

Nordea



Debt Investor Presentation Q2 2016

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.

Nordea in brief



Nordea is the largest financial services group in the Nordics

Nordic distribution power and platform



11 million customers

- Approx. 10 million personal customers
- 590 000 corporate customers, incl. Nordic Top 500

Distribution power

- Approx. 600 branch office locations
- Leading market position in all four Nordic countries

Financial strength

- EUR 10.1bn in full year income (2015)
- EUR 671bn of assets (Q2 2016)
- EUR 30.1bn in equity capital (Q2 2016)

AA level credit ratings

- Moody's Aa3, stable outlook
- S&P AA-, negative outlook
- Fitch AA-, stable outlook

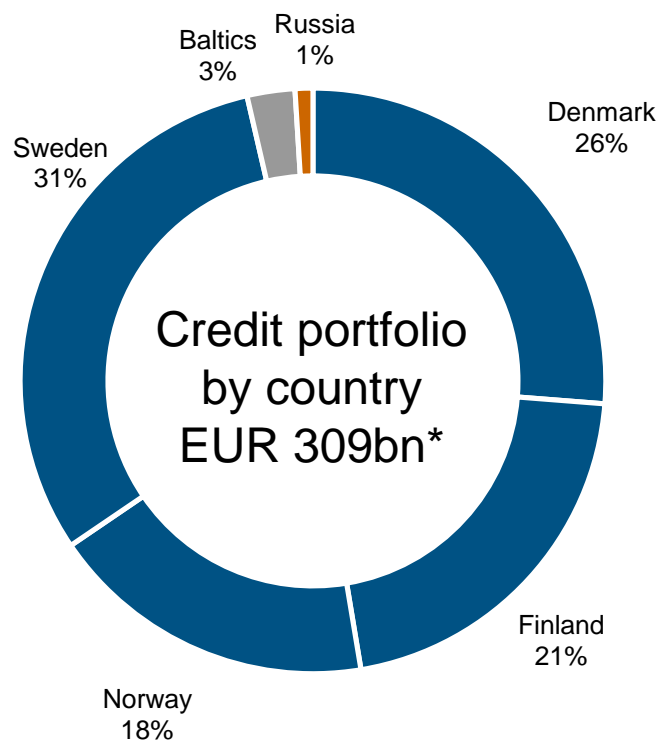
EUR ~30.5bn in market cap

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

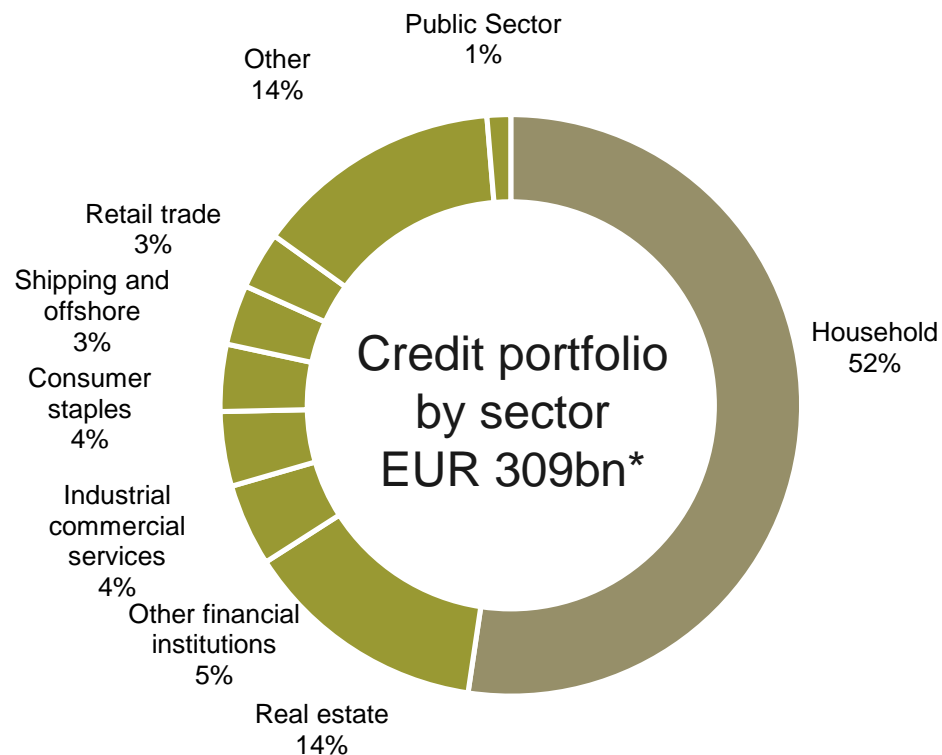
Nordea is the most diversified bank in the Nordics

