Investor presentation – BofA 25th Annual Financials CEO Virtual Conference 2020

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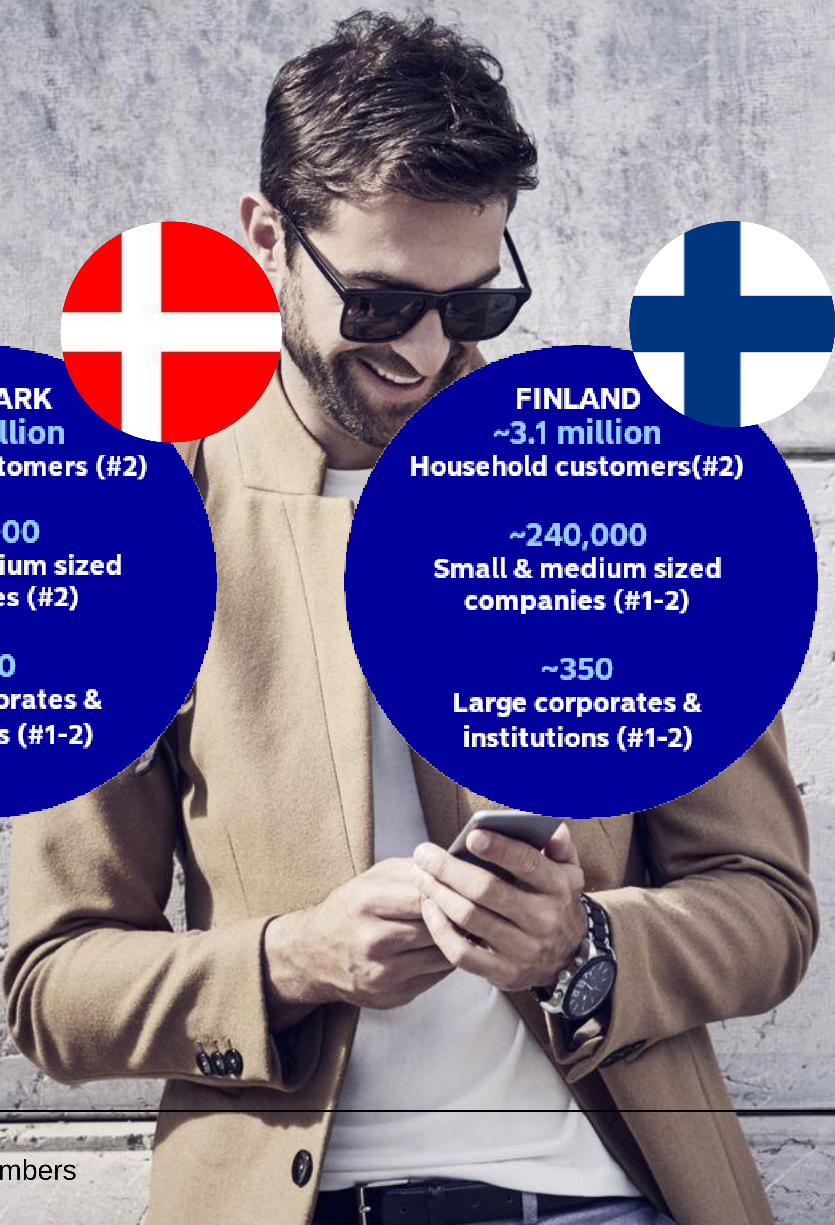
Disclaimer

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.

Today Nordea is the leading Nordic bank with strong market positions in all Nordic countries and business areas



DENMARK
~1.6 million
Household customers (#2)

~60,000
Small & medium sized companies (#2)

~450
Large corporates & institutions (#1-2)

FINLAND
~3.1 million
Household customers(#2)

~240,000
Small & medium sized companies (#1-2)

~350
Large corporates & institutions (#1-2)

NORWAY
~0.9 million
Household customers (#2)

~60,000
Small & medium sized companies (#2)

~750
Large corporates & Institutions (#2)

SWEDEN
~3.6 million
Household customers (shared #3)

