

A woman with long dark hair, wearing a brown beret and a brown scarf, is shown in profile, looking upwards. She is standing in a forest with tall, thin trees and green foliage. To her left, there is a blue graphic consisting of five vertical bars of varying heights, resembling a bar chart.

Nordea

Remuneration Report for Governing Bodies 2021

Published on 2 March 2022
Subject to an advisory resolution
at Nordea's Annual General Meeting 2022

This 2021 Remuneration Report for Governing Bodies (“Remuneration Report”)* has been prepared in accordance with the requirements of the Finnish Corporate Governance Code 2020 and the Finnish Finance Ministry Decree 608/2019. It further reflects the recommendations of the European Commission Guidelines draft on the standardised presentation of the remuneration report regarding the encouragement of long-term shareholder engagement.

The report will be presented for an advisory vote at the Annual General Meeting on 24 March 2022 and is disclosed, once adopted, with other information on Nordea’s website <https://www.nordea.com/en/about-nordea/corporate-governance/remuneration/disclosures>.

Shareholders showed broad support for remuneration-related topics presented at last year’s AGM. The Remuneration Report was adopted through an advisory resolution with 93.2% votes in favour.

The votes on remuneration reflect our commitment to giving shareholders a say on pay. Further details on the say-on-pay votes at the 2021 AGM are provided in the table below.

In this Remuneration Report we have made some adjustments compared with earlier disclosures. These are aimed at further increasing transparency on the link between pay and performance by providing more details on performance criteria for short- and long-term incentive programmes.

This Remuneration Report provides an overview of the total remuneration received by each member of the Board of Directors, the President and Group CEO and the Deputy Managing Director in the 2021 financial year with comparative figures for the past financial years where relevant. This Remuneration Report also explains how the remuneration is linked to the performance and the overall strategy of Nordea.

It is noted that the role of “Deputy Managing Director” is a Finnish corporate legal requirement.

Furthermore, the Remuneration Report confirms that through the course of 2021 the Remuneration Policy was fully complied with and there were no deviations.

Say on pay – remuneration-related votes at the 2021 AGM

2021 AGM say-on-pay resolutions	2021 AGM actual shareholder votes	Votes in favour
Advisory vote on remuneration report for governing bodies	Shareholders approved Nordea’s Remuneration Report for Governing Bodies for the year 2020 in an advisory vote	93.183%
Binding vote on the remuneration to the members of the Board of Directors	Shareholders approved the remuneration to the members of the Board of Directors for the period from the 2021 AGM to the 2022 AGM	99.862%

*This Remuneration Report is published in English, Swedish and Finnish. In the event of any inconsistencies between the language versions, the Swedish version applies





Dear shareholders

The Board of Directors and I wish to thank you for your support at last year's Annual General Meeting. I am pleased to present the 2021 Remuneration Report that describes how the Remuneration Policy has been implemented.



Torbjörn Magnusson

Chair of the Board of Directors,
Chair of the Board Remuneration
and People Committee

2021 was a truly exceptional year for Nordea. As the impact of the pandemic started to subside and the global economic recovery gathered pace, Nordea entered this new phase of recovery from a position of strength.

In 2021 we continued to make good progress in implementing our business plan and again delivered a very strong performance on our key priorities and financial targets. We remained focused on growing revenues faster than costs. Strong income growth across all four business areas and continued cost discipline resulted in an improved cost-to-income ratio as well as an increase in return on equity, with both ratios already meeting our 2022 targets.

We have maintained our strong customer focus and followed our direction as a bank - everything we do starts and ends with our customers. Our people supported this strong performance through exceptional work across the entire value chain, achieved without compromising engagement and motivation. In 2021 we introduced a hybrid working model across all Nordea locations that supports our belief in bringing people together and keeping our offices as a cornerstone of the company, while at the same time valuing flexibility, both towards our

customers and in the way we work.

Following the launch of a share-based long-term incentive programme (LTIP) in 2020 for the Group CEO and nine other members of the Group Leadership Team (GLT), the Board of Directors decided to extend the scope of participants in 2021 to include a maximum of 50 key employees whose efforts have a direct impact on Nordea's results, profitability, customer vision and long-term growth. This is in line with our vision of embedding a stronger focus on Nordea's long-term performance and alignment with shareholder interests in our variable remuneration structures for our senior leaders.

