

Nordea

Green bond investor presentation



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.

Nordea

Sustainability at Nordea



Sustainability at the core

We have built up strong competence and capacity within the area of sustainability. With an enhanced product and service offering, we are well positioned to play a leading role in supporting our customers in the transition to net zero.

We see great opportunities and strong demand for investing in and financing new green technologies and the transition of carbon-intensive industries – and aim to accelerate our positive impact.

Our climate action objectives

Net-zero

emissions by 2050 at latest

40–50%

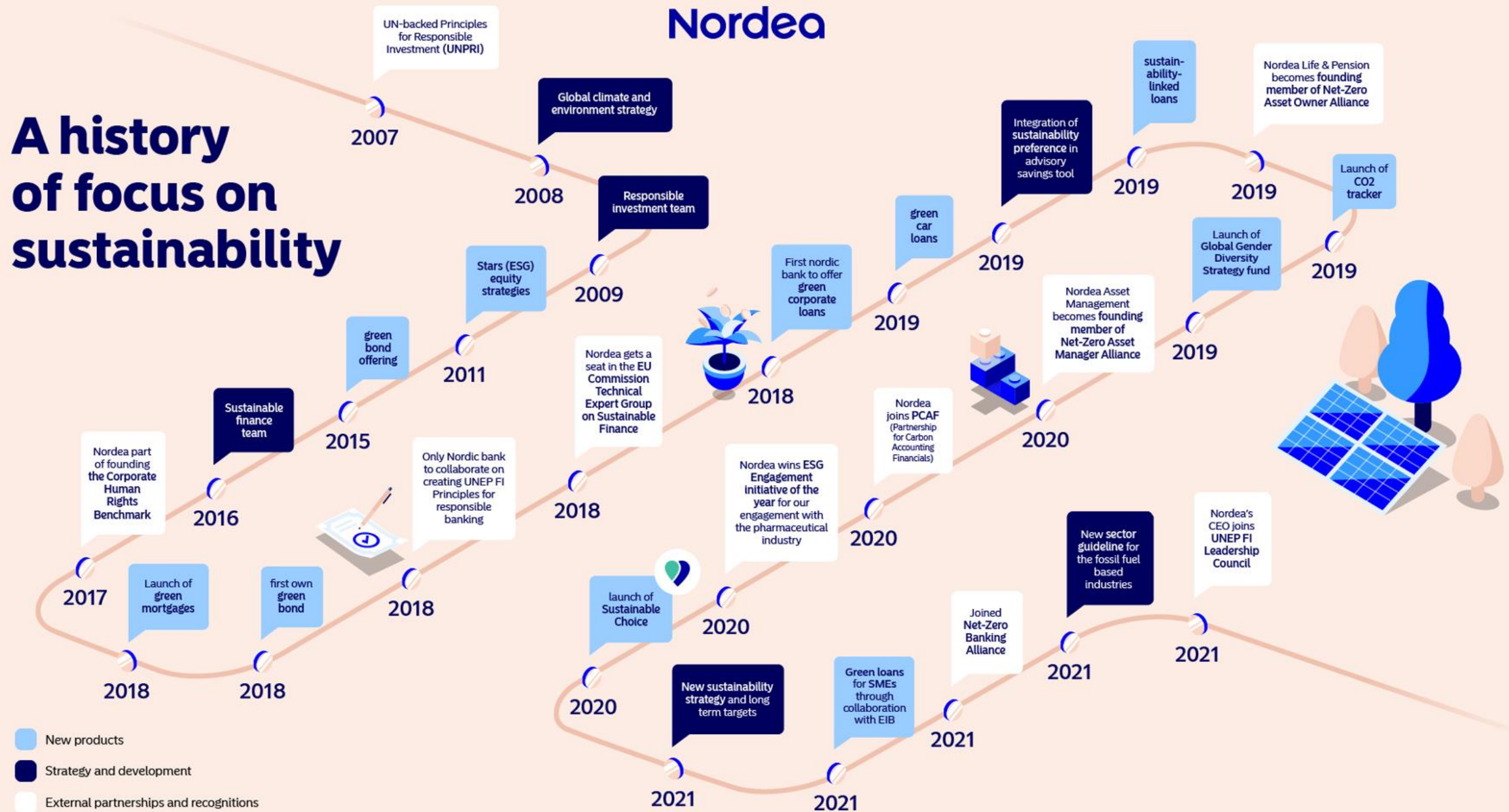
reduction in emissions across
investment and lending portfolios
by 2030

50%

reduction in emissions from internal
operations by 2030

A history of focus on sustainability

Nordea



Nordea key 2021 climate actions



Increase positive impact

Channeling capital towards sustainable solutions

#1 ranking for sustainable finance

- Nordic sustainable bonds, overall and corporate
- Nordic sustainability-linked syndicated loans, overall and corporate

EUR 9.7bn in on-balance sheet green lending

Article 8 and 9 investment funds – AuM up 21% to EUR 195bn



Decrease negative impact

Engaging to support green transition

Tangible plans in place to reduce emissions
in climate-vulnerable sectors

Consolidated sector-specific customer emissions data
and sector-specific pathways under preparation

Active ownership – voted at 4,200 AGMs/EGMs and joined 45 nomination committees

Clear 2025 targets to meet climate objectives

Sustainability targets are anchored through strong governance

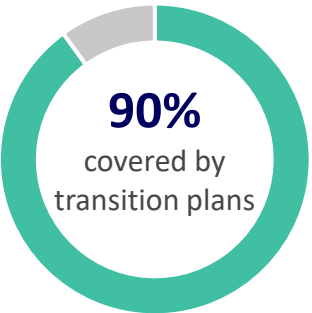


2025 sustainability targets

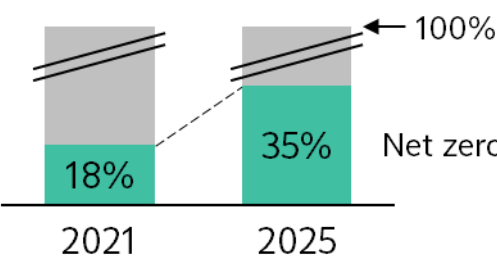
Facilitate sustainable financing
2022–25



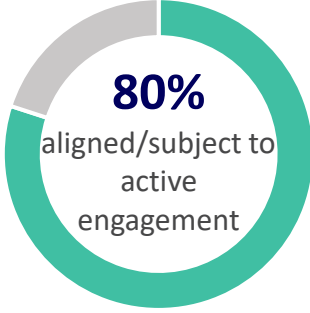
Transition plans for large corporates
Exposure in climate-vulnerable sectors



Double share of net-zero committed AuM
Asset Management



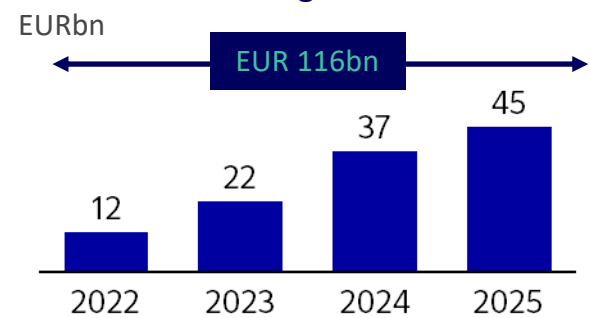
Alignment with Paris Agreement for top 200 emitters
Portfolios in Asset Management