~170,000
Small & medium sized companies (#2-3)

~600
Large corporates & Institutions (#2-3)

Full Year 2019 numbers

Three key priorities to make us truly competitive and improve our financial performance

Nordea is committed to delivering on our 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

Sustainable Banking – inspire and enable our customers to make sustainable choices

Nordea is fully committed to making the financial sector more sustainable

Offering

Financing

- **Green bonds**
- **Green corporate loans**
- **Sustainability linked loans**
- **Green mortgages**
- **Green car loans & leasing**

Investment

- **Star funds**
- **Climate & Environmental Fund**
- **Sustainable selection model portfolios**
- **Integrated in savings advisory tool**
- **All funds** are negatively screened

Risk Management

- Board Operations and Sustainability Committee and Business Ethics and Values Committee.
- Group Board Directive on Risk includes ESG and ESG Risk Appetite Statement.
- Group wide thematic and sector guidelines. Specific policies for investments and sustainable bonds.
- Task Force on ECB expectations.

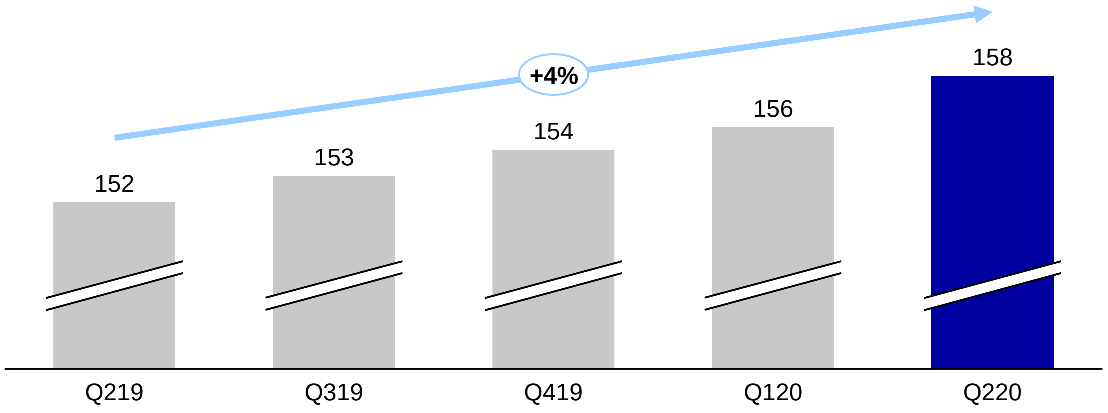
Commitments

- Co-Founders of UNEP FI Principles for Responsible Banking.
- Founding members of Collective Commitment to Climate Action.
- Founding member of Net-Zero Asset Owner Alliance (Life & Pensions).
- Founding member of the Poseidon Principles for the shipping industry.

Contributing to society's goals through climate action, social impact and strong governance

Strong volume growth in both Personal Banking & Business Banking despite COVID-19, recovering AuM

