Nordea

Debt investor presentation Q2 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.

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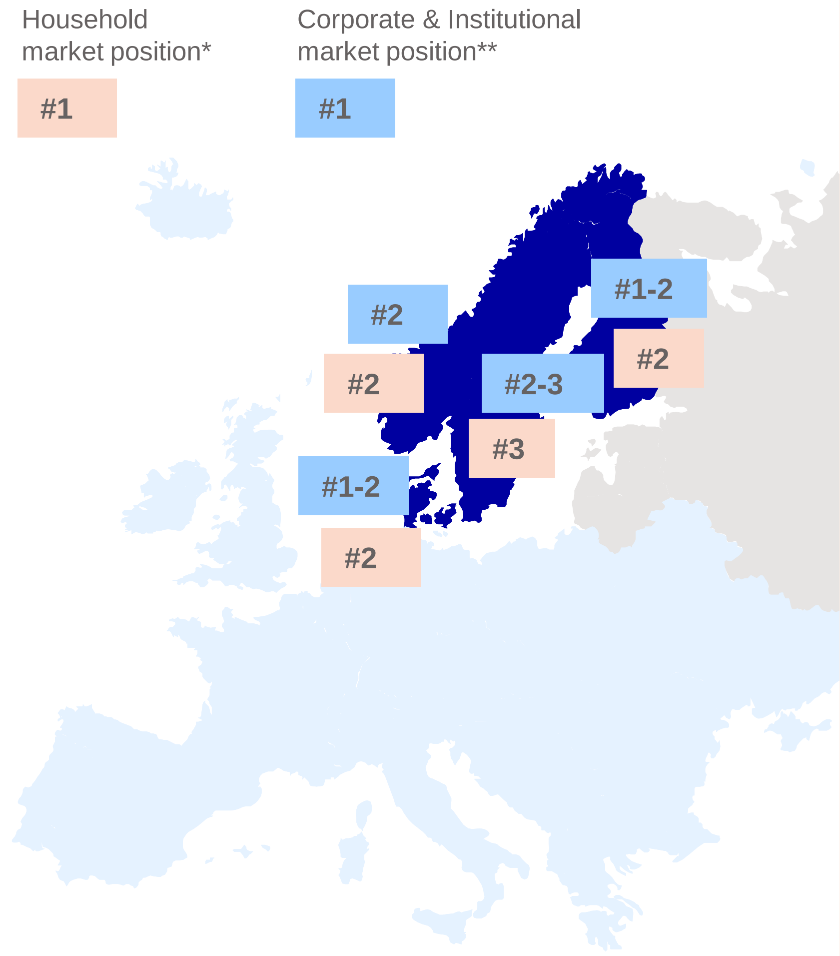
1. Nordea quarterly update

Nordea

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

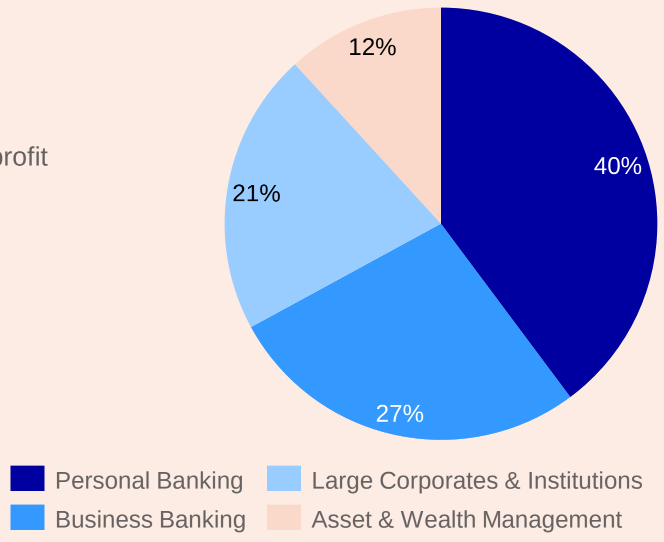
10 million customers and strong distribution power
- 9.3 million household customers
- 530,000 small and medium-sized companies
- 2,650 large corporates and institutions, including Nordic Top 500
- Approx. 340 branch office locations
- Enhanced digitalisation of the business for customers
- Income evenly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

Financial strength (Q220)
- EUR 2.1bn in total income
- EUR 1.0bn profit before loan losses, EUR 0.3bn operating profit
- EUR 587bn of assets
- EUR 31.8bn in equity capital
- CET1 ratio 15.8%
- Leverage ratio 4.9%

AA level credit ratings (senior preferred bonds)
- Moody's Aa3 (stable outlook)
- S&P AA- (negative outlook)
- Fitch AA (negative outlook)

EUR 25bn in market cap (Q220)
- One of the largest Nordic corporations
- A top-15 universal bank in Europe

Operating income per business area, H1 20



* Combined market shares in lending, savings and investments
** Combined market position from small and medium sized companies and large corporates and institutions

Executive summary

- Solid result – continued strong momentum across business areas and countries
  - ➢ High activity level kept revenues largely unchanged
  - ➢ Increasing volumes in lending and deposits, net commission income impacted by the lockdowns
  - ➢ Challenging times have proven the resilience of our business model
- We are progressing according to our plan towards 2022 financial targets
  - ➢ Cost to income ratio decreased to 52% - with increasing customer satisfaction
  - ➢ Return on equity impacted by loan loss provisions
  - ➢ We remain committed to delivering on our business plan and financial targets
- Strong financial position to support our customers and maintain dividend capacity
  - ➢ CET1 ratio at 15.8%, 5.6%-points above requirement
- Strong credit quality remains – significant buffer built up in the quarter
  - ➢ Full-year 2020 net loan losses projected below EUR 1bn (less than 41bps)
  - ➢ Underlying Q2 net loan losses EUR 310m including IFRS 9 model updates
  - ➢ New management judgement allowances of EUR 388m in the quarter building up the buffer to EUR 650m – to cover future loan losses

Group quarterly results Q2 2020

Income statement EURm, excluding one-offs*	**Q220**	**Q219**	**Q2/Q2**	**Q120**	**Q2/Q1**
Net interest income	1,091	1,071	2%	1,109	-2%
Net fee and commission income	673	743	-9%	765	-12%
Net fair value result	318	283	12%	109	192%
Other income	10	44	-77%	18	-44%
Total operating income	**2,092**	**2,141**	**-2%**	**2,001**	**5%**
Total operating expenses	-1,088	-1,180	-8%	-1,248	-13%
Profit before loan losses	**1,004**	**961**	**4%**	**753**	**33%**
Net loan losses	-698	-61		-154	
Operating profit	**306**	**900**	**-66%**	**599**	**-49%**
Cost/income ratio with amortised resolution fees, %	52	58		57	
Return on equity with amortised resolution fees, %	3.0	8.5		6.9	

*Costs: Q119: AML provision (95m)

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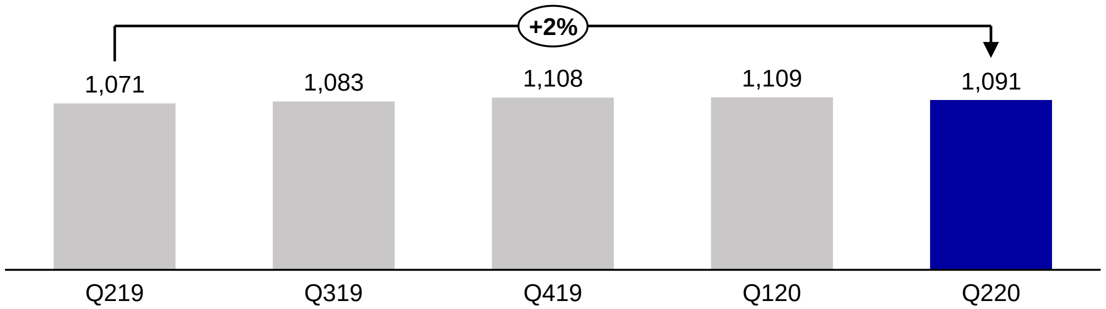
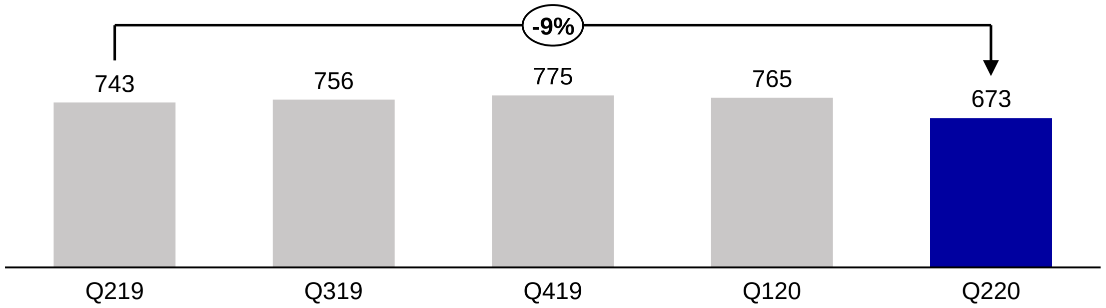
Revenues – continued volume growth but impact from COVID-19

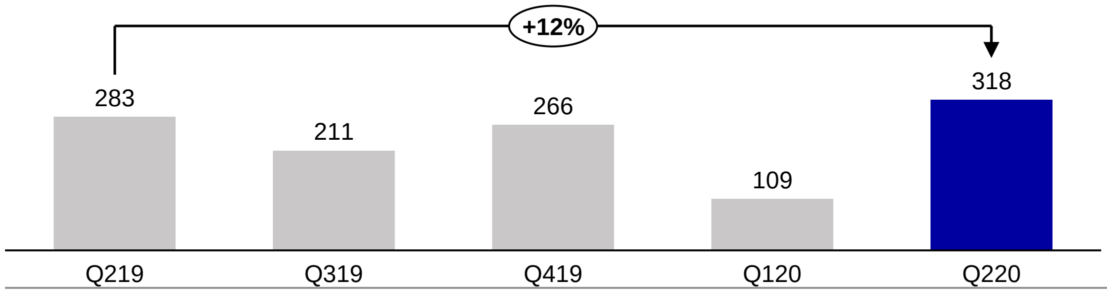
Net interest income, EURm



Net commission income, EURm



Net fair value, EURm

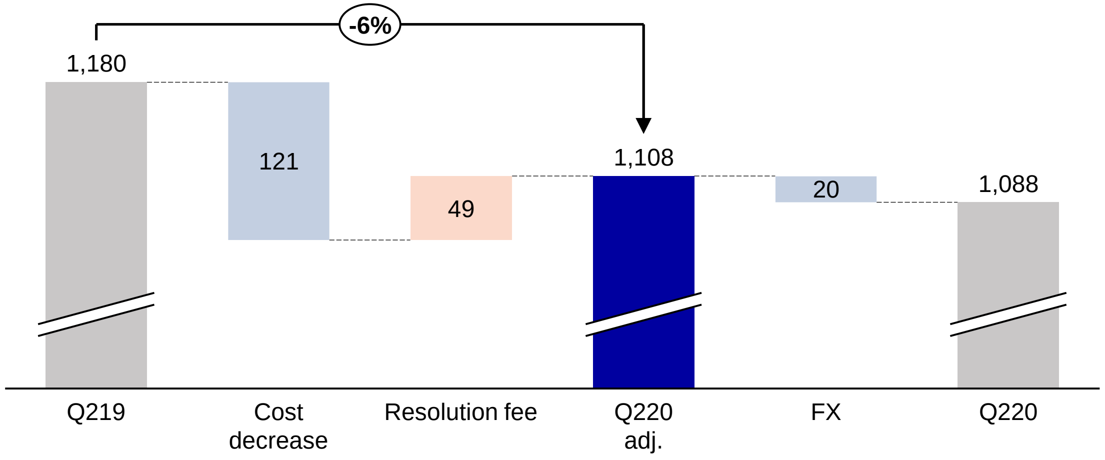


Comments year over year

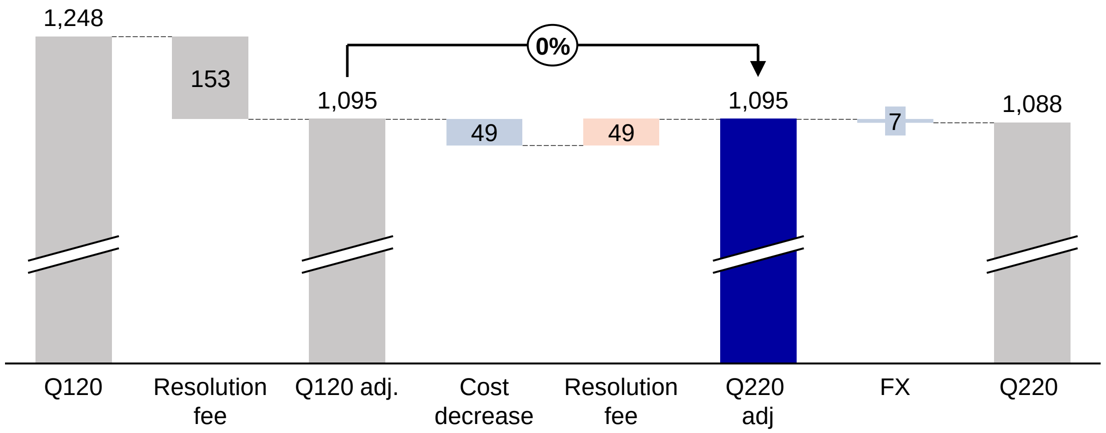
- Net interest income up 2%
  - Strong mortgage growth in all countries
  - Strong growth in both household and corporate deposits
  - Slightly improving margins compared to previous year
  - Negative impact from significant FX movements
- Net commission income down 9%
  - Asset management fees down due to market turmoil, but strong recovery in AuM
  - Highest quarterly inflow since Q316
  - Corporate advisory income recovering in June
  - Payment and card activity down due to lockdowns
- Net fair value up 12%
  - Solid development in customer areas
  - Higher market making and trading income in Markets supported by improved valuations of inventory after a turbulent Q1
  - Treasury income improving due to revaluations

Costs – continue to deliver on cost plan and building a strong cost culture

Year over year bridge, EURm



Quarter over quarter 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

Credit portfolio – summary

Starting point	➢ Our loan book is well-diversified and has strong underlying credit quality
Development in Q2 and FY2020 projection	➢ Full-year 2020 net loan losses projected below EUR 1bn (less than 41bps) ➢ Underlying Q2 net loan losses at EUR 310m, while overall stable credit portfolio quality development ➢ New management judgement allowances of EUR 388m in the quarter building up the buffer to EUR 650m – to cover for estimated future loan losses
Active credit management	➢ Credit portfolio significantly de-risked over the past 10 years

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

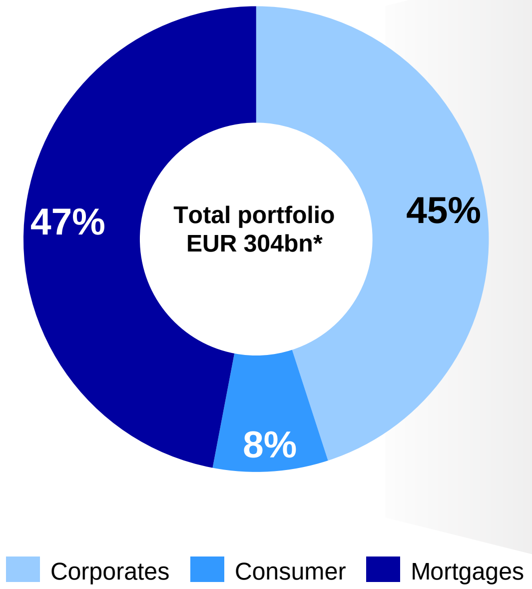
60-70% pay-out of distributable profits to shareholders

