

Nordea



First Quarter Results 2017

Casper von Koskull, President and Group CEO

Disclaimer

This presentation contains forward-looking statements that reflect management's current views 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.

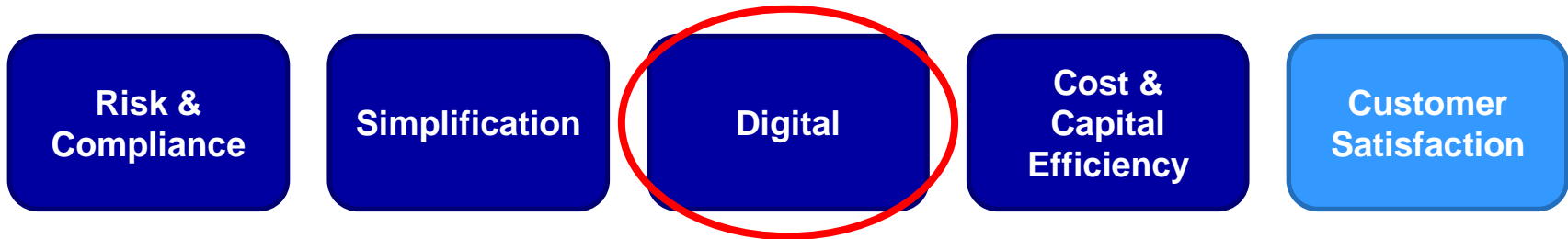
Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Looking ahead

2016 was a lot about...

...2017 will be more of the same but also



Resilience

- Improved Governance
- Compliance & Risk
- IT remediation
- Cyber security
- Capital
- Pricing

Renewal

- Simplification
- Digital deliveries
- Payment strategy
- Cultural transformation
- People

Reorientation

- Future Operating Model
- Customer journeys and propositions

Q1 2017 Group financial highlights

Stable environment and low growth

Q1/17 vs. Q1/16*

Q1/17 vs. Q4/16*

Income	<ul style="list-style-type: none"> Total revenues Net Interest Income Fee and commission income 	<ul style="list-style-type: none"> + 6% Flat + 12% 	<ul style="list-style-type: none"> - 6% - 2% - 1%
Costs	<ul style="list-style-type: none"> Total costs Excl. Group Projects, Compliance and Risk 2017 vs. 2016 2018 vs. 2016 	<ul style="list-style-type: none"> + 5% + 2% + 2 to 3% Flat 	<ul style="list-style-type: none"> - 6% - 5%
Credit quality	<ul style="list-style-type: none"> Loan loss level Impaired loans Credit quality outlook 	<ul style="list-style-type: none"> 14 (13) bps 162 bps (-3) Largely unchanged 	<ul style="list-style-type: none"> 14 (16) bps - 1 bp
Capital	<ul style="list-style-type: none"> CET 1 ratio 	<ul style="list-style-type: none"> 18.8% (16.7%) 	<ul style="list-style-type: none"> 18.8% (18.4%)

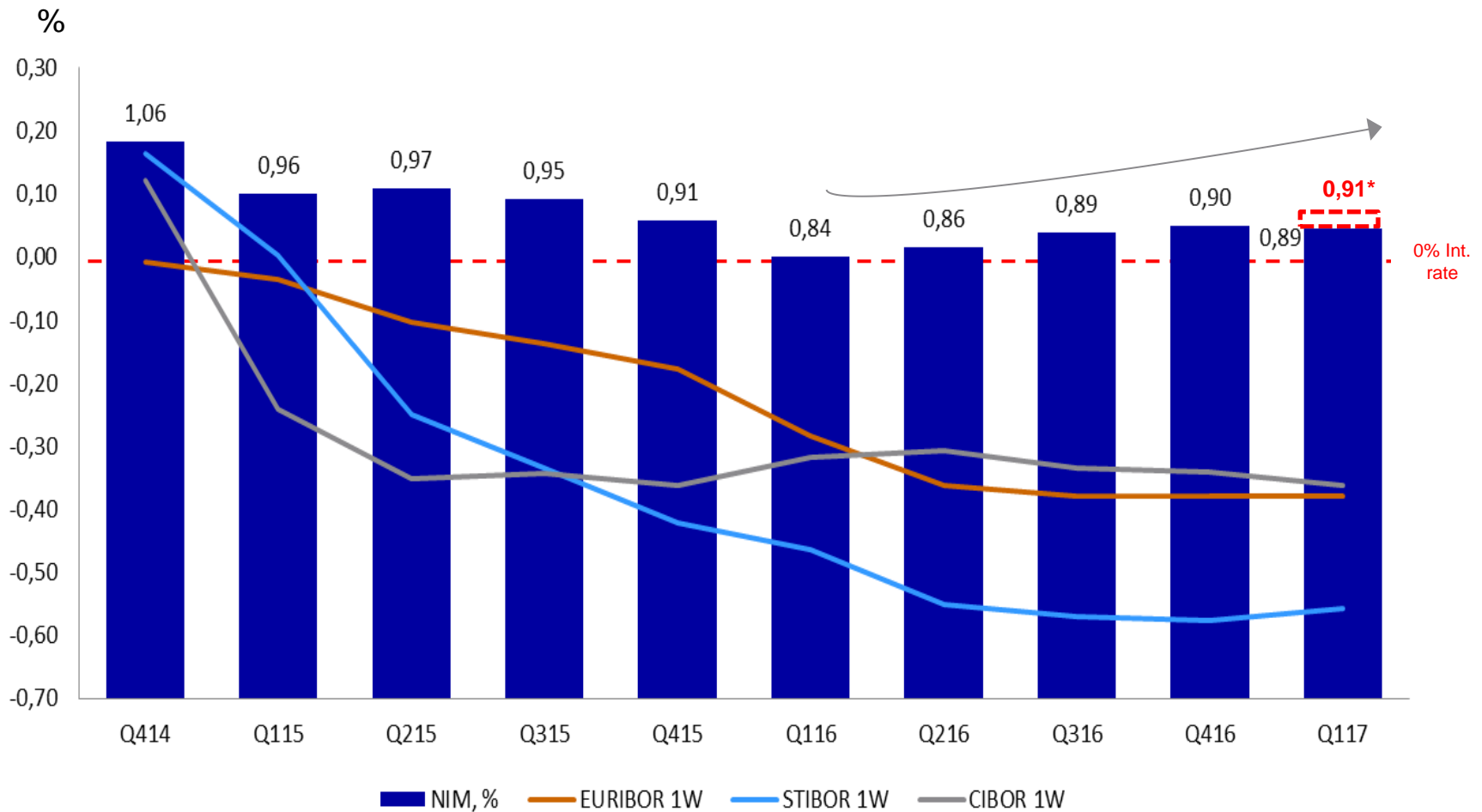
Nordea Group

Financial result

EURm	Q117	Q116	Chg Q117 vs. Q116	Loc. curr. Chg YoY	Q416	Chg Q117 vs. Q416	Loc. curr. Chg Q117 vs. Q416
Net interest income	1,197	1,168	2%	0%	1,209	-1%	-2%
Net fee & commission income	866	772	12%	12%	867	0%	-1%
Net fair value result	375	332	13%	17%	498	-25%	-25%
Total income	2,461	2,295	7%	6%	2,610	-6%	-6%
Total expenses	-1,246	-1,178	6%	5%	-1,233	1%	0%
Net loan losses	-113	-111	2%	2%	-129	-12%	-12%
Operating profit	1,102	1,006	10%	8%	1,248	-12%	-12%
Net profit	844	782	8%	6%	1,100	-23%	-24%
Return on equity (%)	10.3	10.1	+0.2 %-points	n/a	13.9	-3.6 %-points	n/a
CET1 capital ratio (%)	18.8	16.7	+2.1 %-points	-	18.4	+0.4 %-points	-
Cost/income ratio (%)	51	51	+0 %	n/a	47	-3%	n/a