Q2 2016

A Nordic-centric portfolio (96%)



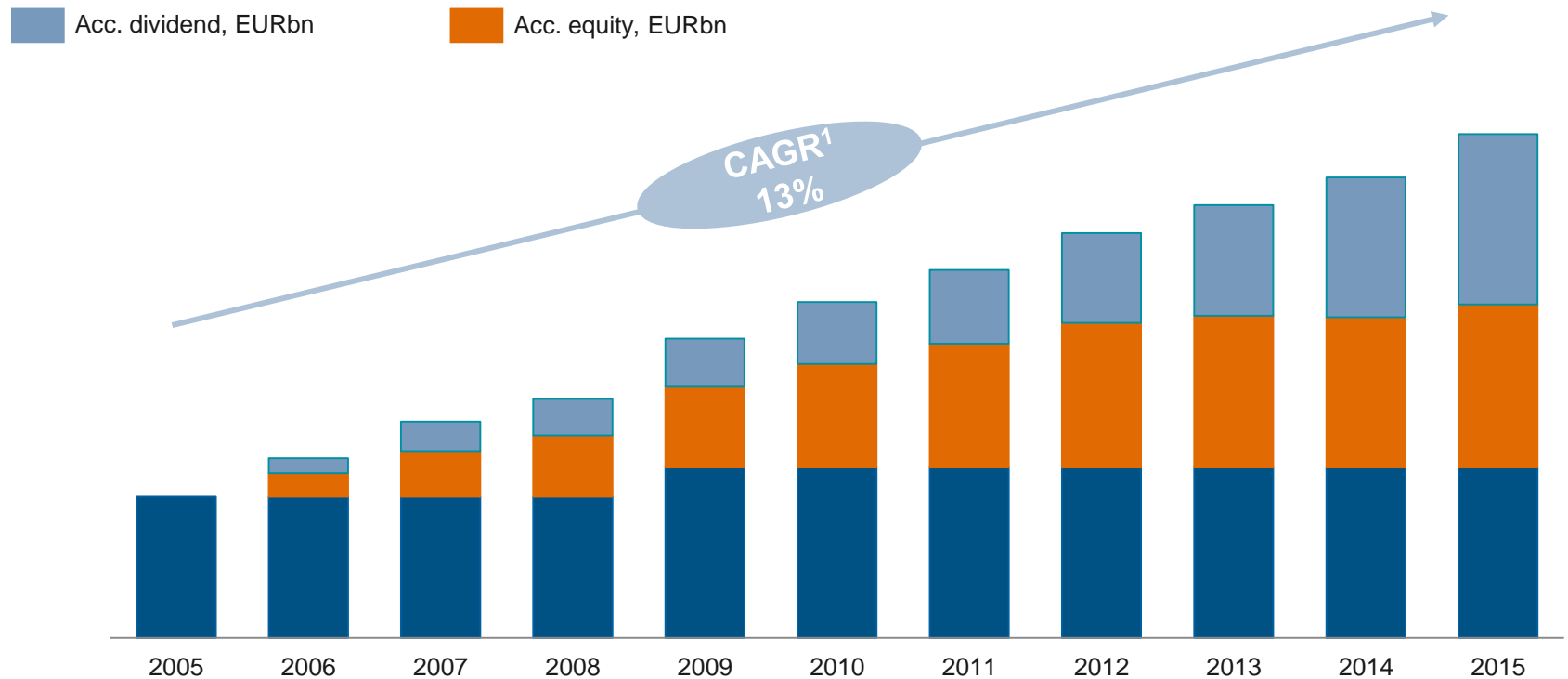
Lending: 48% Corporate and 52% Household



