

Nordea

The preferred financial partner in the Nordics

Capital Markets Day

17 February 2022



Disclaimer

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Agenda

		EET
Opening remarks	Frank Vang-Jensen, Matti Ahokas	12.00 – 12.05
▪ Nordea – The preferred financial partner in the Nordics	Frank Vang-Jensen	12.05 – 12.40
▪ Financial target and key focus areas	Ian Smith	12.40 – 13.10
▪ Q&A – CEO and CFO	Frank Vang-Jensen, Ian Smith	13.10 – 13.40
Break		13.40 – 14.00
▪ 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

The preferred financial partner in the Nordics

Capital Markets Day

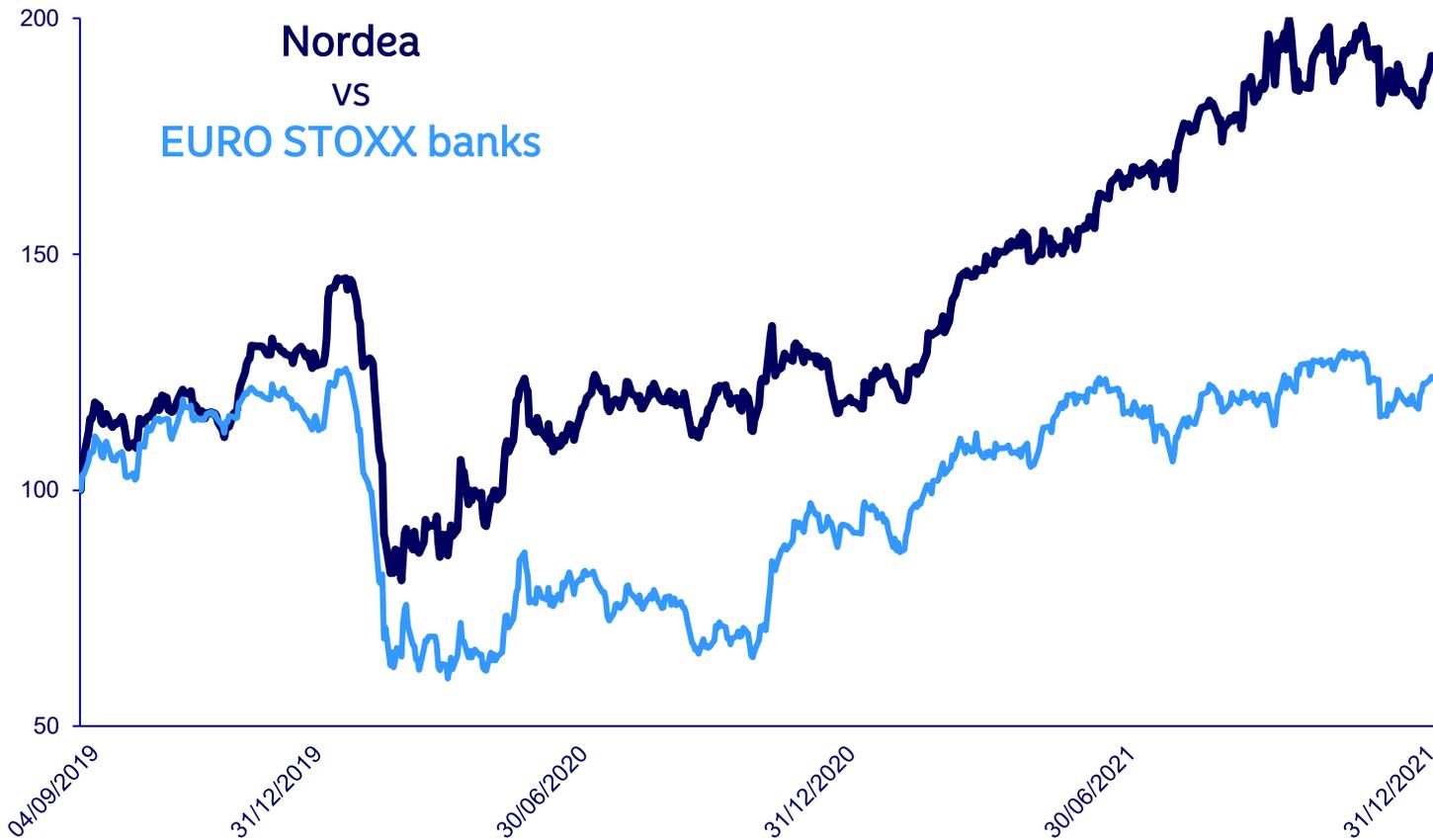
Frank Vang-Jensen, President & Group CEO
17 February 2022



Nordea's turnaround

Strong share performance, significant capital payouts

Share price performance



Source: Thomson Reuters DataStream

+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

Targets surpassed ahead of schedule

2022 financial targets

FY 2021

Cost-to-income ratio 50%	48%	✓
Return on equity >10%	11.2%	✓

Personal Banking

C/I¹ ~50%

51%



Business Banking

C/I¹ ~45%

45%



Large Corporates & Institutions

Return on capital at risk ~10%

15%



Asset & Wealth Management

C/I¹ <50%

43%



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 growth² +14% since Q319
- SME lending growth² +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&I³ EUR 1.4bn EC since Q219

Nordea's turnaround

Driving cultural change

Full year 2019 vs full year 2021

Mortgage lending¹

+14%

SME lending¹

+15%

AuM²

+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

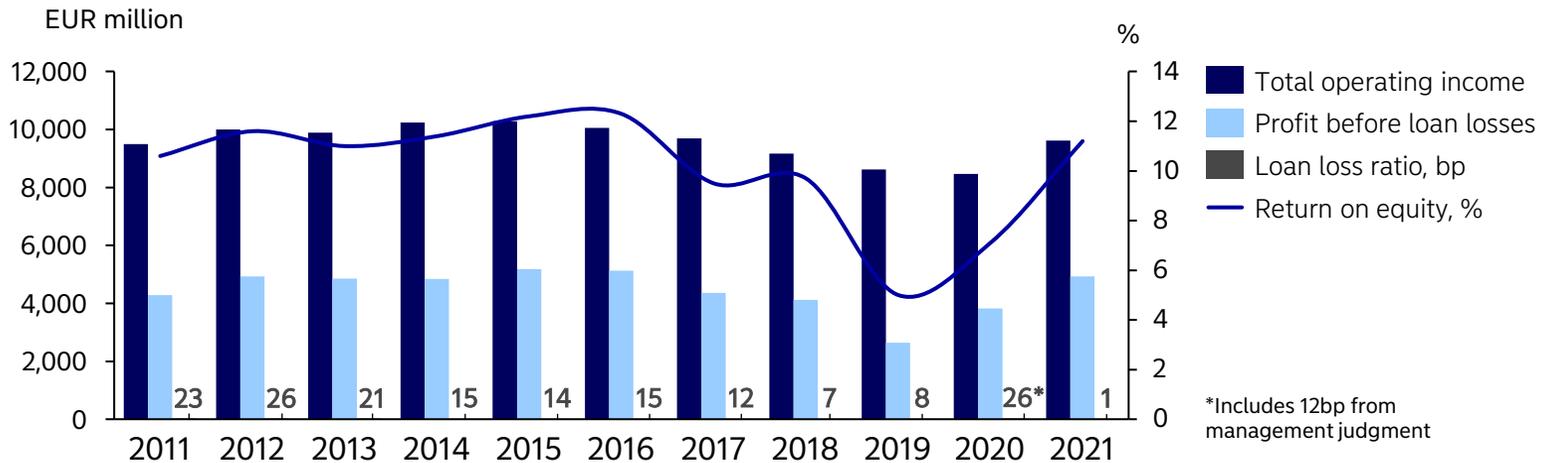
Investment in core segments – Nordea Finance Equipment

Strong cost and performance culture

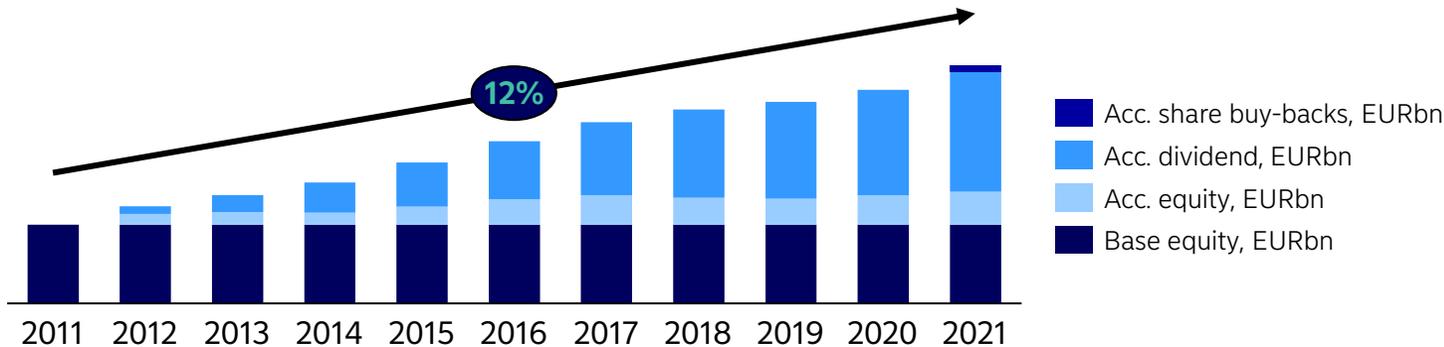
Net costs reduced while income increased

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

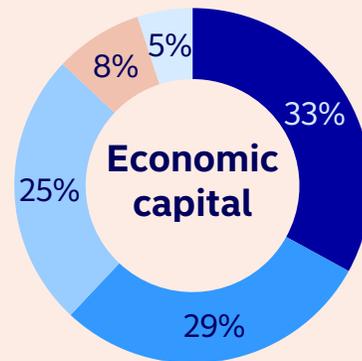
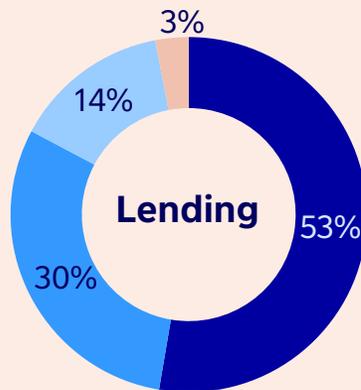
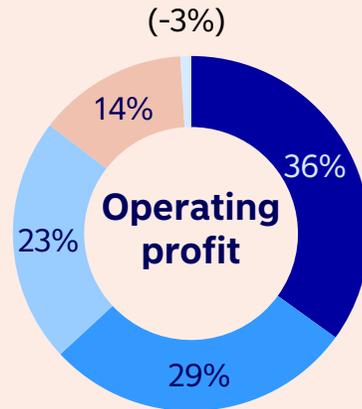
+12% annual capital generation

Capital generation enabling significant shareholder returns

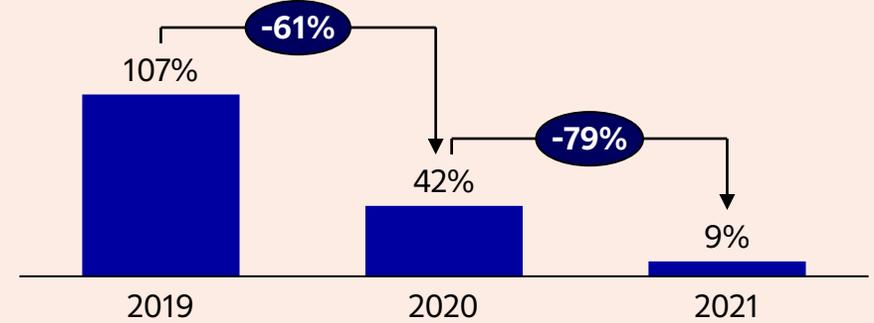
Well diversified across strong Nordic countries; business mix with low earnings volatility

Diversified across business areas

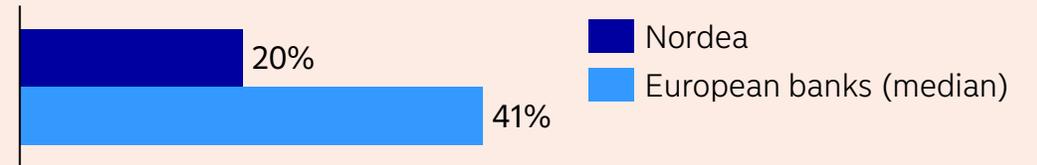
Full year 2021



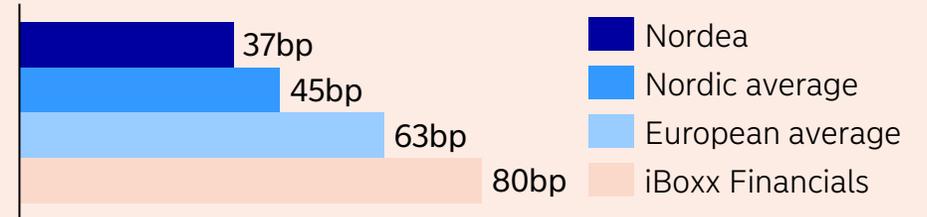
Decreasing quarterly operating profit volatility



Low profit volatility vs European banks¹



Low funding costs²



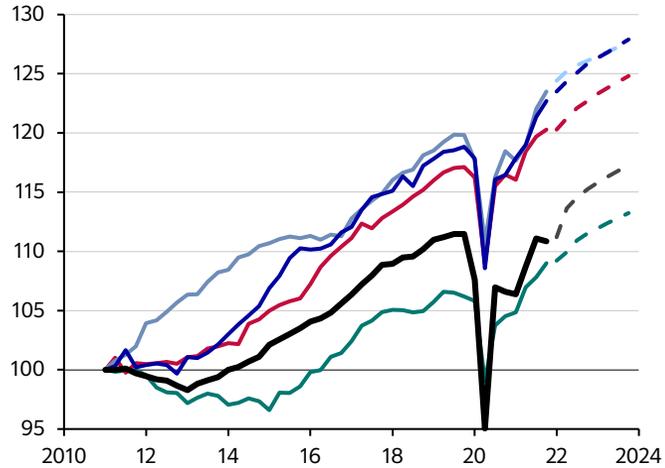
1. 2012–21 annual operating profit volatility, sample of 30 European banks.

2. 5y senior preferred new issue spread

Nordea today

Structurally attractive banking environment

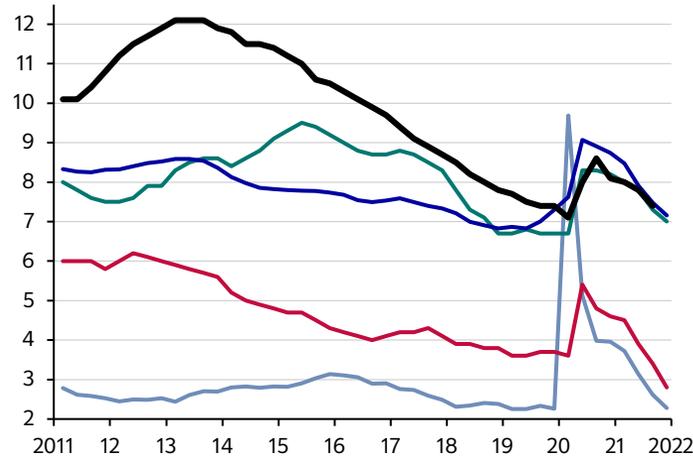
GDP (Index: 2011=100)



Source: Macrobond and Nordea

— Denmark — Euro area — Finland — Norway — Sweden

Unemployment rate (%)



Source: Macrobond and Nordea

— Denmark — Euro area — Finland — Norway — Sweden

Global top 10: Social safety nets

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

Source: WEF Global Competitiveness Report special edition 2020

Global top 10: Digital transformation readiness

- | | |
|----------------|-------------------|
| 1. USA | 6. Sweden |
| 2. Denmark | 7. Taiwan, China |
| 3. Switzerland | 8. Norway |
| 4. Netherlands | 9. Finland |
| 5. Korea Rep. | 10. Hong Kong SAR |

Source: IMD digital competitiveness ranking 2021, based on adaptive attitudes, business agility and IT integration



Operating environment

Nordic GDP growth steady
and above euro area average

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

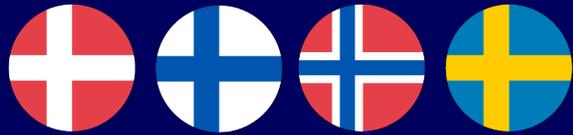
Nordic countries highly digitalised
in global context

