Nordea

Large Corporates & Institutions

Capital Markets Day

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17 February 2022

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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**

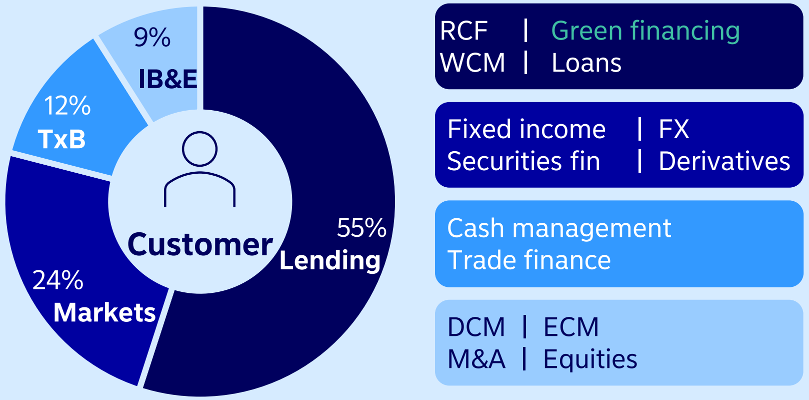
Talented people delivering **superior advice**

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

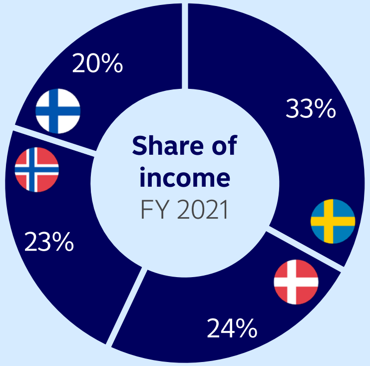
Nordic leader in sustainable products and services

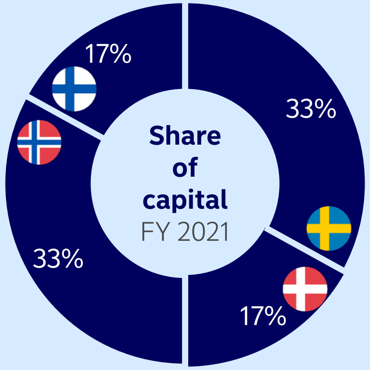
Market-leading offering and well-diversified income

FY 2021, %



Country dimension





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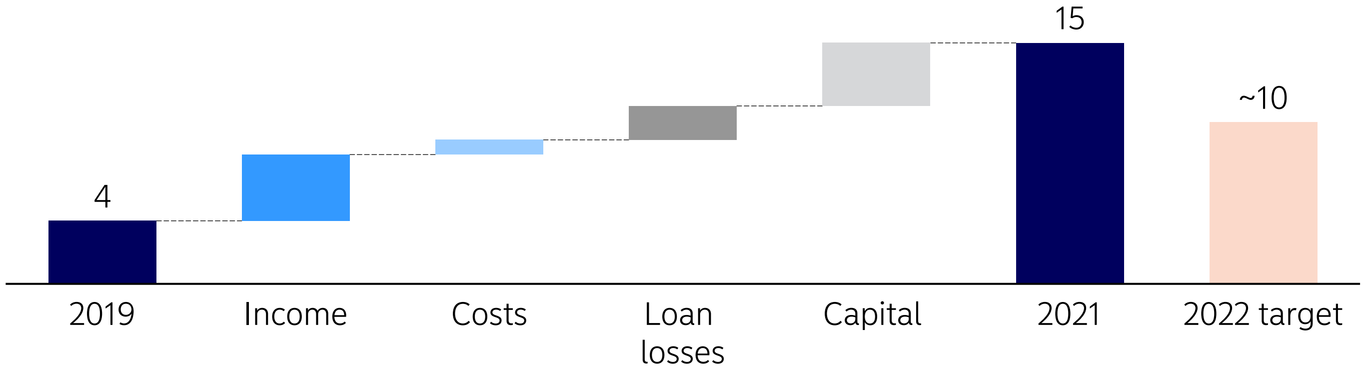
Large Corporates & Institutions 2019–21