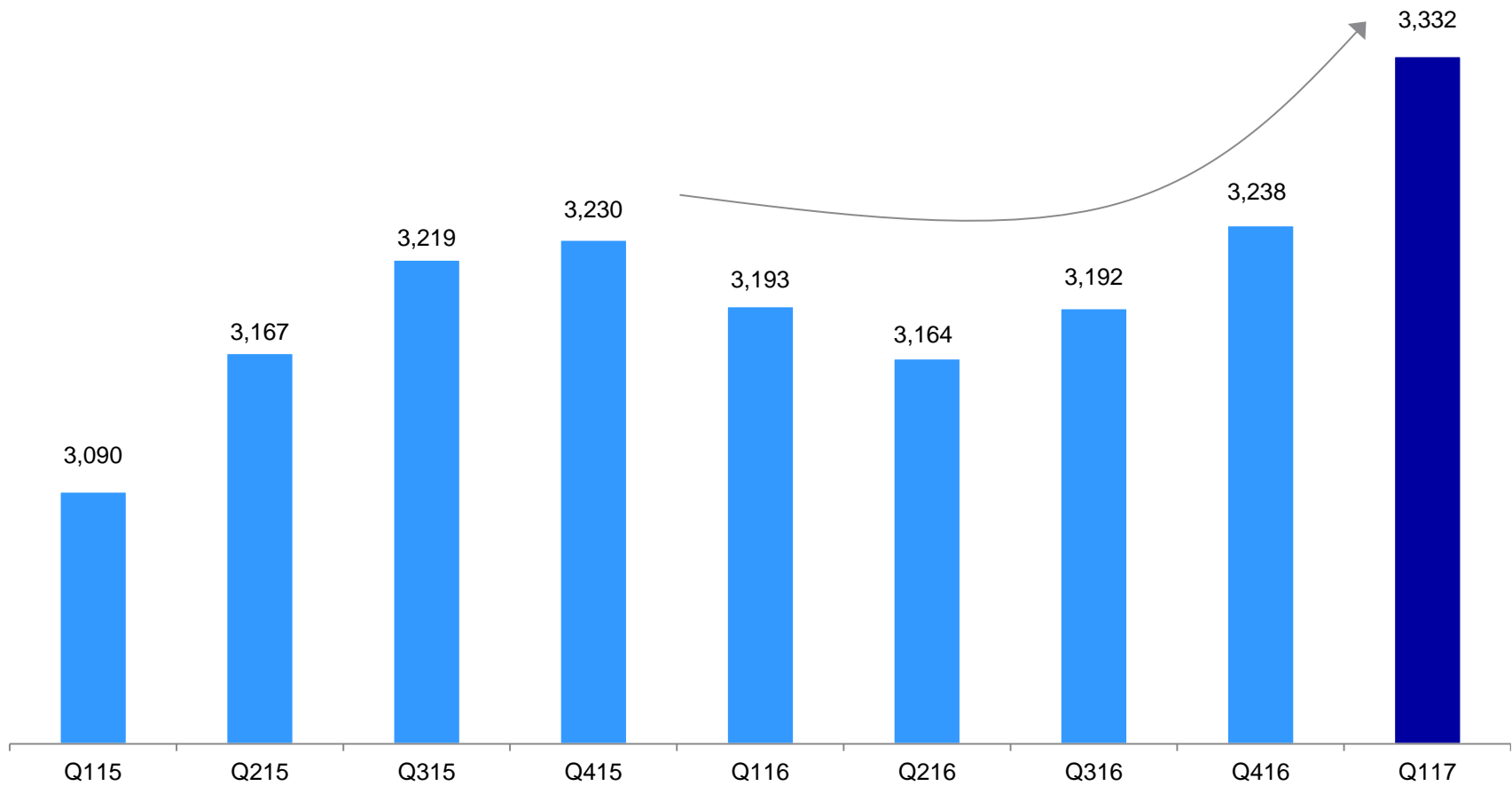
Net Interest Margin

Severe pressure from negatives rates – continues levelling off



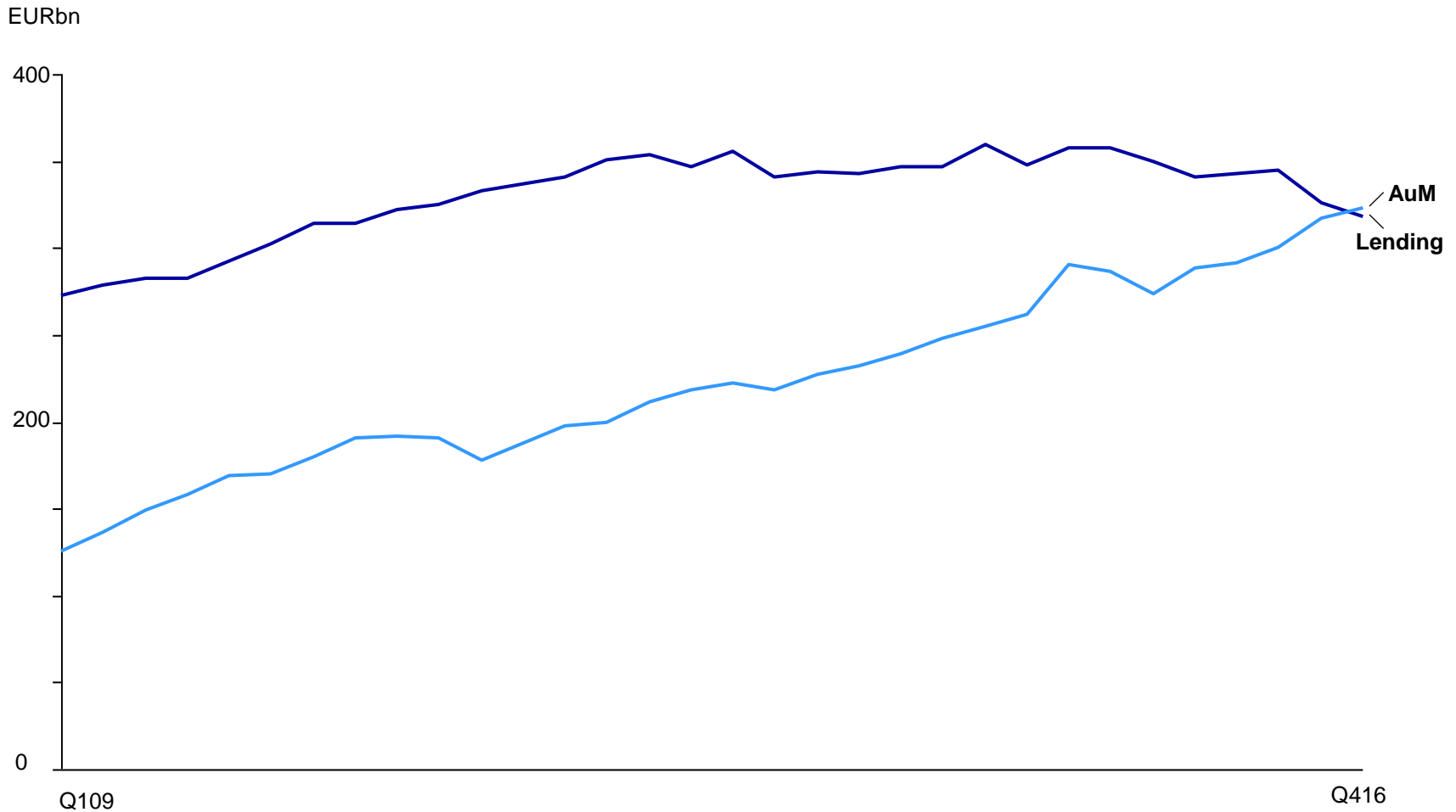
Net Fee and Commission Income, 4Q rolling

