

Nordea



**U.S. Resolution Plan
Public Section**

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PUBLIC SECTION

Section 165(d) of Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act, requires covered companies to submit resolution plans periodically to the FDIC, the Federal Reserve Board, and the Financial Stability Oversight Council.

The Final 2019 Rule¹ established four categories (categories I to IV) of resolution plan filers based on asset size and indicators of risk. Nordea Bank Abp was assigned to Category IV which consists of foreign banking organizations (FBOs) with relatively limited US operations, which have greater than \$250 billion in global consolidated assets, but which are not classified into a higher category (categories I to III). Category IV filers are required to submit Reduced Plans every three years, beginning July 1, 2022. The updated Final Rule requires that the plan for these triennial reduced filers include a public section, and descriptions of any material changes since the previous filing accompanied by any resultant changes to the strategic analysis.

This is the public section of the 2022 reduced resolution plan for the U.S. operations of Nordea Bank Abp.

1 Nordea Group

The Nordea Group (Nordea Bank Abp and its subsidiaries) is the largest financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income. The Group has a customer base of close to 10 million customers across the markets in which it operates. As of 31 December 2021, it had total assets of \$646 billion (EUR 570 billion) and tier 1 capital of \$33 billion (EUR 29 billion)². The Nordea Group was the largest supplier of savings products to Nordic customers, with total assets under management amounting to \$466 billion (EUR 411 billion).

As a universal bank, Nordea offers a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. The Group's products and services comprise a broad range of household banking services, including mortgages and consumer loans, credit and debit cards, and a wide range of savings, life insurance and pension products. In addition, the Group offers a wide range of corporate banking services, including business loans, cash management, payment and account services, risk management products and advisory services, debt and equity-related products for liquidity

¹ 84 FR 59194

² From the Group Annual Report 2021. An USD/EUR exchange rate as of 31 December 2021 of 1.1326 has been used to convert numbers from EUR to USD.

and capital raising purposes, as well as corporate finance, institutional asset management services and corporate life and pension products. The Nordea Group also has a large distribution network for customers in the Nordic markets with approximately 330 branch office locations, call centres in each of the Nordic markets, and an internet bank.