Excess capital intended to be distributed to shareholders through buybacks

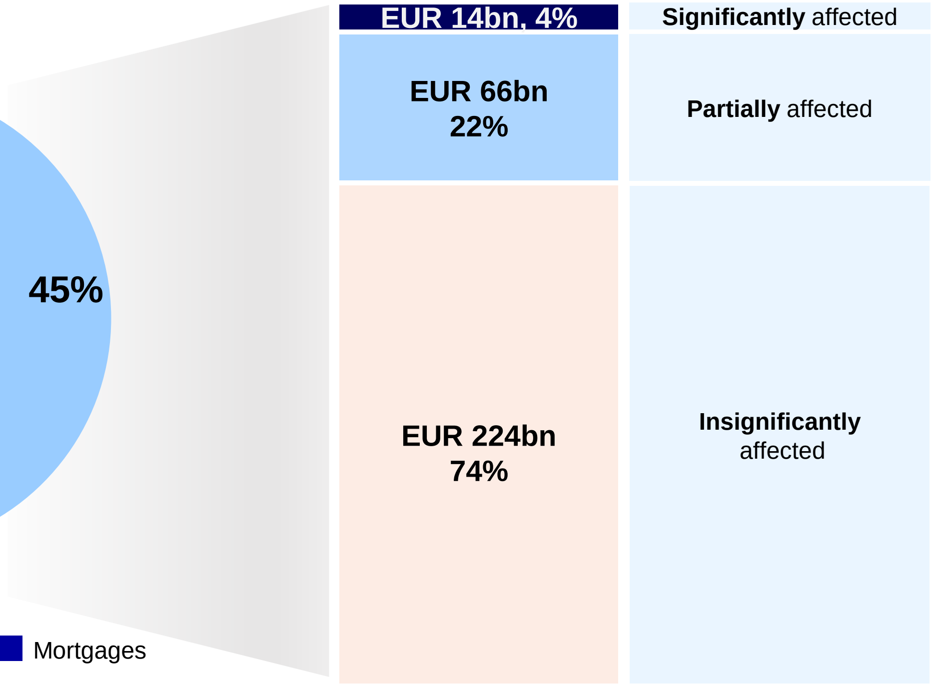
2. Credit quality and loan loss provisions

Loan book – well-diversified with strong underlying credit quality

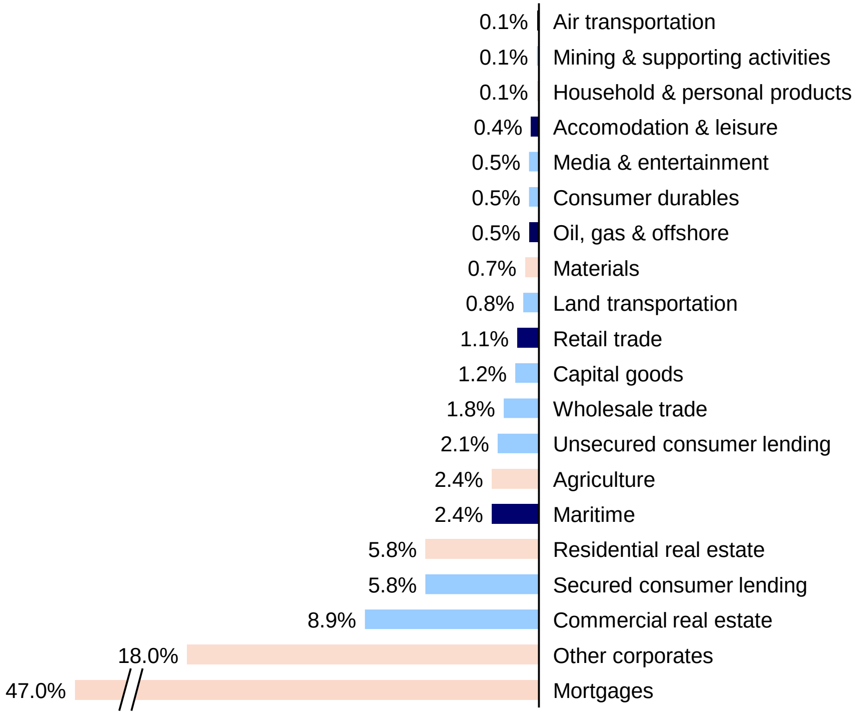
Well diversified portfolio across countries and segments



Updated analysis of COVID-19 impact by segment



Five segments with 4% of total exposure significantly affected



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

* Excluding repos

Loan loss projections – full-year 2020 below EUR 1bn (less than 41 bps)

Analyses behind loan loss projection

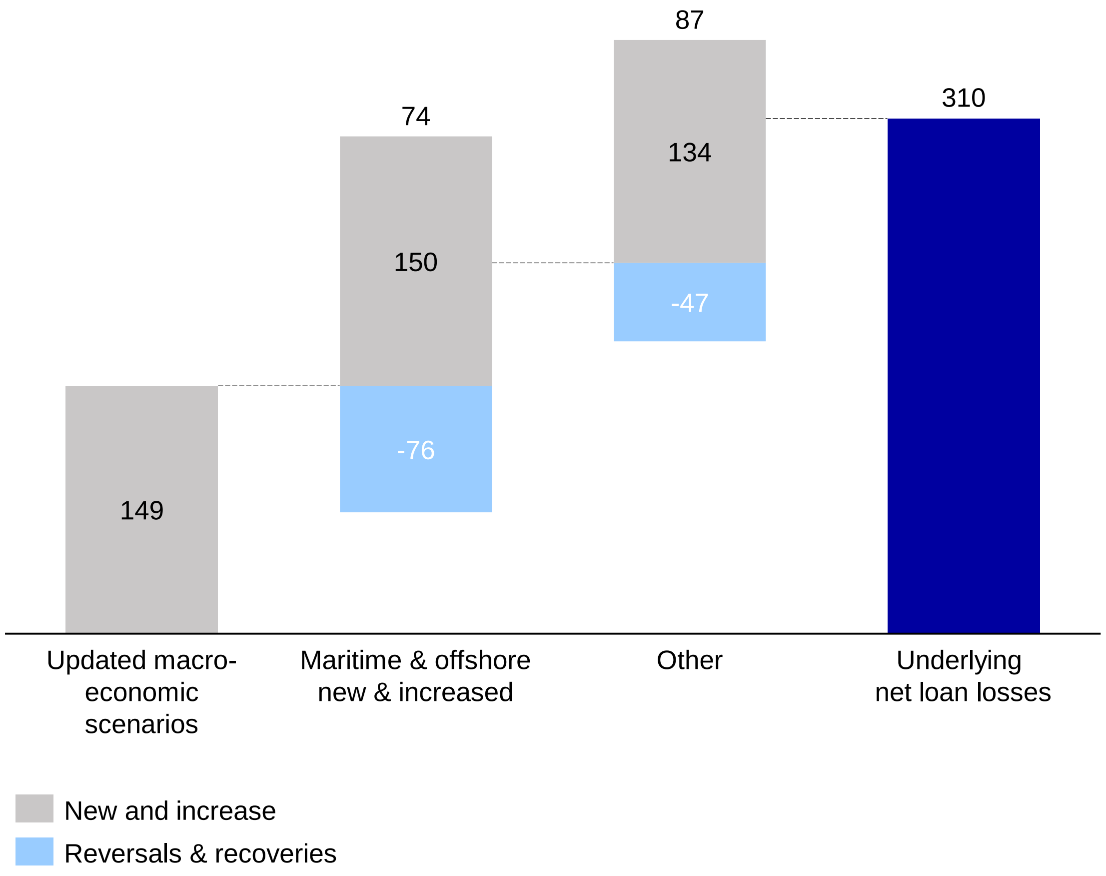
- ✓ *Review of individual exposures in affected sectors*
- ✓ *Bottom-up business assessment on full credit portfolio*
- ✓ *COVID-19 stress test*

Comments

- Estimates based on three convergent analyses
  - Based on updated baseline macro-economic forecasts
  - Include projected credit quality evolution
  - Supplement IFRS 9 model outcome
- Conservative macro assumptions, closely aligned with official forecasts (ECB and Nordic)
- Projection includes coverage for structural updates to IFRS 9 models
  - Takes into account future ECB non-performing loans requirements

Underlying net loan losses – at EUR 310m while overall stable credit quality

Drivers of underlying net loan losses, EURm

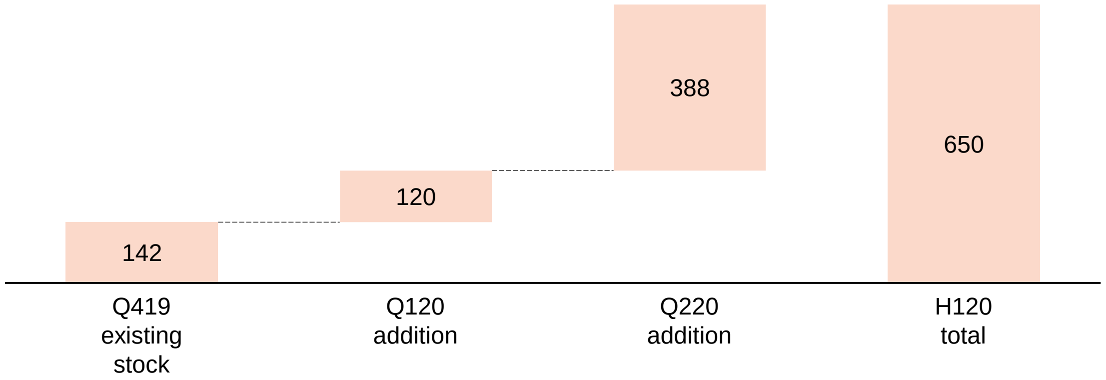


Comments

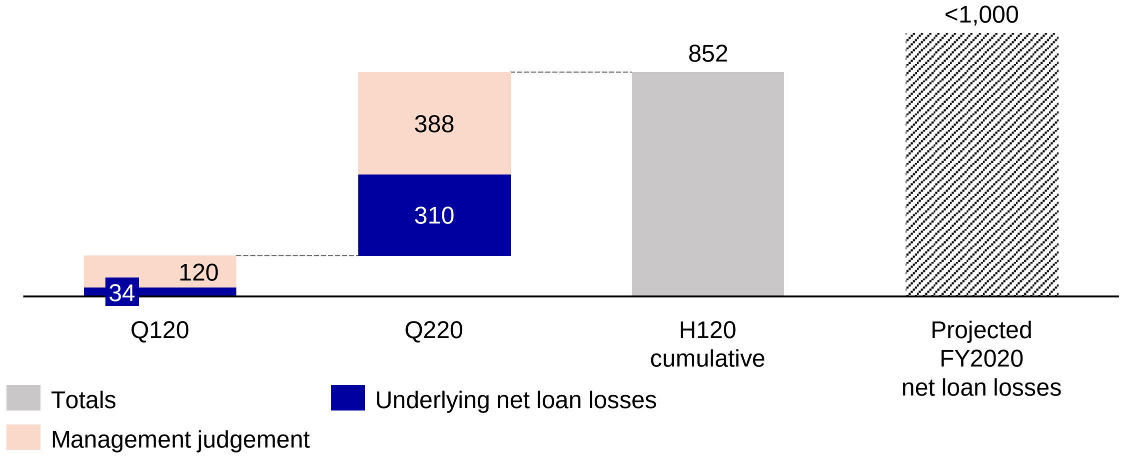
- Total underlying net loan losses in Q2 at EUR 310m
- Three drivers of increased losses:
  - Collective provisions based on updated macro scenarios
  - Additional provisions in maritime and offshore due to decreased collateral valuations and oil price volatility
  - Some increased provisions on commercial real estate and unsecured consumer lending
- Otherwise loan losses stable vs. previous quarters
  - Reflects generally stable credit portfolio quality development (staging distribution)

Management judgement – EUR 650m built up to cover future loan losses

Management judgement developments, EURm



Net loan losses, EURm



Comments

- New management judgement of EUR 388m in the quarter
- Total management judgement buffer of EUR 650m:
  - EUR 430m for cyclically driven loan losses
  - EUR 110m for IFRS 9 model improvements
  - EUR 110m for non-performing loans requirement
- Total provisions in H1 2020 amount to EUR 852m
- Loan loss projection for 2020 already mostly covered by the provisions made this year
  - Significant management judgement buffer in place to cover future losses
- Total allowances on balance sheet increased to EUR 3bn (2.4bn in Q1)

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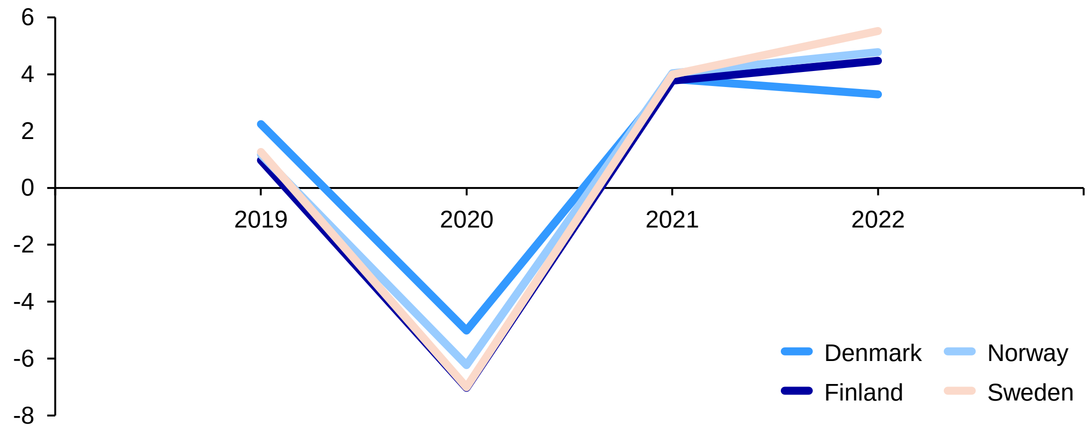
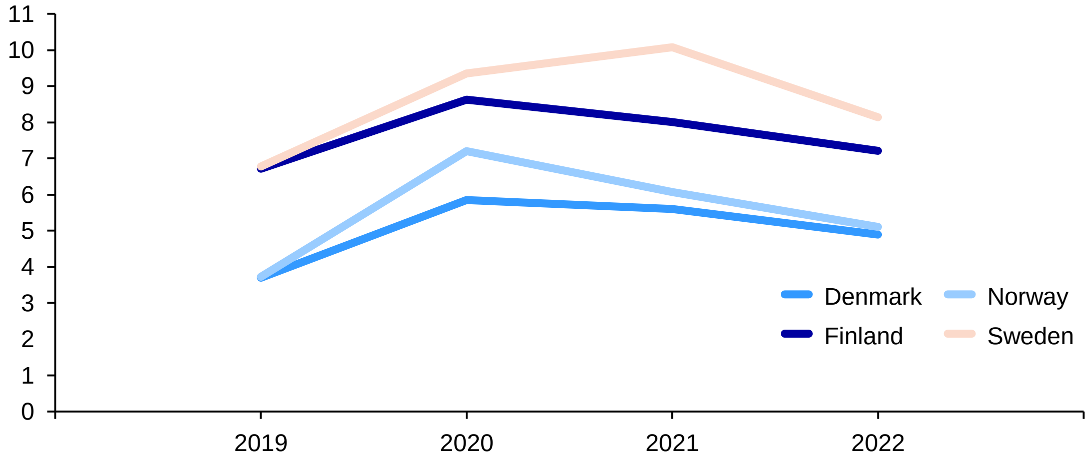
IFRS 9 model update – macro-economic assumptions behind scenarios used

Baseline annual GDP growth, %



Baseline unemployment rate, %



Comments

- Scenarios are conservative and recently updated in line with Nordic central banks and ECB forecasts
- Base scenario, 60% weight
  - Gradual removal of restrictions to continue in H220
  - Leading to a moderate recovery
  - Remaining uncertainty on consumption and investments
- Upside scenario, 20% weight
  - Stronger recovery in Q320
  - Lockdowns rapidly phased out without 2nd wave
  - Fiscal and monetary policy provides a solid boost
- Adverse scenario, 20% weight
  - Lockdowns removed at a slower pace
  - Severe 2nd round effects on consumption, investments
  - Deeper global recession impacting Nordic economies

