tr>
<tr>
<td>27</td>
<td>74</td>
<td>42</td>
<td>84</td>
<td>75</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Q119</th>
<th>Q219</th>
<th>Q319</th>
<th>Q419</th>
<th>Q120</th>
</tr>
</thead>
<tbody>
<tr>
<td>204</td>
<td>237</td>
<td>209</td>
<td>277</td>
<td>247</td>
</tr>
</tbody>
</table>

* Excluding distribution agreement and with amortised resolution fees
## Large Corporates & Institutions – re-positioning progressing

### Total income, EURm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net interest income</th>
<th>Net commission income</th>
<th>Net fair value and other</th>
<th>Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q119</td>
<td>77</td>
<td>104</td>
<td>104</td>
<td>395</td>
</tr>
<tr>
<td>Q219</td>
<td>58</td>
<td>128</td>
<td>126</td>
<td>392</td>
</tr>
<tr>
<td>Q319</td>
<td>81</td>
<td>104</td>
<td>100</td>
<td>397</td>
</tr>
<tr>
<td>Q419</td>
<td>96</td>
<td>100</td>
<td>121</td>
<td>414</td>
</tr>
<tr>
<td>Q120</td>
<td>67</td>
<td>121</td>
<td>-</td>
<td>405</td>
</tr>
</tbody>
</table>

* RoCAR*%: +3%

### 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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating profit*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q119</td>
<td>191</td>
</tr>
<tr>
<td>Q219</td>
<td>133</td>
</tr>
<tr>
<td>Q319</td>
<td>147</td>
</tr>
<tr>
<td>Q419</td>
<td>155</td>
</tr>
<tr>
<td>Q120</td>
<td>142</td>
</tr>
</tbody>
</table>

* With amortised resolution fees and excluding additional provisions in Q319
Asset & Wealth Management – decreased AuM due to lower asset prices

Total income, EURm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Total income, EURm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q119</td>
<td>254</td>
</tr>
<tr>
<td>Q219</td>
<td>236</td>
</tr>
<tr>
<td>Q319</td>
<td>237</td>
</tr>
<tr>
<td>Q419</td>
<td>269</td>
</tr>
<tr>
<td>Q120</td>
<td>259</td>
</tr>
</tbody>
</table>

Cost to income ratio*, %

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Cost to income ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q119</td>
<td>13%</td>
</tr>
<tr>
<td>Q219</td>
<td>14%</td>
</tr>
<tr>
<td>Q319</td>
<td>13%</td>
</tr>
<tr>
<td>Q419</td>
<td>13%</td>
</tr>
<tr>
<td>Q120</td>
<td>18%</td>
</tr>
</tbody>
</table>

Operating profit*, EURm

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating profit*, EURm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q119</td>
<td>110</td>
</tr>
<tr>
<td>Q219</td>
<td>95</td>
</tr>
<tr>
<td>Q319</td>
<td>89</td>
</tr>
<tr>
<td>Q419</td>
<td>143</td>
</tr>
<tr>
<td>Q120</td>
<td>135</td>
</tr>
</tbody>
</table>

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

* With amortised resolution fees
** From Q419 excluding Private Banking International
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