Improved trend, driven by savings and investments



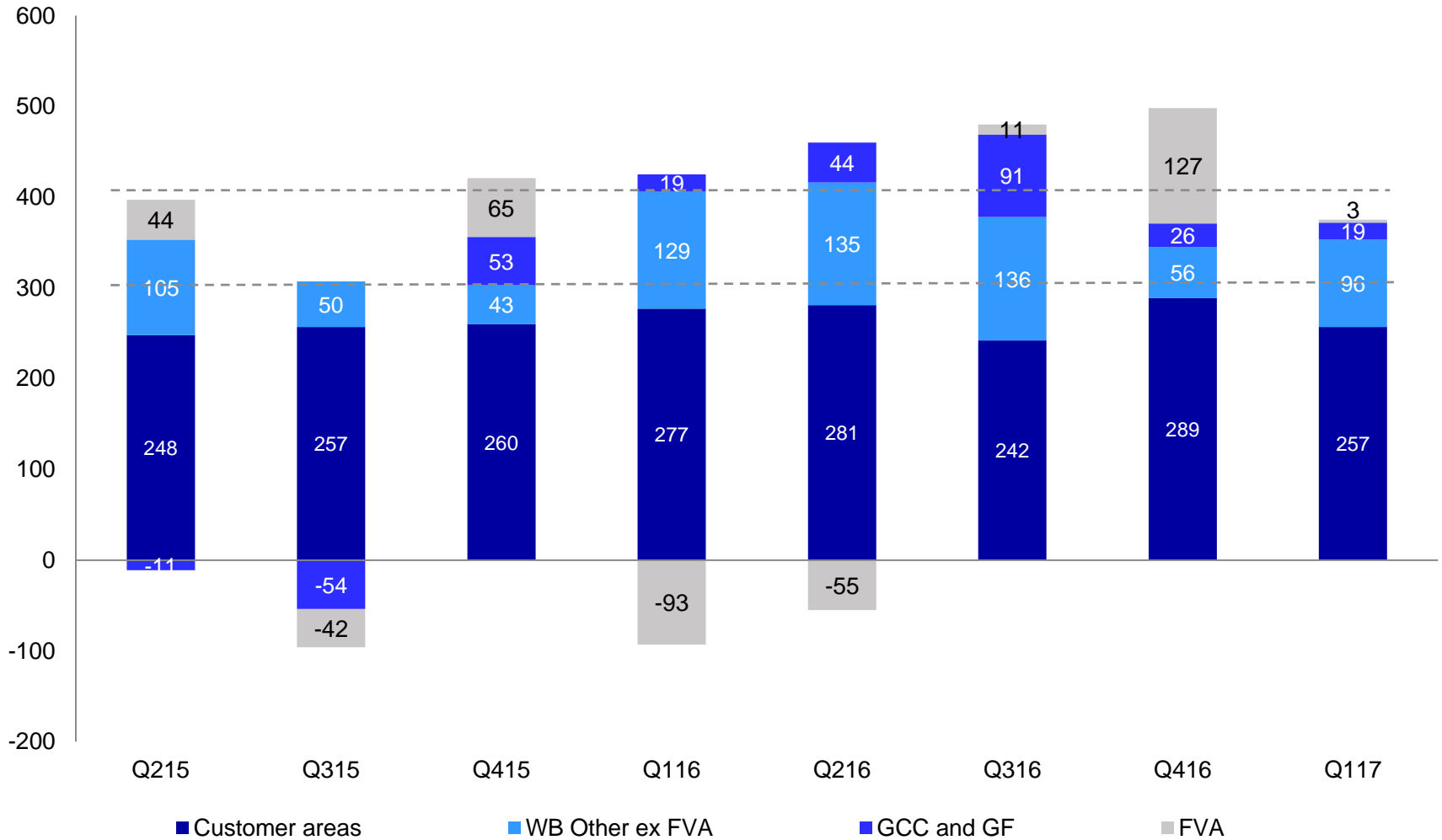
Nordea AuM vs. Lending development 2009 – 2016