We want to be a leading bank regarding the sustainability agenda and support our customers in transitioning to a low-carbon economy and have already taken significant steps towards achieving this as outlined in our sustainability reporting included in the Annual Report. We want to implement sustainability in everything we do at the Nordea Group: our capital planning, the way we work with our customers, our offering, our internal processes and our variable remuneration structures from 2022.

While Nordea has already made significant progress towards our 2030 emissions objectives by, for example, increasing green lending portfolios and reducing exposures to the most climate-exposed sectors, this remains an area of focus and further development in the years to come. Accordingly, from 2022 we have decided to link our variable remuneration structures to further ESG factors: green lending, our sustainability roadmap and diversity and inclusion, in addition to those already included.

In December 2020 the Board of Directors approved the Diversity and Inclusion strategy for the Nordea Group, where one of the key objectives is not to have any gender represented by less than 40%. In 2021 we implemented this gender balance goal for the Board of Directors as well in the update to the "Diversity policy for the Group Board" thus aligning the ambition of gender diversity on the Group Board with that of Nordea Group.

On behalf of the Board Remuneration and People Committee and the Board of Directors, I would like to thank you again and respectfully ask for your continued support at the upcoming AGM.

Comparison of development of remuneration vs performance

The table below presents the link between directors' remuneration, company performance and the average remuneration to Nordea employees. This is done by presenting the relative development in total remuneration to the Group CEO and the Deputy Managing Director and the Board of Directors over the past five years. To ensure like-for-like comparison the figures have been annualised where relevant. All figures shown below relate to the Nordea Group¹.

The relative performance of Nordea is presented through three financial metrics that are anchored in Nordea's 2022 strategy: 1) Income; 2) Return on equity; 3) Cost-to-income ratio.

Throughout the comparison period, the fixed base salary of the Group CEO and the Deputy Managing Director has been largely flat, and the variable pay outcomes have been strongly linked to Nordea's performance. This is reflected in the fluctuations in total remuneration.

As regards the remuneration to the Board of Directors, there is no link to the company's performance, to emphasise their independent role. The remuneration to the Board of Directors is decided by the AGM annually. From 2016 to 2021 the Board member fees increased to reflect added responsibilities and market conditions as follows: the ordinary Board member

fees by 11.2%, the Chair fee by 8.6%, the Vice Chair fee by 10.5%, the Board committee member fee by 21.4% and the Board committee chair fee by 73.1%. Individual changes in the remuneration to the Board members are attributable to the development in the different fee categories and changes in Board roles (for example, new committee responsibilities).

External benchmarking of peer companies is considered when determining remuneration at Nordea.

Comparison of development in directors' total remuneration and company performance

Annual development	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Managing Directors²					
Frank Vang-Jensen, Group CEO	-	-	-	14.82%	16.48%
Jussi Koskinen, Deputy Managing Director	-	-	-	15.23%	23.36%
Casper von Koskull, former CEO	2.60%	-1.28%	-12.26%	-	-
Torsten Hagen Jørgensen, former Deputy CEO	13.67%	1.19%	-18.26%	-	-
Board of Directors³					
Torbjörn Magnusson, Chair	-	-	-	-2.95%	1.96%
Björn Wahlroos, former Chair	2.88%	0.01%	0.10%	-	-
Kari Jordan, Vice Chair	-	-	-	0.00%	2.98%
Lars G Nordström, former Vice Chair	-	14.32%	-5.23%	-	-
Birger Steen, Board member	25.18%	4.20%	23.80%	6.38%	3.00%
Claudia Dill, Board member	-	-	-	-	-
John Maltby, Board member	-	-	-	0.00%	18.10%
Jonas Synnergren, Board member	-	-	-	-	3.00%
Kari Stadigh, Board member	10.71%	0.66%	-	-	-
Lars Wollung, Board member	-	-2.59%	-	-	-
Maria Varsellona, Board member	-	-3.08%	2.23%	0.69%	-
Nigel Hinshelwood, Board member	-	-	12.55%	2.04%	3.00%
Pernille Erenbjerg, Board member	-	-3.08%	20.76%	5.70%	0.00%
Petra von Hoeken, Board member	-	-	-	0.00%	3.00%
Robin Lawther, Board member	10.04%	2.09%	5.37%	-7.24%	-0.32%
Sarah Russell, Board member	18.42%	4.20%	7.78%	2.38%	0.97%
Silvija Seres, Board member	5.75%	0.88%	0.10%	-	-
Tom Knutzen, Board member	-0.39%	-	-	-	-
Torbjörn Magnusson, Board member	-	-	-0.42%	-	-
Company performance					
Income	-3.62%	-5.36%	-5.99%	-1.82%	13.63%
Return on equity	-22.76%	2.11%	-48.45%	42.00%	57.75%
Cost-to-income ratio	8.00%	5.56%	0.00%	-3.51%	-12.73%
Average remuneration to Nordea employees⁴	10.83%	-1.29%	0.35%	-6.30%	4.16%