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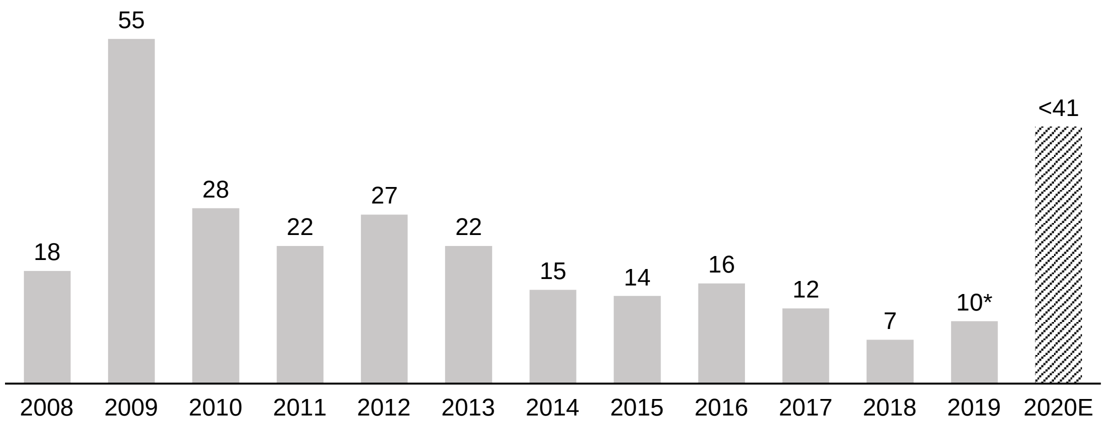
Credit quality – portfolio significantly de-risked over past 10 years

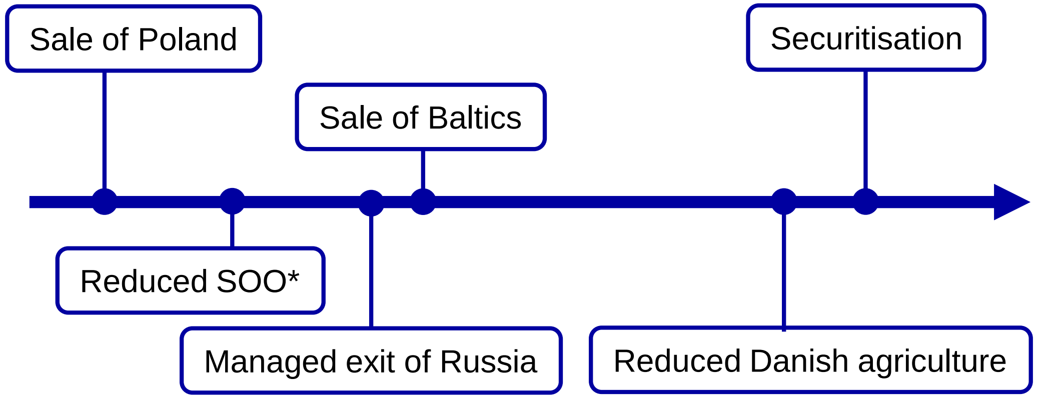
Historic loan loss ratios, bps



Comments

- Track record of strong credit quality
- Average cost of risk 24 bps since 2008
- Risk profile improved by divestments and reductions in high-risk exposures

Significant de-risking



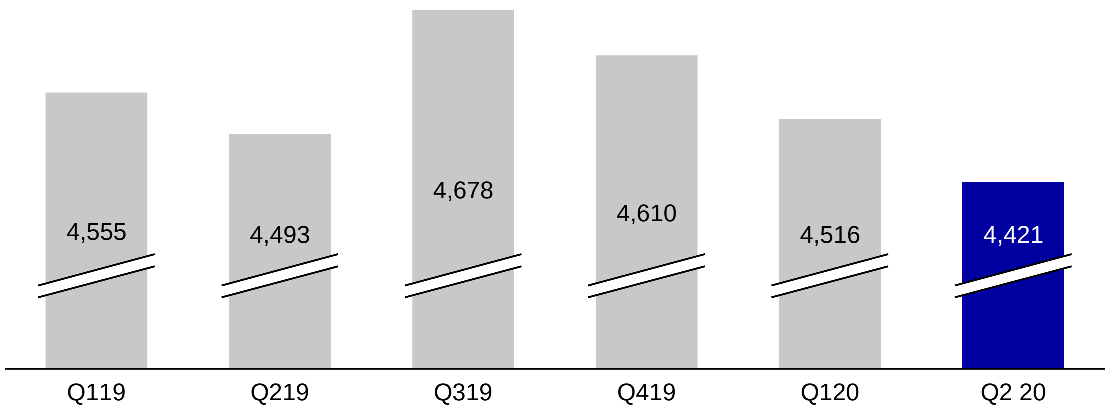
Outlook

- For the full year 2020, our projections point to total net loan losses below EUR 1bn corresponding to a loan loss level of less than 41 bps

* Shipping, oil and offshore

Asset quality – stage 3 loans

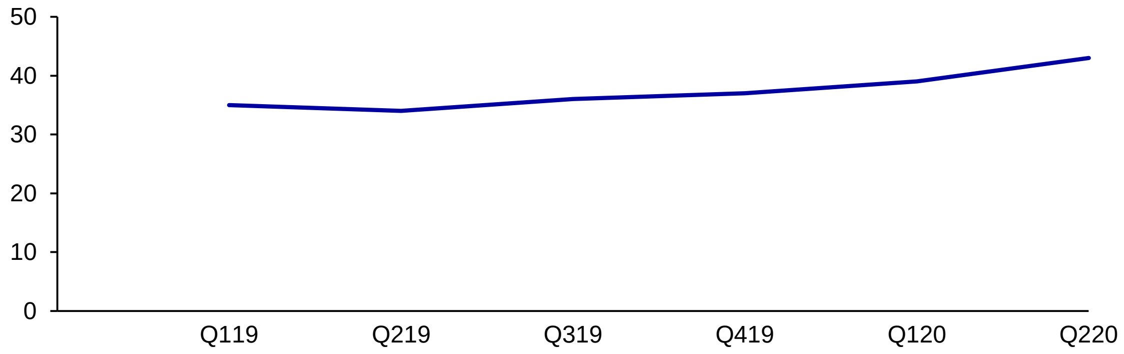
Stage 3 impaired loans at amortised cost, EURm



Comments

- Stage 3 impaired loans decreased 2%
- Coverage ratio stage 3 loans at 43%
- Total impairment ratio 1.65%

Stage 3 allowances, %



Coverage ratio

- Further improved in the second quarter
- Average Q2 coverage ratio is between 40-70% in significantly affected segments and between 35-60% in partially affected segments

Lending split with low concentration to each sector and segment

Lending volumes per sector and segment (EURbn) and portions of the total lending portfolio (%), 2020-06-30 (excluding reverse repos)

Financial institutions	16.9	5.6%
Crops, plantations and hunting (agriculture)	3.6	1.2%
Animal husbandry (agriculture)	2.4	0.8%
Fishing and aquaculture	1.2	0.4%
Paper and forest products	1.8	0.6%
Mining and supporting activities	0.3	0.1%
Oil and gas	0.9	0.3%
Offshore (drilling rigs)	0.7	0.2%
Food processing and beverages	1.1	0.4%
Household and personal products	0.4	0.1%
Healthcare	2.0	0.7%
Consumer durables	1.6	0.5%
Media and entertainment	1.5	0.5%
Retail trade	3.2	1.1%
Air transportation	0.3	0.1%
Accomodation and leisure	1.2	0.4%
Telecommunication services	0.9	0.3%
Materials	2.0	0.7%
Capital goods	3.7	1.2%
Commercial and professional services	11.6	3.8%
Construction	6.3	2.1%
Wholesale trade	5.6	1.8%
Land transportation	2.3	0.8%
IT services	1.4	0.5%
Commercial real estate	26.6	8.8%
Residential tenant-owned associations and companies	18.1	5.9%

Maritime (shipping):		
Tankers (crude, product, chemical)	2.1	0.7%
Gas tankers	1.2	0.4%
Dry cargo	0.9	0.3%
Car carriers	0.4	0.1%
RoRo vessels	0.2	0.1%
Container ships	0.0	0.0%
Supply vessels	0.6	0.2%
Floating production	0.1	0.0%
Oil services	0.2	0.1%
Cruise	0.3	0.1%
Ferries	0.2	0.1%
Other (incl maritime services and ship building)	0.9	0.3%
Utilities distribution	2.9	1.0%
Power production	2.0	0.7%
Public services	2.7	0.9%
Other industries	1.3	0.4%
Household mortgage loans Denmark	34.2	11.2%
Household mortgage loans Finland	30.6	10.1%
Household mortgage loans Norway	31.9	10.5%
Household mortgage loans Sweden	46.3	15.2%
Household mortgage loans total	*143.0*	*47.0%*
Collateralised consumer lending	17.7	5.8%
Non-Collateralised consumer lending	6.5	2.1%
Public sector	3.1	1.0%
Total loans to the public	**304.2**	**100.0%**

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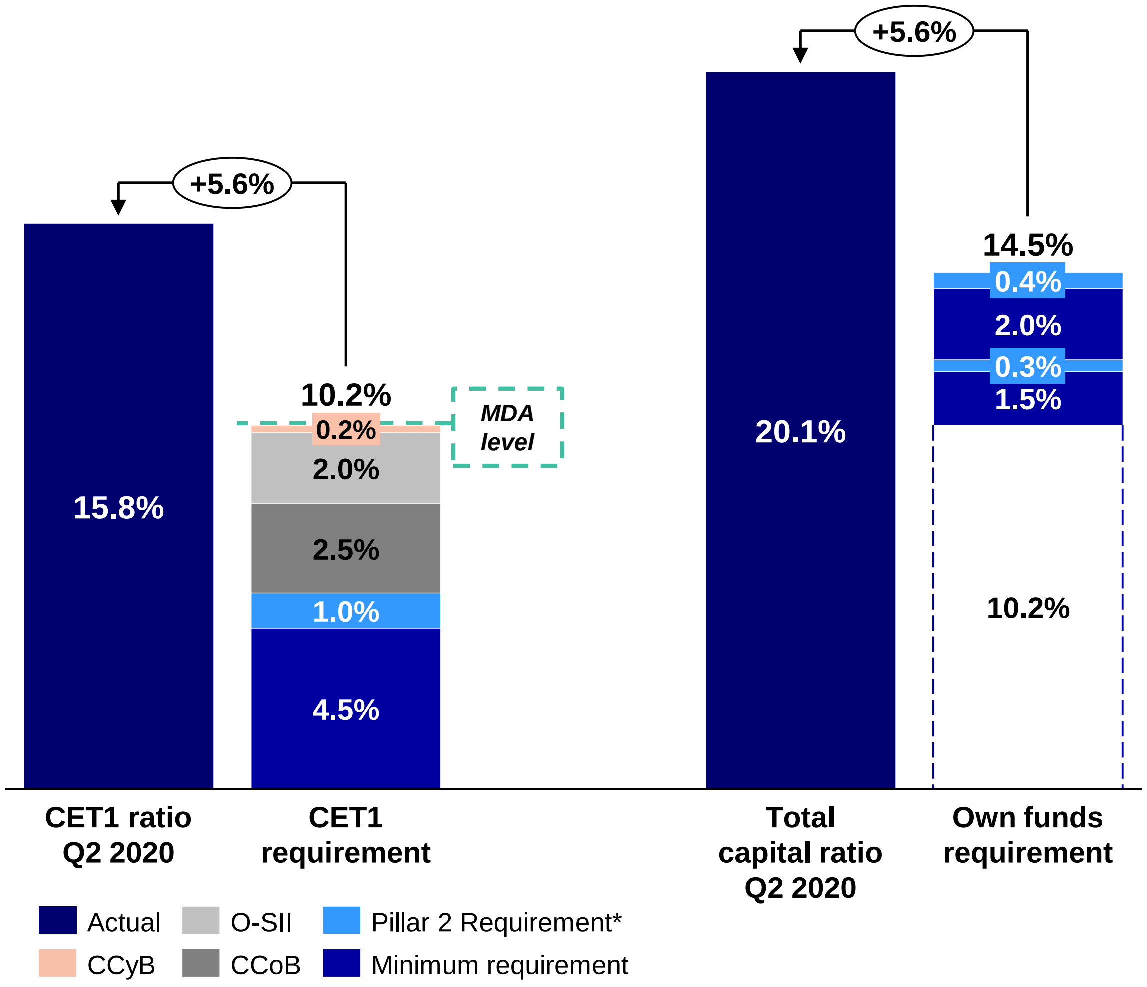
3. Capital, AML and Sustainability

Capital – significant buffer to capital requirements

CET1 capital position and requirement



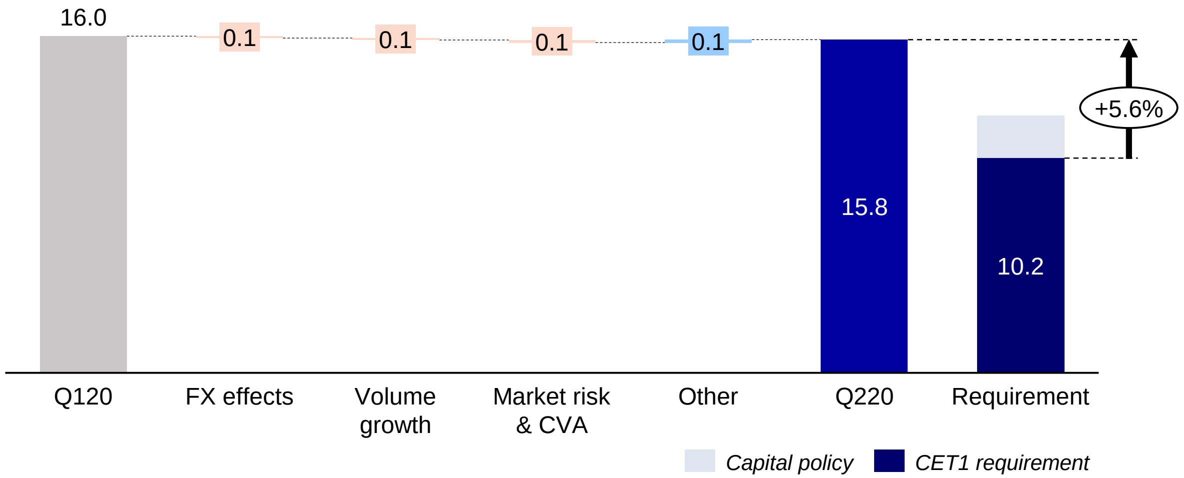
Comments

- Q2 CET1 ratio 15.8% compared to the current requirement of 10.2%
  - Capital policy of 150-200bps above regulatory requirement (MDA level)
- CET1 requirement lowered by ~2.9 %-points since 1 January 2020
- CET1 buffer above requirement of ~5.6 %-points corresponding to ~EUR 8.7bn
- Nordea has postponed the 2019 dividend decision
  - Authorisation for the Board of Directors to decide on 2019 dividend. The amount is still deducted from the CET1 capital ratio (~1 %-point)
  - Dividend accrual for 2020 based on dividend policy of 60-70% pay-out ratio

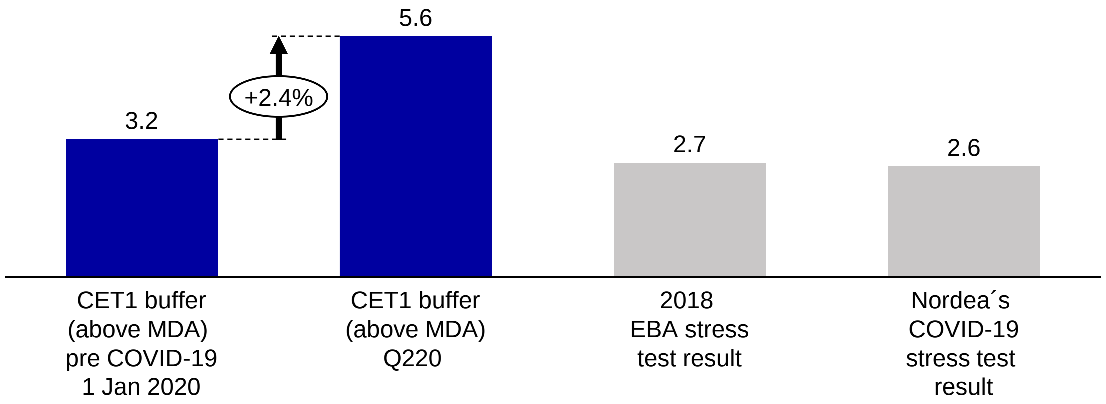
*Total Pillar 2 Requirement of 1.75% of which 0.98% in CET1, 0.33% in AT1 and 0.44% in Tier 2 capital

