

The preferred financial partner in the Nordics

Capital Markets Day

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



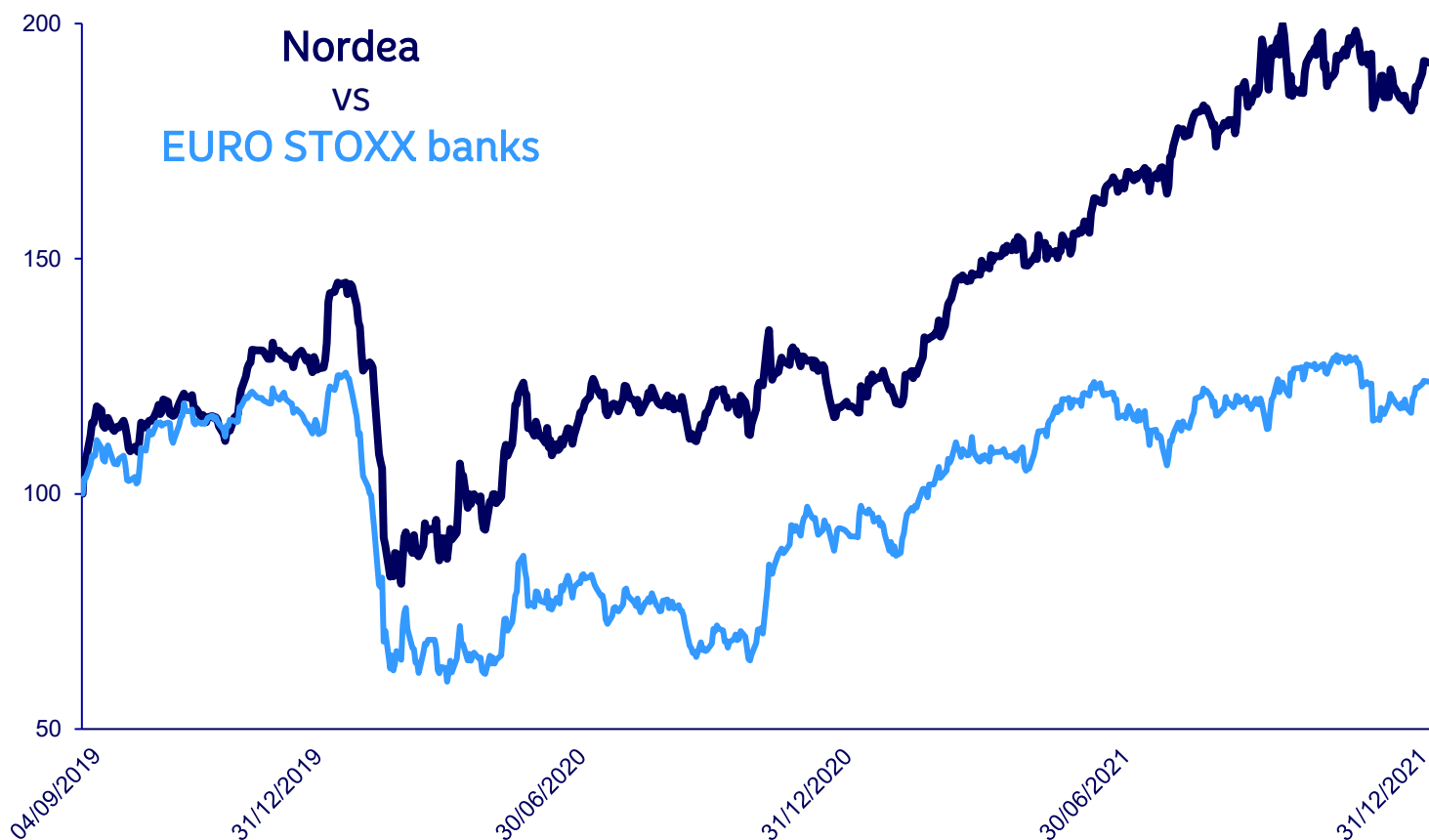
Disclaimer

- Nordea and its businesses are exposed to various risks and uncertainties.
- This presentation contain certain statements which are not historical facts, including, without limitation, statements communicating expectations regarding, among other things, the results of operations, the bank's financial condition, liquidity, prospects, growth and strategies; and statements preceded by "believes", "expects", "anticipates", "foresees" or similar expressions.
- Such statements are forward-looking statements that reflect management's current views and best assumptions with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.
- Important factors that may cause such a difference for Nordea include but are not limited to: (i) the macroeconomic development, (ii) change in the competitive environment, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.
- This presentation does not imply that Nordea and its directors have undertaken to publicly update or revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that lead to changes compared with the date when these statements were provided.