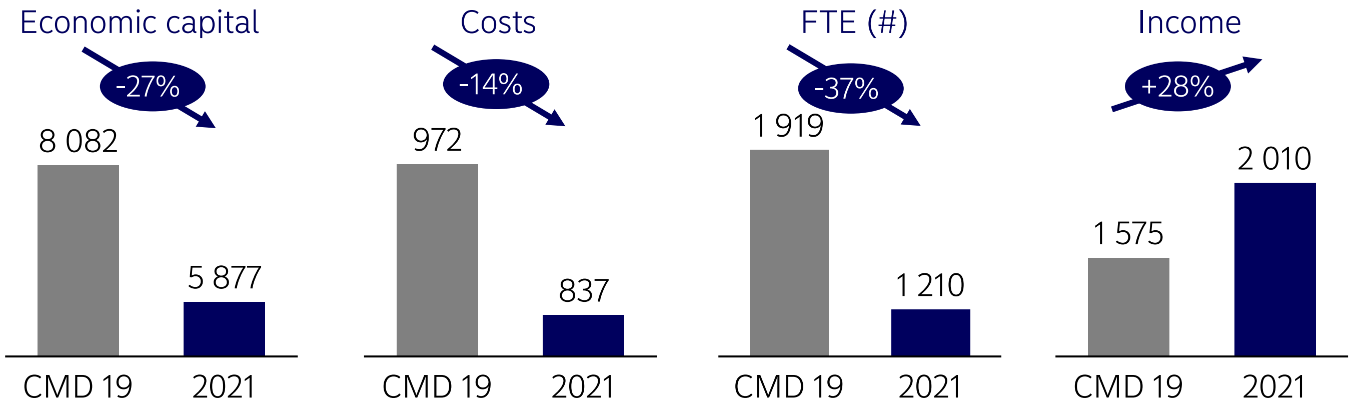
We have created a more focused and profitable business

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

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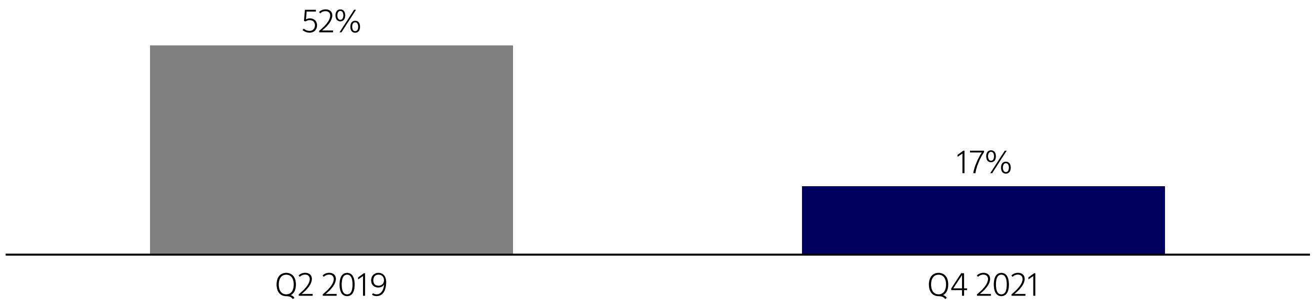
Large Corporates & Institutions' turnaround

