The preferred financial partner in the Nordics

Capital Markets Day
17 February 2022
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• Such statements are forward-looking statements that reflect management’s current views and best assumptions 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 environment, (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 and its directors have undertaken to publicly update or revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that lead to changes compared with the date when these statements were provided.
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<td>- Financial target and key focus areas</td>
<td>Ian Smith</td>
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<td>- Personal Banking</td>
<td>Sara Mella</td>
<td>14.00 – 14.20</td>
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<td>- Business Banking</td>
<td>Nina Arkilahti</td>
<td>14.20 – 14.40</td>
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<td>- Large Corporates &amp; Institutions</td>
<td>Martin A Persson</td>
<td>14.40 – 15.00</td>
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<td>- Asset &amp; Wealth Management</td>
<td>Snorre Storset</td>
<td>15.00 – 15.20</td>
</tr>
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<td>- Q&amp;A – CEO, CFO and business areas</td>
<td>All</td>
<td>15.20 – 16.00</td>
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</table>
The preferred financial partner in the Nordics

Capital Markets Day
Frank Vang-Jensen, President & Group CEO
17 February 2022
Nordea’s turnaround

**Strong share performance, significant capital payouts**

**Share price performance**

Nordea vs EURO STOXX banks

+107% total shareholder return since 4 September 2019

**Significant dividend payments**
- Total dividends of EUR 1.48 per share in 2019-21, amounting to ~EUR 6bn
- Proposed FY2021 dividend of approximately EUR 0.69* per share in 2022, totalling ~EUR 2.7bn

**Share buy-backs started**
- EUR 2bn share buy-back programme initiated in October 2021; EUR 1.7bn deployed by 16 February 2022
- EUR 1bn follow-on programme approved in February 2022, enabling seamless reduction of excess capital

*Approximate amount based on the estimated number of shares that will be in issue at the estimated dividend decision date

Source: Thomson Reuters DataStream
Nordea’s turnaround

Targets surpassed ahead of schedule

2022 financial targets FY 2021

<table>
<thead>
<tr>
<th>Cost-to-income ratio 50%</th>
<th>48% ✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on equity &gt;10%</td>
<td>11.2% ✓</td>
</tr>
</tbody>
</table>

Personal Banking

C/I\(^1\) ~50%

Business Banking

C/I\(^1\) ~45%

Large Corporates & Institutions

Return on capital at risk ~10%

Asset & Wealth Management

C/I\(^1\) <50%

Selected key performance indicators (CMD 2019 vs FY2021)

Create great customer experiences

- Customer satisfaction, household +4pp since Q319
- Customer satisfaction, corporate +6pp since Q319
- Enhanced corporate netbank +276,000 customers (since launch Q318)

Drive income growth initiatives

- Mortgage lending growth\(^2\) +14% since Q319
- SME lending growth\(^2\) +15% since Q319
- Assets under management net flows +4.1% annualised flow FY21
- Asset Management internal distribution +7.8% annualised flow FY21

Optimise operational efficiency

- Cost level 2021 ~EUR 4.6bn
- Employees ~ -2,570 FTEs since Q319
- Consultants Regulatory work
- Streamlining of processes Slightly behind plan
- Economic capital reduction in LC&I\(^3\) EUR 1.4bn EC since Q219

1. Cost-to-income ratio
2. Excluding FX effects (adjusted to current exchange rate)
3. Gross reduction of economic capital, LC&I = Large Corporates & Institutions
Nordea’s turnaround
Driving cultural change

Full year 2019 vs full year 2021

- Mortgage lending\(^1\) +14%
- SME lending\(^1\) +15%
- AuM\(^2\) +26%
- Costs reduced by EUR 230 m
- Return on equity % +3 pp
- Cost-to-income ratio 9 pp improvement

Clear targets and priorities
Financial performance significantly improved through focus on three key priorities: create great customer experiences, drive income growth initiatives, optimise operational efficiency

Leadership and accountability
Business areas given greater accountability; incentive structure now closely aligned with business and financial performance

Simplified organisational structure
De-layered organisation and more efficient way of working

Tactical bolt-on M&A transactions
Investment in core segments – Nordea Finance Equipment

Strong cost and performance culture
Net costs reduced while income increased

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1. In reporting currency (EUR)
2. Assets under management in reporting currency (EUR)
Nordea today
Focus on Nordic growth, lower risk and stable capital generation

Back to growth with improving profitability and lower risk

Consistent and strong capital generation

Nordic focus
Enhanced focus on home markets; Poland, Luxembourg and Baltics divested (2013, 2018 and 2018, respectively) and Russia exit under way (2021-)

Lower risk
Overall credit risk reduced and loan losses at low levels; 2021 an exceptional year

Income back to growth
2021 year of growth following five years of decline after de-risking

+12% annual capital generation
Capital generation enabling significant shareholder returns
Nordea today

Well diversified across strong Nordic countries; business mix with low earnings volatility

Diversified across business areas
Full year 2021

- Operating income: 38% (21%), 13%, 1%
- Operating profit: 36% (23%), 14%, (-3%)
- Lending: 53% (30%), 14%, 3%
- Economic capital: 33% (25%), 8%, 5%

Decreasing quarterly operating profit volatility

- Full year 2021: (-3%) 1%
- Decreasing from 107% in 2019 to 9% in 2021

Low profit volatility vs European banks

- Nordea: 20% 3%
- European banks (median): 41%

Low funding costs

- Nordea: 37bp
- Nordic average: 45bp
- European average: 63bp
- iBoxx Financials: 80bp

1. 2012–21 annual operating profit volatility, sample of 30 European banks.
2. 5y senior preferred new issue spread
Nordea today

Structurally attractive banking environment

GDP (Index: 2011=100)

Unemployment rate (%)

Global top 10: Social safety nets

1. Denmark
2. Finland
3. Norway
4. Austria
5. Luxembourg
6. Switzerland
7. Netherlands
8. Spain
9. Sweden
10. France

Global top 10: Digital transformation readiness

1. USA
2. Denmark
3. Switzerland
4. Netherlands
6. Sweden
7. Taiwan, China
8. Norway
9. Finland
10. Hong Kong SAR

Source: WEF Global Competitiveness Report special edition 2020
Source: IMD digital competitiveness ranking 2021, based on adaptive attitudes, business agility and IT integration

Nordic GDP growth steady and above euro area average

Nordic unemployment rates lower than euro area average, with significant social safety nets

Nordic countries highly digitalised in global context

Nordic banking market stable, safe and profitable with high returns, driven by cost efficiency and low loan losses
Nordea today
Largest financial services group in Nordics – unique platform for growth

1. Aggregated scale across the Nordics, 2. 31 Dec 2021, 3. Overall Nordic estimate
AuM = assets under management; CAGR = compound annual growth rate