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

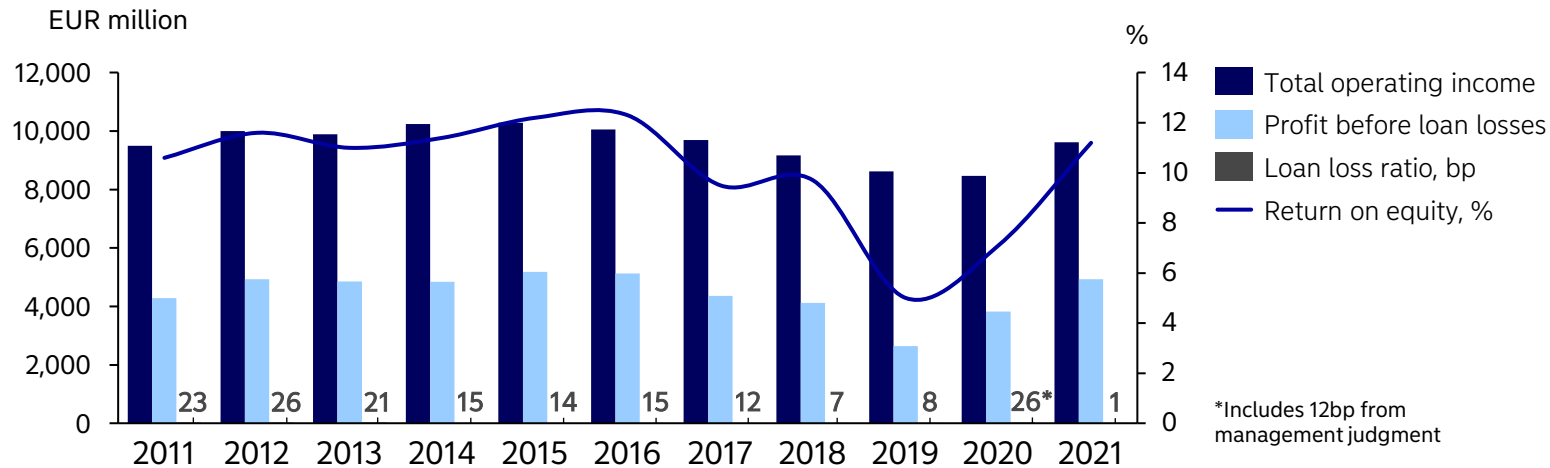
Investment in core segments – Nordea Finance Equipment

Strong cost and performance culture

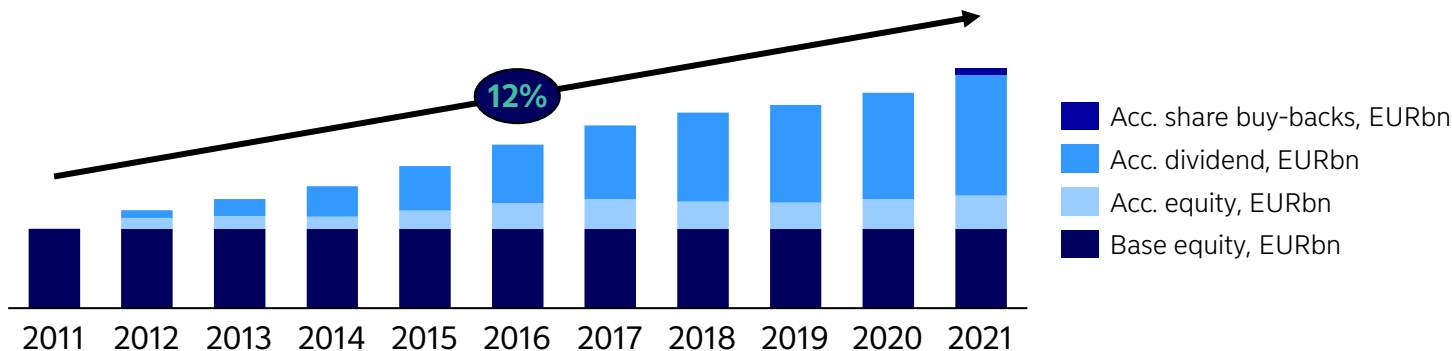
Net costs reduced while income increased