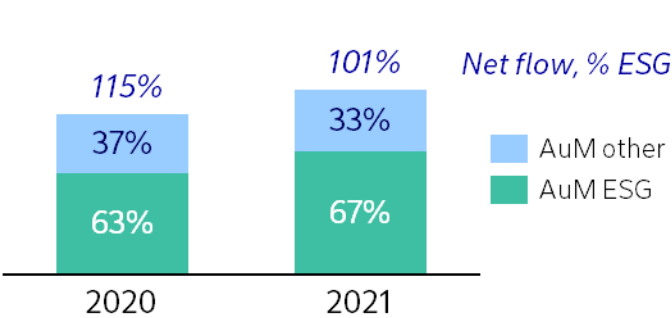
Green transition – balancing opportunities and risks

Maximise opportunities by supporting customers

Transition financing needs in Nordics¹



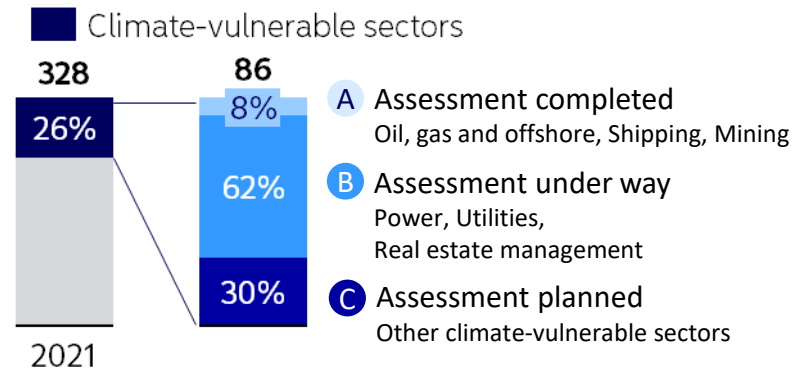
ESG share of AuM and net flow²



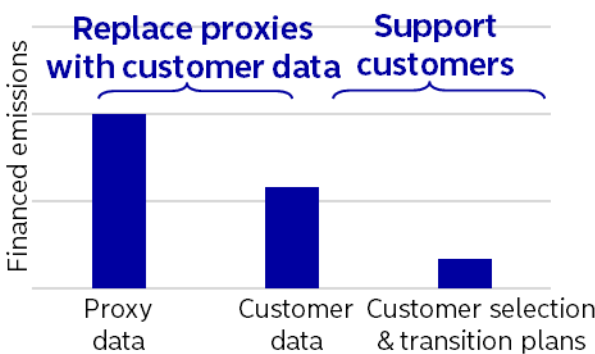
Manage risks

Climate-vulnerable exposure

Sector assessment (total lending, EURbn)



Example of learnings
Oil, gas and offshore



Transition financing

Commitment, capability, balance sheet capacity, and depth and breadth of customer relationships will make Nordea winner among fierce competition

Sustainable savings

Globally well positioned for high-growth, high-margin and capital-light business

Sector deep dive assessments

Engage to support customers

in establishing credible green transition paths (e.g. investments in green vessels)

Transition to reduce emissions

and de-risk operations (e.g. offshore)

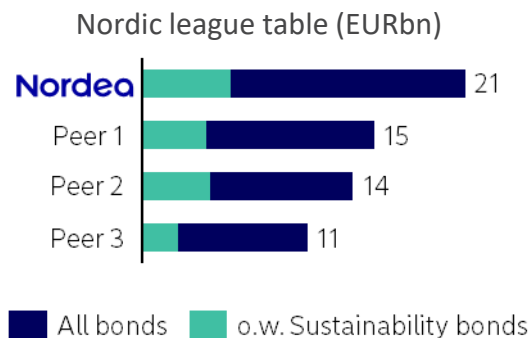
8 1. Sources: Boston Consulting Group (BCG) and Global Financial Markets Association (GFMA)
2. ESG = article 8 and 9 funds, prior years not shown as Sustainable Finance Disclosure Regulation (SFDR) classification not available prior to 2020

Nordea will support its corporate clients in their transition to a sustainable economy



Sustainability leadership

Accelerate our support for clients' transitions



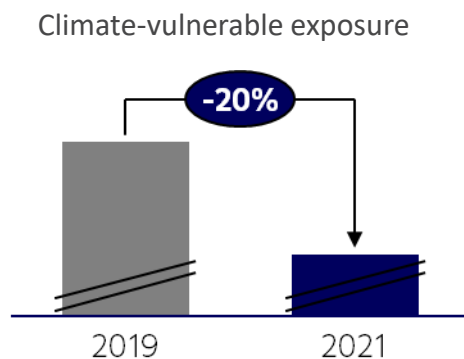
- **Leverage #1 position** in Nordic sustainable finance
- **Invest** in ESG sector advisory capabilities
- **Strengthen** ESG steering and data

EUR **200bn**
sustainable finance
facilitation



Shift to green

Drive change through future-oriented capital allocation



- **Expand** portfolio and services
- Reduce **financed emissions** by 40-50% by 2030
- **Exit offshore sector** with EUR ~1bn lending portfolio

90%
transition plans¹
by 2025

Nordea is a leading and transparent ESG provider in savings

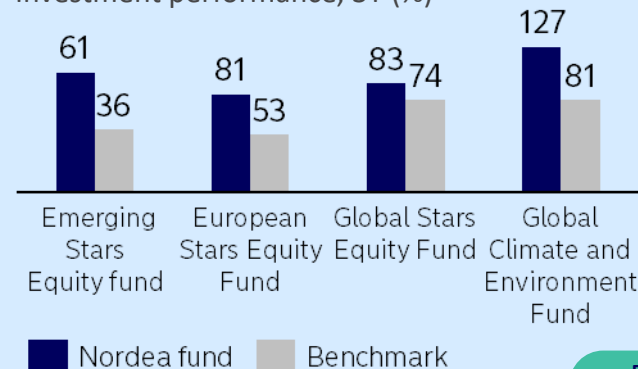
Strong foundation to build on

Long-term commitment to ESG

- ✓ Signed the UN's Principles for **Responsible Investment** in 2007
- ✓ **Active ownership** through engagement since 2008
- ✓ **ESG integrated** in investment processes since 2010

Delivering excellent performance

Investment performance, 3Y (%)



Source: Factsheets, BI share classes, December 2021

Key activities

Further improve and integrate ESG product offering

- Improve methodology for bonds
- Single fund level compliance
- Full integration of ESG across customer segments

Engage with top emitters

During 2022, initiate engagement with all 200 top contributor companies classified as not aligning with the Paris Agreement, either on our own or via partnerships such as the Climate Action 100+ investor engagement initiative