**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



Personal Banking
1¹

Business Banking
1¹

Large Corporates & Institutions
#1-2¹

Asset & Wealth Management
1¹

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



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

Updated business plan with higher target



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

2019–21

A strong and personal financial partner

New strategic direction and targets

Grow credibility and retake lost ground in business

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

Our key priorities

CREATE

the best omnichannel customer experience

DRIVE

focused and profitable growth

INCREASE

operational and capital efficiency

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

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

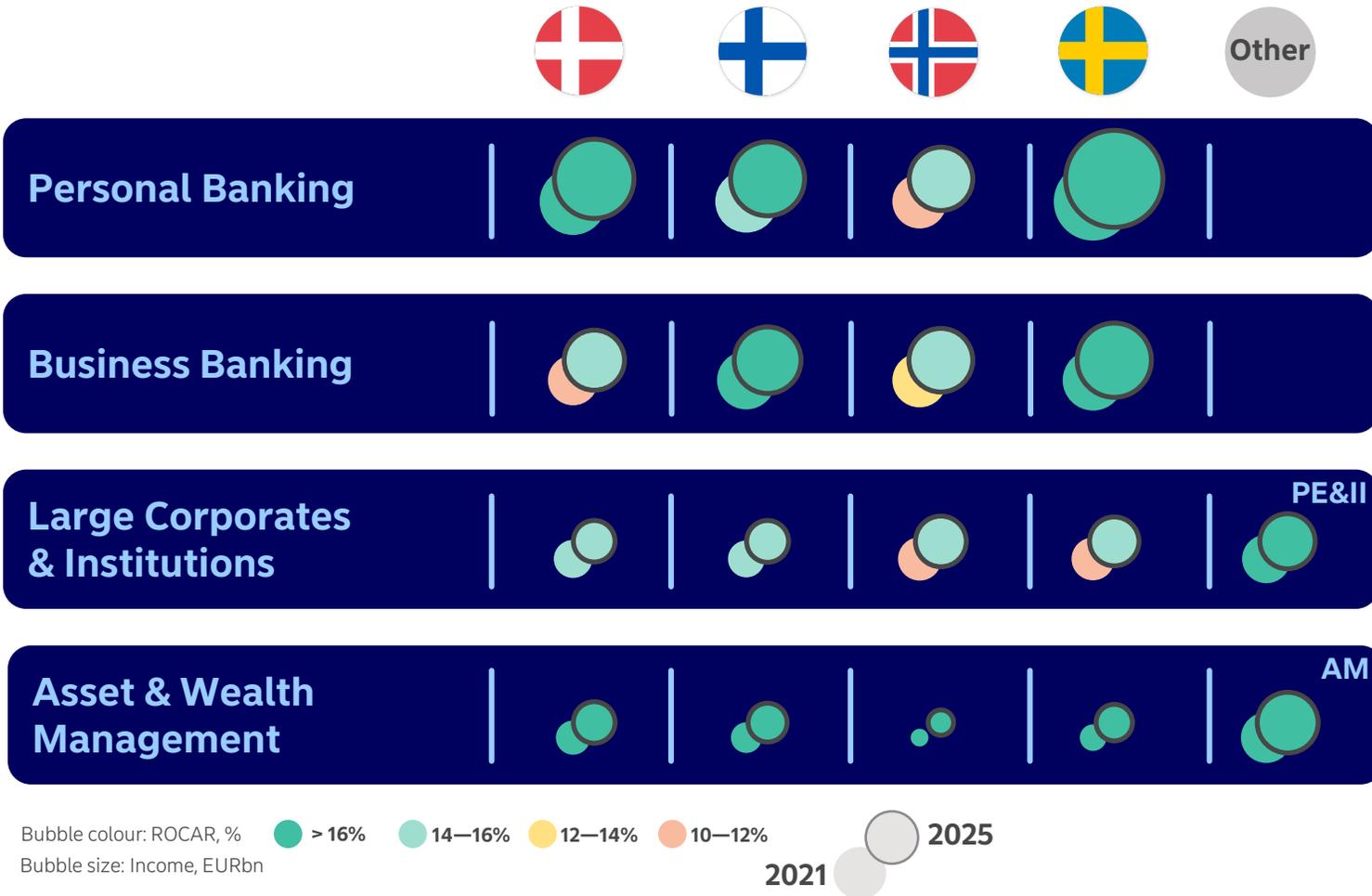
Ensure sufficient investment capacity

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

Driving profitability improvements across Nordic segments



Primary levers to drive profitability improvements

Accelerate savings growth

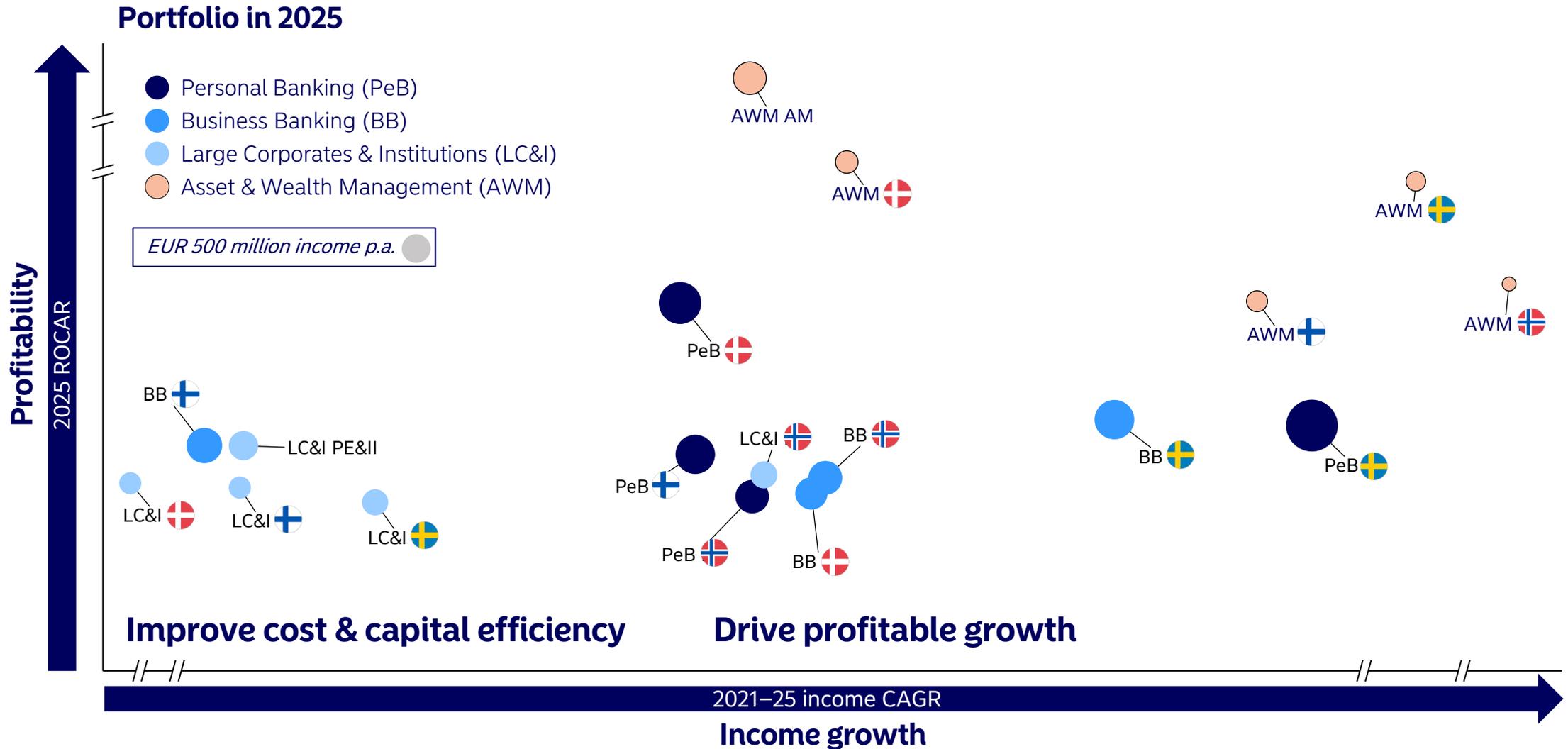
Allocate more capital to profitable lending growth

Increase operational efficiency

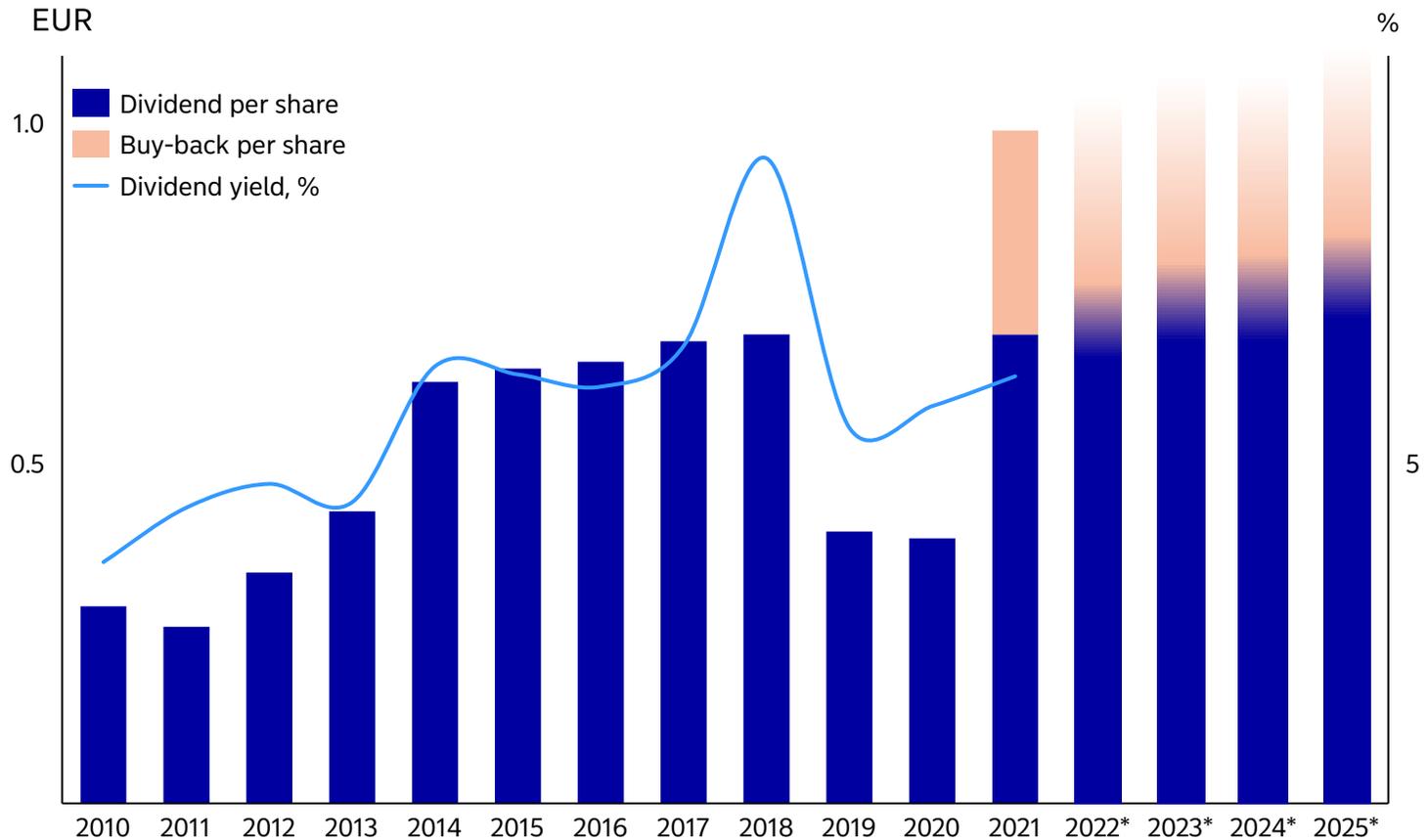
Reduce low-yielding economic capital

17 PE&I = Private Equity and International Institutions; AM = Asset Management; ROCAR = return on capital at risk
Normalised 10bp loan losses used for 2021 numbers

Portfolio optimisation based on profitable growth and capital efficiency



Market-leading shareholder returns



71%
average dividend payout ratio
since 2010 – now complemented
with share buy-backs

Digital leader



Making banking easy – investing in digital leadership and omnichannel customer experiences

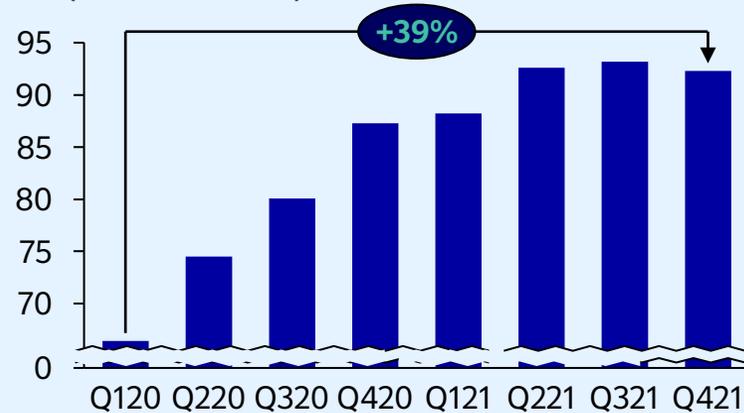
Competitive digital experience

Best performer

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

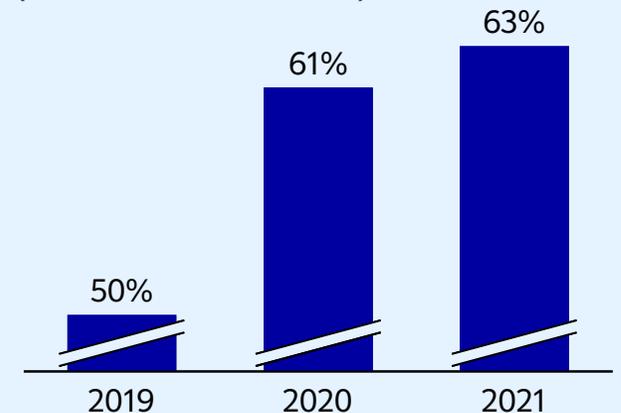
Growth in digital engagement

Logins to digital channels (millions/month)



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

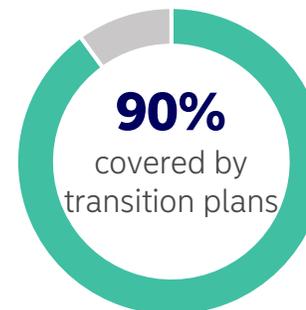
Facilitate sustainable financing

2022–25



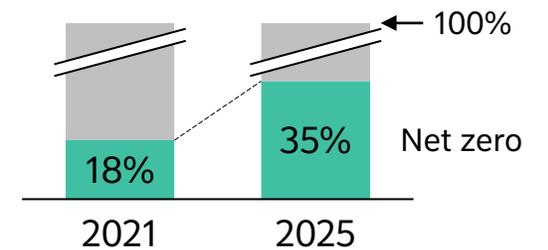
Transition plans for large corporates

Exposure in climate-vulnerable sectors



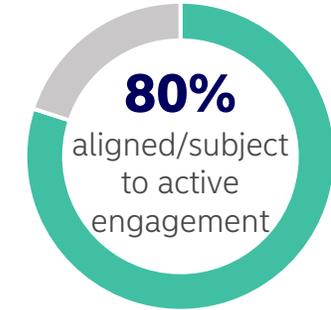
Double share of net-zero committed AuM

Asset Management



Alignment with Paris Agreement for top 200 emitters

Portfolios in Asset Management



Nordic-focused bank with high-performance culture and focus on growth



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

Organisational
structure
streamlined, with
clear accountability

Incentive structure
aligned with
growth and
financial success

Nordea brand elevated
to support even better
business performance

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



Nordea

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)