Capital – strong position to support customers while maintaining dividend capacity

CET1 capital ratio development, %



CET1 capital buffer, %



Comments

- CET1 capital ratio at 15.8%
  - Risk exposure amount (REA) increased by EUR 2.5bn to EUR 155bn
  - Limited credit REA migration in Q2
- Capital buffer of 5.6 %-points
  - Continued dividend accruals for 2019 and 2020
  - Current capital buffer is twice the amount consumed in a stress scenario
- Dividend capacity remains intact

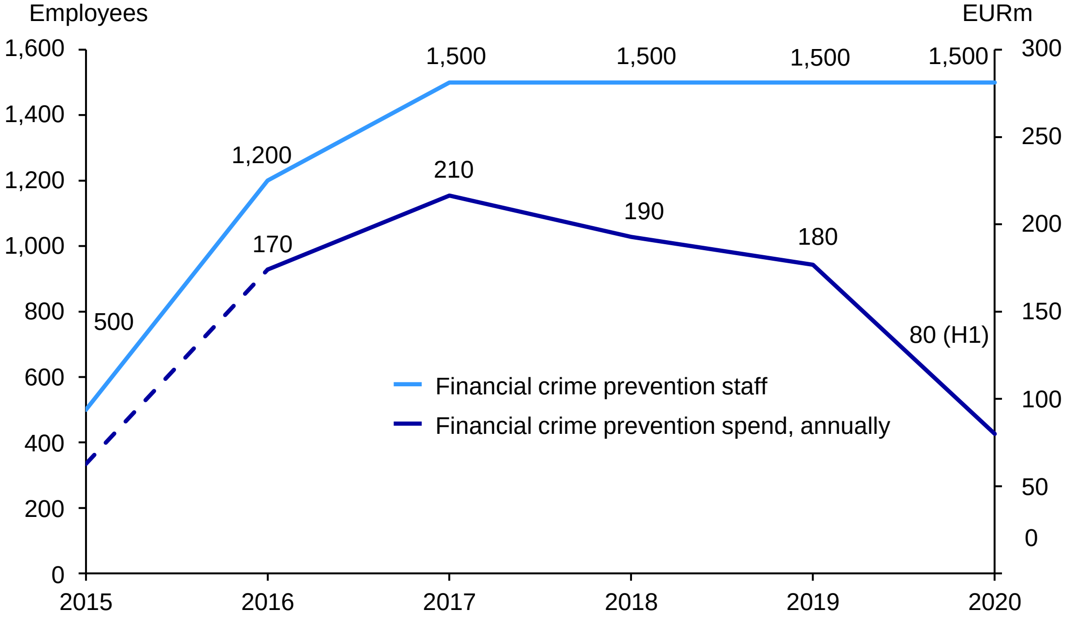
Nordea

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

Significant build-up



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 focus across the group

Nordea is fully committed to making the financial sector more sustainable

- UNEP FI Principles for Responsible Banking (PRB), only Nordic bank among the founders
- Collective Commitment to Climate Action (CCCA)
- Net-Zero Asset Owner 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

- ESG funds
- Sustainable balanced funds
- Sustainable pensions
- Sustainability integrated in investment advice offering

Advice

Leading position in sustainable finance

- Green bond issuance
- Advice on ESG to issuers and investors
- Leading green finance framework advisory

Built on a strong framework

- Board Operations and Sustainability Committee oversee Group's sustainability strategy
- Nordea's risk framework includes ESG risks i.e. through the inclusion of ESG risk in the Nordea common risk taxonomy and a ESG Risk Appetite Statement
- Business Ethics and Values Committee monitor and influence the sustainable topics within the Group.

Number of customers that have been advised in savings where sustainability preferences have been considered

145,000

In H1 2020

Total AuM in ESG products

EUR 64bn (+14%)

Q2 2020

Net volumes sustainable savings

EUR 380m

in H1 2020

Mortgages with green collaterals, number of loans

+25%

in H1 2020

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
- Winner of Prospera rakings

Sustainability ratings

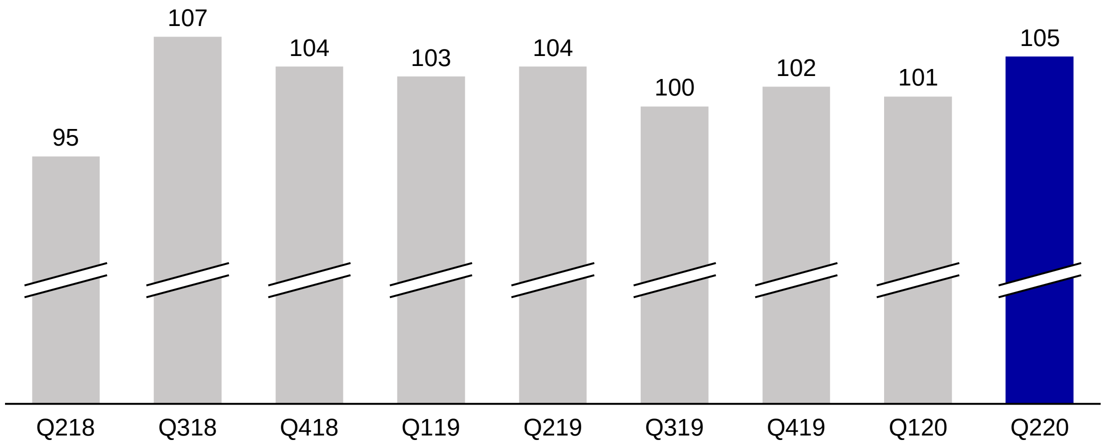
ISS-oekom	**Company Rating: C** (A+ to D-)*
SUSTAINALYTICS	**ESG Score: 21.2** (0 to 100)**
MSCI	**ESG Rating: BBB** (AAA to CCC)

* Highest rating within sector is C+
** Lower score represents lower ESG risk (scale has changed, previously the other way around)

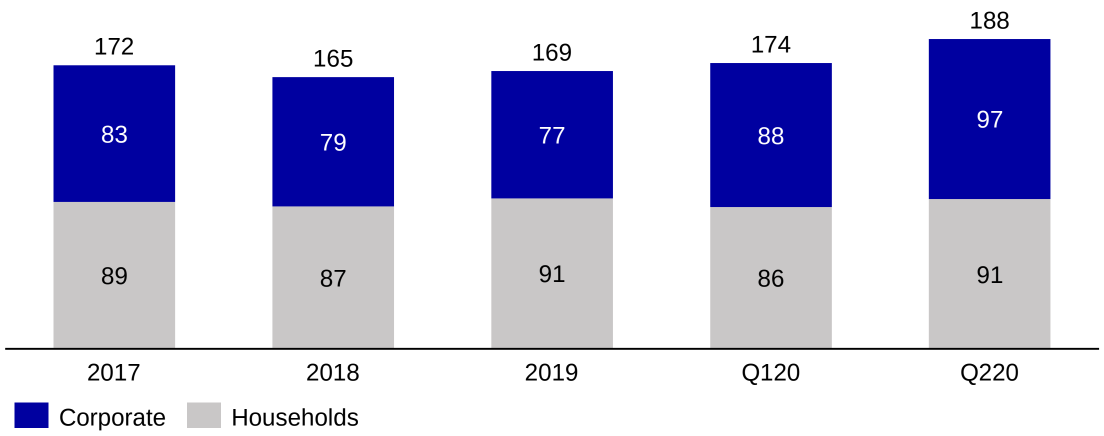
4. Funding

Liquidity – solid position and normalising funding markets

Liquidity buffer development, EURbn



Deposits*, EURbn



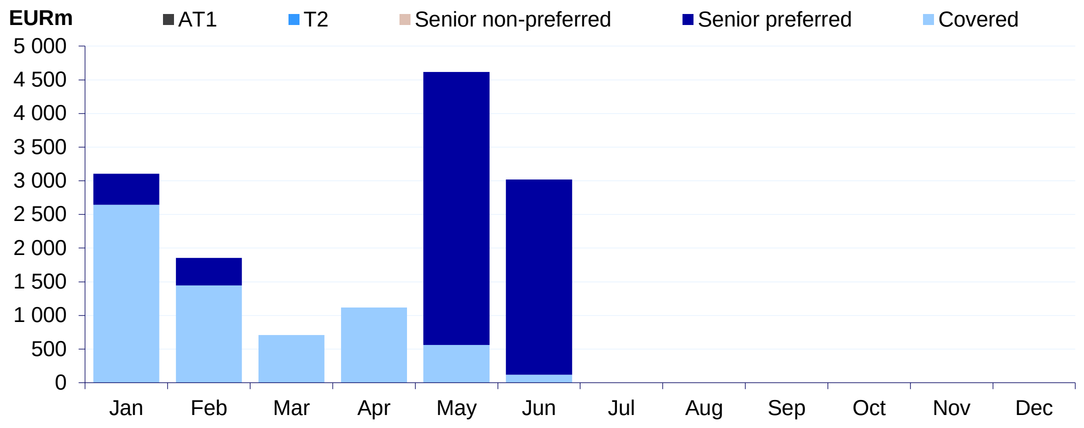
Comments

- Robust liquidity position
  - Liquidity buffer over EUR 100bn
  - Liquidity coverage ratio (LCR) of 160%
  - EU net stable funding ratio (NSFR) of 113%
- Deposits increased 4% in the quarter in local currencies
- Approx. EUR 9bn long-term debt issued during Q2
  - All key funding markets are functioning well at tighter spread levels
- During Q2, Nordea participated in selected central bank liquidity facilities including ECB's TLTRO facility

* Including repos

Solid funding operations

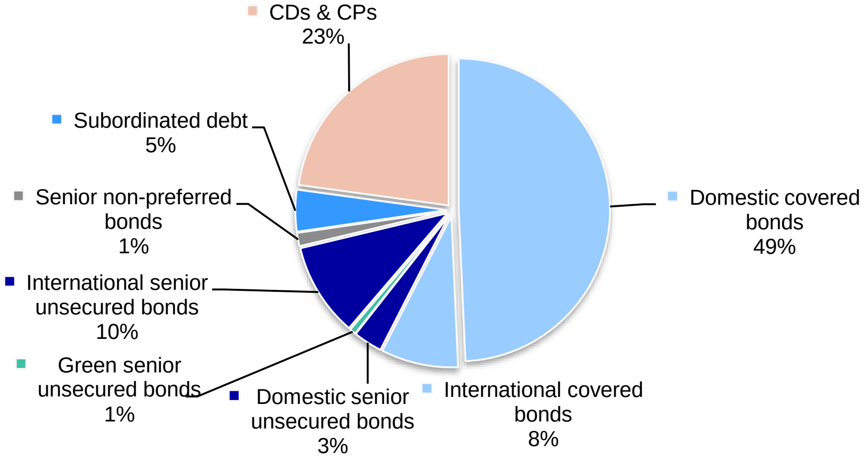
Long-term issuance volumes YTD Q2 2020*, EUR 14.4bn



Strong funding position further improved

- EUR 14.4bn long term debt issued in H1 2020 whereof EUR 8.8bn during Q2
- NSFR 113.2% end Q2 2020 (109.7% Q1)
- 77% of total funding is long-term end Q2
- Selective participation in central bank facilities in home countries incl. TLTRO as a supplement to ordinary funding

Long-term and short-term funding outstanding, EUR 191bn



High-level issuance plan for 2020

- Full year 2020 issuance estimated in the lower end of EUR 20-25bn
- To be issued via covered bonds and senior unsecured debt of which approximately 50% expected to be issued in the domestic markets
- Total estimated need of senior non-preferred debt for forthcoming MREL requirements approximately EUR 10bn until 2023
    - EUR 2.7bn has already been issued

* Including CDs with original maturity over 1 year, excluding Nordea Kredit

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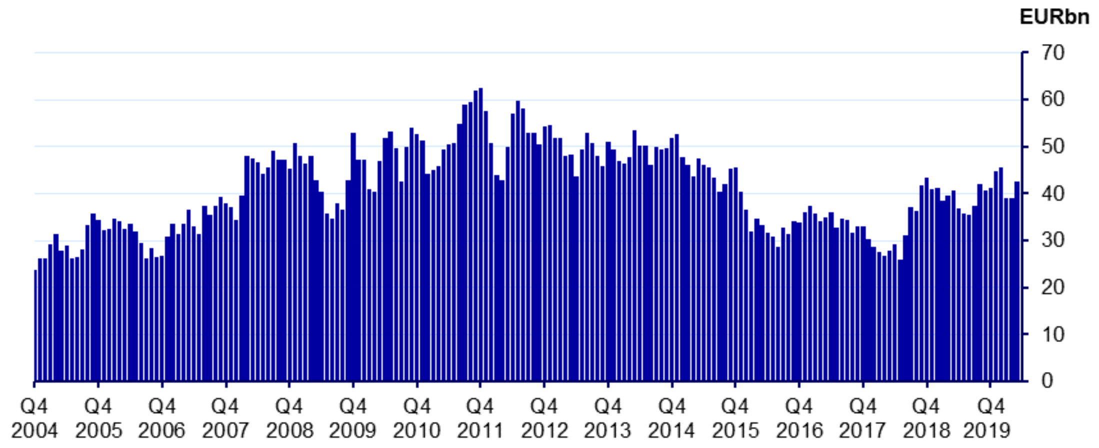
Short-term funding – prudent and active management

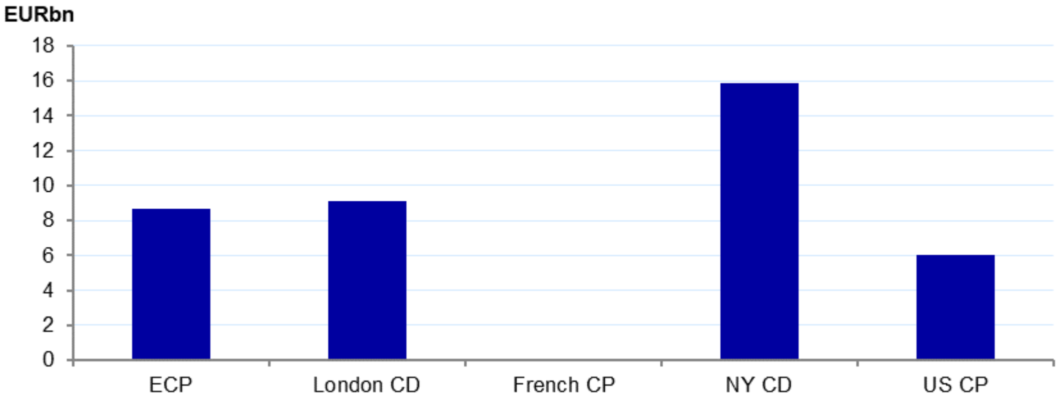
Comments

- The second quarter of 2020 was very focused on supporting our investors, who were quickly back in the market wanting to put their funds into work in longer dated papers, after a quiet period in end of Q1 due to COVID-19
- Nordea has been able to maintain its issuance and pricing at competitive levels
- Nordea has been actively issuing long dated (over one year) Yankee CD's out of the US market
- Nordea still has a well-diversified investor base that is tapped from Asia to USA
- Each program has its niche contribution
- Total outstanding short-term funding has ranged between EUR 39-43bn during Q2 2020
- Short-dated issuance remains an attractive funding component for the group at the current levels