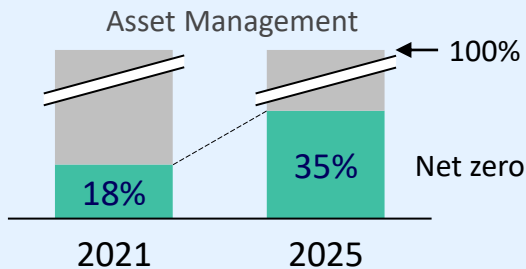
ESG strategies

> 60%

of the asset base
in AM

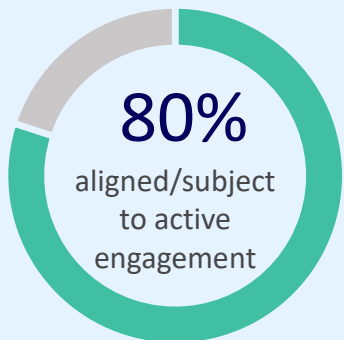
2025 sustainability targets

Double share of net-zero committed AuM



Alignment with Paris Agreement for top 200 emitters

Portfolios in Asset Management



Nordea ESG product overview

Corporate

- ESG advisory
- ESG research
- Sustainable bonds
- Sustainability linked loans
- Green lending
- Green deposits
- Green loans at reduced rate to SME's together with European Investment Fund (EIF)
- Green car financing

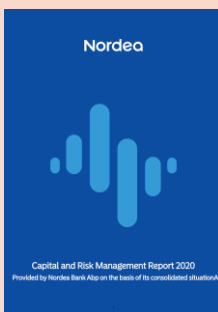
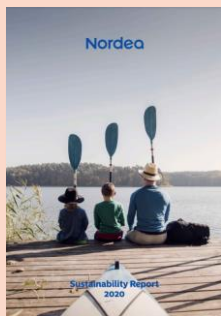
Household

- Green mortgages
- Green car financing
- Sustainable Choice investment products
- Co2 monitoring via app
- Energy efficiency loans

Savings

- One of the largest ESG asset managers in Europe
- EUR 195bn AuM in ESG products (SFDR article 8 & 9)
- Generating close to 100% of net inflow

Nordea's regular reporting



You can find all of these, and additional resources on nordea.com

Annual report

- Transaction volumes of sustainable financing
- Sustainability offerings
- Non-Financial Statement
- Conflict of interest policy

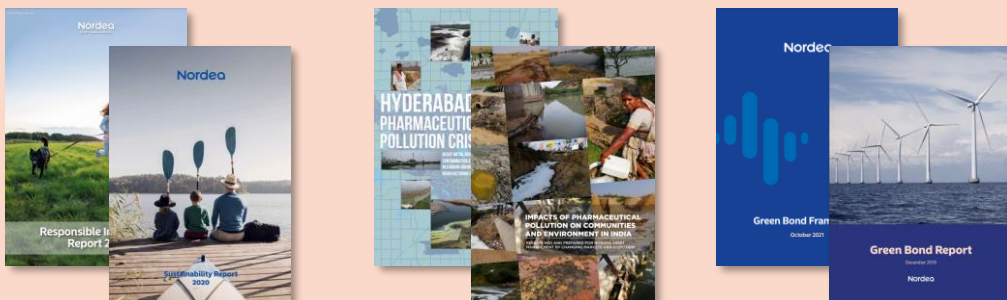
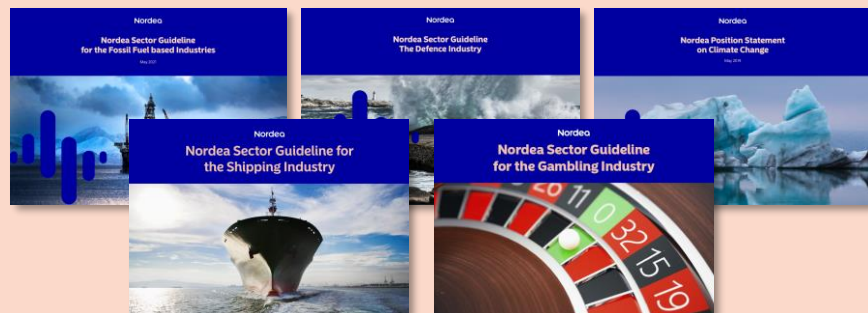
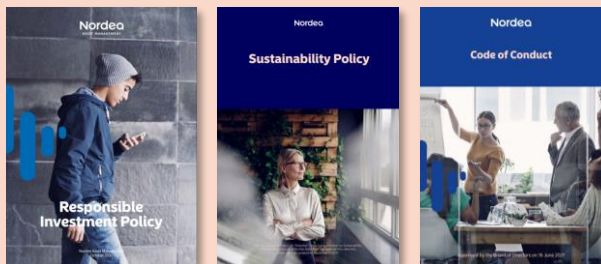
Sustainability report

- Nordea's sustainability commitments
- Climate action and climate risk assessments
- TCFD and GRI Index
- From 2022, the sustainability reporting is integrated into the annual report

Pillar 3 capital and risk management report

- Risk management, methodology and governance
- Regulatory developments
- Going forward, in line with new EBA regulations the report will further focus on ESG risk

Nordea's regular reporting



You can find all of these, and additional resources on nordea.com/sustainability

Policies

- Nordea's code of conduct
- Sustainability policy
- Responsible investment policy
- Nordea tax policy

Position statements and sector guidelines

- Position statement on climate change
- Position statement on tax
- Sector guidelines for agriculture, defense, forestry, fossil fuels, gambling, mining, real estate and shipping

Reports

- Sustainability report (Annual report)
- Responsible investments report
- Green Bond Framework and green bond reports
- Thematic engagement reports

Nordea commitments and ESG ratings



Externally validated sustainability commitment



ESG Rating: AA (AAA to CCC)



ESG Score: 20.6 (0 to 100)



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

Other commitments

- Co-founders of UNEP FI principles for responsible banking
- Founding members of collective commitment to climate action
- Founding member net-zero asset owner alliance (Life & Pension)
- Founding member net-zero asset manager initiative
- Joined partnership for carbon accounting financials (PCAF)
- Founding member of the Poseidon principles for the shipping industry
- Joined net-zero banking alliance

Signatories to international conventions



Nordea also follows the United Nations' Universal Declaration of Human Rights, ILO-conventions and the OECD Guidelines for Multinational Enterprises in our operations and business.