* Excluding repos

Strong Nordea track record

Strong capital generation and stable returns at low risk¹



CET 1
Ratio, %

5.9²

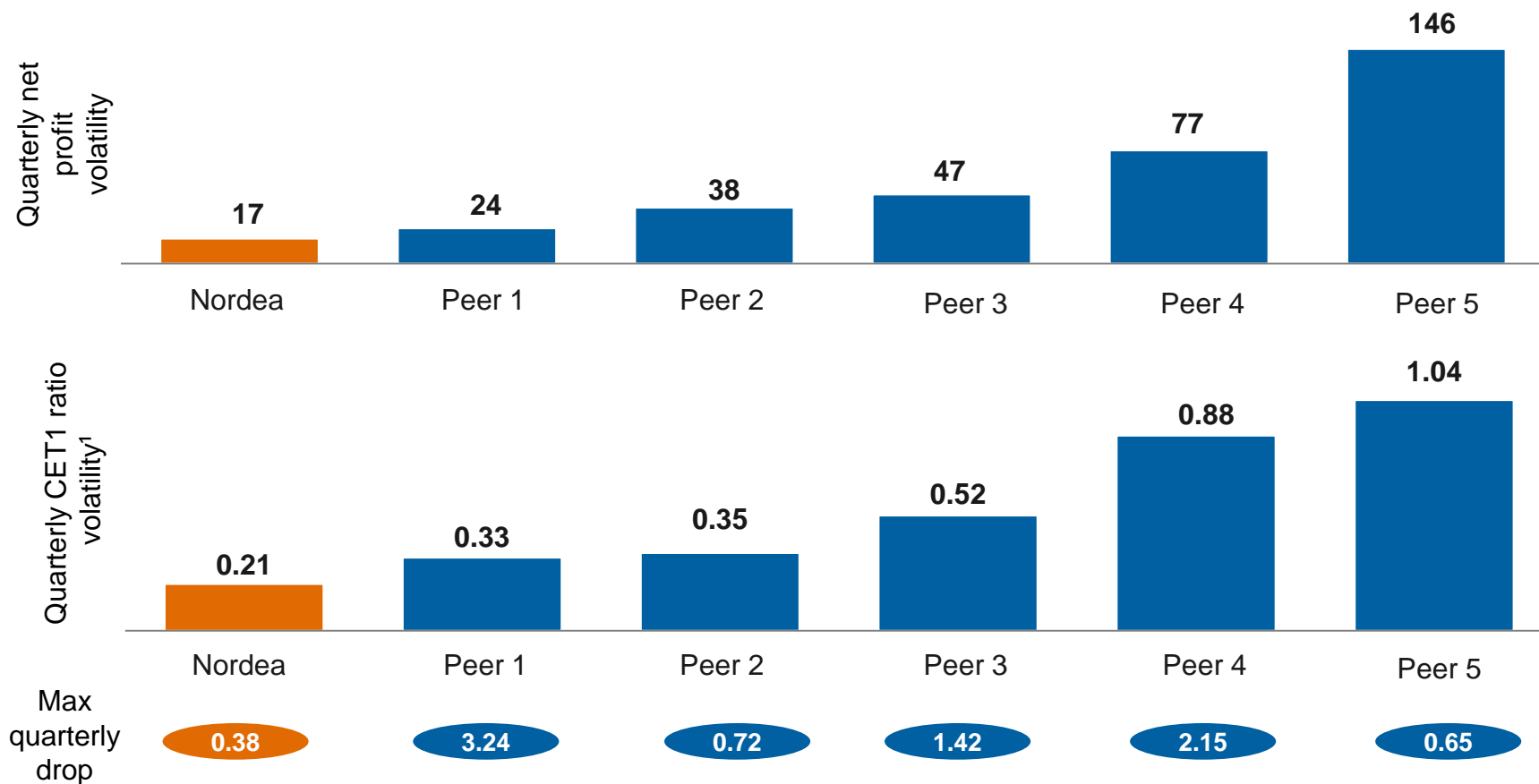
16.5

1) CAGR 2015 vs. 2005, adjusted for EUR 2.5bn rights issue in 2009. Equity columns represents end-of-period equity less dividends for the year. No assumption on reinvestment rate for paid out dividends