Short-term issuance

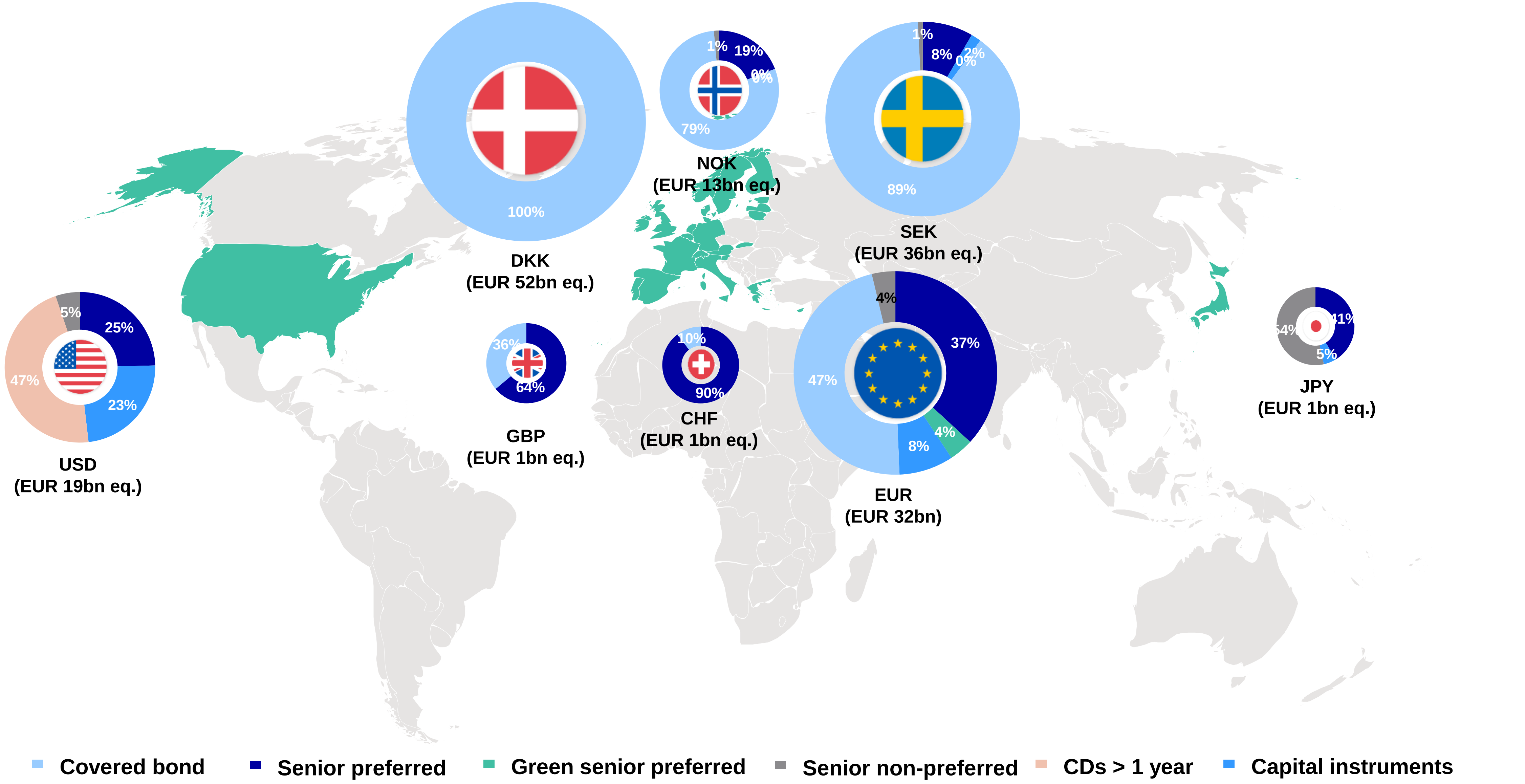


Split between programs



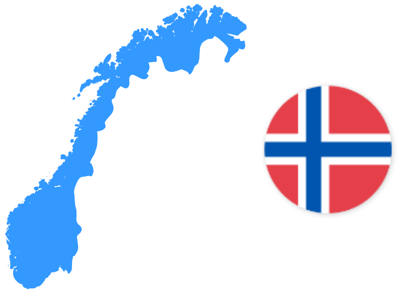
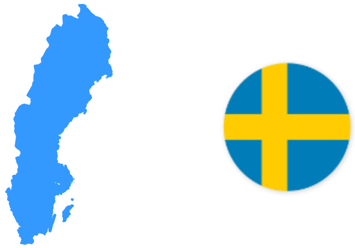
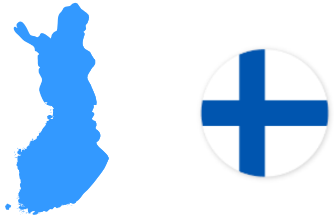
Nordea

Long-term funding – Nordea's global issuance platform



Nordea

Nordea covered bond operations

Four aligned covered bond issuers with complementary roles	Nordea Eiendomskreditt	Nordea Hypotek	Nordea Kredit	Nordea Mortgage Bank
				
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 15.6bn (eq.)	EUR 55.2bn (eq.)	Balance principle	EUR 22.3bn
Covered bonds outstanding	EUR 12.4bn (eq.)	EUR 34.8bn (eq.)	EUR 55.6n (eq.)*	EUR 19.8bn
OC	26%	58%	9%*	13%
Issuance currencies	NOK	SEK	DKK, EUR	EUR, GBP
Rating (Moody's / S&P)**	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 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.

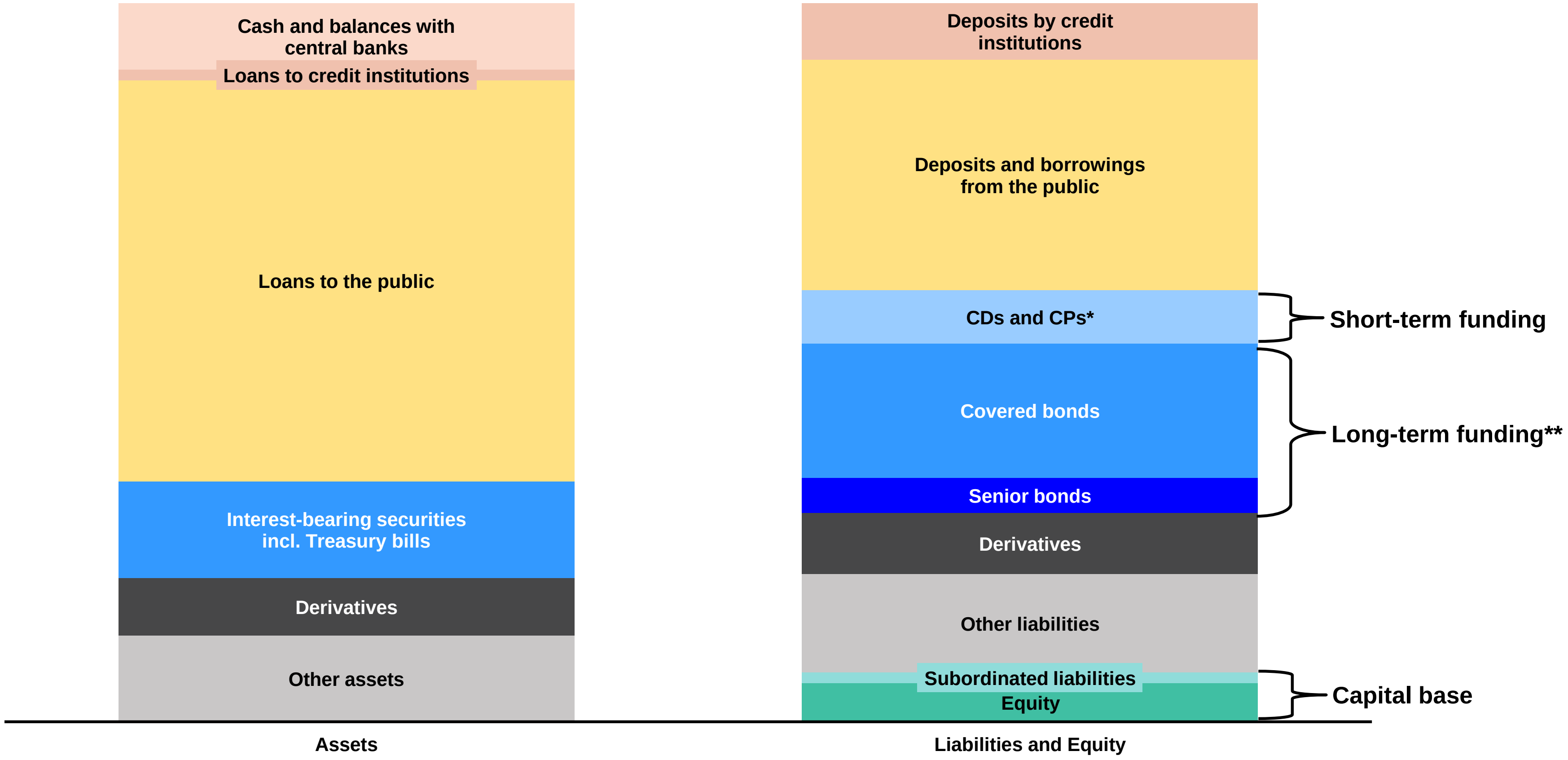
Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	Callable
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	
Nordea Bank	Senior preferred	EUR	1,250	Fixed	May-20	May-27	
Nordea Bank	Senior preferred	SEK	1,000 500	Fixed FRN	May-20	May-23	
Nordea Bank	Senior preferred	NOK	4,000	FRN	May-20	May-25	
Nordea Bank	Senior preferred	CHF	200	Fixed	May-20	May-26	
Nordea Bank	Senior preferred	USD	1,000	Fixed	Jun-20	Jun-23	

* Continued tap issuance

Diversified balance sheet

Total assets Q2 2020 EUR 587bn



Credit ratings	S&P	Moody's	Fitch
Short-term	A-1+	P-1	F1+ ***
Covered bonds	AAA	Aaa	-
Senior unsecured (preferred)	AA- ***	Aa3	AA ***
Senior non-preferred	A ***	Baa1	AA- ***
Tier 2	A- ***	Baa1	A ***
Additional Tier 1	BBB ***	Baa3/ Ba1 ****	BBB+ ***

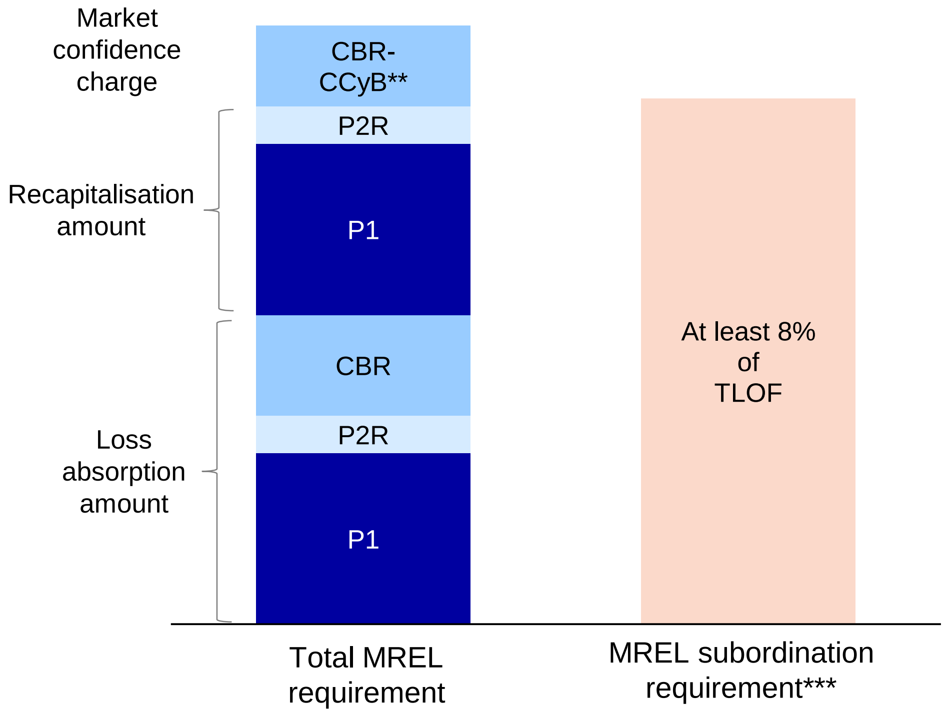
* Including CDs with original maturity over 1 year
** Excluding subordinated liabilities

*** Negative outlook
**** Unsolicited ratings

Nordea

MREL requirements

Single Resolution Board (SRB) new MREL policy*



Nordea total MREL requirement

- Current transitional MREL requirement is 7.1% of TLOF, but expected to be increased to 8% of TLOF
- New total MREL requirement to be decided during Q1 2021
- Eligible instruments: own funds, senior non-preferred (SNP) and senior preferred (SP) debt

Nordea MREL subordination requirement

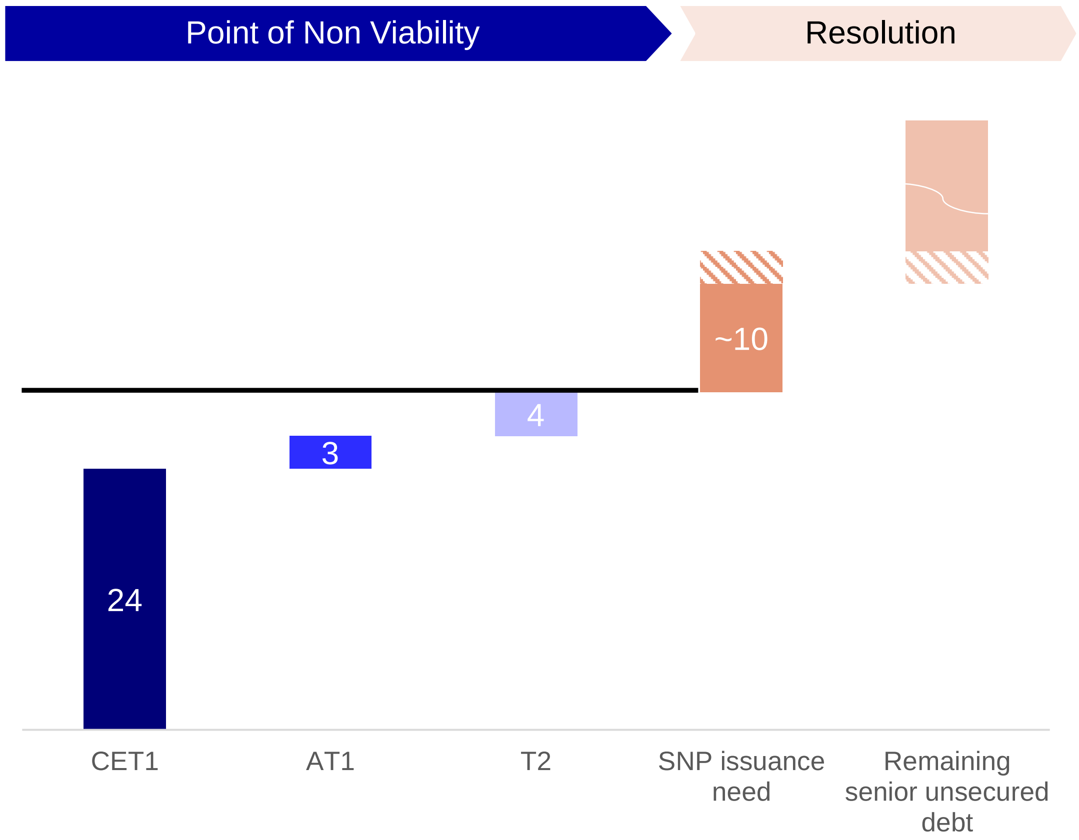
- MREL subordination to be decided during Q1 2021
- Eligible instruments: own funds and SNP and potentially some SP allowance
- MREL subordination requirement will drive SNP needs

*MREL policy under the Banking Package published by SRB on May 20, 2020
**Deduction of CCyB will be phased in. In the 2020 resolution planning cycle, the SRB will set the MCC at CBR minus the greater of CCyB and 93.75 basis points
***At least 8% of TLOF (Total Liabilities & Own Funds), potentially 2x(P1+P2R)+CBR, for banks with total assets > EUR 100bn. Potential senior preferred allowance may be granted after SRB approval

