

A young girl with long brown hair, wearing a blue sleeveless dress, stands barefoot on a wooden pier. She is holding a long, thin fishing rod that extends diagonally across the frame from the top left towards the center. The pier is made of dark wooden posts and planks. In the background, a calm lake reflects the warm, golden light of a sunset. A dense line of trees is visible on the far shore. The sky is a mix of soft orange and pale blue.

Nordea

A stylized graphic consisting of five vertical blue bars of varying heights, resembling a bar chart. The bars are positioned on the left side of the slide, with the tallest bar on the far left and the shortest on the far right.

Debt investor presentation Q2 2021

Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

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

Table of contents

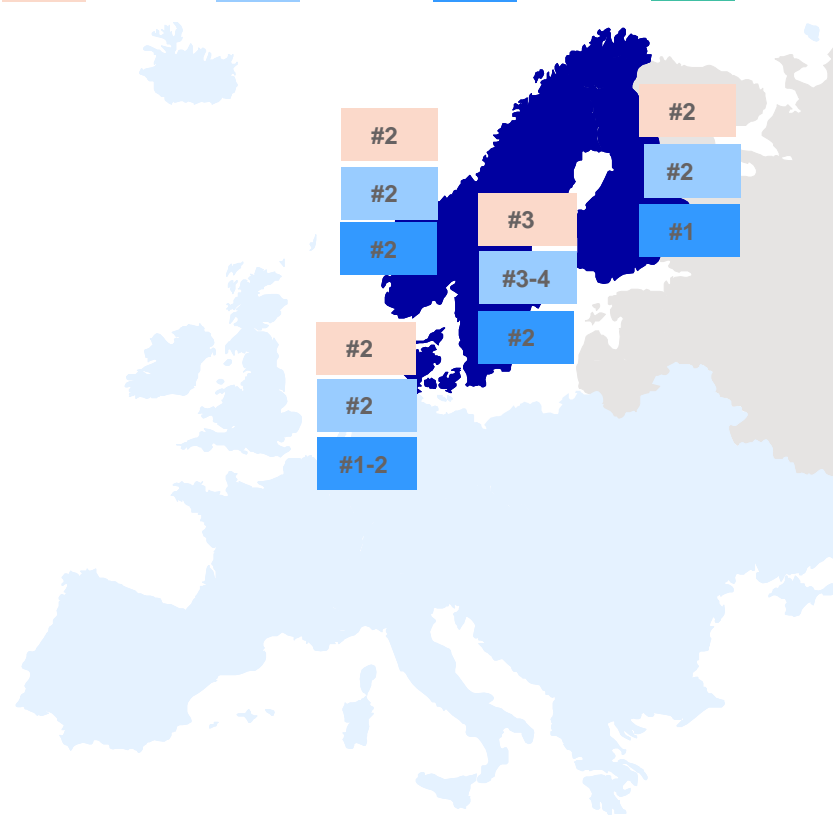
1. Nordea second quarter 2021 update	4
2. Credit quality	14
3. Capital, AML and sustainability	23
4. Funding	28
5. Macroeconomy	41
6. Business areas – update	46

1. Nordea second quarter 2021 update

The largest financial services group in the Nordics

Household * Small and medium-sized companies** Large corporates and institutions Asset and wealth management

#1 #1 #1 #1



Business position

- Universal bank with leading market position in all four Nordic countries
- Strong position in household, corporate and institutional banking, and asset and wealth management
- Well-diversified mix of net interest income, net fee and commission income and capital markets income

10 million customers and strong distribution power

- 9.2 million household customers
- 540,000 small and medium-sized companies
- 2,350 large corporates and institutions, including Nordic Top 500
- Approx. 320 branch office locations
- Enhanced digitalisation of business for customers
- Income evenly distributed between business areas

Financial strength (Q2 2021)

- EUR 2.4bn in total income
- EUR 1.3bn profit before loan losses; EUR 1.0bn net profit
- EUR 587bn in assets
- EUR 35.5bn in equity capital
- CET1 ratio 18.0%
- Leverage ratio 5.3%

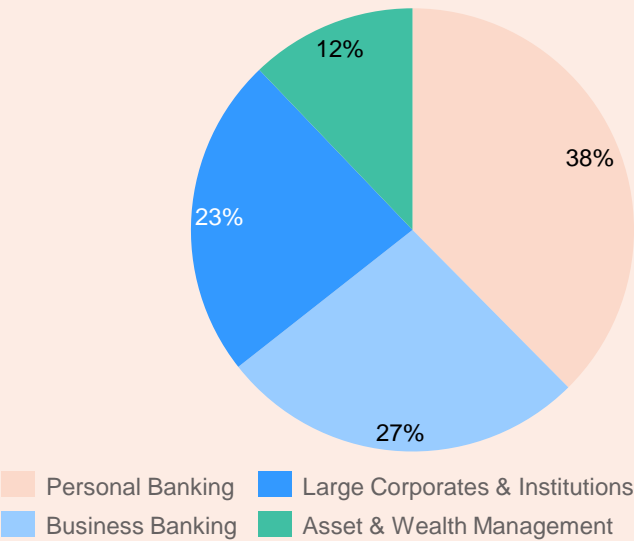
AA level credit ratings (senior preferred bonds)

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

EUR 38bn in market capitalisation (Q2 2021)

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

Operating income per business area, H1 2021



Executive summary

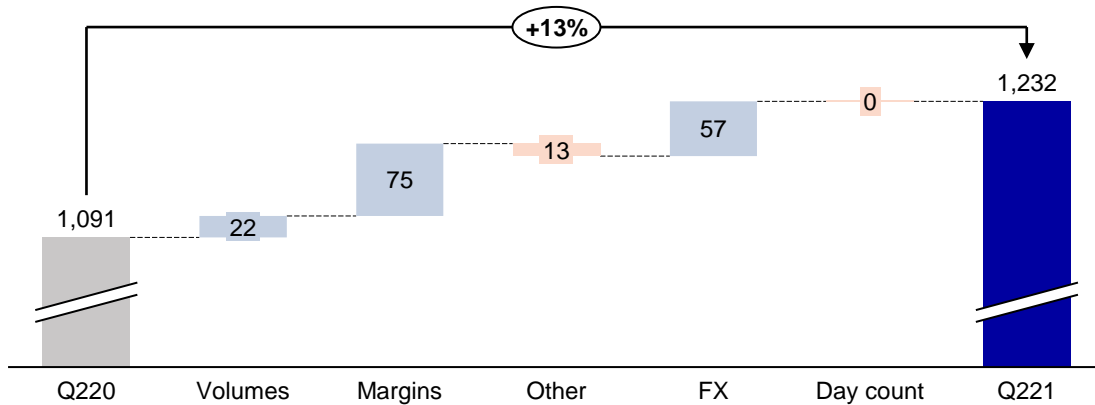
- Strong result, driven by high income growth, firm cost control and low loan losses
 - Net interest income up 13%, net fee and commission income up 30% and solid net fair value result
 - Net loan loss reversals of EUR 51m
- High levels of business activity and strong growth across Nordics
 - Mortgage volumes up 6% y/y, SME lending up 8% y/y and assets under management up 24% y/y
- Cost-to-income ratio* improving at 49% and underlying cost development in line with plan
 - Significantly higher business activity driving slightly updated cost outlook
 - FY2021 costs now expected to be around EUR 4.6bn
- Continued strong credit quality – management buffer largely unchanged
- Profitability improving: return on equity* at 11.4% and earnings per share EUR 0.25
- Capital position among best in Europe with CET1 ratio of 18.0%
 - Ready to distribute unpaid dividends and start buy-backs in Q4

Group quarterly results Q2 2021

Income statement and key ratios EURm	Q221	Q220	Q2/Q2	Q121	Q2/Q1
Net interest income	1,232	1,091	13 %	1,212	2 %
Net fee and commission income	878	673	30 %	827	6 %
Net fair value result	278	316	-12 %	370	-25 %
Other income	30	10		11	
Total operating income	2,418	2,090	16 %	2,420	0 %
Total operating expenses excl. res. fee	-1,131	-1,039	9 %	-1,095	3 %
Total operating expenses	-1,131	-1,088	4 %	-1,319	-14 %
Profit before loan losses	1,287	1,002	28 %	1,101	17 %
Net loan losses and similar net result*	51	-696		-52	
Operating profit	1,338	306		1,049	28 %
Cost-to-income ratio**, %	49	52		48	
Return on equity**, %	11.4	3.0		11.0	
Diluted earnings per share, EUR	0.25	0.06		0.19	

Net interest income – highest growth rate in ten years

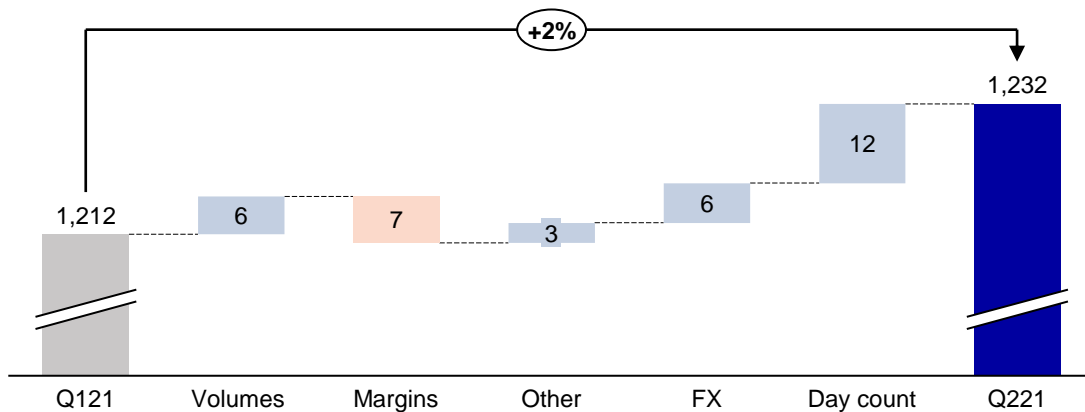
Year-over-year bridge, EURm



Comments

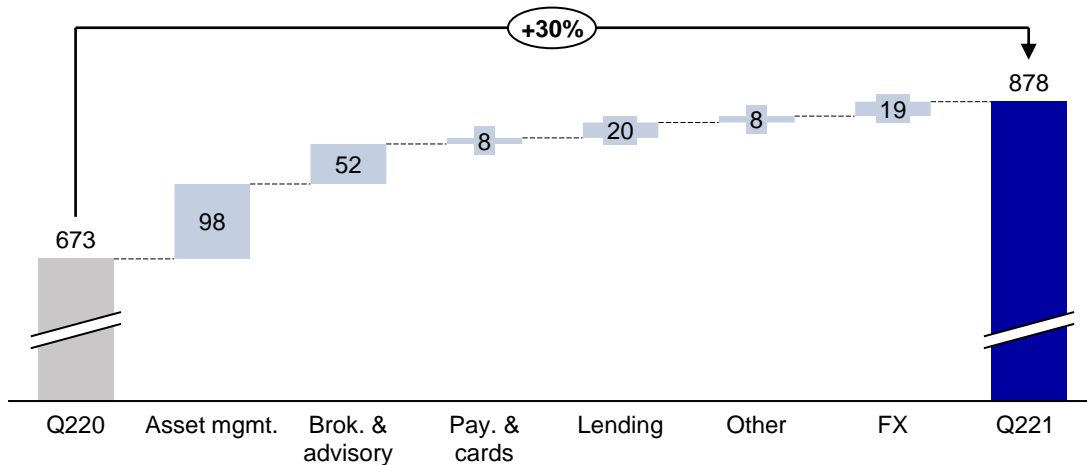
- Net interest income up 13% (up 10% excl. Nordea Finance Equipment)
- High levels of business activity and market share gains across Nordics
 - Mortgage volumes up 6% and lending to SMEs up 8% (up 4% excl. NFE)
- Margins largely unchanged from previous quarter

Quarter-over-quarter bridge, EURm

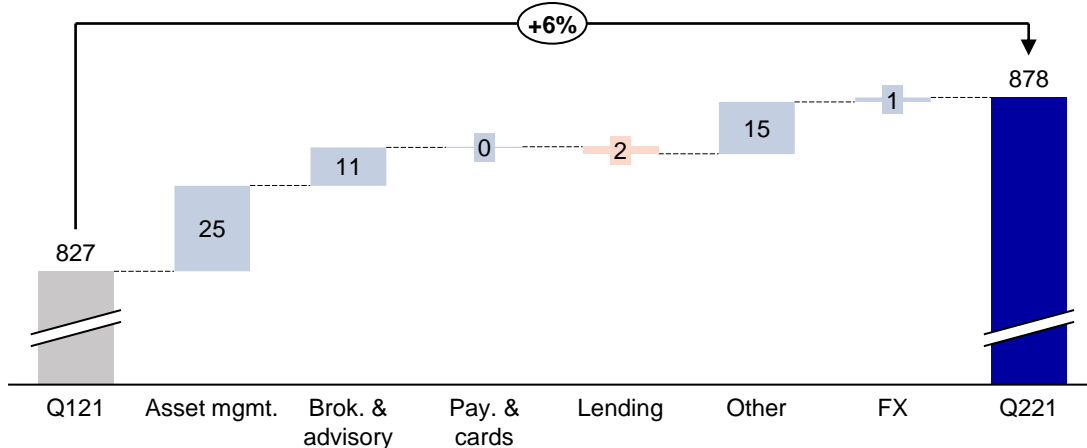


Net fee and commission income – significant growth in savings and advisory fee income

Year-over-year bridge, EURm



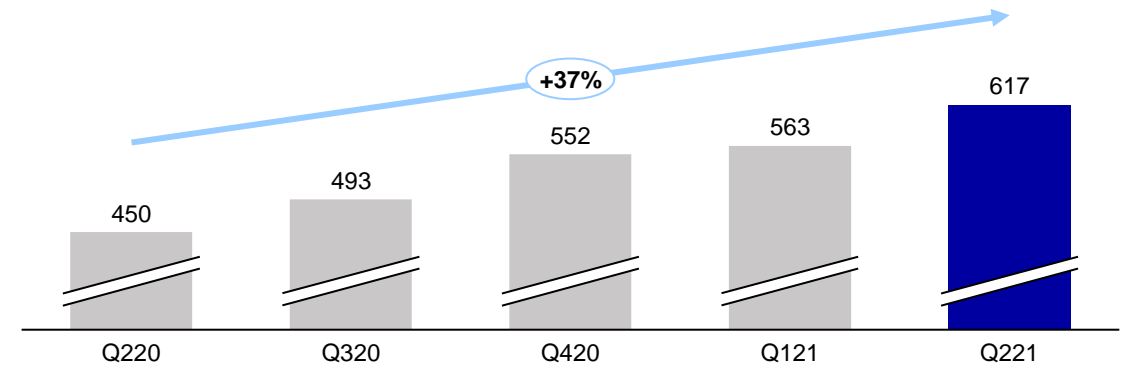
Quarter-over-quarter bridge, EURm



Comments

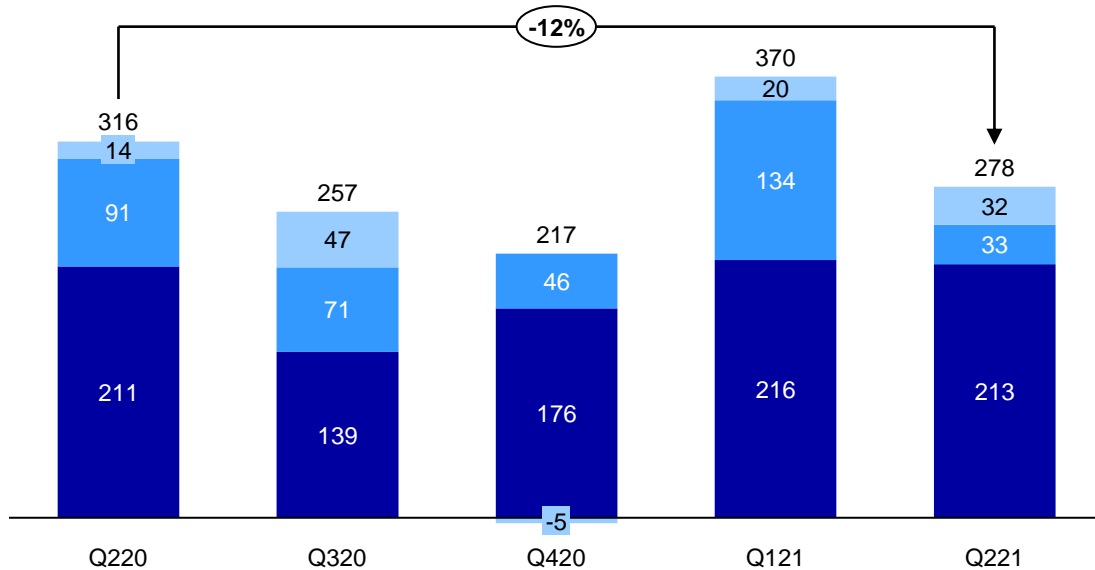
- Net fee and commission up 30%, highest level ever
- Savings fee income up 27%, driven by continued AuM growth
 - Solid net inflow: EUR 2.6bn
- High business activity in brokerage and corporate finance business
- Cards income recovering