Nordea

Nordea green bonds and green bond framework



Nordea green issuance overview

EUR green bond issuance (Nordea Bank Abp)

February 2022 Nordea Bank Abp – EUR 1bn 5y Green Senior Non-Preferred	Nordea
EUR 1bn MS+60bp <i>“The issuer was able to exceed expectation both in terms of being one of the first-time mover to issue in the EUR FIG market post the rates turmoil”</i>	
March 2021 Nordea Bank Abp – EUR 500m 10y Green Senior Non-Preferred	Nordea
EUR 500bn MS+52bp <i>‘The final spread of MS+52 bps represents the tightest EUR SNP/Hold-Co issued in 2021, in addition to being the tightest 10yr SNP/Hold-Co spread to date in the EUR market’</i>	
May 2019 Nordea Bank Abp – EUR 750m 7y Green Senior Preferred	Nordea
EUR 750bn MS+18bp <i>‘There were more than 100 geographically diversified investors participating in the deal. More than 75% of the bonds were allocated to real money accounts’</i>	
June 2017 Nordea Bank Abp – Inaugural Green Bond EUR500m 5y Senior Unsecured	Nordea
EUR 500bn MS+18bp <i>‘The tightest spread for a EUR Bank Senior Green Bond to date, EUR1.3bn book and 100+ investors’</i>	

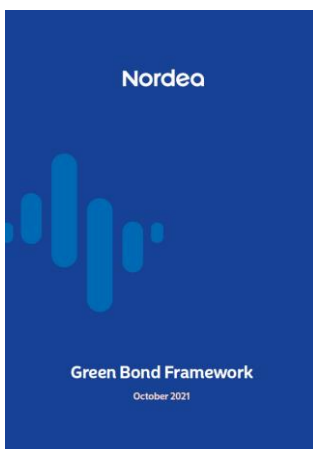
Green mortgage issuance (Nordea MCI’s)

November 2021 Nordea Eiendomskreditt AS – NOK 7bn FRN Covered 5 year	Nordea
NOK 7bn 3mNibor +18bp <i>‘This was the first green NOK benchmark covered bond transaction in the market. The very strong investor demand and attractive pricing highlights the strong investor recognition of the Nordea name, in addition to the extra value of the green element for this very well-timed transaction’</i>	
July 2021 Nordea Kredit Realkreditaktieselskab – DKK Benchmark/Tap Covered 3 year	Nordea
Match funded principle Tap issuance July 2024 maturity	
July 2019 Nordea Kredit Realkreditaktieselskab – DKK Benchmark/Tap Covered 3 year	Nordea
Match funded principle Tap issuance July 2022 maturity	

Use of proceeds - Nordea MCIs

Highlights of the Green Bond Framework

- Nordea's Green Bond Framework is updated annually, most recently in October 2021
- Nordea adheres to the latest edition of the Green Bond Principles*
- ISS ESG provides a second party opinion (SPO) and an annual re-assessment of the sustainability quality of the bonds including Nordea's Green Bond Framework, green bond asset portfolio and sustainability performance
- The main update in 2021 is the inclusion of covered bonds in the framework, which enables all Nordea MCI's to issue green covered bonds in addition to the issuance from Nordea Bank



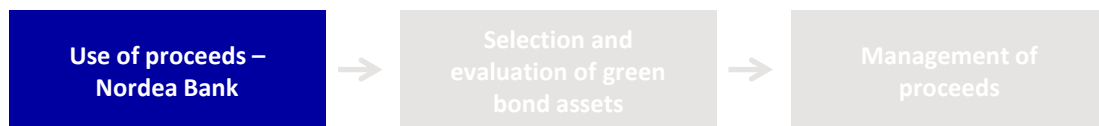
2021 green bond asset category additions

- Green residential buildings and energy efficiency & renovation added as new categories in the covered portfolios
 - Green assets are defined in accordance with the EU Taxonomy technical screening criteria (TSC) for real estate as applicable
 - Construction of new buildings; energy performance certificate (EPC) is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB)
 - For buildings built before 31 December 2020; EPC class A or alternatively within the top 15% of the national or regional building stock
 - Major renovations or leading to a reduction of primary energy demand (PED) of at least 30%
- Some amendments and specifications have also been made for existing green asset categories

Use of proceeds - Nordea Bank

Six eligible green bond asset categories in the framework

Green bond asset category	Sub category	SDG mapping*
Renewable energy	Wind power	SDG:s 3, 7, 8, 9, 11, 12, 13
	Solar power	
	Hydro power	
	Integration of renewable energy into the transmission network	
Energy efficiency	Energy storage and transmission, district heating	SDG:s 7, 8, 9
Green buildings	Certified green buildings	SDG 11
Pollution prevention and control	Water and waste water management	SDG:s 3, 11, 12
	Waste management	
	Waste-to-energy	
Clean transportation	Electric cars	SDG 11
	Public transportation / Freight transportation	
Sustainable management of living natural resources	Sustainable forestry	SDG:s 2, 11, 12, 14, 15
	Sustainable agriculture	
	Sustainable aquaculture	

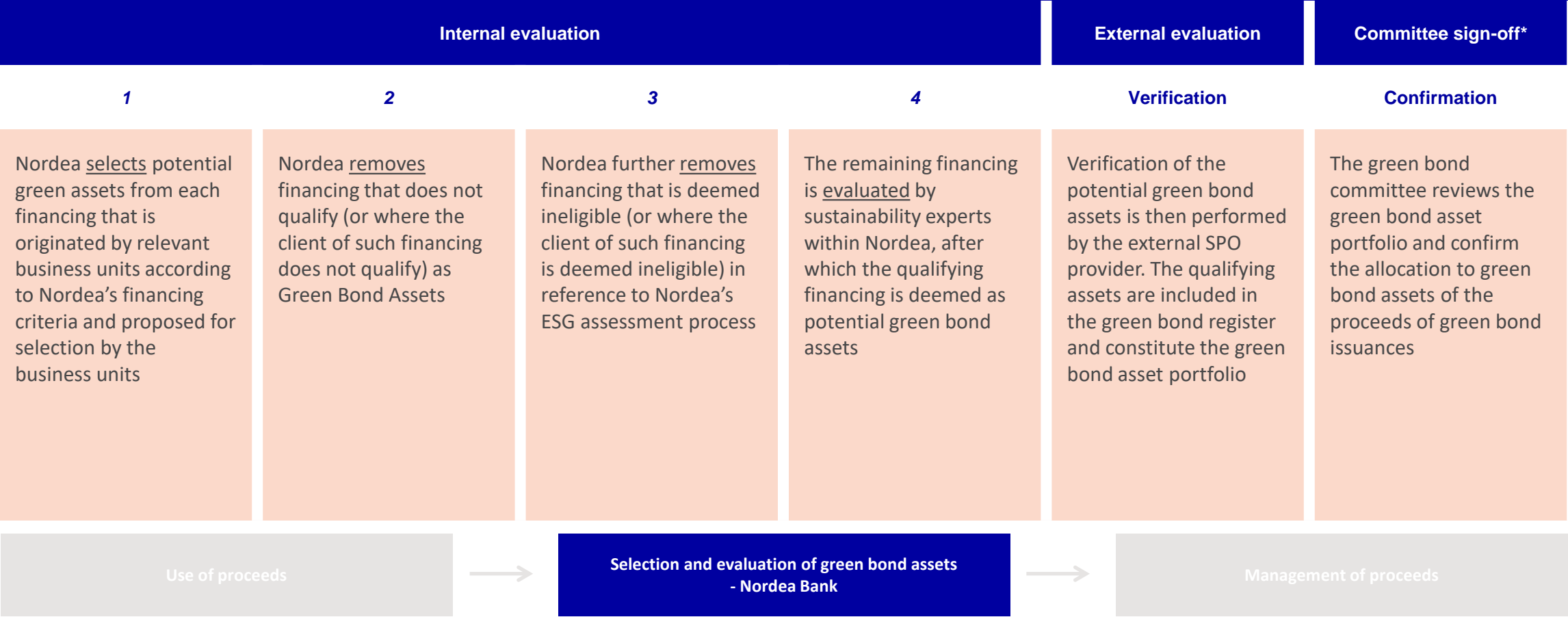


Comments

- Net proceeds of green bonds issued by Nordea will be used for (re)financing of assets within the eligible green bond asset categories
- Green bond asset categories have been identified by Nordea as aiming to increase positive or reduce negative impact on the environment
- Assets are verified by an external verifier to be consistent with the green bond principles and the verifier's own criteria
- Any addition to the green bond asset portfolio is subject to the verification by the external verifier
- Each category is mapped towards the UN sustainable development goals (SDG)
- Net proceeds of any Nordea green bond shall **NOT** be used towards financing of:
 - ✗ Nuclear or fossil fuel energy operations
 - ✗ Weapons and defence
 - ✗ Coal mining
 - ✗ Tobacco