Market cap., EUR²
43bn

Total assets, EUR²
570bn

Loans to the public, EUR²
345bn

AuM, EUR²
411bn

Market growth
CAGR 2021-25:
1: Mortgage lending
2: Corporate lending
3: Savings³

1. +4–5%
2. +3–4%
3. +4–6%
1. +2–4%
2. +2–3%
3. +4–6%
1. +2–4%
2. +2–3%
3. +4–6%
1. +2–4%
2. +2–3%
3. +4–6%
Updated business plan with higher target

2019–21
A strong and personal financial partner
New strategic direction and targets
Grow credibility and retake lost ground in business

2022–25
The preferred financial partner in the Nordics

Raising the bar
Firm financial target bringing us to best-in-class in the Nordic and European markets

Best-in-class omnichannel customer experiences and further value creation for shareholders
Meet and exceed customers' expectations and deliver competitive shareholder returns with firm focus on capital excellence

Well equipped for the future
Accelerate development of focus areas and ensure stable and well-diversified credit portfolio

2025 financial target

Return on equity
>13%
Assumes CET1 requirement of 15–16%, including management buffer

Supported in 2025 by

Cost-to-income ratio
45–47%

Loan losses
Normalised ~10bp

Capital and dividend policy
60–70% dividend payout ratio; excess capital distributed through buy-backs
Management buffer of 150–200bp above regulatory CET1 requirement
**Our key priorities**

**CREATE**
the best omnichannel customer experience

**DRIVE**
focused and profitable growth

**INCREASE**
operational and capital efficiency

Digital leader

Sustainability at the core

The preferred partner for customers in need of a broad range of financial services
Our key priorities

**CREATE**
the best omnichannel customer experience

**DRIVE**
focused and profitable growth

**INCREASE**
operational and capital efficiency

---

### 24/7/365 availability
We have >1 billion digital engagements per year and ~4 million digitally active customers. We will double digital products and services by 2025 and continue to be the #1 rated mobile bank in the Nordics.

### Personalised experience
We are modernising relationship banking by investing in data & AI to create personalised customer experiences with a human-like touch. Our digital capabilities, combined with ~800,000 advisory sessions and ~4,000 advisers, provide a seamless customer experience for all banking needs.

### Banking on your terms
By 2025, private customers will be able to carry out daily banking needs 100% digitally and SMEs will have a full-breadth digital service offering.
Nordea 2022–25
Our key priorities

**CREATE**
the best omnichannel customer experience

**DRIVE**
focused and profitable growth

**INCREASE**
operational and capital efficiency

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**Grow savings**
The Nordic savings market is structurally attractive and supported by a growing need for retirement savings and overall wealth management. We are well positioned to grow ahead of the market.

**Selectively gain market shares that drive profitability**
We have identified opportunities in Sweden, Norway and Denmark in particular.

**Portfolio optimisation**
We are optimising our portfolio through focused capital allocation across our four business areas and four countries, targeting profitable growth.

**M&A bolt-ons**
Our strong balance sheet and capital generation will enable selected bolt-on acquisitions to support our portfolio and growth.
Nordea 2022–25
Our key priorities

CREATE
the best omnichannel customer experience

DRIVE
focused and profitable growth

INCREASE
operational and capital efficiency

Building a strong cost culture as part of our lifestyle
We are shifting our focus from an absolute cost target to a competitive cost-to-income ratio. Continual operational improvements will deliver a cost-to-income ratio of 45–47% in 2025

Ensure sufficient investment capacity
We will continue to pursue structural cost reductions by employing automation and digitisation. We have sufficient capacity to invest in digital, data, ESG and regulatory areas – to make the bank even better and well equipped for the future

Capital excellence
We will achieve an optimised and efficient capital position by further reducing low-yielding exposures and deploying capital for profitable growth. Our capital base will be managed sustainably to drive market-leading shareholder returns
Nordea 2022–25

Driving profitability improvements across Nordic segments

Primary levers to drive profitability improvements

- Accelerate savings growth
- Allocate more capital to profitable lending growth
- Increase operational efficiency
- Reduce low-yielding economic capital

Bubble colour: ROCAR, %
Bubble size: Income, EURbn

Nordea 2022–25

Normalised 10bp loan losses used for 2021 numbers

PE&II = Private Equity and International Institutions; AM = Asset Management; ROCAR = return on capital at risk
Nordea 2022–25

Portfolio optimisation based on profitable growth and capital efficiency

Portfolio in 2025

- Personal Banking (PeB)
- Business Banking (BB)
- Large Corporates & Institutions (LC&I)
- Asset & Wealth Management (AWM)

EUR 500 million income p.a.

Improve cost & capital efficiency

Drive profitable growth

2021–25 income CAGR

Income growth

PE&I = Private Equity and International Institutions; AM = Asset Management
Nordea 2022–25

Market-leading shareholder returns

71%

average dividend payout ratio since 2010 – now complemented with share buy-backs
Digital leader
Nordea 2022–25
Making banking easy – investing in digital leadership and omnichannel customer experiences

Competitive digital experience

Best performer
D-Rating – 2021 Digital Proposition among following Nordic banks: Danske Bank, Handelsbanken, SEB, Swedbank

Growth in digital engagement

<table>
<thead>
<tr>
<th>Q120</th>
<th>Q220</th>
<th>Q320</th>
<th>Q420</th>
<th>Q121</th>
<th>Q221</th>
<th>Q321</th>
<th>Q421</th>
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</thead>
<tbody>
<tr>
<td>50%</td>
<td>52%</td>
<td>54%</td>
<td>56%</td>
<td>58%</td>
<td>60%</td>
<td>62%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Increased business
Share of all fund sales through digital channels (number of transactions)

2025 targets

- ~1 million more digitally active customers (+25% vs 2021e)
- Full self-service for daily banking (vs ~50% of features available in 2021)
- All relevant products available in “one shop” (vs ~50% of retail and SME products available in 2021)
- #1 mobile bank in the Nordics (maintain 2021e)
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
Clear targets and decisive action to meet climate objectives

Our climate actions in 2021

**Increase positive impact**
Channelling 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&9 investment funds – AuM up 21%

**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

2025 sustainability targets

- **Facilitate sustainable financing**
  - 2022–25
  - EUR >200bn

- **Double share of net-zero committed AuM**
  - Asset Management
  - 100%
  - 18% in 2021
  - 35% in 2025

- **Transition plans for large corporates**
  - Exposure in climate-vulnerable sectors
  - 90% covered by transition plans

- **Alignment with Paris Agreement for top 200 emitters**
  - Portfolios in Asset Management
  - 80% aligned/subject to active engagement

Sources: Dealogic, Bloomberg and banks’ own websites and green bond reports
Nordic-focused bank with high-performance culture and focus on growth