Savings and investment commission income, EURm



Net fair value result – continued high activity in customer areas

Net fair value result, EURm



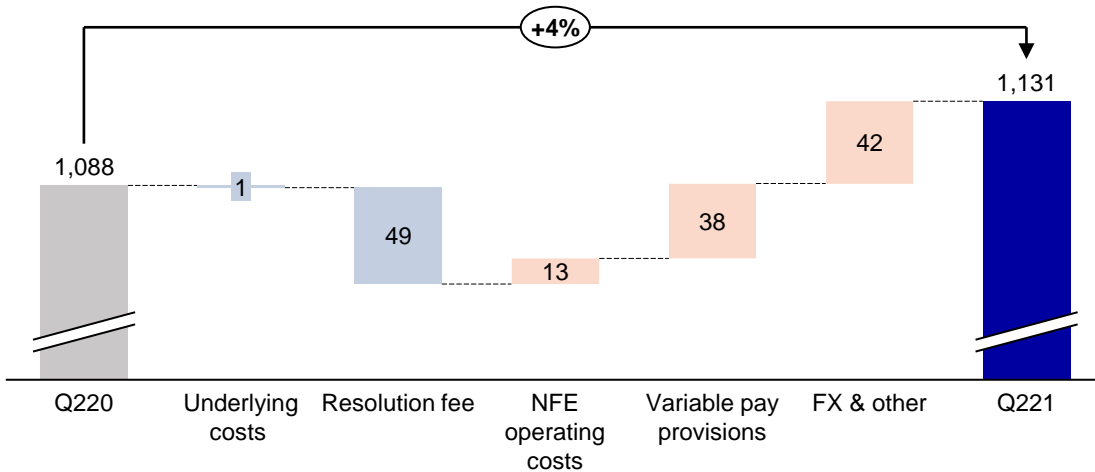
Comments

- Solid net fair value result, at more normalised level
- Continued high activity in customer areas, mainly driven by FX and equity trading
- Weaker markets drove lower trading result

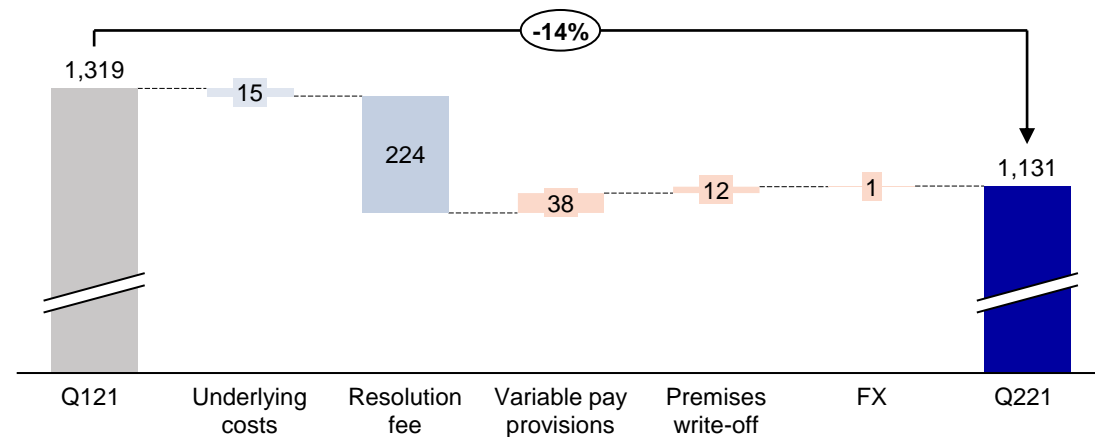
■ Customer areas* ■ Treasury & other**
■ Market-making operations

Costs – underlying cost development in line with plan

Year-over-year bridge, EURm



Quarter-over-quarter bridge, EURm



Comments

- Underlying costs unchanged
- Staff costs lower, adjusted for inclusion of NFE, variable pay provisions and exchange rate effects

Outlook

- Updated cost outlook due to significantly higher income and profits: full-year 2021 costs now expected to be around, rather than below, EUR 4.6bn
- Prime focus is, and will remain, on costs relative to income

Good progress in developing our digital omnichannel banking model

Mobile bank ranked **no 1** in Nordics with 4.5-4.6 app store rating

71% y/y growth in digital savings advisory sessions with robotic adviser

44% of online loan promise applications* approved within minutes

Active mobile users** up **9% y/y** with **>1bn** logins annually

65% of private customer fund sales through digital channels

71 self-service features in mobile bank – leading position in Nordics

We are committed to delivering on our 2022 financial targets

Cost-to-income ratio

50%

Capital policy

150-200bp
management buffer
above regulatory CET1 requirement

Return on equity

>10%

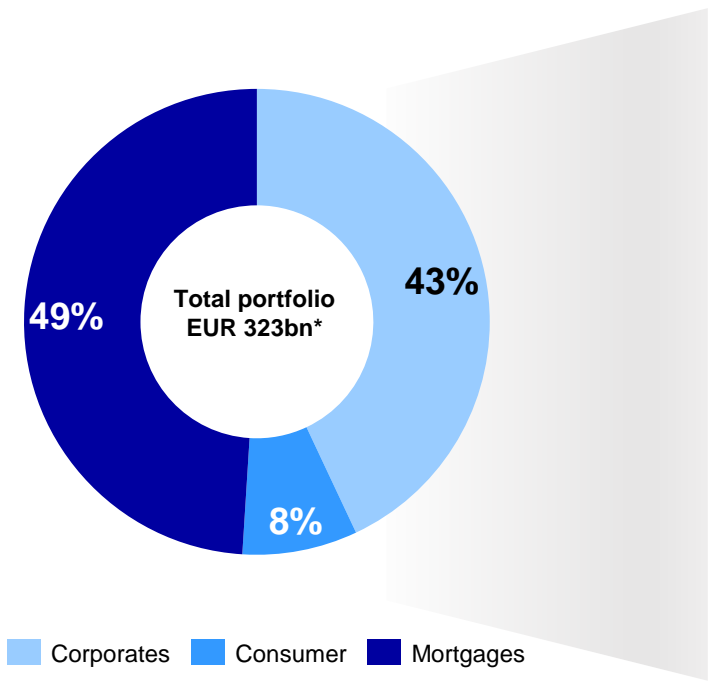
Dividend policy

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

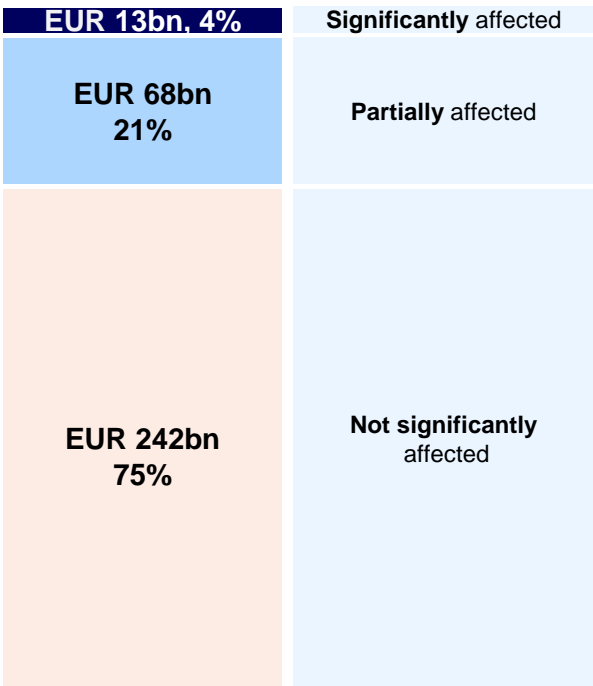
2. Credit quality

Loan book – well diversified with strong credit quality

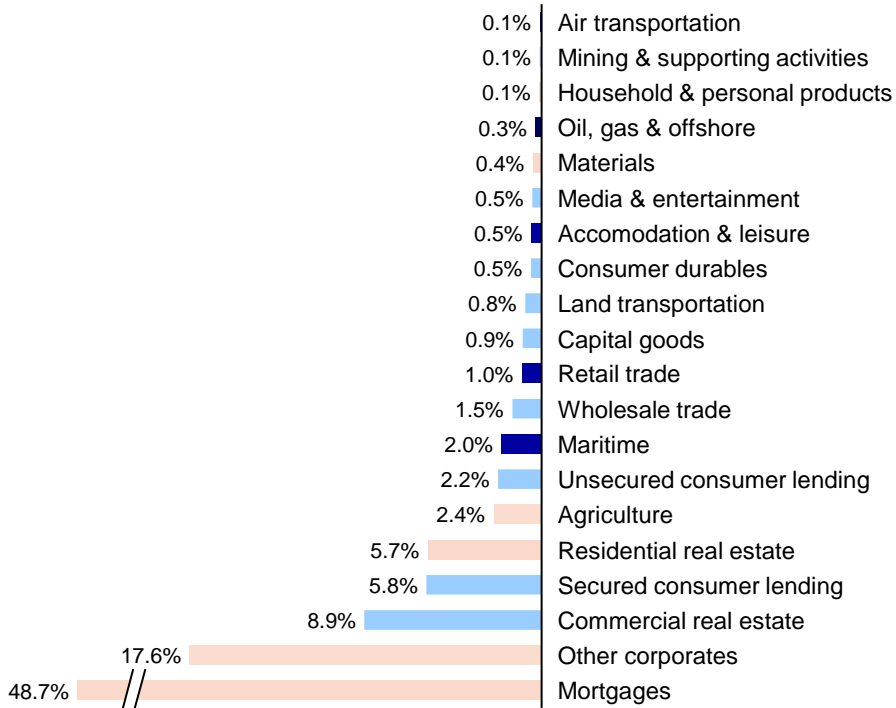
Portfolio well diversified across countries and segments



Updated analysis of COVID-19 impact by segment



Five segments with 4% of total exposures significantly affected



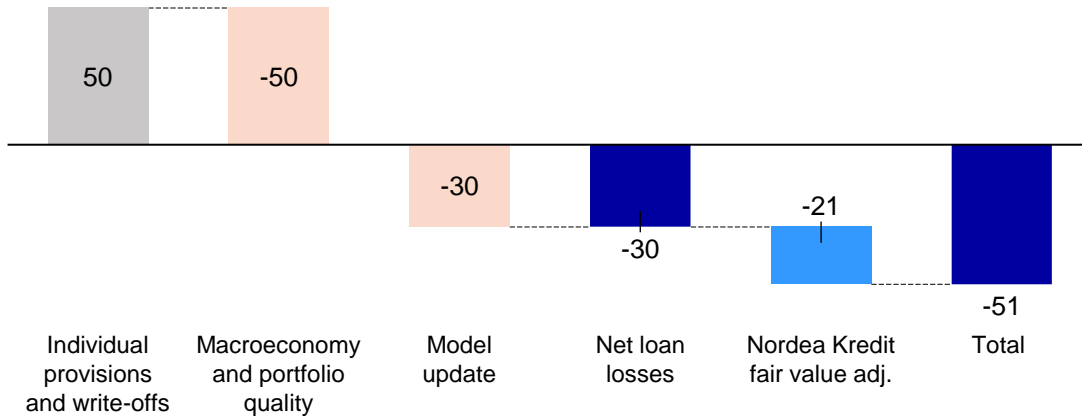
Nordic societies have well-structured social safety nets, strong fiscal positions and effective legal systems

Lending by country

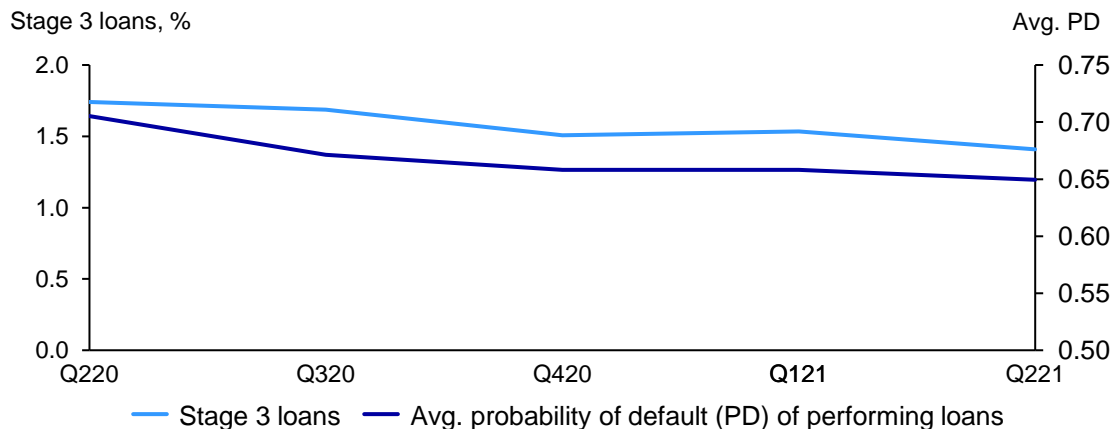


Net loan losses and similar net result – credit quality remains strong

Net loan losses and similar net result Q221, EURm



Stage 3 loans and PD of total loans, %

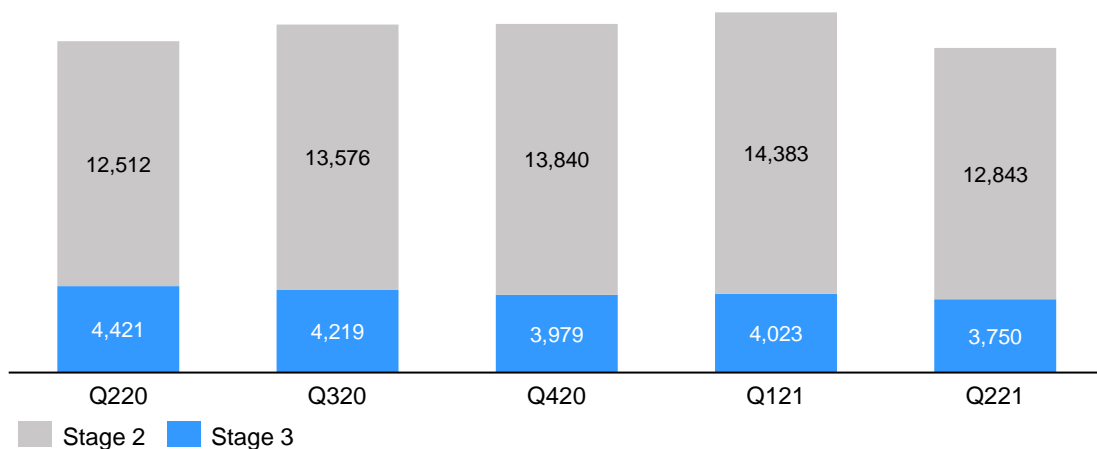


Comments

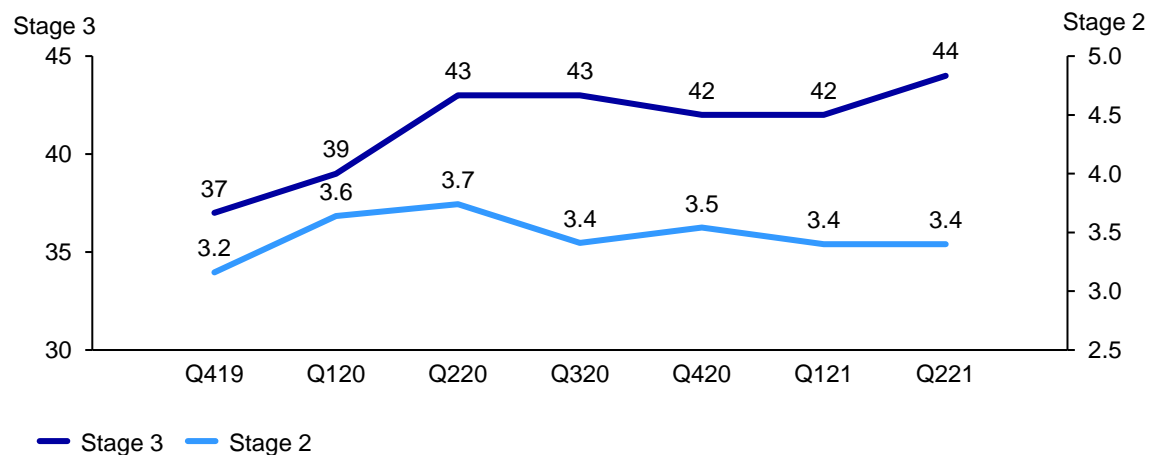
- Strong credit performance – net reversals of EUR 51m
- New provisions still at low levels; stage 3 loans down to 1.41% from 1.53% in Q1
- EUR 80m release of collective provisions
 - EUR 50m related to improved macro outlook and portfolio quality
 - EUR 30m driven by model updates
- Management buffer largely unchanged at EUR 610m
 - EUR 40m utilised to cover additional provisions for new NPL requirements
 - Substantial buffer retained for potential future credit losses
- Net loan losses in 2021 expected to be significantly below 2020 level

