

A photograph of a modern lounge or office space. In the foreground, a woman in a grey dress is sitting in a white armchair, looking at a smartphone. In the background, a man in a white shirt is lying on a lounge chair, also looking at a tablet. The room has large windows, a glass railing, and several other lounge chairs with small tables and lamps. The overall atmosphere is relaxed and professional.

Nordea

Asset & Wealth Management

Capital Markets Day

Snorre Storset, Head of Asset & Wealth Management

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.
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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

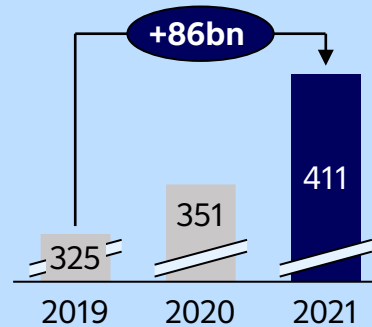
Leading life and pensions business in the Nordics

Nordea Group's investment centre of excellence

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

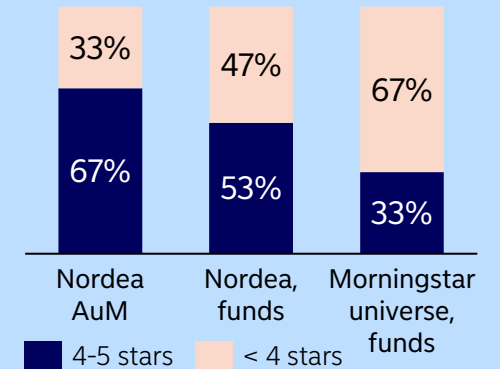
Total AuM

EURbn

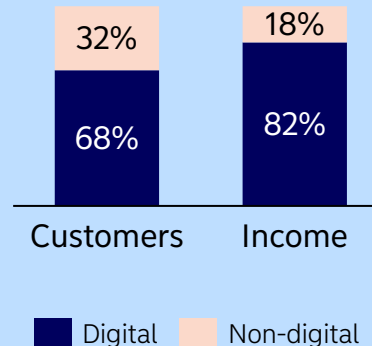


Investment performance

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



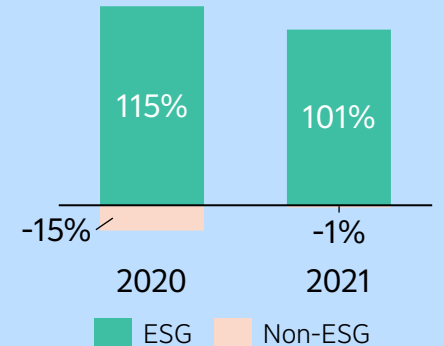
Majority of private banking income from digitally active customers²



Increasing net flows for sustainable investments



Share of net flow (%)¹



3 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

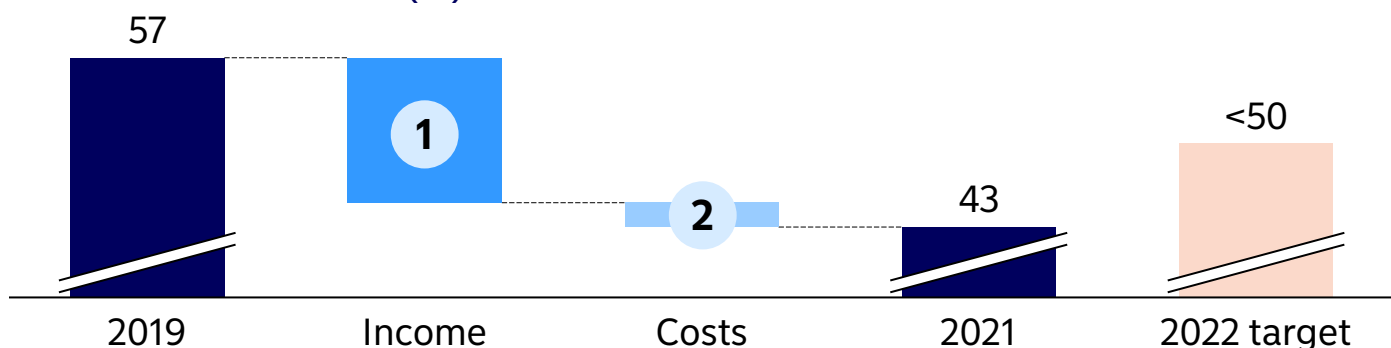
focused on actively managed products with distinct characteristics and good fit with professional buyers' model portfolios