Nordea

Senior non-preferred issuance plan

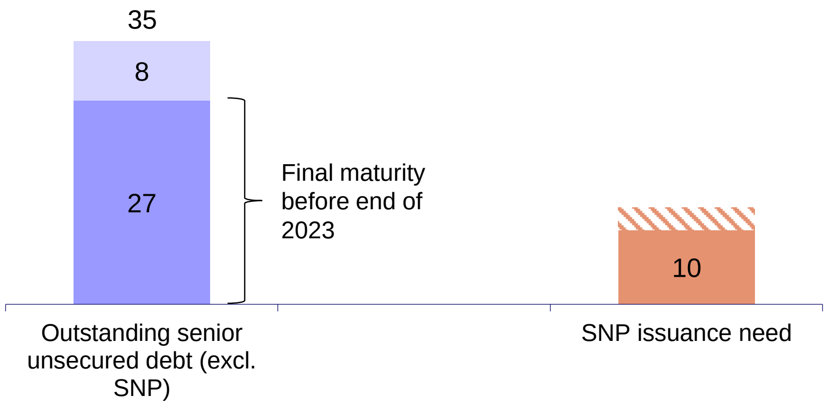
Own funds and bail-in-able debt, EURbn



Comments

- Total estimated SNP need for future MREL requirement remains unchanged at EUR 10bn* by end of 2023
- EUR 2.7bn has been issued
- SNP issuance plan to be reviewed during Q3 2020 and in Q1 2021 in connection with the SRB decision on Nordea MREL subordination requirement
- Nordea's own funds of ~EUR 31bn** will rank junior to SNP investors

Senior bonds available for potential refinancing in SNP format, EURbn

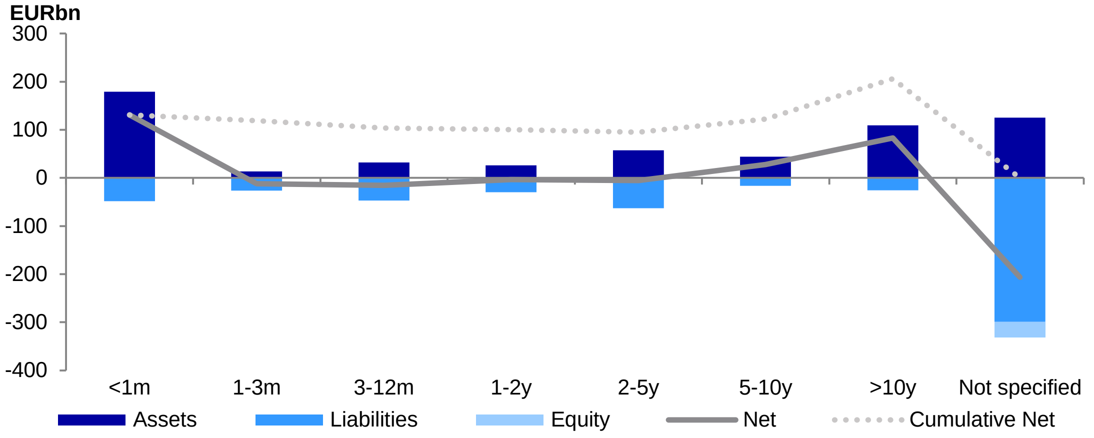


* EUR 10bn does not include potential refinancing amount
** Excluding amortised Tier 2

Nordea

Maturity profile

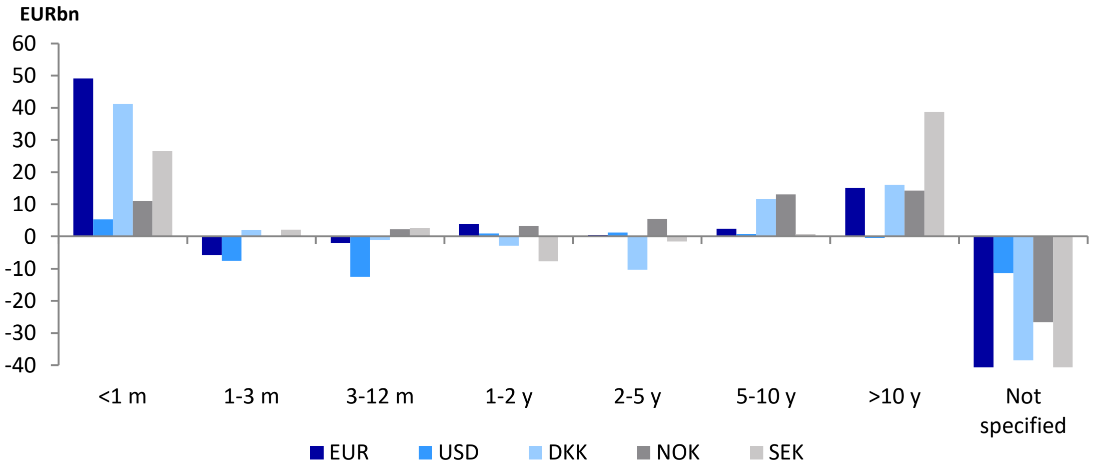
Maturity profile



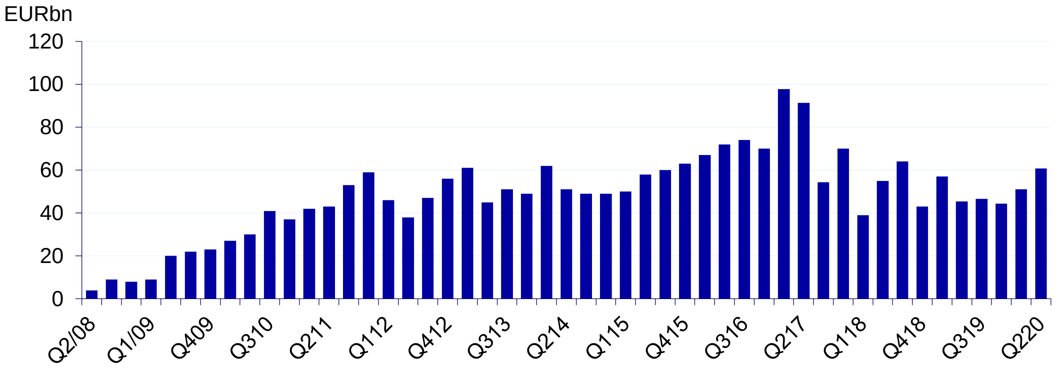
Comments

- The balance sheet maturity profile has during the last couple of years become more balanced by
  - Lengthening of issuance through balance sheet management
- 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 Net Stable Funding Ratio (NSFR) and own metric, Net Balance of Stable Funding (NBSF)

Maturity gap by currency



Net Balance of Stable Funding

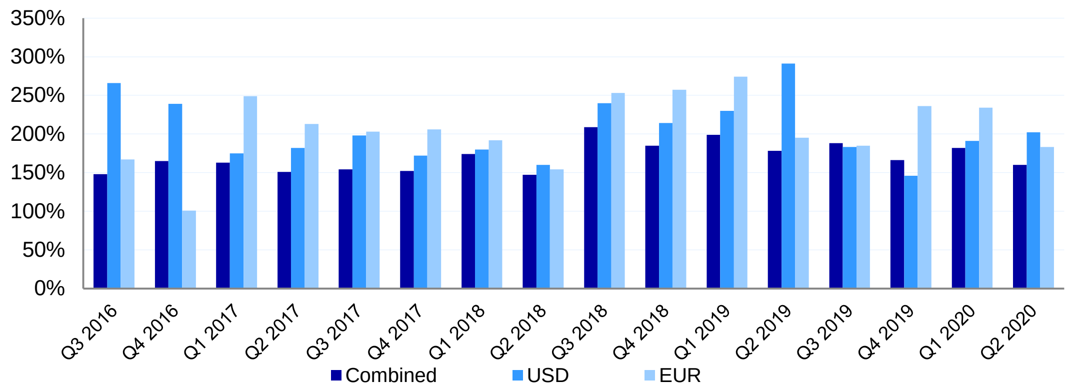


NBSF is an internal metric, which measures the excess of stable liabilities against stable assets. The stability period was changed into 12 month (from 6 months) from the beginning of 2012. In Q3 2017 the data sourcing was updated and classifications now in line with the CRR.

Nordea

Liquidity Coverage Ratio

Liquidity Coverage Ratio



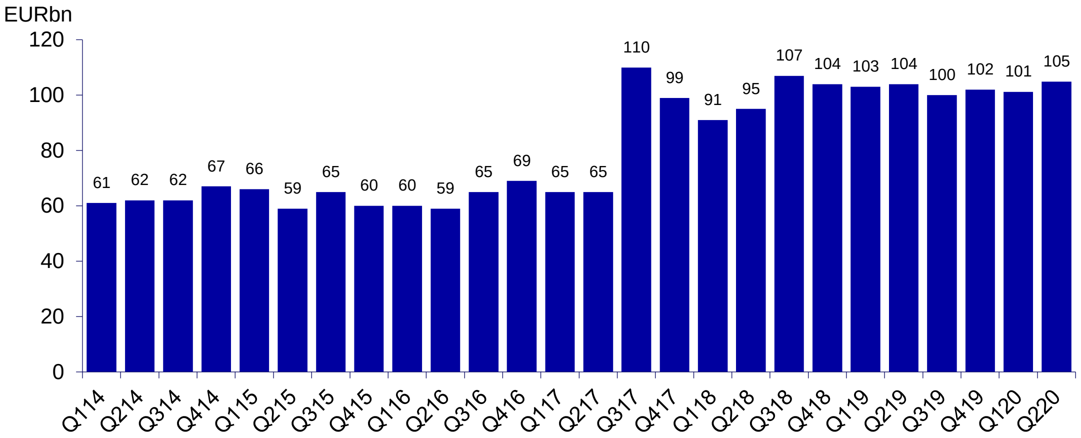
Comments

- EBA Delegated Act LCR in force starting from October 2016
  - LCR of 160%
  - 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 105bn, which includes the cash and central bank balances
  - New liquidity buffer method introduced in July 2017

LCR subcomponents, EURbn

EURm	Combined Unweighted value	Combined Weighted value	USD Unweighted value	USD Weighted value	EUR Unweighted value	EUR Weighted value
Total high-quality liquid assets (HQLA)	**105 149**	**103 139**	**17 404**	**17 395**	**38 066**	**37 981**
Liquid assets level 1	102 811	101 154	17 359	17 357	37 735	37 700
Liquid assets level 2	2 338	1 985	45	38	331	281
Total cash outflows	**344 704**	**75 027**	**53 460**	**34 482**	**139 757**	**47 326**
Customer deposits	97 930	6 435	306	45	32 202	2 194
Wholesale funding	132 598	53 282	24 519	15 024	42 774	13 006
Other	114 176	15 311	28 635	19 413	64 780	32 126
Total cash inflows	**46 678**	**10 695**	**28 977**	**25 862**	**43 630**	**26 603**
Secured lending (e.g. reverse repos)	33 289	3 511	1 012	971	16 389	946
Other cash inflows	13 389	7 184	27 964	24 891	27 240	25 658
Liquidity coverage ratio (%)		**160 %**		**202 %**		**183 %**

Time series – liquidity buffer



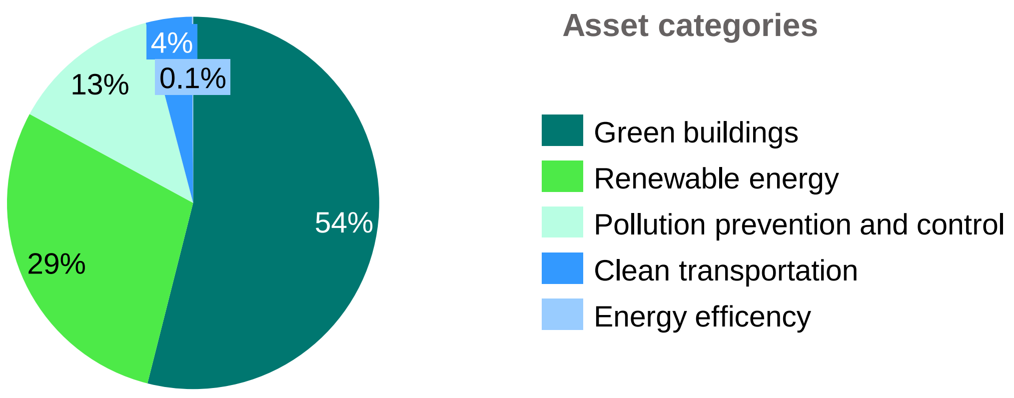
Nordea

Green bonds

Deepened green bond focus

- Green bond framework and inaugural green senior preferred bond issuance in 2017
- Second green bond issued in May 2019, as a 7-year EUR 750m senior preferred bond
- Danish green covered bond launched in November 2019
- Green bond framework update during September 2019 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 has grown to EUR 2.6bn in Q3 2019. The updated composition of the portfolio and the most recent Second Party Opinion is available on Nordea's website

Green bond asset portfolio



Sustainability ratings

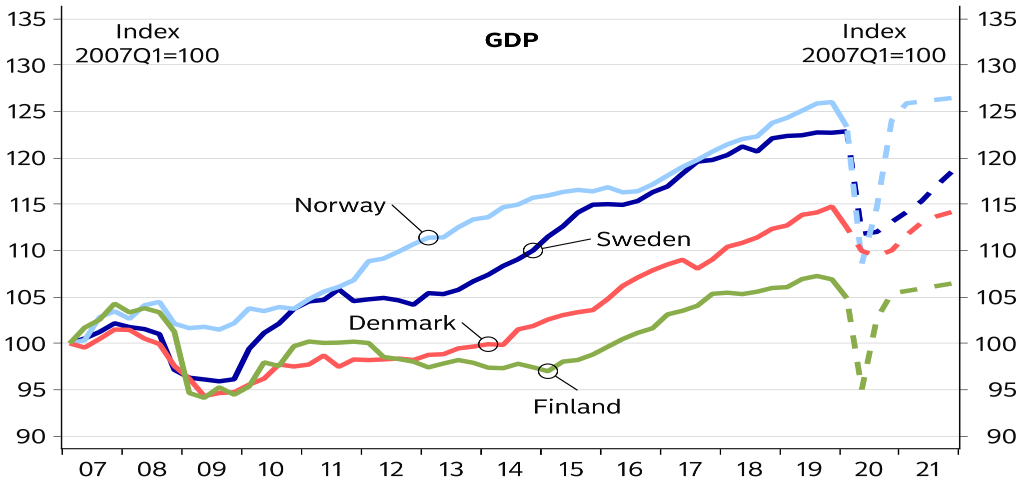
ISS-oekom	**Company Rating: C** (A+ to D-)*
SUSTAINALYTICS	**ESG Score: 21.2** (0 to 100)**
MSCI	**ESG Rating: BBB** (AAA to CCC)

* Highest rating within sector is C+
** Lower score represents lower ESG risk (scale has changed, previously the other way around).

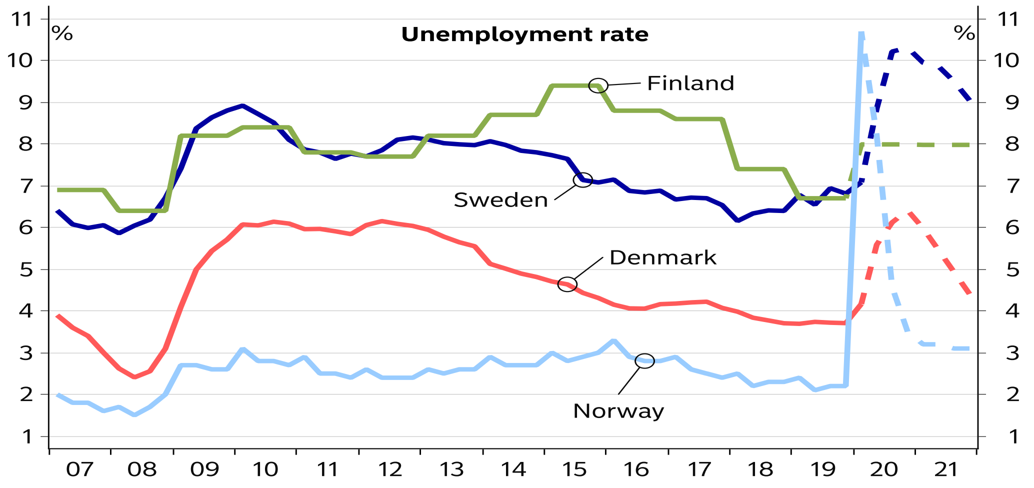
5. Macro

Nordic economies – years before back to normal

GDP development



Unemployment rate



Comments

- Lockdowns to halt the spread of Covid-19 have had enormous financial costs worldwide, and the Nordic economies are no exception.
- However, the Nordics are relatively well equipped to deal with the long-term consequences of the pandemic, thanks to solid public finances.
- In Sweden, the domestic economy is showing signs of resilience, while Finland's household consumption continues to recover. The Danish economy is in better shape now compared to past crises, and the interest rate has been a powerful tool in Norway.