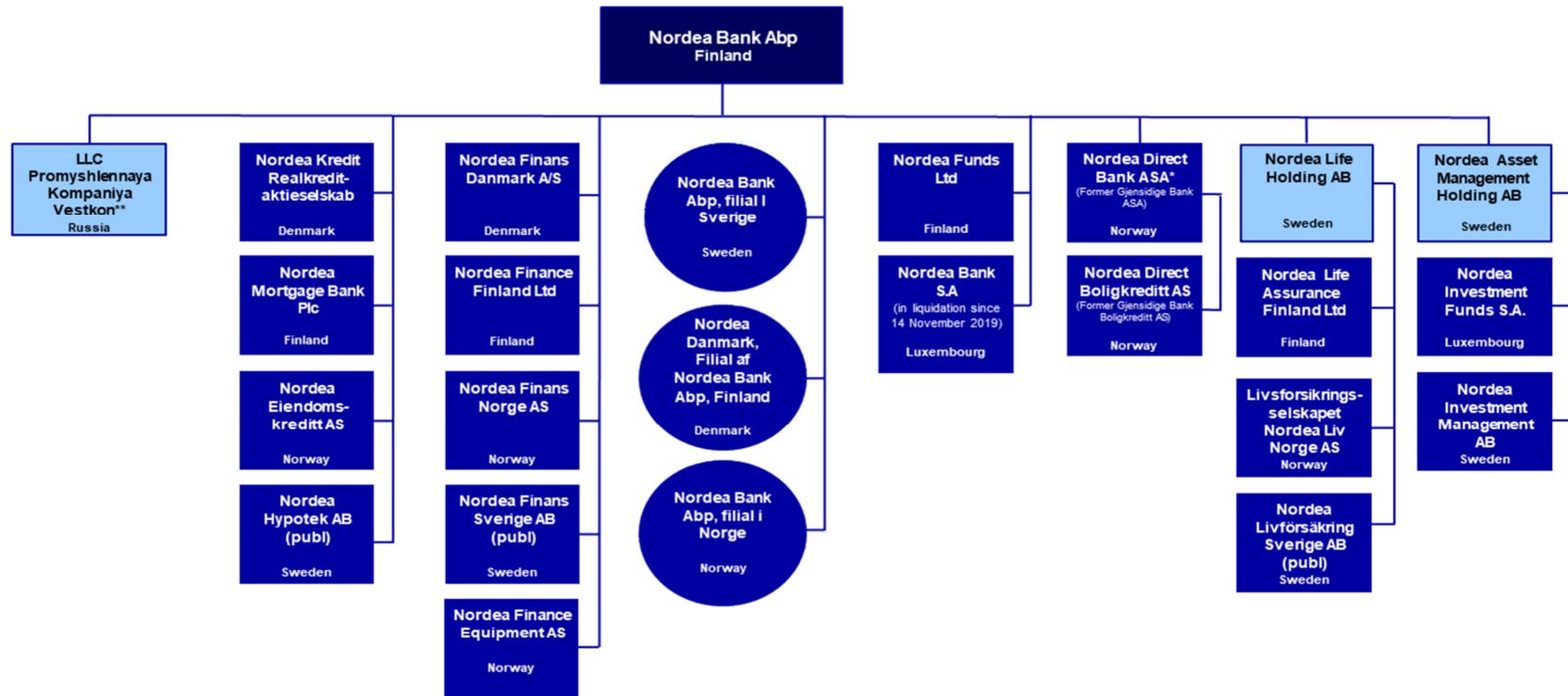
Since October 2, 2018 Nordea Bank Abp, the parent company of the Nordea Group, has been incorporated in the Republic of Finland and headquartered in Helsinki. Its ordinary shares are listed on the Nasdaq Nordic stock exchanges in Helsinki (in EUR), Stockholm (in Swedish Krona), and Copenhagen (in Danish Krone).

The Nordea Group currently operates in the U.S. primarily through Nordea Bank Abp, New York Branch ("Nordea New York"), licensed by the New York State Department of Financial Services (the "NYDFS"). Nordea New York services Nordea Group customers doing business in the U.S., Canada and Mexico, primarily by offering loans, stand-by letters of credit and other credit services, cash management, deposits and markets services. Nordea New York also plays an important role in obtaining USD funding for the Nordea Group globally.

1.1 Legal Structure

The Nordea Group was originally formed through international mergers of four large Nordic financial institutions which gradually resulted in the creation of a single bank operating under a single name. In 2017, the Legal Simplification Programme 1 ("LSP1") was executed, with the purpose of combining all legacy banks into one legal entity. In 2018, the Legal Structure Programme 2 ("LSP2") was executed, with the purpose of joining the Banking Union, in order to give Nordea regulatory requirements similar to its European peers.

Nordea Bank Abp, the parent company of the Nordea Group, is organised under the laws of Finland and is headquartered in Helsinki.



● Branch – Nordea Bank Abp also operates branches in Estonia, Poland, London, New York and Shanghai

■ Legal entity

■ Holding company

* Nordea Bank Abp and Nordea Direct Bank ASA (former Gjensidige Bank ASA) have signed a merger plan on 12 June 2019. The merger between Nordea Direct Bank ASA and Nordea Bank Abp is ongoing, with the target completion date 1 November 2022. The completion is subject to regulatory approval

** Nordea no longer has any operations in Russia. On 24 March 2021 the Extraordinary General Meeting of JSC Nordea Bank decided to initiate the voluntary liquidation process, which was approved by the Central Bank of Russia on 16 April 2021.

Figure 1: Nordea Group's main legal structure as of 21 April 2022 (non-exhaustive)

2 Summary of the Resolution Strategy

The Resolution Plan for Nordea New York (the "Plan") calls for the orderly termination of all Nordea New York operations within the U.S.