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

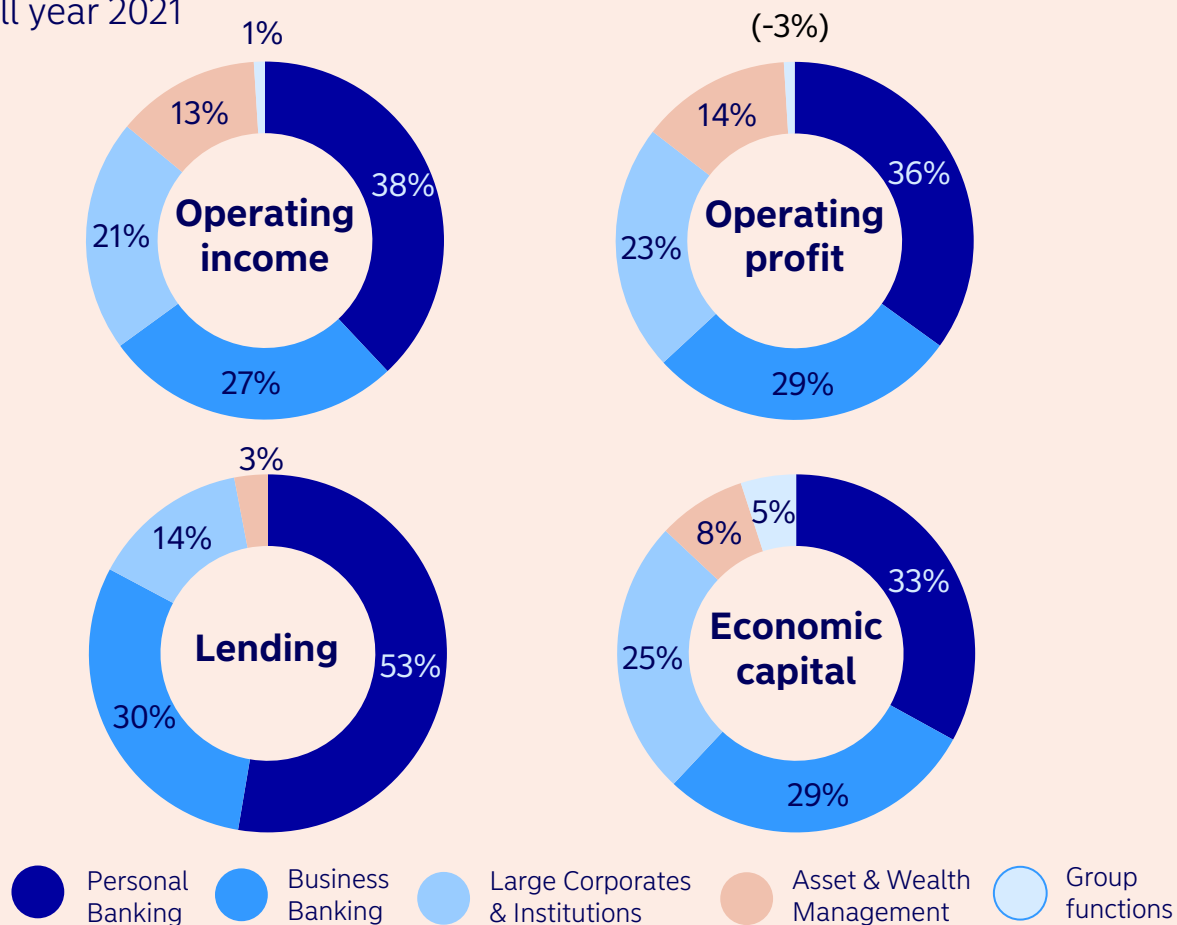
Capital generation enabling significant shareholder returns