¹ Nordea Bank Abp replaced Nordea Bank AB (publ) as the parent company of the Nordea Group on 1 October 2018

² Total remuneration to the Group CEO and the Deputy Managing Director is the sum of fixed pay, variable pay, pension expenses and benefits as specified in the annual reports of the Nordea Group

³ If the individual director performed several roles, these are shown as separate lines. The directors for whom no year-on-year comparison is available are not shown in the overview. The compared figures include all fees and potential benefits paid to an individual director for the duties performed in their capacity as a member of the Board, that is, both Board member and committee fees are added together

⁴ Average remuneration is calculated as salaries and remuneration reported under staff costs divided by the total number of employees as disclosed in the annual reports of the Nordea Group

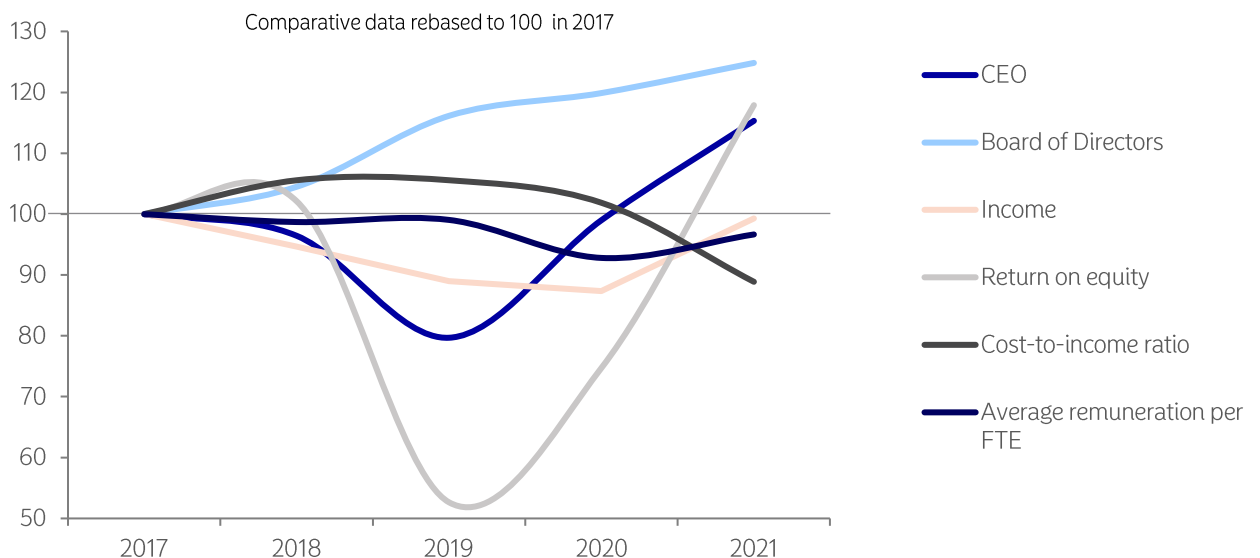


To supplement the remuneration comparison table showing the development in the individual remuneration, below is a visualisation of the remuneration development presented as the total payments for the role of Group CEO and for the performance of Board duties. The graph shows the positive correlation between the total

remuneration to the Group CEO and the recent company's performance. As earlier noted, the remuneration to the Board of Directors is not linked to company performance (no variable pay); rather it reflects market conditions (peer benchmark considered) and is always decided by the AGM.