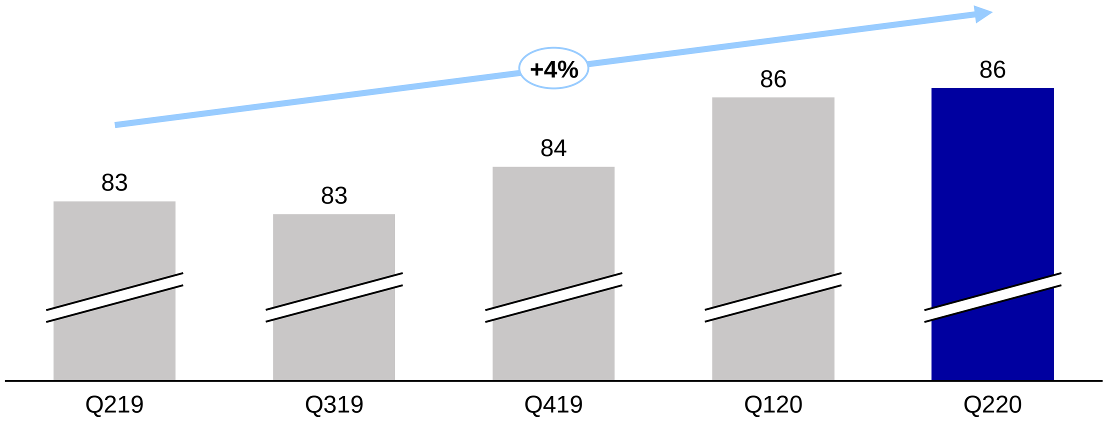
Personal Banking (PeB) lending*, EURbn



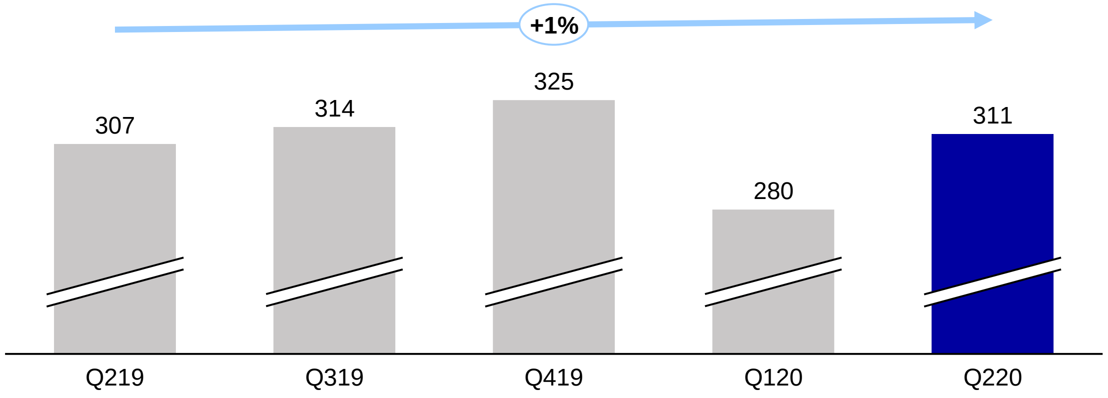
Comments

- Strong volume growth in both households and SMEs
  - Both PeB and BB up 4% compared to same quarter last year
  - Strong mortgage volume growth and high activity also during the summer months
- Strong recovery in AuM from low levels in April
  - Positive market development and good investment performance
  - Strong net inflow (EUR 4bn) in Q220, mainly driven by Private Banking and Institutional Sales
- Customer satisfaction continues to improve during crisis

Business Banking (BB) lending*, EURbn



Assets under management (AuM), EURbn



* Excluding FX effects

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Large Corporates & Institutions – continues to execute on re-positioning plan

New strategic direction for LC&I

- Reduce low-return assets
- Streamline Markets business model
- Optimise international footprint

Capital optimisation
~1.5bn EC / ~8bn REA reduction

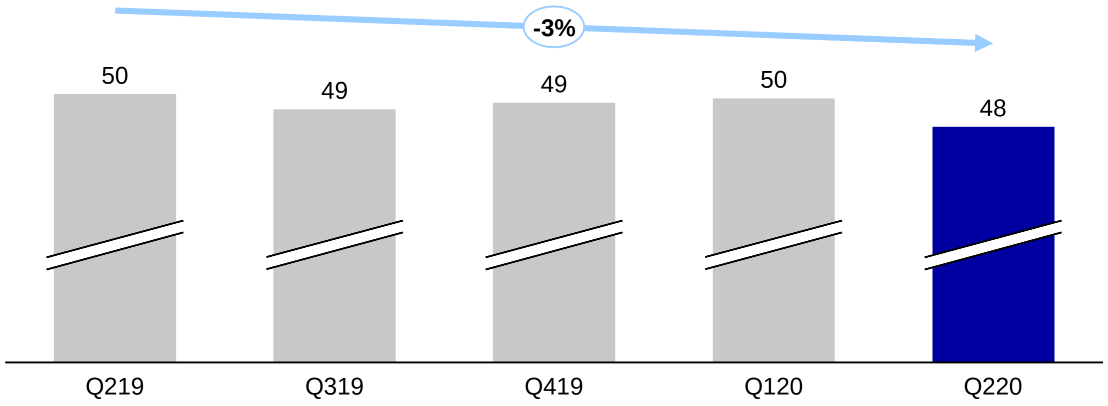
Complexity reduction
Total cost takeout of ~200m