GROWTH

Business momentum

+14%
mortgage
lending

+15%
SME
lending

+26%
AuM

+12%
income

EFFICIENCY

Significant positive jaws

+12%
income

-5%
costs

Cost-to-income ratio

9pp
improvement

CAPITAL

Net capital generation

~200bp
capital excess
before M&A and buy-backs¹

Shareholder returns

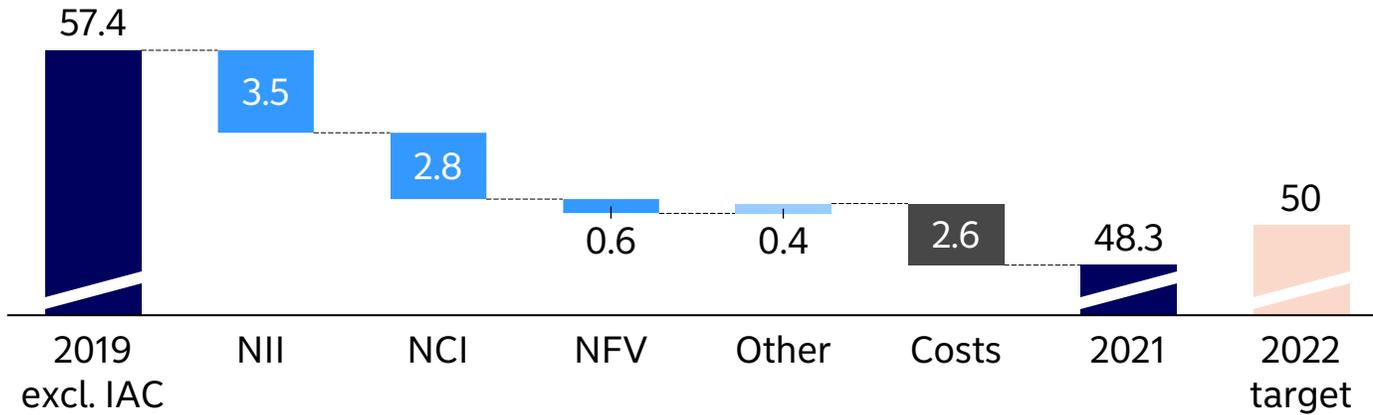
EUR 4.4bn
in dividends and buy-backs¹

STRONG CAPITAL POSITION
CET1 ratio 17.0%

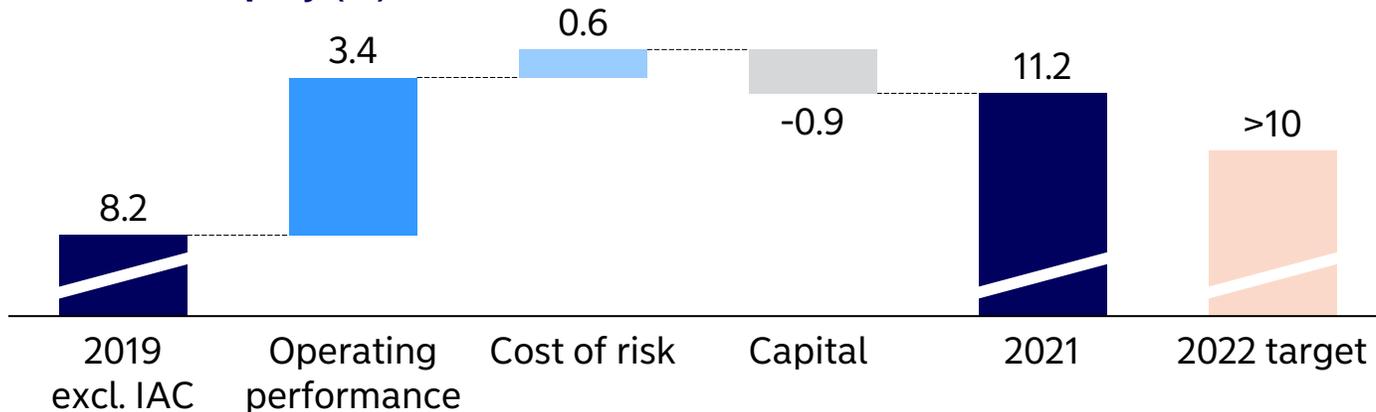
Nordea today

Targets surpassed ahead of schedule

Cost-to-income ratio (%)



Return on equity (%)



✓ Delivering on our strategy 2019–21

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

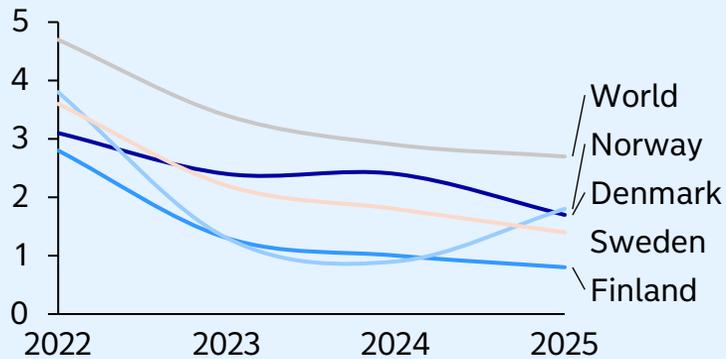
- Clear accountability
- Simplified processes and organisation
- Fewer people: -7% FTEs
- EUR 230m net cost reduction
- Capital efficiency gains; LC&I EC down 23%

Favourable market conditions in 2021

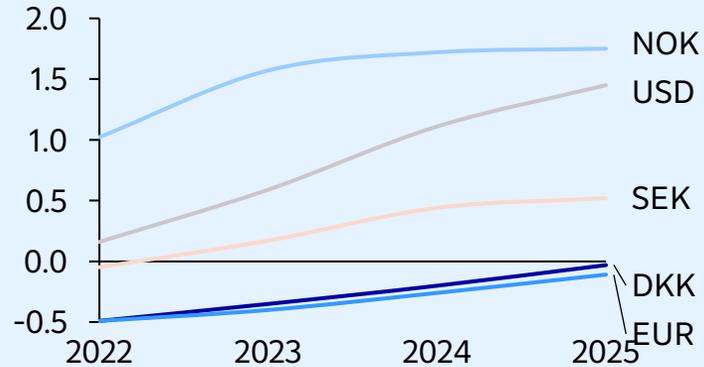
- Strong advisory income
- Exceptional net fair value result
- Loan losses 14bp lower than historical average

Key assumptions underpinning our plans

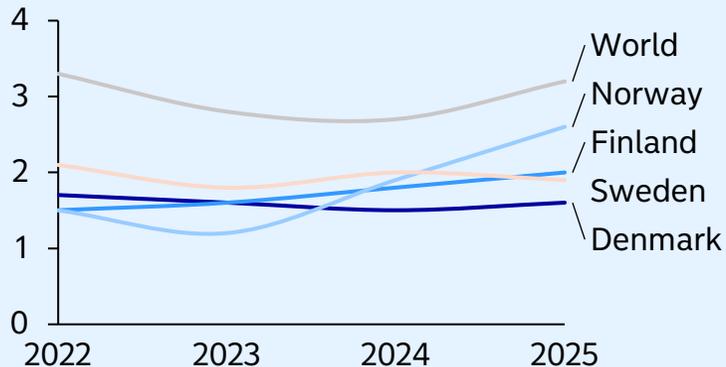
GDP growth (%)



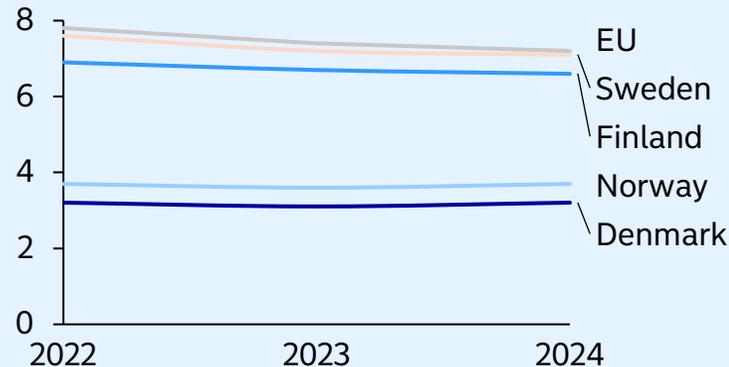
Interest rates (%)



Inflation (%)



Unemployment rates (%)



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

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

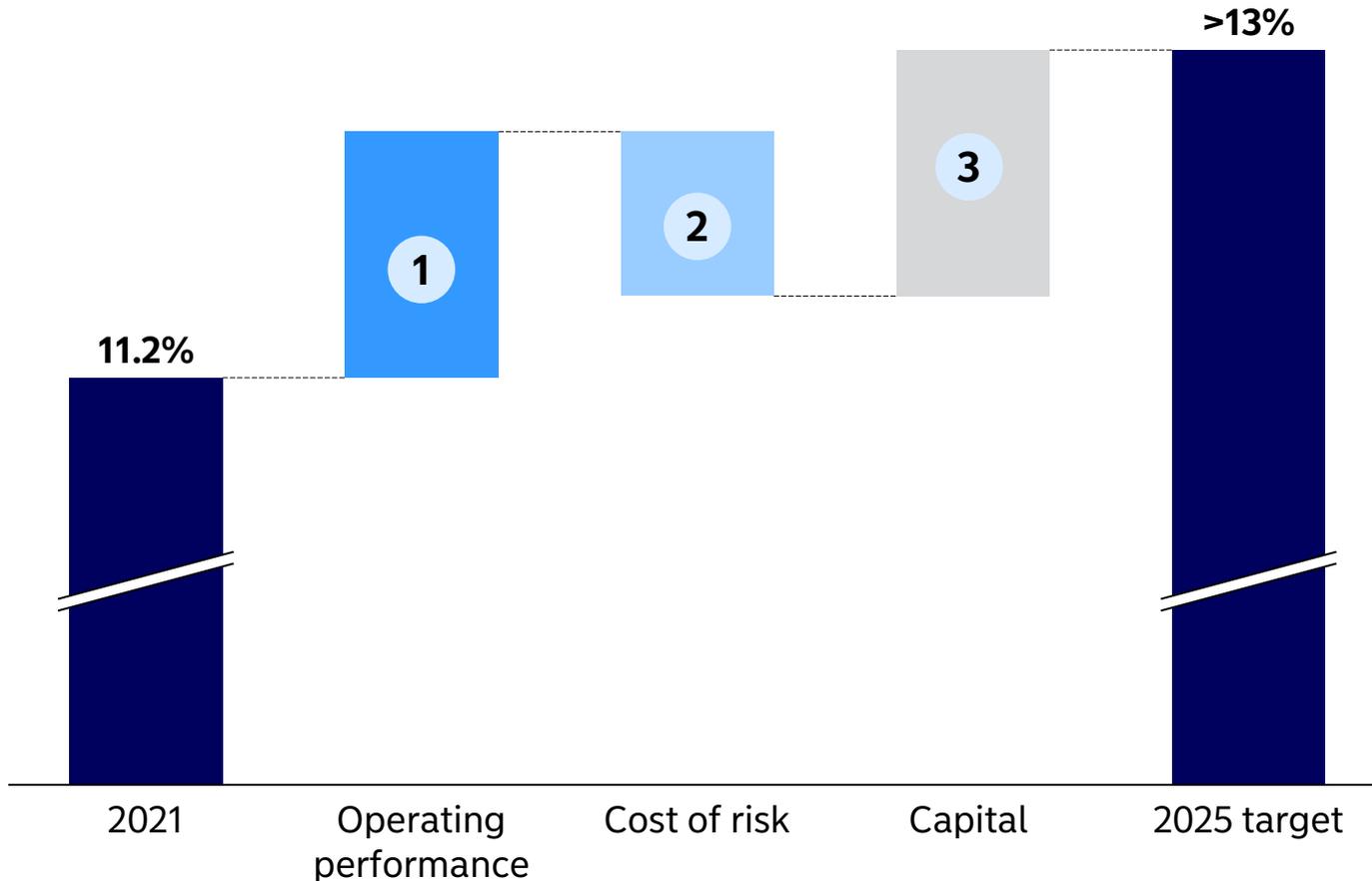
60–70% dividend payout ratio; excess
capital distributed through buy-backs

Management buffer of 150–200bp above
regulatory CET1 requirement

Financial target

Delivering a step change in profitability

Return on equity (%)



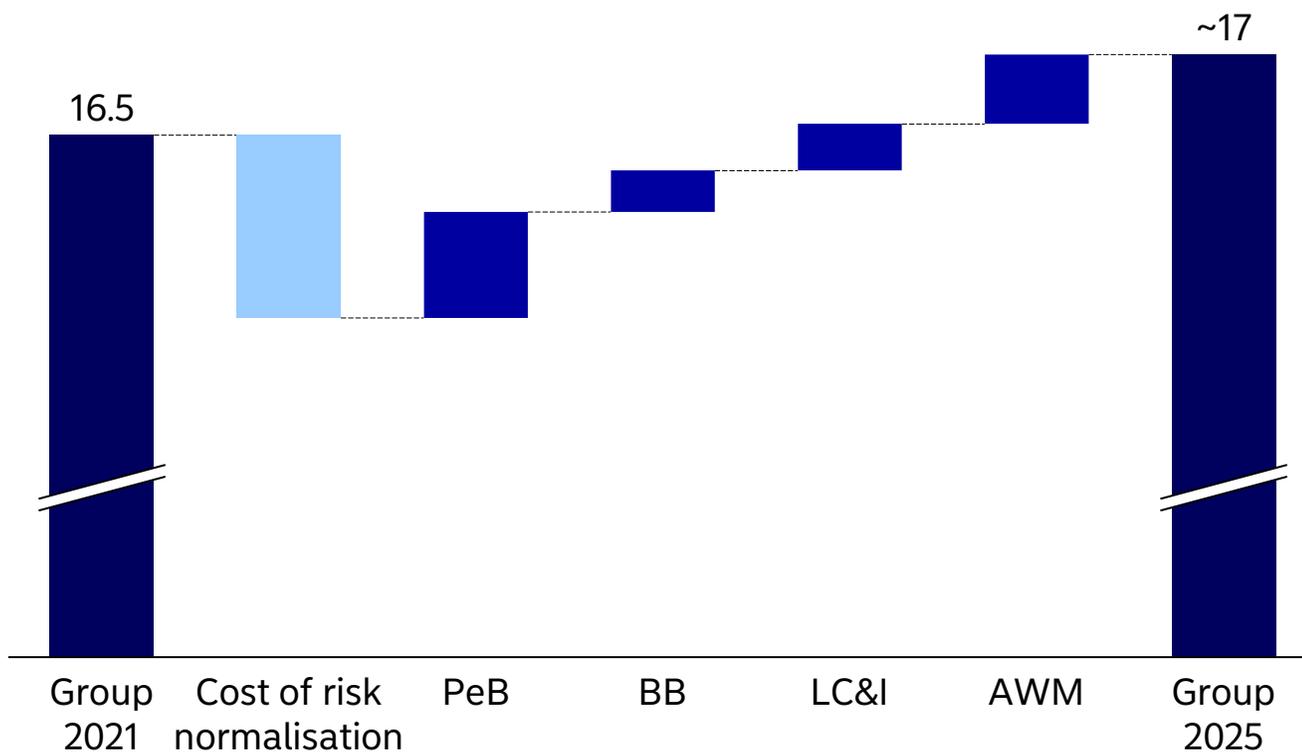
Drivers for 2025 target

- 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 (%)

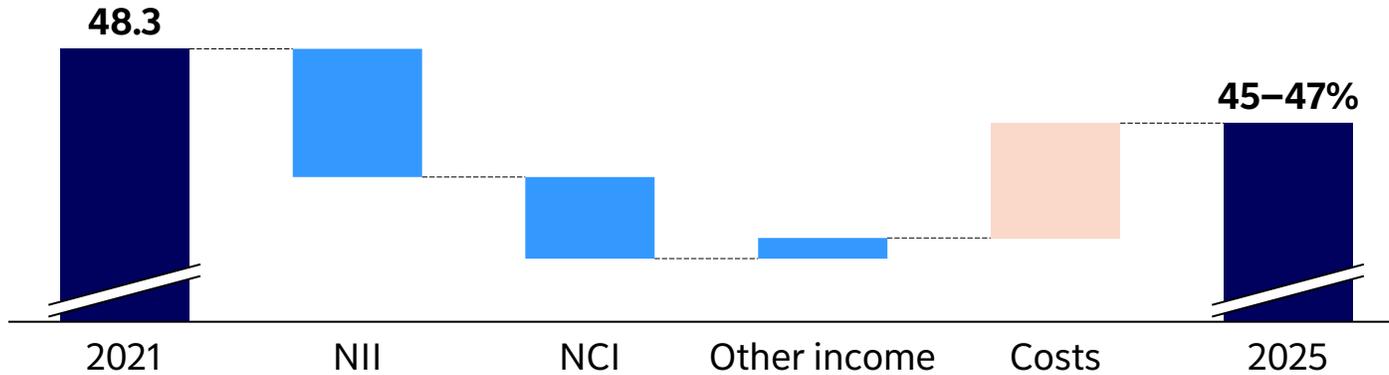


Business area 2025 targets

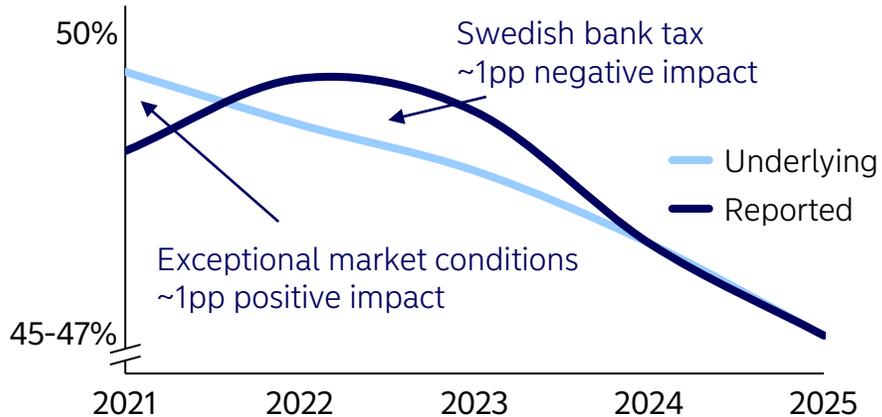
	ROCAR	Cost-to-income ratio
Personal Banking	~18%	~45%
Business Banking	~16%	~40%
Large Corporates & Institutions	~16%	~40%
Asset & Wealth Management	~38%	~40%
Other		
Group total	~17%	45–47%
Items affecting RoE ¹	~-4%	
Return on equity	>13%	

Focused on income growth and operational efficiency

Cost-to-income ratio improvement (%)