2) Calculated as Tier 1 capital excl. hybrid loans

The most stable bank in the Nordics

Nordea and peers 2006 – Q4 2015, %



1) Calculated as quarter on quarter volatility in CET1 ratio, adjusted so that the volatility effect of those instances where the CET1 ratio increases between quarters are excluded

Q2 2016 financial results highlights



Highlights

Q2/16 vs. Q2/15*

- ✓ Stable business environment, turbulent June due to EU referendum in UK
- ✓ Income down 3%
 - ✓ Despite low growth and turbulent financial markets – stabilising trend in the quarter
 - ✓ NII up 1% in local currencies adjusted for resolution fees
 - ✓ Ancillary income holding up well
- ✓ Costs are developing as expected, +3% in local currencies
 - ✓ Enhancing investments in Group Projects
 - ✓ Offset by efficiencies
- ✓ Loan loss provisions at 15bps
 - ✓ Expected level for full year approximately 16bps
- ✓ CET 1 ratio improved 10bps from previous quarter to 16.8% (Pro forma 17.2%)
 - ✓ 2016 preliminary outcome of SREP indicates a minimum requirement of 17% excluding a management buffer. Final outcome expected in Sep/Oct
- ✓ Simplification programme is delivering according to plan
 - ✓ First product on new core banking platform went live in June

*In local currencies

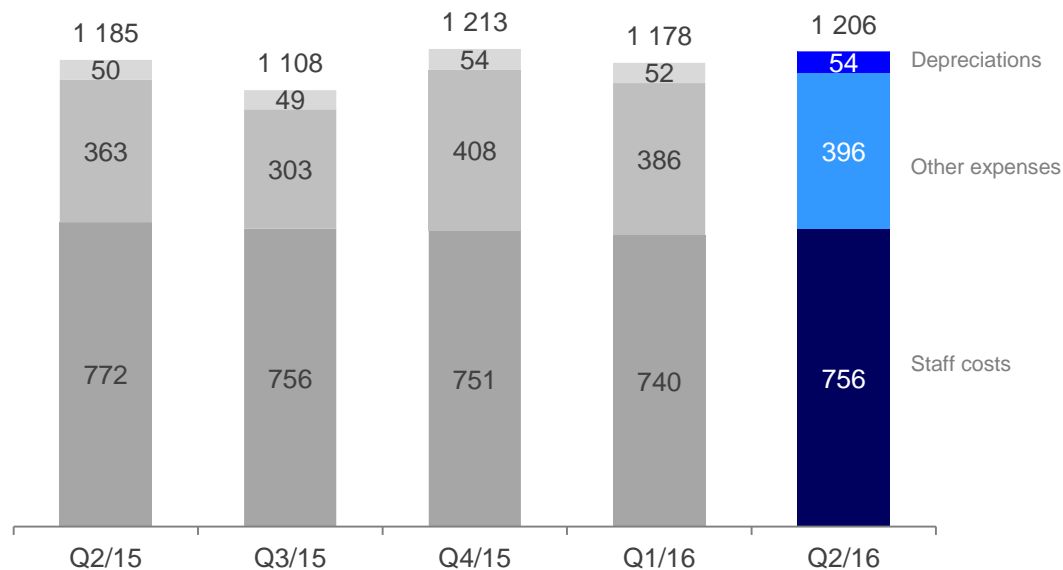
Financial results

EURm	Q2/16	Q1/16	Chg Q2/Q1 %	Chg Q2/Q2 %	Loc. curr. Chg Q2/Q2 %
Net interest income	1 172	1 168	0	-8	-5
Net fee & commission income	804	772	4	-3	-2
Net fair value result	405	332	22	5	3
Total income	2 556	2 295	11	1	3
Total income*	2 405	2 295	5	-5	-3
Total expenses	-1 206	-1 178	2	2	3
Total expenses*	-1 206	-1 178	2	2	3
Net loan losses	-127	-111	14	23	31
Operating profit	1 223	1 006	22	-1	1
Operating profit*	1 072	1 006	7	-13	-12
Net profit	996	782	27	5	7
Return on equity* (%)	11.4	10.3	+110 bps	-170 bps	-
CET1 capital ratio (%)	16.8	16.7	10 bps	80 bps	-
Cost/income ratio* (%)	50	51	-100 bps	+300 bps	-