ROCAR enhancement to
~10%

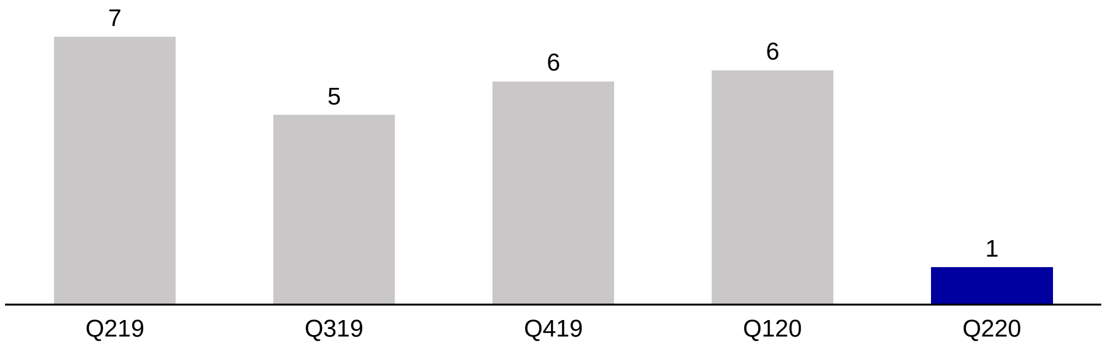
Comments

- Cost takeout and optimisation of international footprint according to plan
- Cost efficiency improves, cost to income ratio down to 44% (63% in Q219)
- Reduction of low-return assets as planned
  - Lending demand tapering off from peak levels in March/April
- Economic capital in Markets adversely affected by increase in market volatility

