



Nordea



Debt investor presentation Q3 2018

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.

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1. Nordea in brief

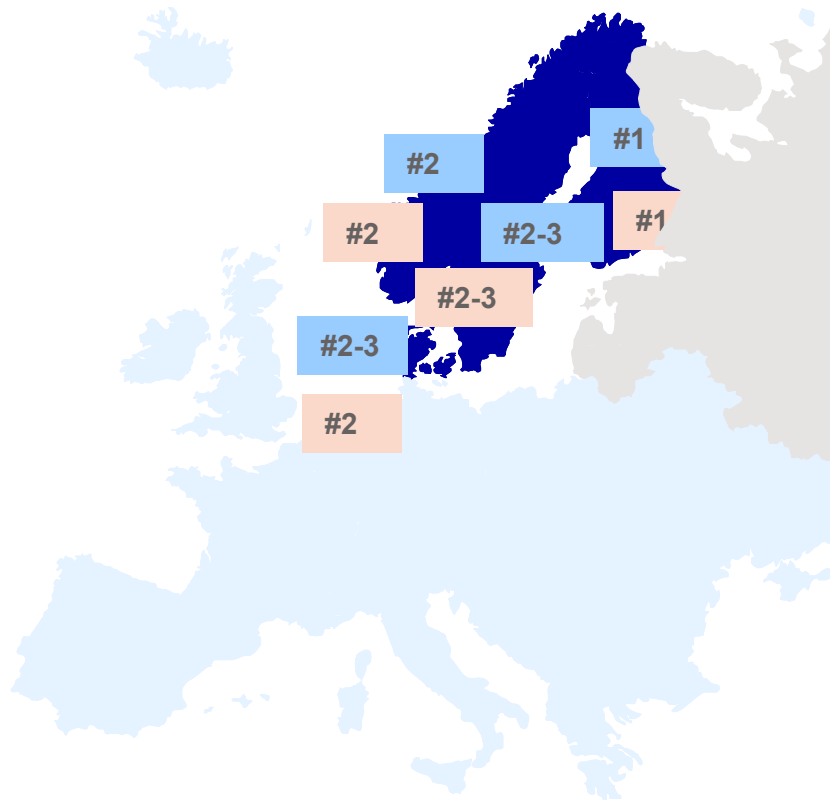
The largest financial services group in the Nordics

Household market position*

#1

Corporate & Institutional market position**

#1



Business position

- Leading market position in all four Nordic countries
- Universal bank with strong position in household, corporate and wealth management
- Well diversified business mix between net interest income, net commission income and capital markets income

11 million customers and strong distribution power

- Approx. 10 million household customers
- 700 000 corporate customers, including Nordic Top 500
- Approx. 450 branch office locations
- Enhanced digitalisation of the business for customers

Financial strength

- EUR 9.5bn in full year income (2017)
- EUR 573bn of assets (Q3 2018)
- EUR 32.6bn in equity capital (Q3 2018)
- CET1 ratio 20.3% (Q3 2018) – forecasted CET1 ratio 15.4% (Q4 2018)

AA level credit ratings

- Moody's Aa3 (stable outlook)
- S&P AA- (stable outlook)
- Fitch AA- (stable outlook)

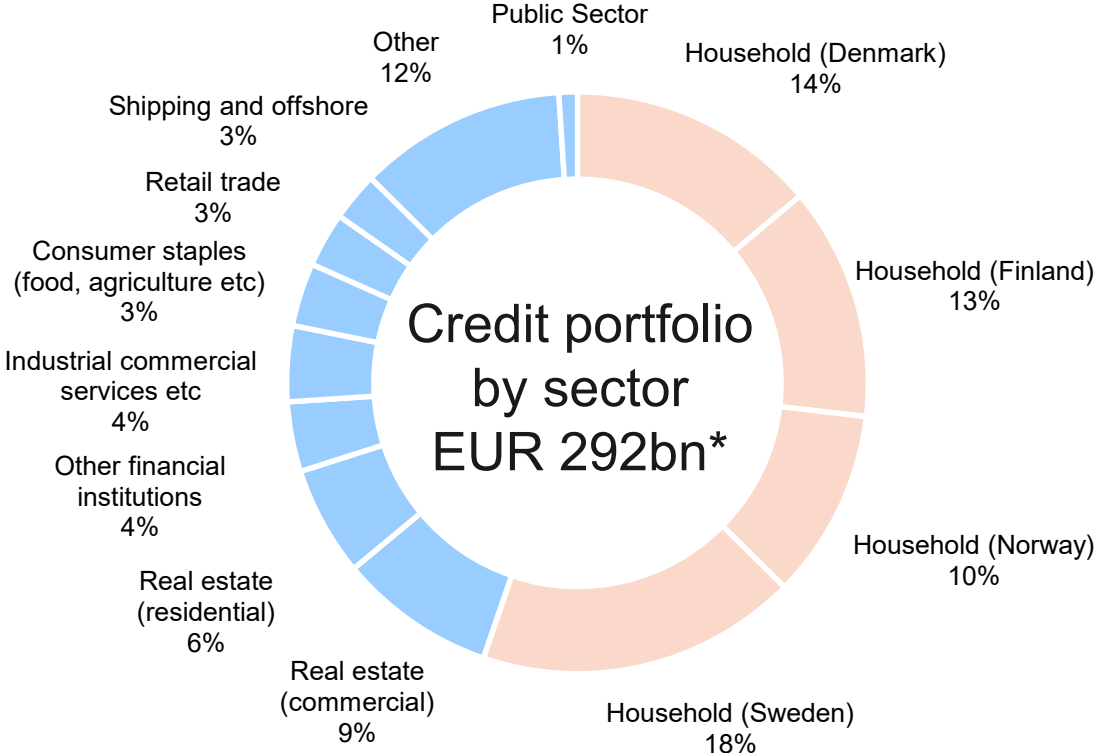
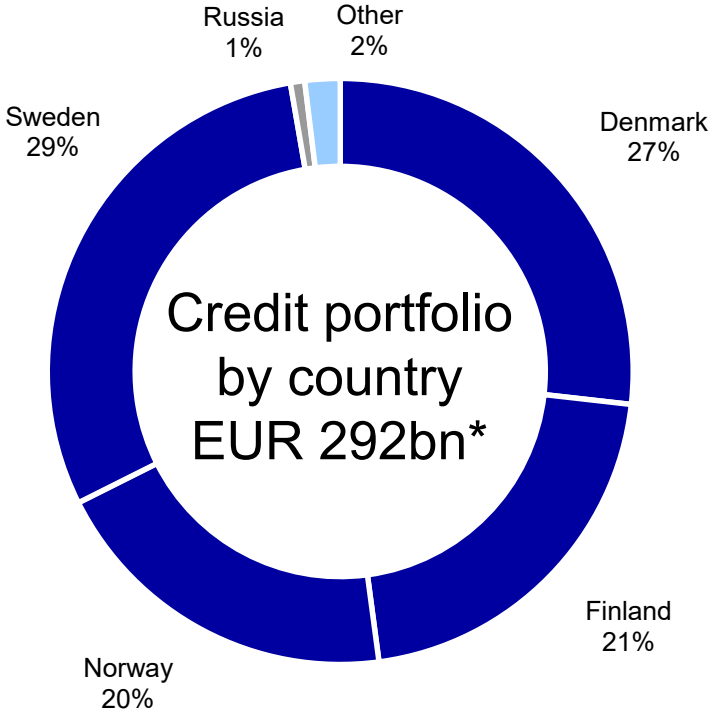
EUR ~38bn in market cap (Q3 2018)

- One of the largest Nordic corporations
- A top-10 universal bank in Europe

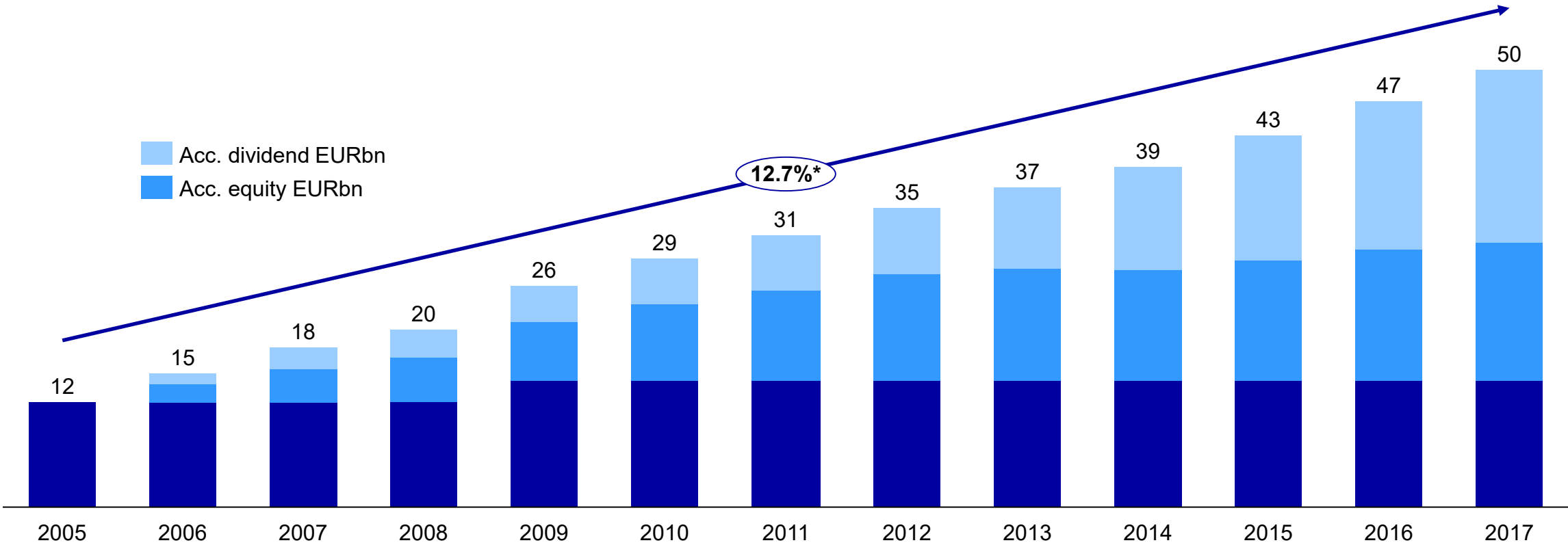
Nordea is the most diversified bank in the Nordics

A Nordic-centric portfolio (97%)

Lending: 45% Corporate and 55% Household



Strong Nordea track record

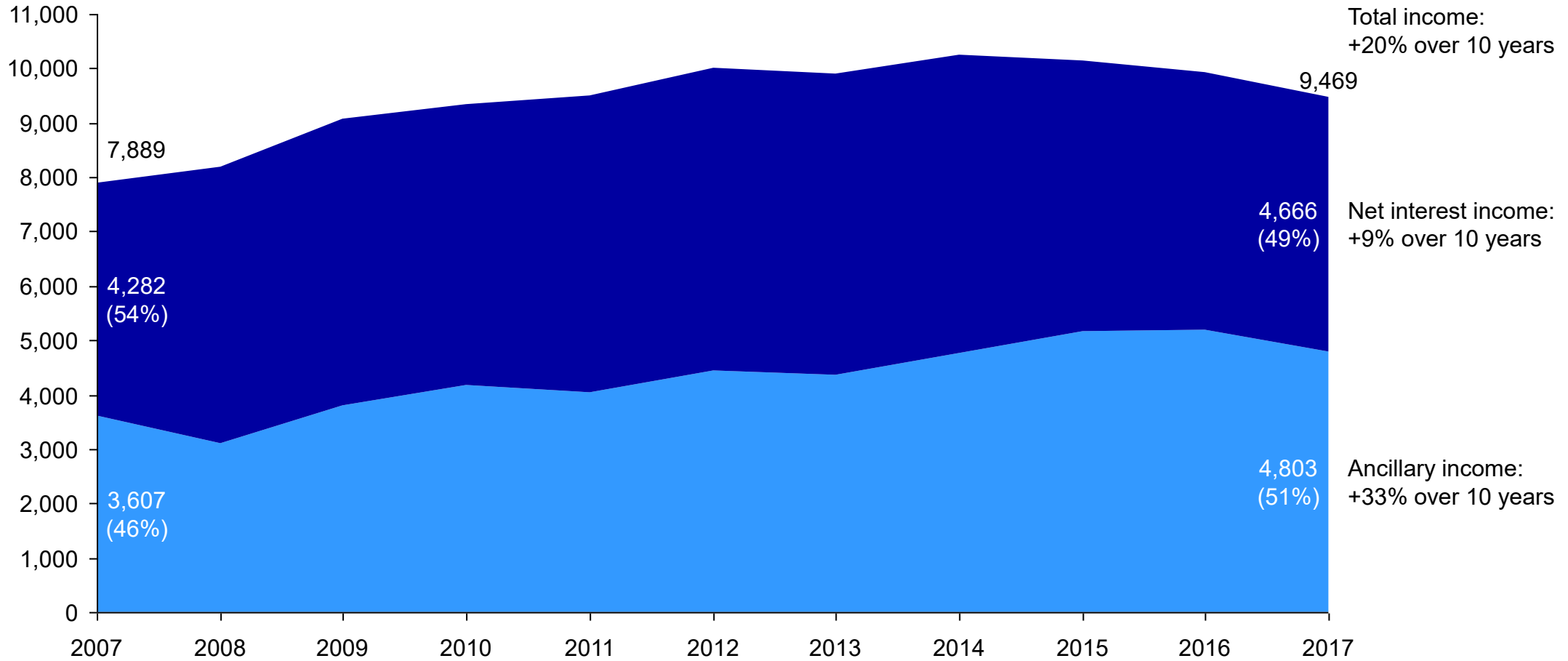


2005	
CET1 ratio (%)	5.9**

Q3 2018	
CET1 ratio (%)	20.3
Leverage Ratio (%)	4.9

Changed revenue structure

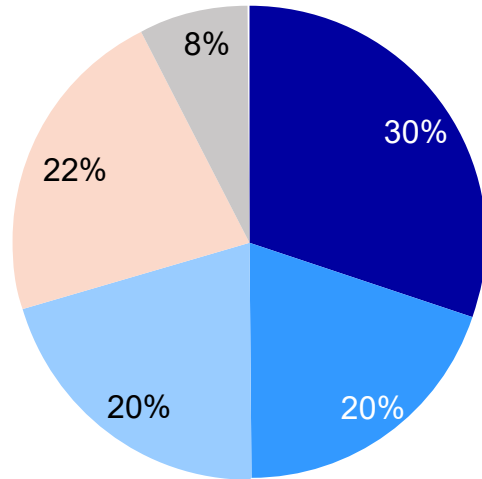
Nordea's focus on ancillary income offset pressure on net interest income