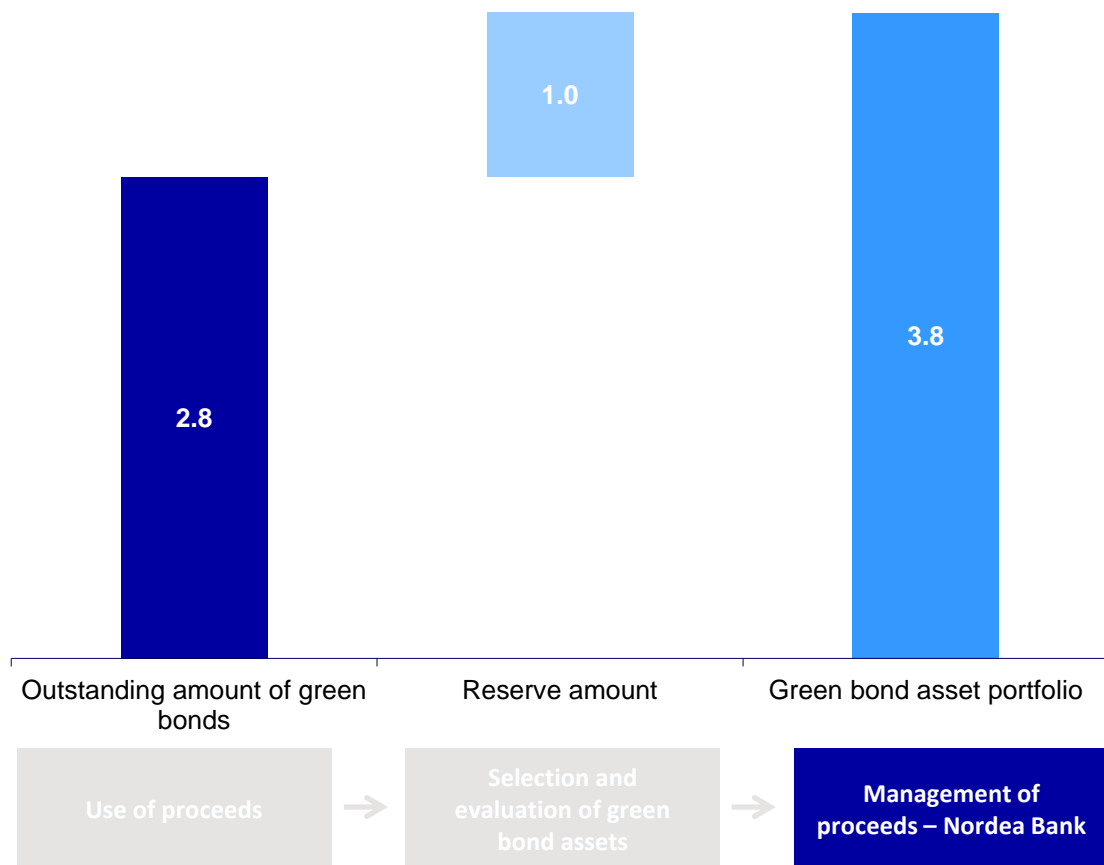
Selection and evaluation of green bond assets – Nordea Bank

A robust decision-making process defines how green bond assets are approved



Use of proceeds - Nordea MCIs

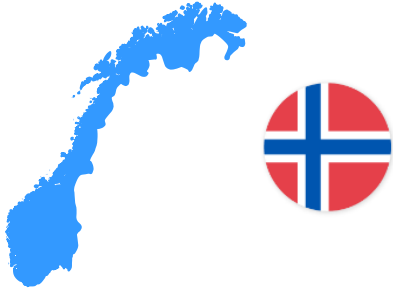
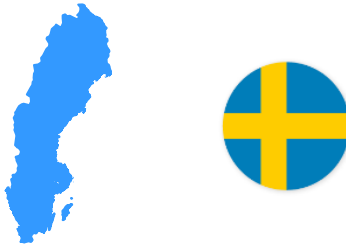

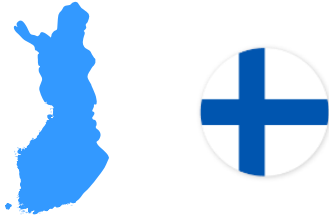
Nordea Bank - green assets versus issuance, (EURbn)*



- Nordea has established a green bond register in relation to green bonds issued for the purpose of recording the green bond asset portfolio and the allocation of the net proceeds from green bonds to green bond assets
- The net proceeds are deposited in the general funding accounts and earmarked for allocation in the green bond register
- The composition and amount of green bond assets is internally reviewed on a quarterly basis to account for repayments and drawings
- Nordea's intention is to maintain an aggregate amount of green bond assets that is at least equal to the aggregate amount of outstanding green bonds
- In case not enough green bond assets are available, net proceeds from green bonds will be held in accordance with Nordea's normal liquidity management policy

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 21.0bn (eq.)	EUR 61.9bn (eq.)	Balance principle	EUR 23.5bn
	Covered bonds outstanding*	EUR 9.1bn (eq.)	EUR 35.6bn (eq.)	EUR 60.3bn (eq.)*	EUR 20.8bn
	OC*	130%	74%	8%**	13%
	Issuance currencies	NOK	SEK	DKK, EUR	EUR, GBP
	Rating (Moody's / S&P)	Aaa/ -	Aaa/ -	- / AAA	Aaa / -
	Included in Nordea Green Framework	Yes	Yes	Yes	Yes
	Issued Green CB's	Yes (inaugural issue in 2021)	-	Yes (inaugural issue in 2019)	-

Covered bonds are an integral part of Nordea's long term funding operations

- Issuance in Scandinavian and international currencies
- All Nordea covered bond issuance entities (MCI's) are covered by Nordea's updated 2021 green bond framework

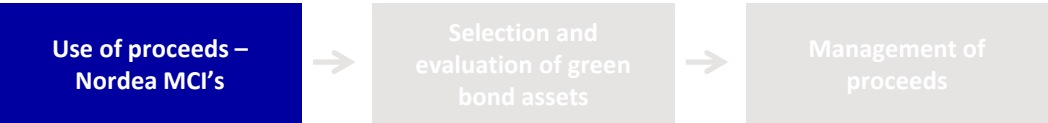
* Reported values as per Q321

** The figures in Nordea Kredit only include capital centre 2 (SDRO). Nordea Kredit no longer reports for CC1 (RO), as this capital centre only accounts for a minor part (<1%) of the outstanding volume of loans and bonds