- Organisational structure streamlined, with clear accountability
- Incentive structure aligned with growth and financial success
- Nordea brand elevated to support even better business performance

The preferred partner for customers in need of a broad range of financial services
Nordea
2025: The preferred financial partner in the Nordics

Raising the bar on financial performance

Driving best-in-class omnichannel customer experiences and further value creation for shareholders

Well equipped for the future

2025 financial target

Return on equity
>13%

Assumes CET1 requirement of 15–16%, including management buffer

Supported in 2025 by

Cost-to-income ratio
45–47%

Loan losses
Normalised ~10bp

Capital and dividend policy
60–70% dividend payout ratio; excess capital distributed through buy-backs
Management buffer of 150–200bp above regulatory CET1 requirement
Financial target and key focus areas

Capital Markets Day
Ian Smith, Group CFO
17 February 2022
**Nordea today**

**Business momentum supported by strong financial foundation**

**Full year 2021 (compared with 2019)**

<table>
<thead>
<tr>
<th>GROWTH</th>
<th>EFFICIENCY</th>
<th>CAPITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business momentum</strong></td>
<td><strong>Significant positive jaws</strong></td>
<td><strong>Net capital generation</strong></td>
</tr>
<tr>
<td>+14% mortgage lending</td>
<td>+12% income</td>
<td>~200bp capital excess</td>
</tr>
<tr>
<td>+15% SME lending</td>
<td>-5% costs</td>
<td>before M&amp;A and buy-backs¹</td>
</tr>
<tr>
<td>+26% AuM</td>
<td>9pp improvement</td>
<td><strong>Shareholder returns</strong></td>
</tr>
<tr>
<td>+12% income</td>
<td></td>
<td><strong>EUR 4.4bn</strong></td>
</tr>
</tbody>
</table>

**STRONG CAPITAL POSITION**

**CET1 ratio 17.0%**

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Nordea today

Targets surpassed ahead of schedule

**Cost-to-income ratio (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>NII excl. IAC</th>
<th>NCI</th>
<th>NFV</th>
<th>Other</th>
<th>Costs</th>
<th>2021</th>
<th>2022 target</th>
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<tbody>
<tr>
<td>2019</td>
<td>57.4</td>
<td>3.5</td>
<td>2.8</td>
<td>0.6</td>
<td>0.4</td>
<td>2.6</td>
<td>48.3</td>
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</tbody>
</table>

**Return on equity (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating performance</th>
<th>Cost of risk</th>
<th>Capital</th>
<th>2021</th>
<th>2022 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 excl. IAC</td>
<td>8.2</td>
<td>3.4</td>
<td>0.6</td>
<td>-0.9</td>
<td>11.2</td>
</tr>
</tbody>
</table>

**Drive income growth initiatives**
- Relentless business execution
- Strong lending and deposit growth
- Stable lending and deposit margins
- Lower funding costs
- Strong net inflows in all channels

**Optimise operational efficiency**
- Clear accountability
- Simplified processes and organisation
- Fewer people: -7% FTEs
- EUR 230m net cost reduction
- Capital efficiency gains; LC&I EC down 23%

**Favourable market conditions in 2021**
- Strong advisory income
- Exceptional net fair value result
- Loan losses 14bp lower than historical average
Financial target

Key assumptions underpinning our plans

GDP growth (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>Norway</th>
<th>Denmark</th>
<th>Sweden</th>
<th>Finland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>4</td>
<td>3.5</td>
<td>3.0</td>
<td>2.5</td>
<td>2.0</td>
</tr>
<tr>
<td>2023</td>
<td>3.5</td>
<td>3.0</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2024</td>
<td>3.0</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td>2025</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
</tr>
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</table>

Interest rates (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>NOK</th>
<th>USD</th>
<th>SEK</th>
<th>DKK</th>
<th>EUR</th>
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<tbody>
<tr>
<td>2022</td>
<td>2</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
<td>0</td>
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<tr>
<td>2023</td>
<td>1.5</td>
<td>1</td>
<td>0.5</td>
<td>0</td>
<td>0.5</td>
</tr>
<tr>
<td>2024</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2025</td>
<td>0.5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Inflation (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>Norway</th>
<th>Denmark</th>
<th>Sweden</th>
<th>Finland</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>2.5</td>
<td>3.0</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2023</td>
<td>2.0</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td>2024</td>
<td>1.5</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
</tr>
<tr>
<td>2025</td>
<td>1.0</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Unemployment rates (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>EU</th>
<th>Sweden</th>
<th>Finland</th>
<th>Norway</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>2023</td>
<td>3</td>
<td>2.5</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
</tr>
<tr>
<td>2024</td>
<td>2</td>
<td>2.0</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
</tr>
<tr>
<td>2025</td>
<td>1</td>
<td>1.5</td>
<td>1.0</td>
<td>0.5</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Nordic lending market growth
~3% CAGR 2021–25

Equity market return
+6% CAGR 2021–25

Fixed income market return
-0.5% CAGR 2021–25

Foreign exchange rates
- EUR/SEK 10.24
- EUR/NOK 10.64
- EUR/DKK 7.44
Financial target

**Raising the bar – higher financial target for 2025**

**2025 financial target**

**Return on equity**

>13%

Assumes CET1 requirement of 15–16%, including management buffer

**Supported in 2025 by**

**Cost-to-income ratio**

45–47%

**Loan losses**

Normalised ~10bp

**Capital and dividend policy**

60–70% dividend payout ratio; excess capital distributed through buy-backs

Management buffer of 150–200bp above regulatory CET1 requirement
Delivering a step change in profitability

Return on equity (%)

Drivers for 2025 target

1. Focused and profitable growth and operational efficiency
   - All business areas to contribute

2. Loan losses settling below historical average
   - 2021 very low
   - Expected to normalise by 2025

3. Capital excellence
   - Further reduce capital intensity
   - Allocate capital for profitable growth
   - Potential for bolt-on M&As
   - Dividends and buy-backs
   - Very competitive funding
Financial target

All business areas to contribute; lean corporate costs

Return on capital at risk (%)

<table>
<thead>
<tr>
<th>Business area</th>
<th>ROCAR</th>
<th>Cost-to-income ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Banking</td>
<td>~18%</td>
<td>~45%</td>
</tr>
<tr>
<td>Business Banking</td>
<td>~16%</td>
<td>~40%</td>
</tr>
<tr>
<td>Large Corporates &amp; Institutions</td>
<td>~16%</td>
<td>~40%</td>
</tr>
<tr>
<td>Asset &amp; Wealth Management</td>
<td>~38%</td>
<td>~40%</td>
</tr>
<tr>
<td>Other</td>
<td>~17%</td>
<td>45–47%</td>
</tr>
</tbody>
</table>