Nordea today

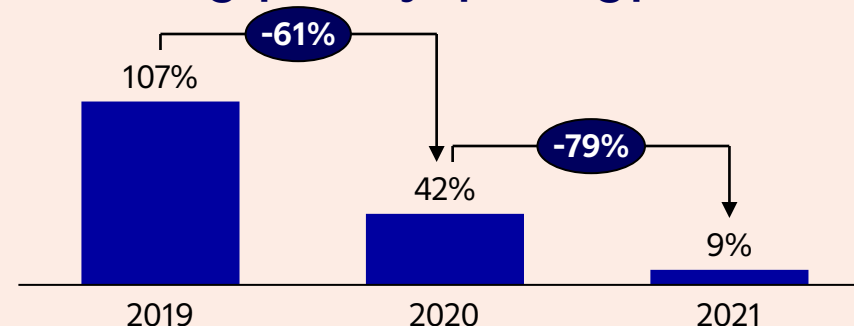
Well diversified across strong Nordic countries; business mix with low earnings volatility

Diversified across business areas

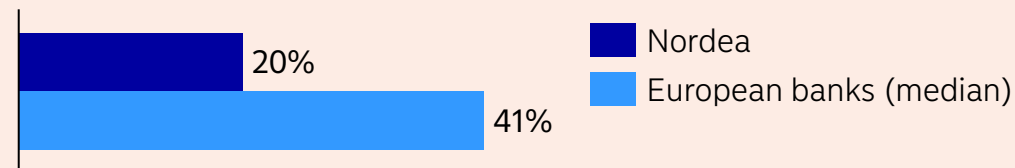
Full year 2021



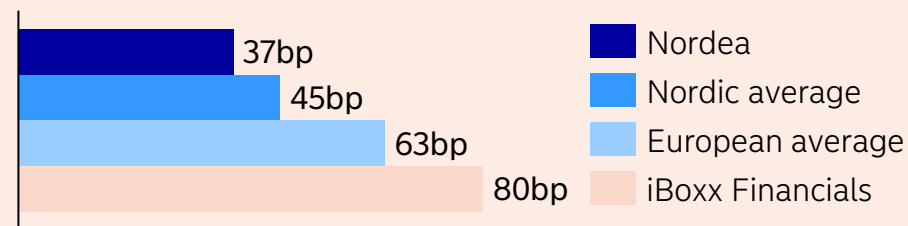
Decreasing quarterly operating profit volatility



Low profit volatility vs European banks¹



Low funding costs²

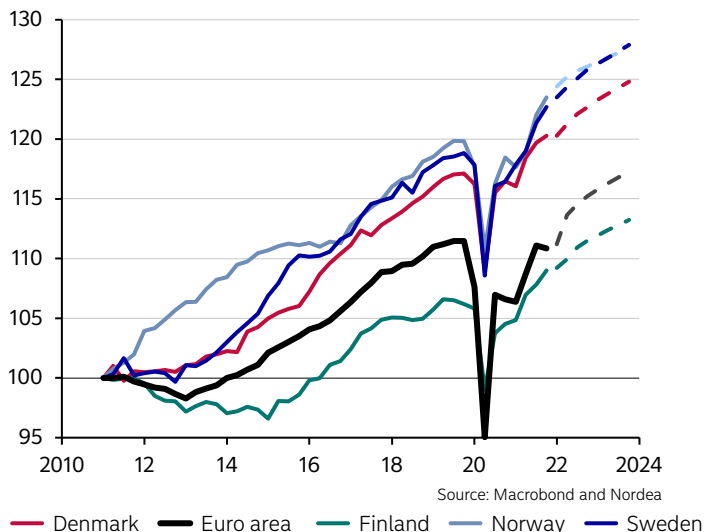


1. 2012–21 annual operating profit volatility, sample of 30 European banks.