Strong and stable credit quality

Stage 2 and 3 loans at amortised cost, EURm



Coverage ratio, %

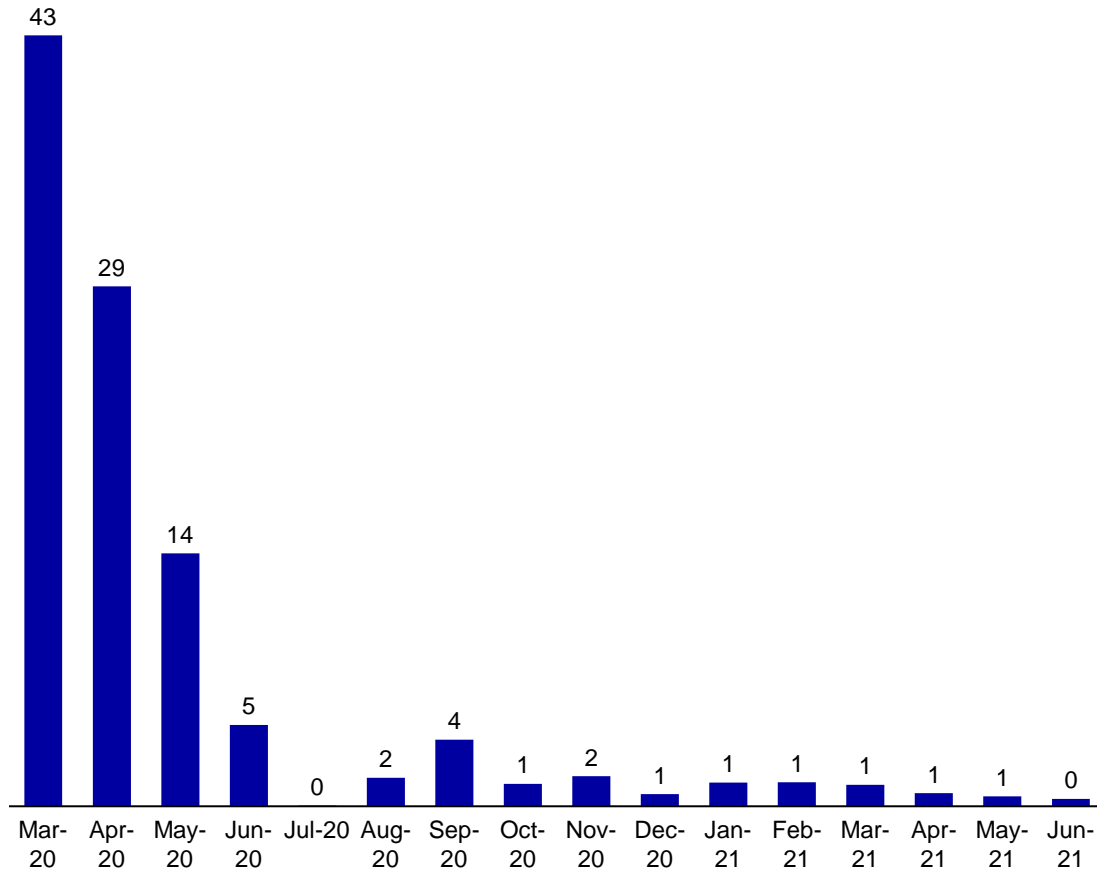


Comments

- Decrease in stage 2 loans (11% q/q), partly related to enhanced data and model methodology
- Stage 3 loans at low levels; decrease due to active credit risk management
- Coverage ratio for potential losses in stage 3 up at 44%

Instalment-free periods expiring – almost all customers resuming normal servicing

Customers granted instalment-free periods, 1000s

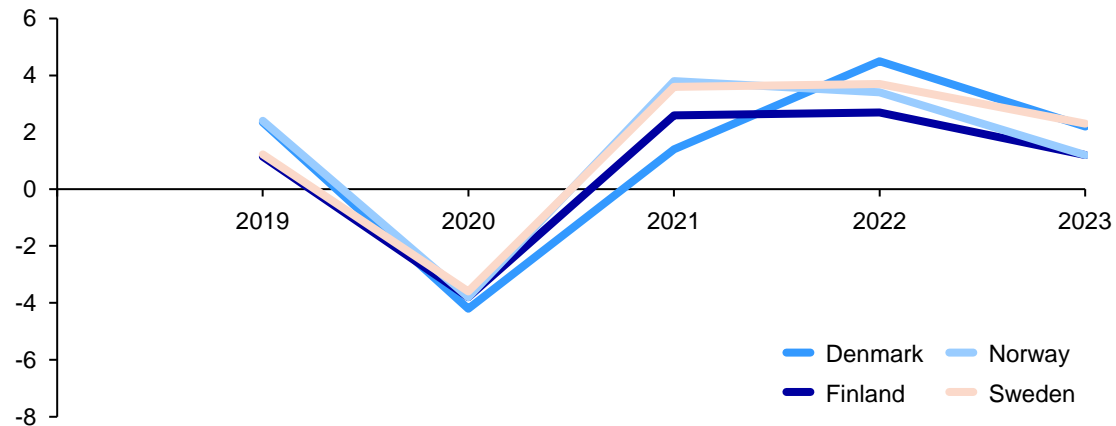


Comments

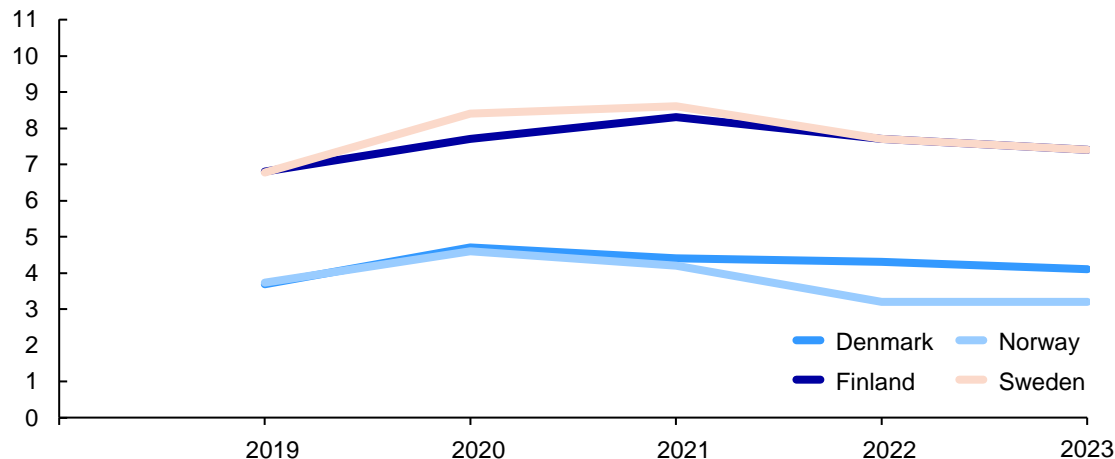
- Approximately 104,000 customers, including 9,000 corporates, granted COVID-19 instalment-free period during past 15 months
 - Corresponds to loan amount of around EUR 19bn
- Interest payments by customers maintained during instalment-free periods
- More than 50% of COVID-19-related instalment-free periods now expired
 - Those remaining equate to total loan amount of EUR 8bn, corresponding to 2% of Nordea's portfolio, and most will expire in August
- So far, less than 5% of customers classified as forborne (or in default) following expiry of their instalment-free period

IFRS 9 model update – macroeconomic assumptions behind scenarios used

Baseline annual GDP growth, %



Baseline unemployment rate, %

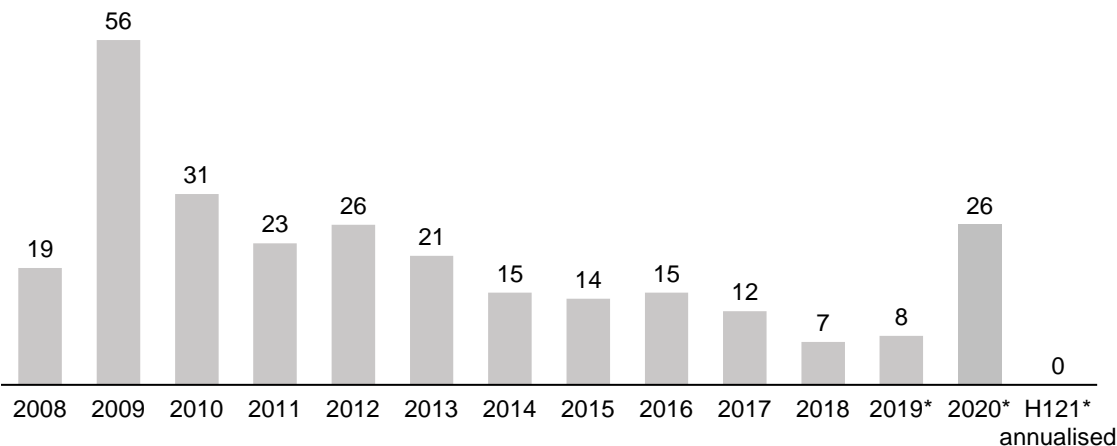


Comments

- Economic forecasts from Nordic central banks and the ECB used as basis for baseline scenarios
- Scenarios more positive in Q2 than in Q1
- Baseline scenario (60% weight)
 - Infection rates have declined and the pace of vaccinations has accelerated after a slow start
 - Economic activity is picking up as lockdowns are lifted
 - Some uncertainty around emergence of vaccine-resistant virus variants and phase-out of support measures
- Favourable scenario (20% weight)
 - Uncertainty for businesses and households is reduced faster than expected, prompting a stronger recovery
- Adverse scenario (20% weight)
 - Lockdowns are lifted at a slower pace or reappear
 - Longer lasting structural damage in sectors hardest hit by lockdowns

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

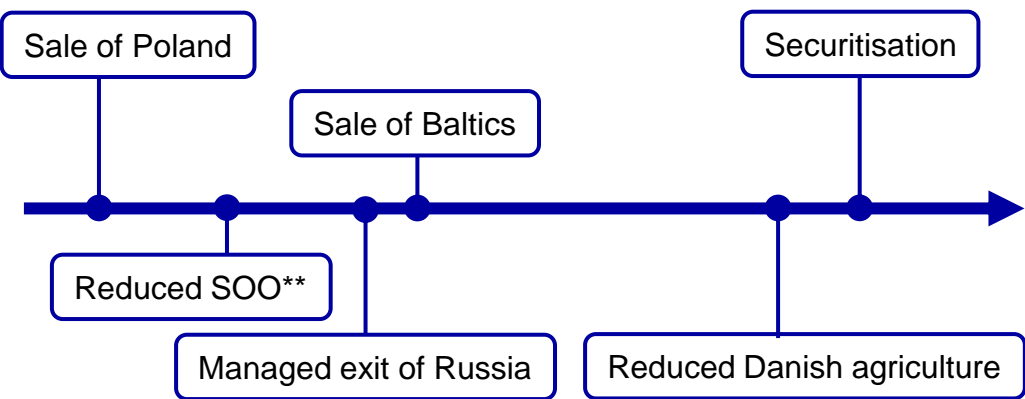
Historic loan loss ratios, bp



Comments

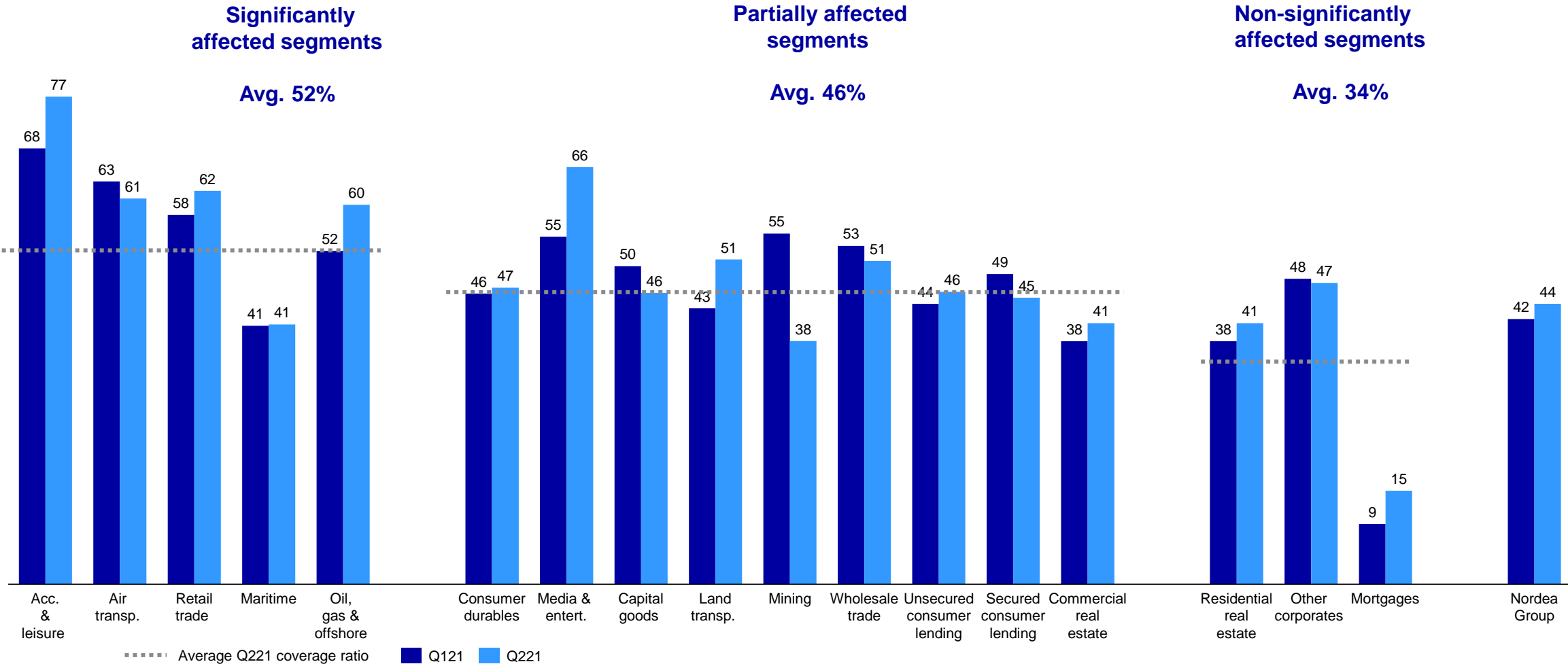
- Track record of strong credit quality
- Risk profile improved by divestments and reductions in high-risk exposures
- Significant management judgement buffer built up in 2020 due to COVID-19 crisis

Significant de-risking



Coverage ratios – well provisioned for potential losses

Coverage ratios



Lending split with low concentration in each sector and segment

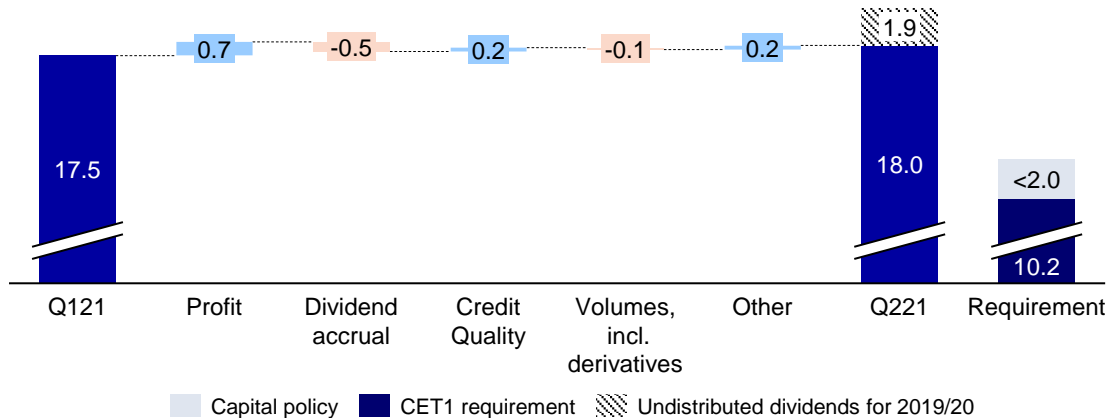
Lending volumes per sector and segment (EURbn) and shares of total lending portfolio (%), 30/06/21 (excl. reverse repos and securities borrowing)

Financial institutions	10.8	3.4%	Maritime, shipping (total):	6.5	2.0%
Crops, plantations and hunting (agriculture)	3.6	1.1%	Tankers (crude, product, chemical)	1.7	0.5%
Animal husbandry (agriculture)	2.6	0.8%	Gas tankers	1.1	0.3%
Fishing and aquaculture	1.6	0.5%	Dry cargo	0.7	0.2%
Paper and forest products	1.7	0.5%	Car carriers	0.3	0.1%
Mining and supporting activities	0.3	0.1%	RoRo vessels	0.2	0.1%
Oil and gas	0.3	0.1%	Container ships	0.0	0.0%
Offshore drilling rigs	0.7	0.2%	Supply vessels	0.5	0.2%
Food processing and beverages	1.5	0.5%	Floating production	0.1	0.0%
Household and personal products	0.4	0.1%	Oil services	0.2	0.1%
Healthcare	2.0	0.6%	Cruise	0.2	0.1%
Consumer durables	1.7	0.5%	Ferries	0.1	0.0%
Media and entertainment	1.5	0.5%	Other (incl. maritime services and ship building)	1.3	0.4%
Retail trade	3.2	1.0%	Utilities distribution	3.3	1.1%
Air transportation	0.3	0.1%	Power production	1.9	0.6%
Accommodation and leisure	1.7	0.5%	Public services	4.2	1.3%
Telecommunication services	0.7	0.2%	Other industries	1.3	0.4%
Materials	1.4	0.4%	Household mortgage loans Denmark	37.5	11.8%
Capital goods	3.1	1.0%	Household mortgage loans Finland	32.5	10.2%
Commercial and professional services	10.3	3.3%	Household mortgage loans Norway	36.0	11.3%
Construction	8.3	2.6%	Household mortgage loans Sweden	51.2	16.1%
Wholesale trade	4.7	1.5%	Household mortgage loans total	157.1	49.5%
Land transportation	2.6	0.8%	Collateralised consumer lending	18.6	5.9%
IT services	1.5	0.5%	Non-collateralised consumer lending	7.0	2.2%
Commercial real estate	28.6	9.0%	Public sector	3.8	1.2%
Residential tenant-owned associations and companies	18.4	5.8%	Total loans to the public	317.2	100.0%