Assets under Management higher than bank lending



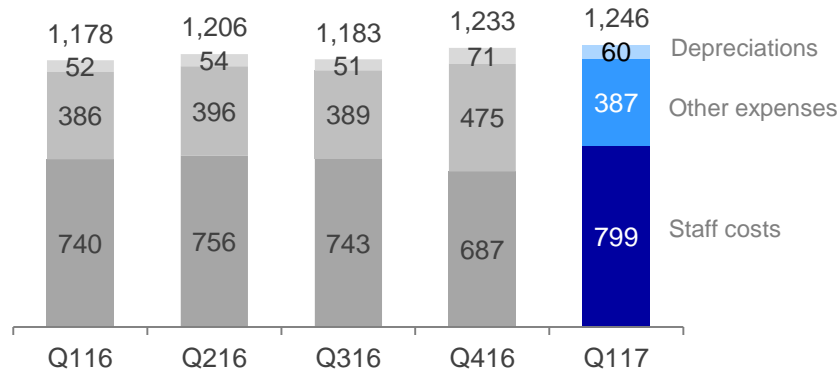
NFV, 8Q overview

Solid underlying trend of EUR 300-400m per quarter

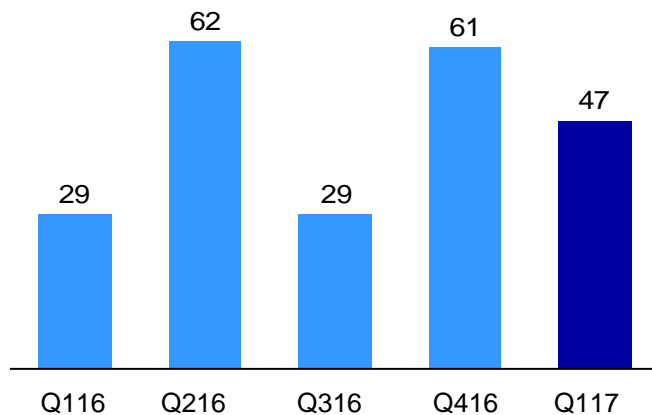


Costs

Total expenses, EURm



Group projects*, EURm

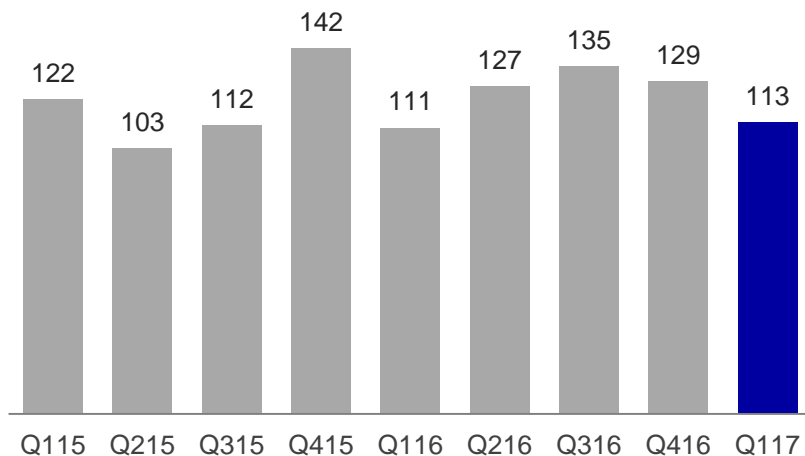


Comments

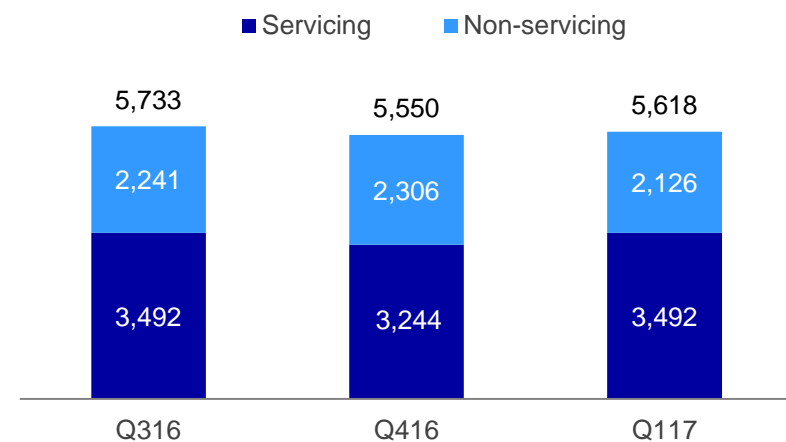
- **Costs in local currencies**
 - +5% in line with guidance
 - +2% excluding Group Projects, Compliance and Risk
- **Capitalisation of Group projects**
 - EUR 74m (vs. EUR 33m in Q1 2016)
- **Continued high activity level in 2017**
 - Approx. 2-3% cost growth in local currencies for 2017/2016
- **Good progress in our investment programs**
 - Costs down to the 2016 level in 2018