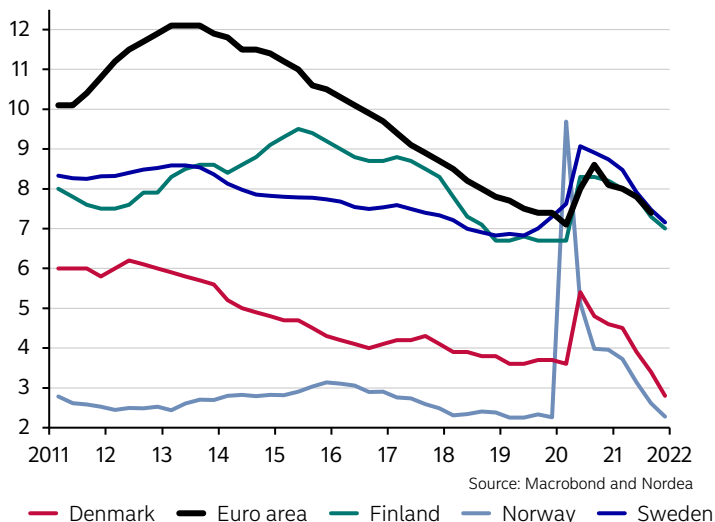
2. 5y senior preferred new issue spread

Structurally attractive banking environment

GDP (Index: 2011=100)



Unemployment rate (%)



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



Market cap., EUR ²

43bn

Total assets, EUR ²

570bn

Loans to the public, EUR ²

345bn

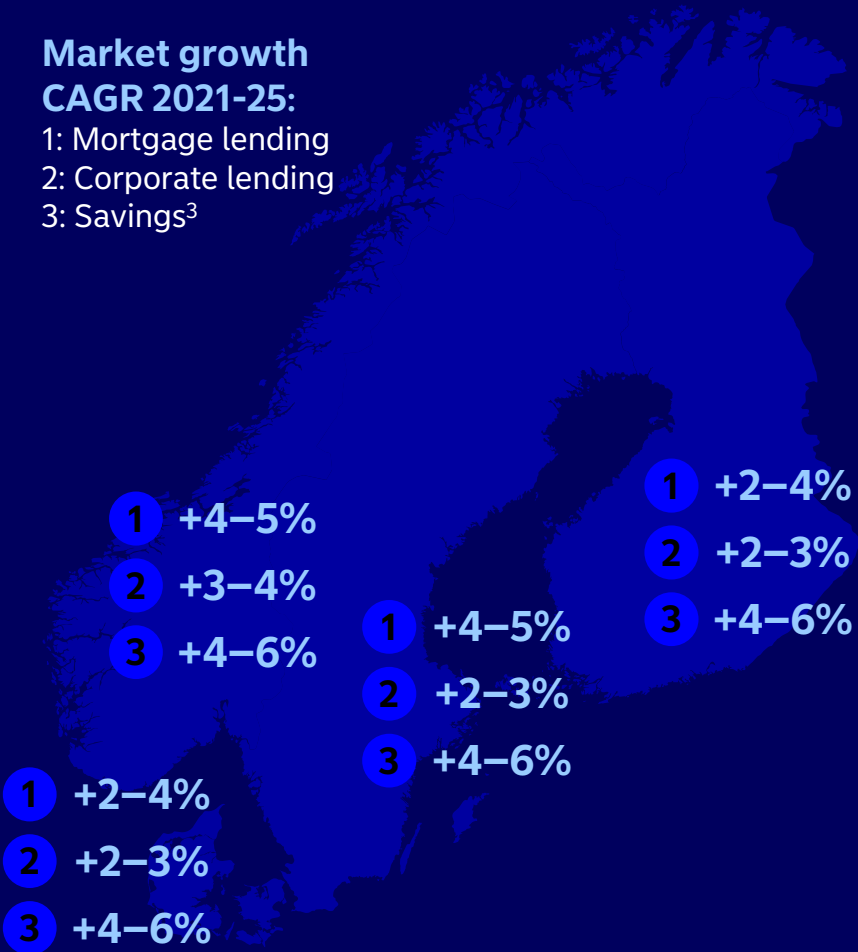
AuM, EUR ²

411bn

Market growth

CAGR 2021-25:

- 1: Mortgage lending
- 2: Corporate lending
- 3: Savings³



9 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



2019–21

A strong and personal financial partner

New strategic direction and targets

Grow credibility and retake lost ground in business

2022–25

The preferred financial partner in the Nordics

Raising the bar

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

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

Meet and exceed customers' expectations and deliver competitive shareholder returns with firm focus on capital excellence