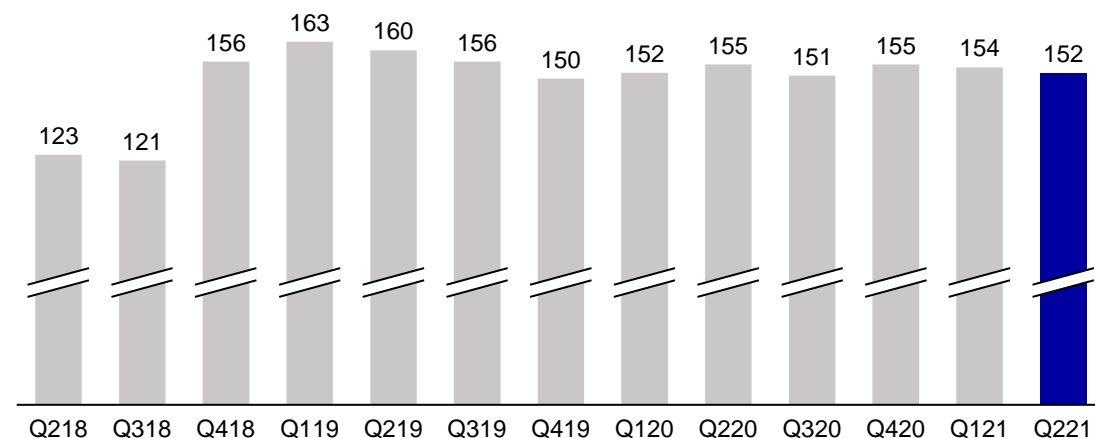
3. Capital, AML and sustainability

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

CET1 capital ratio development, %



REA development, EURbn

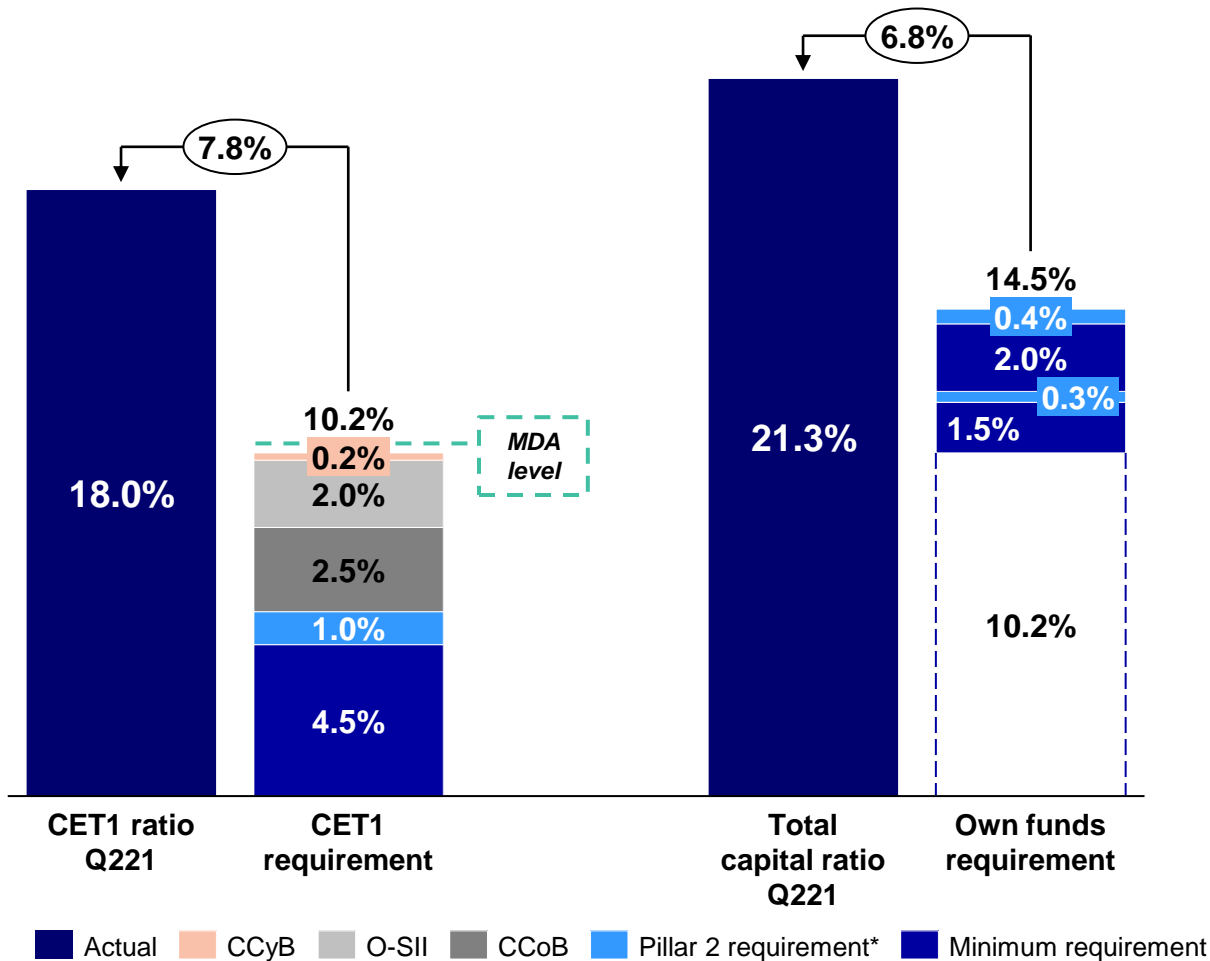


Comments

- CET1 capital ratio 18.0%, 7.8 percentage points above regulatory requirement*
- CET1 capital up EUR 0.5bn, mainly driven by profit net of dividend
- Risk exposure amount down EUR 2bn to EUR 152bn, mainly driven by improved credit quality
- Capacity to support customers and distribute capital
- Dividends – plan to resume distribution of capital to shareholders when restrictions lifted
 - Board of Directors authorised by AGM to decide on dividend payment of maximum EUR 0.72 per share, covering remaining dividend for 2019 and 2020 dividend
 - Board of Directors ready to decide on dividend payment after current restrictions repealed
 - Intention to start share buy-back programme in Q4

Capital – significant buffer to capital requirements

Capital position and requirements



Comments

- CET1 capital ratio 18.0%, 7.8 percentage points above regulatory requirement**
- Capital policy of 150-200bp above regulatory requirement (MDA level)
- CET1 buffer of 7.8 percentage points corresponds to EUR 11.9bn
- CET1 requirement lowered by ~2.9 percentage points since 1 January 2020

Significant investments in financial crime prevention

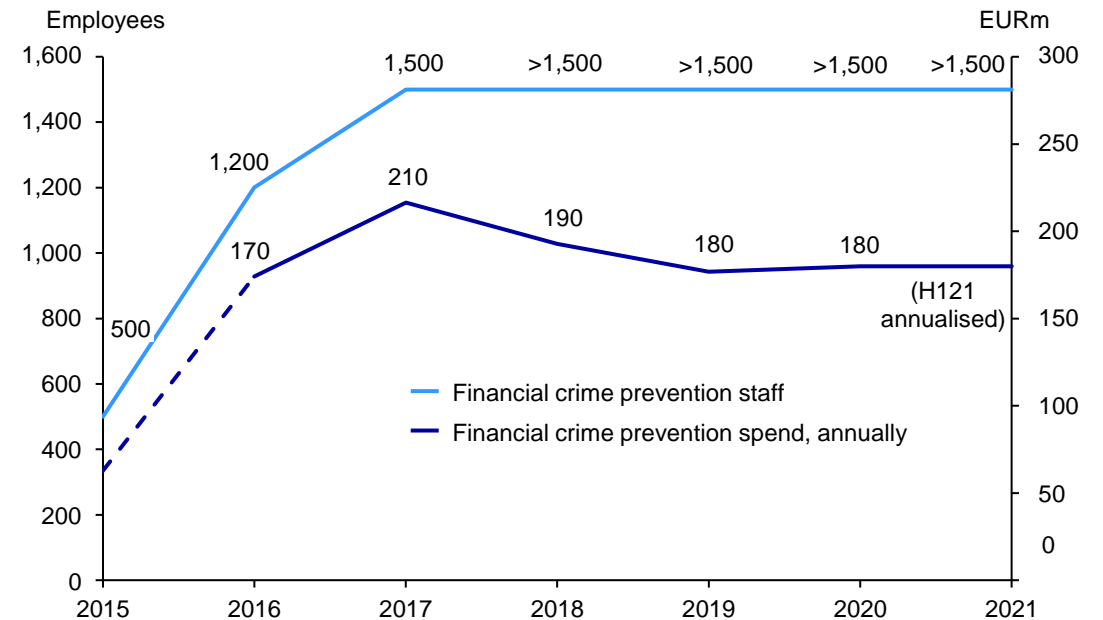
Actions against money laundering

- We collaborate closely with all relevant authorities, including law enforcement and regulators, and encourage even closer collaboration on multiple levels, as financial crime knows no borders
- Significantly strengthened financial crime defence; more than EUR 900m spent since 2016
- Around two 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 regularly trained to identify signs of financial crime

AML topics

- The Danish FSA inspected our AML processes in 2015 and handed their findings over to the Danish Public Prosecutor in 2016. The investigation has not yet concluded
 - The Danish investigation partly covers topics such as the 'troika laundromat', a set of money laundering allegations, that has been covered by the media
- Provision of EUR 95m in Q1 2019 related to past weak AML processes
 - Given the uncertainty regarding possible fines, the level of provision for ongoing AML-related matters will be maintained, while continuing the dialogue with Danish authorities







Financial crime prevention spending, annual






- In October 2018, Hermitage Capital filed money laundering allegations with all Nordic regulators. Finnish, Norwegian and Swedish authorities stated that no formal investigations would be opened
- Regarding the media attention around leaked documents related to financial crime prevention, Nordea conducted/responded to a number of reviews of customers and transactions raised in earlier public reports and leaks related to financial crime – the vast majority of the names covered in media reports were already known to the bank and did not constitute new information

Sustainability at the core of our strategy

Our actions

-  Strategy and climate targets launched in February 2021 – clear progress in implementation across Group
-  Engagement with customers to facilitate and enable their transition
-  Assessment of climate impact of corporate lending portfolio – work ongoing to set specific targets for sectors most vulnerable to climate-related risks
-  Sustainability-linked lending to SMEs up 20% in Q2
-  Development of sustainability competencies through training activities and enhanced governance
-  Bloomberg league table #1 positions for Nordic sustainable bonds overall and Nordic corporate sustainable bonds

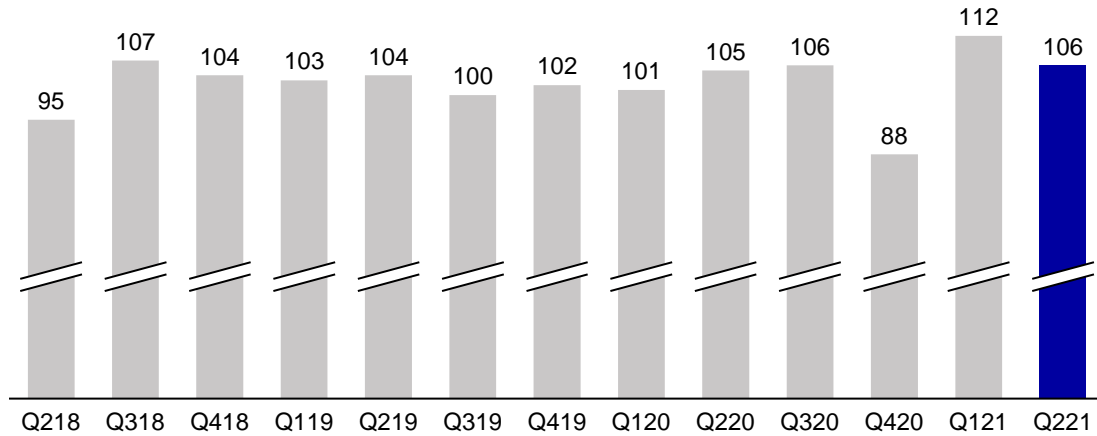
Our targets

- 
Net-zero
emissions by 2050
at latest
-  *
40-50%
reduction in
emissions across
lending and
investment
portfolios by 2030
- 
50%
reduction
in emissions from
internal
operations by
2030

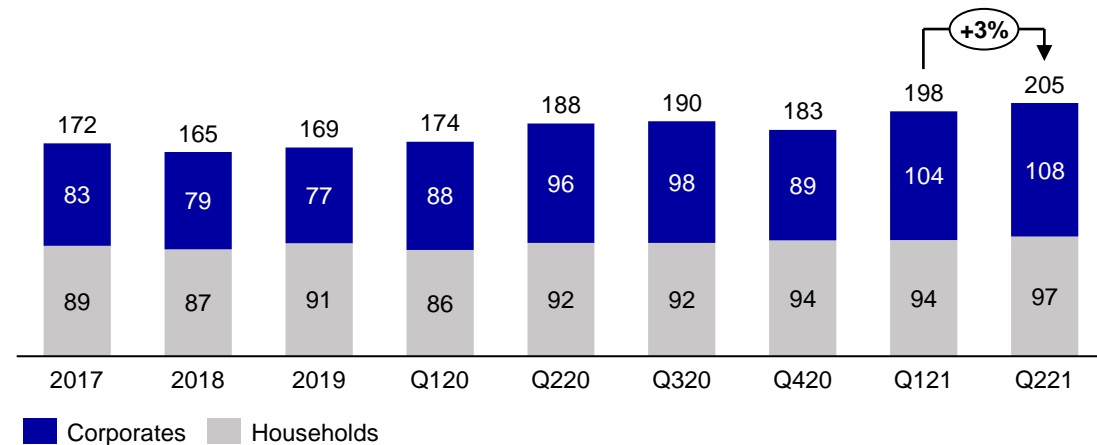
4. Funding

Liquidity – solid position

Liquidity buffer development, EURbn



Deposits*, EURbn

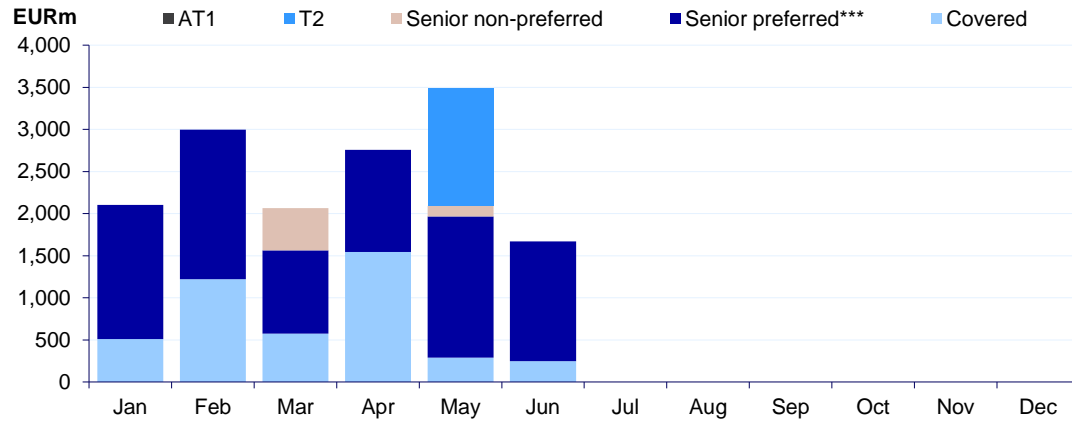


Comments

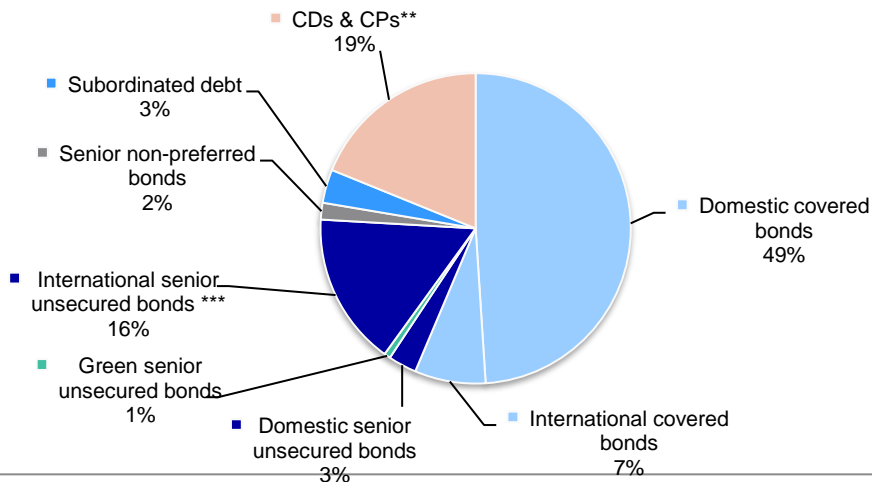
- Robust liquidity position
 - Liquidity buffer over EUR 106bn
 - Liquidity coverage ratio (LCR) 159%
 - EU net stable funding ratio (NSFR) 114%
- Deposits up 3% in local currencies q/q

Solid funding operations

Long-term issuance 2021*, EURm



Wholesale funding composition, %



Q2 issuance comments

- EUR 6.5bn in long-term debt issued during Q2
 - Of which EUR 2.1bn covered bonds and EUR 4.4bn senior format
- In addition, EUR 1.4bn Tier 2 issued during Q2
- EUR 189bn outstanding in total wholesale funding
- Long-term funding 73% of total funding at end of Q2
- Ordinary funding supplemented by TLTRO III participation