Group total ~17% 45–47%

Items affecting RoE¹ ~4%

Return on equity >13%
Operating performance

**Focused on income growth and operational efficiency**

- Drive focused profitable growth
  - ~4% lending volume CAGR 2021–25
  - 4–6% savings AuM CAGR 2021–25

- Invest in key levers
  - Enhance digital proposition
  - More effective savings process
  - Strengthen private banking advisory offering
  - Continue to increase speed and availability in mortgage process
  - Broaden product offering

- Rigorous cost efficiency
  - Continuous improvement to offset cost inflation and reduce structural costs
  - Nominal cost increase driven by higher business activity, investments and regulatory demands

---

**Cost-to-income ratio improvement (%)**

- 48.3
- 45–47%

**Cost-to-income ratio development**

- ~+2% jaws CAGR 2021–25
- Continuous improvement in underlying cost-to-income ratio

---

**Drive focused profitable growth**

- Drive market share gains
- ~4% lending volume CAGR 2021–25
- 4–6% savings AuM CAGR 2021–25

**Invest in key levers**

- Enhance digital proposition
- More effective savings process
- Strengthen private banking advisory offering
- Continue to increase speed and availability in mortgage process
- Broaden product offering

**Rigorous cost efficiency**

- Continuous improvement to offset cost inflation and reduce structural costs
- Nominal cost increase driven by higher business activity, investments and regulatory demands
Operating performance

Smart investments and rigorous cost control

Cost development

- Additional volumes from business activity
  - Investments to support growth

- Cost inflation
  - Salary and price increases, higher depreciation

- Operational efficiency and structural investments
  - Everyday
    - Strong cost culture with process improvements and demand management

- Focused investments
  - Long term
    - Investments to make the bank better:
      - Digital capabilities
      - Data and analytics
      - ESG data foundation
      - Financial crime prevention
      - Technology platforms
    - Delivering improved infrastructure and digital capabilities. Limited standalone cost savings from decommissioning

- Structural cost reductions

+1–2% CAGR

2021

2025
Cost of risk

Loan losses settling below historical average

Significant de-risking (EURbn)

Mix change

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public sector</td>
<td>313</td>
<td>328</td>
</tr>
<tr>
<td>Household</td>
<td>48%</td>
<td>57%</td>
</tr>
<tr>
<td>Corporate</td>
<td>50%</td>
<td>41%</td>
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</tbody>
</table>

Focus on Nordic markets

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public sector</td>
<td>81</td>
<td>67</td>
</tr>
<tr>
<td>Household</td>
<td>58</td>
<td>75</td>
</tr>
<tr>
<td>Corporate</td>
<td>88</td>
<td>102</td>
</tr>
<tr>
<td>Non-Nordic</td>
<td>24</td>
<td>2</td>
</tr>
</tbody>
</table>

International and shipping, oil and offshore exposure

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public sector</td>
<td>40</td>
<td>8</td>
</tr>
</tbody>
</table>

Significant portfolio de-risking

- Increased share of household lending
- Focus on our four Nordic home markets
- Reduced international exposure
  - Divested business in Poland, Luxembourg and Baltics
  - Exit from Russia ongoing
- Reduced shipping, oil and offshore portfolio by half; further actions ongoing

Future loan loss levels rebased

- 2020–21 resilient credit quality
- 2022–23 unwinding the COVID-19 buffer
- 2024–25 new normal, de-risked portfolio
- Normalised run rate from 2025 ~10bp

Loan loss ratios (bp)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23</td>
<td>26</td>
<td>21</td>
<td>15</td>
<td>14</td>
<td>15</td>
<td>12</td>
<td>7</td>
<td>8</td>
<td>12</td>
<td>1</td>
<td>Ø 15</td>
</tr>
</tbody>
</table>

*Including fair value adjustments to loans held at fair value in Nordea Kredit; 2019 also excludes items affecting comparability
Capital excellence

**Risk exposure amount development**

**Planned REA growth**
- Ambitious lending growth plan
- Sustained focus on capital initiatives
- Continued reduction in capital intensity
- Modest net impact from regulatory changes

**2025 preliminary Basel IV phase 1**
- <5% REA inflation
- Credit risk negligible
- Market risk & CVA: FRTB
- Operational risk: new methodology

**2030 preliminary Basel IV fully loaded**
- <10% REA inflation from output floors

**Business initiatives developed to further mitigate impact**

**Capital initiatives:**
- Refined capital deployment in BB and LC&I
- Hedging
- Model upgrades

**Business initiatives:**
- Product shaping
- Repricing

---

REA = risk exposure amount; CVA = credit valuation adjustment; FRTB = fundamental review of the trading book
* Pending regulatory approval

Nordea
Capital excellence

Reducing capital excess – path to normalisation

CET1 capital ratio and requirement

CET1 ratio

CET1 requirement + 150-200bp

~15% ~12% ~15–16%

Pre COVID-19 During COVID-19 Normalised conditions ~2025

Dividends & share buy-backs CCyB, systemic risk, other

Normalised CET1 requirement
- Continued reactivation of countercyclical capital buffers and buffers for systemic risk
- Regulatory requirement expected to settle around 13%; up to additional 1% allowance for prudence
- Management buffer of 150–200bp above regulatory requirement
- Implied CET1 ratio of 15–16%

Capital generation and uses of capital (bp)

2021 2022–25

Excess capital above policy 280 65

Normalisation of capital requirements 100 65

Basel IV first phase 1,000 65

Capital generation 700 100

Annual dividends 65

Second buy-back programme

Organic growth

Capital initiatives incl. model approvals*

Bolt-on M&A and buy-back potential incl. contingency

Focus on capital excellence
- Capital deployment for profitable growth
- Capital efficiency initiatives
- Excess capital returned to shareholders

* Pending regulatory approval
Sustainability at the core

Green transition – balancing opportunities and risks

Maximise opportunities by supporting customers

Transition financing needs in Nordics

<table>
<thead>
<tr>
<th>Year</th>
<th>Transition financing needs in Nordics (EURbn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>12</td>
</tr>
<tr>
<td>2023</td>
<td>22</td>
</tr>
<tr>
<td>2024</td>
<td>37</td>
</tr>
<tr>
<td>2025</td>
<td>45</td>
</tr>
</tbody>
</table>

ESG share of AuM and net flow

<table>
<thead>
<tr>
<th>Year</th>
<th>ESG share of AuM and net flow (EURbn, %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>115% 37% 63% 101% 33% 67%</td>
</tr>
<tr>
<td>2021</td>
<td></td>
</tr>
</tbody>
</table>

Sustainable savings

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

Transition financing

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

Manage risks

Climate-vulnerable exposure

Sector assessment (total lending, EURbn)

- Climate-vulnerable sectors
  - Oil, gas and offshore, Shipping, Mining: 328
  - Power, Utilities, Real estate management: 86
  - Other climate-vulnerable sectors: 30%