4 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

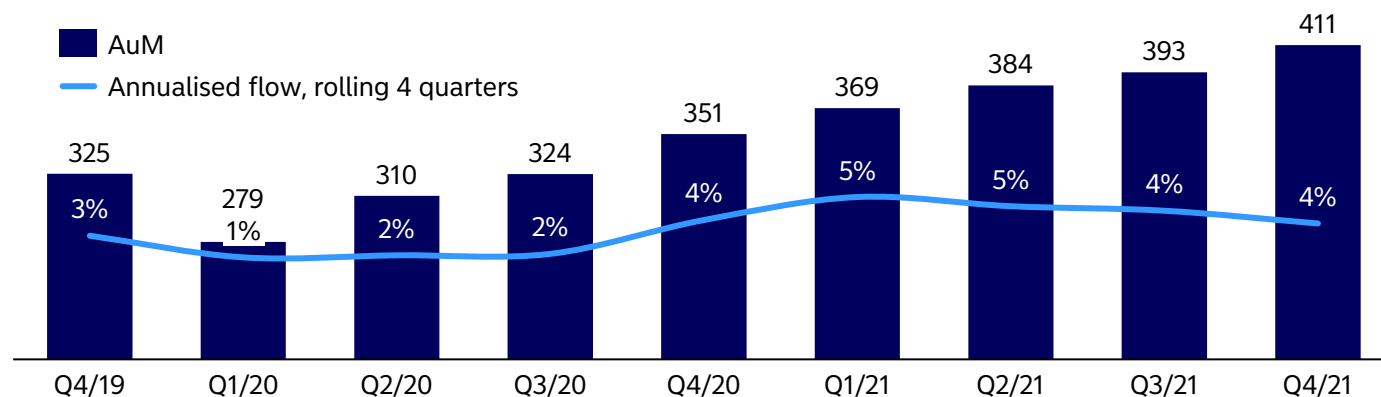
Higher AuM and contained costs drove increased efficiency

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

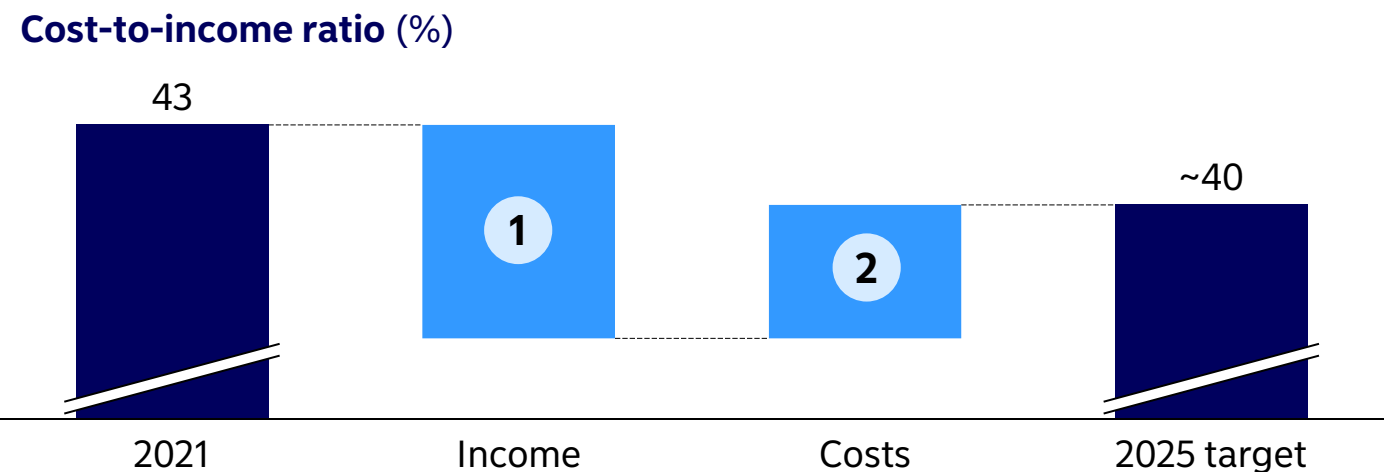
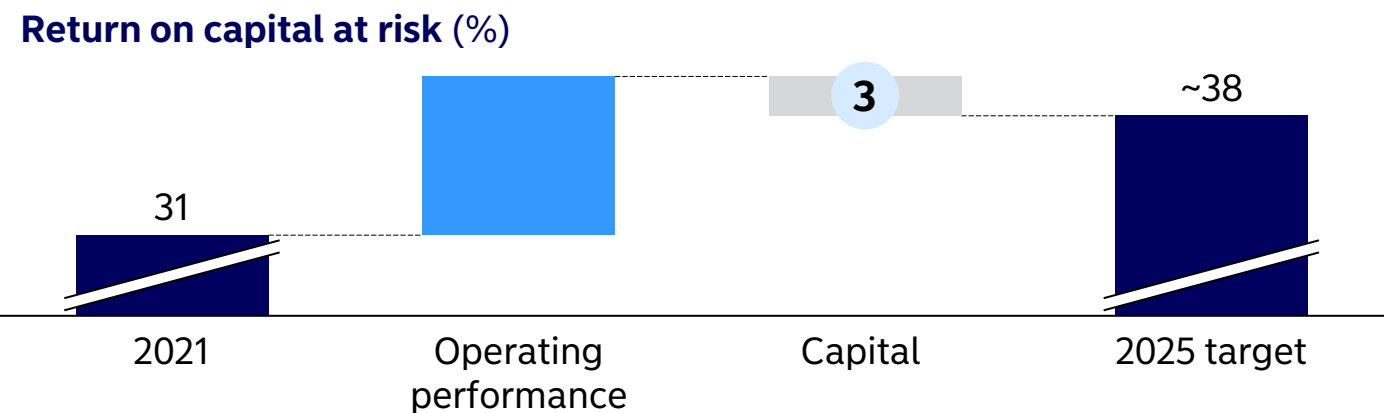
Positive net flows in all channels