Issuance plan 2021

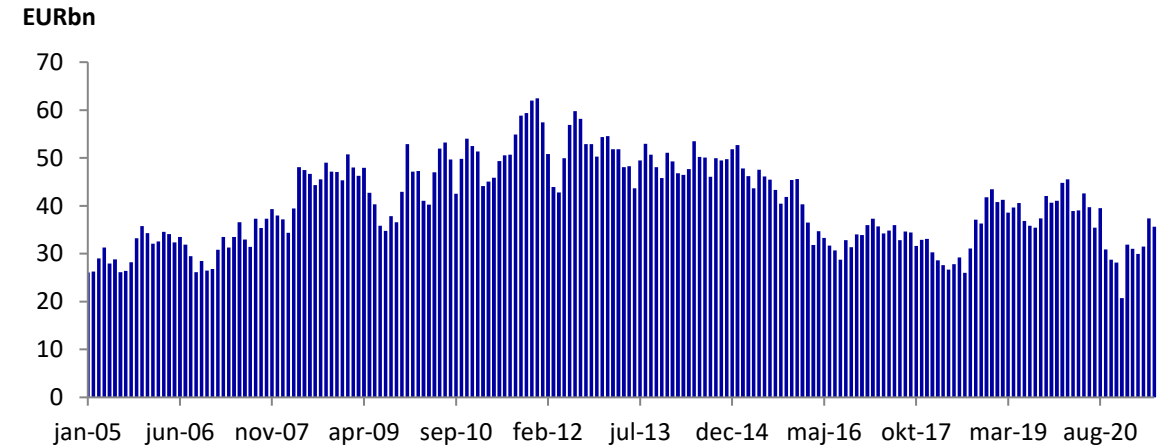
- ~EUR 20bn issuance plan for 2021
- ~50% expected to be issued in domestic markets, primarily in covered bond format
- Estimated target for total senior non-preferred debt ~EUR 10bn by end of 2023
 - EUR 3.3bn issued so far

Short-term funding – prudent and active management

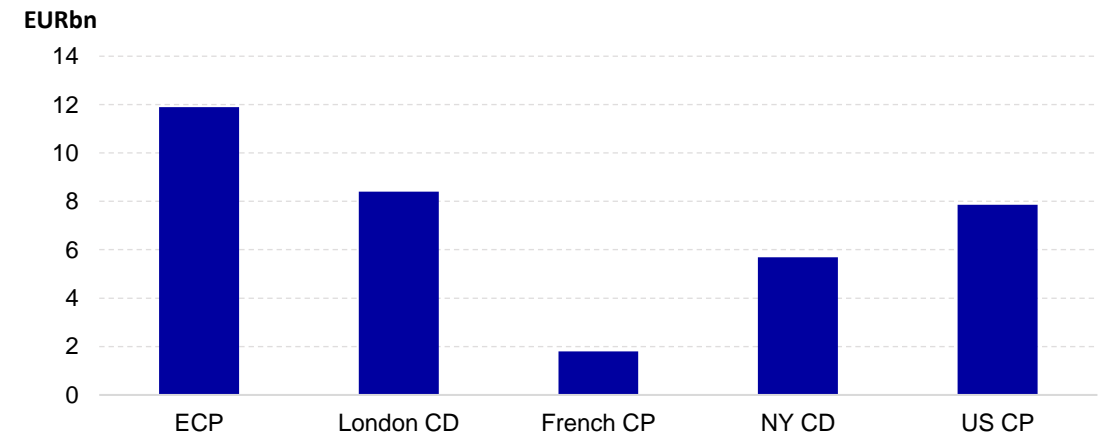
Comments

- Nordea has continued to be an active issuer in the short-dated debt market and has been able to maintain its pricing level in both the US and European markets
- Nordea has been actively issuing long-dated (>1 year) short-term issuance out of both the US and Europe
- Nordea continues to have a well-diversified global investor base stretching from Asia to the US
- Each programme continues to make a niche contribution, supporting a diversified investor, product and currency base
- Total outstanding short-term funding has ranged between EUR 30-37bn during Q2
- Short-dated issuance remains a very attractive funding component for the Group

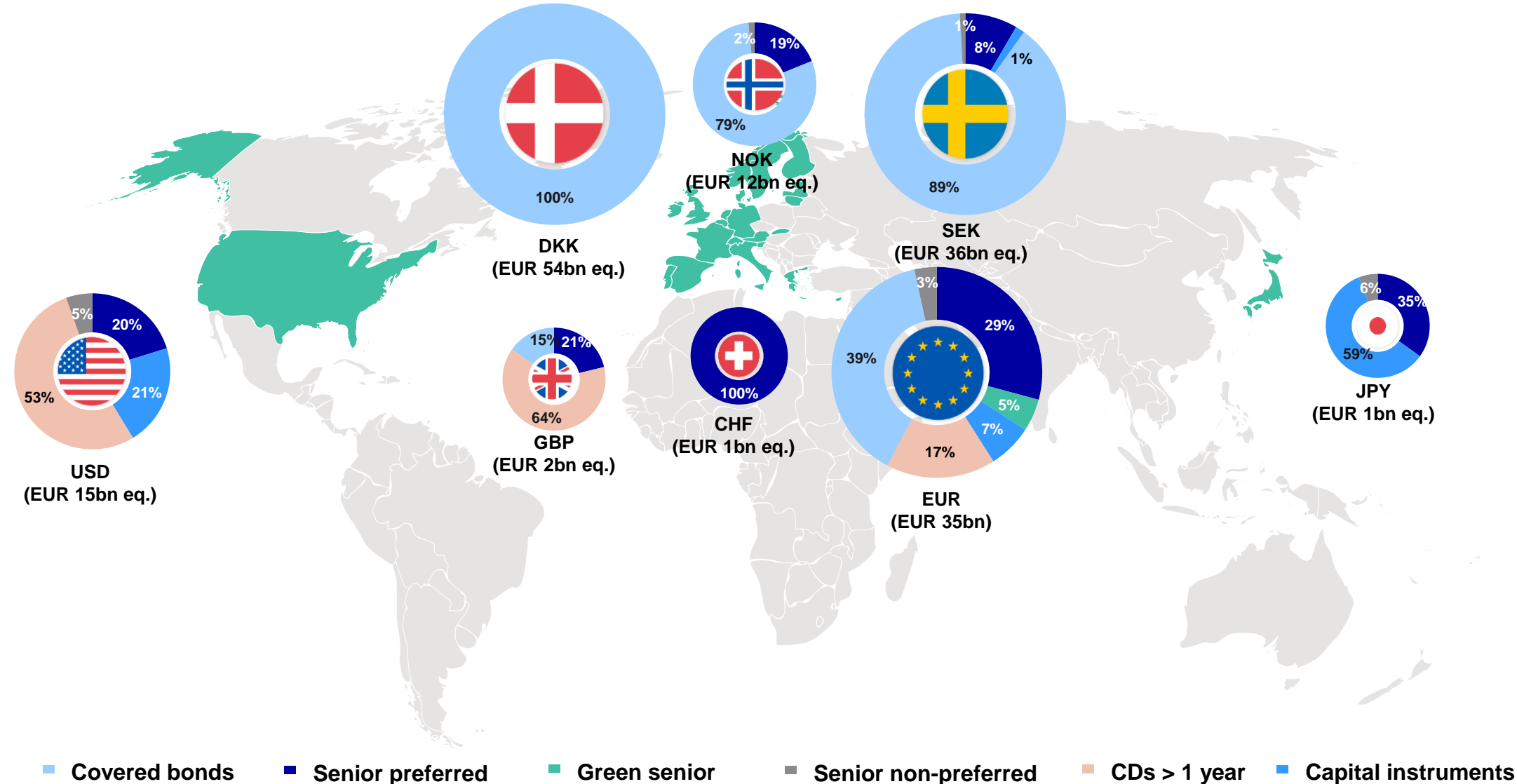
Short-term issuance*



Split between programmes*



Long-term funding – Nordea’s global issuance platform

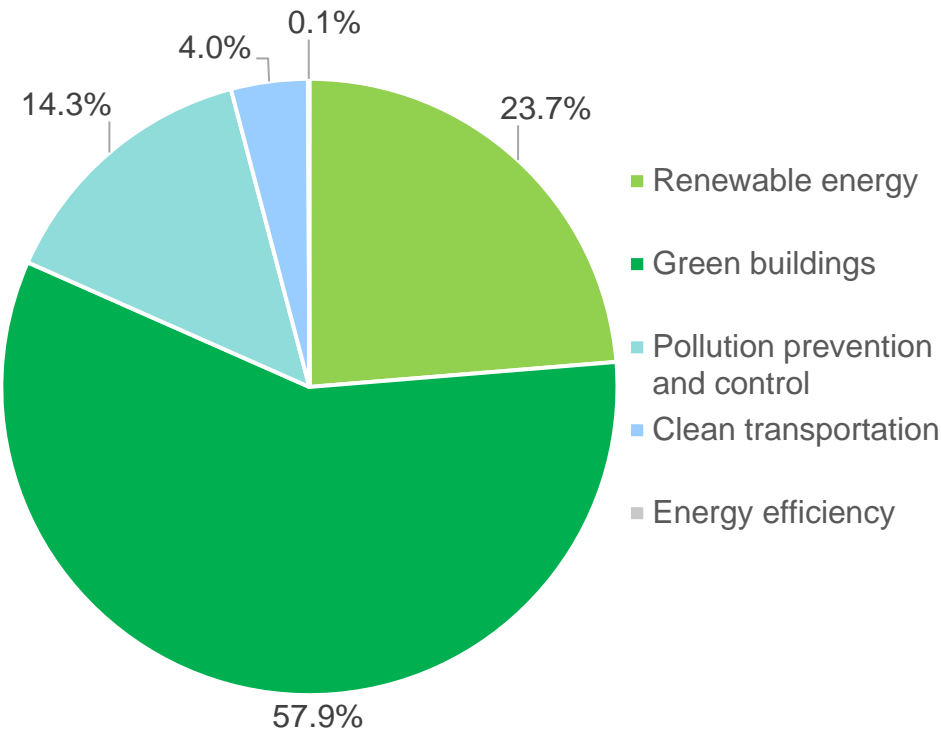


Green bonds

Enhanced focus on green bonds

- 2017: Green Bond Framework established and inaugural EUR 500m 5-year senior preferred green bond issued
- 2019: EUR 750m 7-year senior preferred green bond issued
- 2019: Danish green covered bond launched
- 2020: Green Bond Framework updated, including a change in the allocation of proceeds from bond level to portfolio level
- 2021: inaugural EUR 500m 10-year senior non-preferred green bond issued
- The green bond asset portfolio amounts to EUR 2.9bn (August 2020***)
- Nordea aims to continue as a regular issuer of green bonds and become the leading arranger of sustainability bonds and the leading bank for green lending in the Nordics by 2021

Green bond asset portfolio



Sustainability ratings



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



ESG score: **21.4** (0 to 100)**

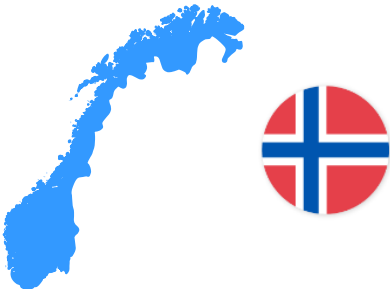
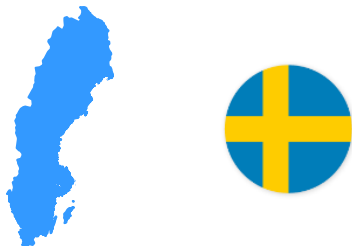




ESG rating: **AA** (AAA to CCC)

* Highest rating within sector is C+
** Lower score represents lower ESG risk
*** External review

Nordea covered bond operations

















Q2 2021

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 20.2bn (eq.)	EUR 60.8bn (eq.)	Balance principle	EUR 23.3bn
	Covered bonds outstanding	EUR 9.1bn (eq.)	EUR 34.3bn (eq.)	EUR 59.6bn (eq.)*	EUR 21.0bn
	OC	122%	77%	8%*	12%
	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

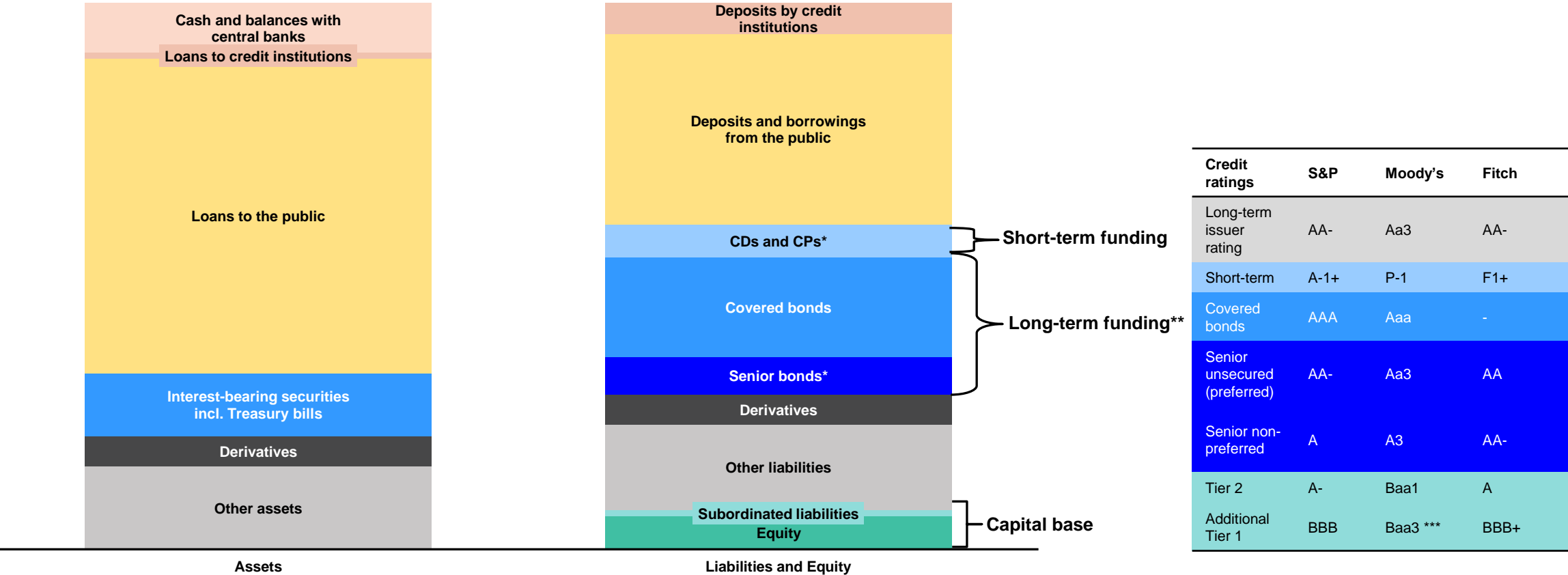


Nordea recent benchmark transactions

Issuer	Type	Currency	Amount (m)	FRN / Fixed	Issue date	Maturity date	Callable
Nordea Bank	Senior preferred	 USD	1,000	Fixed	May-21	May-24	
Nordea Bank	Tier 2	 SEK	3,000/1,000	FRN/Fixed	May-21	Aug-26	10.25NC5.25
Nordea Bank	Tier 2	 EUR	1,000	Fixed	May-21	Aug-26	10.25NC5.25
Nordea Eiendomskreditt*	Covered	 NOK	6,000	FRN	Apr-21	Mar-26	
Nordea Bank	Senior non-preferred, Green	 EUR	500	Fixed	Mar-21	Mar-31	
Nordea Hypotek*	Covered	 SEK	5,500	Fixed	Feb-21	Sep-26	
Nordea Eiendomskreditt*	Covered	 NOK	6,000	FRN	Sep-20	Sep-25	
Nordea Bank	Senior preferred	 USD	1,000	Fixed	Aug-20	Aug-25	
Nordea Bank	Senior preferred	 USD	1,000	Fixed	Jun-20	Jun-23	
Nordea Bank	Senior preferred	 CHF	200	Fixed	May-20	May-26	
Nordea Bank	Senior preferred	 NOK	4,000	FRN	May-20	May-25	
Nordea Bank	Senior preferred	 SEK	1,000/500	Fixed/FRN	May-20	May-23	
Nordea Bank	Senior preferred	 EUR	1,250	Fixed	May-20	May-27	
Nordea Hypotek*	Covered	 SEK	5,500	Fixed	Feb-20	Sep-25	
Nordea Eiendomskreditt*	Covered	 NOK	7,500	FRN	Jan-20	Mar-25	
Nordea Bank	Senior preferred, Green	 EUR	750	Fixed	Jun-19	Jun-26	

Diversified balance sheet

Total assets EUR 587bn at end of Q2 2021



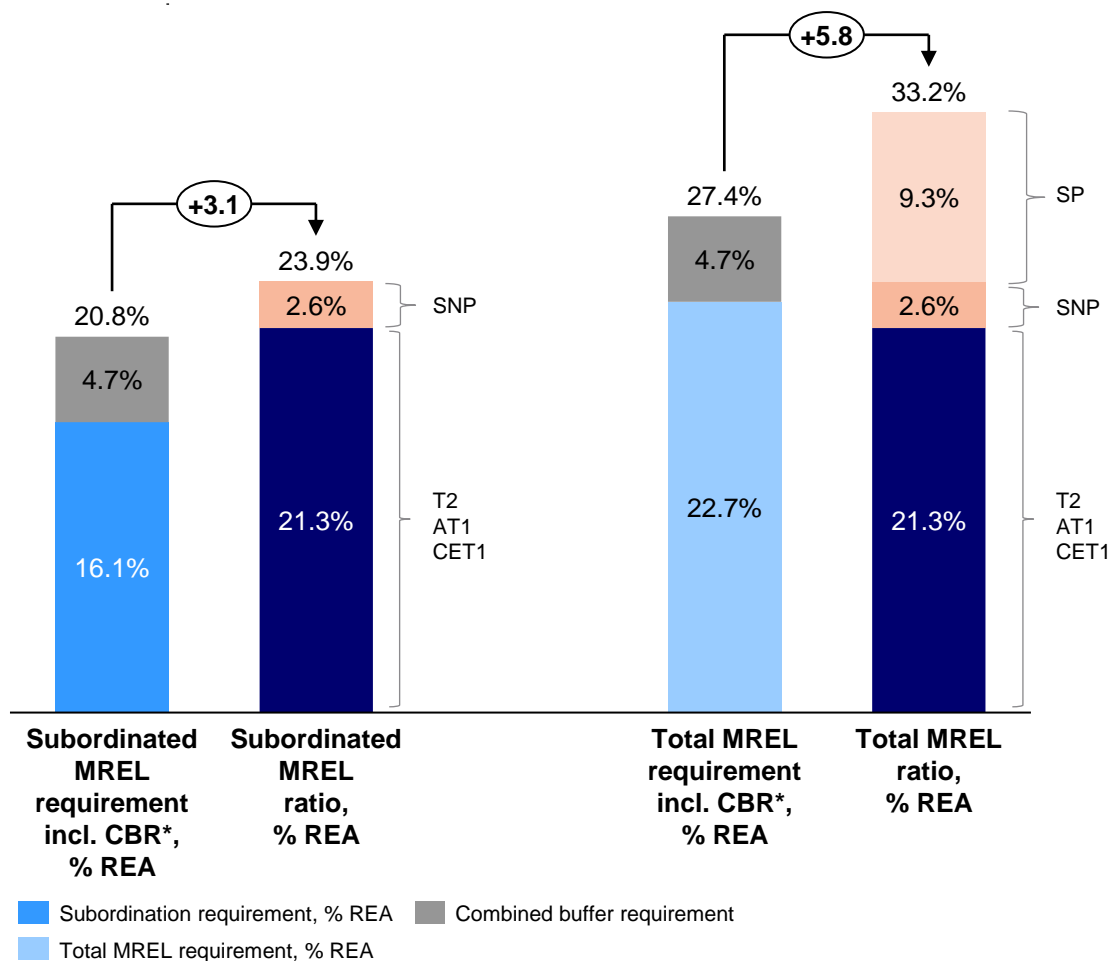
36 * CDs and CPs exclude CDs with original maturity over one year. Senior bonds include CDs with original maturity over one year