Improved asset quality

Total net loan losses, EURm



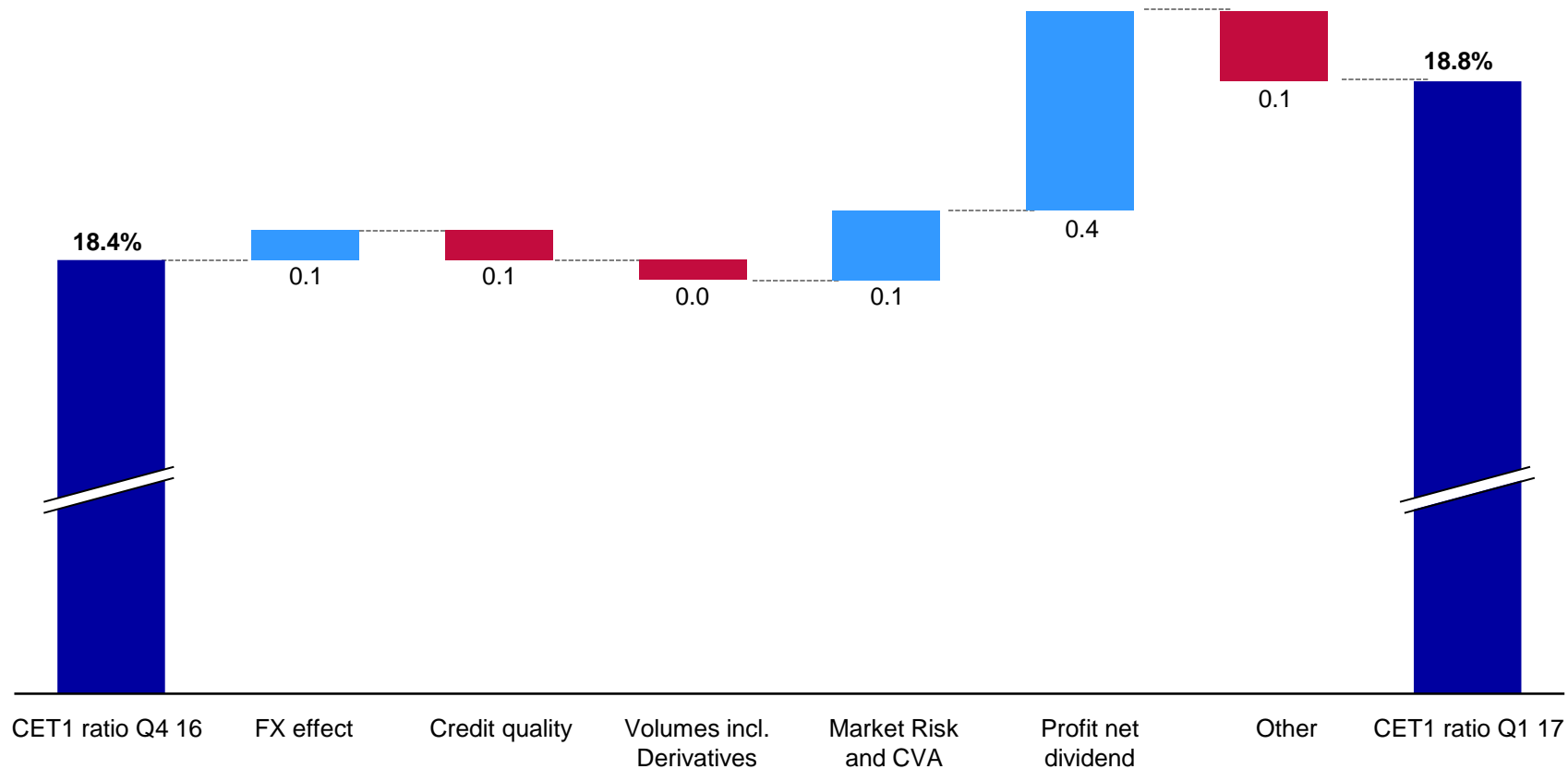
Impaired loans, EURm



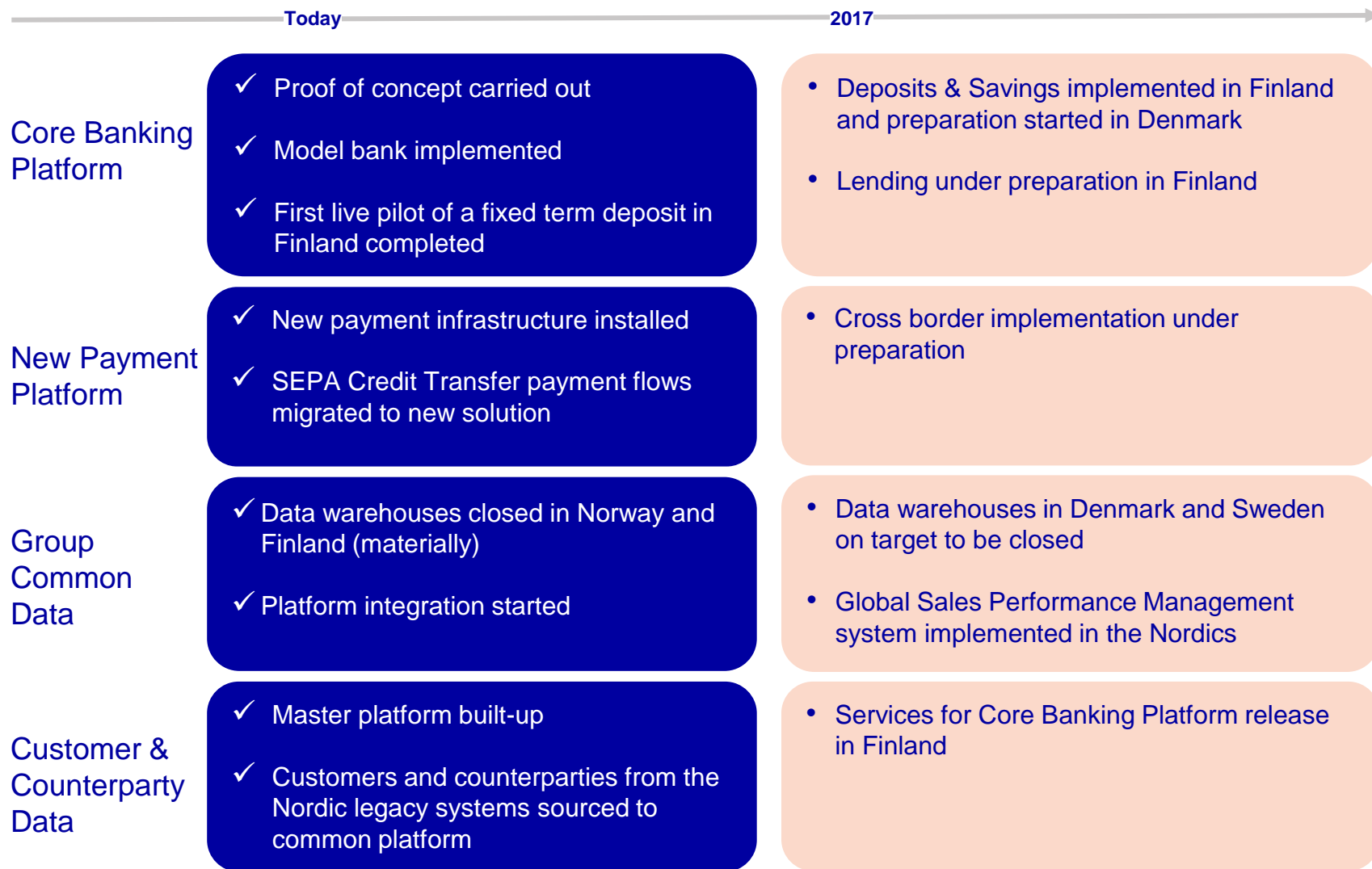
Comments

- Loan loss ratio for Q1 at 14 bps (Q4 16 bps)
 - Around 75% of losses from our oil and offshore exposures
 - 3 bps outside oil and offshore exposures
- Loan losses outlook
 - Largely unchanged credit quality
- Impaired loans largely unchanged
 - Non-servicing loans decreased 8% qoq

Common Equity Tier 1 ratio development Q117 vs. Q416



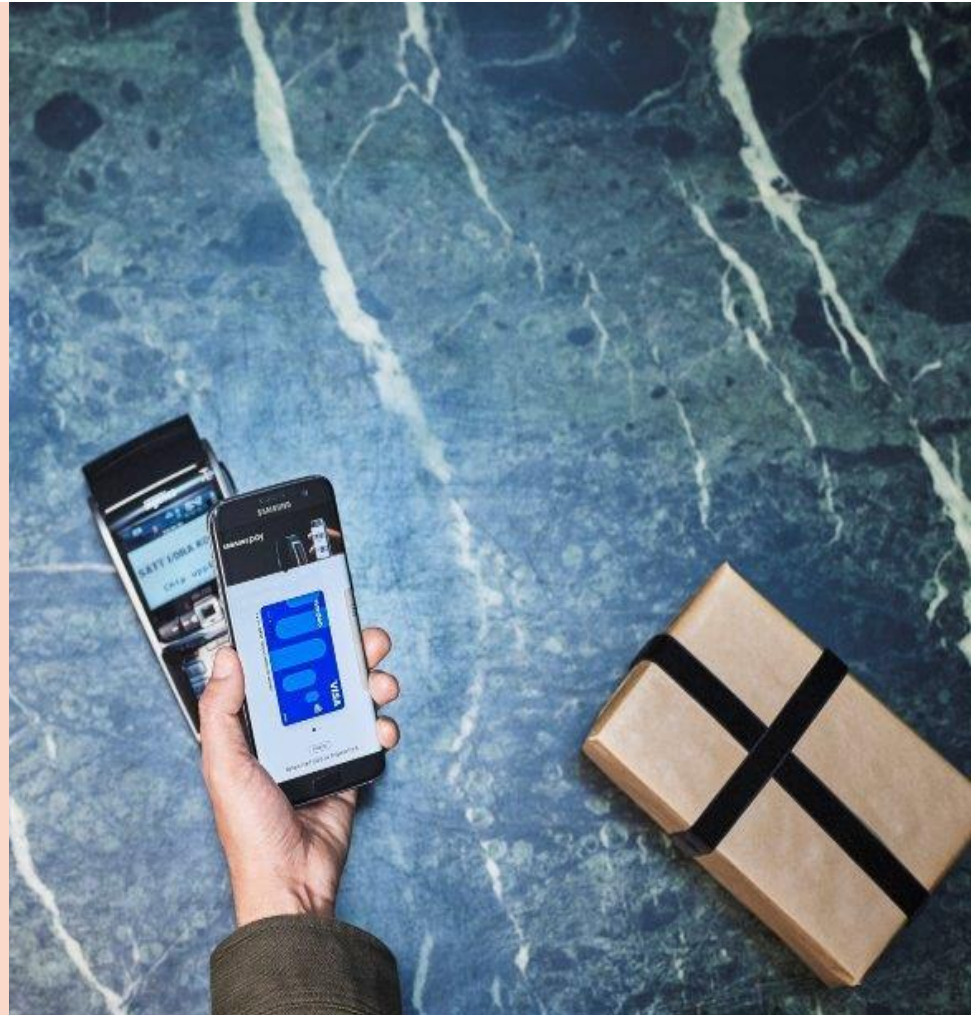
Progress in the Group Simplification Programme