Example of learnings

Oil, gas and offshore

- Replace proxies with customer data
- Support customers

Engage 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)
Raising the bar:

**Ready to deliver on higher target**

**The preferred financial partner in the Nordics**

**Creating value for shareholders**

**Well equipped for the future**

---

**2025: Return on equity >13%**

**Revenue growth**
- Lending growth ~4% CAGR capturing further market share
- Net interest margin largely stable
- Savings growth of 4–6% CAGR

**Cost-to-income ratio to 45–47%**
Continuous improvement in underlying cost-to-income ratio

**Cost of risk normalised at ~10bp**
Settling below historical average following portfolio de-risking

**CET1 ratio ~15–16%**
Normalisation of capital requirements; active capital management

**60–70% dividend payout ratio p.a. complemented by buy-backs**
Planned total shareholder distributions of EUR 15–17bn 2022-25
### Key assumptions underpinning our plans – capital requirements

<table>
<thead>
<tr>
<th></th>
<th>Pre COVID-19</th>
<th>Q4 2021</th>
<th>~15%</th>
<th>~12%</th>
<th>~15%</th>
<th>~16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCyB (%)</td>
<td></td>
<td></td>
<td>~15%</td>
<td>~12%</td>
<td>~15%</td>
<td>~16%</td>
</tr>
<tr>
<td>CCyB</td>
<td>2.0</td>
<td>0.0</td>
<td>1.5%</td>
<td>0.2%</td>
<td>1.5%</td>
<td>1.7%</td>
</tr>
<tr>
<td>O-SII/SRB</td>
<td>0.0</td>
<td>0.0</td>
<td>2.0%</td>
<td>1.75%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>CCoB</td>
<td>2.5</td>
<td>1.0</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Other</td>
<td>2.5</td>
<td>0.0</td>
<td>0.98%</td>
<td>0.98%</td>
<td>0.98%</td>
<td>0.98%</td>
</tr>
<tr>
<td>Minimum CET1 requirement</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td></td>
</tr>
</tbody>
</table>

### Current requirements

- ~3% reduction vs Pre COVID-19

**2025 ‘Baseline’**
- Systemic risk 1.5% increase (from 2% today to 3.5%)
- CCyB increase 1.5% increase (from 0.2% today to 1.7%)

**2025 ‘High’**
- Systemic risk 2% (from 2% today to 4%)
- CCyB 2% increase

---

CCyB = countercyclical capital buffer
Q&A

CEO and CFO
Break
Agenda

- **Personal Banking**
  - Sara Mella 14.00 – 14.20

- **Business Banking**
  - Nina Arkilahti 14.20 – 14.40

- **Large Corporates & Institutions**
  - Martin A Persson 14.40 – 15.00

- **Asset & Wealth Management**
  - Snorre Storset 15.00 – 15.20

- **Q&A – CEO, CFO and business areas**
  - All 15.20 – 16.00
Personal Banking

Capital Markets Day
Sara Mella, Head of Personal Banking
17 February 2022
Personal Banking today

**Strong market positions with potential for growth**

- Serving Nordic household customers
- **Nordic scale** delivered with **local relevance**
- Strong **advisory competences** – both **digital and physical**
- Full range of **financial services**
- Leading digital platforms

### Mortgage volumes EURbn

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>+13%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### AuM EURbn

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>+33%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Mobile app ratings

- Dec 2021, iOS, ranking and score
- # 1 4.5
- # 1 4.5
- # 1 4.5
- +16%
Personal Banking today

All countries have improved profitability

- Share of income FY21:
  - Sweden: 35%
  - Norway: 16%
  - Denmark: 23%
  - Finland: 26%

- Share of capital FY21:
  - Sweden: 38%
  - Norway: 20%
  - Denmark: 19%
  - Finland: 23%

Mortgage volumes 2021, growth\(^1\), y/y
- Sweden: 20%
- Norway: 19%
- Denmark: 23%
- Finland: 38%

ROCAR FY21, %
- Sweden: +12
- Norway: +7
- Denmark: +3
- Finland: +4

ROCAR change FY21/20, pp
- Sweden: +7
- Norway: +3
- Denmark: +4
- Finland: +4

- Strong market positions in all four countries
- Profitable business with strong growth
- Risk diversification across Nordic countries

1. In local currency
Personal Banking 2019–21

**Strong business momentum and improved cost efficiency**

Financial performance 2019–21

Cost-to-income ratio (%)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>Income</th>
<th>Costs</th>
<th>2021</th>
<th>2022 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>57</td>
<td></td>
<td></td>
<td>51</td>
<td>~50</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Cost-to-income ratio by country (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>58</td>
<td>53</td>
</tr>
<tr>
<td>Finland</td>
<td>61</td>
<td>56</td>
</tr>
<tr>
<td>Norway</td>
<td>58</td>
<td>55</td>
</tr>
<tr>
<td>Sweden</td>
<td>54</td>
<td>45</td>
</tr>
</tbody>
</table>

2022 targets met ahead of schedule

1. **Improved customer experience** and deepened customer relationships

2. **Grew mortgage lending profitably** through availability, omnichannel experience and margin management

3. **Grew savings** within existing customer base by activating new savers

4. **Leveraged digital capabilities** for efficiencies in daily banking services and key advisory processes
Personal Banking 2022–25

Continue business momentum with focused investment

**2025 targets**

<table>
<thead>
<tr>
<th>Return on capital at risk (%)</th>
<th>2021</th>
<th>Operating performance</th>
<th>Cost of risk</th>
<th>Capital</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17</td>
<td></td>
<td></td>
<td>~18</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost-to-income ratio (%)</th>
<th>2021</th>
<th>Income</th>
<th>Costs</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>51</td>
<td></td>
<td></td>
<td>~45</td>
</tr>
</tbody>
</table>

**Main drivers for 2025 targets**

- **Continue existing business momentum** from current strong customer portfolio
- **Drive growth** through savings and particular focus on Sweden
- **Increase operational efficiency** in the distribution model and key customer journey processes
- **Normalisation of cost of risk and capital requirements**
Personal Banking 2022–25

Deepening customer relationships by combining digital ease with competent advisory

Customer preferences evolve

Contact preferences in mortgage process:
- Purely digital: ~40%
- Human adviser contact: ~60%

Customers having a sustainable preference in their investments:
- 2019: 20%
- 2020: 30%
- 2021: 69%

The core of our relationship strategy

- **Strong customer relationships** through all life events by being proactive and relevant
- **Personalised advisory** as a differentiator for increasingly commoditised products
- Seamless flow between digital and our people in our omnichannel customer experience
- Leverage relationship with our mortgage customers to increase savings business
- **Nordic scale** to increase efficiency