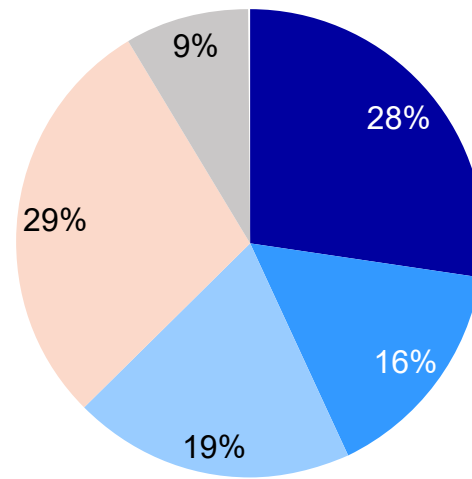
Well mixed profit generation

Business Area contribution in FY 2017

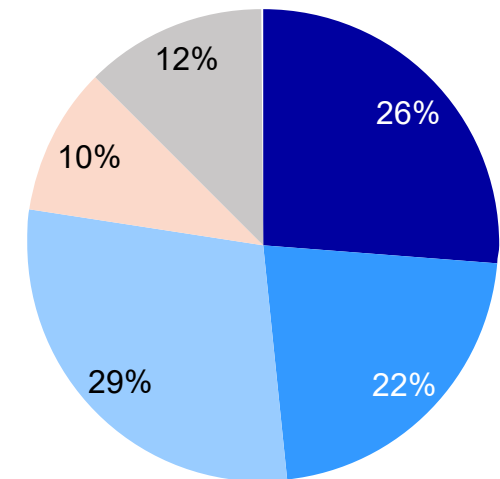
Operating Income



Operating Profit



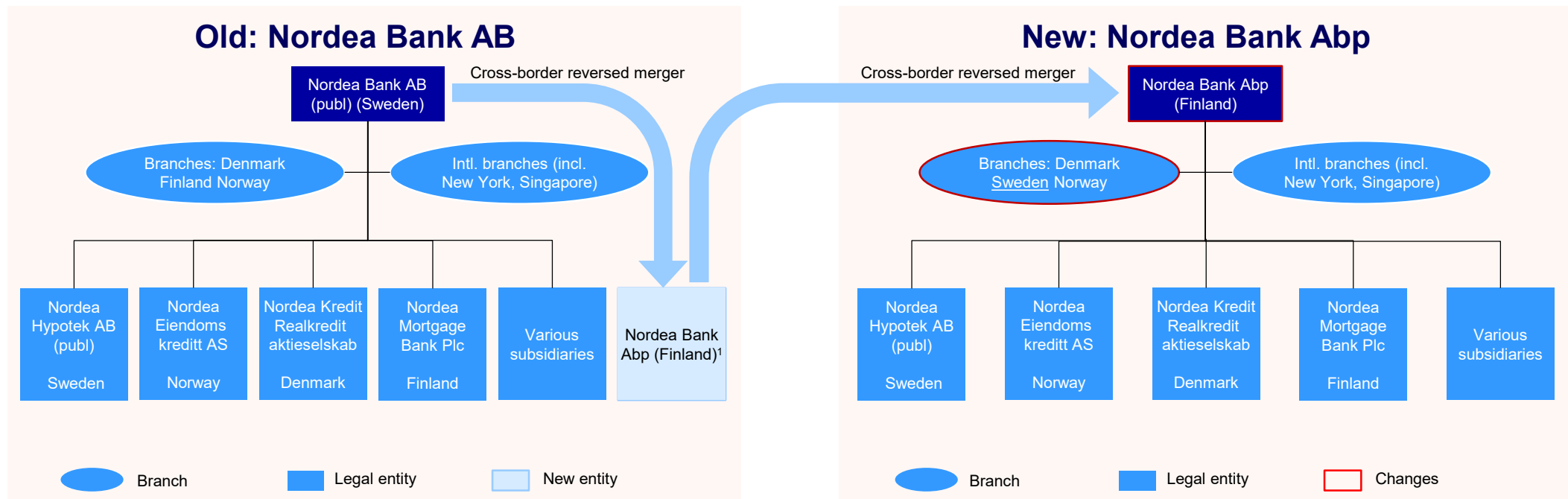
Economic Capital



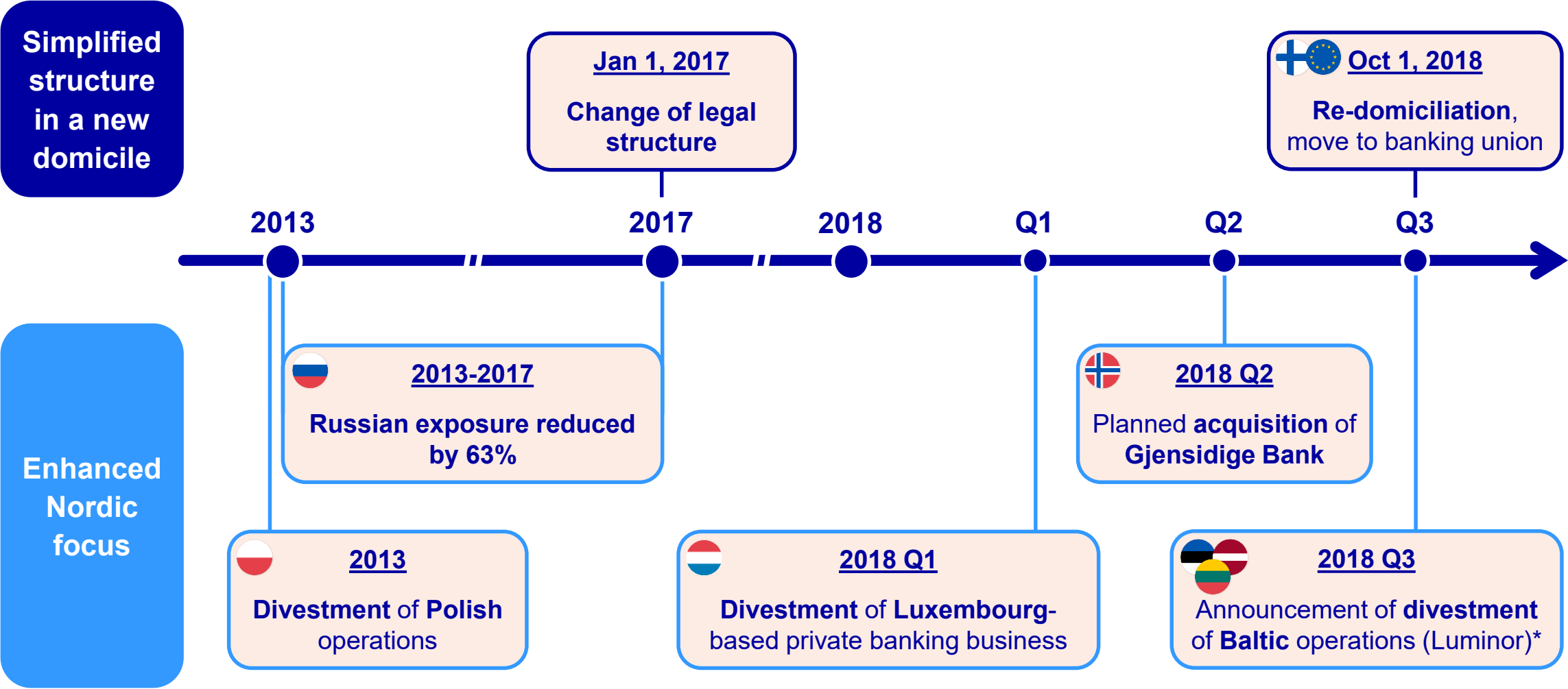
■ Personal Banking ■ Commercial & Business Banking ■ Wholesale Banking ■ Asset & Wealth Management ■ Group Functions & Other

Re-domiciliation of the parent company to Finland

- The re-domiciliation was carried out on 1 October 2018 by way of a cross-border reversed merger through which Nordea Bank AB (publ) was **merged into a newly established Finnish subsidiary**
- **The merger plan was signed** by the Nordea Board of Directors on 25 October 2017
- Nordea **AGM approved** the proposal to re-domicile on 15 March 2018
- **ECB grants** Nordea temporary permission for continued use of internal models



Nordea has further enhanced its Nordic focus with a simplified structure in a new domicile



Nordea's stand on anti-money laundering (AML)

- Combatting financial crime is part of our daily operations
- We don't accept to be used as a platform for money laundering
- We collaborate closely with the authorities
- Banks may earlier have underestimated the complexity of preventing money laundering
- Significantly strengthened our transaction monitoring and investigation capabilities
- 1.8bn transactions on annual basis subject to hundreds of different monitoring scenarios, resulting in hundreds of thousands of alerts which lead to thousands of Suspicious Activity Reports (SARs) filed with the relevant authorities
- More than 1,500 employees working within prevention of financial crime, and 12,000 employees in direct contact with our customers who are trained regularly to identify signs of financial crime
- In the last 12 months 110,000 hours of financial crime training to employees
- AML is a societal issue. Increased cooperation between banks and authorities is needed



Nordea in the Baltics

- Nordea owns 56% of the capital in Luminor, DNB other key shareholder
- When Luminor was created in 2017 it was a mutual due diligence process between DNB and Nordea
- Blackstone will acquire 80% of the shares in Luminor, transaction was announced 13 September
 - Blackstone has finalised the due diligence
- Luminor has 0.6-1.6% of non-resident deposit volumes from Russia, Latvia, Estonia, Ukraine and Cyprus
- Nordea is not aware of any whistleblowing cases
- Nordea's Baltic operation and Luminor have not been subject to any AML/Sanctions regulatory fines
- As far as we are aware, Luminor is not currently the subject of an AML/Sanctions regulatory investigation

Nordea's sustainability work, initiated more than 15 years ago, further enhanced from 2015

Nordea's publicly stated commitments, examples

- The UN Environment Program Finance Initiative
- The UN Global Compact
- The United Nations' Universal Declaration of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The ILO-conventions
- The OECD Guidelines for Multinational Enterprises
- The Equator Principles
- Paris Pledge for Action in support of COP 21
- The UN Convention against Corruption
- The Rio Declaration on Environment and Development
- The UN Principles for Responsible Investments

Sustainability acknowledgements

 oekom research

Company Rating: **C** (A+ to D-)*

 SUSTAINALYTICS

ESG Score: **83** (out of 100)**

 MSCI

ESG Rating: **BBB** (AAA-CCC)

Enhanced ESG focus from 2015

- Business Ethics & Values Committee established (2015)
- New Corporate Values Framework (2017)
- Green Bond Framework (2017)
- Inaugural Green Bond issuance (2017)
- Climate Change Position Paper (2017)
- First Sustainable Finance Conference (2017)
- New Sustainability Policy (2017)
- New Group Sustainable Finance organisation (2018)
- Sector Guideline for Defence Industry (2018)
- Green Bond Impact Report (2018)

Nordea ESG evaluation process in financing

The Nordea ESG evaluation process includes an assessment of large corporate borrowers with respect to:

- Governance
- Environmental, health and safety management processes
- Social aspects including human and labour rights
- Potential controversies

Status on our transformation

Re-domiciliation	<ul style="list-style-type: none">• The re domiciliation and merger was carried out on 1 October 2018
Simplification	<ul style="list-style-type: none">• 750,000 household customer accounts in Finland have migrated onto the new core banking platform• New savings and deposit accounts being opened on the new core banking platform• All SEPA Credit Transfer Interbank payments now running on the new Global Payment Engine• Reduced IT complexity; 190 data warehouse applications closed down
Digital & innovating	<ul style="list-style-type: none">• Growing our Robotics family giving better and faster service for customers• Apple Pay pay with your mobile device• Open Banking gives customers more choices• We Trade reduces the financial risk of conducting cross border trades• Nordea Wallet customers can easier see all transactions and plan their private economy better• Nordea Connect new payment solution that improves the online buying experience• New Mobile App more customer friendly app

2. Financial results highlights

Nordea

Improved customer satisfaction and business volumes

- Disappointing revenues in the quarter
- Seasonally lower activities impacting ancillary income
- Challenging market environment

Costs and cash spending are reduced according to plan

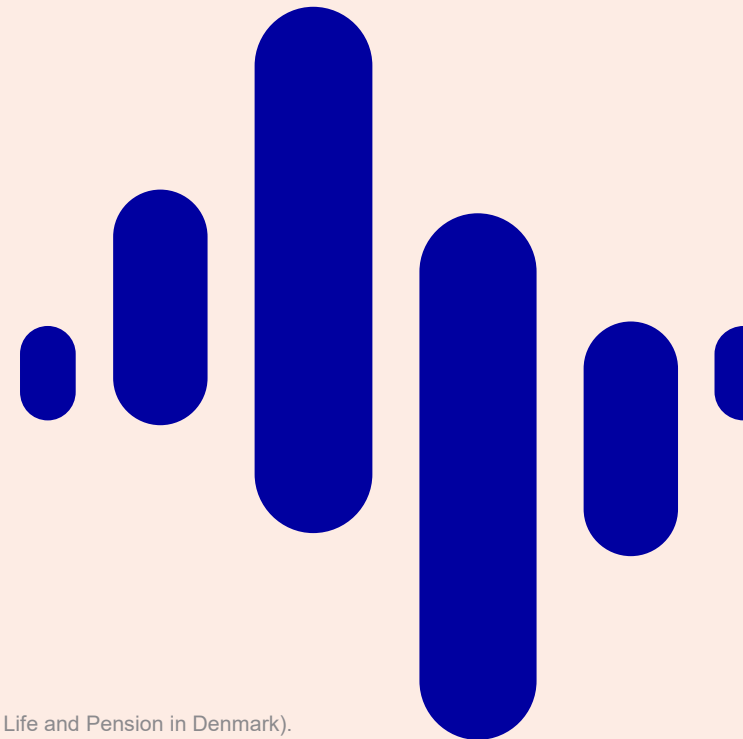
Strong credit quality

CET1 ratio above 20% for the first time ever

- Largely unchanged capital requirement in nominal terms following the move

Updated outlook

- Reiterated outlook for revenues and net profit in 2018 and loan losses in the coming quarters*
- Cost base below EUR 4.8bn in 2018 and further reduction in constant currencies in 2019
- Costs in 2021 approximately 3% lower than 2018 in constant currencies



Q3 2018 Group financial highlights

		Q318 vs. Q218*	Q318 vs. Q317*
Income	Net interest income	0%	-8%
	Total operating income	-7%	-12%
Costs	Total operating expenses	-1%	-3%
Profit	Net profit	7%	17%
Credit quality	Loan loss level	8bps (10bps)	8bps (10bps)
Capital	CET1 ratio	20.3% (19.9%)	20.3% (19.3%)

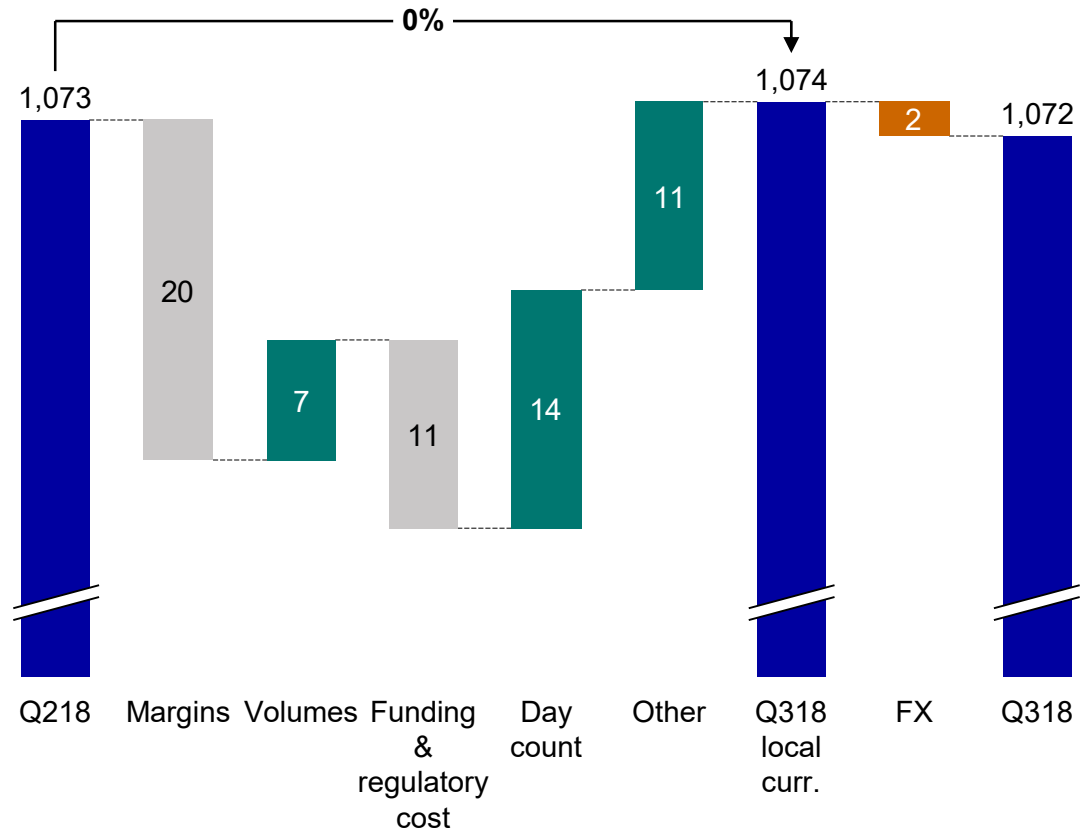
Nordea Group financial statement

Income statement and key figures

EURm	Q318	Q218	Change %	Change % (local curr.)	Q317	Change %	Change % (local curr.)	9m18	9m17	Change %	Change % (local curr.)
Net interest income	1,072	1,073	0	0	1,185	-10	-8	3,198	3,557	-10	-8
Net fee and commission income	703	800	-12	-12	814	-14	-11	2,273	2,530	-10	-8
Net fair value result	205	260	-21	-21	357	-43	-40	906	1,093	-17	-15
Other Income	66	408			17			525	61		
Total operating income	2,046	2,541	-19	-19	2,373	-14	-12	6,902	7,241	-5	-2
Total operating expenses	-1,136	-1,154	-2	-1	-1,204	-6	-3	-3,495	-3,741	-7	-4
Net loan losses	-44	-59	-25	-28	-79	-44	-44	-143	-298	-52	-50
Operating profit	866	1,328	-35	-35	1,090	-21	-19	3,264	3,202	2	4
Net profit	684	1,085	-37	-37	832	-18	-17	2,589	2,419	7	9
Return on equity (%)	8.7	13.9			10.5			10.9	10.1		
CET1 capital ratio (%)	20.3	19.9			19.3			20.3	19.3		
Cost/income ratio (%)	56	45			51			51	52		