** Excluding subordinated liabilities

*** Unsolicited ratings

Well positioned to meet MREL requirements

MREL requirements and positions at Q221



Comments

- Nordea subordinated MREL ratio 3.1 percentage points above requirement and total MREL ratio 5.8 percentage points above
- MREL and subordination requirements binding from 1 Jan 2022 (full requirements directly, no interim), and updated by Single Resolution Board (SRB) annually
- Combined buffer requirement (CBR) and hence MREL and subordination requirements incl. CBR may vary, depending on decisions by the Finnish FSA and other Nordic authorities

Requirements set by SRB for Nordea

Subordinated MREL

- 16.1% of REA (20.8% of REA incl. CBR*, Q221)
- 5.98% of leverage ratio exposure (LRE)

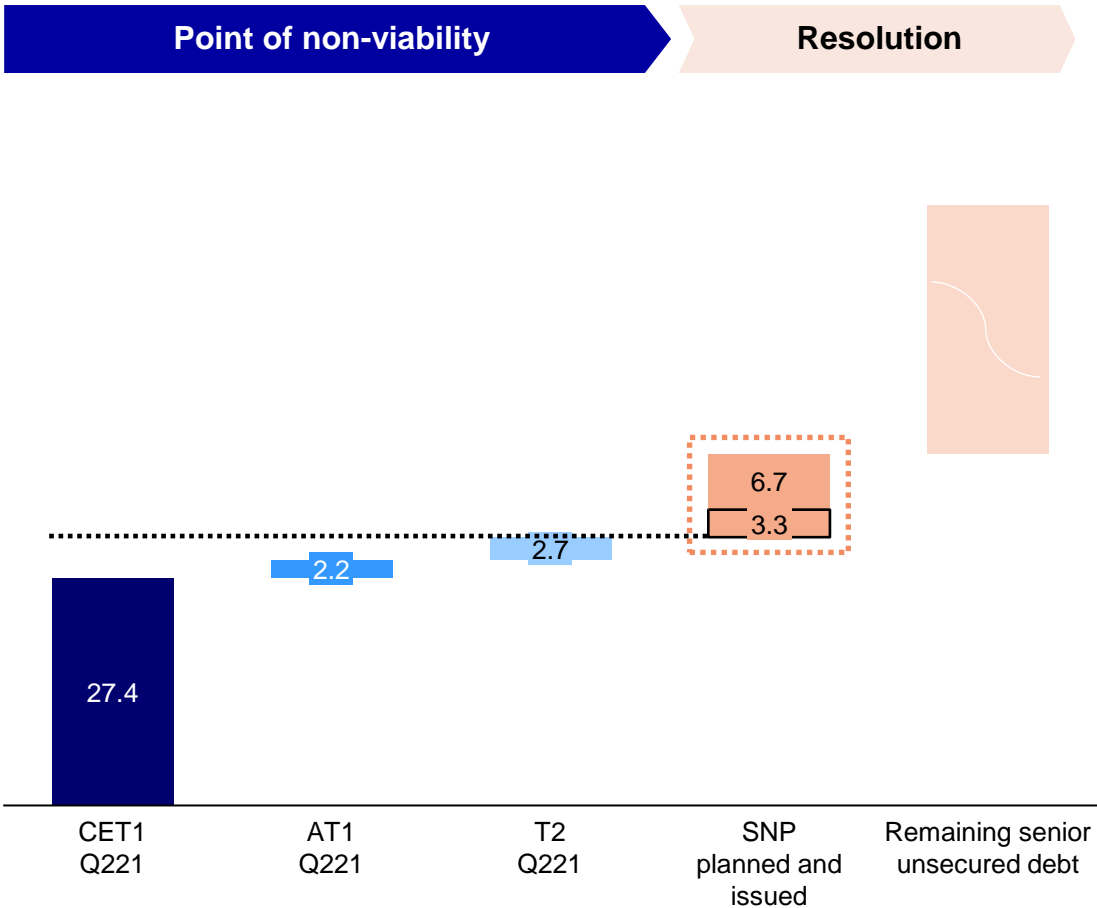
Total MREL

- 22.7% of REA (27.4% including CBR, Q221)
- 5.98% of LRE

Binding from 1 Jan 2022. Requirements set by SRB to be updated annually

Senior non-preferred issuance target remains unchanged

Own funds and bail-in-able debt, EURbn

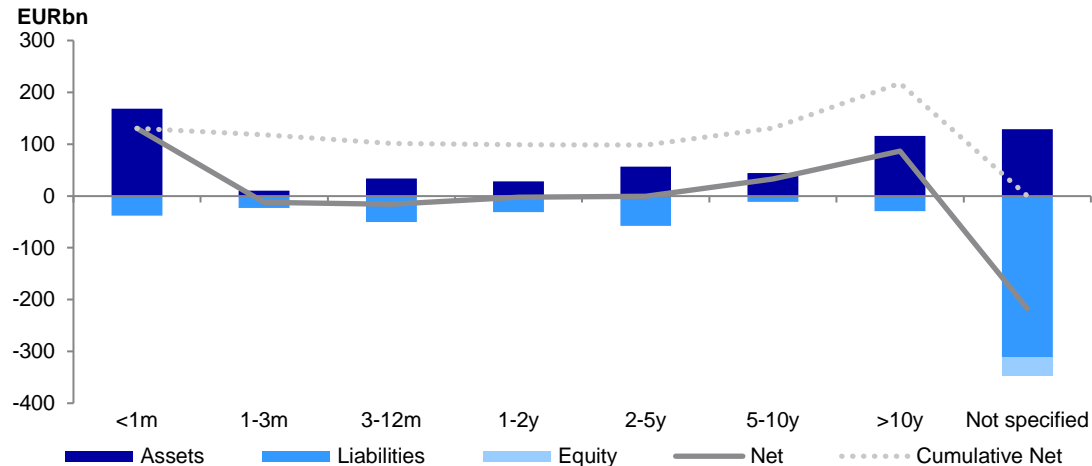


Comments

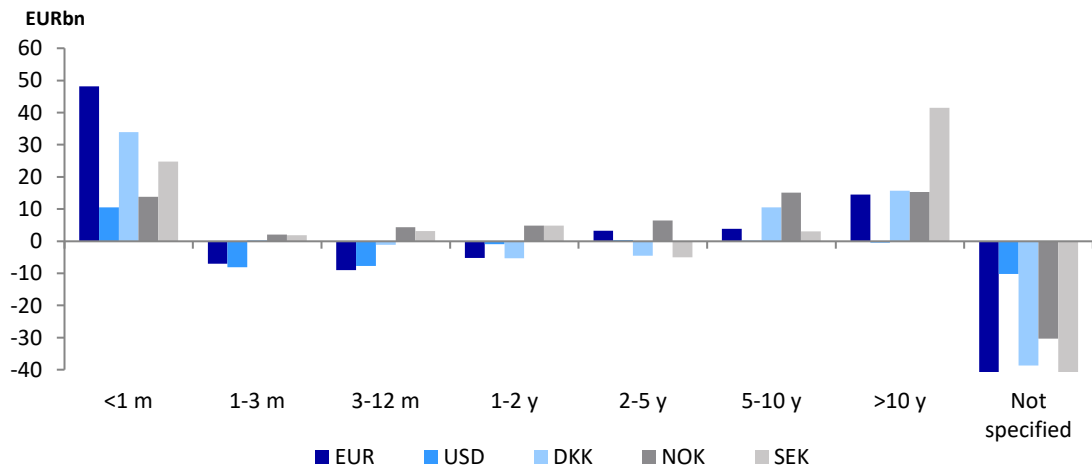
- Senior non-preferred (SNP) target of approximately EUR 10bn in total by end of 2023, taking into account:
 - Future capital buffer requirements
 - Management buffer for MREL subordination
- SNP issuance
 - EUR 3.3bn issued
 - Approximately EUR 7bn to be issued until end-2023
- Nordea’s own funds, ~EUR 32bn in Q221, will rank junior to SNP instruments

Maturity profile

Maturity profile, EURbn



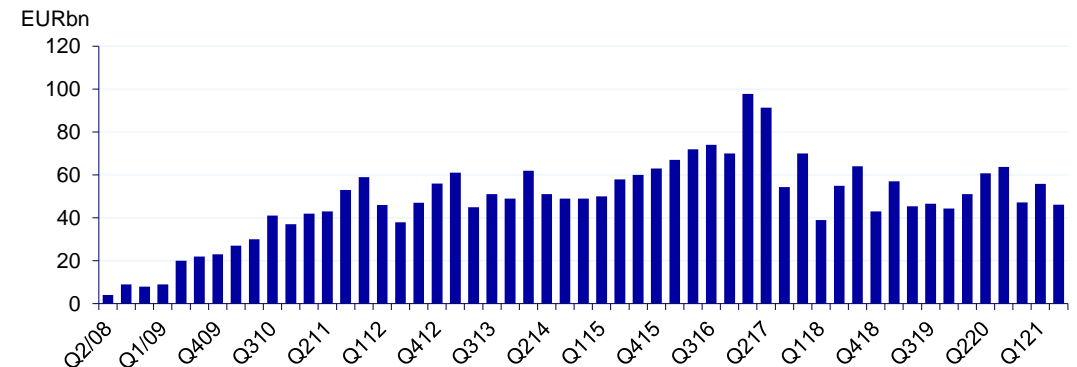
Maturity gap by currency, EURbn



Comments

- Over past couple of years balance sheet maturity profile has become more balanced due to:
 - Lengthening of issuance through balance sheet management
- Resulting in well-balanced structure in assets and liabilities in general, and by currency
 - Structural liquidity risk similar across all currencies
- Balance sheet considered well balanced also in foreign currencies
- Long-term liquidity risk managed through net stable funding ratio (NSFR) and own metric, net balance of stable funding (NBSF)

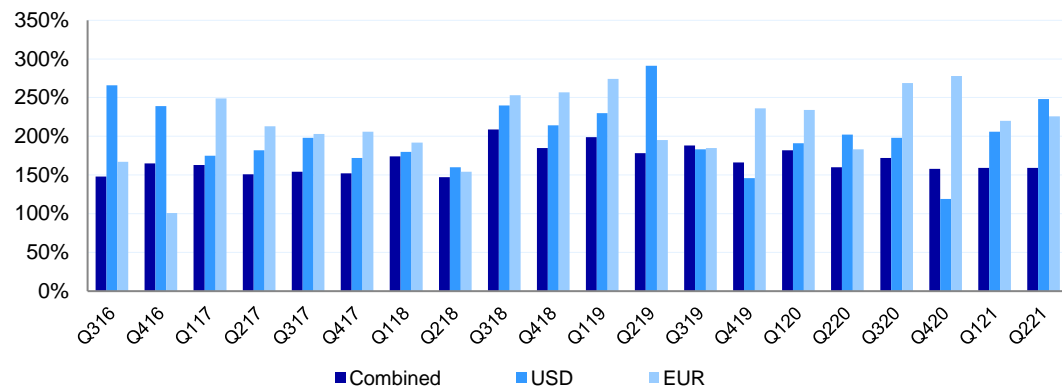
Net balance of stable funding, EURbn



The NBSF is an internal metric, which measures the excess of stable liabilities against stable assets. At the beginning of 2012 the stability period was changed to 12 months (from 6 months). In Q3/17, the data sourcing was updated and classifications are now in line with the CRR

Liquidity coverage ratio

Liquidity coverage ratio, %



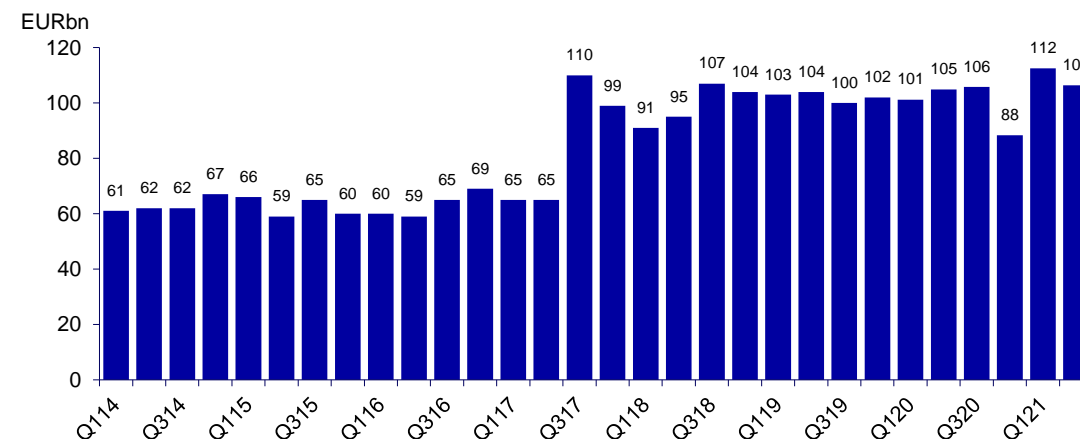
LCR subcomponents, EURbn

EURm	Combined		USD		EUR	
	Unweighted value	Weighted value	Unweighted value	Weighted value	Unweighted value	Weighted value
Total high-quality liquid assets (HQLA)	106,434	104,440	18,599	18,532	38,761	38,676
Liquid assets level 1	103,969	102,345	18,164	18,162	38,556	38,502
Liquid assets level 2	2,465	2,095	435	370	205	174
Total cash outflows	357,776	77,754	47,731	29,865	134,781	44,180
Customer deposits	103,899	6,896	288	41	34,262	2,360
Wholesale funding	127,522	52,306	18,074	9,517	39,442	14,463
Other	126,355	18,552	29,369	20,306	61,077	27,358
Total cash inflows	40,649	12,199	25,787	22,399	36,886	27,053
Secured lending (e.g. reverse repos)	24,321	2,008	27	24	8,149	214
Other cash inflows	16,329	10,191	25,760	22,375	28,737	26,840
Liquidity coverage ratio (%)		159%		248%		226%

Comments

- EBA Delegated Act on LCR in force starting from October 2016
 - LCR of 159%
 - LCR compliant in USD and EUR
- Compliance reached through high-quality liquidity buffer and management of short-term cash flows
- Liquidity buffer EUR 106bn, including cash and central bank balances
 - New liquidity buffer method introduced in July 2017