Cost-to-income ratio development



~+2% jaws CAGR 2021-25

Continuous improvement
in underlying
cost-to-income ratio



Operating performance

Drive focused profitable growth

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

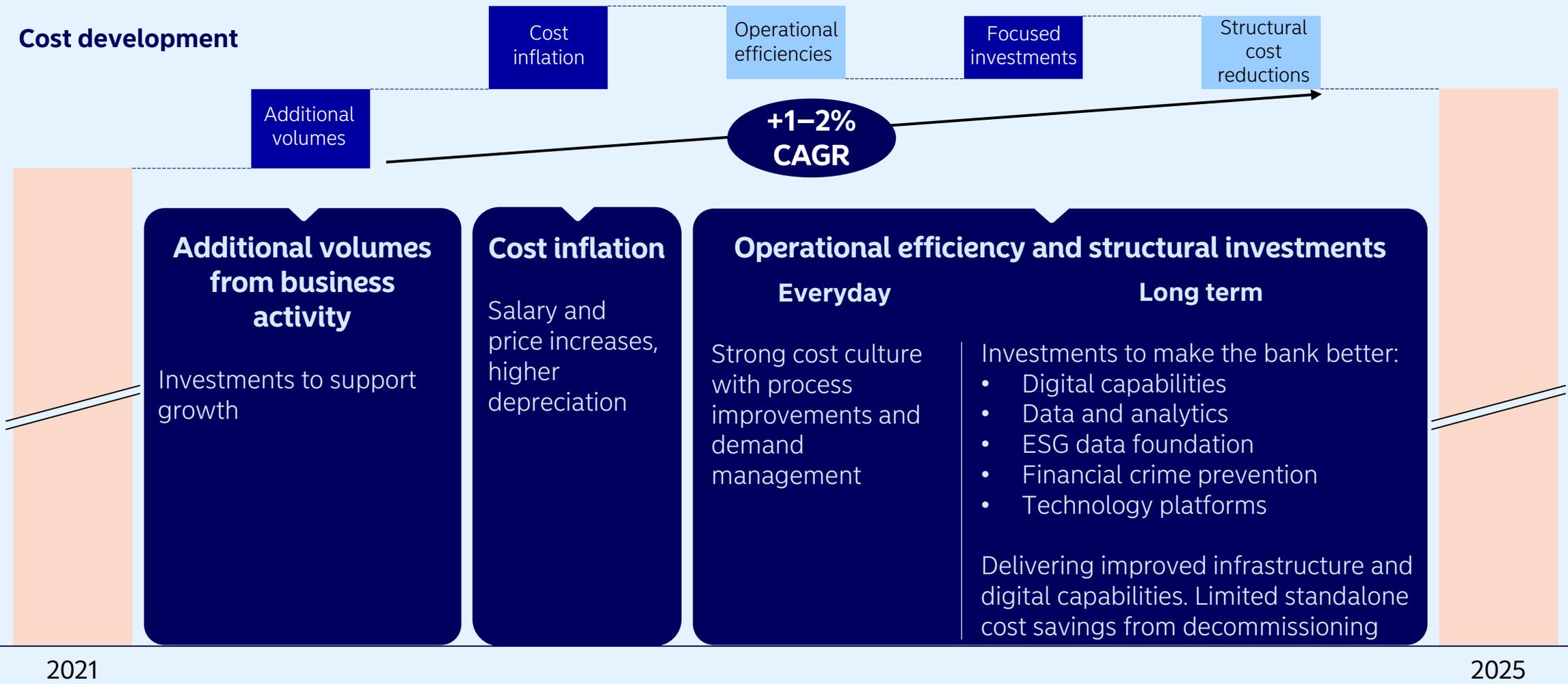
Invest in key levers

- 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

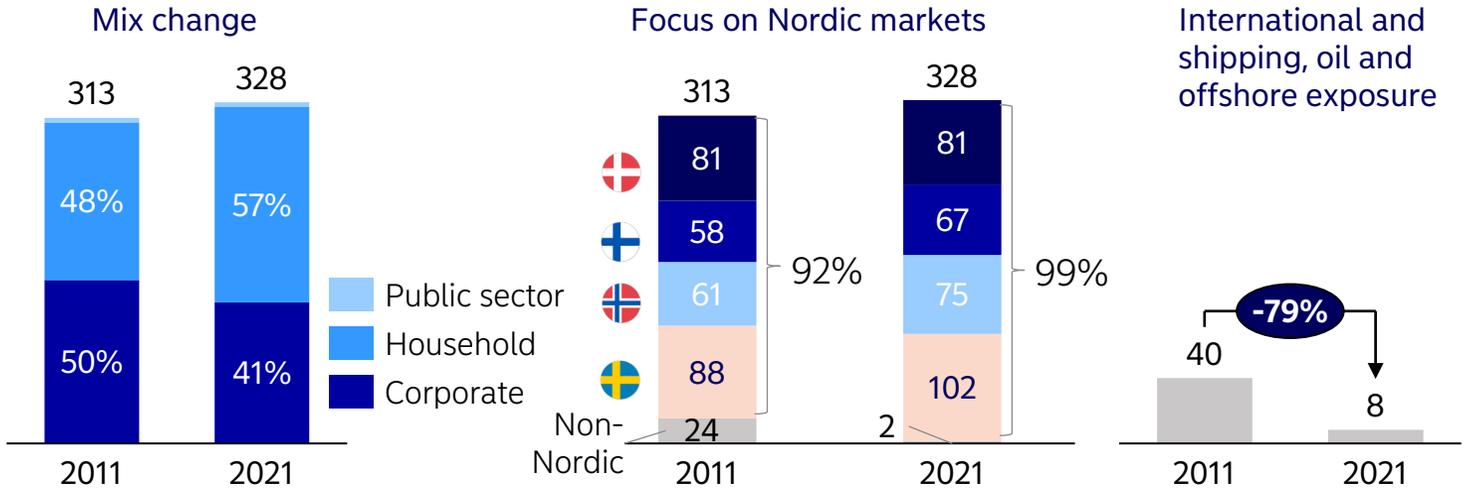
Smart investments and rigorous cost control



Cost of risk

Loan losses settling below historical average

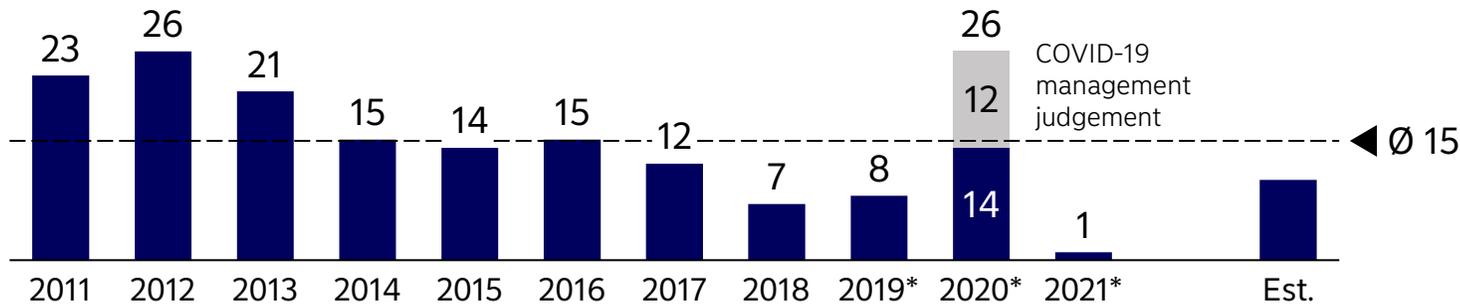
Significant de-risking (EURbn)



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

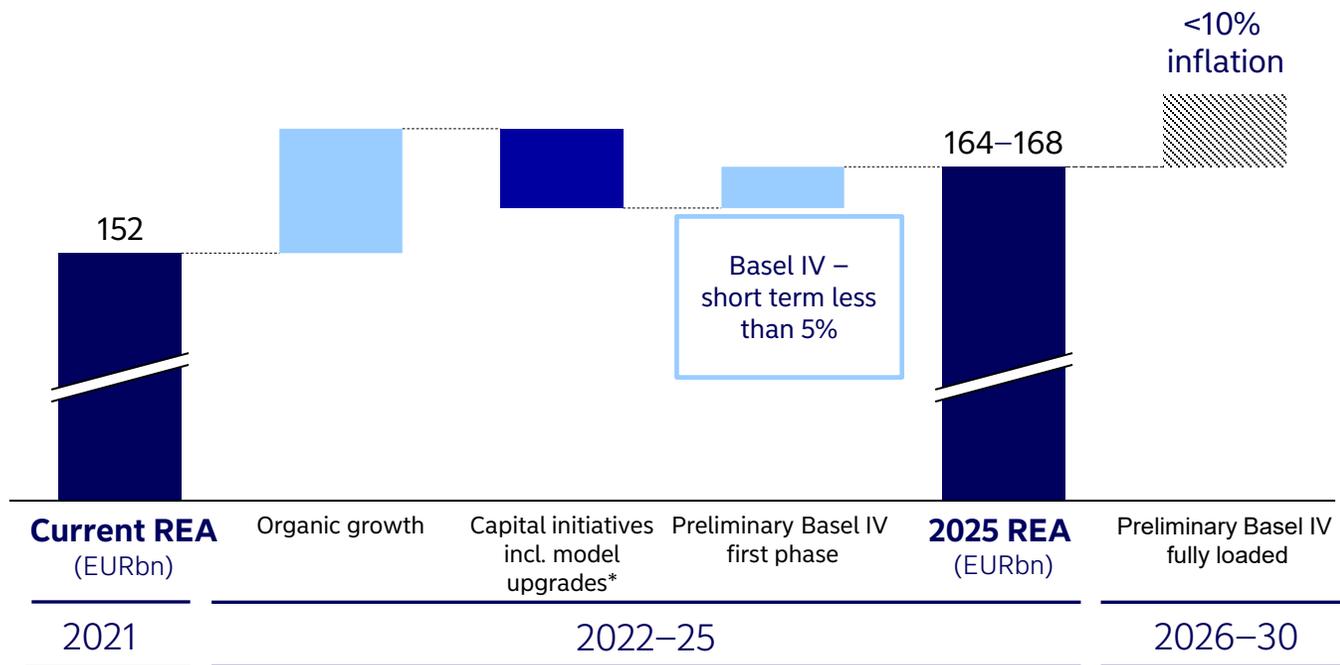
Loan loss ratios (bp)



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

Risk exposure amount development



Capital initiatives:

- Refined capital deployment in BB and LC&I
- Hedging
- Model upgrades

Business initiatives:

- Product shaping
- Repricing

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

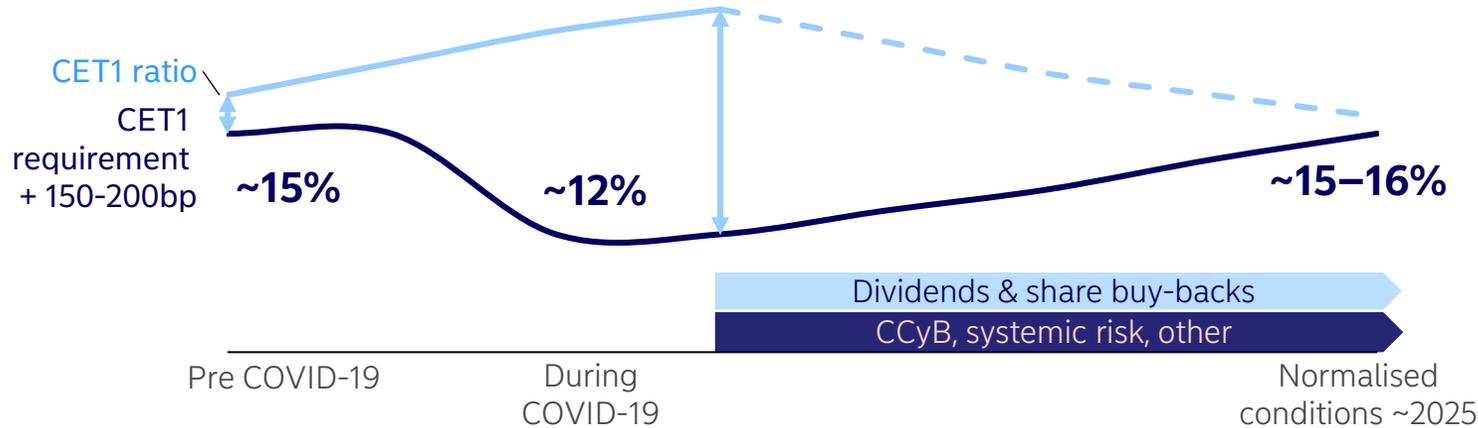
2030 preliminary Basel IV fully loaded

- <10% REA inflation from output floors

Business initiatives developed to further mitigate impact

Reducing capital excess – path to normalisation

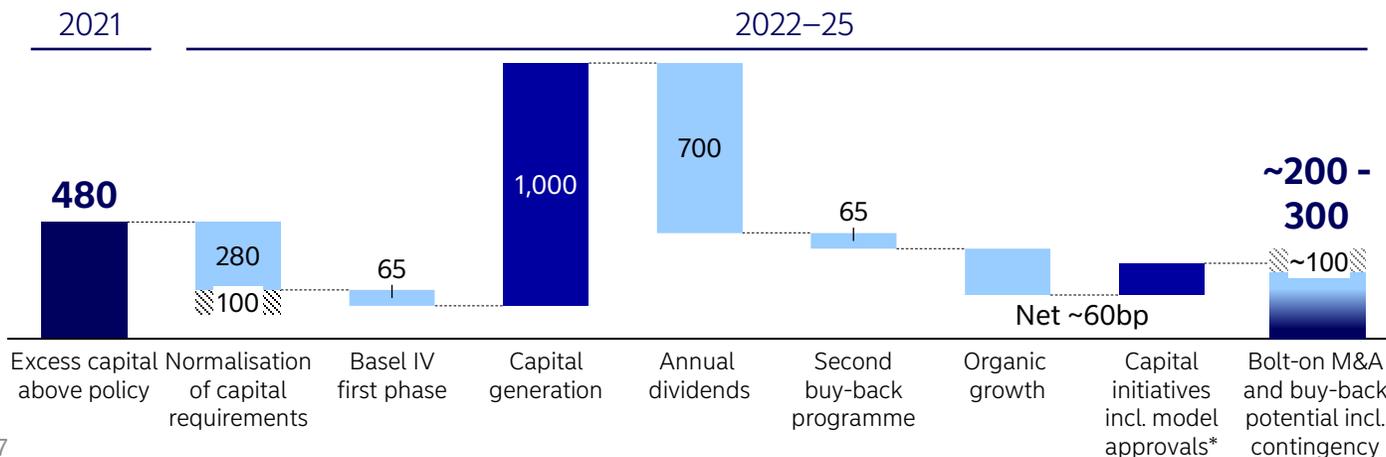
CET1 capital ratio and requirement



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)



Focus on capital excellence

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

Sustainability at the core

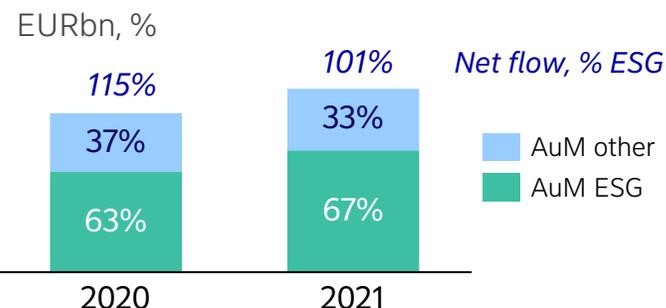
Green transition – balancing opportunities and risks

Maximise opportunities by supporting customers

Transition financing needs in Nordics¹



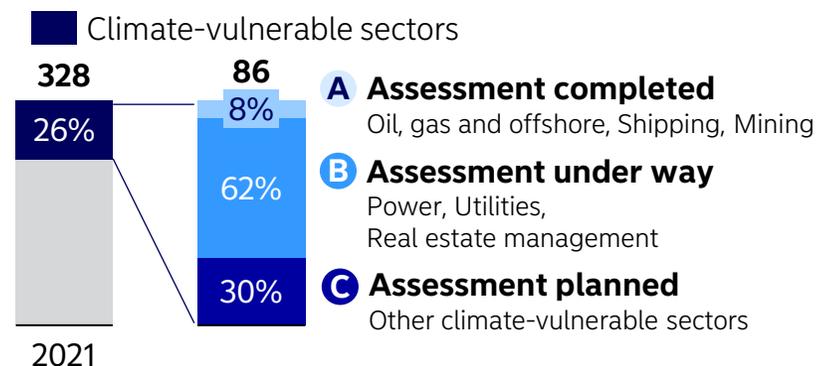
ESG share of AuM and net flow²



Manage risks

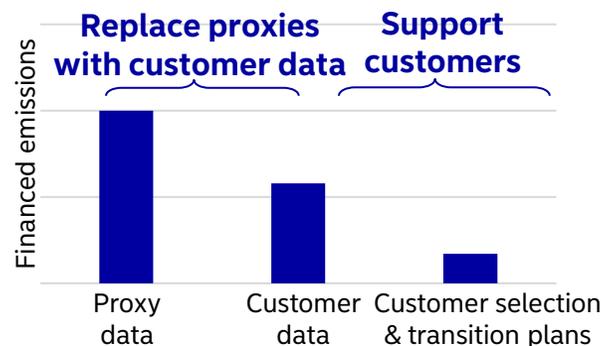
Climate-vulnerable exposure

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)