Net interest income

Q318 vs Q218, EURm

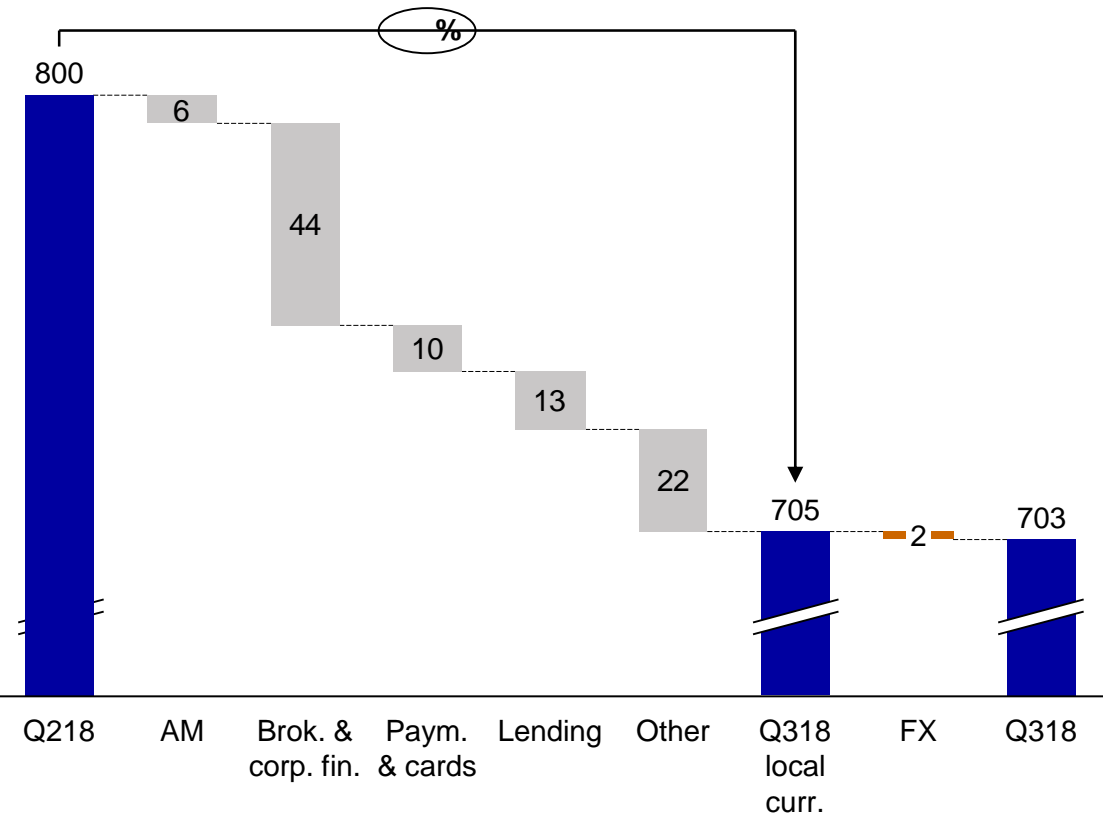


Comments

- Continued stabilisation in net interest income
- Lending volume growth in both household and corporate
- Pressure on lending margins mainly in the household segment
- Higher regulatory cost due to periodisation
- Higher net interest income in Group Treasury

Net fee and commission income

Q318 vs Q218, EURm

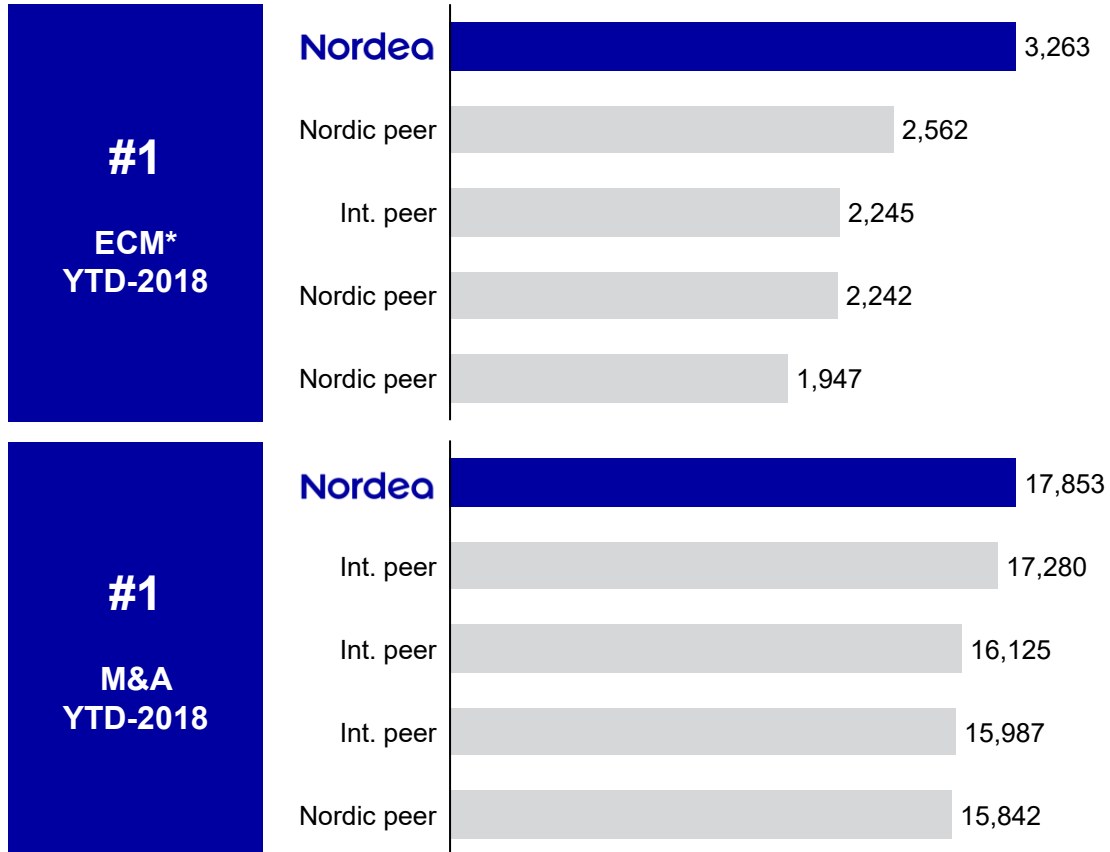


Comments

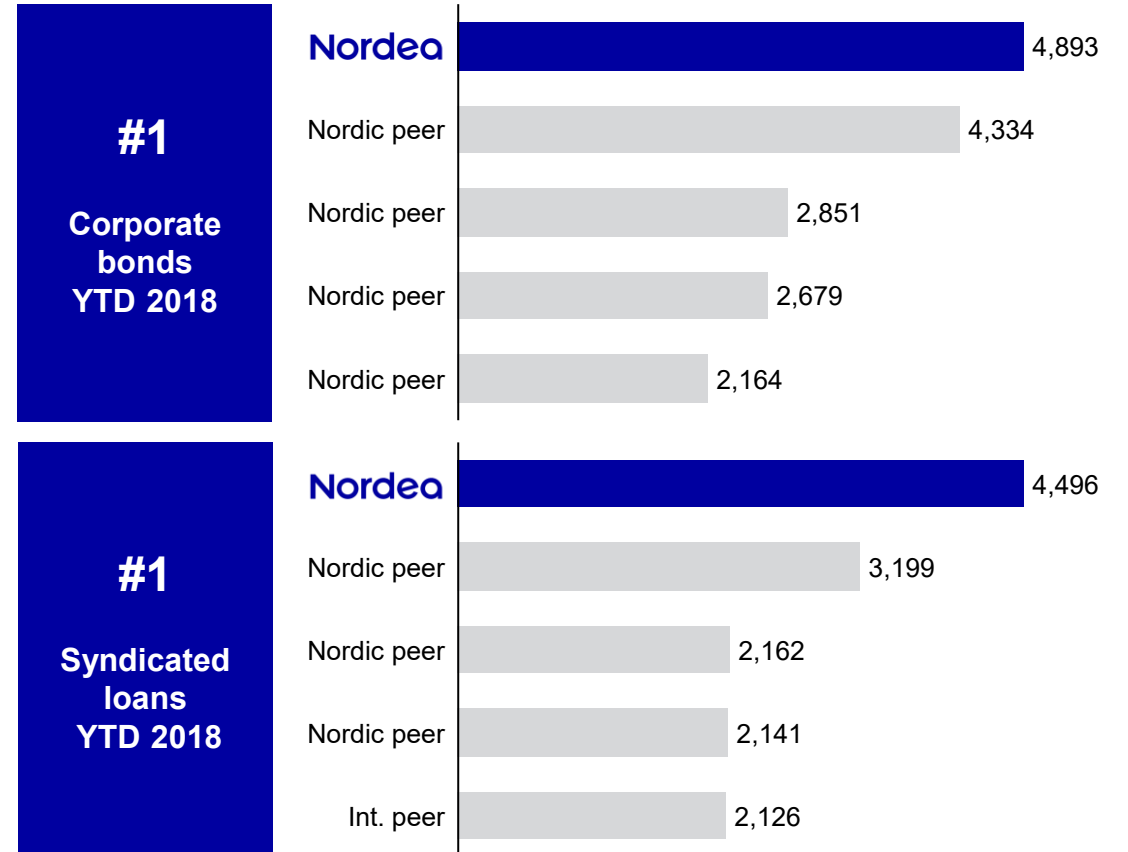
- Seasonally lower corporate advisory fees from an extraordinary Q2 level
- No semi-annual custody fees in Q3
- Assets under management increased in the quarter by EUR 4.5bn driven by performance

Nordea's number 1 position in the Nordic corporate advisory segment is confirmed

Advisory league tables, EURm

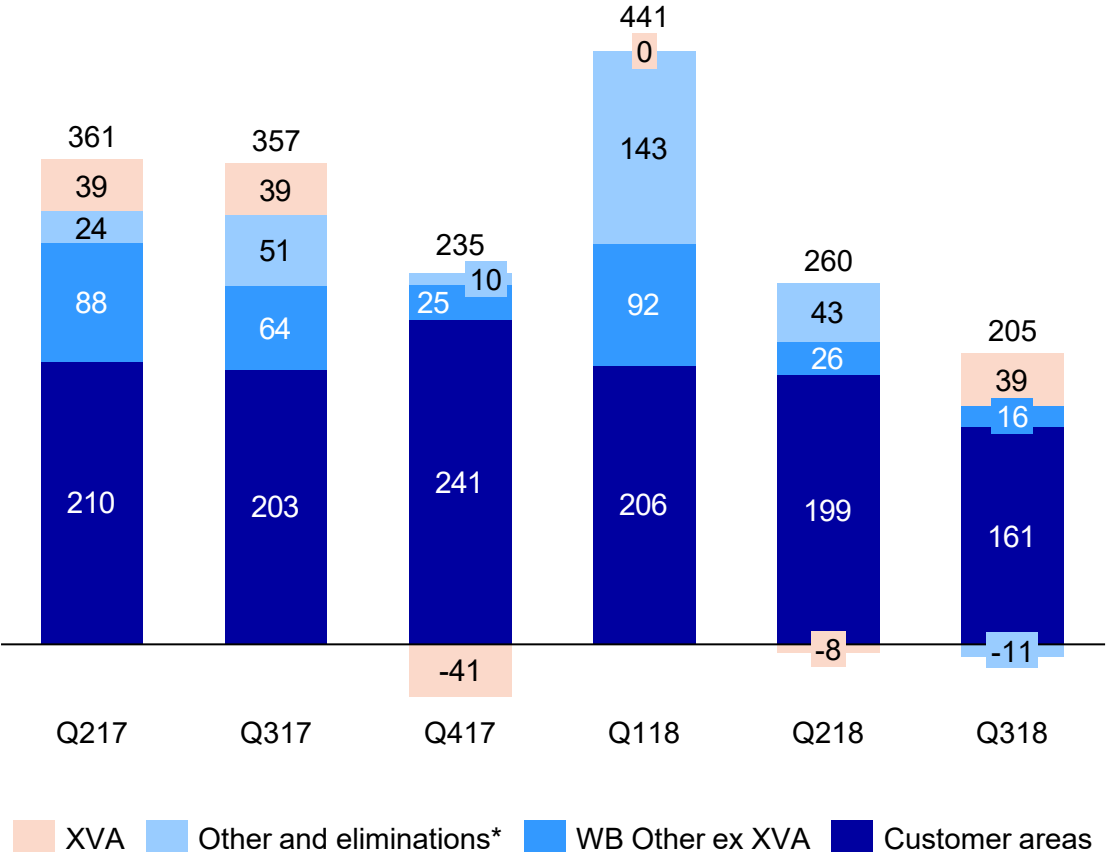


DCM league tables, EURm



Net fair value

6 quarters development, EURm

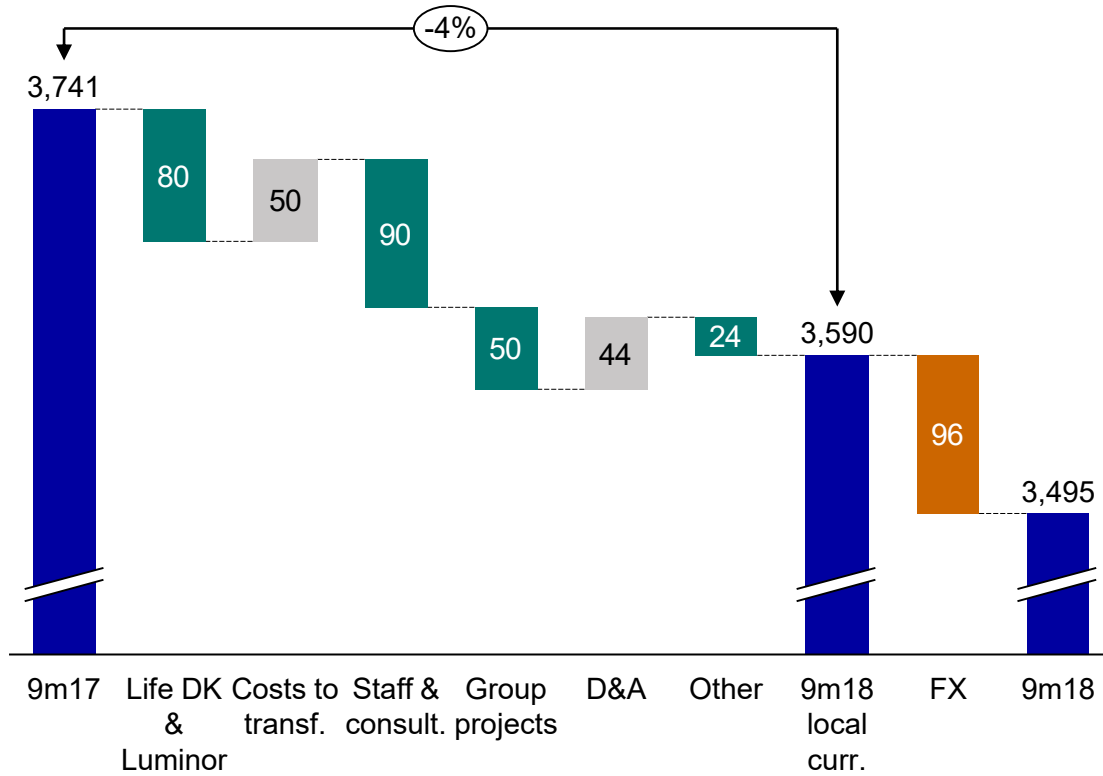


Comments

- Seasonally lower activity in the customer operations
- Challenging environment in the capital markets
 - Low spreads, interest rates and volatility

Costs

9m18 vs 9m17, EURm

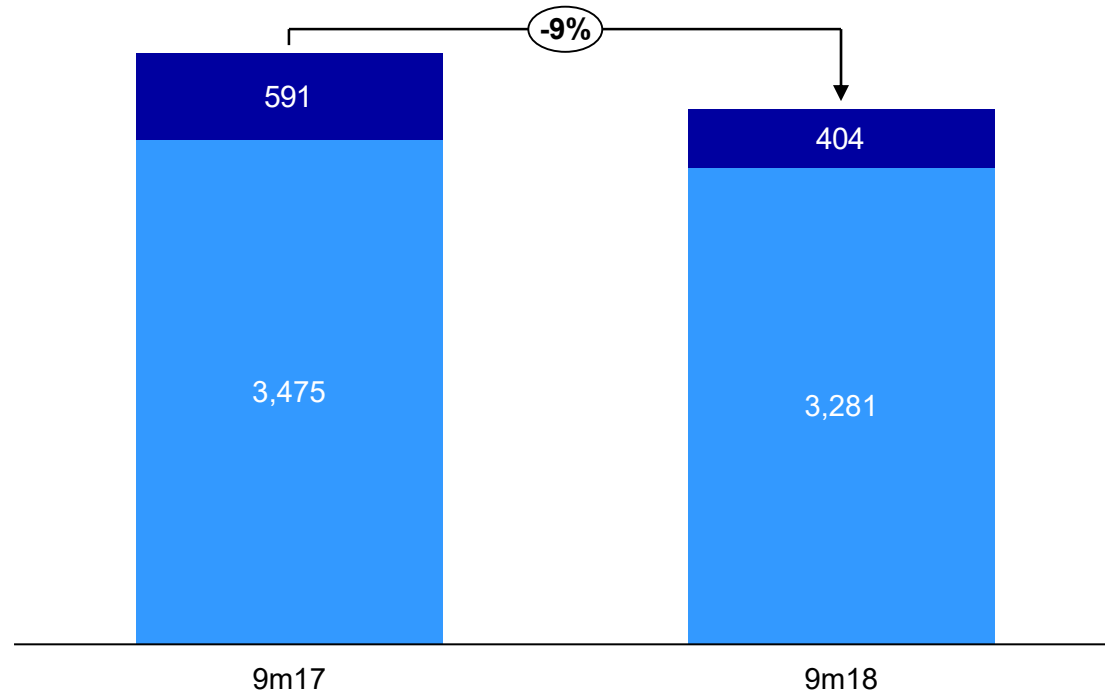


Comments

- Costs are coming down across the board
- Number of staff is down 3%*
- Depreciations and amortisations go up according to plan
- Lower transformation costs than expected, but we are delivering according to plan
- Tailwind from weaker SEK vs EUR