Furthermore, the development in the total remuneration for the performance of Board duties reflects the increased Board responsibilities and as a result Board members taking on more committee roles.

Remuneration comparison



Remuneration to the Board of Directors

Members of the Board of Directors elected by the general meeting receive a fixed base fee and additional committee fees if member of a Board committee.

The Annual General Meeting (AGM) 2021 decided on the annual remuneration for the Board of Directors for the period from the 2021 AGM to the 2022 AGM, amounting to EUR 312,000 for the Chair, EUR 150,800 for the Vice Chair and EUR 98,800 to other members.

The fees for Board committee work on the Board Operations and Sustainability Committee (BOSC), the Board Audit Committee (BAC) and the Board Risk

Committee (BRIC) amount to EUR 62,400 for the committee chair and EUR 31,200 to the other members, while for the work on the Board Remuneration and People Committee (BRPC) the fees amount to EUR 43,700 for the committee chair and EUR 27,000 to the other members.

Nordea covers or reimburses all costs and expenses for the members of the Board related to or directly arising from the Board work. Any benefits are included in the remuneration overview below at taxable values.

Employee representatives are not compensated separately for their Board

duties and are therefore not included in the overview.

The table below shows the remuneration per member of the Board of Directors for 2021, that is, it covers the last quarter of the period from the AGM 2020 to the AGM 2021 and three quarters of the period from the AGM 2021 to the AGM 2022. Accordingly, the figures provided below do not fully match the 2021 AGM decision.

Remuneration for 2021 to the members of the Board of Directors

Board member	Board fee	BAC Committee fee	BOSC Committee fee	BRIC Committee fee	BRPC Committee fee	Other benefits	Total
Torbjörn Magnusson, Chair	309,000				43,275		352,275
Kari Jordan, Vice Chair	149,350				26,750		176,100
Birger Steen	97,850		61,800	30,900			190,550
Claudia Dill ¹	74,100		23,400	23,400			120,900
John Maltby	97,850	46,800	30,900	7,500			183,050
Jonas Synnergren	97,850	30,900	30,900				159,650
Nigel Hinshelwood	97,850		30,900	61,800			190,550
Pernille Erenbjerg ²	23,750	7,500	7,500				38,750
Petra van Hoeken	97,850	30,900		30,900			159,650
Robin Lawther	97,850				26,750		124,600
Sarah Russell	97,850	38,400			20,250		156,500

¹New member of the Board as from the AGM 2021
²Resigned as member of the Board as from the AGM 2021



Remuneration of the Group CEO and Deputy Managing Director

Description of remuneration components

The Group CEO and the Deputy Managing Director receive annual remuneration in accordance with the Remuneration Policy, which consists of the following fixed and variable remuneration components:

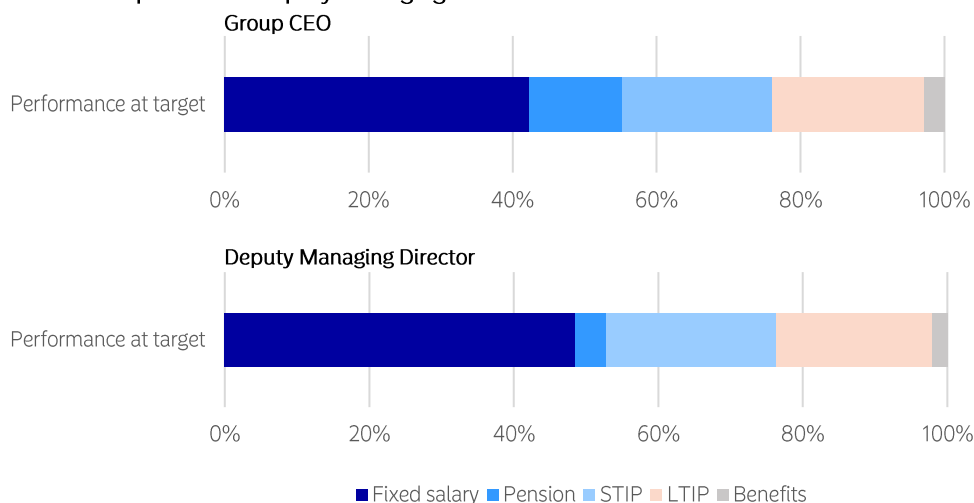
- 1) Fixed salary
- 2) Pension and insurance
- 3) Short-term incentive (STIP)
- 4) Long-term incentive (LTIP)
- 5) Benefits