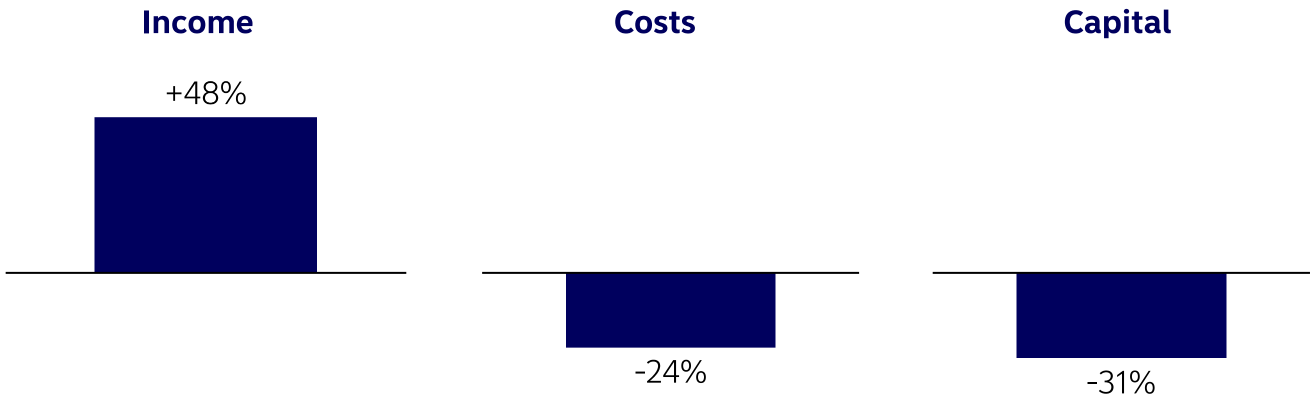
We are in a stronger position to increase our ambition level

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**

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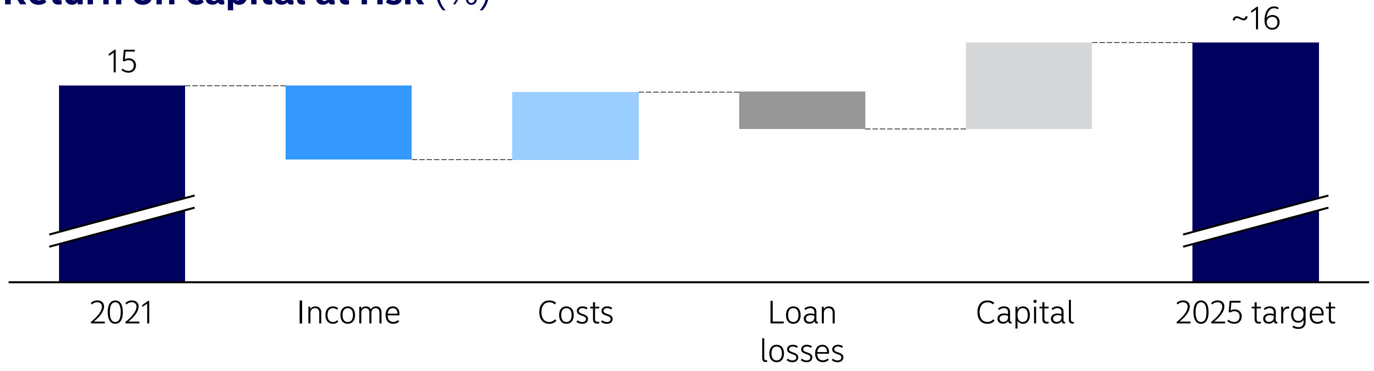
Large Corporates & Institutions 2022–25

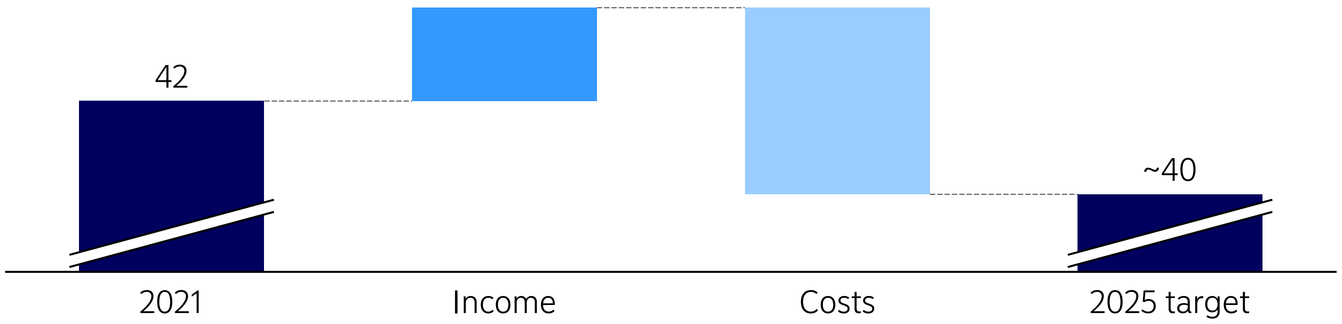
We will deliver best-in-class return in 2025