In the forefront of the digital development

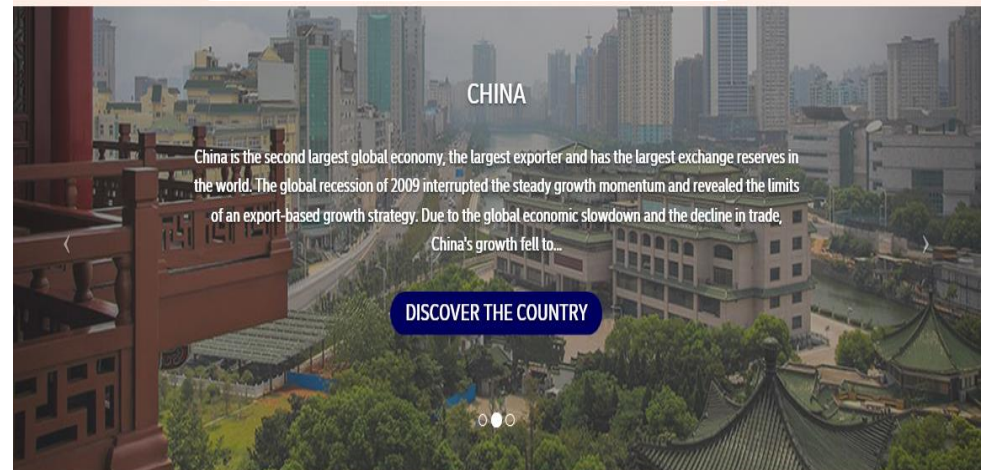
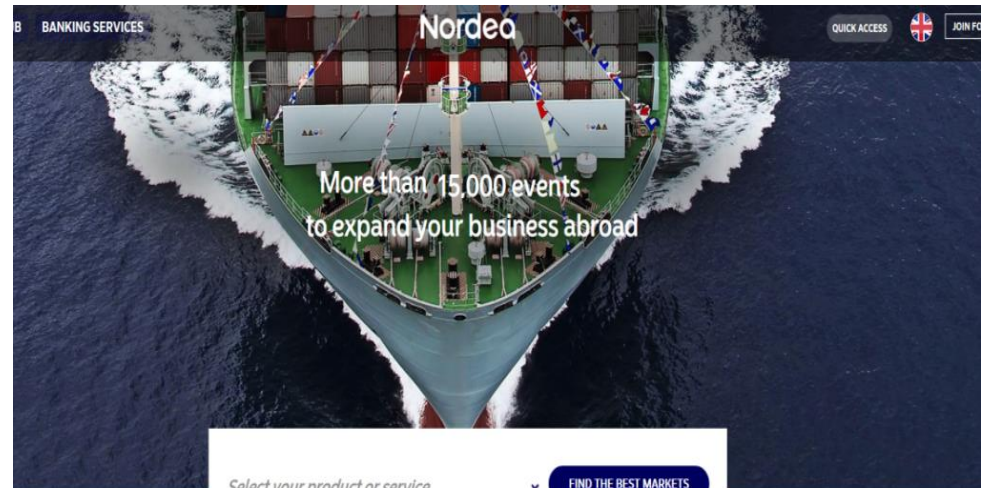
Team up with leading partners

- ✓ Payment via the Samsung Pay app in Sweden
- ✓ Nordea Wallet introduced in Denmark
- ✓ Siirto launched in Finland



Nordea Trade Portal

- ✓ 1st milestone reached
 - Over 1,000 users registered an account
- ✓ 2017 ambitious target unchanged
 - 10,000 sign-ups
- ✓ 51,900 visits



Stronger savings offering to Nordea customers

- ✓ Significantly stronger savings offering this spring
- ✓ Partnerships with global leaders
- ✓ Nordea Funds awarded by Morningstar in all Nordic markets

40

New handpicked funds

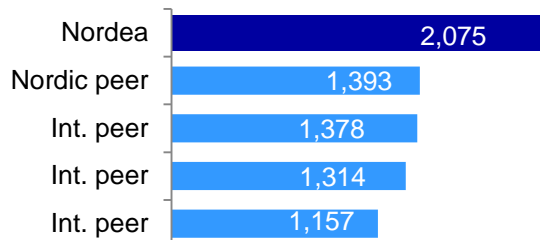


Leading Nordic platform confirmed

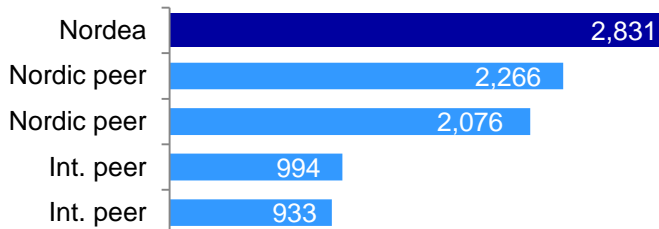
League Tables (EURm)