Use of proceeds - Nordea MCIs

Three eligible green bond mortgage asset categories in the framework

Green bond asset category	Sub category	SDG mapping*
Construction of new buildings	Energy performance certificate (EPC) is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB)	SDG 11
For buildings built before 31 December 2020	EPC class A or alternatively within the top 15% of the national or regional building stock	SDG 11
Renovations	Major renovations or leading to a reduction of primary energy demand (PED) of at least 30%	SDG 11

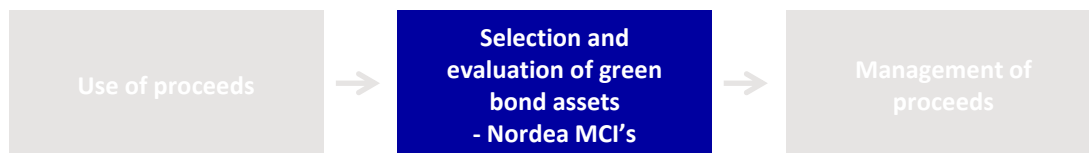


Use of proceeds - Nordea MCIs

- The net proceeds of the green covered bonds issued by either Nordea Kredit Realkreditaktieselskab, Nordea Mortgage Bank Plc, Nordea Eiendomskreditt AS or Nordea Hypotek AB (publ), are intended to be used, directly or indirectly, to finance or refinance assets that:
- are eligible for being included in the general cover pool of the respective Nordea MCI, and
- satisfy certain eligibility requirements that promote climate-friendly and other environmental purposes

Selection and evaluation of green mortgage assets – Nordea MCIs

Selection process

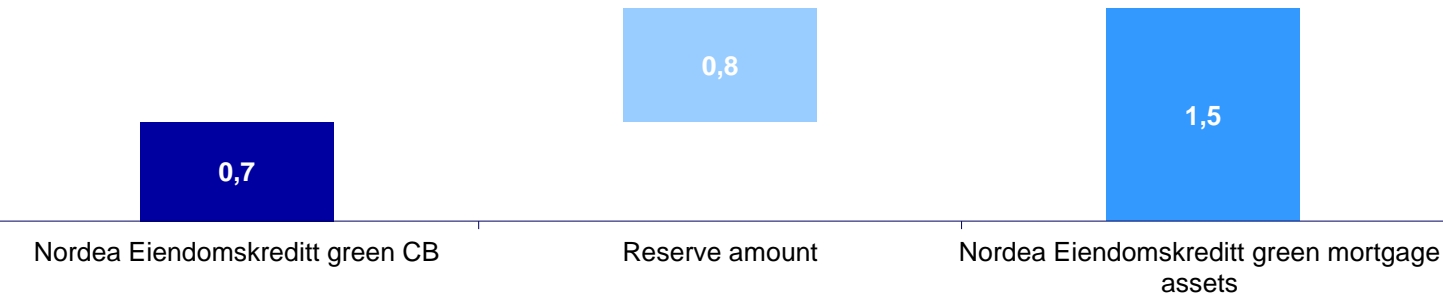


Selection and evaluation of green covered bond assets

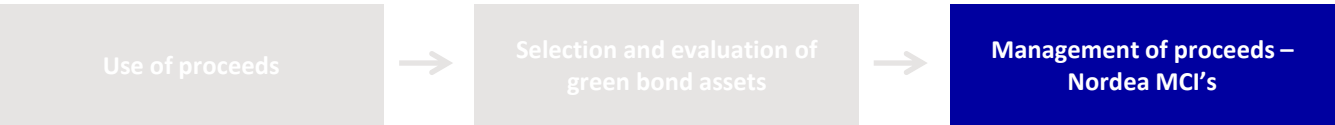
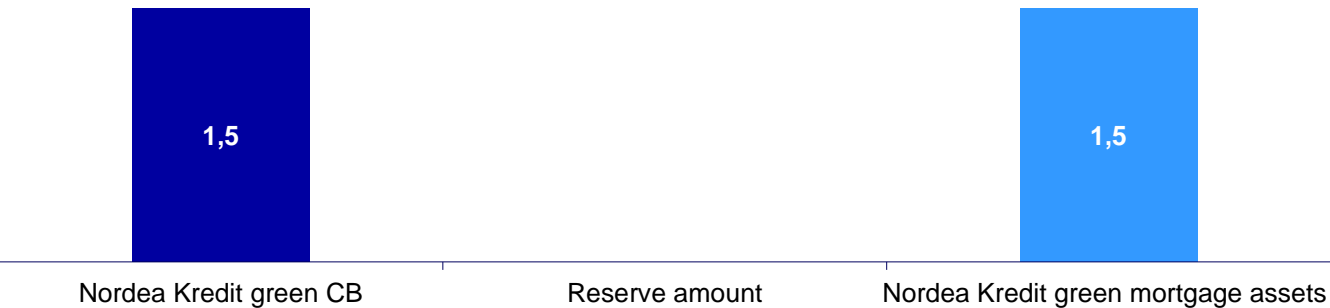
- The Nordea covered bond issuing entity will complete the specific process when selecting and evaluating financing within the green covered bond asset categories that qualify as green assets to be included in the green asset portfolios
- The green covered bond committee meets and reviews potential green assets on a quarterly basis
- Allocation of the proceeds of any green covered bond issuances to the green covered bond assets is done on a portfolio level

Management of proceeds – Nordea MCI's

Nordea Eiendoms kreditt green mortgage assets (EURbn)*



Nordea Kredit green mortgage assets (EURbn)**



Management of proceeds

- Nordea will establish a register in relation to green covered bonds issued by each Nordea covered bond issuer for the purpose of recording the green asset portfolios and the intended allocation of the net proceeds from green covered bonds to green assets