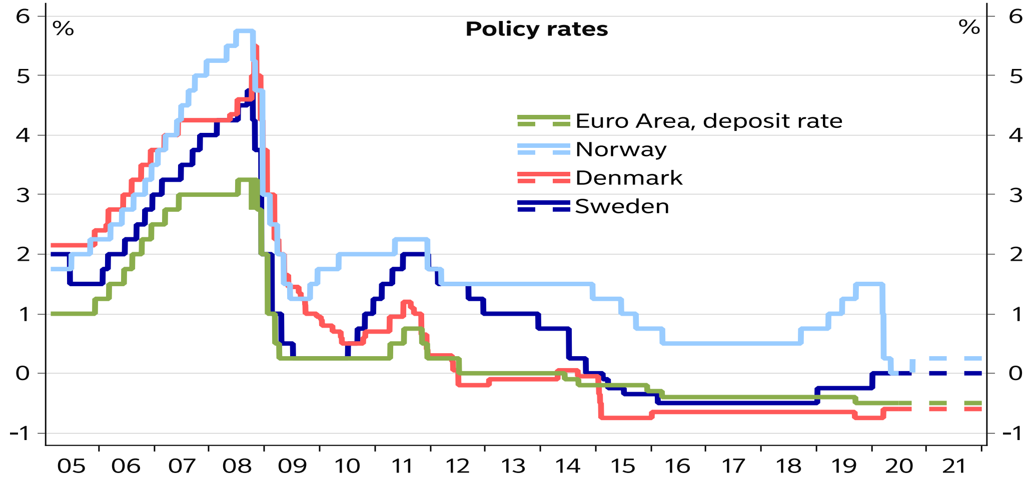
GDP, %, baseline scenarios (Nordea Markets)

Country	2018	2019E	2020E	2021E
Denmark	2.4	2.4	-5.0	4.0
Finland	1.6	1.0	-7.0	4.0
Norway	2.2	2.3	-6.0	4.0
Sweden	2.3	1.3	-6.0	4.0

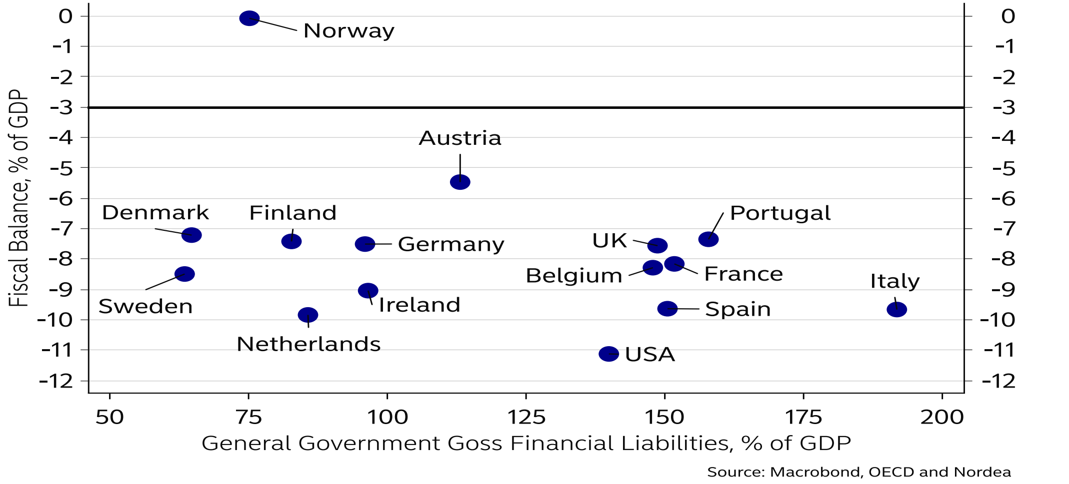
Source: Nordea Markets and Macrobond
Dotted lines are based on Nordea Markets' baseline scenarios.
See Nordea Economic Outlook May 2020 for scenarios and assumptions.

Nordic rates – low for very long

Policy rates



Public balance/debt, %, of GDP, 2021E



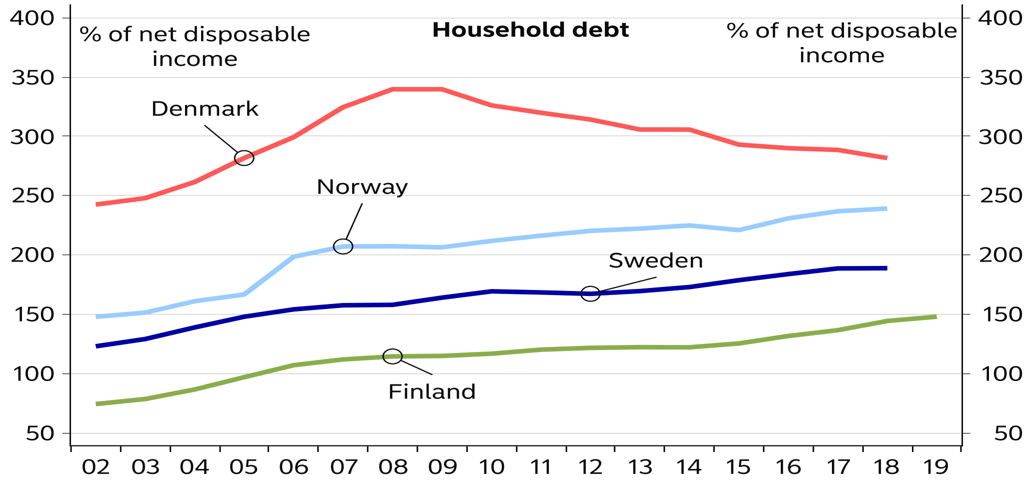
Comments

- Norway has seen three rate cuts totalling 150 bp in two months. Policy rates have been left unchanged in Sweden and the Euro Area while Denmark hiked the interest rate marginally 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. More relaxed macroprudential policy has been imposed as well, though e.g. a temporary pause of amortization rules in Sweden and reduced capital requirements for Finnish financial institutions. Monetary and fiscal policy will remain accommodative for a long time.
- The Riksbank and ECB have launched new large-scale asset purchase programmes (QE) as a response to the corona crisis. The ECB is expected to purchase financial assets to a corresponding 12 percent of Euro Area GDP this year, while the Riksbank's purchases amount to 8 percent of GDP. All together, global ultra-expansionary monetary policy has contributed to calming and stabilizing international markets amidst the crisis.
- Nordic public finances were in good shape prior to the crisis and governments stood ready to act swiftly. Lower revenue and increased spending will lead to large fiscal deficits this year, hence prompting governments debt/GDP ratios to balloon. However, Nordic public finances will remain in a favorable position and are well-equipped to handle the long-term consequences of the pandemic.

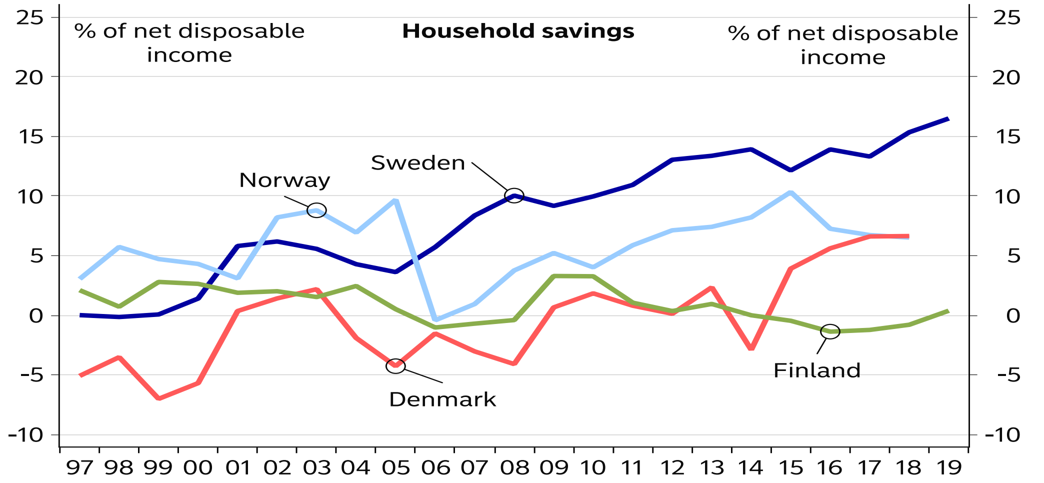
Source: Nordea Markets and Macrobond

Household debt remains high, but so are private and public savings

Household debt



Household savings



Comments

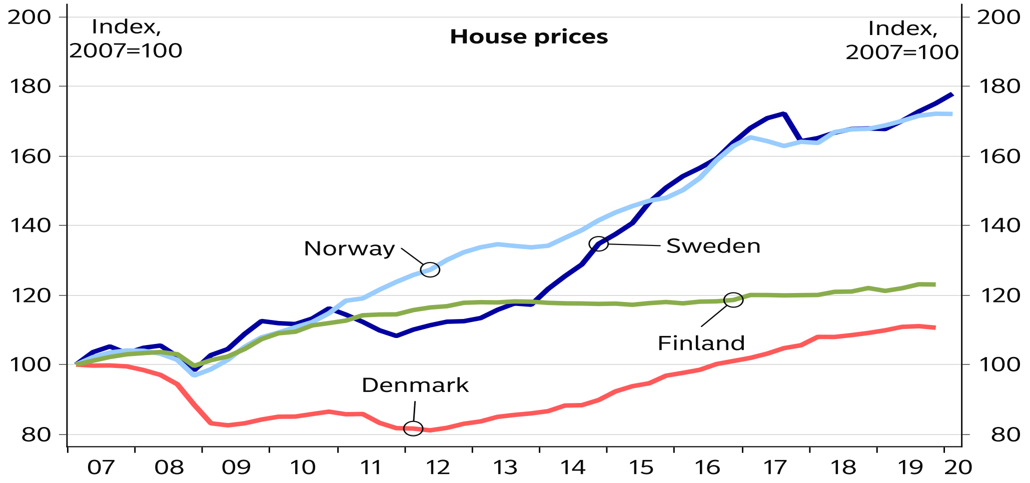
- Household debt is likely to level off in the coming year, in line with decelerating activity on the housing market. However, the debt ratio remains at elevated levels in all countries, supported by low interest rates. Uncertainty and higher unemployment will lead to increased precautionary savings, which is likely to dampen the economic recovery.

- Early labor market measures, automatic stabilizers and other measures to stimulate demand help to soften the blow on households. Robust public finances prior to the crisis increases the credibility of the measures and harsh fiscal tightening is neither needed in the short term nor expected, which is important for household's income expectations.

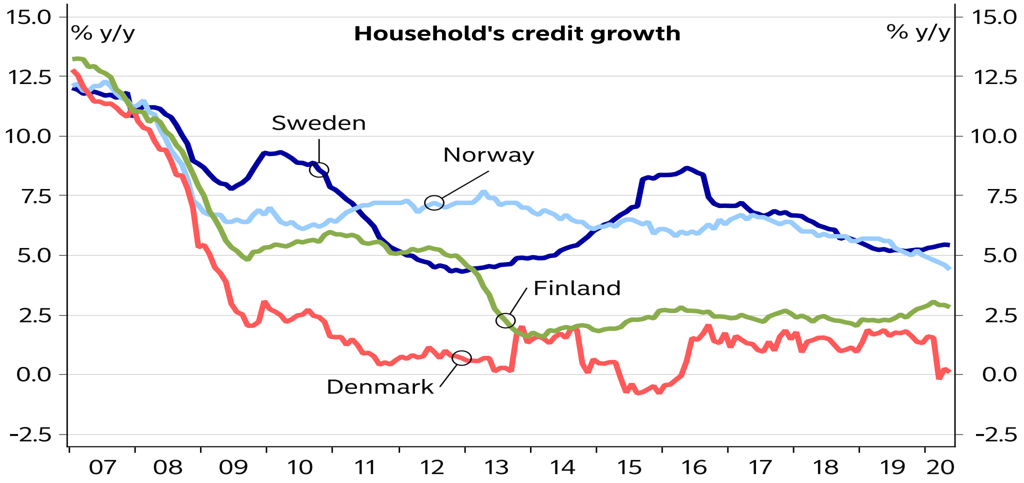
Source: Nordea Markets and Macrobond

House price development in the Nordics

House prices



Household 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. Low interest rates, accommodative central banks and reduced supply should limit the downside in the short term.
- If the economic outlook would worsen, key risks are found in the housing market as steep declines would cause severe stress in the financial system and result in long-term stagnation of the economy. Holiday homes are particularly price-sensitive but the negative effect is expected to be partly offset by increased demand as a result of changes in travel patterns.

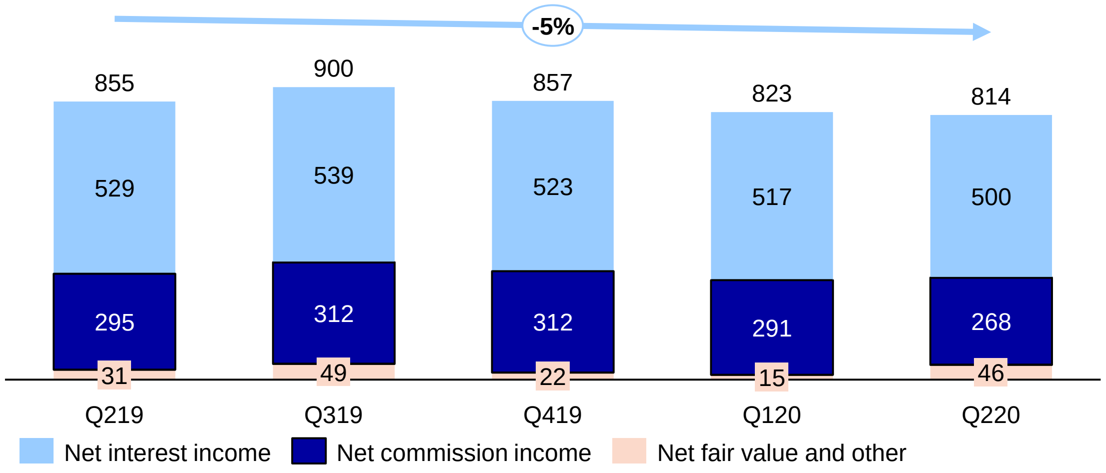
Source: Nordea Markets and Macrobond

Nordea

6. Business areas – update

Personal Banking – strong mortgage volume growth

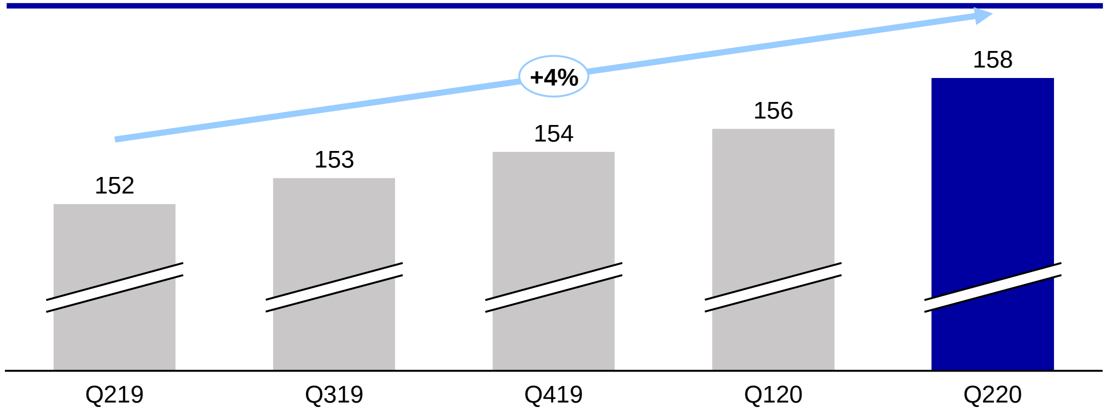
Total income, EURm



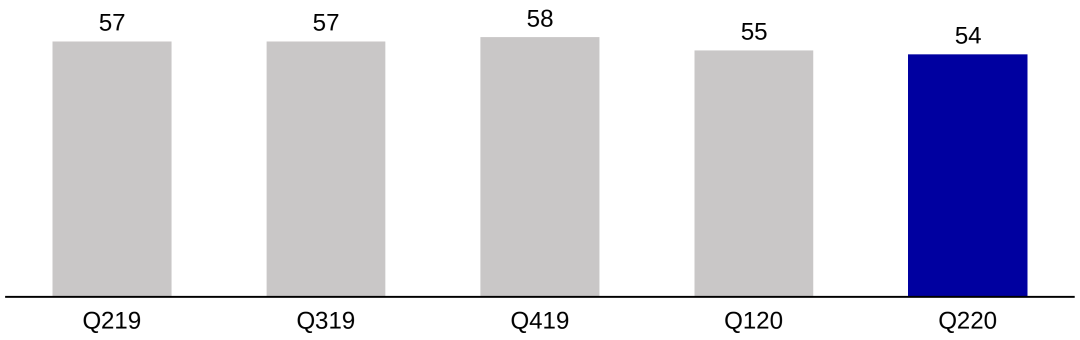
Comments

- Strong mortgage volume growth and high activity
  - Rate movements pressuring both lending and deposit margins
  - Customer satisfaction steadily improving
- Net commission income impacted by market turbulences and country lockdowns
  - Savings income subdued from lower AuM levels
  - Payments income reflect lower consumer activity
- Costs efficiency improves, cost to income down to 54%