The Plan anticipates that Nordea New York will be placed into resolution by the Superintendent of the NYDFS immediately following initiation of an "interruption proceeding" for Nordea Bank Abp by the Single Resolution Board ("SRB"), the Group's resolution authority, and the European Central Bank ("ECB"), the Group's supervisory authority. Under the New York resolution proceeding, the Superintendent would marshal and liquidate the assets of Nordea Bank Abp in the U.S. and distribute the proceeds to creditors of Nordea New York. The Superintendent would return any excess proceeds to Nordea Bank Abp in Finland.

The Plan calls for Nordea New York (which is the primary entity holding assets and liabilities in the U.S.) to cease operations during resolution and be liquidated in a proceeding pursuant to New York State law. The Plan does not assume any extraordinary assistance during the resolution process, whether from the New York State, the U.S. or any supervisory authority in the U.S., the Nordea Group, or any of the Nordic countries in which the Nordea Group operates.

3 Names/Description of material entities

For this Plan, Nordea Group had one material legal entity that impacts the firm's resolution planning as of 1 May 2022: Nordea Bank Abp, New York Branch, - the primary operating entity of the Nordea Group in the U.S. It employs all personnel responsible for operating Nordea New York. Almost all of the Nordea Group's assets and liabilities in the U.S. are booked in Nordea New York.

4 Description of core business lines

The major business activities/areas comprising Nordea New York are:

- Corporate Banking ("CB")

CB provides a range of banking services to a targeted set of corporate customers. CB's target customer markets include: (1) North American subsidiaries of Nordic companies; (2) select North American multinational companies with a large footprint in Northern Europe; and (3) select non-bank financial institutions conducting business within Northern Europe. With limited exceptions, all of CB's customers have a relationship, and a relationship manager, in the respective Nordea legal entity within the Nordics to which it has been allocated.

CB offers its customers a variety of banking services, including term loans and working capital financing, cash management, stand-by letters of credit (“SBLC”) and bank guarantees. CB also offers markets products, including foreign exchange and interest rate hedging in cooperation with Nordea’s Markets organization in the Nordics.

- **International Shipping & Offshore (“IS&O”)**

IS&O provides traditional commercial banking services to shipping and cruise line companies. Unlike CB, IS&O customers are typically not clients of the Nordea Group in the Nordics. IS&O’s clients are primarily located in North America and are generally either publicly listed companies or large private companies. IS&O’s strategy limits its target market to customers meeting defined market criteria, including type of business, size and financial strength.

IS&O generates the majority of its revenue from lending. In addition, IS&O offers cash management, interest rate swaps and foreign exchange services in cooperation with Nordea’s Markets organization in the Nordics. In most cases, these additional products are provided only to customers with whom IS&O already has a lending relationship. The credit facilities consist mainly of term loans and revolving credits for the purpose of providing long term financing for assets such as ships. Large credit facilities are generally syndicated to other banks. If IS&O has arranged the credit facility, it usually acts as administrative agent.

IS&O in New York no longer has any offshore customers, in keeping with the Group’s announced intention to exit the offshore lending market.

- **Financial Institutions Group (FIG)**

FIG provides bank loans, trade finance and other banking products to non-bank Financial Institutions, mainly hedge funds and private-equity funds. FIG NY’s clients are located in North America and are generally either publicly listed companies or large private companies.

FIG’s strategy limits its target market to customers meeting defined market criteria, including type of business, size and financial strength.

- **Group Treasury, Liquidity Management New York (“Treasury”)**

Treasury’s primary role in the New York Branch is to access North American funding sources, primarily in USD, but also in other currencies, to support the funding needs of Nordea New York and the Nordea Group globally. Approximately 95 percent of the funding obtained by Nordea New York is in USD.