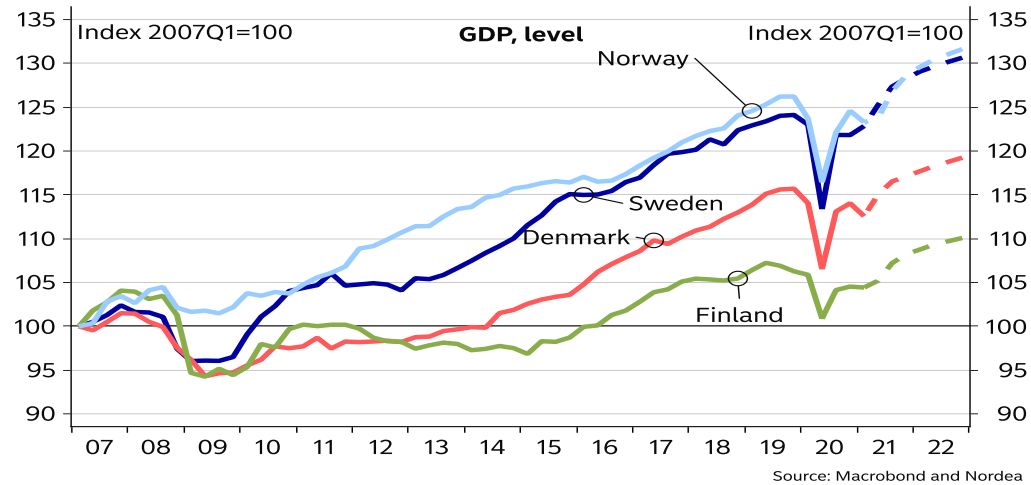
Liquidity buffer, EURbn



5. Macroeconomy

Nordic economies – resilient economies back on track

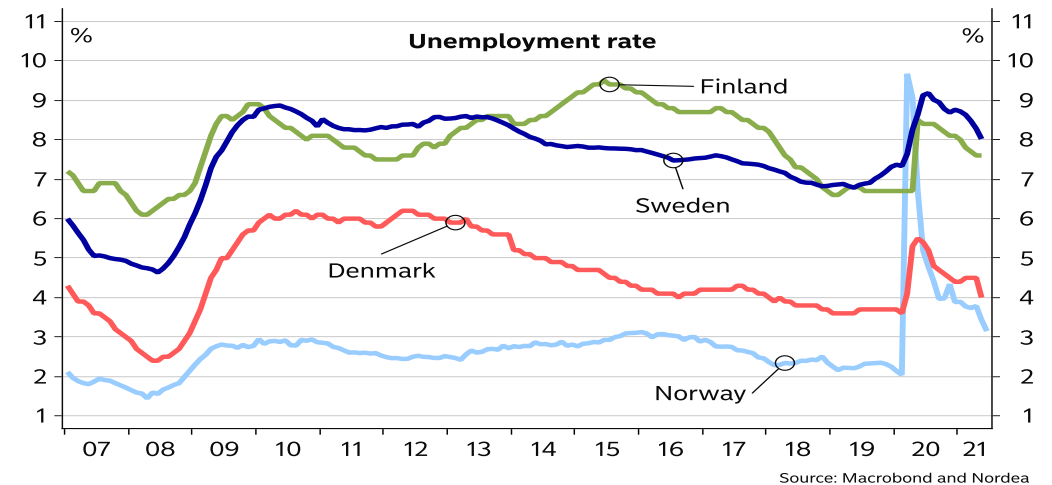
GDP development



Comments

- After the dramatic setback in 2020 due to the coronavirus, the Nordic economies have almost fully recovered
- Vaccines have brought long-awaited relief and the prospect of a return to normal. Nordic households' relatively strong finances have paved the way for a broad recovery, as pent-up demand unwinds when restrictions are lifted
- The labour market has shown resilience, largely due to government subsidies such as short-term furloughs. The hard-hit services sector is rebounding, and GDP is expected to reach pre-crisis levels in mid-to-late 2021

Unemployment rate

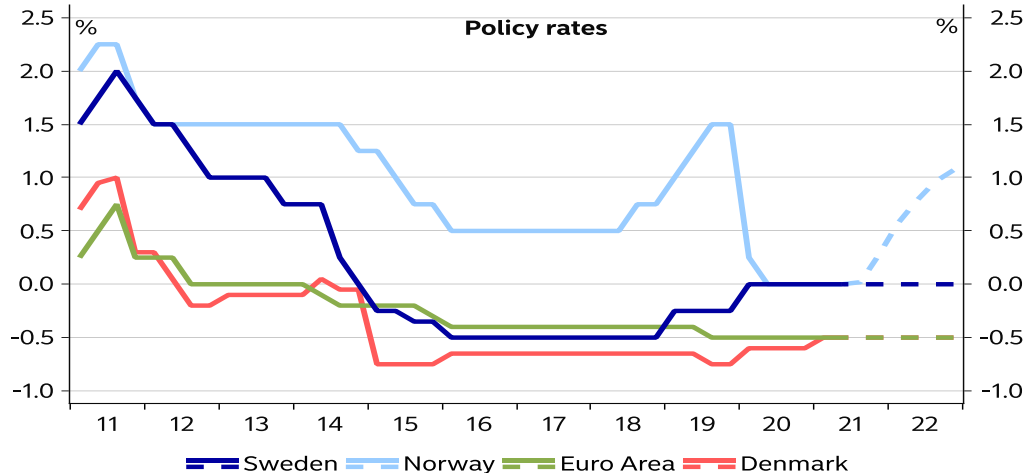


GDP, forecasts from Economic Outlook May 2021

Country (% , y/y)	2020	2021E	2022E
Denmark	-2.7	3.0	2.8
Finland	-2.8	3.0	3.0
Norway	-2.5	3.5	4.0
Sweden	-3.1	4.5	3.0

Nordic rates – Nordics well-equipped to handle long-term consequences of COVID

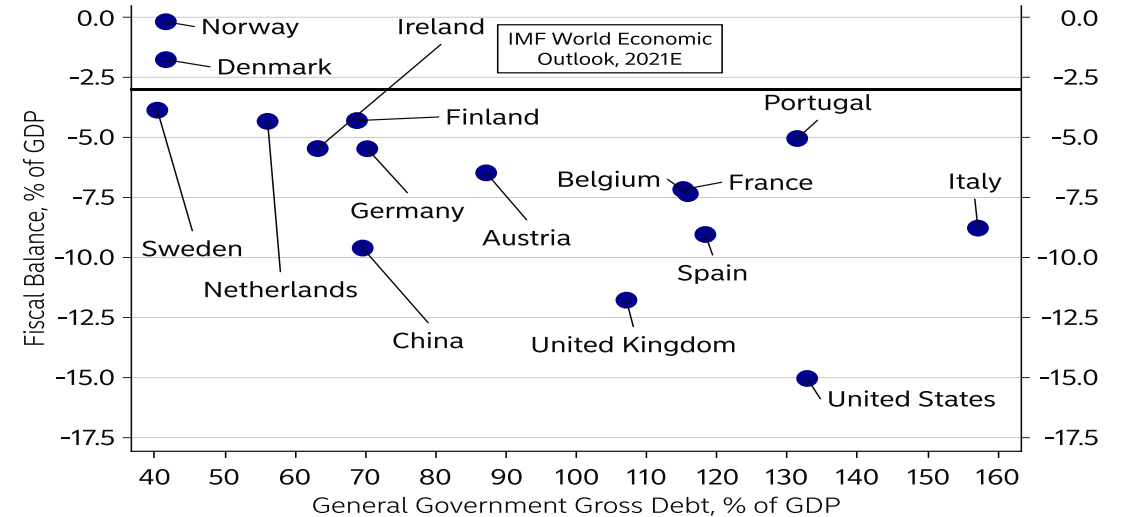
Policy rates



Comments

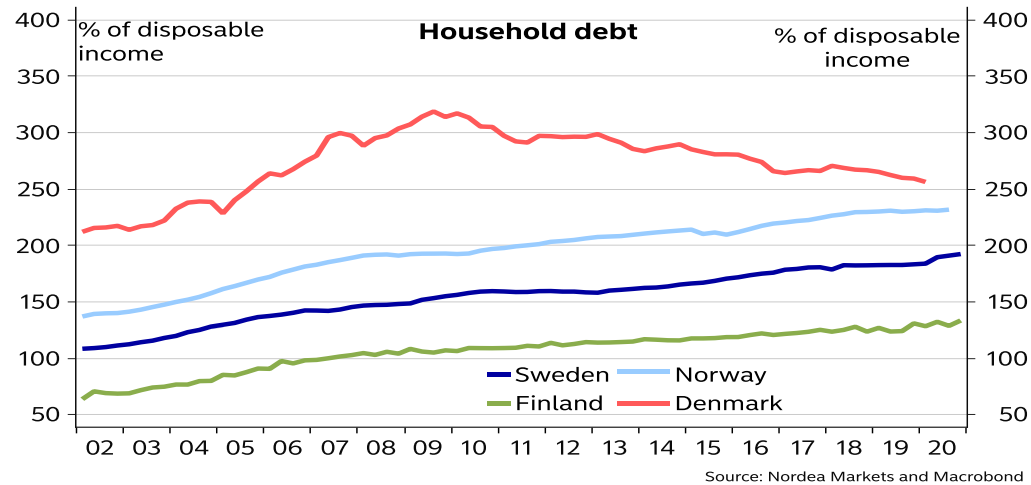
- Norges Bank now expects to start hiking rates in September this year, with a second hike likely in December. Policy rates in the euro area, Denmark and Sweden are expected to remain unchanged throughout the forecast period
- Sveriges Riksbank and the ECB launched new large-scale asset purchase programmes (QE) as a response to the COVID-19 crisis. The ECB is expected to purchase financial assets corresponding to 7% of euro area GDP in 2021, while Sveriges Riksbank's purchases amount to an expected 8% of GDP
- Solid public finances prior to the crisis have enabled the Nordic governments to act swiftly during the crisis, and large recovery packages have been announced in 2021 as well. Fiscal deficits are expected to narrow this year and approach zero in 2022, except in Finland. The Nordics are relatively well equipped to handle the long-term consequences of the pandemic

Public balance/debt, % of GDP, 2021E



Households remain resilient

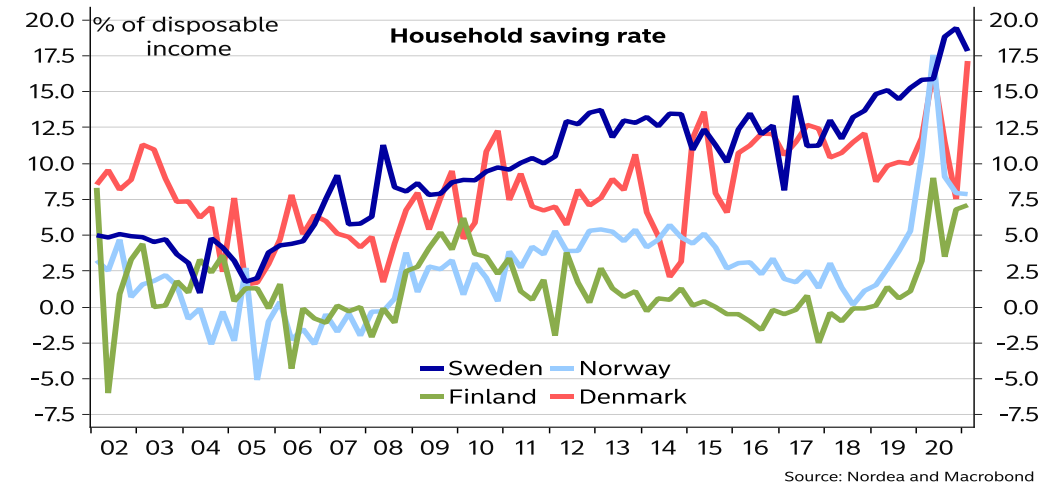
Household debt



Comments

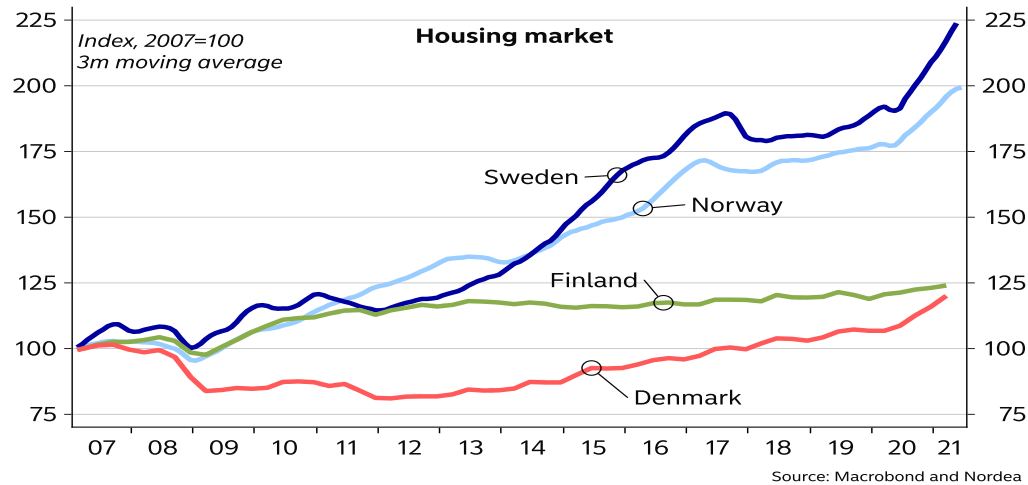
- Household savings have increased dramatically during the crisis, mainly due to a decline in spending. Despite high debt levels, Nordic households' strong finances are expected to support economic growth as restrictions are lifted. Low interest rates and economic stimulus continue to support credit growth and the housing market
- Early labour market measures, automatic stabilisers and other measures to stimulate demand have helped to soften the blow to households and businesses. Robust public finances prior to the crisis have increased the credibility of the measures and harsh fiscal tightening is neither needed in the short term nor expected, which is important for households' income expectations

Household savings



Nordic housing markets heat up

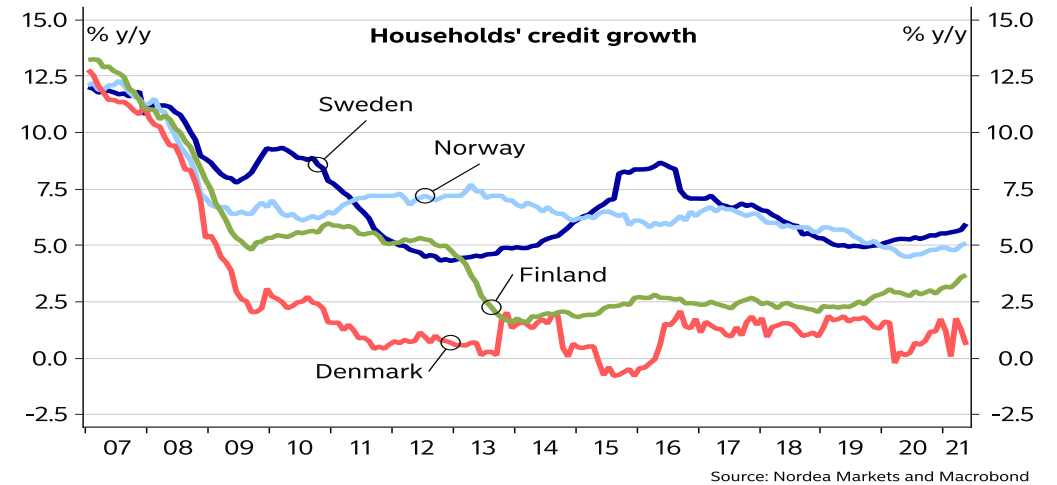
House prices



Comments

- Contrary to expectations, house prices have increased to record-high levels in all the Nordic countries during the crisis. This is not least due to unprecedented expansionary fiscal and monetary policy in support of households and businesses
- The crisis has had a limited effect on those groups in the labour market which are more active in the housing market, while demand has surged due to preferences shifting towards larger housing and single-family homes. At the same time, people's mobility has been severely restricted, causing a sharp decline in the number of homes on the market, which in turn has contributed to driving prices higher
- House prices are expected to continue to rise in all four countries this year and next year. However, interest rates are not likely to be reduced any further, and at some point the expansionary fiscal policies will come to an end. Moreover, as mobility levels increase, the housing supply will increase again. Against this backdrop, the pace of price growth will slow. If the housing market remains in good shape, the economy will as well, so the benign trend in house prices has helped all the Nordic countries get through the crisis

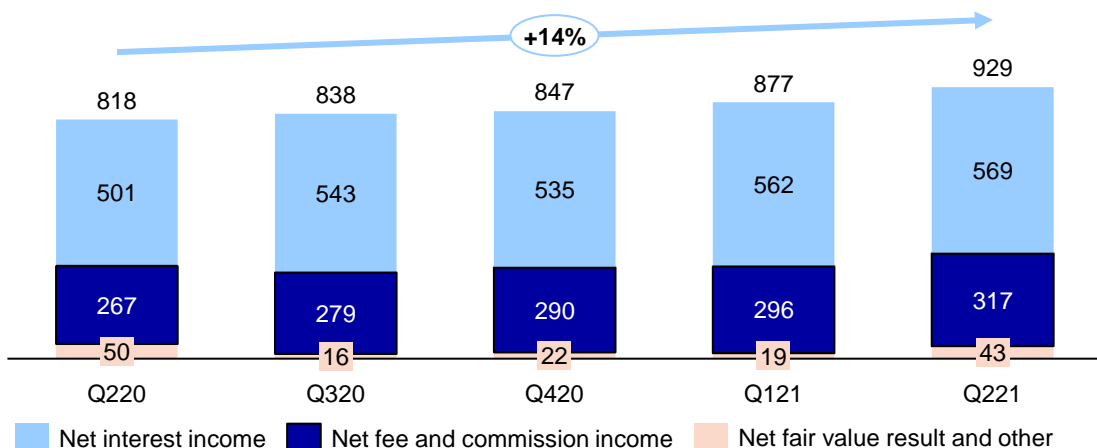
Households' credit growth



6. Business areas – update

Personal Banking – high levels of business activity and volume growth

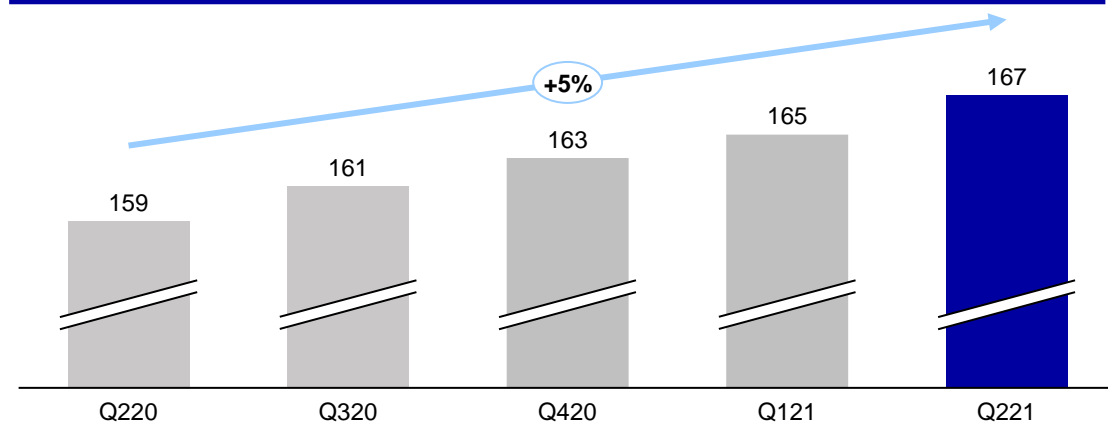
Total income, EURm



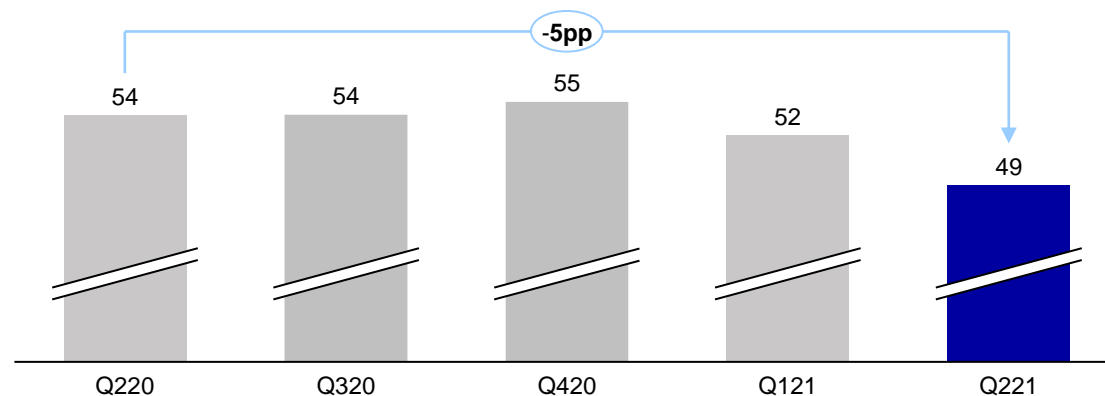
Comments

- Total income up 14%
- Continued strong mortgage activity: volumes up 6%
 - Further increases in mortgage market shares across Nordics
 - Improved mortgage and deposit margins
- Strong savings and investment activity; 65% of fund sales now done digitally
- Improvement in cost-to-income ratio, now 49%