38 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

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

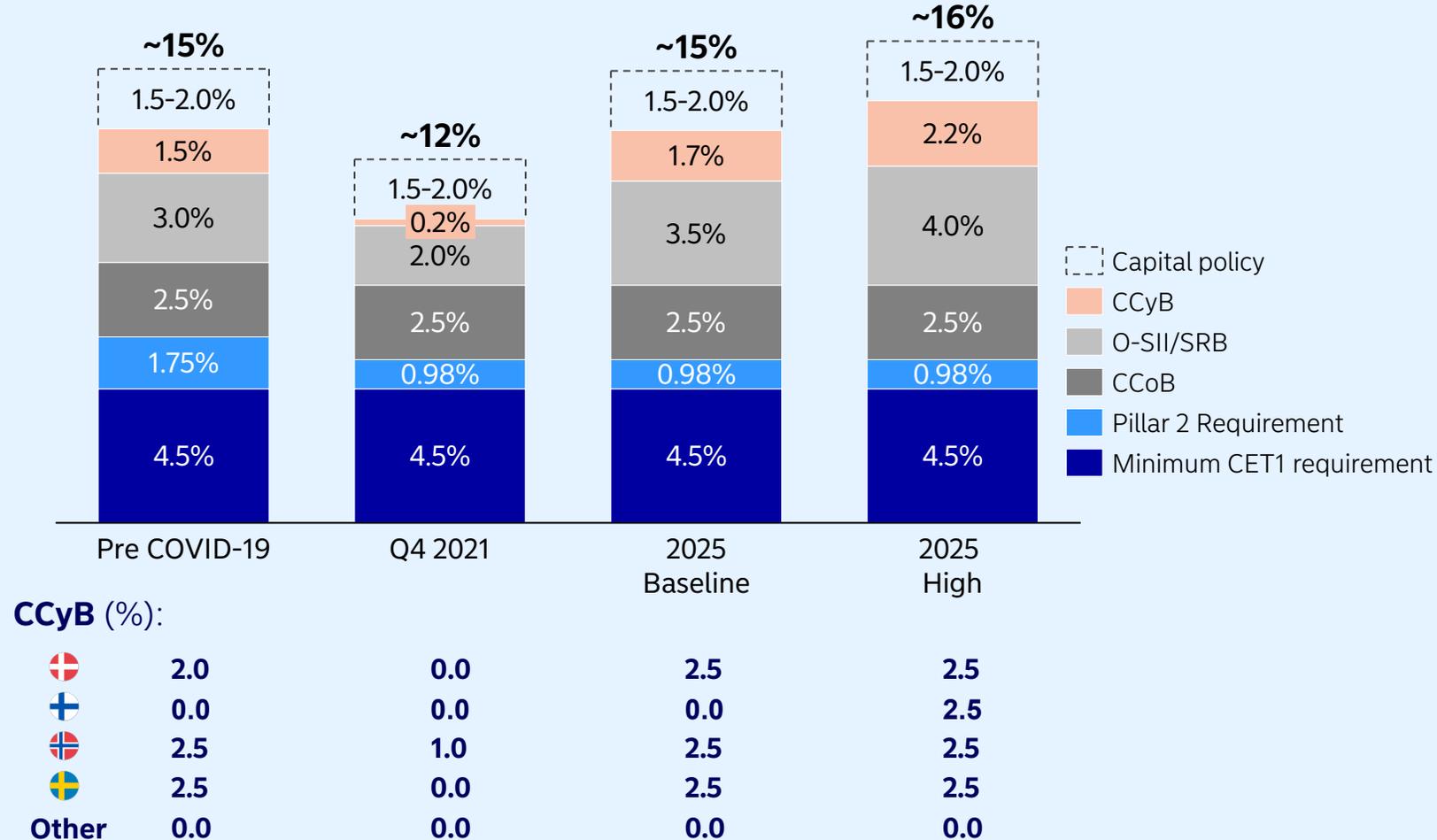
CET1 ratio ~15–16%

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



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

Nordea

Q&A

CEO and CFO



Nordea

Break



Agenda

		EET
▪ 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

Nordea

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

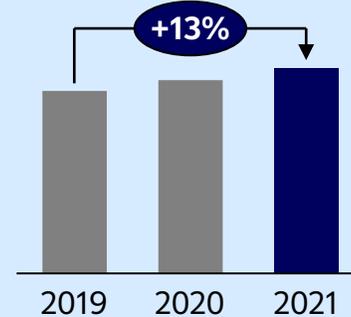


Full range of financial services

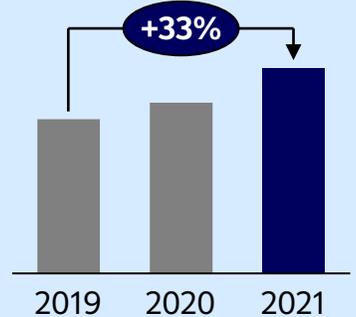


Leading digital platforms

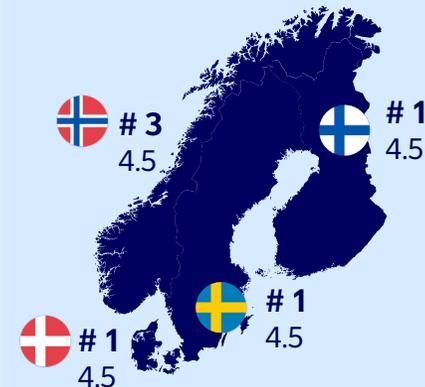
Mortgage volumes
EURbn



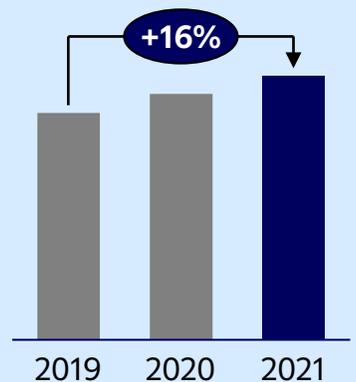
AuM
EURbn



Mobile app ratings
Dec 2021, iOS, ranking and score



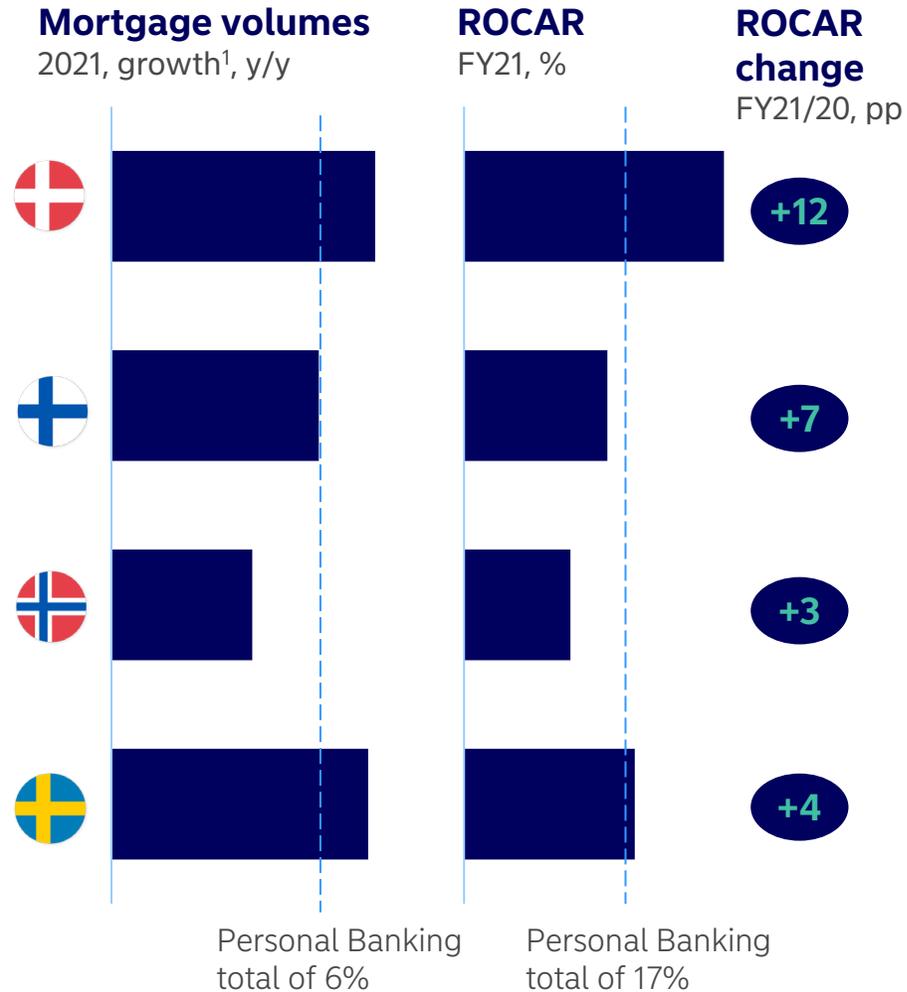
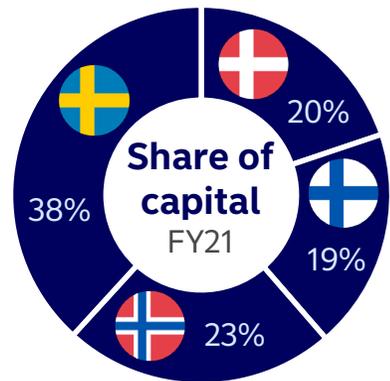
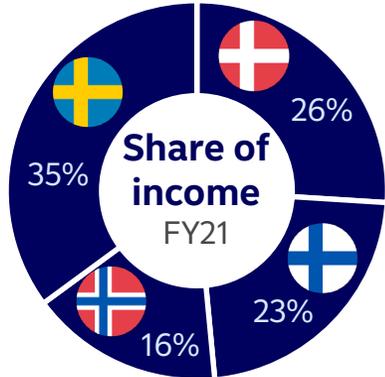
Digital capabilities
of mobile bank users



Nordea

Personal Banking today

All countries have improved profitability



Strong market positions in all four countries

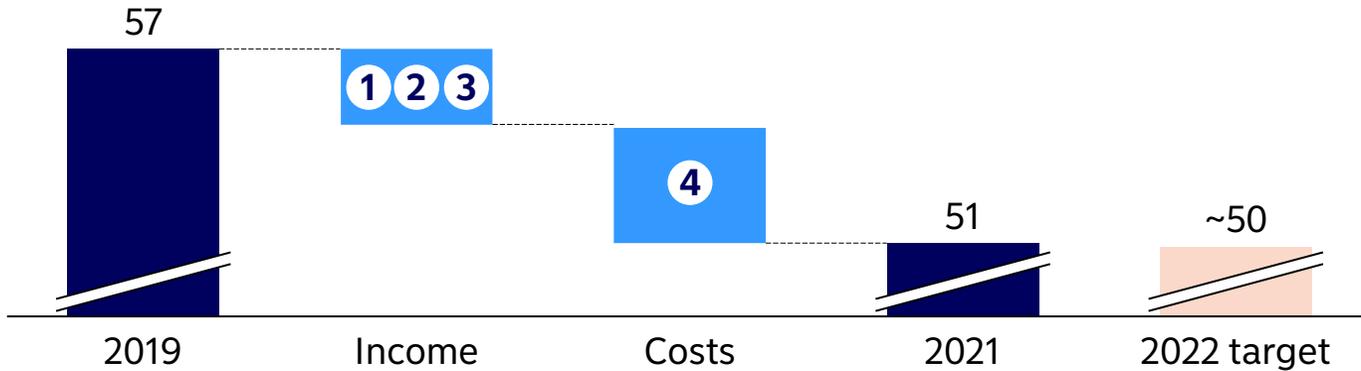
Profitable business with strong growth

Risk diversification across Nordic countries

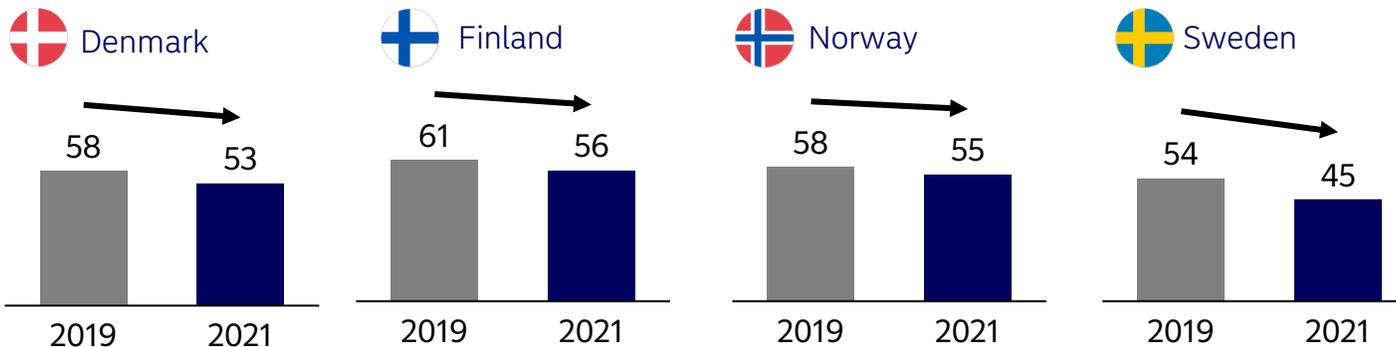
Strong business momentum and improved cost efficiency

Financial performance 2019–21

Cost-to-income ratio (%)



Cost-to-income ratio by country (%)



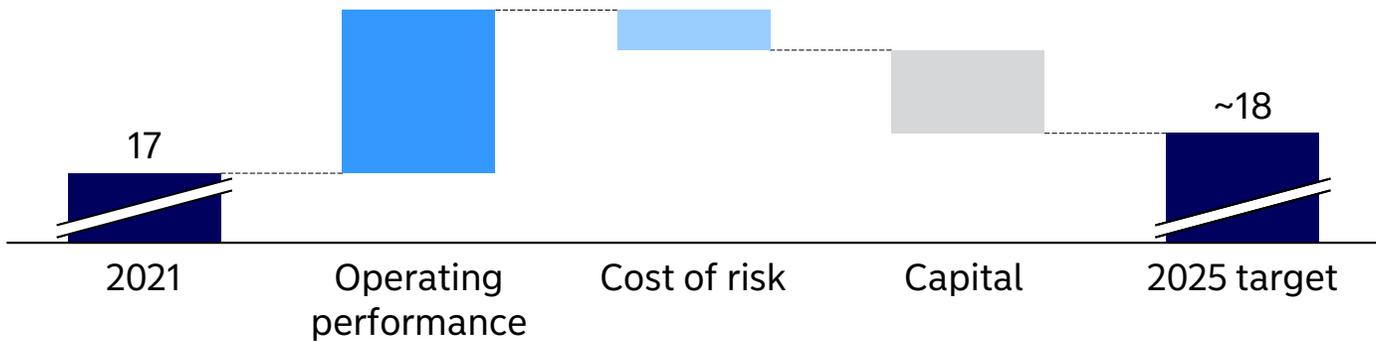
2022 targets met ahead of schedule

- 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

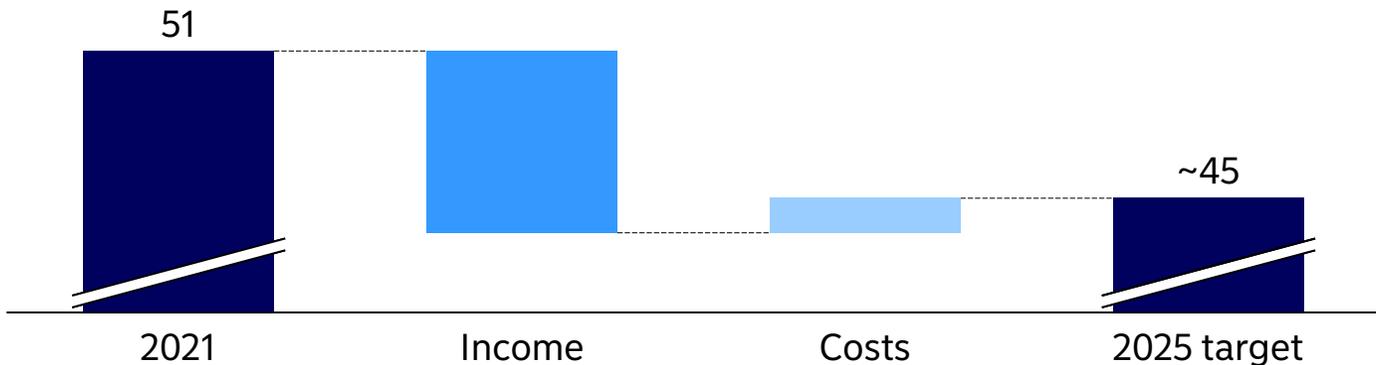
Continue business momentum with focused investment