To fulfil its mandate, Treasury sources funding through: (i) the overnight deposit balances of Nordea New York's customers; (ii) term deposits of Nordea New York's customers; (iii) issuance of certificates of deposit; (iv) interbank sources and placements from other financial institutions, including government-sponsored entities ("GSEs") and U.S. asset managers, and (v) intercompany deposits. Diversification of funding sources is a key component of the Group's funding strategy.

Treasury also manages the liquidity and pledge portfolios held in New York.

5 Financial information regarding assets, liabilities, capital and major funding sources

5.1 Balance sheet information³

The following figure displays the Nordea Group balance sheet as of 31 December 2021:

USDm	31-Dec-21	31-Dec-20
Assets		
Cash and balances with central banks	53,793	40,439
Loans to central banks	463	3,832
Loans to credit institutions	2,246	3,832
Loans to the public	390,804	404,655
Interest-bearing securities	71,788	76,705
Financial instruments pledged as collateral	1,889	4,657
Shares	17,235	15,522
Assets in pooled schemes and unit-linked investments contracts	53,133	44,770
Derivatives	34,205	54,937
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-74	441
Investments in associated undertakings and joint ventures	234	681
Intangible assets	4,286	4,627
Properties and equipment	1,976	2,370
Investment properties	1,998	1,884
Deferred tax assets	247	498
Current tax assets	308	368
Retirement benefit assets	250	177
Other assets	10,001	16,381

³ From the Group Annual Report 2021. USD/EUR exchange rates as of 31 December 2021 and 31 December 2020 of 1.1326 and 1.2271, respectively, have been used to convert from EUR to USD. Explanations of the individual categories can be found in the Group's Annual report 2021, which is available at www.nordea.com/en/investors/latest-annual-report.

USDm	31-Dec-21	31-Dec-20
Prepaid expenses and accrued income	997	782
Assets held for sale	204	0
Total Assets	645,982	677,556
Liabilities		
Deposits by credit institutions	30,536	29,376
Deposits and borrowings from the public	233,090	225,088
Deposits in pooled schemes and unit-linked investment contracts	54,592	46,058
Liabilities to policyholders	22,193	22,306
Debt securities in issue	199,102	213,895
Derivatives	35,660	57,714
Fair value changes of the hedged items in portfolio hedge of interest rate risk	912	3,200
Current tax liabilities	401	374
Other liabilities	20,936	26,188
Accrued expenses and prepaid income	1,511	1,723
Deferred tax liabilities	606	535
Provisions	469	731
Retirement benefit liabilities	418	448
Subordinated liabilities	7,610	8,517
Liabilities held for sale	0	0
Total Liabilities	608,036	636,153
Equity		
Additional Tier 1 capital holders	849	918
Non-controlling interests	10	11
Share capital	4,587	4,970
Invested unrestricted equity	1,235	1,304
Other reserves	-2,040	-2,536
Retained earnings	33,304	36,736
Total Equity	37,945	41,402
Total Liabilities and Equity	645,982	677,556

5.2 Major funding sources

The Nordea Group has a broad and diversified funding structure originating from a strong and stable retail customer base in the Nordic markets and active funding programs. The funding

strategy is centrally managed and is focused on issuance in a few, but very liquid, funding programs, which has enabled Nordea to secure a safe and cost-efficient funding platform. Nordea is a benchmark issuer and its liquidity programs are part of major investors' portfolios.

External funding is raised by different legal entities, with some having a special function and target. Funding programs include both short-term (US commercial paper, European commercial paper, certificates of deposits) and long-term (covered bonds, European medium-term notes, and US medium-term notes) programs denominated in various currencies. The senior unsecured long-term funding and the short-term funding of the Nordea Group are raised by the parent company in the Nordea Group, Nordea Bank Abp. Further, interbank deposits are channelled through Nordea Bank Abp and its branches. This set up allows for a great deal of flexibility, as the proceeds can be swapped to any currency, regardless of the original currency of the issuance, and channelled to any of the legal entities, thus also covering foreign exchange risk.