---

1. Nordea research: Customer behaviour insights on Home Journey in Finland
Personal Banking 2022–25

**Focus on profitable growth in selected areas**

**Our focus areas and key activities**

**Accelerate savings growth**
- Leverage our mortgage relationships to activate new savings customers
- Increase digital proactivity with existing savings customers
- Improve digital experience with insights and advice

**Strengthen position in Sweden**
- Invest in advisory capacity and brand-driven marketing
- Enhance digital sales capabilities and competences
- Provide new digital services

**Offer sustainable choices and advice**
- Leverage our ESG savings offering
- Expand sustainable offerings such as green lending
- Utilise partnerships to support customers

**Profitable growth**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td><img src="bubble14-16.png" alt="14-16%" /></td>
<td><img src="bubble16.png" alt="16%" /></td>
</tr>
<tr>
<td>Norway</td>
<td><img src="bubble12-14.png" alt="12-14%" /></td>
<td><img src="bubble14-16.png" alt="14-16%" /></td>
</tr>
<tr>
<td>Denmark</td>
<td><img src="bubble10-12.png" alt="10-12%" /></td>
<td><img src="bubble12-14.png" alt="12-14%" /></td>
</tr>
</tbody>
</table>

**Notes:**
- ROCAR: Return on common equity attributable to shareholders
- Income, EURbn
- Normalised loan losses used for 2021 numbers
Personal Banking 2022–25

Digital is a key enabler in our relationship model

Increase in digital customer interactions … # of mobile bank log-ons

[Graph showing increase in mobile bank log-ons from 2019 to 2021.]

+31%

… and the majority of our human advisory is virtual

Share of online meetings

[Graph showing increase in share of online meetings from 2019 to 2021.]

+83%

Significant increase in number of personalised digital messages ...

# of analytically driven 1:1 messages to customers

[Graph showing increase in number of 1:1 messages from 2019 to 2021.]

+53%

… as well as in digital initiated sales

Digitally initiated funds sales, transactions

[Graph showing increase in digitally initiated sales from 2019 to 2021.]

+130%

Making banking easy through

Fast and engaging digital onboarding

Personalised experience in digital channels

Actionable insights to improve financial well-being

Nordea
Personal Banking
2025: Leading relationship bank in the Nordics

- Create best-in-class omnichannel customer experiences through personalised digital experience and competent advice
- Increase profitability through savings growth, strengthening the position in Sweden and offering sustainable choices and advice
- Increase operational efficiency through digital capabilities and Nordic scale

2025 targets

- Return on capital at risk
  ~18%
- Cost-to-income ratio
  ~45%
Business Banking today
Leading SME bank and business partner in the Nordics

Nordic scale leveraged to service SMEs’ local needs

Wide customer reach and strong deal inflow

Extensive product offering and sector specialists

Easy to deal with via one Nordic digital platform

Strong sustainable offering and products

Customer relationships with

>55%
of SMEs with EUR 15-500m turnover

Broad income distribution

EUR 2.6bn
Total income

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers on digital platform</td>
<td>90k</td>
<td>275k</td>
</tr>
<tr>
<td>Sustainable financing²</td>
<td>0.8</td>
<td>3.5</td>
</tr>
</tbody>
</table>

1. Asset-based lending and receivables finance
2. Aligned to Nordea Green Bond Framework

Nordea
Business Banking today

Delivered good income growth and improved profitability

- **Income growth**
  - 2021, y/y% NFE\(^1\):
    - 20%
    - 28%
    - 23%
    - 29%

- **Share of income** FY21:
  - 23%
  - 22%
  - 29%
  - 26%

- **ROCAR** FY21, %:
  - Business Banking total of ~8%\(^2\)
  - Business Banking total of 16%
  - +6
  - +10
  - +7

- **ROCAR change** FY21/20, pp:
  - +6
  - +10
  - +7

Strong position across all markets with highest growth in Sweden and Norway

Good income growth supported by NFE\(^1\) acquisition

Solid credit portfolio and strict capital discipline

---

1. Nordea Finance Equipment
2. Average income growth excluding Nordea Finance Equipment
Business Banking 2019–21

Strong growth and performance in Sweden and Norway

Financial performance 2019–21

Cost-to-income ratio (%)

2019 Income Costs 2021 2022 target

Cost-to-income ratio (%)

Costs reduced by 4%\(^1\)
through headcount reductions and strict cost focus

Income growth CAGR of +7%\(^1\)
via high customer inflow and activity in Sweden and Norway

Lending growth 2019–21 CAGR (%)

Denmark
Finland
Norway
Sweden

Strong position in Finland
via profitability steering and focused customer selection

Profitability turnaround in Denmark
through disciplined customer selection and pricing

1. Excluding Nordea Finance Equipment acquisition
2. Corporate lending including all corporates
Continued growth, cost at risk & capital headwinds

2025 targets

Return on capital at risk (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating performance</th>
<th>Cost of risk</th>
<th>Capital</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>16</td>
<td>3</td>
<td>4</td>
<td>~16</td>
</tr>
</tbody>
</table>

Cost-to-income ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Costs</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>45</td>
<td>~40</td>
<td></td>
</tr>
</tbody>
</table>

Main drivers for 2025 targets

1. **Drive income growth CAGR of +3%** by increasing market share in Sweden and Norway

2. **Improve cost efficiency** via streamlined processes and elimination of manual activities

3. **Loan losses normalising** after unusually low levels in 2021

4. **Reinstatement of regulatory capital buffers**
Business Banking 2022–25

Well-positioned to deliver on our growth plan

SME customer preferences

- ~60% Mid enterprises value personal service & expertise
- >50% Require external ESG support
- ~80% Expect efficient daily services
- +75% Increase in mobile users for small enterprises

Our response to deliver on the growth plan

- **Leading advisory services**
  Strengthen specialist & industry advisory to build deep relationships

- **Capture customers across the Group**
  Cooperate across business areas to leverage the full franchise

- **Best-in-class digital banking**
  Deliver effortless digital services for everyday business

- **Preferred sustainability partner**
  Drive sustainable transition via broad ESG product offering & expertise

- **Highly efficient distribution model**
  Improve key customer processes via front-to-back automation

- **Focused and efficient product offering**
  Simplified product portfolio aligned to core customer needs

1. Nordea internal research
Business Banking 2022–25

Selective growth and customer acquisition in all markets with profitability as the core focus

Our focus areas

- **Accelerate growth**
  - Focus resources on *key locations and sectors*
  - Use *product expertise* as *competitive edge*
  - Increase *scalability of specialist advisory*

- **Continue growth**
  - Invest in acquisition & specialist advisory teams
  - Target growth companies & industries
  - Focus cross-sales efforts via data usage

- **Transform to profitable growth**
  - Apply systematic *customer right-pricing*
  - Grow in mid-enterprise & key niches

- **Maintain strong position**
  - Selective *customer acquisition*
  - Profitability steering on existing portfolio