Major reduction in cash spending*

9m18 vs 9m17, EURm**



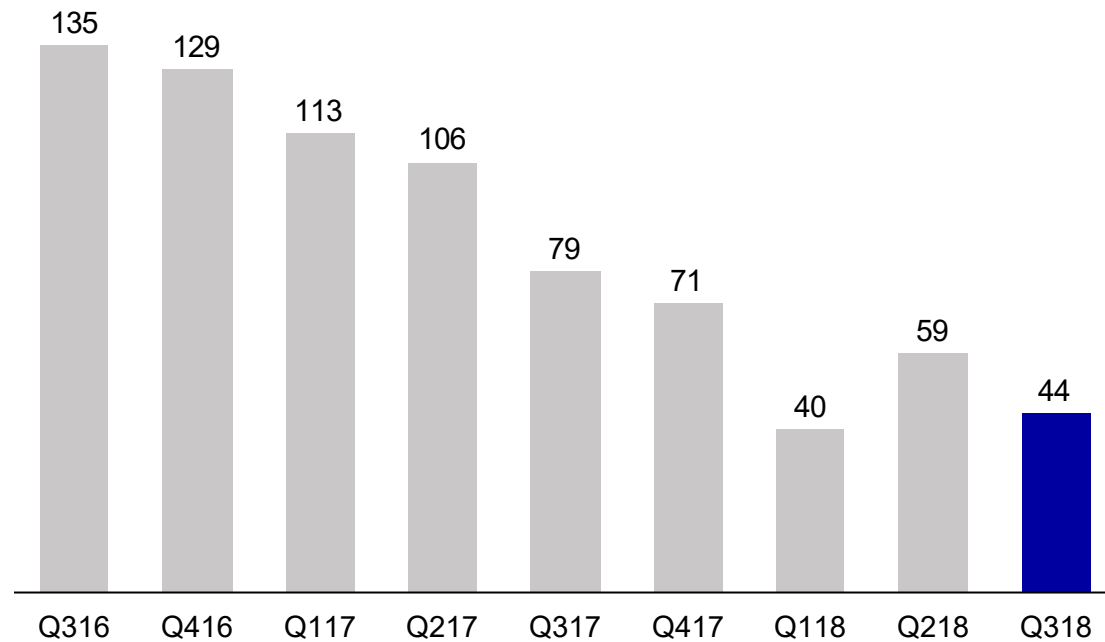
Comments

- Total cash spending in the income statement and on the balance sheet is down 9%
- On track for 2018 cash spending target

■ Capitalisations on the balance sheet
■ Operating expenses excl. depreciations and amortisations

Strong asset quality

Total net loan losses*, EURm



Comments

- Loan loss level of 8 bps
- A collective provision related to potential impact of dry summer on the Danish agriculture portfolio
- Loan losses in the coming quarters expected to be below long-term average
- Gross impairment rate (Stage 3) down 7%
 - Mainly related to decreases for Oil & Offshore related exposures

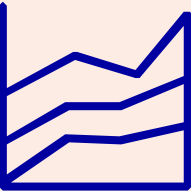
Our efforts on customer satisfaction continue to bear fruit

Continued improvement in customer satisfaction in household segment



For three consecutive quarters, Nordea has seen customer satisfaction improve in Sweden, considerably in the two latest

We have the clear ambition to close the gap to our competitors



Nordea aims to take a leadership position within sustainable finance

Nordea Life & Pensions has **cut the carbon footprint** of its traditionally managed equity portfolio **by 70 percent**



Nordea Life Finland has been awarded as the **Most Sustainable Assurance** in the **Nordics** by Capital Finance International



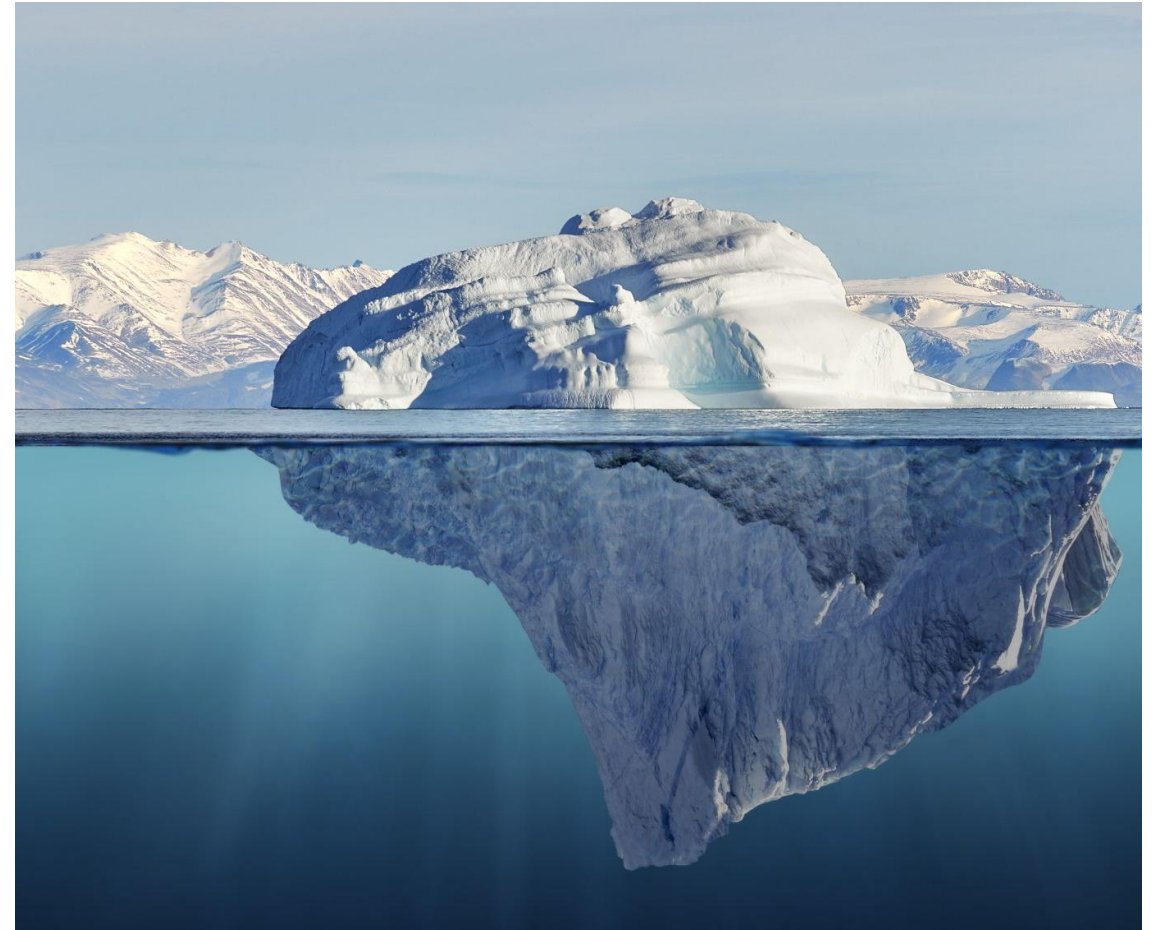
Green mortgage launched to our private customers in Sweden



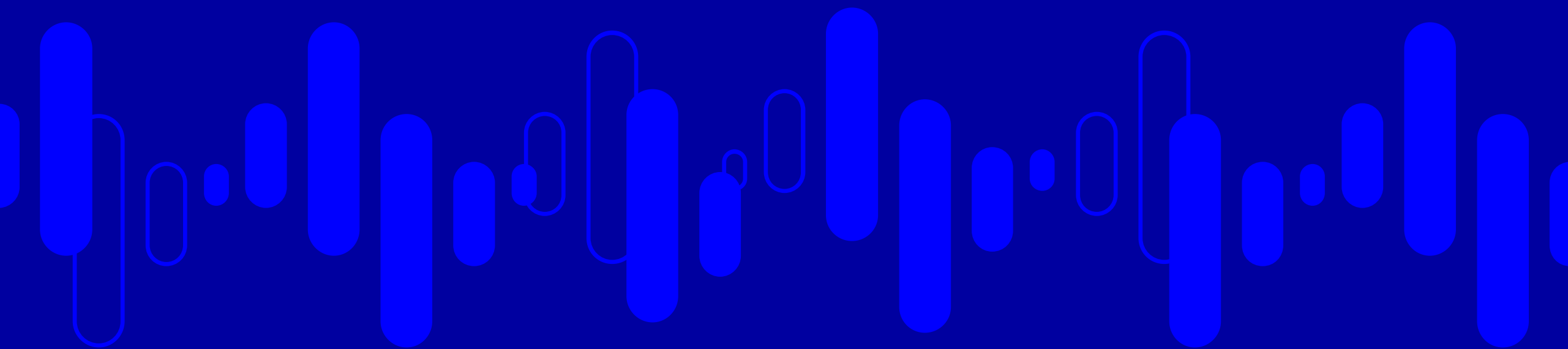
Nordea is together with 28 leading banks and the UNEP FI part of **developing new Principles for Responsible Banking**



Nordea is selected in the European Commission's technical **expert group on sustainable finance**

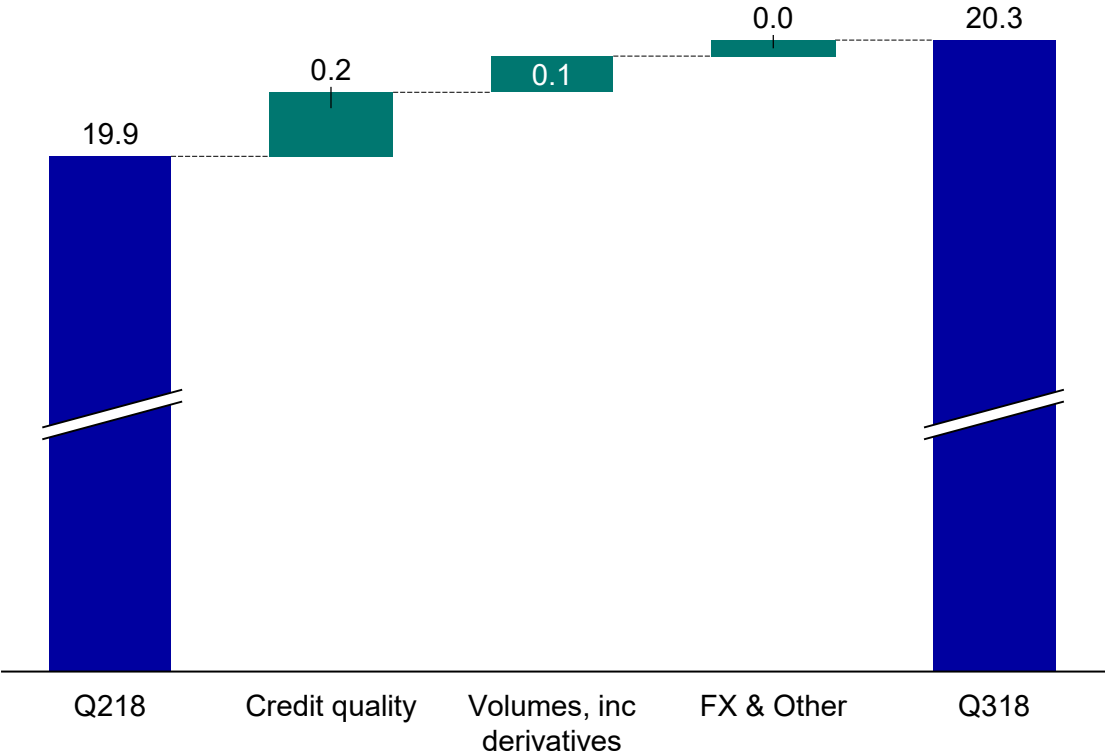


3. Capital



Common Equity Tier 1 ratio development Q318 vs Q218

Quarterly development

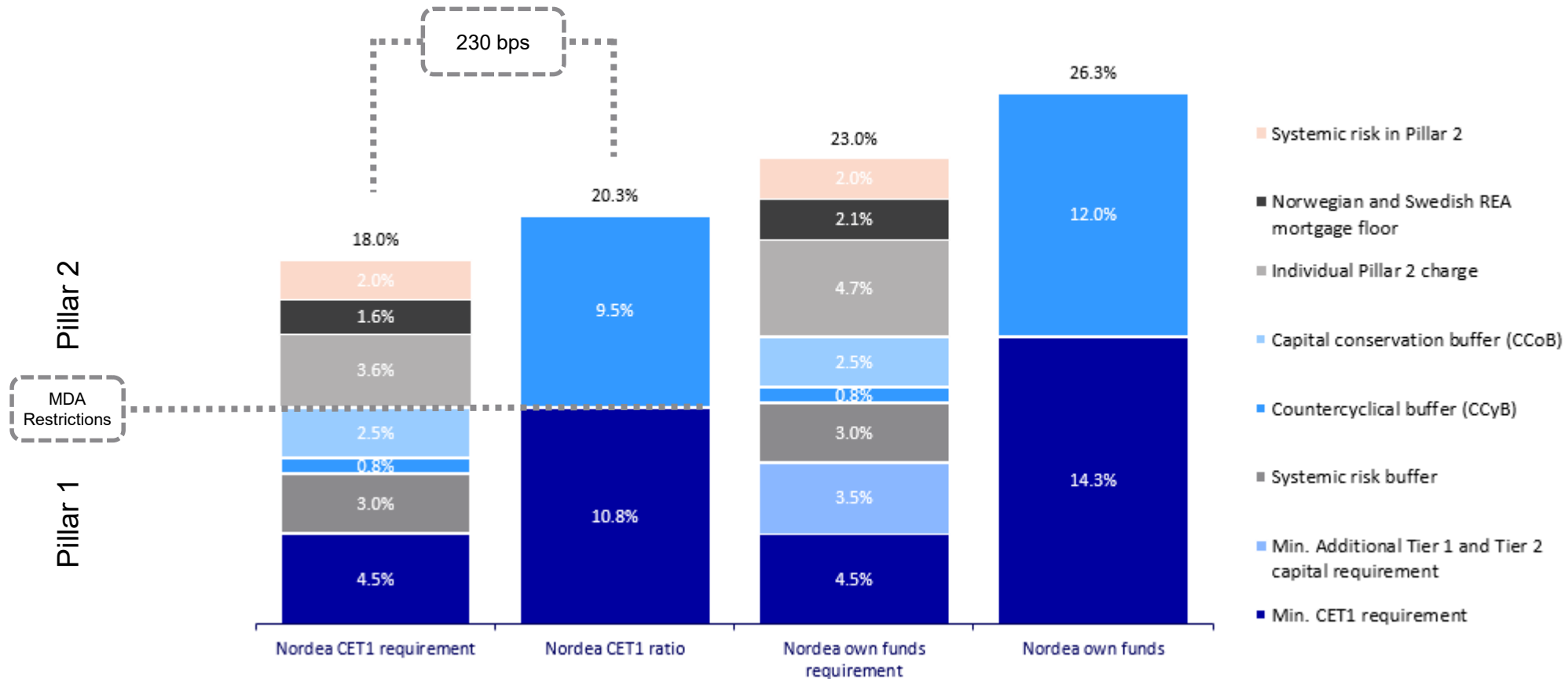


Comments

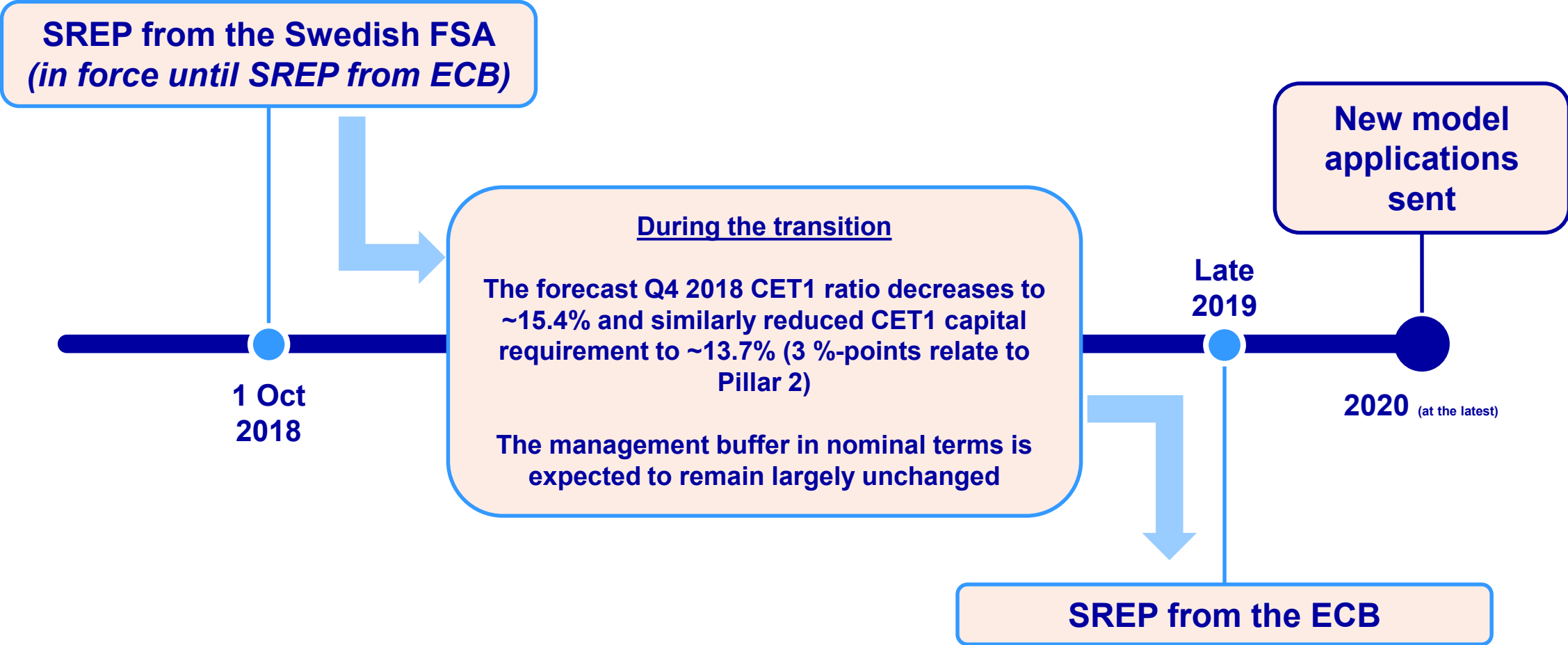
- Lower Risk Exposure Amount of EUR 1.7bn
 - From lower risk weights on corporate portfolio and lower counterparty credit risk
- CET1 capital increased by EUR 0.1bn