Nordea New York's major funding sources are:

- Certificates of deposit ("CDs"): Nordea New York issues term CDs through the wholesale markets.
- Overnight funding: Nordea New York raises overnight funds from money market funds, Federal Home Loan Banks and other investors.
- Inter-company deposits: Nordea New York receives overnight deposits from affiliates, primarily Nordea Bank Abp. Additionally, Nordea New York has a long term deposit from Nordea Bank Abp in Helsinki.
- Demand deposits: Nordea New York receives demand deposits from customers.
- Term deposits: Nordea New York receives term deposits from customers.

5.3 Capital

As a branch licensed by the NYDFS, Nordea New York is not required to maintain capital on a separate basis from the capital of Nordea Bank Abp. As required by applicable law, the Nordea Group measures its capital ratio in accordance with CRR/CRD IV, the EU implementation of the standards promulgated by the Basel Committee on Banking Supervision.

5.3.1. **Nordea Group Capital Ratios⁴**

Nordea's Common Equity Tier 1 capital ratio, including transition rules, was 17.0% at the end of 2021, broadly stable from the end of 2020. The capital position was achieved by strong profit generation in combination with a maintained focus on capital management.

⁴ As a result of re-domiciliation of Nordea on 1 October 2018 the supervisory regime of Nordea Group was changed from the Swedish FSA to the ECB. The supervisory regime change had implications to the capital requirements and capital ratios of the

The key capital adequacy figures for Nordea Group can be found in the table below. Conversion from EUR to USD has been done using the exchange rates as of 31 December 2021 and 31 December 2020 (USD/EUR 1.1326 and 1.2271, respectively).

Group capital adequacy figures, USDm	31-Dec-21	31-Dec-20
Capital and REA		
REA	172,049	190,740
Minimum capital requirement	13,764	15,259
CET1 capital	29,312	32,583
Tier 1 capital	32,859	35,759
Own funds ("Capital base")	36,555	39,023
REA	172,049	190,740
Capital ratios		
CET1 capital ratio	17.0%	17.1%
Tier 1 capital ratio	19.1%	18.7%
Total capital ratio	21.2%	20.5%
Capital adequacy quotient (Own funds/capital requirement)	2.7	2.6

5.4 Description of derivatives and hedging activities

Nordea New York engages in limited derivative activity all of which is for hedging purposes, either for customers or for itself. This normally takes the form of Interest Rate Swaps ("IRS") or Overnight Indexed Swaps ("OIS"). Derivatives transactions for customers are executed by Nordea Bank Abp in the Nordics, and also booked in the Nordics.

6 List of memberships in material payment, clearing and settlement systems

Nordea New York is a participant in Fedwire and ACH. Other than these systems, and the direct access to its account at the Federal Reserve Bank of New York, Nordea New York is not a direct member of any material payment, clearing or settlement system. Most customer payments are effected through Fedwire.

Payments related to Treasury operations are effected through Nordea New York's U.S. correspondent bank, Bank of America N.A.

Group. In February 2022, Nordea received the latest Supervisory Review and Evaluation Process (SREP) decision from the ECB determining the expected minimum pillar 2 levels of own funds. Based on the decision, Nordea is required to maintain a pillar 2 requirement of 1.75%. 0.98pps of the pillar 2 requirement is to be met with common equity tier 1 (CET1) capital.

Nordea New York does not process payments on behalf of its affiliates, who instead act through their own U.S. correspondent accounts.

Nordea New York does not clear or otherwise process securities transactions for its customers.

The Nordea Group is a member of DTCC and CLS.

7 Description of foreign operations

Nordea New York represents the U.S. banking operations of the Nordea Group. Nordea New York itself has no foreign operations. Nordea Group's global operations are discussed in Section 1 above.

8 Identities of material supervisory authorities

Nordea Bank Abp is supervised by the ECB and is subject to the Single Supervisory Mechanism.

Nordea New York is supervised by the NYDFS and the Federal Reserve Bank.

9 Identities of principal officers

Nordea New York operates as part of the International Corporate Branches, which in turn is part of Large Corporates and Institutions (LC&I), overseen by Martin Persson, the Head of LC&I.