How we are doing it

<table>
<thead>
<tr>
<th>Profitable growth</th>
<th>2021</th>
<th>2025</th>
</tr>
</thead>
</table>

Bubble colour: ROCAR, %
- > 16%
- 14—16%
- 12—14%
- 10—12%

Bubble size: Income, EURbn
Normalised loan losses used for 2021 numbers
Leading SME digital bank: Building on strong foundation to deliver effortless banking

### 2019–21: Significant progress

#### SME digital foundation
- Implemented a modern & scalable digital platform
- Supported SME digital uptake
- Significant uplift in digital functionality
- Delivering advice via remote capabilities

#### Effortless banking for SMEs
- Full breadth SME digital offering with leading functionality
- Simple and quick SME lending via automation and digital delivery
- Wider API proposition to support deeper customer integration
- Data-enabled relationship managers to improve customer interactions

### 2022–25: Accelerating the journey

- 7 of 9 legacy channels replaced since 2019
- +75% y/y increase in # of users of Nordea Business mobile app
- +25 more features than on legacy platforms
- 85% of meetings with small enterprises are remote
Business Banking
2025: The preferred bank for Nordic SMEs

- **Deepen customer relationships** and focus on profitability
- **Accelerate growth in Sweden and Norway**
- **Be the leading digital SME bank** and preferred sustainability partner

2025 targets

- Return on capital at risk
  - ~16%
- Cost-to-income ratio
  - ~40%
Large Corporates & Institutions today

The leading Nordic LC&I business

- Strong customer relationships with a proven service model
- True Nordic coverage for customers with multi-product needs
- Talented people delivering superior advice
- Leading risk capacity supported by fast decision-making
- Nordic leader in sustainable products and services

Market-leading offering and well-diversified income FY 2021, %

- Customer: 55%
- Lending: 24%
- Markets: 12%
- TXB: 9%

Country dimension

- Share of income FY 2021
  - Norway: 33%
  - Sweden: 24%
  - Denmark: 23%
  - Finland: 17%

- Share of capital FY 2021
  - Norway: 33%
  - Sweden: 33%
  - Denmark: 17%
  - Finland: 33%
Large Corporates & Institutions 2019–21

We have created a more focused and profitable business

Financial performance 2019–21

Return on capital at risk (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Costs</th>
<th>Loan losses</th>
<th>Capital</th>
<th>2021</th>
<th>2022 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2022 target surpassed in 2021

1. Reduced low-return assets
   - lower balance sheet utilisation and capital intensity and higher margins

2. Streamlined Markets business
   - through reduced complexity and costs

3. Invested in ESG capabilities
   - and attained #1 position in Nordic sustainable financing

4. Optimised international footprint
   - New York, London and Shanghai prioritised while Frankfurt, Singapore and Russia exited
Large Corporates & Institutions' turnaround

We are in a stronger position to increase our ambition level

Focus on business performance and capital efficiency

Increased customer profitability (share of low-returning capital, %)

<table>
<thead>
<tr>
<th>Q2 2019</th>
<th>Q4 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>52%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Successful Markets streamlining (Q2 2019 to Q4 2021)

- Income: +48%
- Costs: -24%
- Capital: -31%

Enhanced business selection

- Grow ancillary income including capital-light products
- Higher margins through continued focus on pricing and business selection
- Lower balance sheet utilisation through decreased inventories and lower risk
- Reduced costs from trimming of product portfolio and new country-based organisation
Large Corporates & Institutions 2022–25

We will deliver best-in-class return in 2025

**2025 targets**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>Income</th>
<th>Costs</th>
<th>Loan losses</th>
<th>Capital</th>
<th>2025 target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return on capital at risk (%)</strong></td>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td>~16</td>
<td></td>
</tr>
<tr>
<td><strong>Cost-to-income ratio (%)</strong></td>
<td>42</td>
<td></td>
<td></td>
<td></td>
<td>~40</td>
<td></td>
</tr>
</tbody>
</table>

**Main drivers for 2025 targets**

1. **Sales excellence**
   - to increase income per customer through higher intensity

2. **Selective growth and investments**
   - in capital-light growth and profitable lending

3. **Increase operational efficiency**
   - front-to-back including outsourcing and partnerships

4. **Accelerate capital excellence**
   - through improved IRB models, risk-sharing transactions and repricing

5. **Become #1 ESG corporate bank**
   - in the Nordics by leveraging our strong position
Large Corporates & Institutions 2022–25

Focus on selective growth and investments

Focus areas and key activities

**Target selective growth and investments**

- Invest in capital-light growth in Investment Banking & Equities
- Selectively grow profitable corporate lending and fund financing
- Invest in ESG clean tech sector and transition advice

**Accelerate capital excellence**

- Improved IRB models and continued repricing
- Risk-sharing transactions and originate-to-distribute
- Full implementation towards Basel IV and FRTB

---

**Profitable growth**

<table>
<thead>
<tr>
<th>2021</th>
<th>2025</th>
</tr>
</thead>
</table>

- **PE&II**

  - Bubble colour: ROCAR, %
    - > 16%
    - 14-16%
    - 12-14%
    - 10-12%

  - Bubble size: Income, EURbn
  - Normalised loan losses used for 2021 numbers
Large Corporates & Institutions 2022–25

Significant opportunity to support clients in their transition to a sustainable economy

**Sustainability leadership**
Accelerate our support for clients’ transitions

**Shift to green**
Drive change through future-oriented capital allocation

---

**Nordic league table (EURbn)**

<table>
<thead>
<tr>
<th></th>
<th>Nordea</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>All bonds</td>
<td>21</td>
<td>15</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>o.w. Sustainability bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Climate-vulnerable exposure**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>-20%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**EUR 200bn sustainable finance facilitation**

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

---

**90% transition plans**
by 2025

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

---

1. 90% of our exposure to climate-vulnerable sectors to be backed by credible transition plans by 2025

---

**100%**
Sustainability leadership

---

**68**
Large Corporates & Institutions

2025: Preferred financial partner for our selected core Nordic corporates and institutions

- **Drive core income** and strive for continued growth in capital-light services

- **Be the preferred ESG partner** together with our selected core Nordic corporates and institutions

- **Accelerate capital excellence** through efficient balance sheet utilisation, new capital models and risk-sharing transactions

---

2025 targets

- **Return on capital at risk**
  - ~16%

- **Cost-to-income ratio**
  - ~40%
Asset & Wealth Management today

Leading Nordic wealth adviser and asset manager

**Leading Nordic private bank**
offering wealth advice to customers in all four countries

**The leading Nordic-based asset manager with global reach**
and a globally competitive sustainability offering

**Strong Group internal distribution network**
and the largest international presence among Nordic peers

**Leading life and pensions business in the Nordics**

Nordea Group’s investment centre of excellence through advice, products, digital savings experience, processes and customer tools