🎯 2025 targets

Return on capital at risk (%)



Cost-to-income ratio (%)



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

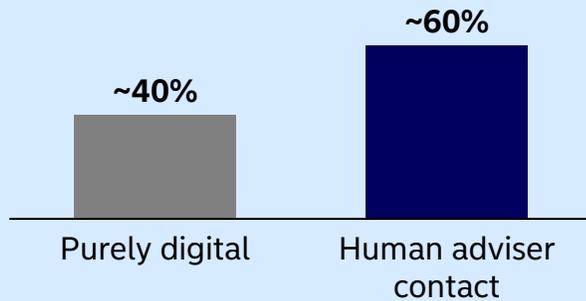
in the distribution model and key customer journey processes

Normalisation of cost of risk and capital requirements

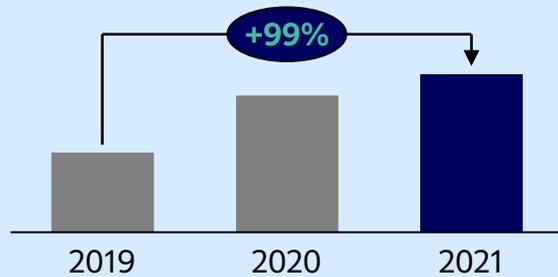
Deepening customer relationships by combining digital ease with competent advisory

Customer preferences evolve

Contact preferences in mortgage process¹



Customers having a sustainable preference in their investments



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

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

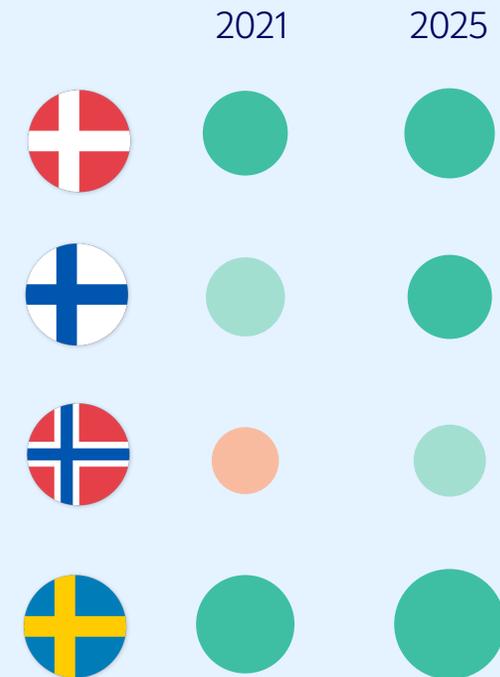
- Invest in advisory capacity and brand-driven marketing
- Enhance digital sales capabilities and competences
- Provide new digital services



Offer sustainable choices and advice

- Leverage our ESG savings offering
- Expand sustainable offerings such as green lending
- Utilise partnerships to support customers

Profitable growth



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

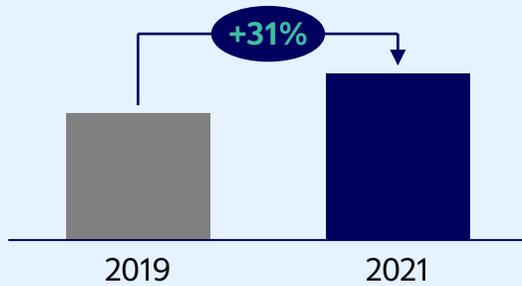
Bubble size: Income, EURbn

Normalised loan losses used for 2021 numbers

Digital is a key enabler in our relationship model

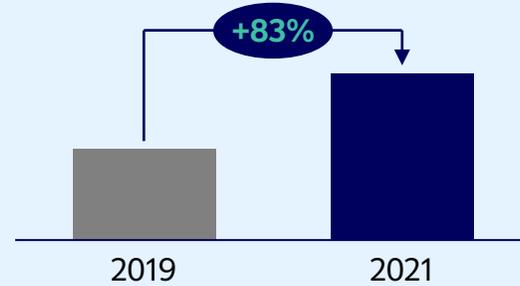
Increase in digital customer interactions ...

of mobile bank log-ons



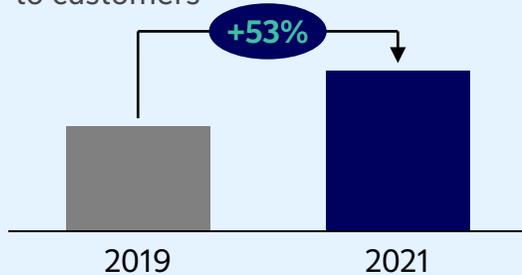
... and the majority of our human advisory is virtual

Share of online meetings



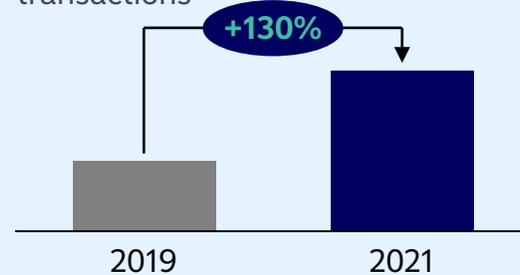
Significant increase in number of personalised digital messages ...

of analytically driven 1:1 messages to customers



... as well as in digital initiated sales

Digitally initiated funds sales, transactions

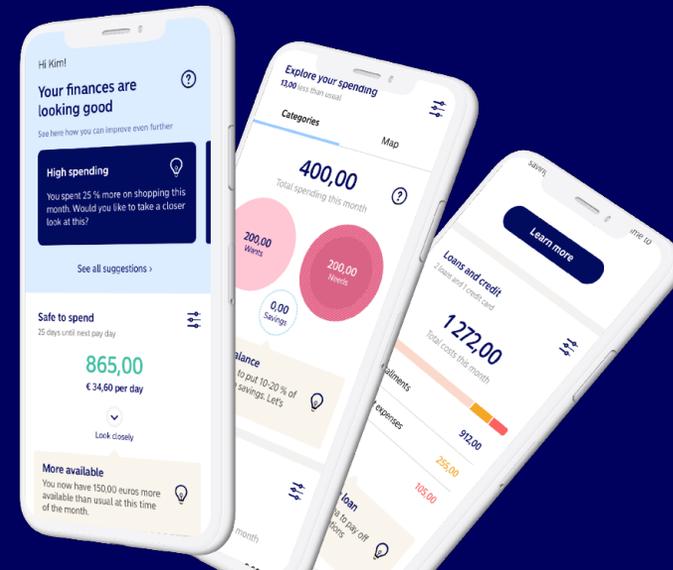


Making banking easy through

Fast and engaging **digital onboarding**

Personalised experience in digital channels

Actionable insights to improve financial well-being



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%



Nordea

Business Banking

Capital Markets Day

Nina Arkilahti, Head of Business Banking

17 February 2022

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

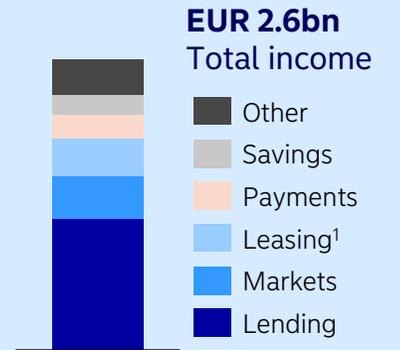


Strong sustainable offering and products

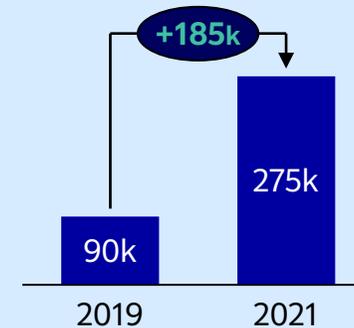
Customer relationships with



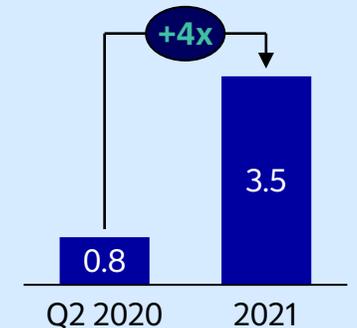
Broad income distribution



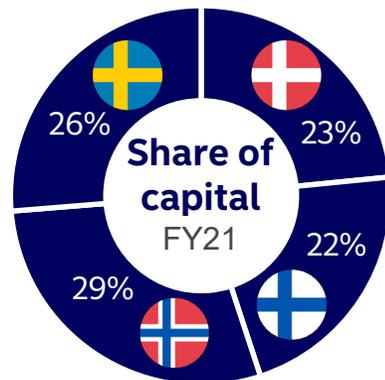
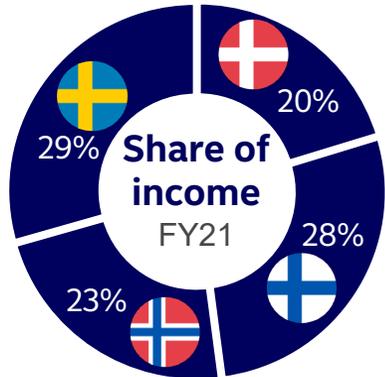
Customers on digital platform



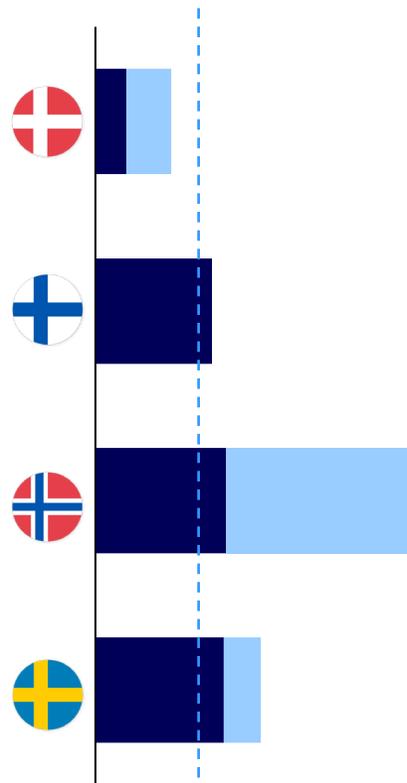
Sustainable financing²
EURbn



Delivered good income growth and improved profitability

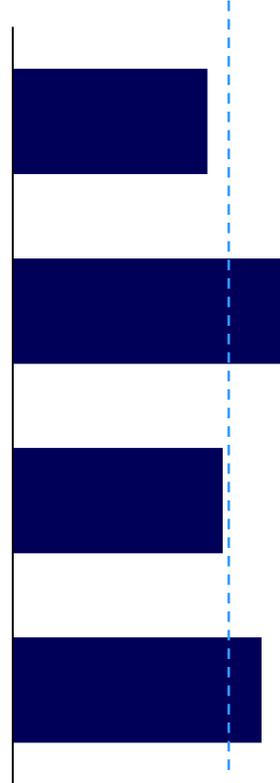


Income growth
2021, y/y% ■ NFE¹



Business Banking
total of ~8%²

ROCAR
FY21, %



Business Banking
total of 16%

ROCAR change
FY21/20, pp



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

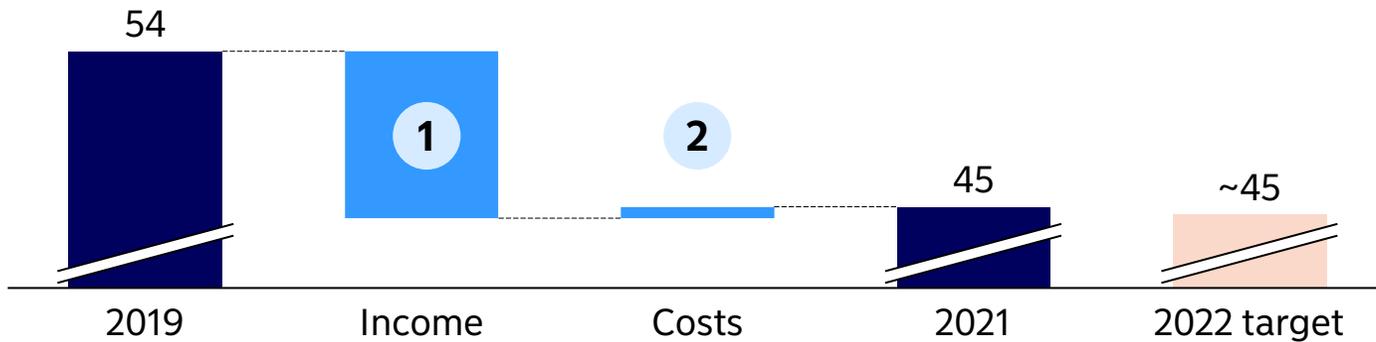
Good income growth supported by NFE¹ acquisition

Solid credit portfolio and strict capital discipline

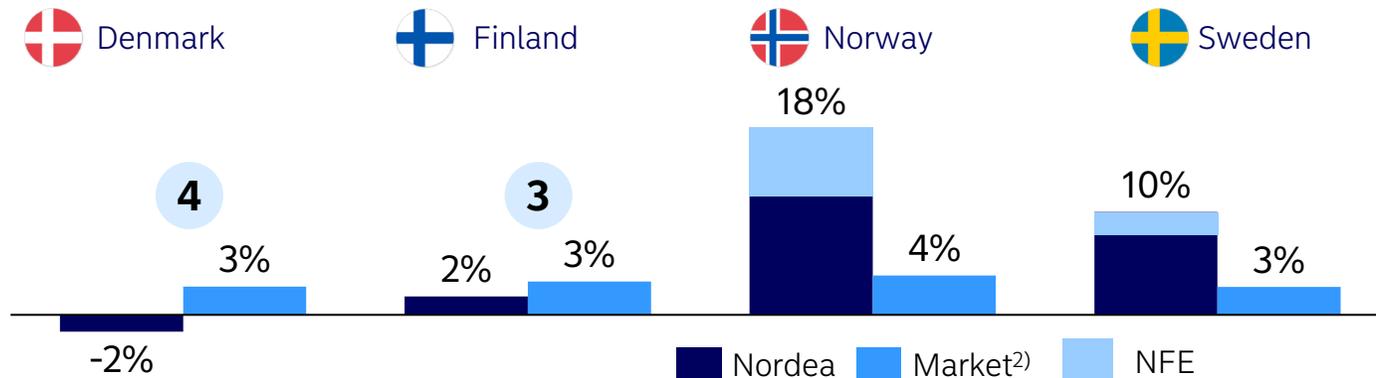
Strong growth and performance in Sweden and Norway

Financial performance 2019–21

Cost-to-income ratio (%)



Lending growth 2019–21 CAGR (%)



✓ 2022 target met ahead of time

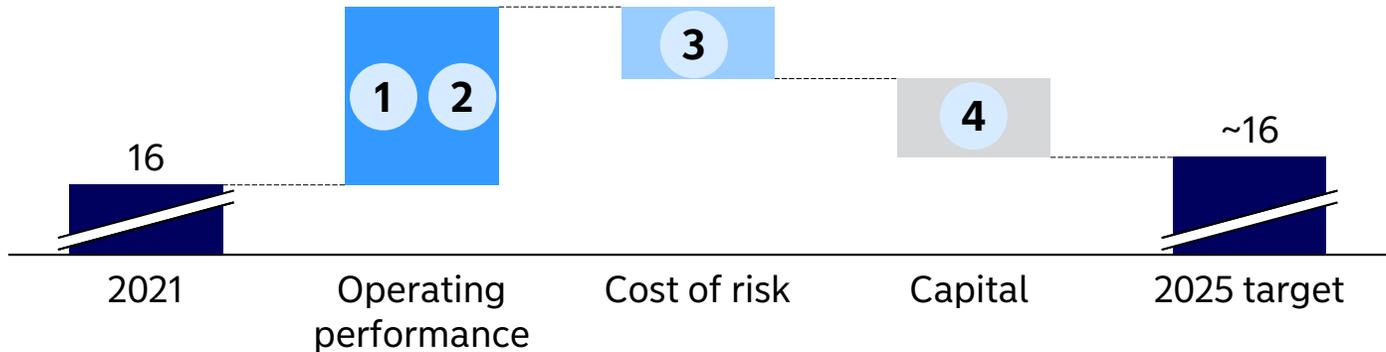
- 1 Income growth CAGR of +7%¹**
via high customer inflow and activity in Sweden and Norway
- 2 Costs reduced by 4%¹**
through headcount reductions and strict cost focus
- 3 Strong position in Finland**
via profitability steering and focused customer selection
- 4 Profitability turnaround in Denmark**
through disciplined customer selection and pricing

56 1. Excluding Nordea Finance Equipment acquisition
2. Corporate lending including all corporates