The remuneration components are described in the table below:

Components of remuneration to Group CEO and Deputy Managing Director

Fixed salary	Reviewed annually by the Board Remuneration and People Committee and approved by the Board of Directors.
Pension	- Pension provision is in accordance with local laws, regulations and market practice. - A maximum 30% of the fixed salary on defined contribution plans.
Short-term incentive	- The maximum STIP award is 75% of the annual fixed base salary. 1-year performance period based on the achievement of financial and non-financial KPIs at Group, business area/ Group function and at individual level. - STIP awards are determined by the Board of Directors at the end of the performance period by assessing performance against pre-defined KPIs and by further considering holistic performance. 60% of the STIP awards is subject to deferral and retention. 50% is subject to delivery in instruments (Nordea shares) considering regulatory requirements.
Long-term incentive	- The maximum LTIP award in any financial year is normally up to 100% of the fixed remuneration. 3-year performance period. - Shares nominally distributed for the 2020-2022 and 2021-2023 performance years, respectively. - Subject to deferral and retention in line with regulatory requirements. - Fully share based (Nordea shares).
Shareholding requirement	A significant number of shares granted from the LTIP should be held until the total value of the shareholding in Nordea in total corresponds to 100% of the gross annual fixed salary. Such shares must be held until the end of the GLT membership.
Benefits (all subject to taxation)	- Company car. - Insurances, incl. private medical insurance, life insurance, personal accident insurance, customary directors' and officers' liability coverage. - Mobile phone, broadband connection and newspaper subscription. <i>Group CEO</i>: Housing, security and tax advice (not applicable to Deputy Managing Director).
Termination terms	12 months' notice of termination from Nordea to the Group CEO and to the Deputy Managing Director. <i>Group CEO</i>: 12 months' notice to resign. <i>Deputy Managing Director</i>: 6 months' notice to resign. - Severance payment of maximum 12 months.

Pay mix for the Group CEO and Deputy Managing Director as % of total remuneration¹



¹ Total remuneration includes fixed salary, pension contributions, STIP, LTIP (based on grant value) and value of benefits.

Remuneration for 2021: paid and due

The matrix below displays all remuneration including fees and other financial benefits paid or due to the Group CEO and the Deputy Managing Director during 2021.

The presentation of remuneration below is different from the presentation and accounting policy applied in our 2021 Annual Report, e.g., related to the LTIP.

A column ('Due 2022') displays the variable pay award that has been earned but not paid in 2021.

This amount relates to the STIP for the earning period that ended during the financial year being reported.

The pension amounts listed for the Group CEO and the Deputy Managing

Director are defined contributions paid into a pension fund.

No adjustments in terms of forfeiture or clawback of variable pay were made in 2021.

Remuneration for 2021 to Group CEO and Deputy Managing Director

EUR	Paid 2021					Due 2022		STIP as share of fixed pay ⁶
	Fixed pay	STIP earned pre-2021 ¹	Fringe benefits ²	Pension contribution ³	Total remun. paid ⁴	STIP earned in 2021	Total remun. earned ⁵	
Frank Vang-Jensen	1,361,329	301,249	109,392	386,405	2,158,375	849,509	2,706,635	62.4%
Jussi Koskinen	481,447	101,436	21,634	139,623	744,140	314,137	956,841	65.3%

¹STIP includes Executive Incentive Programme (EIP) awards and shows deferred EIP award payments in 2021 earned before 2021: for Group CEO, 2017-2020 (Group CEO since Sep 2019) and for Deputy Managing Director, 2020 award (Deputy Managing Director since Sep 2019).

²Benefits primarily include car benefits, housing, security, travelling and tax advice.

³The pension amount consists of a voluntary pension contribution from Nordea as well as Finnish statutory pension payments. The pension is based on defined contribution and there is no mandatory retirement age.

⁴Total remuneration paid: fixed pay, STIP earned prior to 2021, fringe benefits and pension.