CET1 and own funds requirement Q3 2018 according to the Swedish capital framework

Risk Exposure Amount (REA) EUR 121bn and CET1 capital requirement EUR 21.7bn in Q3 2018



ECB has granted Nordea temporary permission for continued use of internal models



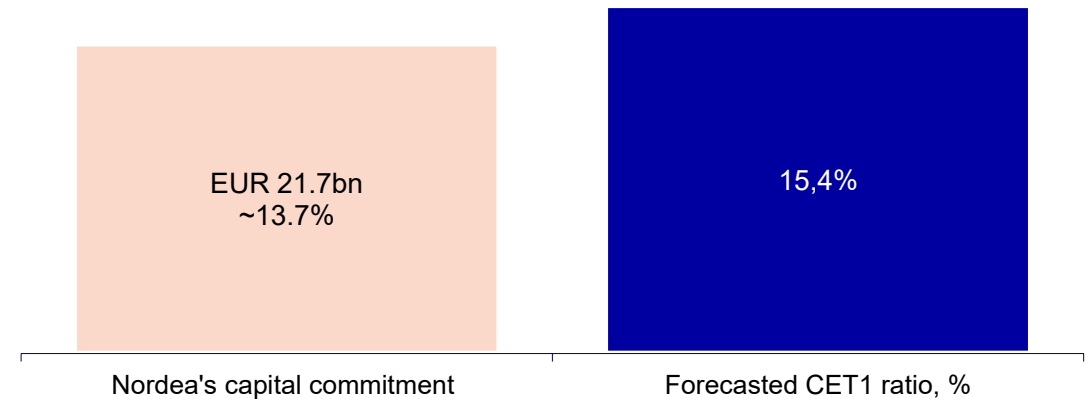
Nordea remains equally strongly capitalised. Nordea's capital and dividend policy remain unchanged. Nordea is committed to maintain its AA rating

Estimated CET1 requirement during the transition period into the ECB capital framework

Comments

- Nordea will migrate from the Swedish FSA framework to the harmonised ECB capital requirement framework
 - Full migration is expected by end of 2019 when Nordea has received the outcome of the 2019 SREP from ECB
- During the transition period Nordea has committed to maintain a nominal CET1 capital level based on the 2018 SREP outcome
 - This level equals EUR 21.7bn and is approximately 13.7% of forecasted REA Q4 2018
 - The estimated REA increase in Q4 2018 is EUR 36bn, of which EUR 10.5bn stems from the Swedish residential real estate risk-weight floor (REA in Q3 2018 is EUR 120.8bn)
 - In Q3 2018 the ratios were 18.0% in CET1 requirement and 20.3% in actual CET1 ratio (in the Swedish FSA capital framework)

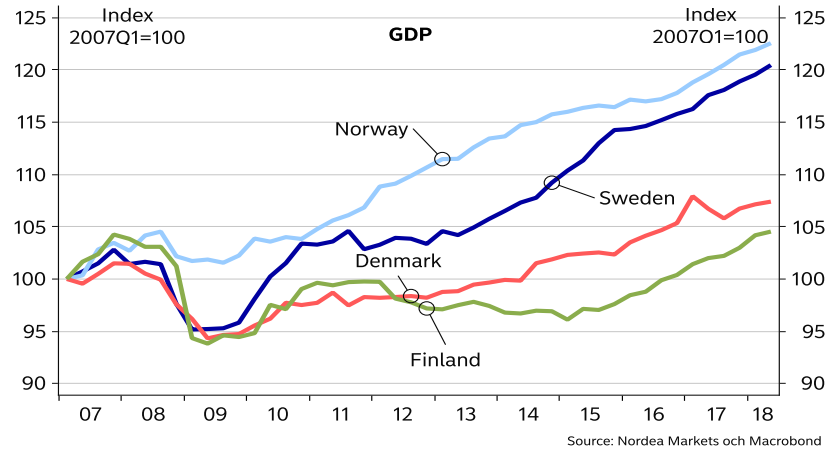
Estimated CET1 requirement



4. Macro

Robust Nordic economies

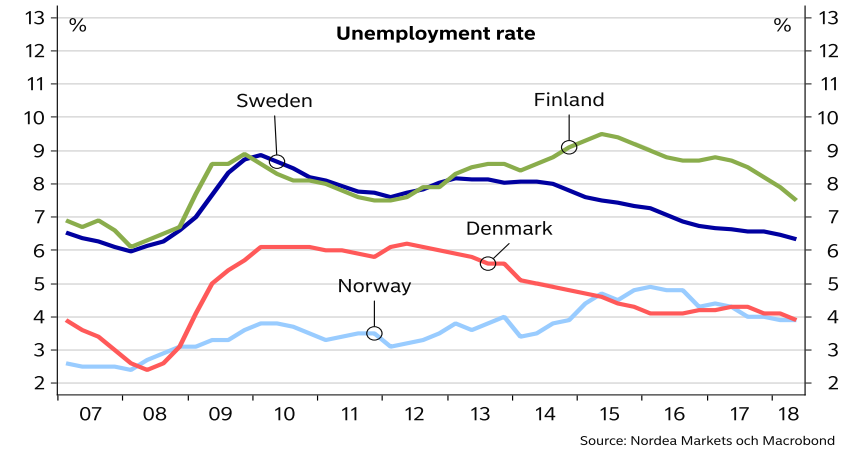
GDP development



Comments

- The Nordics are enjoying a solid economic development. While the synchronised global recovery supports exports, the accommodative monetary polices support domestic demand
- Short-term survey indicators have declined somewhat from elevated levels, but nevertheless suggest that growth will be held up fairly well in the near-term

Unemployment rate



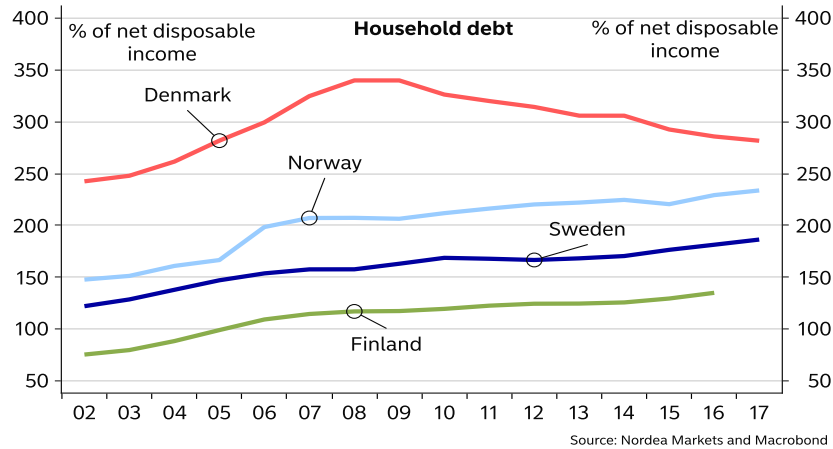
GDP forecast, %

Country	2016	2017	2018E	2019E	2020E
Denmark	2.0	2.3	1.0	1.8	1.7
Finland	2.5	2.8	3.0	2.0	1.5
Norway	1.1	2.0	2.4	2.7	2.5
Sweden	3.0	2.5	2.8	2.1	1.8

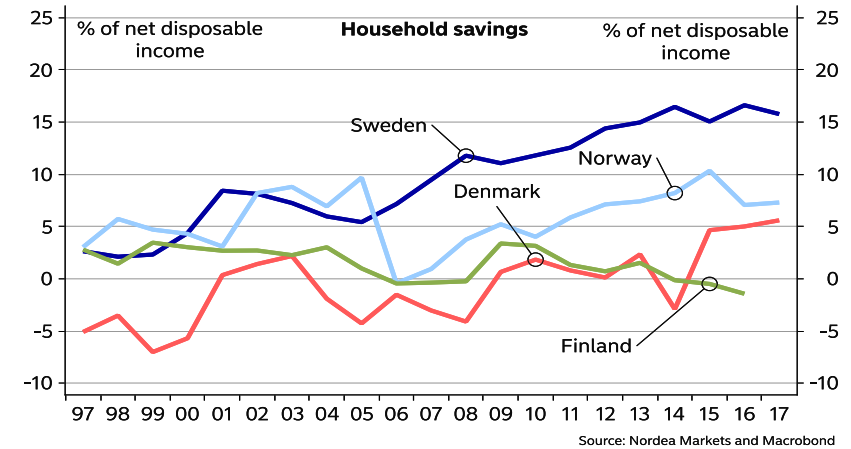
Source: Nordea Markets Economic Outlook September 2018 and Macrobond

Household debt remains high, but so is private and public savings

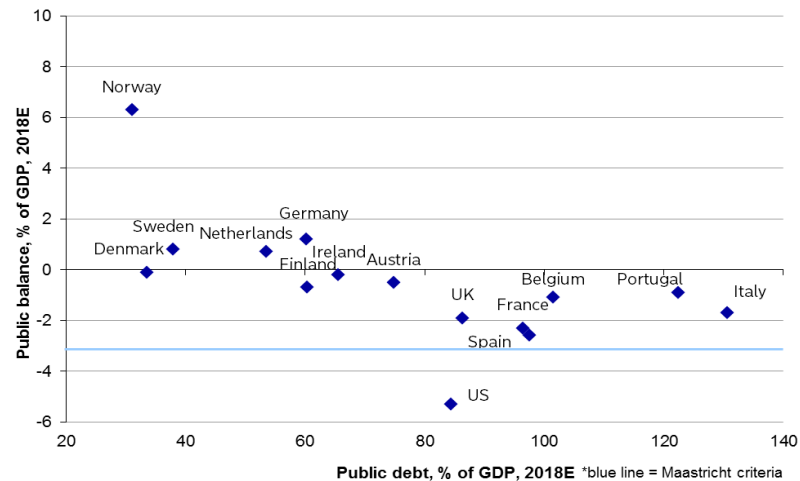
Household debt



Household savings



Public balance/debt, % of GDP, 2018E

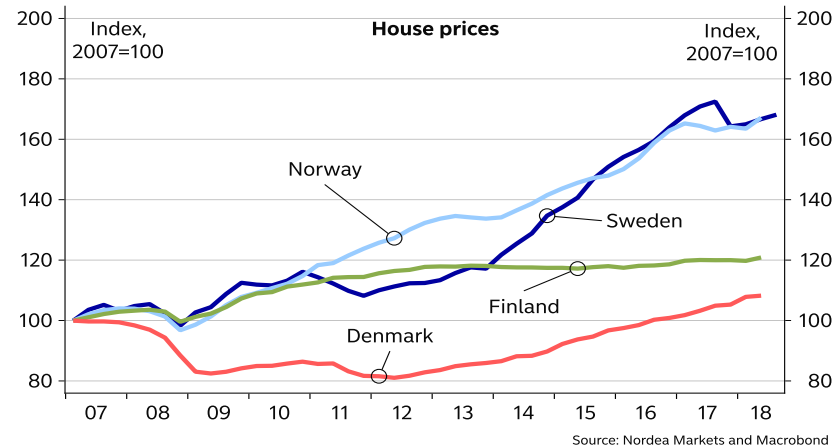


Comments

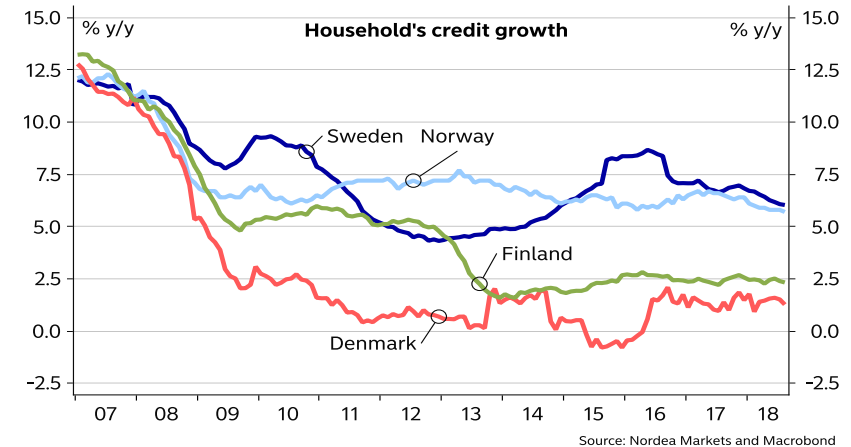
- In all countries, apart from Denmark, household debt continues to rise somewhat faster than income. Meanwhile, households' savings rates remain at high levels, apart from Finland where savings have declined somewhat in recent years
- The Nordic public finances are robust due to the overall economic recovery and relatively strict fiscal policies. Norway is in a class of its own due to oil revenues

House price development in the Nordics

House prices



Household's credit growth



Comments

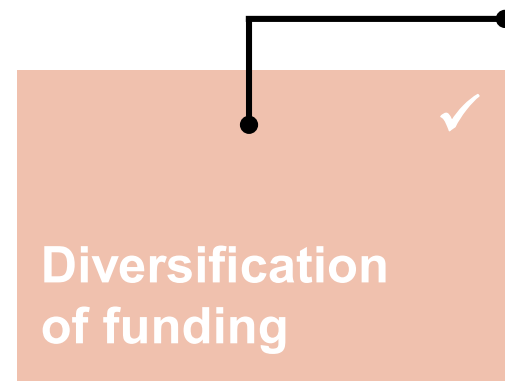
- Recent quarters have shown stabilisation in the Swedish and Norwegian housing markets, while prices continue to rise in Denmark and to some extent also in Finland.
- In Sweden house prices declined during H2 2017 but the trend has levelled out in 2018, despite increased regulations which was expected to put downward pressure on house prices. The price correction is probably caused by the marked rise in new buildings seen in recent years. Going forward, largely stagnant prices are expected as mortgage rates are expected to stay low
- In Norway, primarily in Oslo, house prices turned down during 2017. The downturn was primarily driven by stricter lending requirements introduced 1 January 2017. However, prices have levelled out, and even increased somewhat in Oslo, in recent months. Largely unchanged prices are forecast ahead.