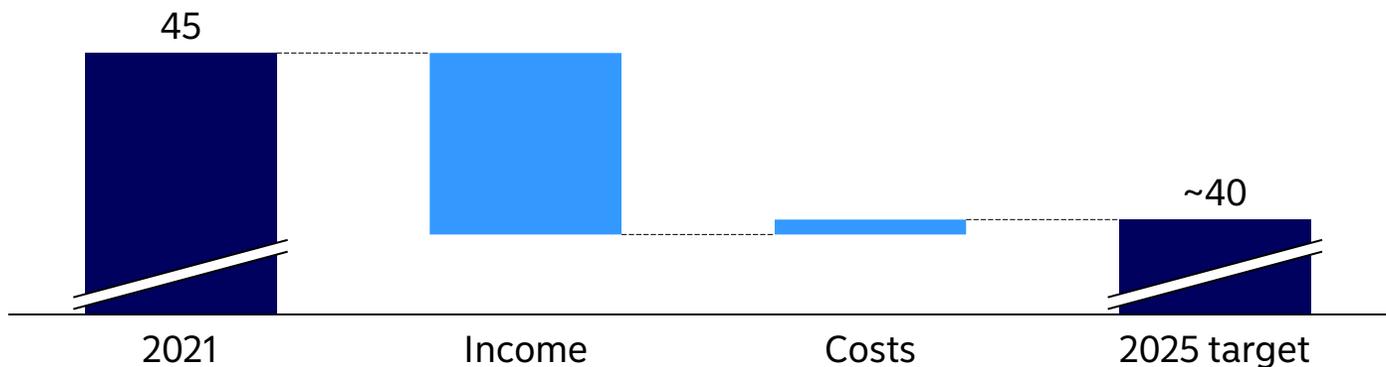
Continued growth, cost at risk & capital headwinds

🎯 2025 targets

Return on capital at risk (%)



Cost-to-income ratio (%)



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**

Well-positioned to deliver on our growth plan

SME customer preferences¹

~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

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

Our focus areas



Accelerate growth



Continue growth



Transform to profitable growth



Maintain strong position

How we are doing it

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

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

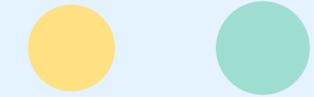
- › Apply systematic **customer right-pricing**
- › **Grow in mid-enterprise** & key niches

- › Selective **customer acquisition**
- › **Profitability steering** on existing portfolio

Profitable growth

2021

2025



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**

7 of 9

legacy channels replaced since 2019

Supported **SME digital uptake**

+75%

y/y increase in # of users of Nordea Business mobile app

Significant **uplift in digital functionality**

+25

more features than on legacy platforms

Delivering advice via remote capabilities

85%

of meetings with small enterprises are remote

2022–25: Accelerating the journey

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

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%

Nordea

Large Corporates & Institutions

Capital Markets Day

Martin Persson, Head of Large Corporates & Institutions

17 February 2022



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**



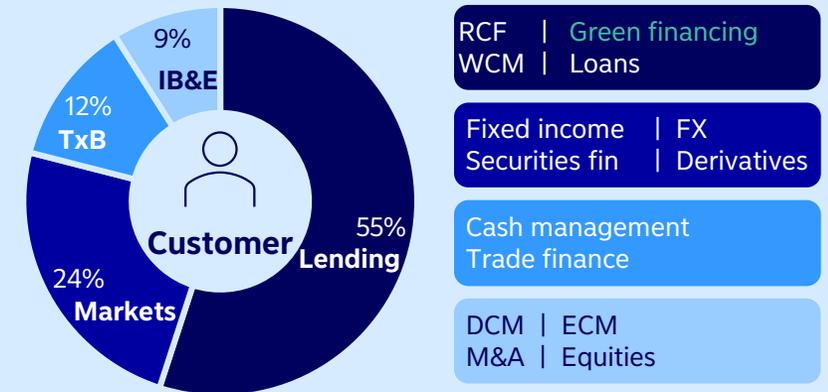
Leading risk capacity supported by **fast decision-making**



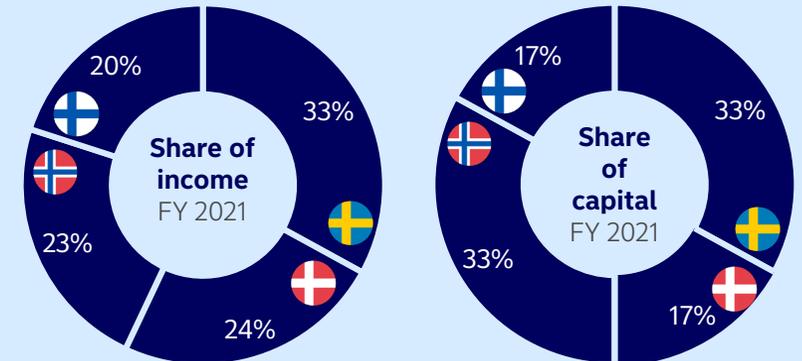
Nordic leader in sustainable products and services

Market-leading offering and well-diversified income

FY 2021, %



Country dimension

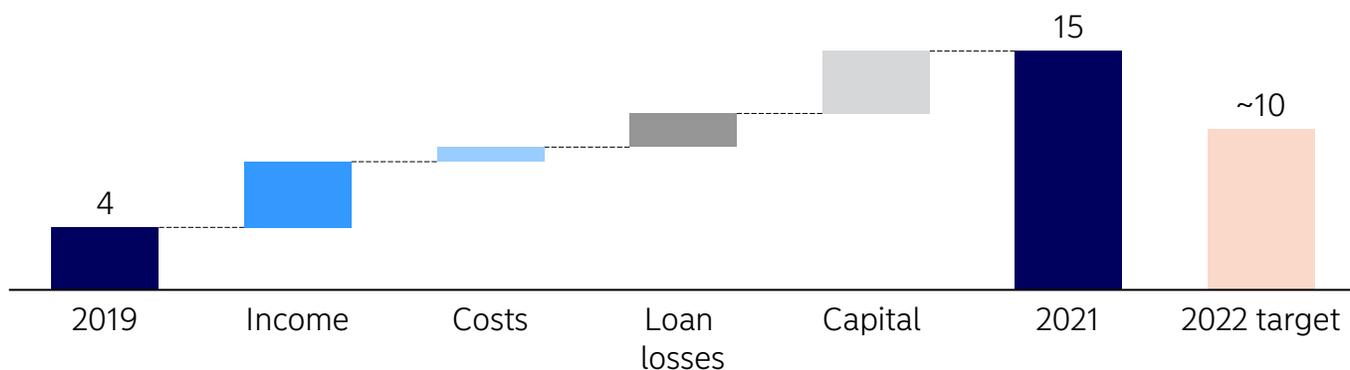


Nordea

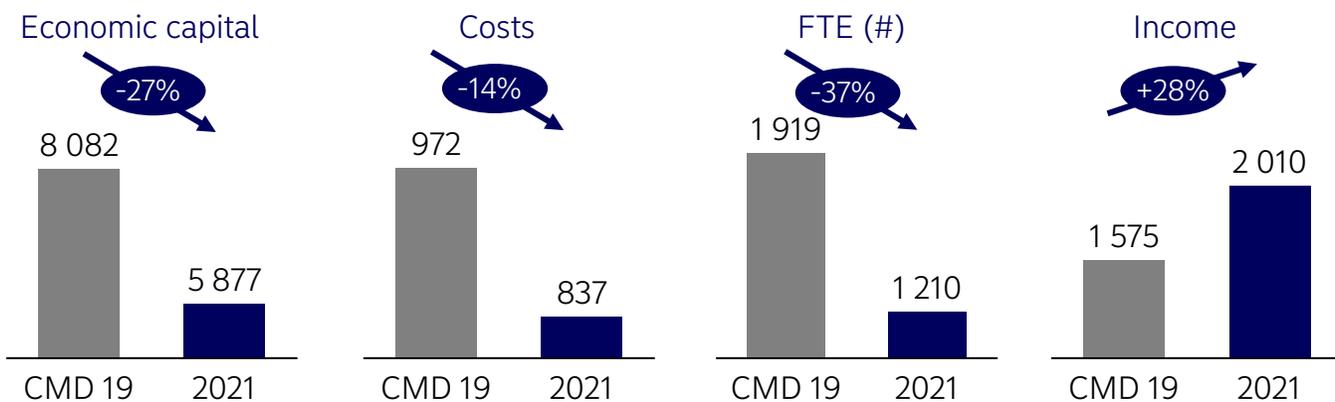
We have created a more focused and profitable business

Financial performance 2019–21

Return on capital at risk (%)



Economic capital and operating performance (EURm)



✓ 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

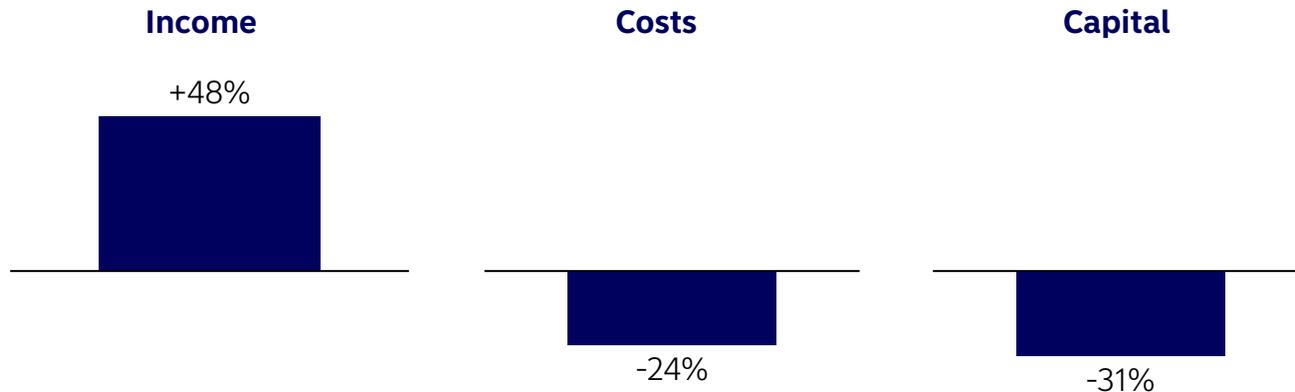
We are in a stronger position to increase our ambition level

➤ Focus on business performance and capital efficiency

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



Successful Markets streamlining (Q2 2019 to Q4 2021)



🔍 Enhanced business selection

Grow ancillary income including capital-light products

Higher margins through continued focus on pricing and **business selection**

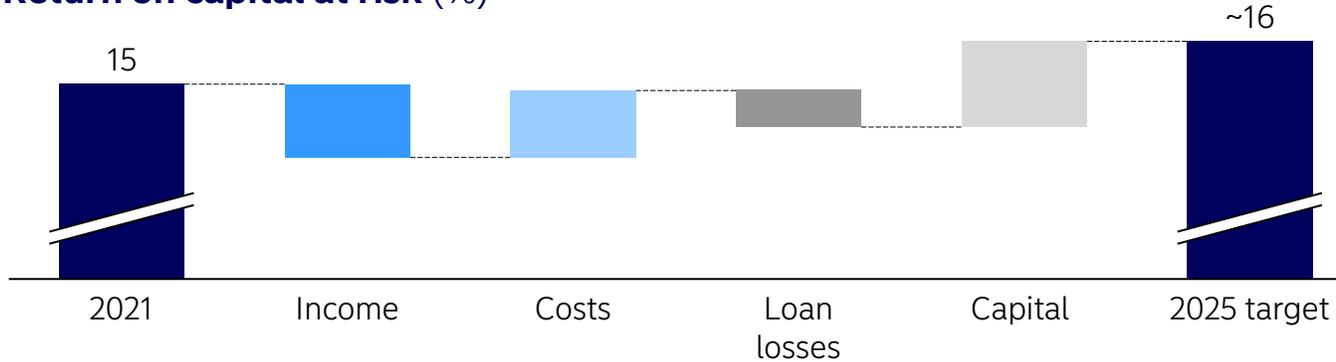
Lower balance sheet utilisation through decreased inventories and lower risk

Reduced costs from trimming of product portfolio and **new country-based organisation**

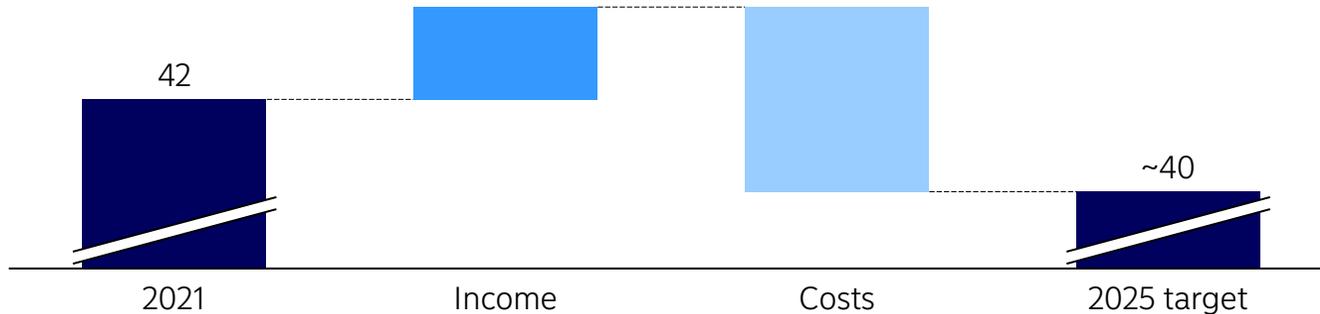
We will deliver best-in-class return in 2025

🎯 2025 targets

Return on capital at risk (%)



Cost-to-income ratio (%)



🔗 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

Focus on selective growth and investments

Focus areas and key activities

Target selective growth and investments

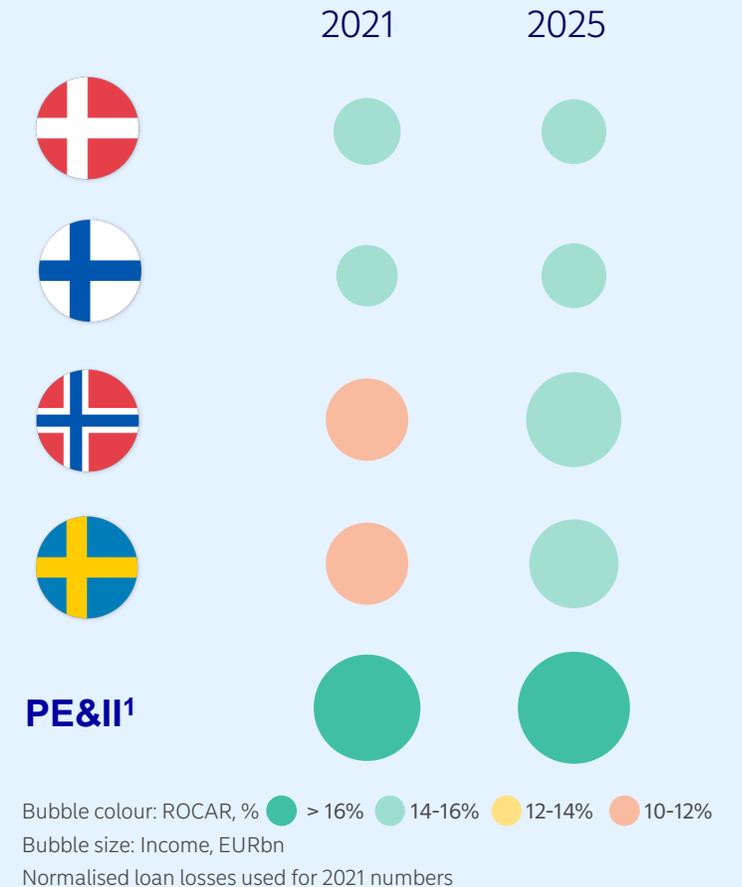
Invest in capital-light growth in Investment Banking & Equities
Selectively grow profitable corporate lending and fund financing
Invest in ESG clean tech sector and transition advice

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

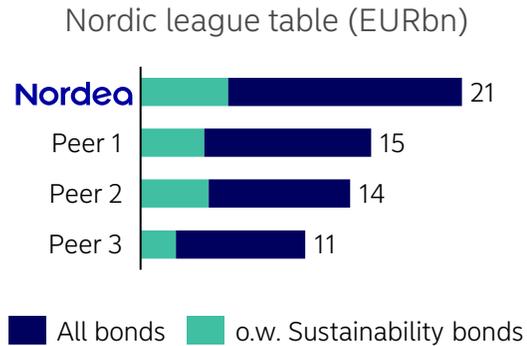


Significant opportunity to support clients in their transition to a sustainable economy



Sustainability leadership

Accelerate our support for clients' transitions



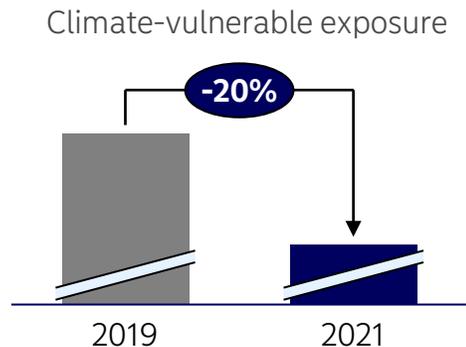
- **Leverage #1 position** in Nordic sustainable finance
- **Invest** in ESG sector advisory capabilities
- **Strengthen** ESG steering and data

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

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%

A modern lounge with people using devices. The scene is set in a contemporary, well-lit lounge area with large windows overlooking a city. In the foreground, a woman in a grey dress is sitting in a white lounge chair, looking at a tablet displaying a colorful chart. In the background, a man in a white shirt is sitting in a similar chair, looking at a tablet. The lounge features several other white lounge chairs and small tables with lit candles. The overall atmosphere is relaxed and professional.