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

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Large Corporates & Institutions 2022–25

Focus on selective growth and investments

Focus areas and key activities

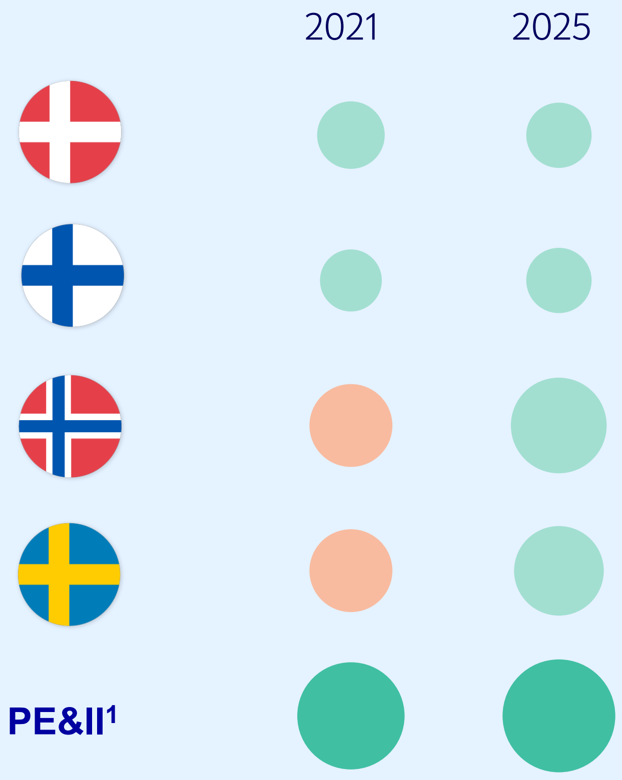
Target selective growth and investments

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

Accelerate capital excellence

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

Profitable growth



Bubble colour: ROCAR, % > 16% 14-16% 12-14% 10-12%
Bubble size: Income, EURbn
Normalised loan losses used for 2021 numbers

1. Private Equity & International Institutions

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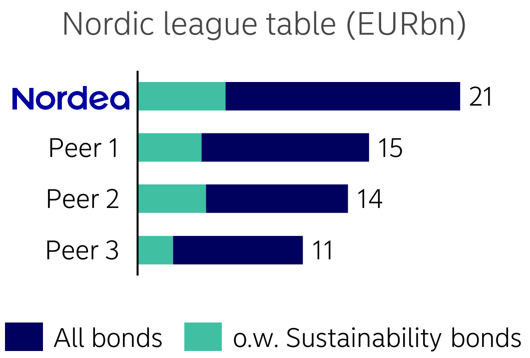
Significant opportunity to support clients in their transition to a sustainable economy

Sustainability leadership

Accelerate our support for clients' transitions

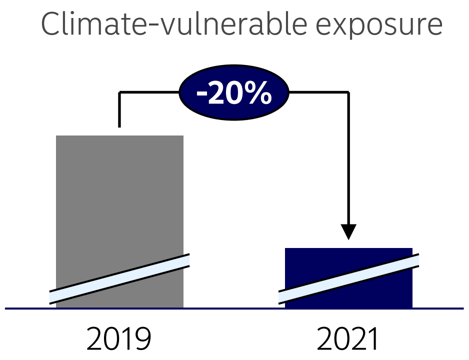


- **Leverage #1 position** in Nordic sustainable finance
- **Invest** in ESG sector advisory capabilities
- **Strengthen** ESG steering and data

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 plans[1] by 2025

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

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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%