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

Asset & Wealth Management 2022–25

Profitability focus and scalable growth

 2025 targets



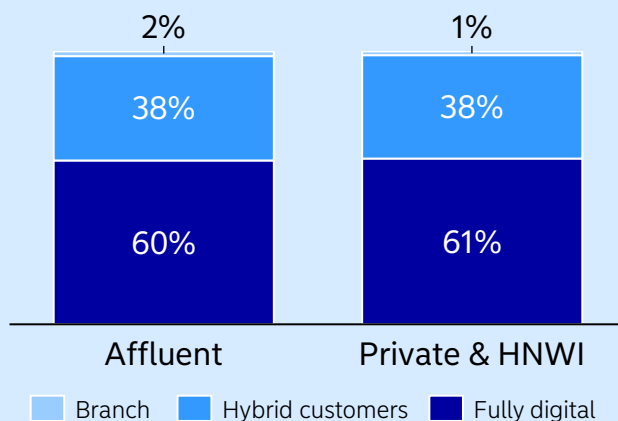
 Main drivers for 2025 targets

- 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

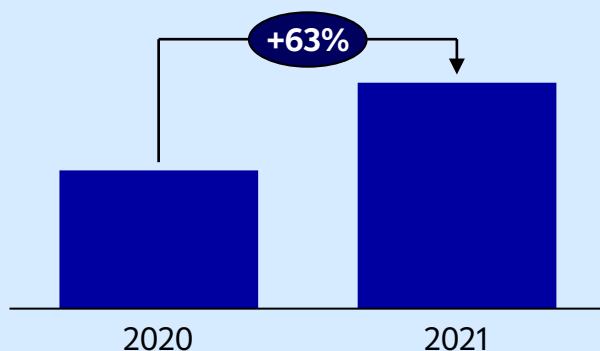
6 1. Estimated equity market return applicable for equity investments, which represented approximately 50% of 2021 AuM