Selected credentials

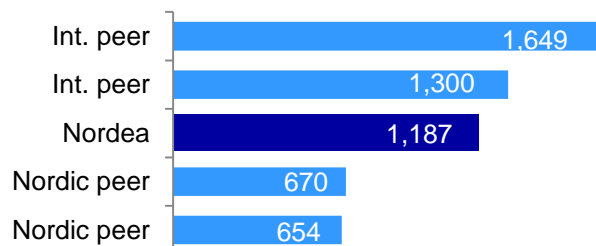
Q1 2017 #1 on ECM¹



Q1 2017 #1 on Corporate Bonds²



Q1 2017 #3 on Syndicated loans³



January 2017
Public offer for PKC



Motherson Sumi
Public offer for

Deal value
EUR 571m



Financial adviser to MSSL

February 2017
Public offer for Comptel




Public offer for
comptel

Deal value
EUR 347m

Financial adviser to Nokia

March 2017
Eurobond and Tender



Total notes
EUR 500m 1% due Mar'21
EUR 750m 2% due Mar'24

Joint bookrunner and dealer manager


March 2017
Hybrid Bond and Tender



Total notes
EUR 900m 3.000% NC6
SEK 5bn 3mS+290 bp NC5.5
SEK 1.5bn 3.250% NC5.5

Joint bookrunner and dealer manager

March 2017
IPO



Deal value
SEK 2.3bn

Joint global coordinator and joint bookrunner

March 2017
Rights Issue



Deal value
SEK 1.8bn

Joint global coordinator and underwriter

17 Note: (1) Nordic region. Based on exchange nationality. The following transactions are included: IPOs, convertibles and follow-ons (2) Nordic region. (3) Nordic Region. Corporate and leveraged loan volume, all bookrunners. Source: Dealogic

The future of banking APIs within the Nordics

The banking landscape is changing. Join us and help define the future of Banking in the Nordics and beyond.

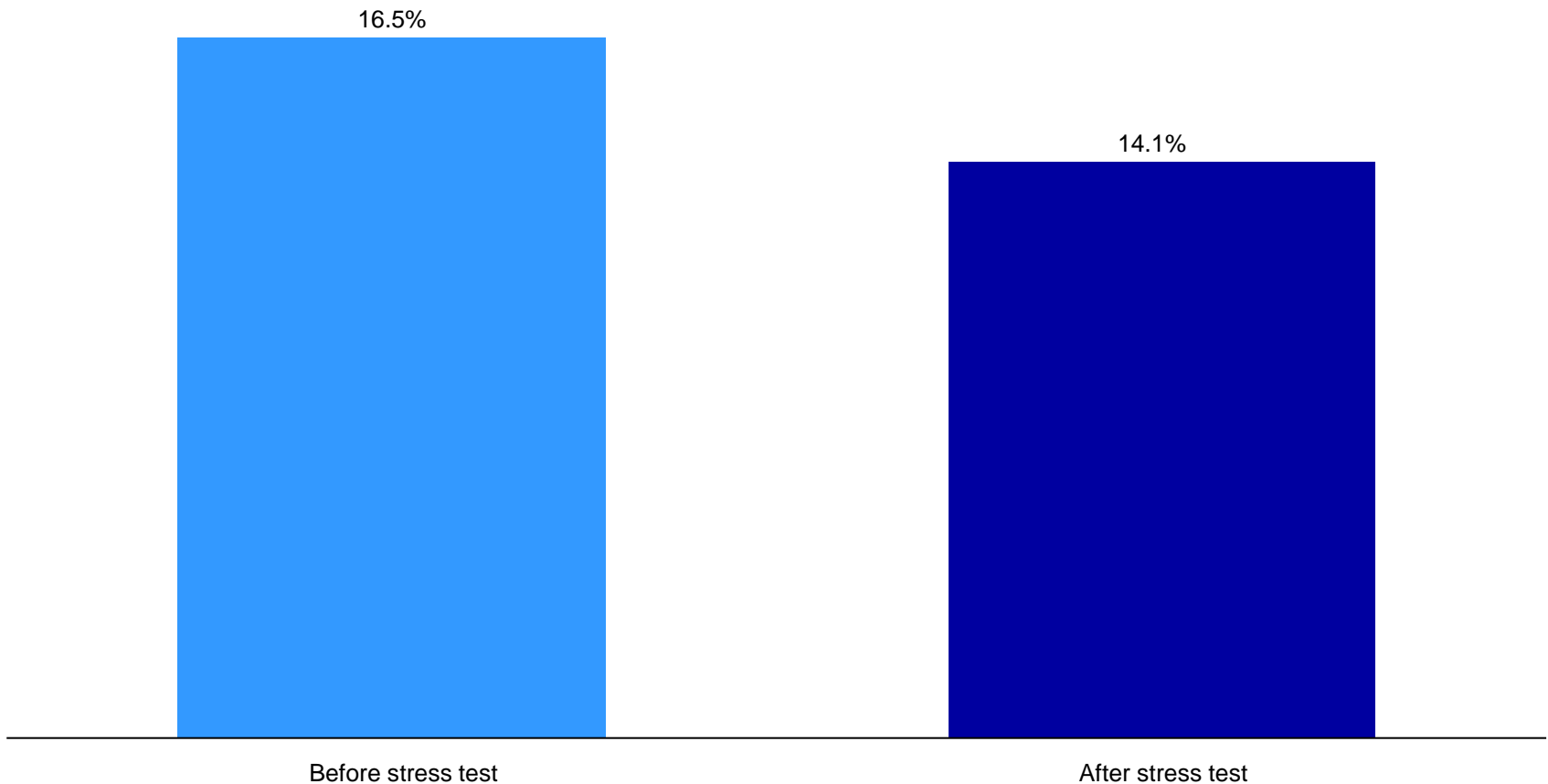
The pilot program will kick-off in Summer 2017!

[Sign up for pilot](#)



Myth nr. 1: Nordea imposes a risk to the Swedish economy...