Well equipped for the future

Accelerate development of focus areas and ensure stable and well-diversified credit portfolio

2025 financial target

Return on equity
>13%

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

Supported in 2025 by

Cost-to-income ratio
45–47%

Loan losses
Normalised ~10bp

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

Our key priorities

CREATE

the best omnichannel
customer experience

DRIVE

focused and
profitable growth

INCREASE

operational and
capital efficiency



Digital leader



Sustainability at the core

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

Our key priorities

CREATE

the best omnichannel
customer experience

DRIVE

focused and
profitable growth

INCREASE

operational and capital
efficiency

24/7/365 availability

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

Personalised experience

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

Banking on your terms

By 2025, private customers will be able to carry out daily banking needs 100% digitally and SMEs will have a full-breadth digital service offering

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

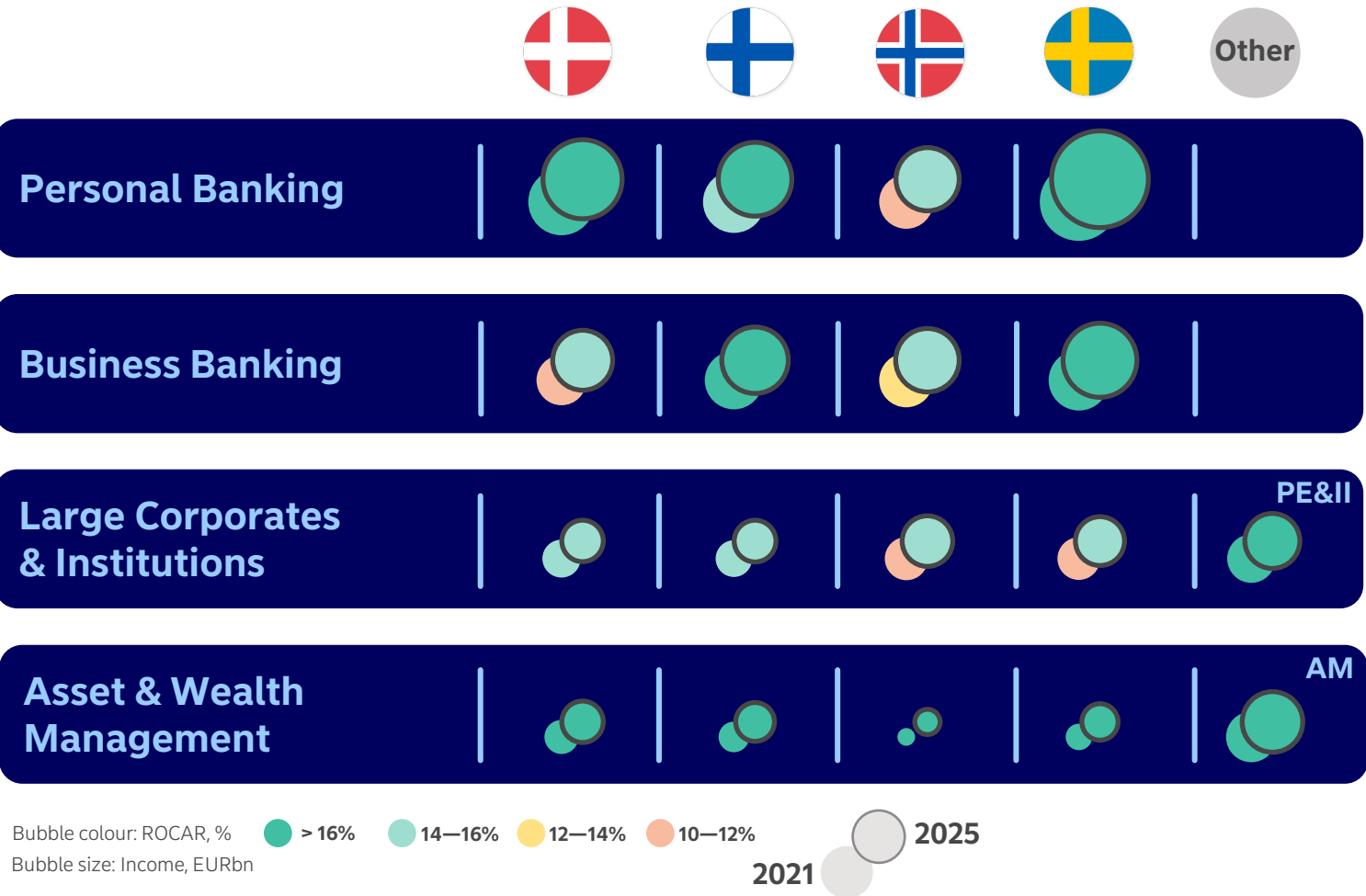
Ensure sufficient investment capacity

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

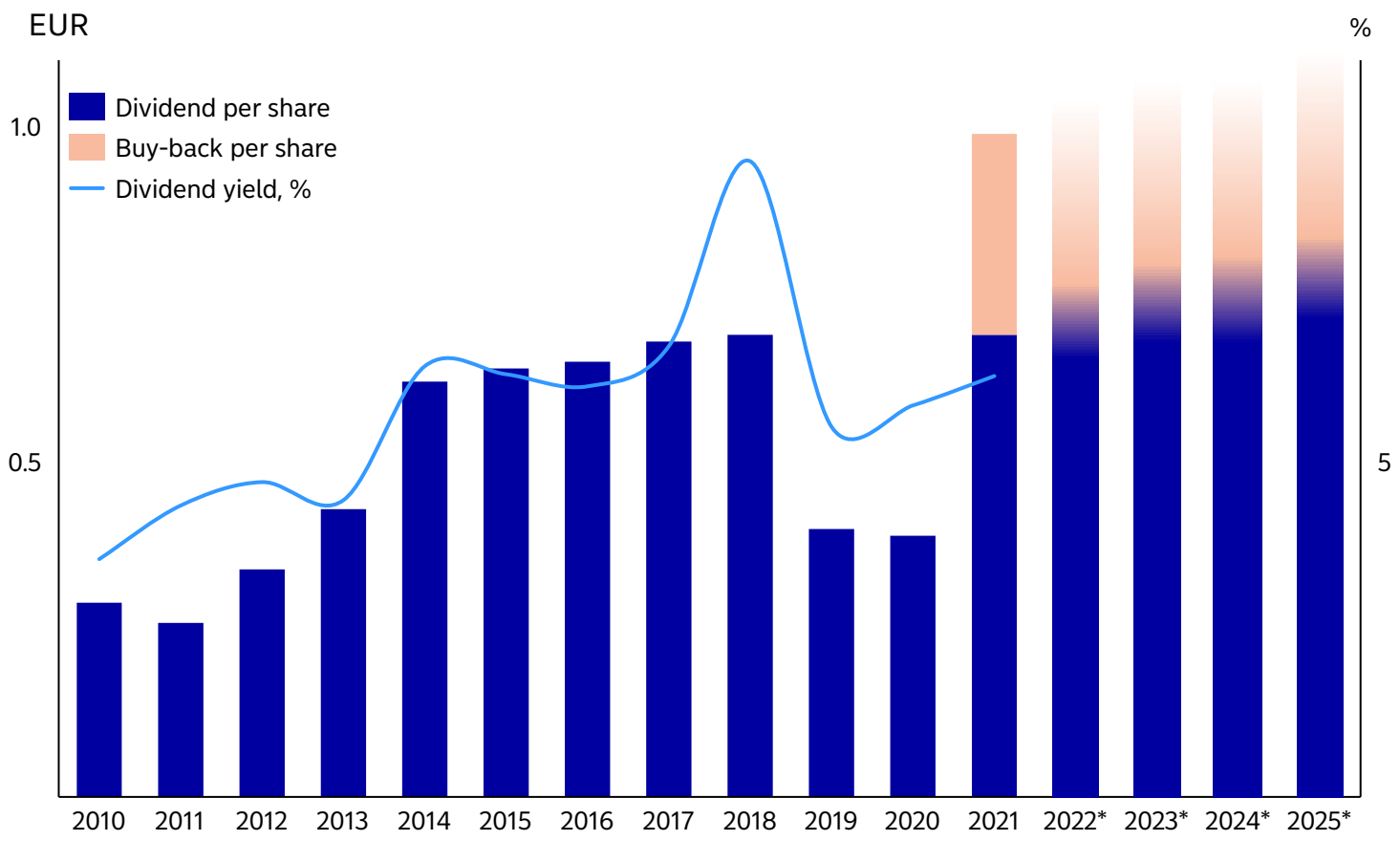
Increase operational efficiency

Reduce low-yielding economic capital

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



Market-leading shareholder returns



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