---

1. Net flow of assets managed by Asset Management, ESG categorised as article 8 and 9 funds
2. Source: Nordea, H2 2021. Graph shows data from a data source with certain limitations; however it is assumed to be representative of the target group
### Assets under management (EURbn)

<table>
<thead>
<tr>
<th></th>
<th>Private Banking</th>
<th>Life &amp; Pensions¹</th>
<th>Retail funds¹</th>
<th>Institutional clients</th>
<th>Wholesale distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td>36</td>
<td>5</td>
<td>26</td>
<td>30</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>22</td>
<td>13</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>19</td>
<td>5</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>24</td>
<td>43</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26</td>
<td>51</td>
</tr>
<tr>
<td>Total AuM 2021</td>
<td>123 (+34%)</td>
<td>70 (+32%)</td>
<td>87 (+33%)</td>
<td>76 (+16%)²</td>
<td>55 (+26%)</td>
</tr>
</tbody>
</table>

1. Asset Management and Life & Pensions products distributed through Personal Banking, Business Banking and Large Corporates & Institutions
2. Excluding assets from mandates related to the divestment of Nordea Liv & Pension in Denmark in 2018

---

### Internal and external channels

- **Well diversified** across countries and segments, with significant further upside potential
- **World-class multi-asset solutions** supporting broad internal customer segments
- **International distribution** focused on actively managed products with distinct characteristics and good fit with professional buyers’ model portfolios

---

Nordea
Higher AuM and contained costs drove increased efficiency

Cost-to-income ratio (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Costs</th>
<th>2021</th>
<th>2022 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>57</td>
<td>1</td>
<td>43</td>
<td>&lt;50</td>
</tr>
</tbody>
</table>

Income growth delivered by accelerating savings in both internal and external channels with focus on profitability, supported by positive market development.

Costs well managed through simplified and de-layered organisation supported by scale and improved cost culture.

Positive net flows in all channels:
- Internal channels +EUR 26bn
- External channels +EUR 10bn
Asset & Wealth Management 2022–25

Profitability focus and scalable growth

2025 targets

Return on capital at risk (%)

- 2021: 31%
- Operating performance: 3%
- Capital: ~38%
- 2025 target: ~38%

Cost-to-income ratio (%)

- 2021: 43%
- Income: 1%
- Costs: 2%
- 2025 target: ~40%

Main drivers for 2025 targets

1. **Drive focused and profitable growth**
   - New customer acquisition and cross-sales in Private Banking, expanded international presence, improved product mix and average margins. Expected equity market return +6%¹ p.a.

2. **Increase operational efficiency**
   - through investments in digital channels, ESG capabilities and broaden product development within private assets and discretionary

3. **Increased lending volumes**
   - contribute to increase in capital deployed

¹ Estimated equity market return applicable for equity investments, which represented approximately 50% of 2021 AuM
Asset & Wealth Management 2022–25

Active positioning to benefit from customer trends

Customer preferences¹

<table>
<thead>
<tr>
<th></th>
<th>Affluent</th>
<th>Private &amp; HNWI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully digital</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>Hybrid customers</td>
<td>60%</td>
<td>61%</td>
</tr>
<tr>
<td>Branch</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Growth in alternative investments

- 2020: 100%  
- 2021: 163%

Our response

- **Become the leading private bank in each Nordic market**
  Digitally advanced service model with ongoing advice through a seamless omnichannel experience

- **The leading and globally competitive Nordic-based asset manager**
  Investment excellence, size, scale and distribution capabilities

- **World-class ESG offering**
  Active ownership, excellent investment performance and continued investment in global ESG leadership

- **Leverage demand for tailor-made solutions with improved scalability**
  Utilise Nordic scale to efficiently develop the leading and tailor-made customer offering to meet increasing demand

¹ Source: McKinsey affluent, private and HNWI (high-net-worth individuals) customers’ insights survey 2020
Asset & Wealth Management 2022–25

Grow Private Banking – leading omnichannel advisory model and holistic offering

Our focus areas to increase income growth

High-growth focus
- Serve the whole family including affiliated companies
- Cover both sides of the customers’ balance sheet
- Leverage relationships elsewhere in the bank

Profitability optimisation
- Leverage new inducement-free business model
- Optimised new service model

Maintain leadership position
- Increase proactivity to support high customer satisfaction
- Focused customer acquisition

Enabled by improved digital savings experience
with personalised and engaging content, intuitive digital savings journey, utilise data-driven insights for customised offering

Profitable growth

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>AuM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAGR 2021–25</td>
<td>+6%</td>
<td></td>
</tr>
<tr>
<td>Lending volumes</td>
<td></td>
<td>+8%</td>
</tr>
<tr>
<td>CAGR 2021–25</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bubble colour: ROCAR, %
- > 16%
- 14—16%
- 12—14%
- 10—12%

Bubble size: Income, EURbn
Globally competitive asset manager with attractive international growth opportunities

Our focus areas

Increase institutional and wholesale distribution
- Deepen long-lasting relationships in distribution network
- Expand distribution in European core markets, America and Asia to establish new low C/I growth opportunities

Strengthen product development
- Invest in development of alternative investment products
- Expand discretionary offering
- Deepen sustainable investments across asset classes

Proifiable growth¹

1. Includes Institutional and Wholesale Distribution
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 (%)

<table>
<thead>
<tr>
<th>Fund/Portfolio</th>
<th>2021</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerging Stars Equity Fund</td>
<td>61</td>
<td>36</td>
</tr>
<tr>
<td>European Stars Equity Fund</td>
<td>81</td>
<td>53</td>
</tr>
<tr>
<td>Global Stars Equity Fund</td>
<td>83</td>
<td>74</td>
</tr>
<tr>
<td>Global Climate and Environment Fund</td>
<td>127</td>
<td>81</td>
</tr>
</tbody>
</table>

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

2025 sustainability targets

**Double share of net-zero committed AuM**
Asset Management

- 2021: 18%
- 2025: 35%

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

- 2021: 80% aligned/subject to active engagement
- 2025: 100% net zero
Asset & Wealth Management
2025: Best wealth manager in the Nordics

- **Become the leading private bank** in each Nordic market
- **Be a globally competitive asset manager** with attractive international growth opportunities
- **Leverage demand for ESG and tailor-made solutions** with improved scalability

**2025 targets**

- Return on capital at risk: ~38%
- Cost-to-income ratio: ~40%
Nordea 2025 – raising the bar
The preferred financial partner in the Nordics

The Nordics – globally one of the most attractive markets for banks
Nordea – strong franchise, streamlined business, market-leading returns
Growth – opportunities in all countries
Culture – high-performance culture with relentless focus on execution

2025 financial target
Return on equity
>13%
Q&A
CEO, CFO and Business Areas