5. Funding

Key Principles to preserve market capacity

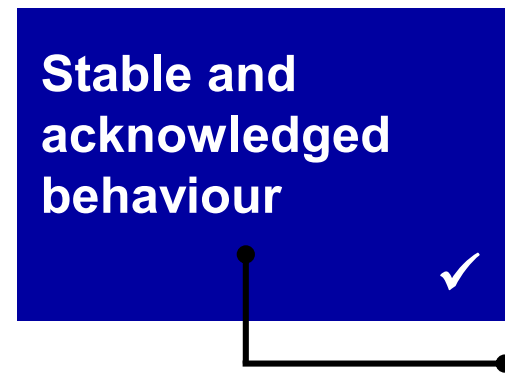
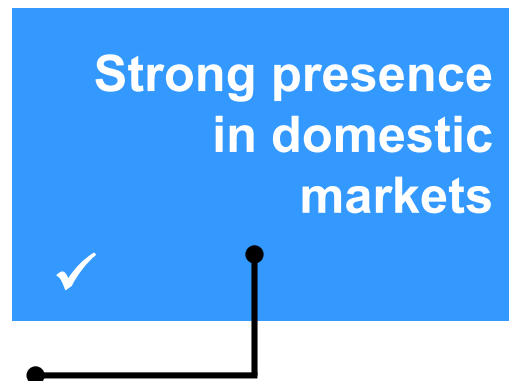
Securing funding while maintaining a prudent risk level

- Appropriate balance sheet matching; maturity, currency and interest rate
- Prudent short term and structural liquidity position
- Avoidance of concentration risks
- Appropriate capital level



- Diversified wholesale funding sources:
 - Instruments, programs, currency and maturity
 - Investor types
 - Geographic split
- Active in deep liquid markets

- Profiting on strong name across Nordics
- Nurture and develop strong home markets
- Covered bond platforms in all Nordic countries

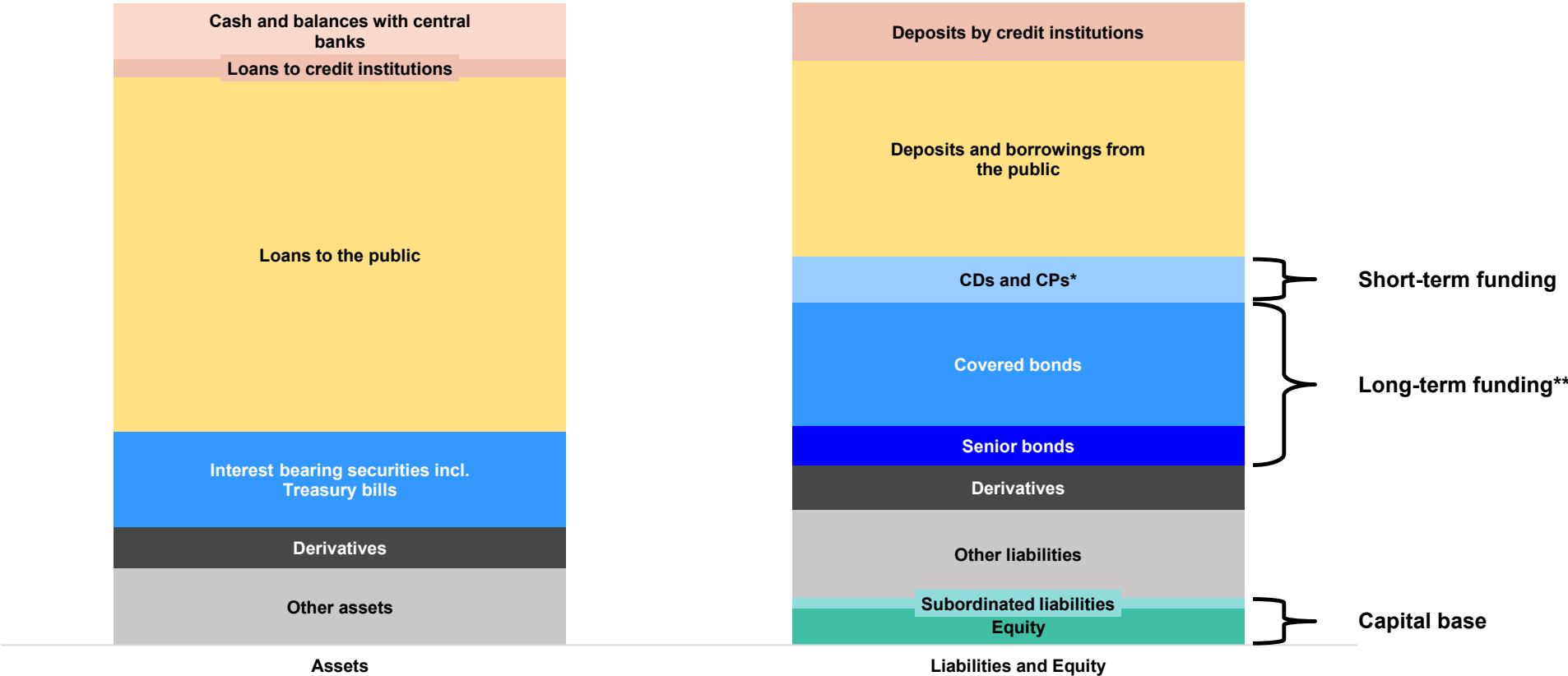


- Consistent, stable wholesale issuance strategy
- Knowing our investors
- Predictable and proactive – “staying in charge”

Continuously optimising cost of funding within market constraints

Diversified balance sheet

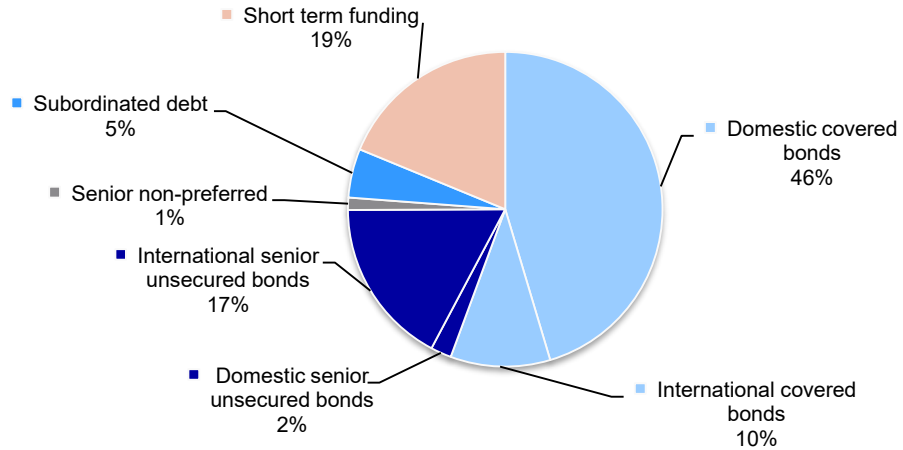
Total assets EUR 573bn



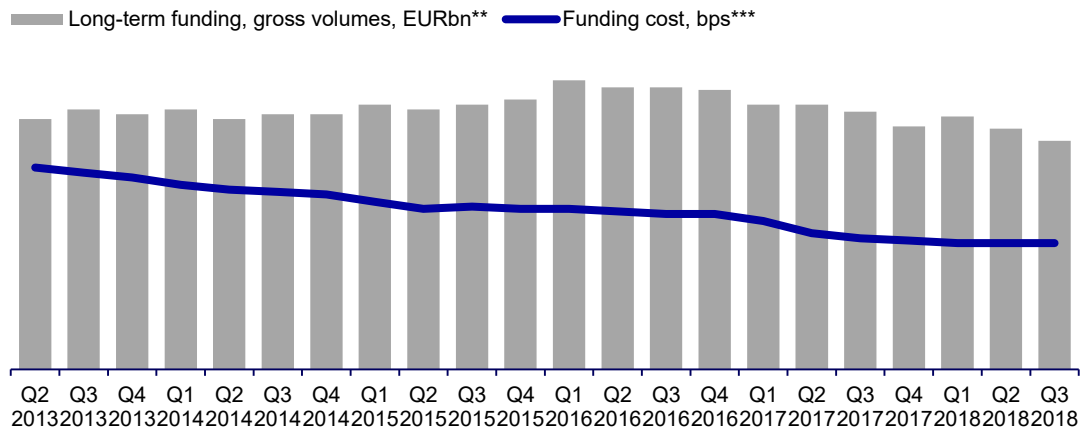
* Including CDs with original maturity over 1 year
 ** Excluding subordinated liabilities

Solid funding operations

Long- and short-term funding, EUR 197bn

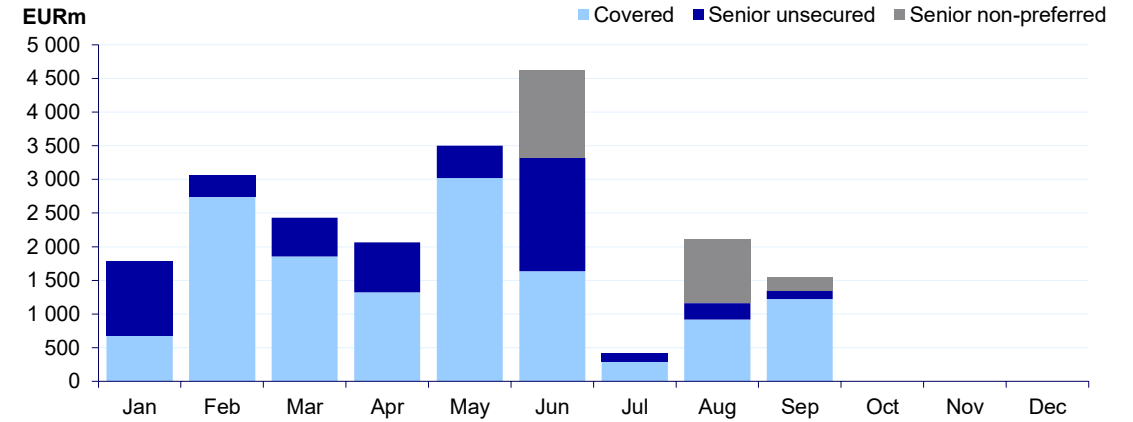


Long-term funding costs trending down*

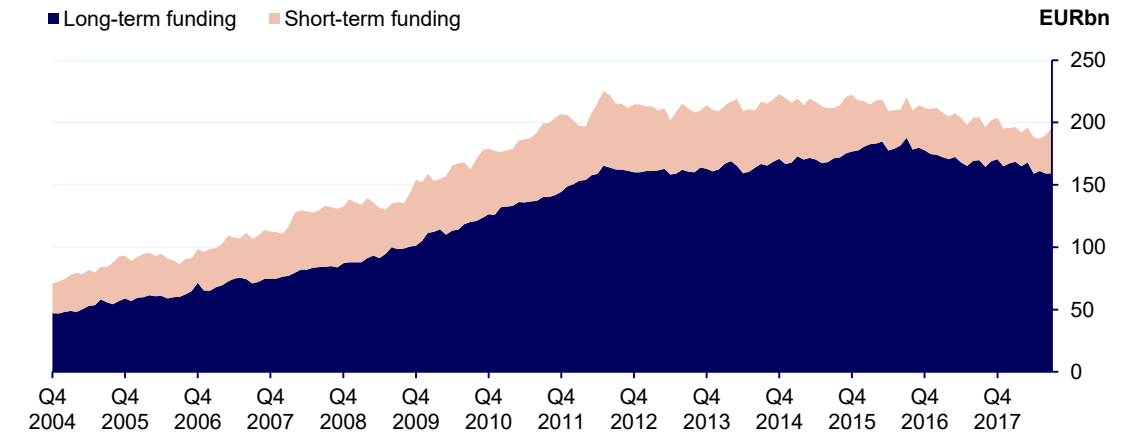


* Excluding Nordea Kredit covered bonds and subordinated debt
 ** Seasonal effects in volumes due to redemptions
 *** Spread to Xibor

YTD long-term issuance as of Q3 2018, gross volumes, EUR 21.8bn*



Distribution of long vs. short-term funding, gross volumes****



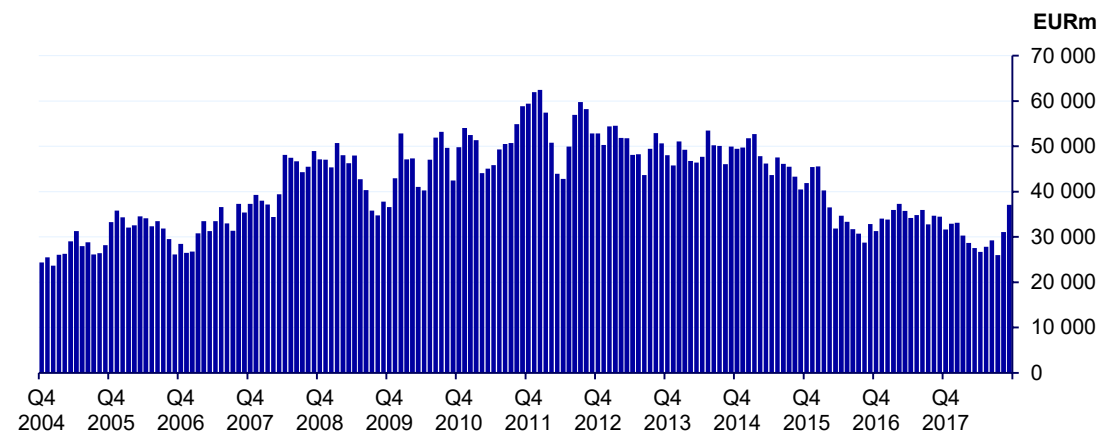
**** As of Q3 2018 79% of total funding is long term, excluding subordinated debt and with CDs with original maturity over 1 year included in short-term funding

Short-term funding – prudent and active management

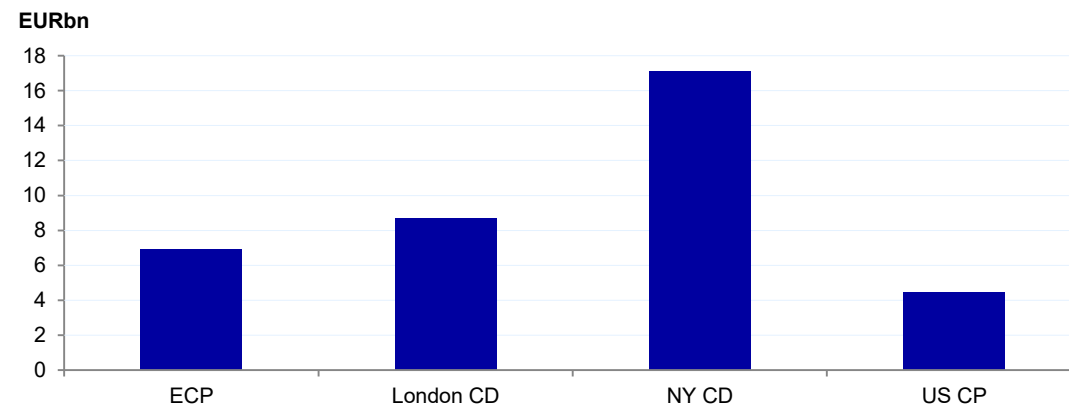
Comments

- The third quarter of 2018 was very focused on longer-dated issuance as we are now able to issue longer-dated CDs out of Europe as well
- Nordea has been able to maintain its issuance and pricing level, even if some of its peers have been paying above Libor's both in US and in Europe
- Nordea has been actively issuing long dated (18m to 2y) short term issuance out of the US market
- Nordea still has a well diversified investor base that is tapped from Asia to USA
- Each program has its niche contribution
- Total outstanding short-term funding has ranged between EUR 26-37bn during Q3 2018
- Short dated issuance remains an attractive funding component for the group at the current levels

Short-term issuance



Split between programs



Changes to funding programmes due to the re-domiciliation to Finland

Comments

- Nordea is establishing corresponding funding programmes for the new company in Finland (Nordea Bank Abp), i.e.