The General Manager and the executive responsible of Nordea New York is Henrik M. Steffensen, who is also the Head of International Corporate Branches.

Henrik M. Steffensen is responsible for the daily management of Nordea New York together with the Leadership Team of Nordea New York, which is comprised of (as of 1 April 2022):

NEW YORK BRANCH LEADERSHIP TEAM

Name	Position
Henrik M. Steffensen	General Manager
Kren Holm-Jorgensen	Head of Operational Services, COO
Leena Parker	Co-Head of Corporate Banking
Anders Holmgaard	Co-Head of Corporate Banking

Martin Lunder	Head of International Shipping & Offshore
Owen Joyce	Head of Treasury, Liquidity Management
Leo Loucas	Head of People
Raymond Knott	Head of Risk Management & Control
Susan Tucillo	Head of Compliance
Christopher Spittler	General Counsel

The overall strategy of Nordea New York is overseen by an Executive Committee, consisting of (as of 1 April 2022):

EXECUTIVE COMMITTEE

Name	Position
Isabelle Cassel	Head of LC&I Office, Large Corporates and Institutions (LC&I)
Henrik M. Steffensen	Head of Nordea New York
Morten Fredrik Ristvedt	Head of LC&I Norway
Peter Dalmalm	Head of Business Banking Sweden
Philip Asp	Head of Investment Banking
Erik Zingmark	Head of Transaction Banking
Jaana Sulin	Head of Liquidity Management, Group Treasury
Henrika Vikman	Head of Nordea Asset Management Governance, Asset and Wealth Management
Brian Nielsen	Business Area Technology Leader, Group Technology
Katarina Brome	Head of Country Chief Risk Officers, Group Risk

The Nordea Group Leadership Team ("GLT") consisted of (as of 1 April 2022):

GROUP LEADERSHIP TEAM (GLT)

Name	Position
Frank Vang-Jensen	President and Group CEO
Martin A Persson	Head of Large Corporates & Institutions
Erik Ekman	Head of Group Business Support
Sara Mella	Head of Personal Banking
Nina Arkilahti	Head of Business Banking

Ian Smith	Group Chief Financial Officer, Head of Group Finance & Treasury
Snorre Storset	Head of Asset & Wealth Management
Ulrika Romantschuk	Head of Group Brand, Communication and Marketing
Christina Gadeberg	Chief People Officer, Head of Group People
Mark Kandborg	Group Chief Risk Officer, Head of Group Risk
Jamie Graham	Head of Group Compliance
Jussi Koskinen	Chief Legal Officer, Head of Group Legal

10 Description of corporate governance structure and processes related to resolution planning

At the Nordea Group level, recovery and resolution planning is the responsibility of the Enterprise-Wide Risk Management (ERM), which reports to Lasse Tryde. The Head of ERM reports to the Head of Group Financial Risk Management and Control, Michael Upward, who reports directly to the Group Chief Risk Officer, and is a member of the Group Risk Leadership Team.

Resolution planning for Nordea's U.S. operations is coordinated by Risk Management and Control in New York and is a joint responsibility of ERM and the management of Nordea New York.

The 2022 Resolution Plan submission for Nordea New York was approved by Henrik M. Steffensen, General Manager of Nordea New York and Mark Kandborg, Chief Risk Officer and Head of Group Risk, who are delegates of the Nordea Bank Abp Board. On 15 June 2022, the Board Risk Committee was updated on the 2022 Resolution Plan submission regarding Nordea Bank Abp's U.S. operations.

11 Description of material management information systems

Nordea New York relies on key management information systems ("MIS") and applications for financial, accounting, risk management and regulatory reporting. These systems, as well as the reports generated from the systems, are wholly owned and controlled by Nordea New York. In addition, the core business lines leverage reports provided by the key MIS to monitor daily functionalities.

Nordea New York's key MIS reports are produced and available on a regular basis. Nordea New York has identified key functionalities that would support branch management during an orderly resolution.