Lending*, EURbn



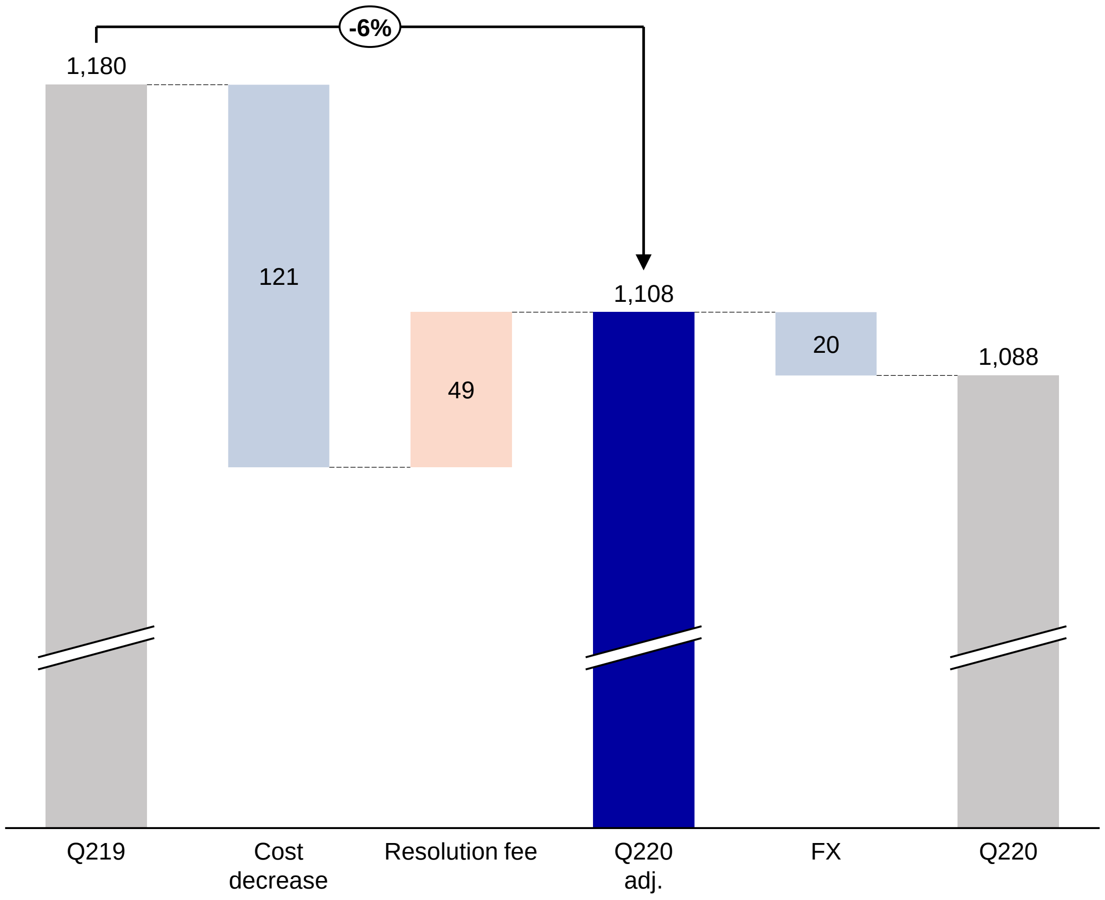
Return on capital at risk**, %



* Excluding repos
** With amortised resolution fees and excluding additional provisions in Q319

We continue to deliver on cost plan and build a strong cost culture

Year over year bridge, EURm



Comments

- Delivering on cost plan
- Staff costs down by 11%
- New ways of working supporting cost reductions
- Slightly lower IT spend in the quarter

Outlook

- Costs for 2020 to be below EUR 4.7bn

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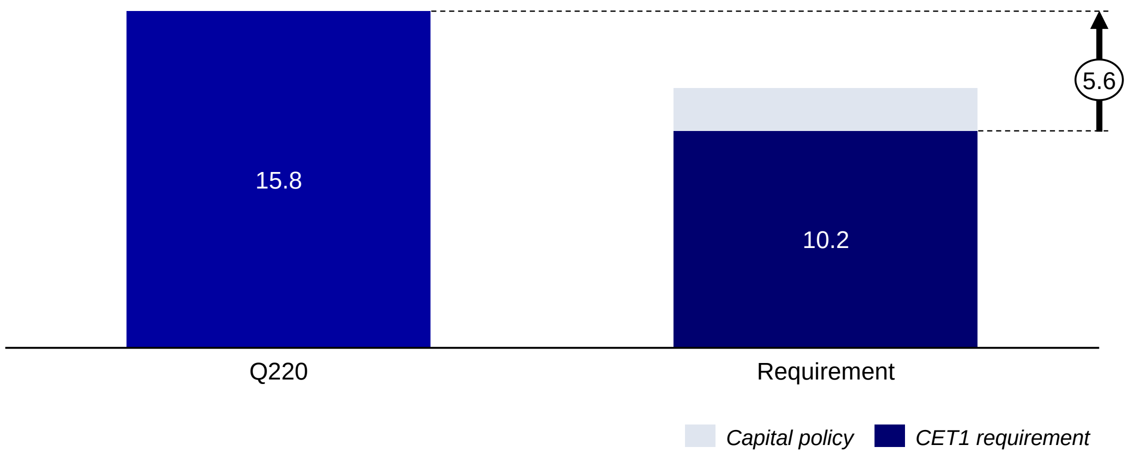
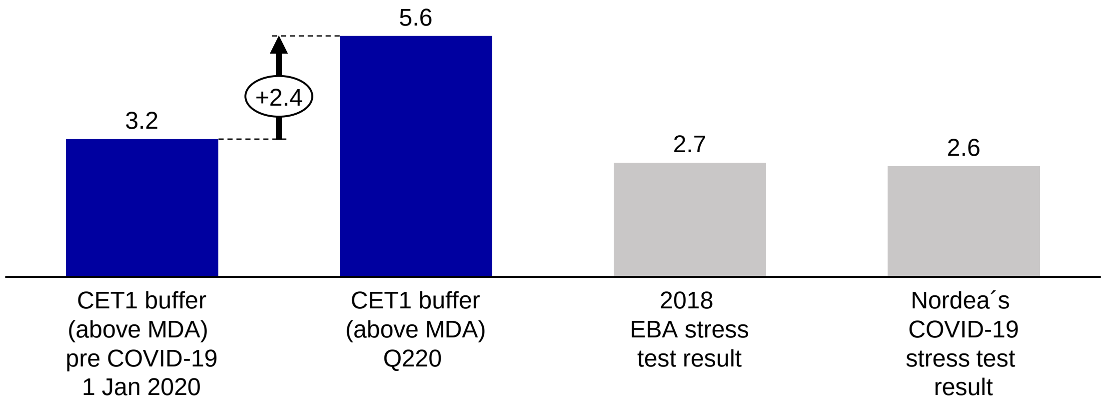
Very strong capital position to support customers while maintaining dividend capacity