Short term programmes:

USCP, USCD

ECP

FCP

LCD

Long term programmes:

EMTN

GMTN

Structured note programs

Samurai (shelf registration)

- Outstanding debt transactions have automatically been transferred by way of universal succession
- Following the re-domiciliation, new issuance will be conducted from Finland (Nordea Bank Abp), incl. senior preferred, senior non-preferred and capital instruments
- Program sizes to remain the same
- Issuing and Paying Agents will remain the same
- Swift information will remain the same
- All current contact persons will remain the same
- Investors may need to update Know Your Customer information
- Covered bond programs remain unaffected – all covered bonds will continue to be issued from existing mortgage subsidiaries
- Due Diligence documents and information can be obtained by contacting our Due Diligence team on Nordea.com (see link below)*

Following re-domiciliation to Finland on 1 October 2018 – Nordea Group

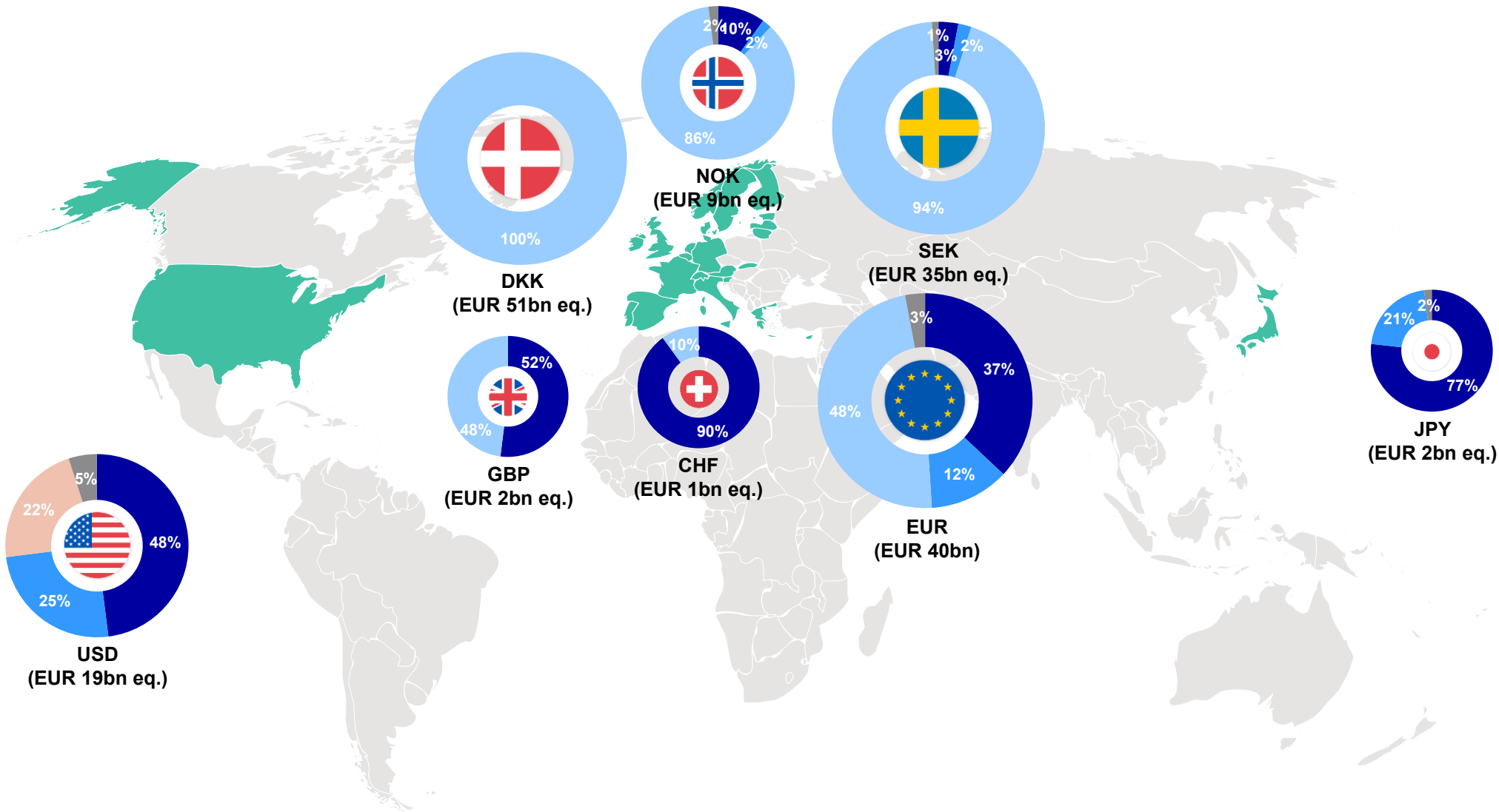
Illustrative post-merger income statement Jan-Sep 2018

EURm	As reported	Illustrative post-merger
Operating income		
Interest income	5,395	5,395
Interest expense	-2,197	-2,197
Net interest income	3,198	3,198
Fee and commission income	2,877	2,877
Fee and commission expense	-604	-604
Net fee and commission income	2,273	2,273
Net result from items at fair value	906	906
Profit from associated undertakings and joint ventures accounted for under the equity method	109	109
Other operating income	416	416
Total operating income	6,902	6,902
Operating expenses		
General administrative expenses:		
Staff costs	-2,254	-2,254
Other expenses	-1,009	-1,009
Depreciation, amortisation and impairment charges of tangible and intangible assets	-232	-232
Total operating expenses	-3,495	-3,495
Profit before loan losses	3,407	3,407
Net loan losses	-143	-143
Operating profit	3,264	3,264
Income tax expense	-675	-675
Net profit for the period	2,589	2,589
Attributable to:		
Shareholders of Nordea Bank AB (publ)	2,578	2,578
Additional Tier 1 capital holders	7	7
Non-controlling interests	4	4
Total	2,589	2,589

Illustrative post-merger balance sheet 2018-09-30

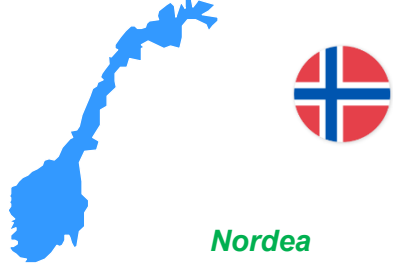
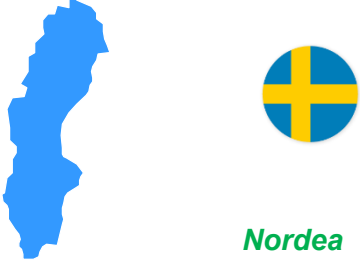


EURm	As reported	Illustrative post-merger
Assets		
Cash and balances with central banks	43,173	43,173
Loans to central banks	6,441	6,441
Loans to credit institutions	16,384	16,384
Loans to the public	316,494	316,494
Interest-bearing securities	74,900	74,900
Financial instruments pledged as collateral	9,807	9,807
Shares	15,061	15,061
Assets in pooled schemes and unit-linked investment contracts	26,829	26,829
Derivatives	36,713	36,713
Fair value changes of the hedged items in portfolio hedge of interest rate risk	131	131
Investments in associated undertakings and joint ventures	1,617	1,617
Intangible assets	4,146	4,146
Property and equipment	576	576
Investment properties	1,638	1,638
Deferred tax assets	63	63
Current tax assets	504	504
Retirement benefit assets	280	280
Other assets	15,233	15,233
Prepaid expenses and accrued income	1,442	1,442
Assets held for sale	1,335	1,335
Total assets	572,767	572,767
Liabilities		
Deposits by credit institutions	51,506	51,506
Deposits and borrowings from the public	174,191	174,191
Deposits in pooled schemes and unit-linked investment contracts	27,767	27,767
Liabilities to policyholders	19,331	19,331
Debt securities in issue	187,094	187,094
Derivatives	39,084	39,084
Fair value changes of the hedged items in portfolio hedge of interest rate risk	830	830
Current tax liabilities	714	714
Other liabilities	24,951	24,951
Accrued expenses and prepaid income	1,657	1,657
Deferred tax liabilities	615	615
Provisions	312	312
Retirement benefit obligations	340	340
Subordinated liabilities	9,181	9,181
Liabilities held for sale	2,566	2,566
Total liabilities	540,139	540,139
Equity		
Additional Tier 1 capital holders	750	750
Non-controlling interests	-	-
Share capital	4,050	4,050
Share premium reserve	1,080	-
Invested unrestricted equity	-	1,080
Other reserves	-1,665	-1,665
Retained earnings	28,413	28,413
Total equity	32,628	32,628
Total liabilities and equity	572,767	572,767

Nordea's global issuance platform



■ Covered bond
 ■ Senior unsecured
 ■ Senior non-preferred
 ■ CDs > 1 year
 ■ Capital instruments















Nordea covered bond operations

<p><i>Four aligned covered bond issuers with complementary roles</i></p>	 <p>Nordea Eiendomskreditt</p>	 <p>Nordea Hypotek</p>	 <p>Nordea Kredit</p>	 <p>Nordea Mortgage Bank</p>
Legislation	Norwegian	Swedish	Danish/SDRO	Finnish
Cover pool assets	Norwegian residential mortgages	Swedish residential mortgages primarily	Danish residential & commercial mortgages	Finnish residential mortgages primarily
Cover pool size	EUR 11.2bn (eq.)	EUR 51.0bn (eq.)	Balance principle	EUR 19.9bn
Covered bonds outstanding	EUR 9.2bn (eq.)	EUR 31.5bn (eq.)	EUR 56.0bn (eq.)	EUR 16.7bn
OC	21%	62%	CC1/CC2 21%/11%	20%
Issuance currencies	NOK, GBP, USD, CHF	SEK	DKK, EUR	EUR
Rating (Moody's / S&P)	Aaa / -	Aaa / AAA	Aaa / AAA	Aaa / -

- Covered bonds are an integral part of Nordea’s long term funding operations
- Issuance in Scandinavian and international currencies
- ECBC Covered Bond Label on all Nordea covered bond issuance



Nordea benchmark transactions last 12 months

Issuer	Type	Currency	Amount (m)	Issue date	Maturity date	FRN / Fixed
Nordea Hypotek	Covered	 SEK	5,000	18 Oct 2017	20 Sep 2023	Fixed
Nordea Bank	AT1	 EUR	750	28 Nov 2017	12 Mar 2025	Fixed
Nordea Bank	Senior unsecured	 EUR	1,000	7 Feb 2018	7 Feb 2022	FRN
Nordea Mortgage Bank	Covered	 EUR	1,250 750	21 Feb 2018 21 Feb 2018	28 Feb 2023 28 Feb 2033	Fixed Fixed
Nordea Eiendomskreditt	Covered	 NOK	5,000	21 Mar 2018	21 Jun 2023	FRN
Nordea Mortgage Bank	Covered	 EUR	1,000	17 May 2018	23 May 2025	Fixed
Nordea Eiendomskreditt	Covered	 GBP	300	6 Jun 2018	18 Jun 2023	FRN
Nordea Bank	Senior non-preferred	 EUR	1,000	15 Jun 2018	26 Jun 2023	Fixed
Nordea Bank	Senior non-preferred	 SEK	2,250 750	19 June 2018 19 June 2018	25 June 2023 25 June 2023	Fixed FRN
Nordea Bank	Senior non-preferred	 USD	750 250	22 Aug 2018 22 Aug 2018	30 Aug 2023 30 Aug 2023	Fixed FRN
Nordea Bank	T2	 USD	500	6 Sept 2018	13 Sept 2033	Fixed
Nordea Bank	Senior non-preferred	 NOK	2,000	11 Sept 2018	18 Sept 2023	FRN
Nordea Bank	T2	 SEK  NOK	1,750 500	19 Sept 2018	26 Sept 2028	FRN FRN

Regulatory status

Capital requirements

- During the transition period Nordea has committed to maintain a nominal CET1 capital level based on the 2018 SREP outcome
- This level equals EUR 21.7bn and is approximately 13.7% expressed in terms of forecasted REA Q4 2018

MREL requirement including subordination

- Single Resolution Board's ("SRB") MREL requirement decision will be based on the ECB 2019 SREP capital requirements including Pillar 2 and combined buffer
- MREL subordination requirement depends on Finnish FSA decision on Nordea G-SII status, coming SRB MREL decision, as well as outcome of the EU BRRD2 negotiations

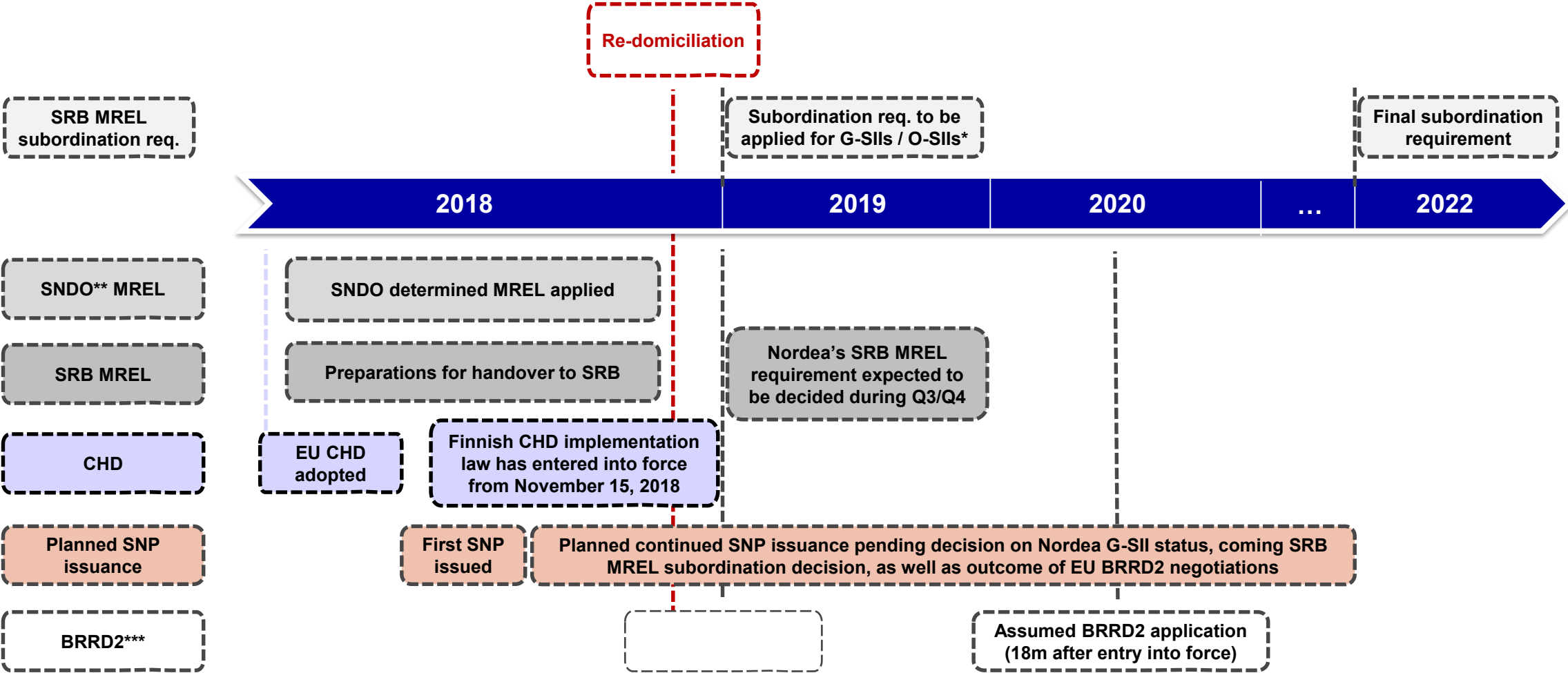
Need for Senior Non-Preferred ("SNP")

- Final SNP volume to be potentially updated after clarity from Finnish FSA decision on Nordea G-SII status, coming SRB MREL subordination decision, as well as outcome of EU BRRD2 negotiations

Creditor Hierarchy Directive ("CHD")

- Swedish implementation is proposed to be applied from 29 December 2018
- Finnish CHD implementation law has entered into force from November 15, 2018
- Nordea contractual SNP format has been aligned to statutory SNP format

SNP and MREL expected timeline



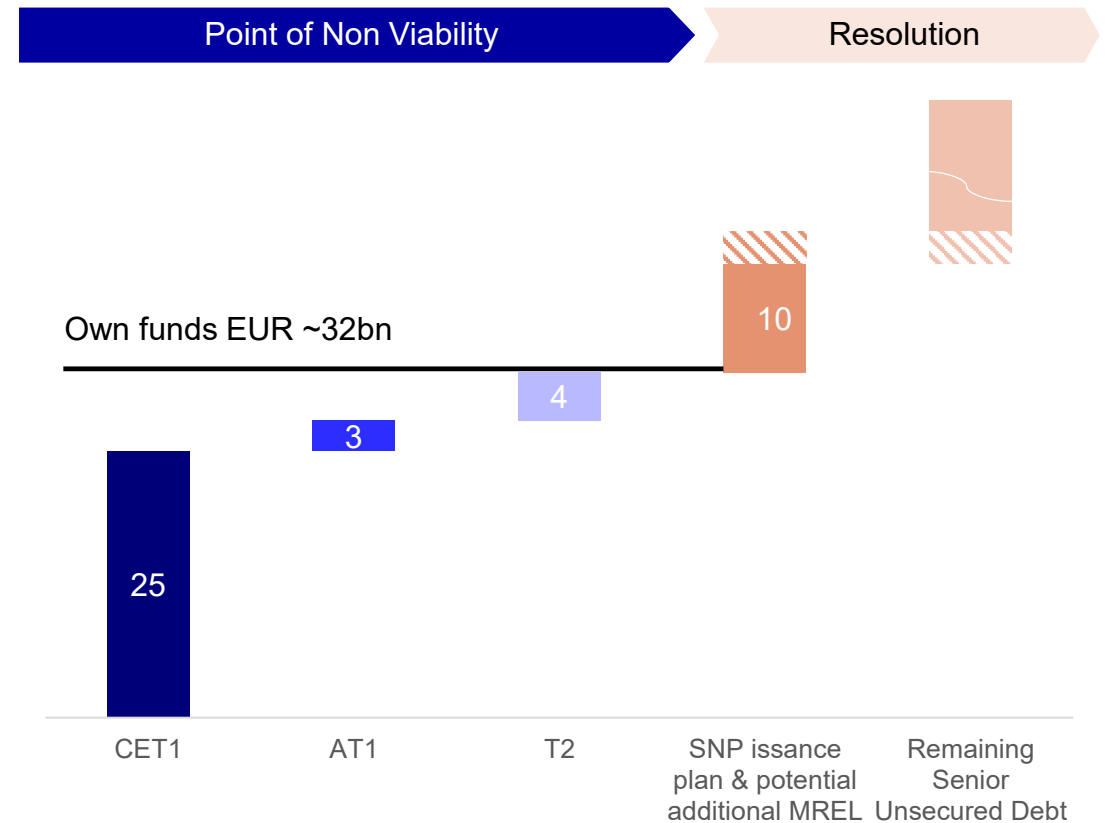
* Subordination requirement of 13.5% of REA plus combined buffer for G-SIIs and 12% of REA plus combined buffer for O-SIIs