⁵Total remuneration earned: fixed pay, fringe benefits, pension and STIP earned in 2021. LTIP 2020-2022 and LTIP 2021-2023 are not paid or due yet.

⁶The ratio shows the share of STIP earned in 2021 of the fixed pay.

Performance criteria of 2021 short-term incentive programme

The maximum award from the short-term incentive programme, STIP, is 75% of the annual fixed base salary. The variable remuneration awarded to the Group CEO and the Deputy Managing Director for 2021 is based on

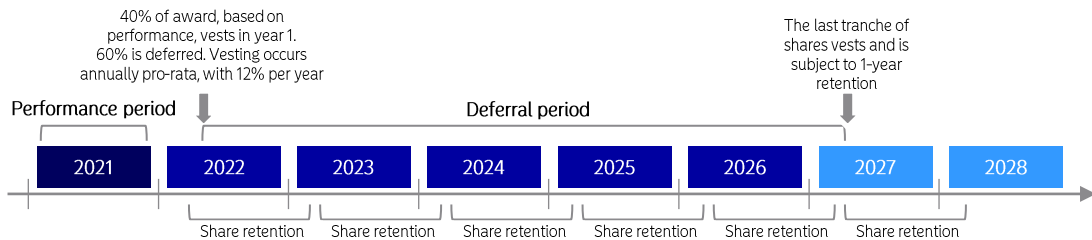
performance measured against the financial and non-financial criteria set by the Board at the beginning of the financial year. These criteria are aligned to the delivery on our key priorities to meet Nordea's 2022 financial targets

and include specific goals and targets. The 2021 STIP awards for the Group CEO and the Deputy Managing Director are shown in the section above.

General structure of performance criteria and performance achievement for STIP

Director	Performance criteria	Weight	Average performance achievement
Frank Vang-Jensen	Group goals	- Income	10%
		- RoE	10%
		- Cost-to-income ratio	25%
		- Employee and customer engagement	15%
	Individual goals	- Risk and compliance priorities	20%
		- Individual strategic priorities	20%
Jussi Koskinen	Group goals	- Income	10%
		- RoE	10%
		- Cost-to-income ratio	15%
		- Employee and customer engagement	15%
	Unit goals	- Direct costs	20%
		- Strategic unit priorities	10%
	Individual goals	- Risk and compliance priorities	20%

Illustration of short-term incentive performance and deferral period



Short-term incentive programme: shares awarded and delivered in 2021

50% of the 2020 variable remuneration awarded to the Group CEO and the Deputy Managing Director in 2021 was awarded in Nordea shares. The number of shares, the grant price and the grant value are shown in the matrix below. 40% of the total number of shares

awarded in 2021 vested in the spring of 2021. These shares will be retained for 12 months in a restricted book account and released in 2022. The remaining 60% is deferred for delivery annually pro rata over five years. Accordingly, 12% of

the total number of shares will vest in the spring of 2023, 2024, 2025, 2026 and 2027 and will subsequently be subject to a 12-month retention period. The last tranche will be released in the spring of 2028.

Short-term incentive programme: shares and share-linked instruments awarded and delivered or paid in 2021

Director	Shares awarded in 2021			Shares delivered in 2021			TSR-linked cash paid in 2021
	No. of shares	Grant price ¹	Value of shares	No. of shares ²	Taxable value per share ³	Taxable value	Total amount ⁴
Frank Vang-Jensen	42,626	EUR 7.16	EUR 305,157	17,050	EUR 8.21	EUR 139,981	EUR 39,206
Jussi Koskinen	16,500	EUR 7.16	EUR 118,122	2,854	EUR 8.21	EUR 23,431	EUR 0

¹Based on the average Nordea share price on the Nasdaq Helsinki Stock Exchange 4-17 February 2021 – ten business days after release of the full-year result.

²Number of shares delivered are the shares delivered post net settlement procedure, if selected. A 12-month retention period applies.

³Taxable value per share is based on 15 March 2021 average share price.

⁴Shows deferred EIP award payments earned before 2021.