* Green bond asset portfolio size as per 31 December 2021

** Nordea Kredit operate matched funding principle

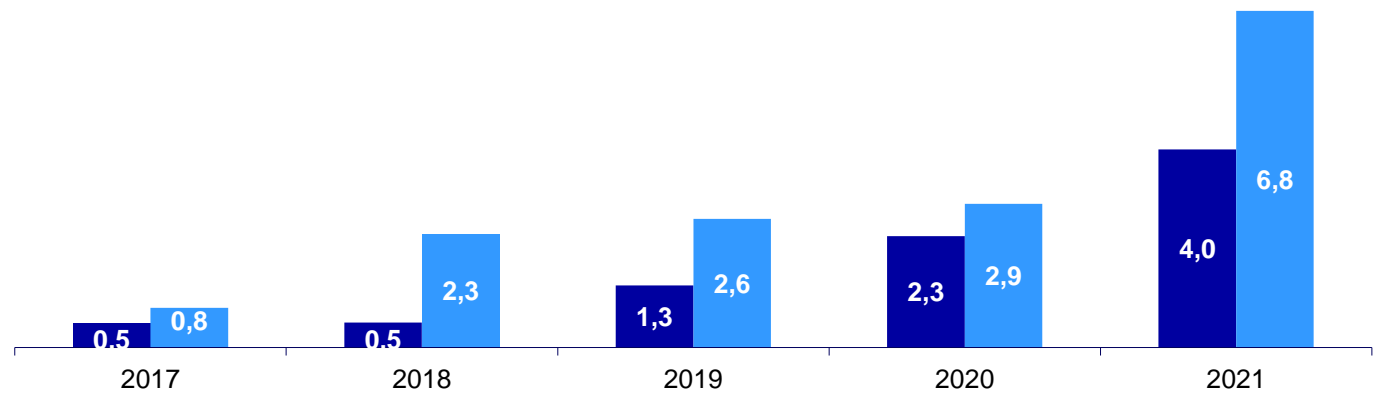
Nordea

Nordea green assets

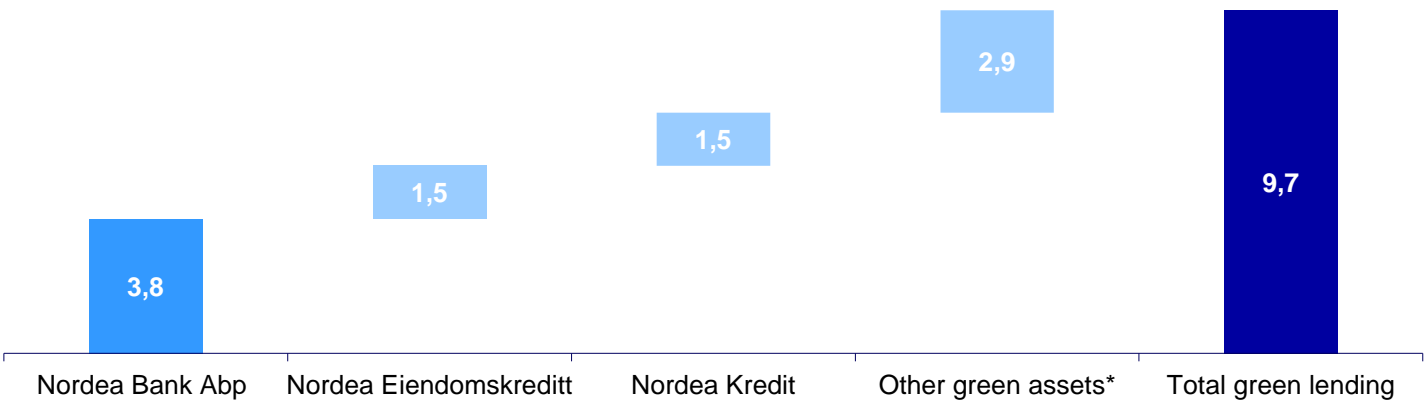


Nordea green lending - EUR 9.7bn

Nordea Group green issuance/ green asset portfolios, (EUR bn)



Nordea Group green lending, (EUR bn)

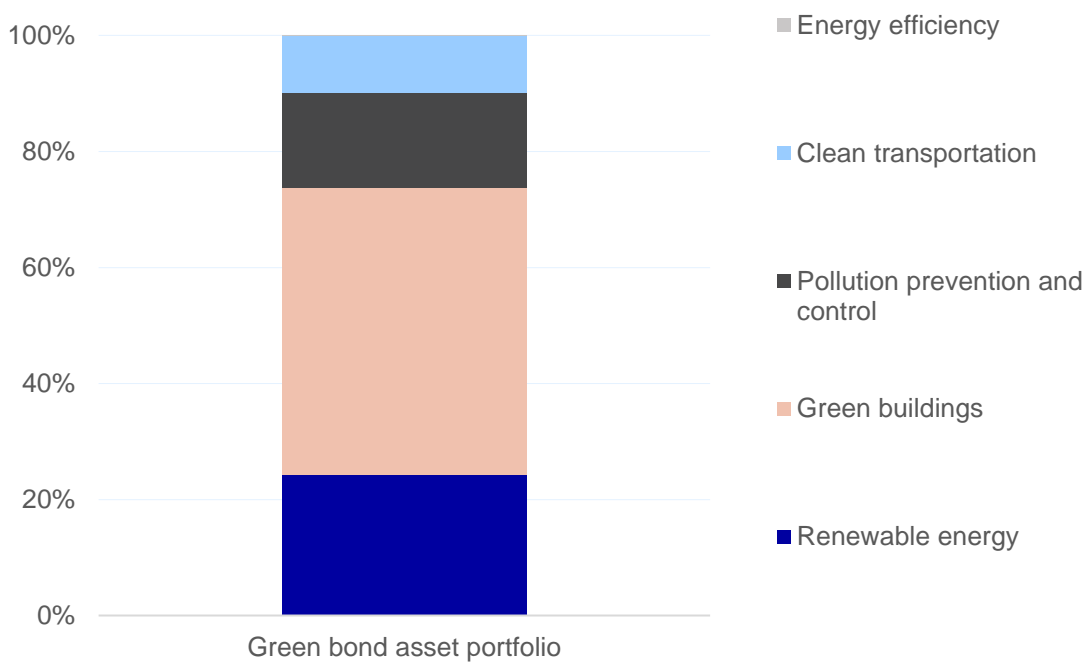


Nordea green lending

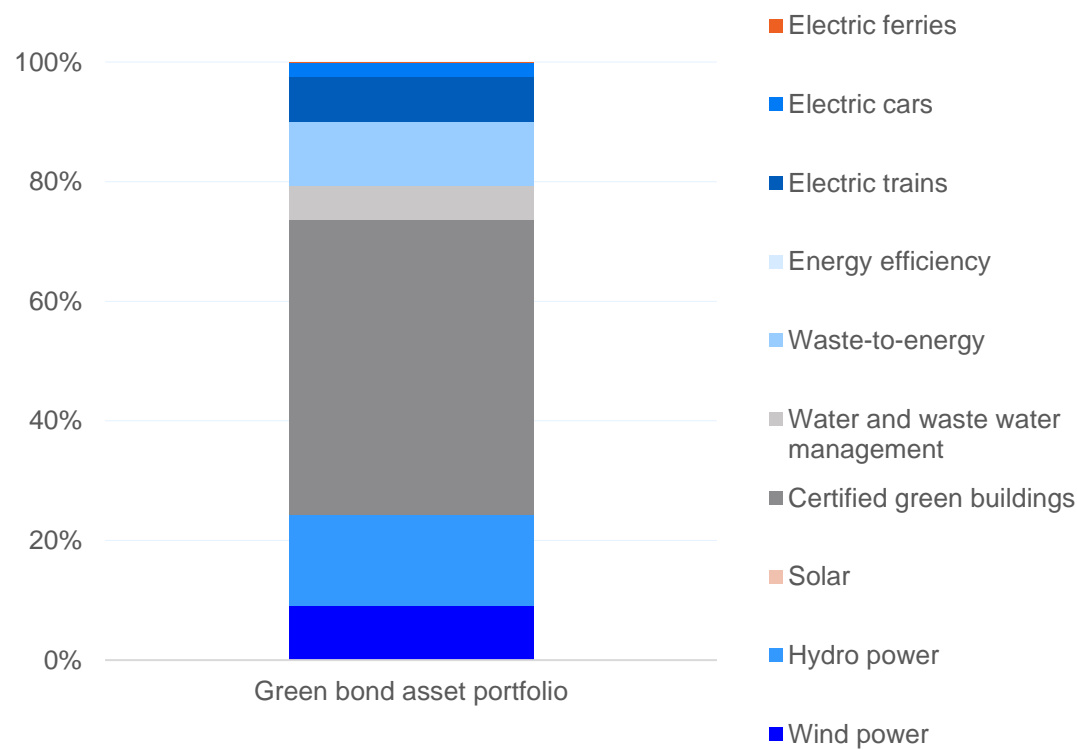
- Total green lending of EUR 9.7bn including Nordea MCI's
- Strong growth in green asset portfolio in 2021