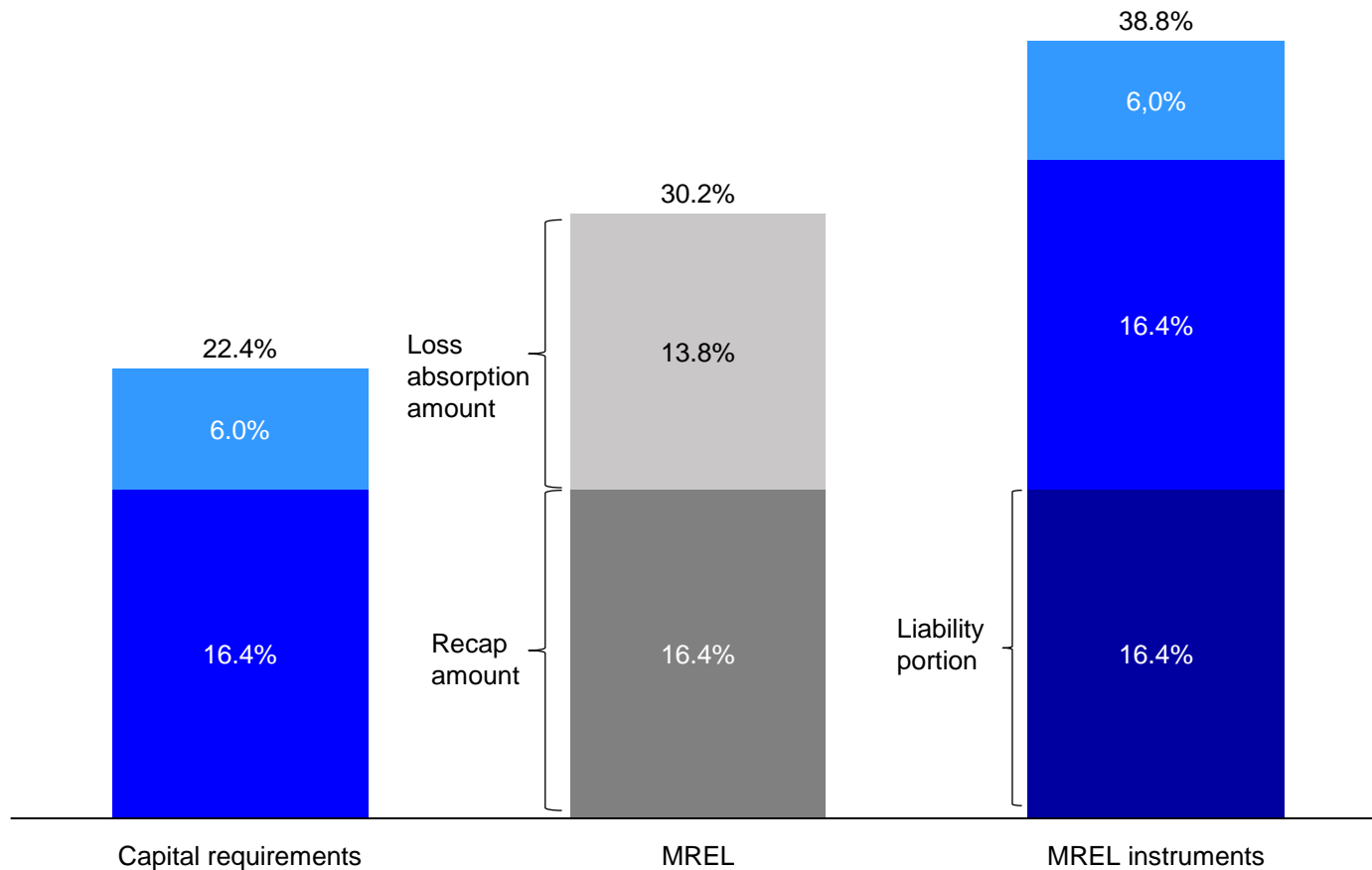
CET1 ratio before and after 2015 stress test



Results from 2015 stress test .The stress scenario implies for Sweden that GDP decreases with 13.5% (EU 6.8%) and that the house prices decrease with 38.9% (EU 20.2%) under 2016 - 2018

...Nordea's estimated MREL requirement

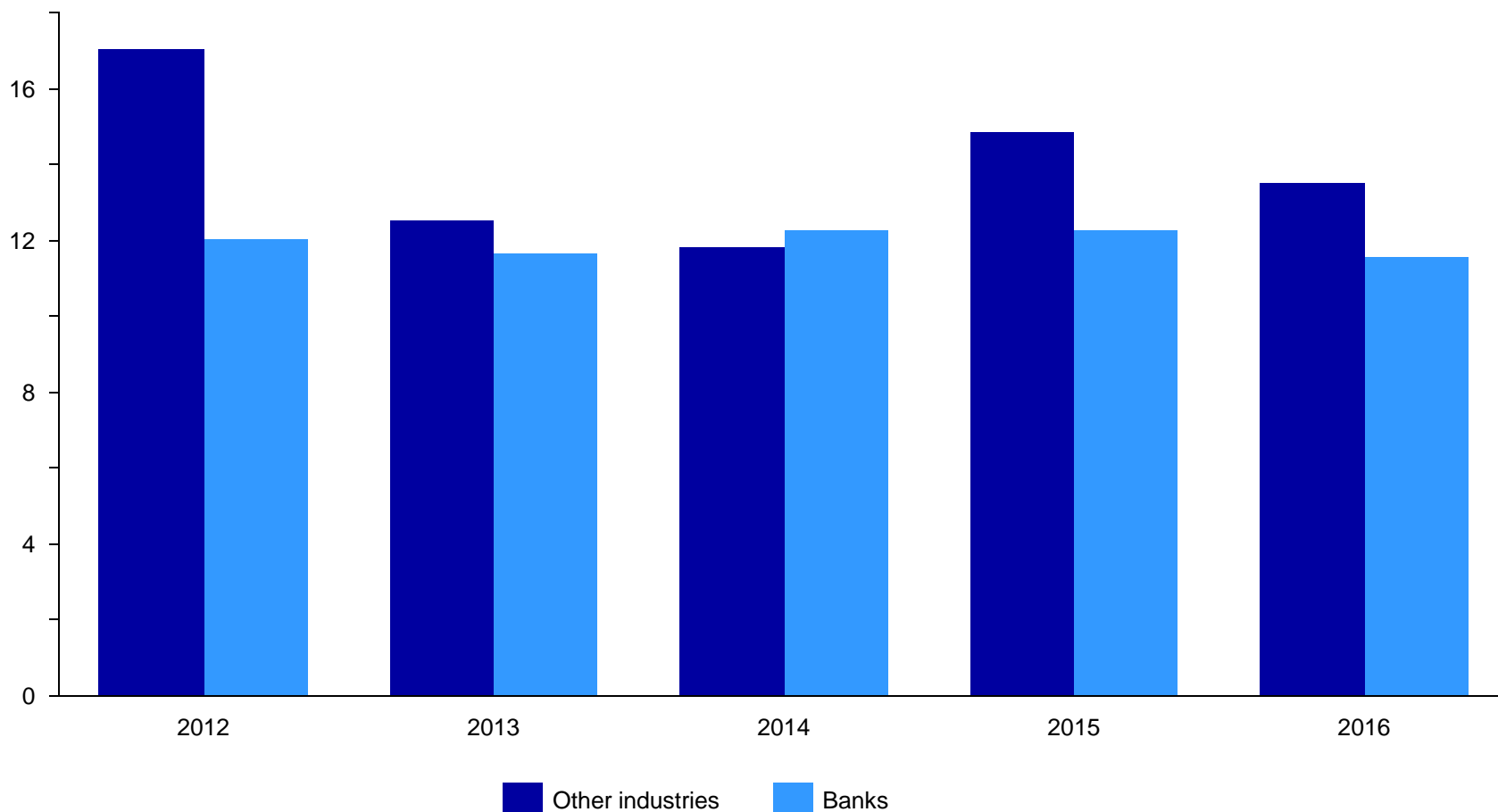
From bail out to bail in



■ Combined buffers
 ■ Pillar 1 minimum + Pillar 2
 ■ Lost absorption amount
 ■ Recapitalisation amount
 ■ MREL liabilities

Myth nr. 2: Swedish banks have excess profitability

ROE Swedish big banks vs. Other industries



Myth nr. 3: Nordea is undertaxed

Nordea corporate tax (EURm), 2007 - 2016