* Excluding non-recurring items (Q2/16: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151m after tax)

Costs developing according to plan

TOTAL EXPENSES*, EURm



COMMENTS

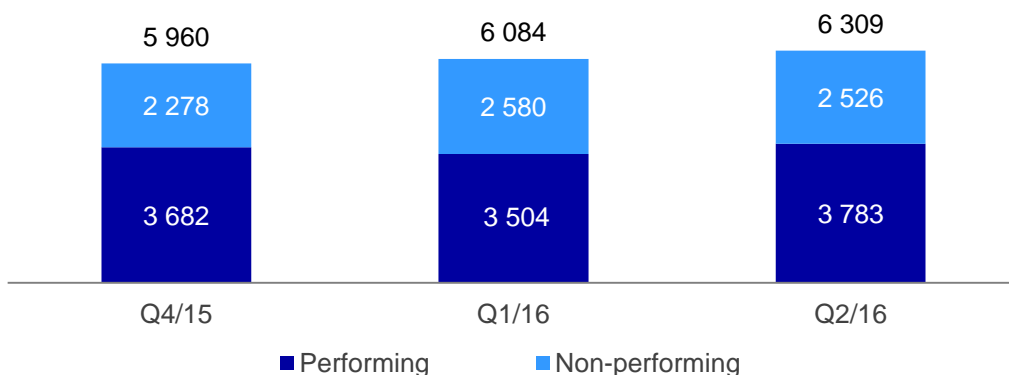
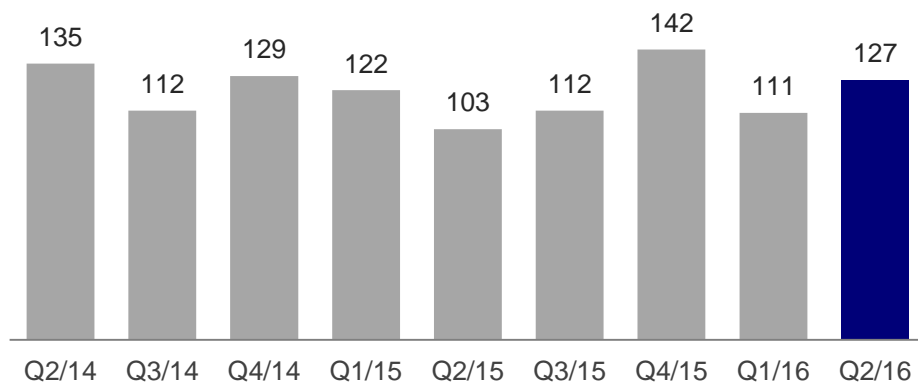
- Costs in local currencies are up 2% q-o-q and 3% y-o-y
- Number of staff is up 2% q-o-q and 4% y-o-y
 - Mainly relates to compliance and insourcing of IT
- Group projects and higher result based remunerations drives costs
 - Mitigated by efficiency initiatives
- Cost growth of approximately 3% in local currencies for 2016 compared to 2015
 - Largely unchanged 2018 vs. 2016