Green bond assets – Nordea Bank

Green bond assets – breakdown by category EUR 3.8bn



Green bond assets – breakdown by subcategory EUR 3.8bn

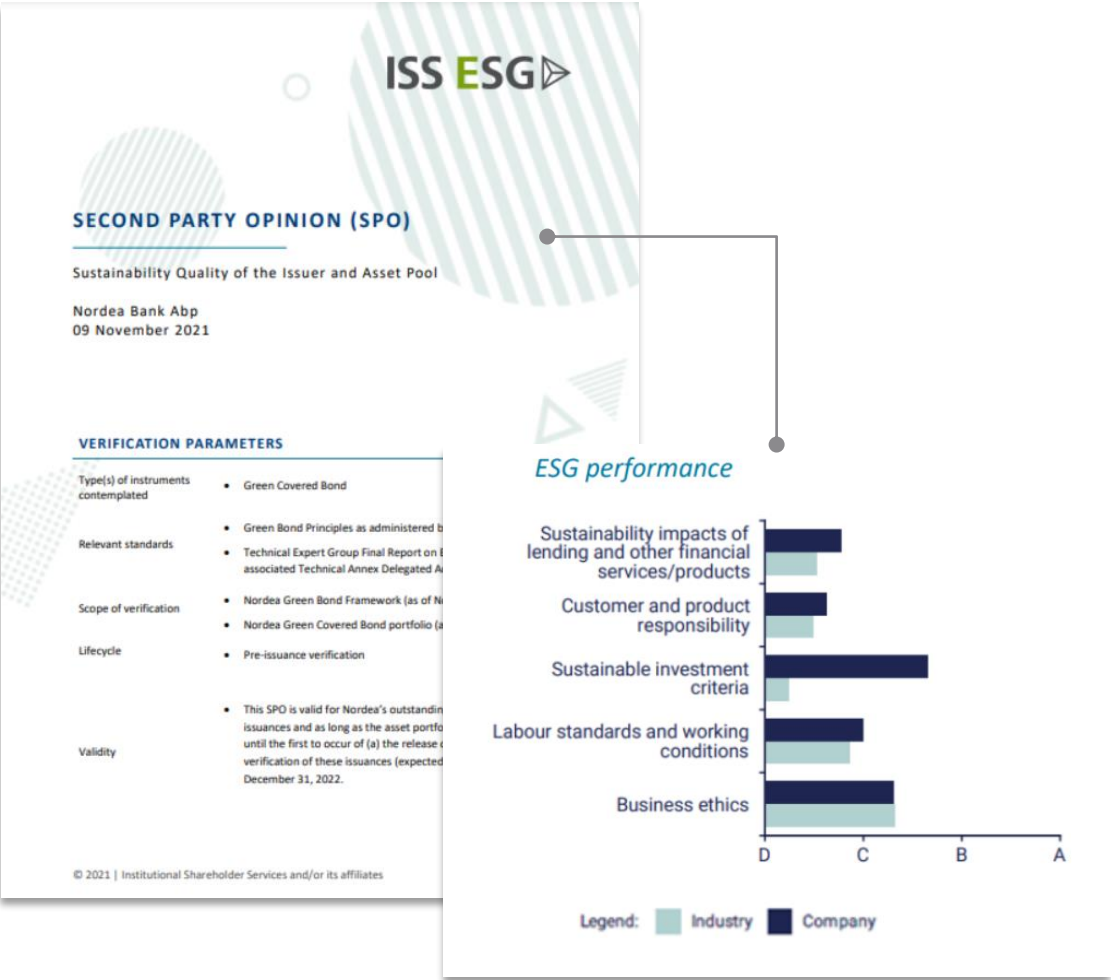


* Nordea’s Green Bond Asset Portfolio consists of lending towards eligible uses of proceeds and in order for the Second Party Opinion provider to verify the portfolio, it must only contain existing assets. It is however Nordea’s ambition to keep increasing the volume of the Green Bond Asset Portfolio in the future, and Nordea’s Green Bonds will support the growth of green financing.

Reporting and external review



External review – ISS ESG SPO update



Highlights from ISS ESG’s second party opinion

- The Use of Proceeds are consistent with Nordea’s sustainability strategy and material ESG topics for the industry. The rationale for issuing Green Finance Instruments is clearly described.
- The Use of Proceeds description is aligned with the GBPs. The prescribed categories are all within the GBPs and the exclusions ensure further adherence to the standard.
- The process for selection is robust and the green eligible projects are aligned with the relevant activity specific EU Taxonomy Technical Screening Criteria and Minimum Social Safeguards requirements on a best effort basis.

ESG’s corporate rating

- Transparency Level: Very high
- Decile rank: 1
- According to ISS ESG Corporate Rating Nordea shows a high sustainability performance against the industry peer group on key ESG issues faced by the Commercial Banks & Capital Market sector. Nordea is rated 27th out of 300 companies within its sector.

Reporting

Nordea Bank Green bond report – impact reporting

Category	Subcategory	Impact measurement indicators	
Renewable energy	Wind, hydro and solar	Installed renewable energy production capacity (MW)	Estimation of avoided CO2e emissions compared to baseline
Energy efficiency	Smart grids, energy storage, district heating	Amount of energy saved (MW)	Estimation of avoided CO2e emissions
Green buildings	Green buildings	Amount of energy saved (MW)	Estimation of avoided CO2e emissions
Pollution prevention and control	Water and waste water management	Water withdrawals or treatment capacity (m3/day)	
	Waste-to-energy	Production capacity (MW)	
Clean transportation	Public transportation / freight transportation	Estimation of avoided CO2e emissions	
Sustainable management of living natural resources	Sustainable forestry and agriculture	Land area certified	

Green bond documents published on Nordea's website

- Nordea green bond framework (October 2021)
- ISS ESG second party opinion (December 2021)
- ISS ESG second party opinion green covered (November 2021)
- Nordea green bond report (2020)

ESG's corporate rating

- The amount of net proceeds allocated within each green bond asset category
- The remaining balance of net proceeds which has not yet been allocated to green bond assets
- Examples of green bond assets (subject to confidentiality agreements)
- Information on environmental impacts of the green bond assets (see table to the right)
- It is Nordea's intention to report these figures on an annual basis

Contacts:

Investor Relations

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

Maria Caneman
Debt IR and ratings
Mobile: +46 768 24 92 18
Tel: +46 10 156 50 19
maria.caneman@nordea.com

Juho-Pekka Jääskeläinen
Senior IR Officer
Mobile: +358 40 550 91 11
Tel: +358 9 5300 6435
juho-pekka.jaaskelainen@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