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

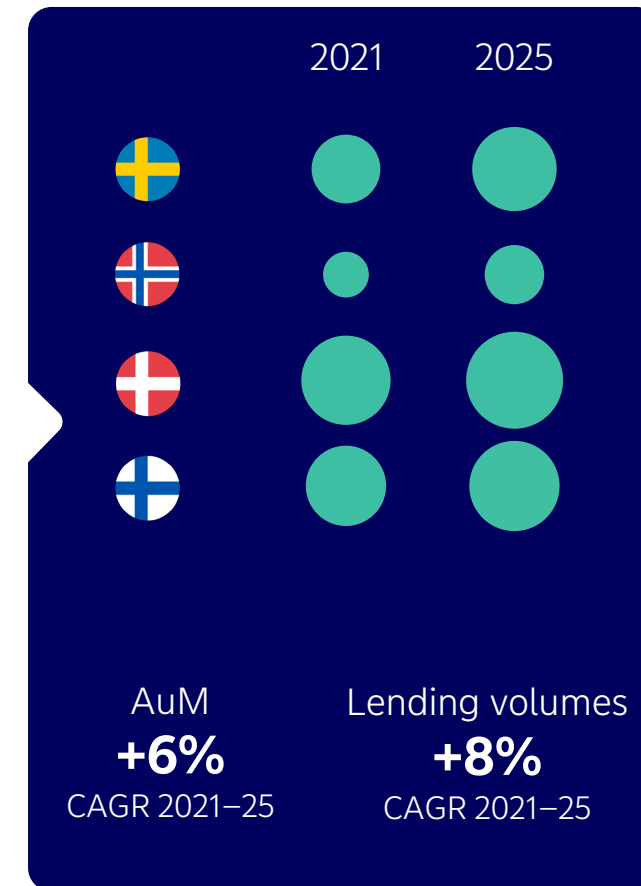
- Increase proactivity to support high customer satisfaction
- Focused customer acquisition



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

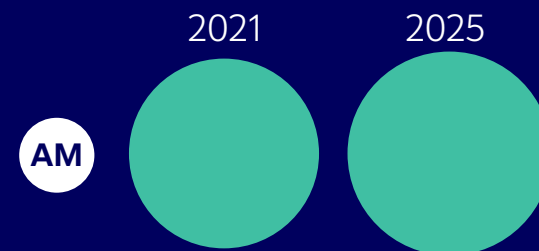
- Deepen long-lasting relationships in distribution network
- Expand distribution in European core markets, America and Asia to establish new low C/I growth opportunities



Strengthen product development

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

Profitable growth¹



Bubble colour: ROCAR, %

● > 16% ● 14–16% ● 12–14% ● 10–12%

Bubble size: Income, EURbn

AuM
5%
CAGR 2021–25

Net flow of AuM
3% p.a
2021–25

Leading and transparent ESG provider

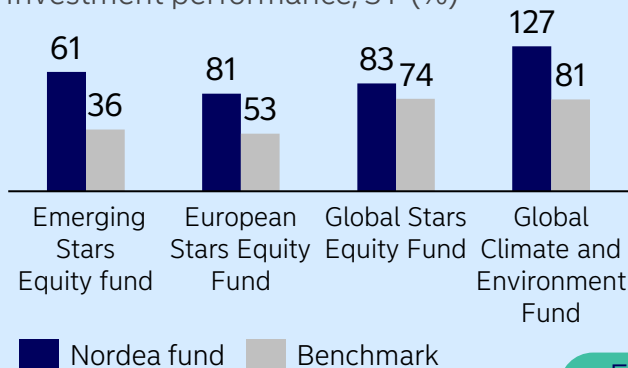
Strong foundation to build on

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

Key activities

Further improve and integrate ESG product offering

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

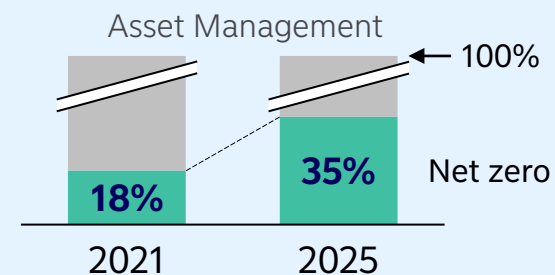
Engage with top emitters

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

ESG strategies
> 60%
of the asset base
in AM

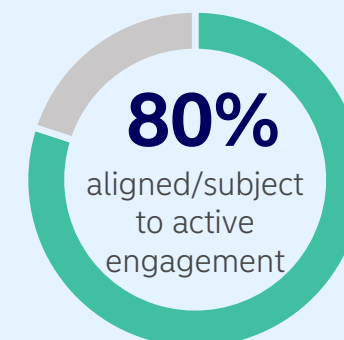
2025 sustainability targets

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%