*Excluding restructuring charge of EUR 263m in Q4/15

Solid asset quality with strongly rated customers

TOTAL NET LOAN LOSSES, EURm

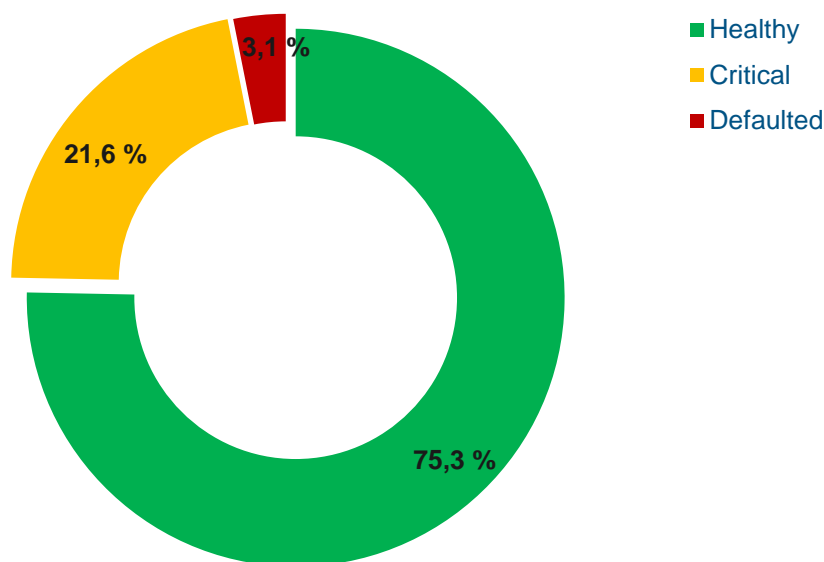
COMMENTS



- Q2 loan losses increased to 15 bps (Q1: 13 bps) and is related to few oil and offshore customers and increased collective provisions
- Solid credit quality with strongly rated customers
- Impaired loans ratio increased 7 bps to 172bps
 - Few new customers are behind the increase
 - All well collateralised bringing the provisioning ratio down to 42% (Q1: 43%)
- The full year loan losses are expected to remain at around the long term average level of 16bps

Offshore and Oil Services

EXPOSURE TO OIL AND GAS, OILSERVICES AND OFFSHORE



91% of the critical exposure and 63% of the defaulted exposure is to the offshore segment

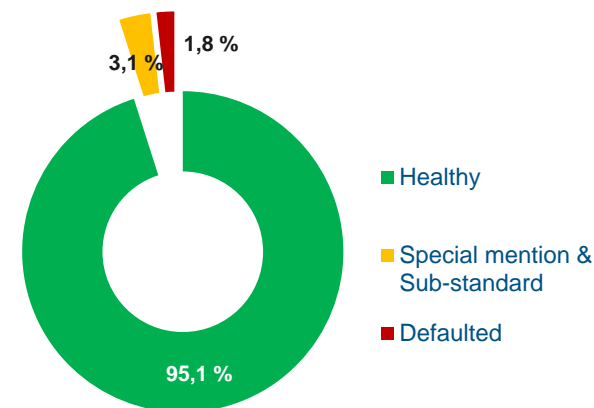
Nordea's direct exposure (EAD) to the Oil & Gas, Oil Services and Offshore segments is appr. EUR 7.0bn

Represents less than 1,5% of Nordea's total Exposure at Default (EAD)

- Risk level has increased in oil and offshore related credit portfolios and it will most likely not improve in the second half of this year
- Sector outlook has worsened in 2016 and a “Lower for Longer” scenario is more likely now than one year ago
 - The Oil & Gas portfolio remains in general robust even at prolonged lower oil prices
- Loan loss provisions in Oil Services and Offshore are likely to increase in the second half of 2016 and 2017, collectively and on individual basis

Overall solid credit quality in a diversified portfolio

NORDEA Credit quality				
	Not impaired lending	Provisioning ratio	Share of the total portfolio	Lending EURbn
Metals and mining materials	86%	39%	0,2%	0,7
Telecommunication operators	90%	25%	0,3%	1,1
Consumer staples (food, agriculture etc)	91%	36%	3%	12
Consumer durables (cars, appliances etc)	93%	57%	1%	2
Other materials (chemical, building materials etc)	94%	37%	2%	6
Industrial capital goods	95%	51%	1%	2
Construction and engineering	96%	48%	2%	5
Retail trade	96%	52%	3%	10
IT software, hardware and services	96%	54%	1%	2
Media and leisure	96%	46%	1%	2
Industrial commercial services etc	97%	61%	4%	13
Other financial institutions	97%	58%	4%	14
Telecommunication equipment	98%	45%	0,0%	0,1
Transportation	98%	48%	1%	4
Energy (oil, gas etc)	98%	71%	0,9%	3
Real estate management and investment	98%	42%	12%	42
Shipping and offshore	98%	200%	3%	10
Health care and pharmaceuticals	98%	37%	1%	2
Paper and forest materials	99%	74%	0,5%	2
Utilities (distribution and production)	100%	59%	2%	6
Other, public and organisations inc rev. repos	100%	139%	12%	41
Corporate	99%	50%	53%	179
Household	99%	28%	46%	162
Public sector	100%	96%	1%	4
Nordea	99%	42%		345