Nordea

Asset & Wealth Management

Capital Markets Day

Snorre Storset, Head of Asset & Wealth Management

17 February 2022

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

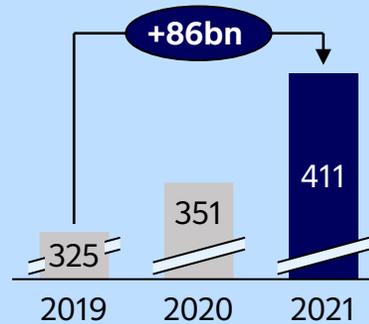
Leading life and pensions business in the Nordics

Nordea Group's investment centre of excellence

through advice, products, digital savings experience, processes and customer tools

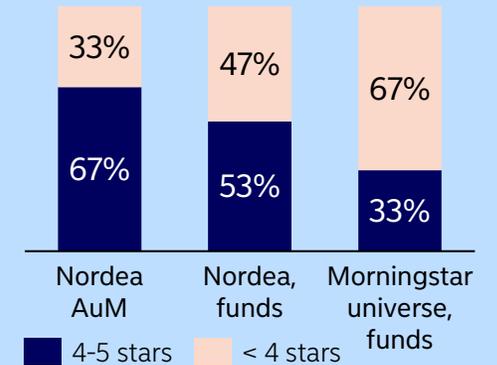
Total AuM

EURbn

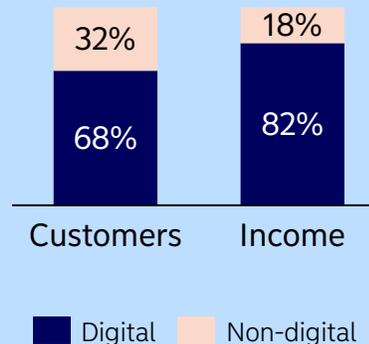


Investment performance

Morningstar rating, share of 4-5 stars funds/AuM



Majority of private banking income from digitally active customers²



Increasing net flows for sustainable investments

Share of net flow (%)¹



71 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

Asset & Wealth Management today

Internal and external channels

Assets under management (EURbn)

	Private Banking	Life & Pensions ¹	Retail funds ¹	Institutional clients	Wholesale distribution
	36	5	26	30	-
	40	22	13	6	-
	11	19	5	6	1
	36	24	43	8	3
	-	-	-	26	51
International Total AuM 2021 (vs 2019)	123 (+34%)	70 (+32%)	87 (+33%)	76 (+16%²)	55 (+26%)
Margin impact					
	Internal distribution total			External distribution total	

Well diversified

across countries and segments, with significant further upside potential

World-class multi-asset solutions

supporting broad internal customer segments

International distribution

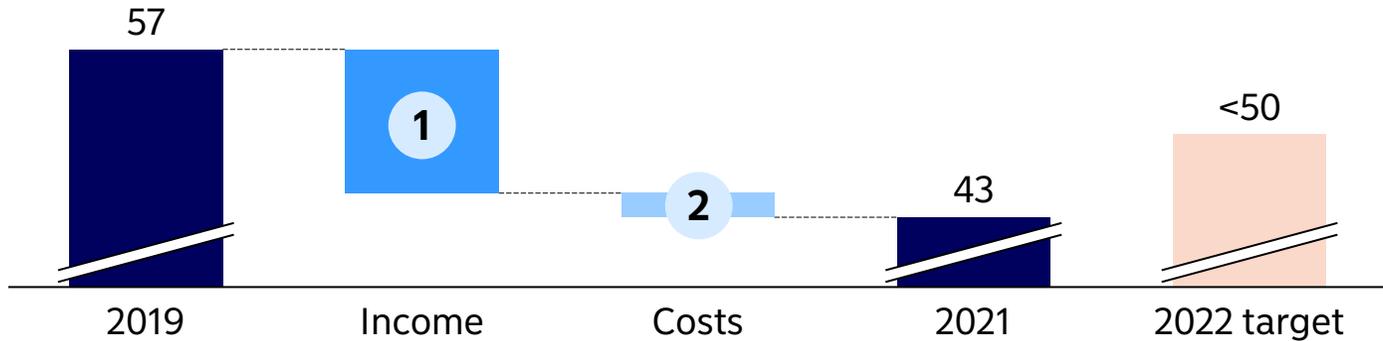
focused on actively managed products with distinct characteristics and good fit with professional buyers' model portfolios

72 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

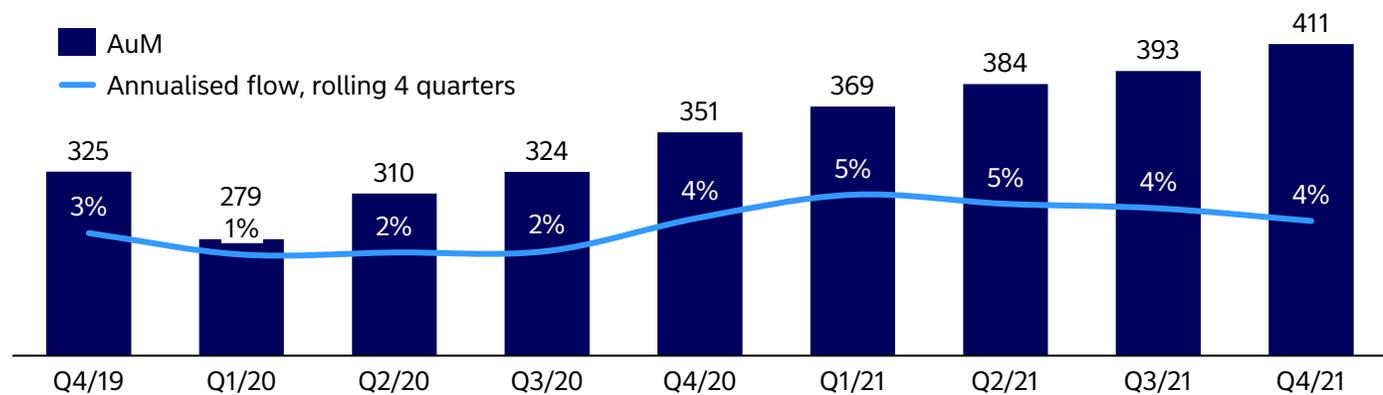
Higher AuM and contained costs drove increased efficiency

Financial performance 2019–21

Cost-to-income ratio (%)



Assets under management volumes 2019–21 (EURbn)



✓ 2022 target surpassed ahead of time

1 Income growth

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

2 Costs well managed

through simplified and de-layered organisation supported by scale and improved cost culture

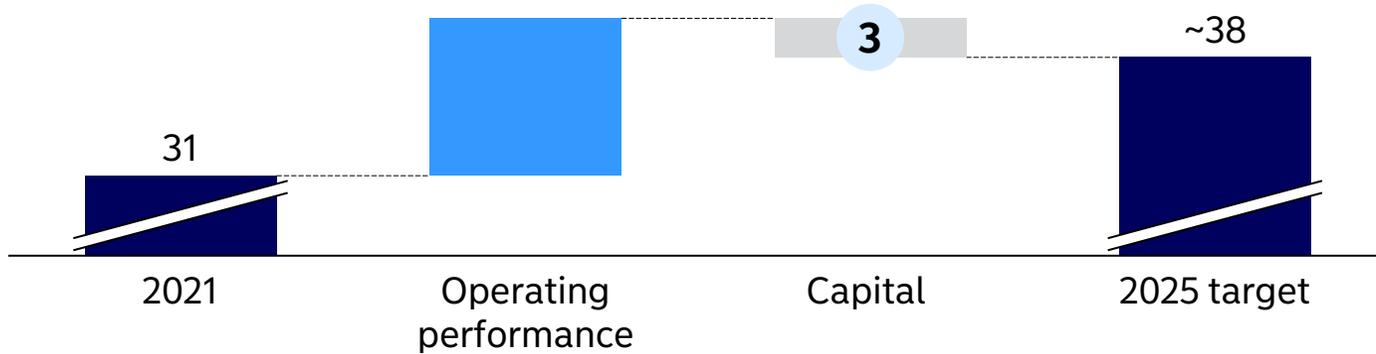
Positive net flows in all channels

- Internal channels +EUR 26bn
- External channels +EUR 10bn

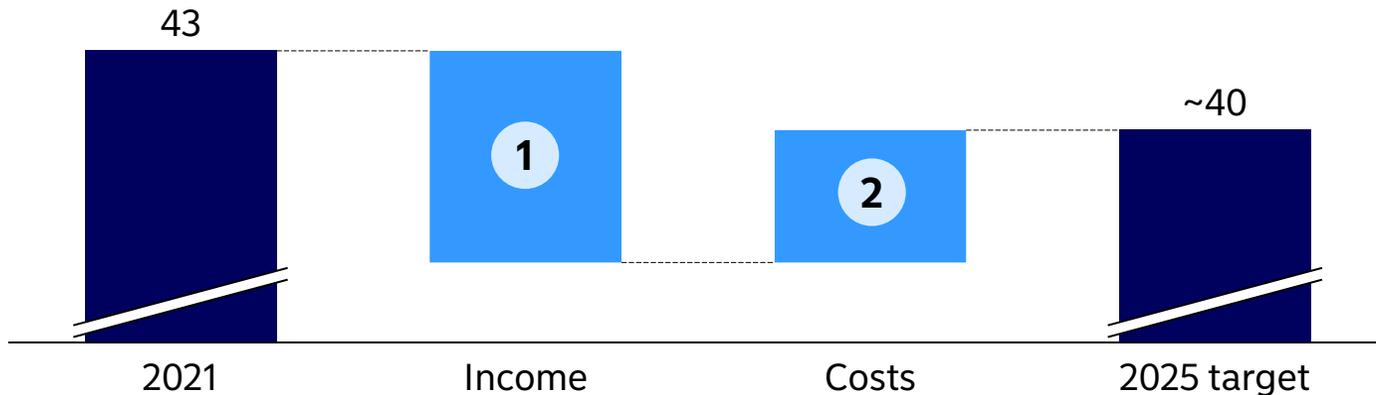
Profitability focus and scalable growth

 2025 targets

Return on capital at risk (%)



Cost-to-income ratio (%)



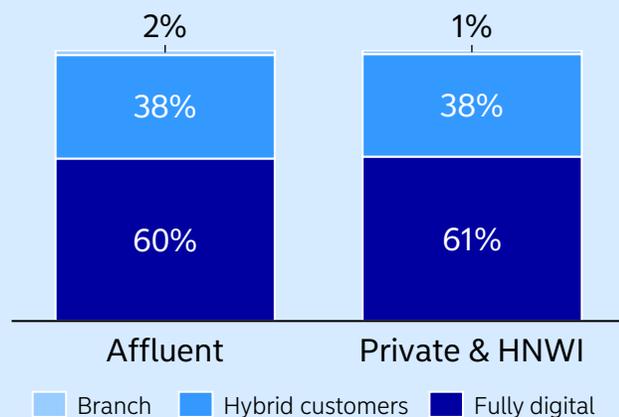
Main drivers for 2025 targets

- 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

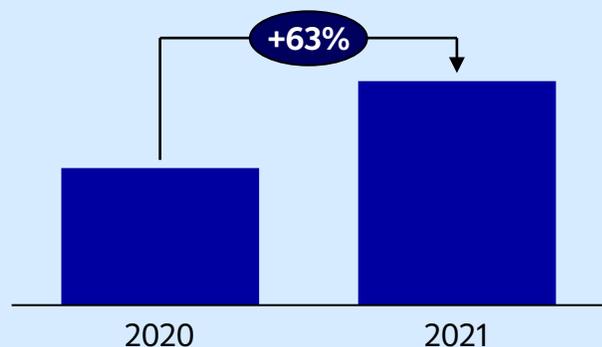
74 1. Estimated equity market return applicable for equity investments, which represented approximately 50% of 2021 AuM

Active positioning to benefit from customer trends

Customer preferences¹



Growth in alternative investments



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

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

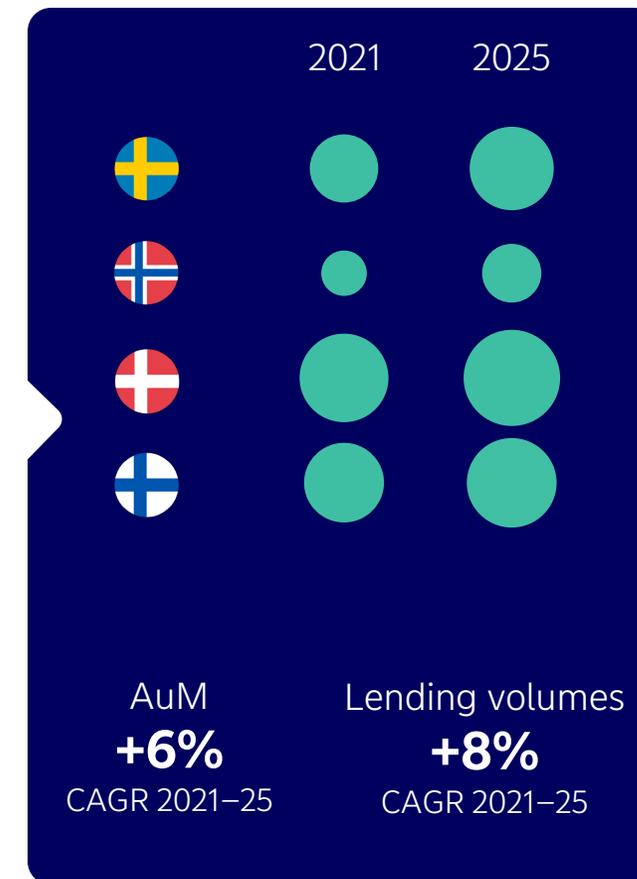
- Increase proactivity to support high customer satisfaction
- Focused customer acquisition



Enabled by improved digital savings experience

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

Profitable growth



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

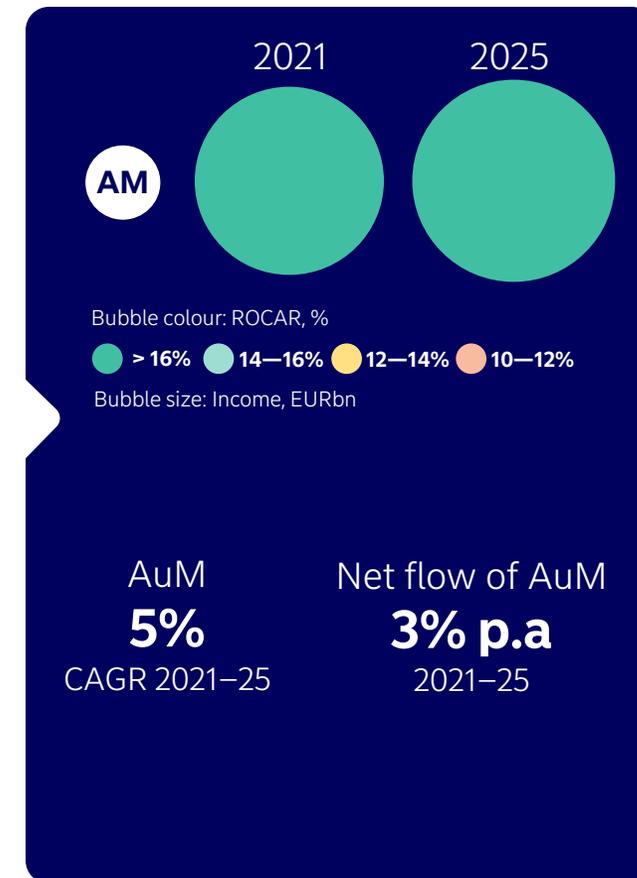
- Deepen long-lasting relationships in distribution network
- Expand distribution in European core markets, America and Asia to establish new low C/I growth opportunities



Strengthen product development

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

Profitable growth¹



Leading and transparent ESG provider

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

ESG strategies
> 60%
of the asset base
in AM

Key activities

Further improve and integrate ESG product offering

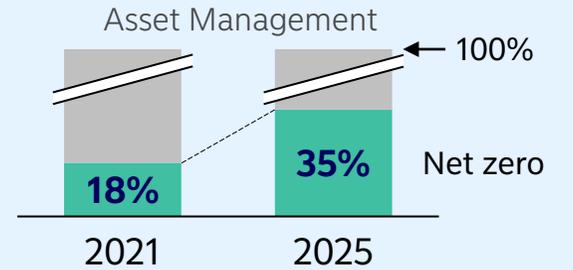
- Improve methodology for bonds
- Single fund level compliance
- Full integration of ESG across customer segments

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



Alignment with Paris Agreement for top 200 emitters

Portfolios in Asset Management



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%**

Nordea

Q&A

CEO, CFO and Business Areas



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