Lending*, EURbn



Cost to income ratio**, %

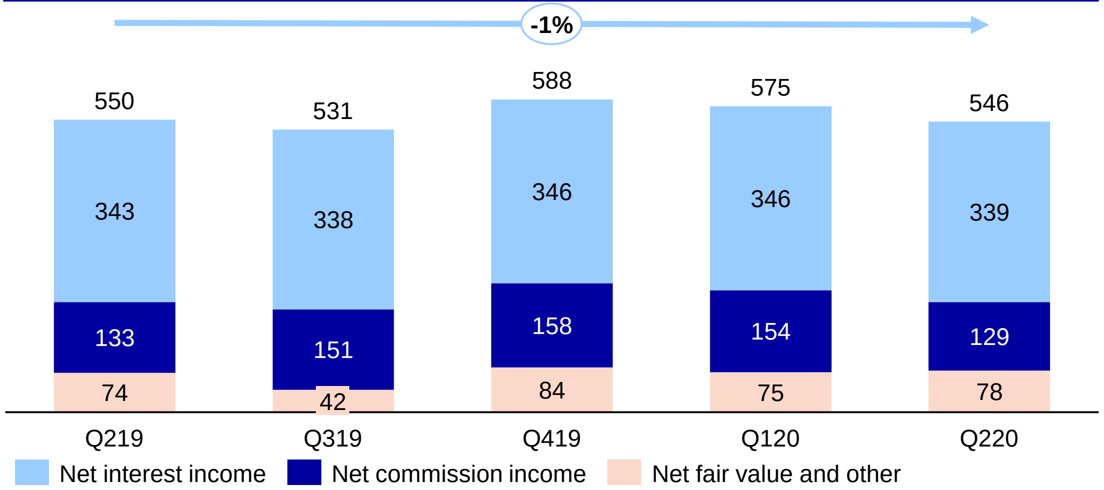


* Excluding FX effects
** With amortised resolution fees

Nordea

Business Banking – higher business volumes and lower costs

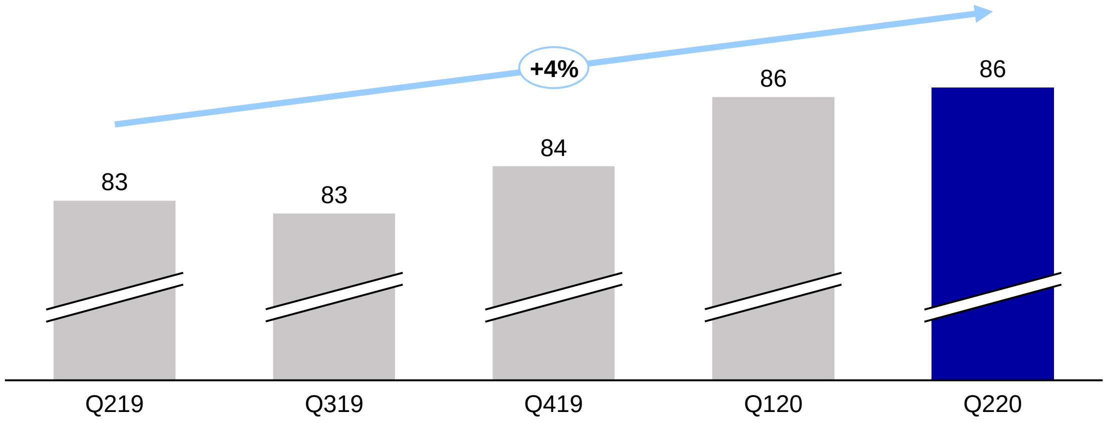
Total income, EURm



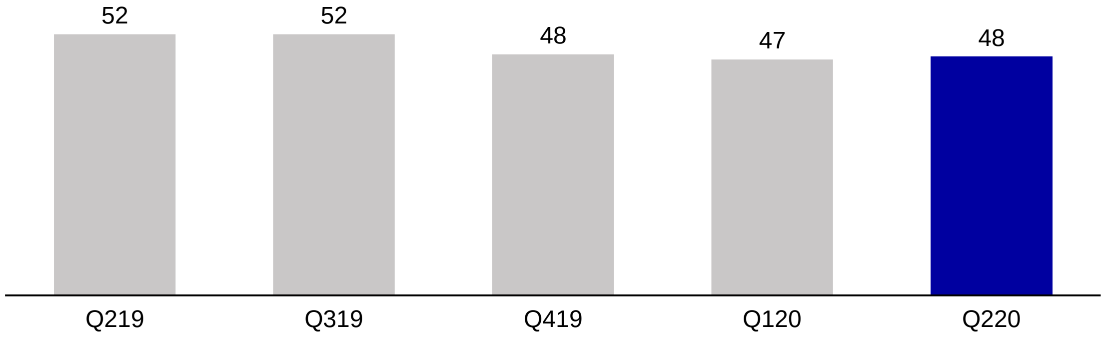
Comments

- Strong volume growth in all countries
  - Lending volumes up 4% and deposit volumes up 15%
- Lower economic activity impacting net commission income
  - Payment volumes and corporate cards usage down
- 20-30% more customer meetings than usual
- Costs efficiency improves, cost to income down to 48%

Lending*, EURbn



Cost to income ratio**, %

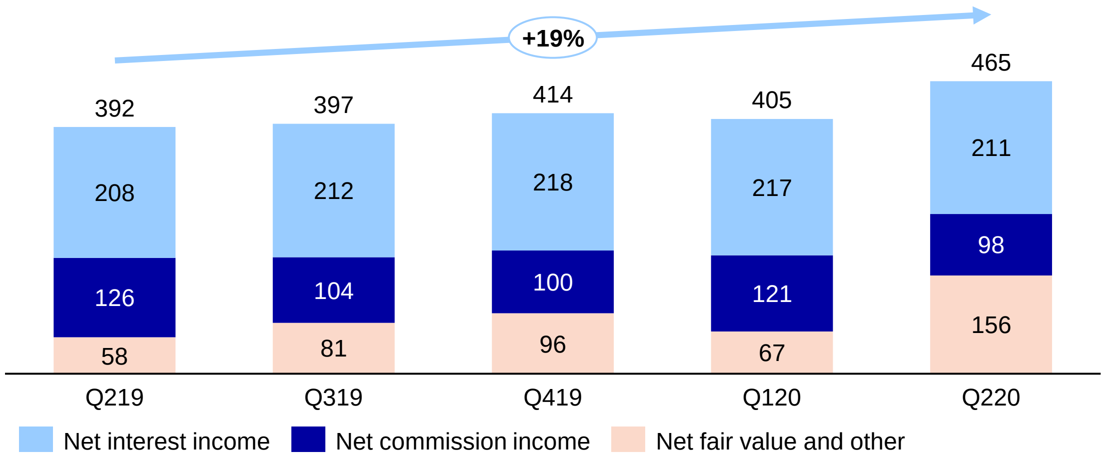


* Excluding FX effects
** With amortised resolution fees

Nordea

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

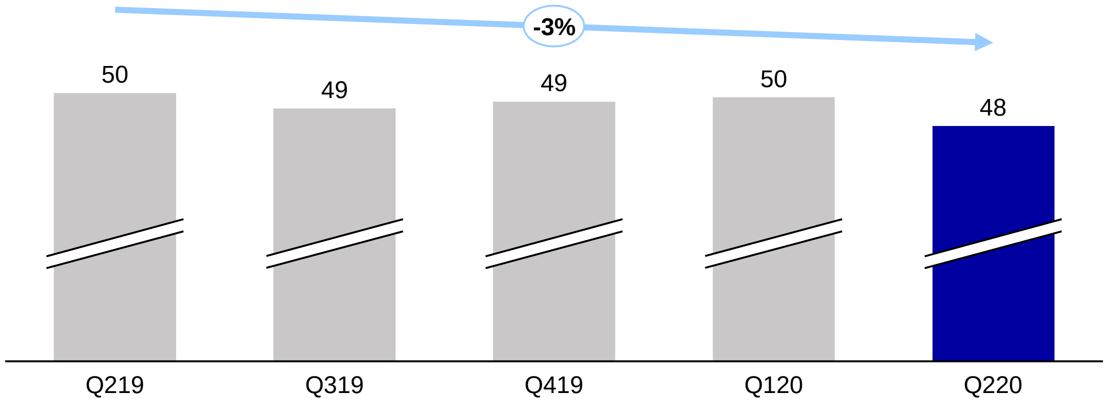
Total income, EURm



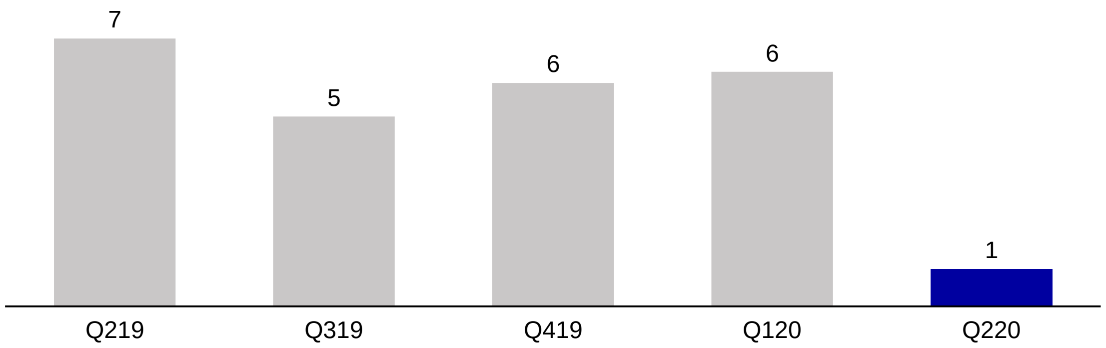
Comments

- Income up 19% mainly driven by net fair value and increase in market making activities in the quarter
  - Lending demand tapering off from peak levels in March/April
- Ranked No.1 both for all Nordic Sustainable Bonds and Nordic Corporate Sustainable Bonds
- Economic capital in Markets adversely affected by increase in market volatility
- Cost efficiency improves, cost to income down to 44%

Lending*, EURbn



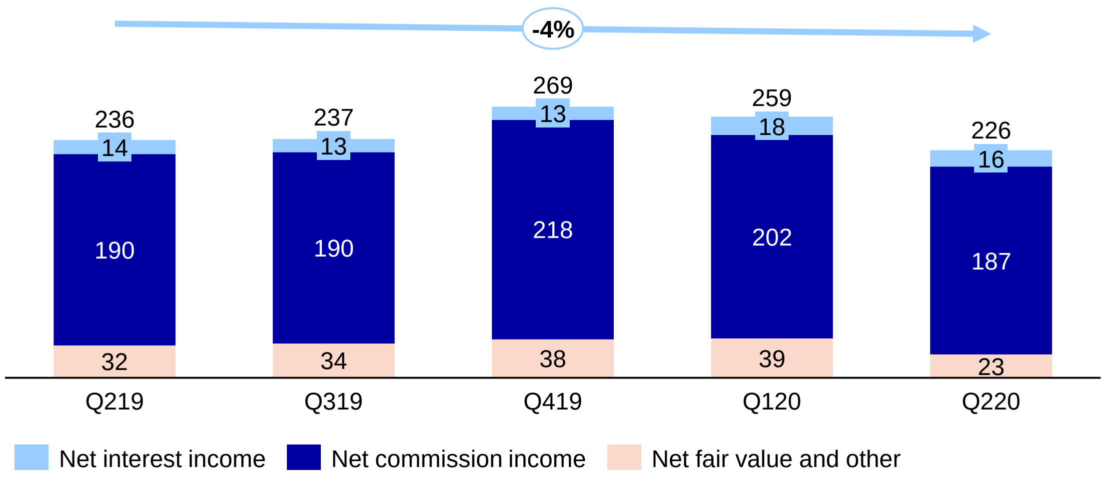
Return on capital at risk**, %



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

Asset & Wealth Management – strong inflow and investment performance

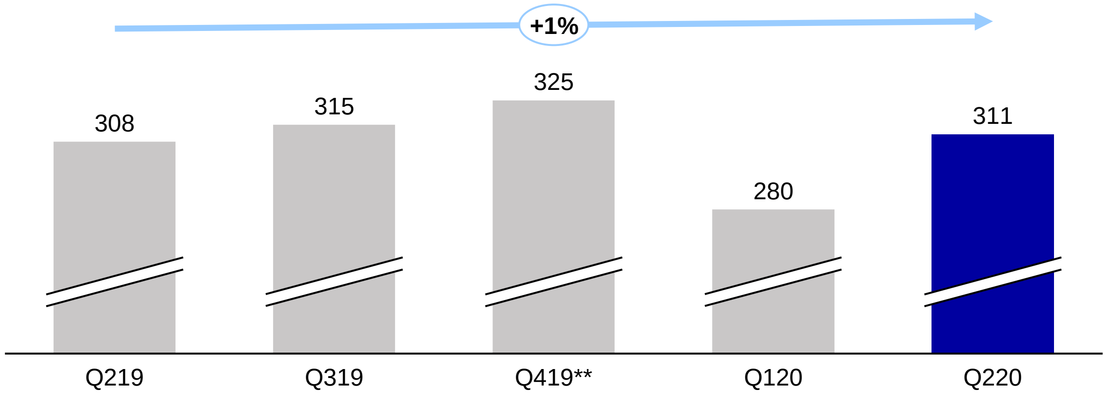
Total income, EURm



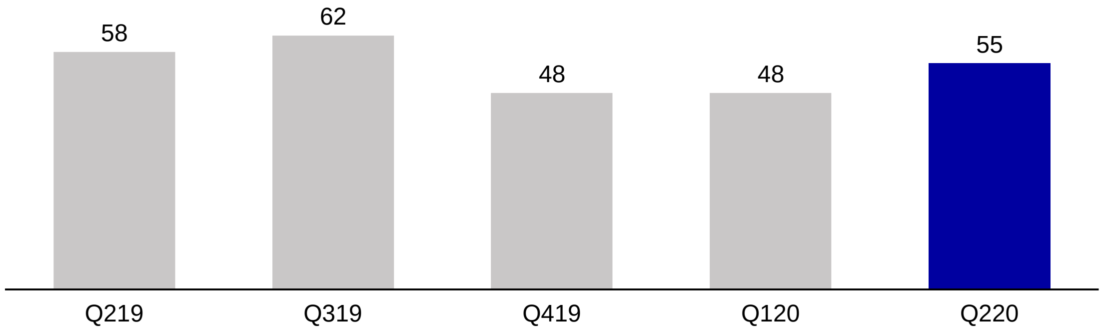
Comments

- Strong growth in AuM from low levels in April
  - Positive market development and good investment performance
  - Strong net inflow (EUR 4bn), mainly driven by Private Banking and Institutional sales
- Net commission income down 2%
  - Lower average AuM and slightly lower transaction related income in Private Banking
- Cost efficiency improves, cost to income down to 55%

Assets under management, EURbn



Cost to income ratio*, %



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

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