Lending*, EURbn

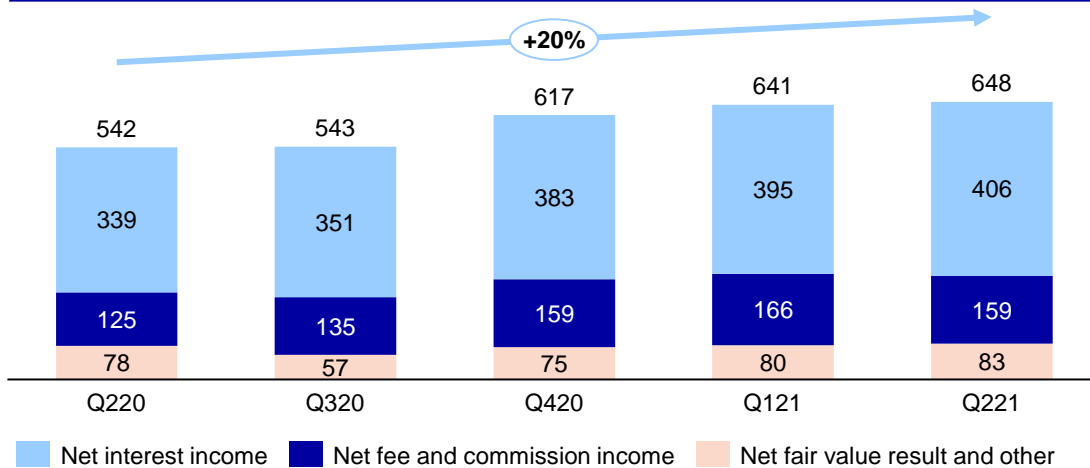


Cost-to-income ratio**, %

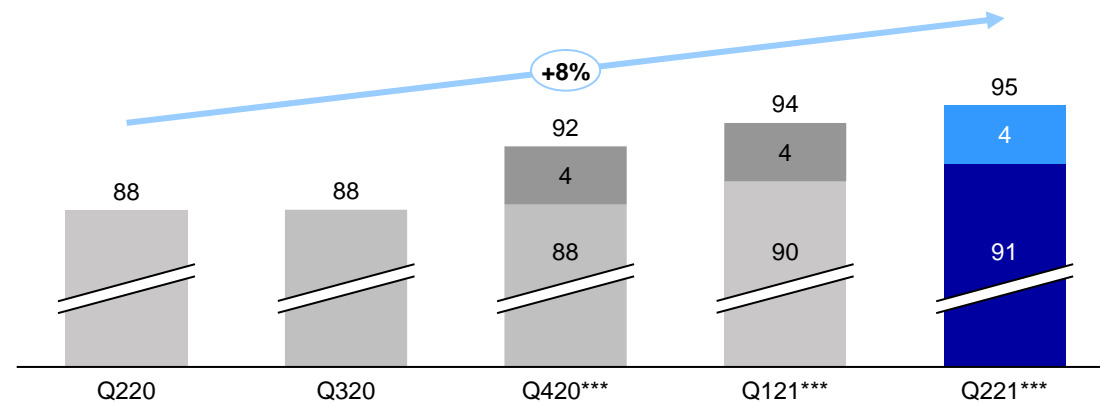


Business Banking – high levels of business activity

Total income, EURm



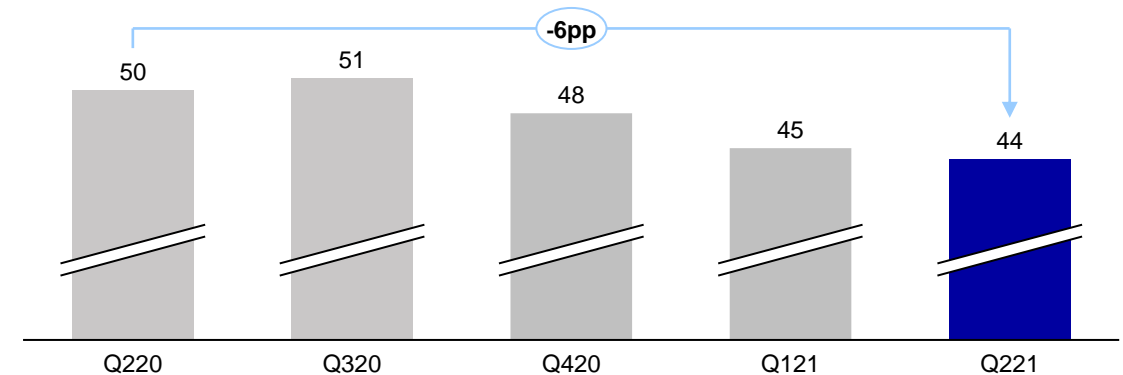
Lending*, EURbn



Comments

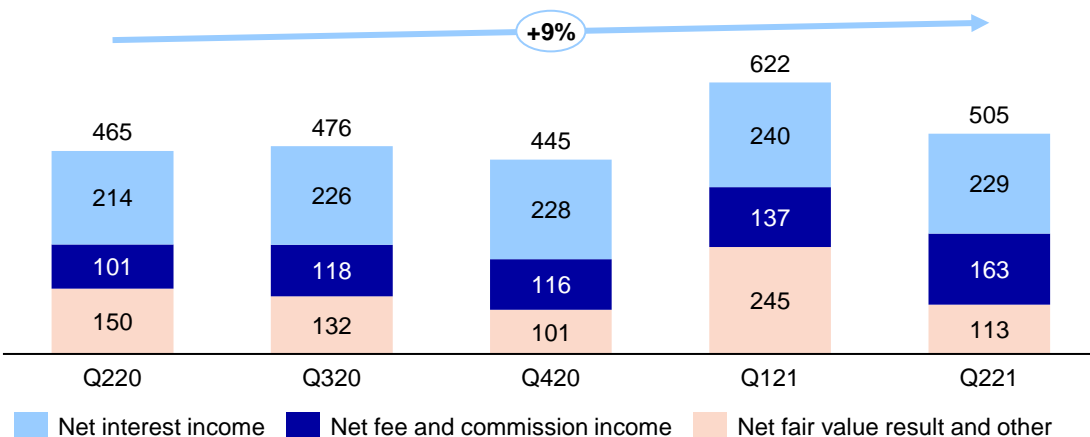
- Strong quarter – high levels of business activity
 - Lending volumes up 8% (4% excl. Nordea Finance Equipment) – strong growth in Norway and Sweden
 - High investment banking activity and improved savings and payments income
- More than 275,000 customers now onboarded to new netbank and over 80% of loan products available for digital signing
- Improvement in cost-to-income ratio, now 44%

Cost-to-income ratio**, %

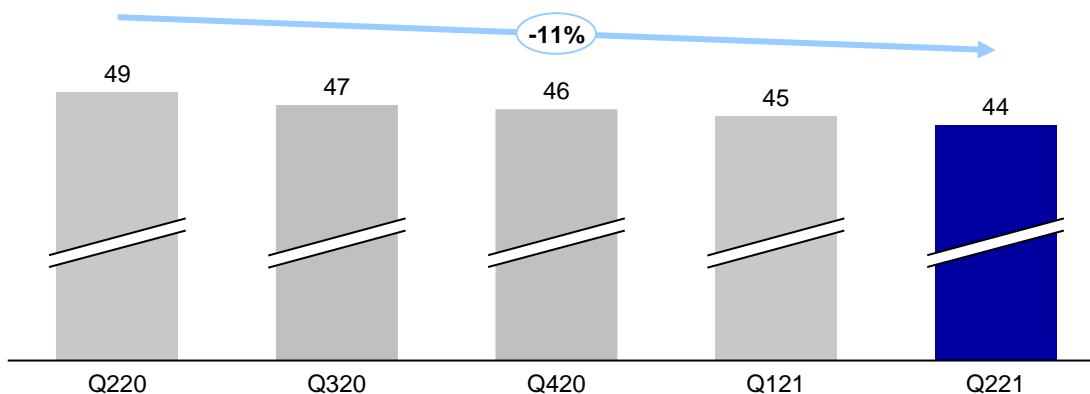


Large Corporates & Institutions – clear progress on strategic repositioning plan

Total income, EURm



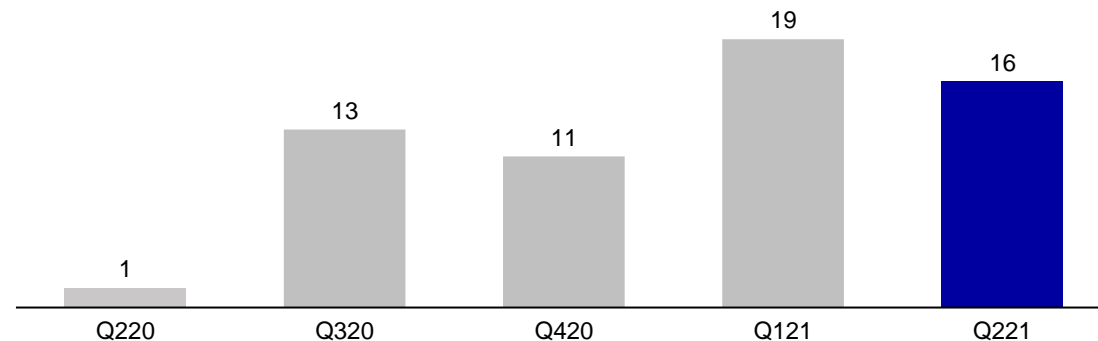
Lending*, EURbn



Comments

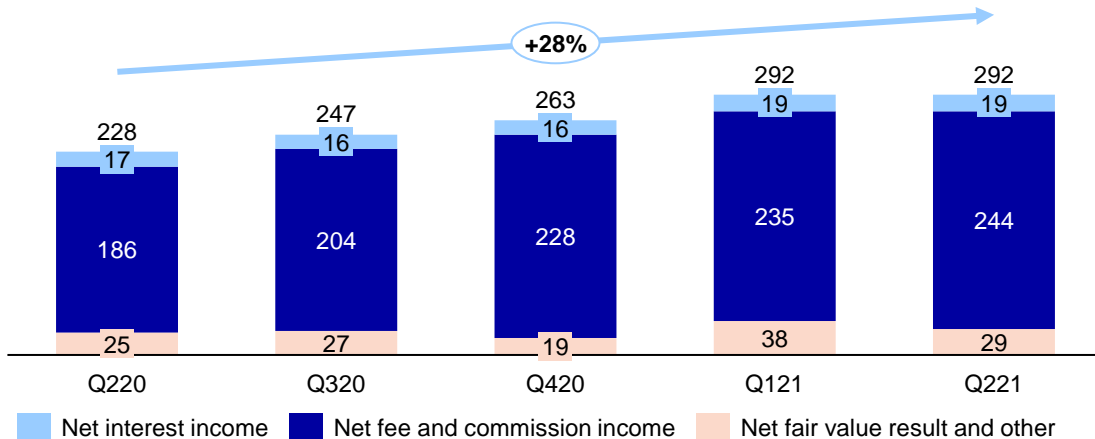
- Total income up 9%, driven by strong commission income
 - Highest level of net fee and commission income in 17 quarters
 - Very high customer activity in capital markets areas
 - Steady NII from higher lending margins while lending volumes lower
- Continued capital efficiency in line with repositioning plan
 - Economic capital down 17%
- Cost-to-income ratio 41%
- Return on capital at risk 16%

Return on capital at risk**, %

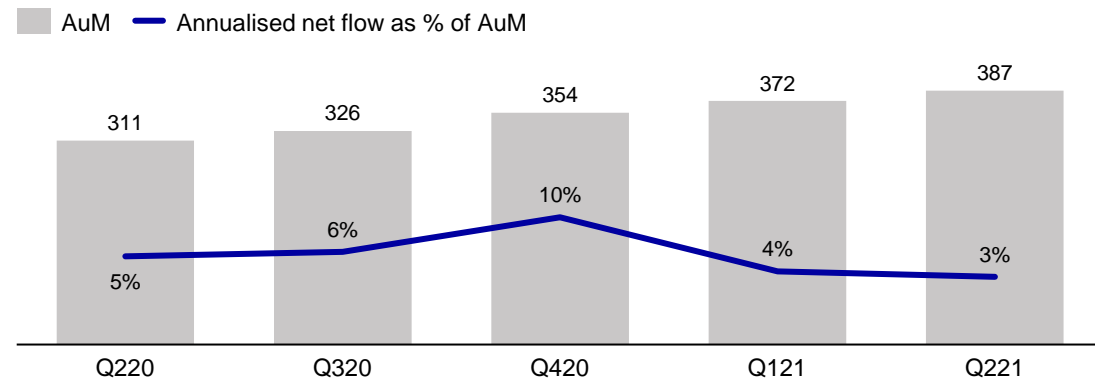


Asset & Wealth Management – very high customer activity, especially in internal channels

Total income, EURm



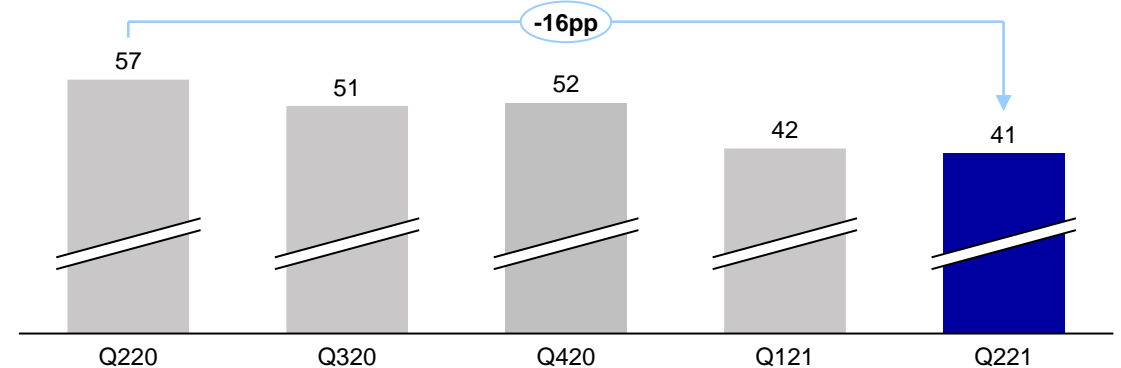
Assets under management, EURbn, and net flows, %



Comments

- Total income up 28%, mainly driven by increase in AuM
- AuM up 24% to all-time high of EUR 387bn
 - Net inflow of EUR 2.6bn (annualised 3%), subdued by EUR 3.7bn outflow related to a divested business in Denmark
 - Solid Private Banking net inflow: EUR 2.0bn
 - Continued high demand for ESG products: over 90% of net flow
- Improvement in cost-to-income ratio, now 41%
- Return on capital at risk 31%

Cost-to-income ratio*, %



Contacts

Investor Relations

Matti Ahokas

Head of Investor Relations
Mobile: +358 40 575 91 78
matti.ahokas@nordea.com

Andreas Larsson

Head of Debt Investor Relations
Mobile: +46 709 707 555
Tel: +46 10 156 29 61
andreas.larsson@nordea.com

Maria Caneman

Senior Debt IR Officer
Mobile: +46 768 24 92 18
Tel: +46 10 156 50 19
maria.caneman@nordea.com

Carolina Brikho

IR Officer
Mobile: +46 761 34 75 30
Tel: +46 10 156 29 62
carolina.brikho@nordea.com

Group Treasury

Anders Frank-Læssøe

Group Treasurer, Head of Group Treasury
Tel: +45 55477672
Mobile: +45 61612157
anders.frank@nordea.com

Ola Littorin

Head of Long Term Funding
Tel: +46 8 407 9005
Mobile: +46 708 400 149
ola.littorin@nordea.com

Petra Mellor

Head of Bank Debt
Tel: +46 8 407 9124
Mobile: +46 70 277 83 72
petra.mellor@nordea.com

Jaana Sulin

Head of Liquidity Management
Tel: +358 9 369 50510
Mobile: +358 50 68503
jaana.sulin@nordea.com