CET1 capital position and requirement, %



CET1 capital buffer, %



Comments

- Nordea one of the best capitalised banks in Europe
- CET1 capital ratio at 15.8% compared to the current requirement of 10.2%
  - Capital policy of 150-200 bps above regulatory requirement (MDA level)
- CET1 buffer above requirement of 5.6% points
  - Dividend accrued for 2019 and we are also accruing for 2020
  - Current capital buffer is twice the amount consumed in a stress scenario
- Dividend capacity remains intact

Nordea is one of the most conservative and forward-looking banks on asset quality in Europe

Diversified and de-risked portfolio

- Our loan book is well-diversified and has strong underlying credit quality
- Credit portfolio significantly de-risked over the past years
- Limited exposure to significantly impacted sectors (4% of loan book)

Prudent, proactive and transparent loan loss provisioning

- Full-year 2020 net loan losses projected below EUR 1bn (less than 41 bps)
  - Including review of individual exposures in affected sectors, bottom-up business assessment on full credit portfolio and COVID-19 stress test
- Underlying Q2 net loan losses at EUR 310m, while overall stable credit portfolio quality development
  - Including collective provisions based on updated macro scenarios
  - Conservative macro assumptions, closely aligned with official forecasts (ECB and Nordic)
- New management judgement allowances of EUR 388m in Q2 building up the total management buffer to EUR 650m – to cover for future loan losses
- Coverage ratio increased to 43% in Q2

COVID-19 accelerates trends in the banking sector – Nordea well positioned

Operations

New ways of working – will be permanent to some extent

- >70% of staff working remotely – fully operational during crisis
- Reviewing what learnings can be made – premises, travelling, outsourcing

Services and distribution

Acceleration of digitalisation and remote advice

- Significantly increased share of remote meetings
- Nordea well positioned: Digital & Personal

Customer offerings

Fully digital customer journeys and scalable mobile solutions

- Anywhere & Anytime – further investments in digital services and digital sales planned
- Digital & sustainable customer offerings to be integrated throughout business areas

We deliver on our promises despite COVID-19

- We show strong momentum across business areas and countries despite COVID-19
  - ➢ High activity level and good business performance in challenging times
  - ➢ Strong continued mortgage volume growth and higher market shares in all Nordic countries
  - ➢ Strong net inflow in AuM and recovery in AM commissions
- Solid Q2 results – delivering on costs, capital and credit quality
  - ➢ Revenues largely unchanged – with increasing customer satisfaction
  - ➢ Delivering on the cost plan and building a strong cost culture
  - ➢ Profit before loan losses up 4%, cost to income ratio decreased to 52% (58% in Q219)
  - ➢ Significant and prudent provision buffer built up in the quarter – EUR 650m management judgement to cover for future loan losses
  - ➢ Well-diversified credit portfolio with limited exposures to affected sectors
- Strong financial position allows for return to dividends and supporting our customers
  - ➢ CET1 buffer is the highest among Nordic and European peers
- We deliver on our promises and remain committed to delivering on our business plan and 2022 financial targets

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Questions