** Swedish National Debt Office

*** EU proposal for "Bank Recovery & Resolution Directive"

Current SNP issuance plan

- Nordea's strong capital position will provide a substantial buffer to protect SNP investors
- Nordea's own funds of EUR ~32bn* will rank junior to SNP investors
- Currently planned SNP issuance of ~EUR 10bn** from 2018 to 2021 (~4 years)
- Potentially updated SNP issuance plan after clarity about Nordea G-SII status, coming SRB MREL subordination decision, as well as outcome of EU BRRD2 negotiations
- Nordea has issued SNP of EUR ~2.5bn since June 2018

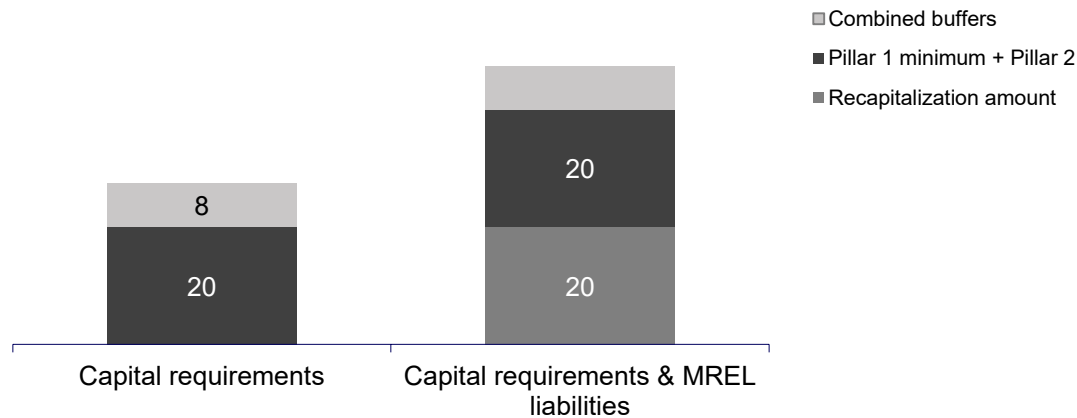


Summary of Nordea SNP and MREL including subordination requirement

Comments

- MREL requirement including subordination requirement is pending, dependent on factors such as:
 - Finnish FSA decision on Nordea G-SII status
 - SRB MREL decision expected in Q3/Q4 2019
 - Nordea's capital requirement components such as P2R for MREL calibration, to be decided by the ECB in 2019 SREP
 - Outcome of EU BRRD2 negotiations
 - Furthermore, uncertain SNP need under future SRB MREL
- Ratings of senior non-preferred (SNP): S&P A, Fitch AA-, Moody's Baa1

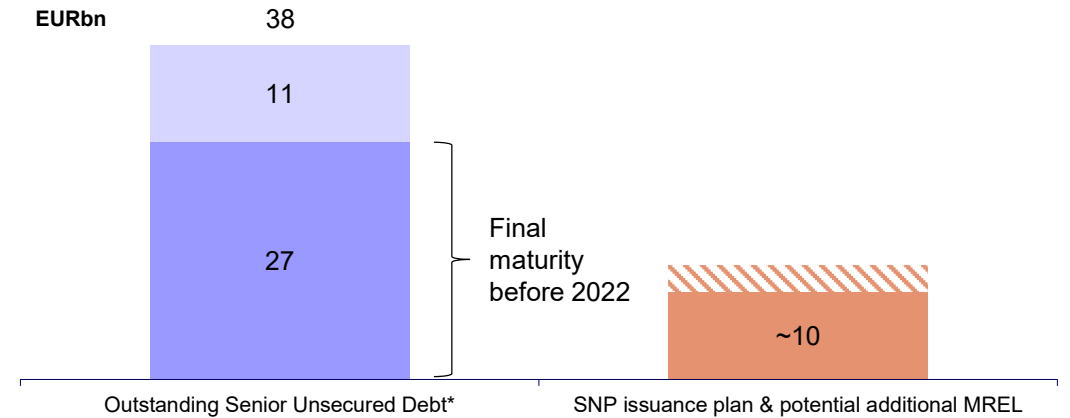
Swedish MREL (EURbn)



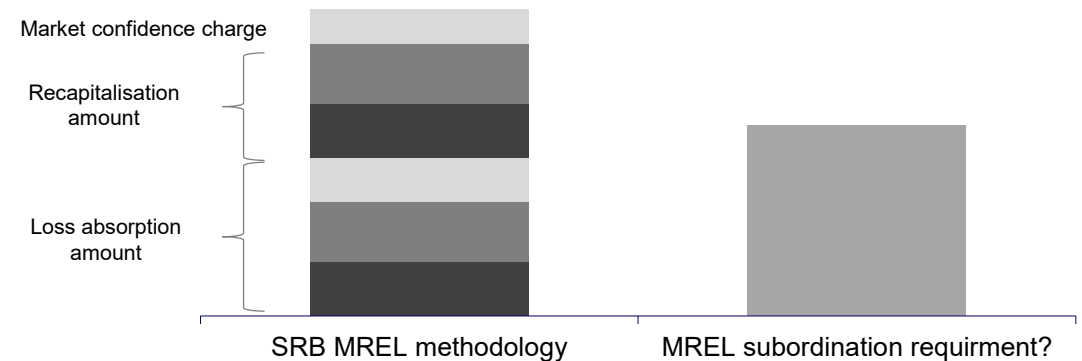
* Issued SNP of ~EUR 2.5bn is excluded

** Current MREL subordination requirement equal to TLAC requirement, i.e. EUR 33bn from Jan. 1, 2019, and EUR 37bn from Jan. 1, 2022.

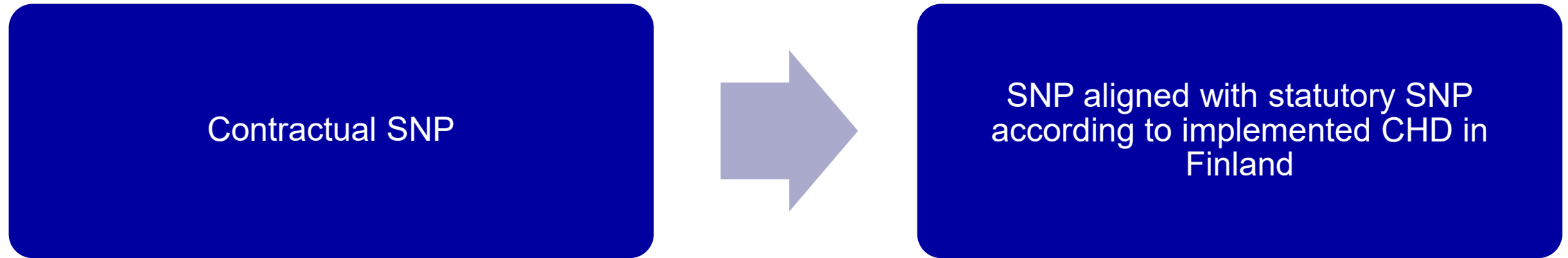
Current senior bonds available for potential refinancing in SNP format



SRB MREL methodology including subordination requirement**



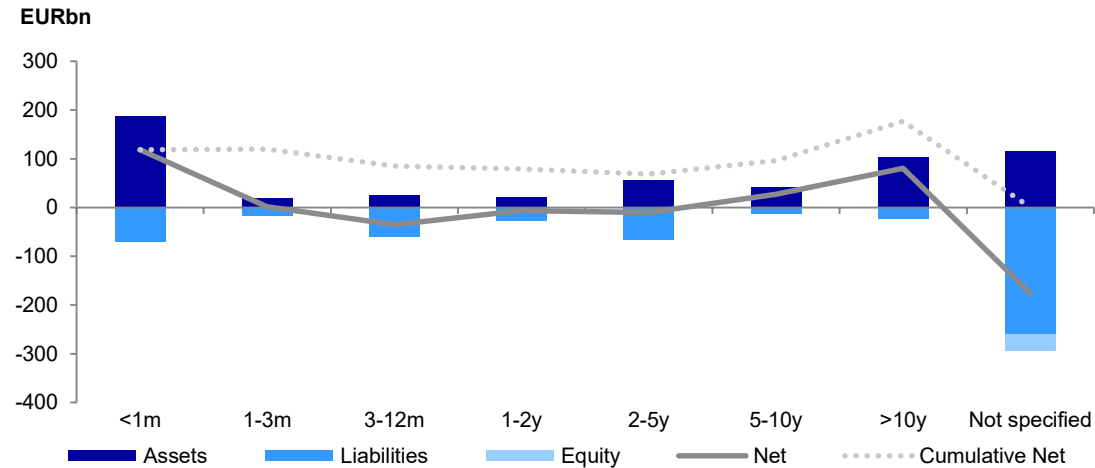
Contractual SNP aligned with statutory SNP, relative ranking remains unaffected



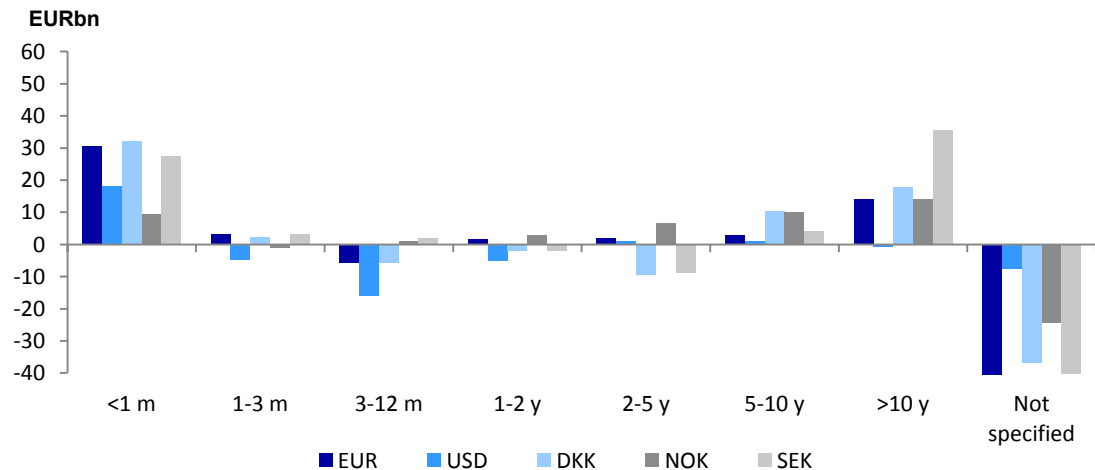
- Nordea has issued SNP of EUR ~2.5bn eq. since June 2018
- Contractual SNP format ranking between senior and subordinated class from day one
- With Finnish CHD implementation law entry into force from November 15, 2018, contractual SNP aligned to statutory SNP, relative ranking remains unaffected
- Going forward, SNP will be issued in statutory SNP format

Maturity profile

Maturity profile



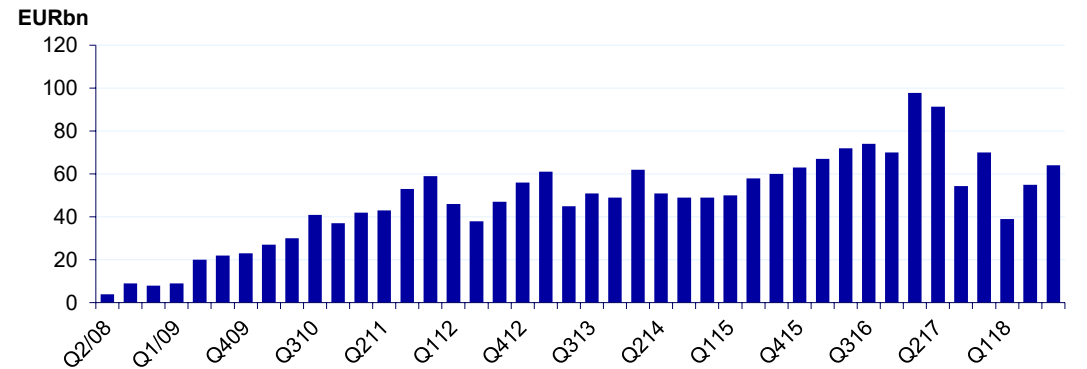
Maturity gap by currency



Comments

- The balance sheet maturity profile has during the last couple of years become more balanced by
 - Lengthening of issuance and focusing on asset maturities
- Resulting in a well balanced structure in assets and liabilities in general, as well as by currency
 - The structural liquidity risk is similar across all currencies
- Balance sheet considered to be well balanced also in foreign currencies
- Long-term liquidity risk is managed through own metric, Net Balance of Stable Funding (NBSF)

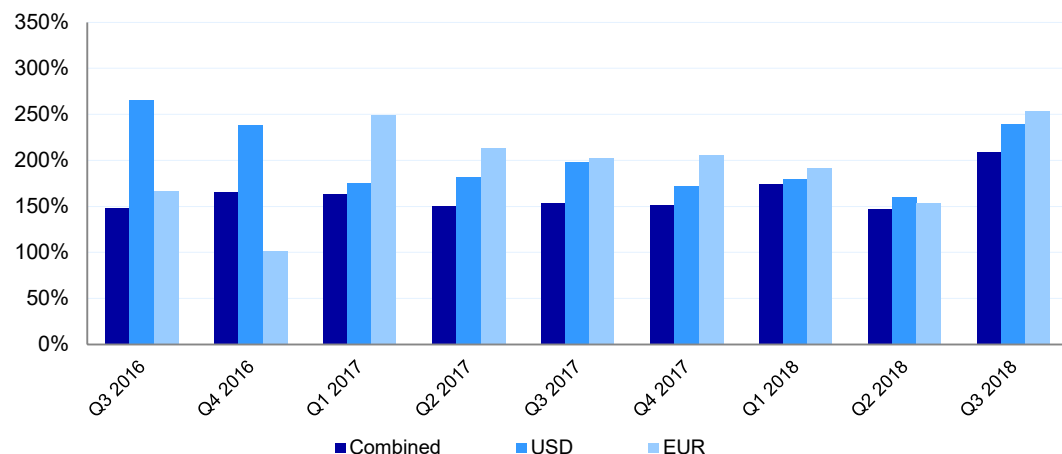
Net Balance of Stable Funding



NBSF is an internal metric, which measures the excess of stable liabilities against stable assets. The stability period was changed into 12 month (from 6 months) from the beginning of 2012. In Q3 2017 the data sourcing was updated and classifications now in line with the CRR.

Liquidity Coverage Ratio

Liquidity Coverage Ratio



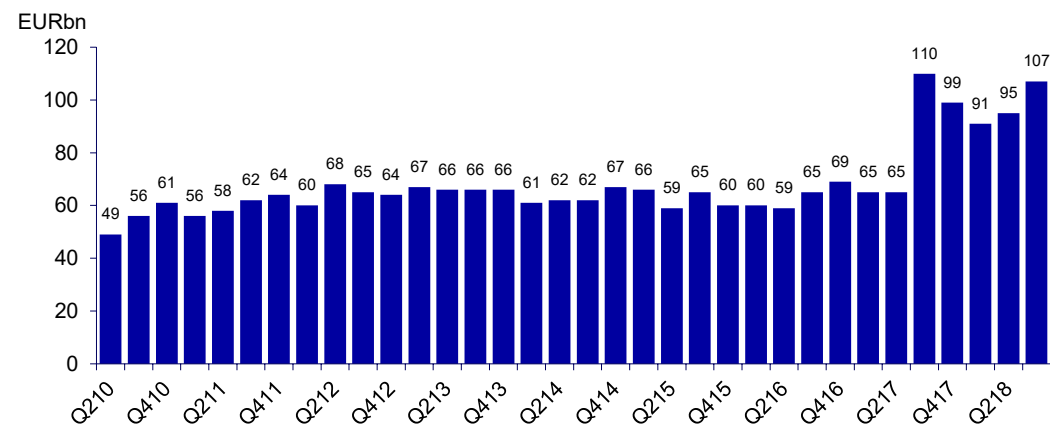
LCR subcomponents*, EURm

	Combined	USD	EUR
Total high-quality liquid assets (HQLA)	104,696	28,216	28,152
Liquid assets level 1	101,456	27,760	27,382
Liquid assets level 2	3,241	456	770
Cap on level 2	0	0	0
Total cash outflows	64,33	47,047	44,516
Retail deposits & deposits from small business customers	5,908	102	1,819
Unsecured wholesale funding	42,161	13,171	10,441
Secured wholesale funding	2,471	362	680
Additional requirements	8,333	33,141	30,257
Other funding obligations	5,459	262	1,318
Total cash inflows	14,178	35,278	33,387
Secured lending (e.g. reverse repos)	3,015	846	271
Inflows from fully performing exposures	4,659	480	1,423
Other cash inflows	6,503	37,529	34,240
Limit on inflows	0	0	-2,547
Liquidity coverage ratio (%)	209%	240%	253%

Comments

- EBA Delegated Act LCR in force starting from October 2016
 - LCR of 209%
 - LCR compliant in USD and EUR
- Compliance is reached by high quality liquidity buffer and management of short-term cash flows
- Nordea Liquidity Buffer EUR 107bn, which includes the cash and central bank balances
 - New liquidity buffer method introduced in July 2017

Time series – liquidity buffer



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