Performance criteria of long-term incentive programme

In 2021, the Board of Directors decided to continue the long-term incentive programme implemented in 2020, by launching a Long-Term Incentive Programme 2021-2023 (LTIP) covering the Group CEO and the Deputy Managing Director (and other members of the GLT and up to 50 senior leaders), in accordance with the Remuneration Policy for Governing Bodies.

The main purpose of the LTIP is to further align the GLT's and senior leaders' interests with those of shareholders.

The 2021-2023 LTIP, like the 2020-2022 LTIP, has a three-year performance period and deferral and retention periods according to regulations.

The LTIP performance requirements have been set so that the maximum outcome will require achieving exceptional performance from a shareholder perspective.

The assessment of performance during the 2021-2023 LTIP performance period will be based equally on the following performance criteria:

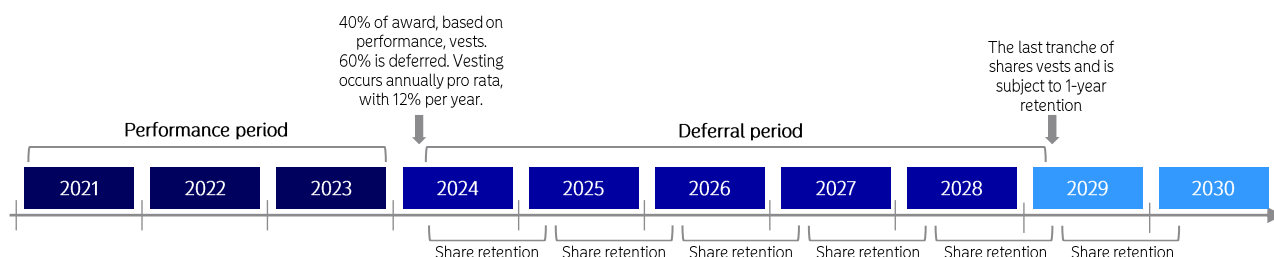
- Relative total shareholder return (rTSR) measured against selected Nordic and European peer banks
- Absolute total shareholder return (absolute TSR)
- Absolute cumulative earnings per share (absolute EPS)

A risk adjustment underpin is included.

The number of shares to be awarded will be determined after the end of the performance period.



Illustration of long-term incentive performance and deferral period



Long-term incentive programme 2021-2023

The total maximum number of shares that can nominally be distributed under the LTIP was distributed among the participants in 2021 as conditional share awards.

In 2024, based on Nordea's performance, the maximum number of shares or a proportion of the shares will be awarded.

The first tranche of shares of the potential award will be delivered in 2024, subject to performance.

The rest of the shares will be deferred

and delivered annually in five equal tranches during 2025-2029. Each share delivery is subject to a 12-month retention period.

No shares will be delivered if employment is terminated before award date in the spring of 2024, however, subject to local regulations and leaver provisions.

Share grants may be reduced in part or in full subject to risk and compliance adjustments. The nominal allotment of conditional share awards in 2021 as per below table.

The Group CEO and the Deputy Managing Director must hold a significant number of shares granted until the total value of the shareholding in Nordea in total corresponds to 100% of the gross annual fixed base salary. Such shares must be held until the end of GLT membership.

Shares nominally distributed in 2021 to Group CEO and Deputy Managing Director

Director	Year	Number of conditional share awards nominally distributed	Grant price ¹	Grant value
Frank Vang-Jensen	2021	150,000	EUR 8.41	EUR 1,261,500
Jussi Koskinen	2021	50,000	EUR 8.41	EUR 420,500

¹The grant price is the closing share price of the grant date, 31 March 2021.

Current shareholding and shares in deferral

The table below provides an overview of the current shareholding as well as earned share-based remuneration in deferral.

The shares in deferral are related to

variable pay awards from 2019 and 2020. While shares are in deferral, they remain at risk from a risk, compliance and conduct perspective and will remain so until they vest. Conditional

shares from the LTIP (2020-2022 and 2021-2023) are not earned yet and therefore not shown below.

Current shareholding and shares in deferral of Group CEO and Deputy Managing Director

Director	Current shareholding ¹	Number of shares in deferral ²
Frank Vang-Jensen	113,353	45,001
Jussi Koskinen	7,210	21,604

¹Number of shares as at 31 December 2021.

²Relating to earned STIP awards from performance years 2019 and 2020.