Digital leader



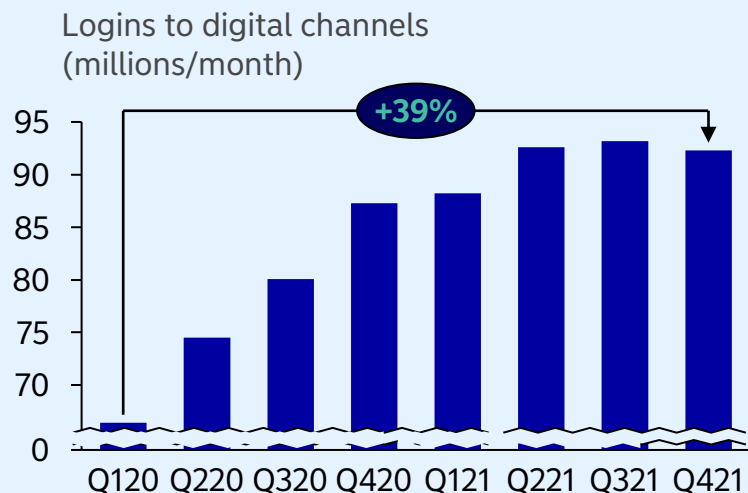
Making banking easy – investing in digital leadership and omnichannel customer experiences

Competitive digital experience

Best performer

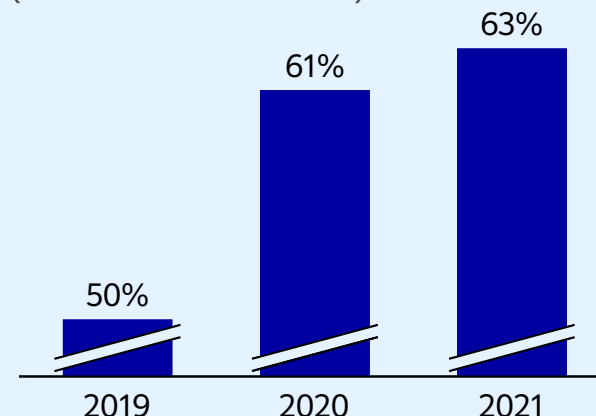
D-Rating – 2021 Digital Proposition
among following Nordic banks:
Danske Bank, Handelsbanken, SEB,
Swedbank

Growth in digital engagement



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

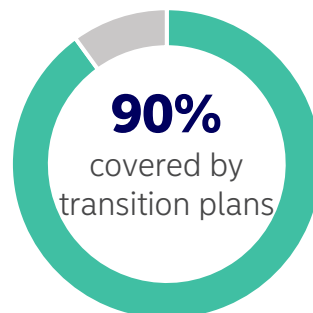
Facilitate sustainable financing

2022–25



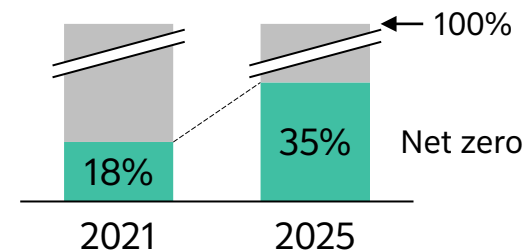
Transition plans for large corporates

Exposure in climate-vulnerable sectors



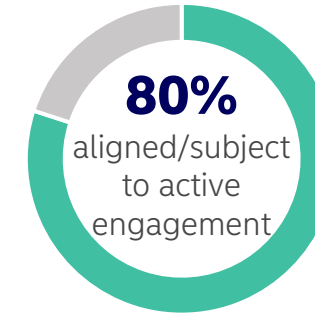
Double share of net-zero committed AuM

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