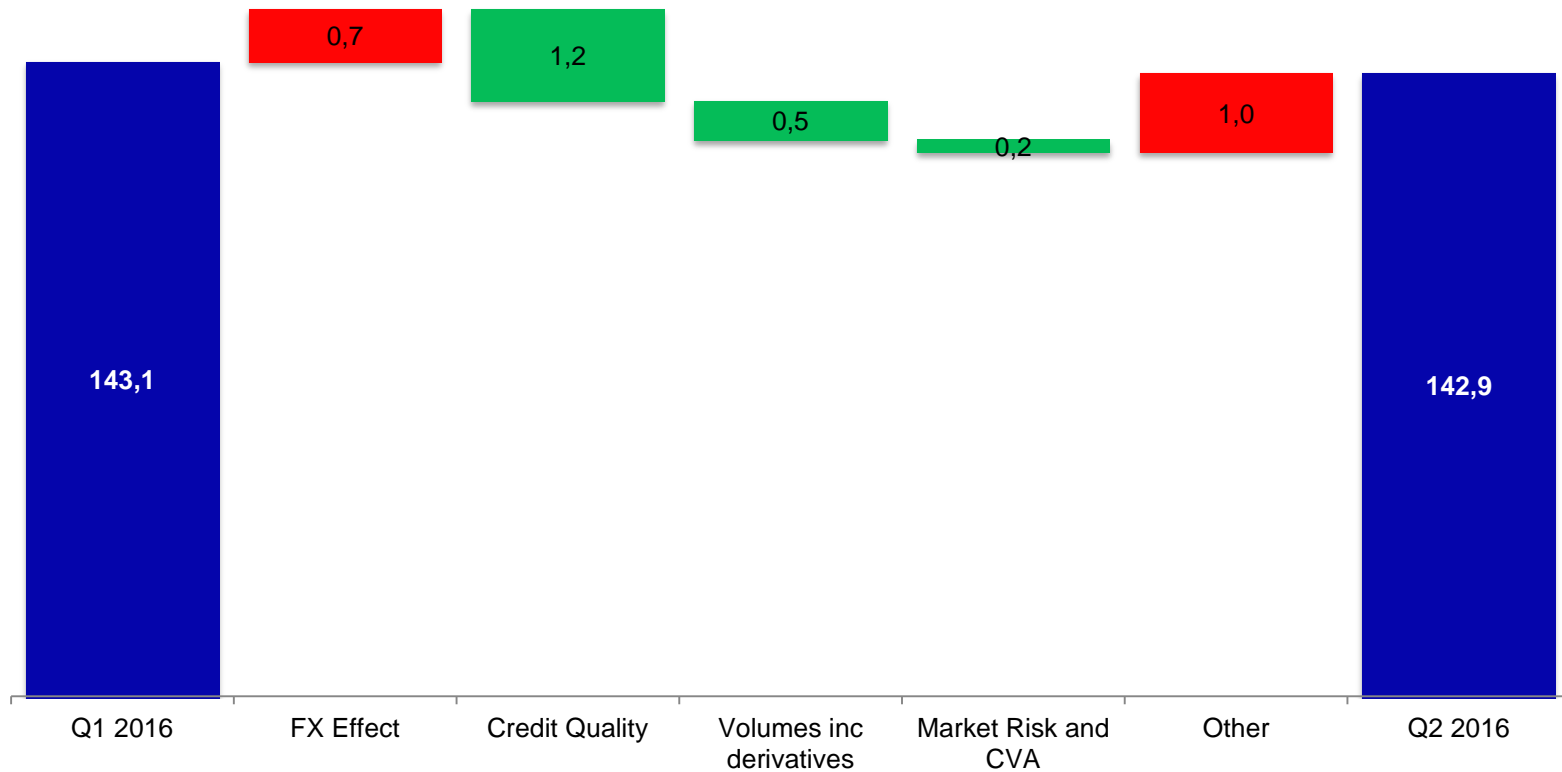
- Strongly rated customers with an average rating at 4+ for corporate customers
- 1.8% of the portfolio (EUR 7.0bn) is defaulted. 94% of the rated portfolio is considered healthy (rated 3- or better)

Q2 2016 Capital



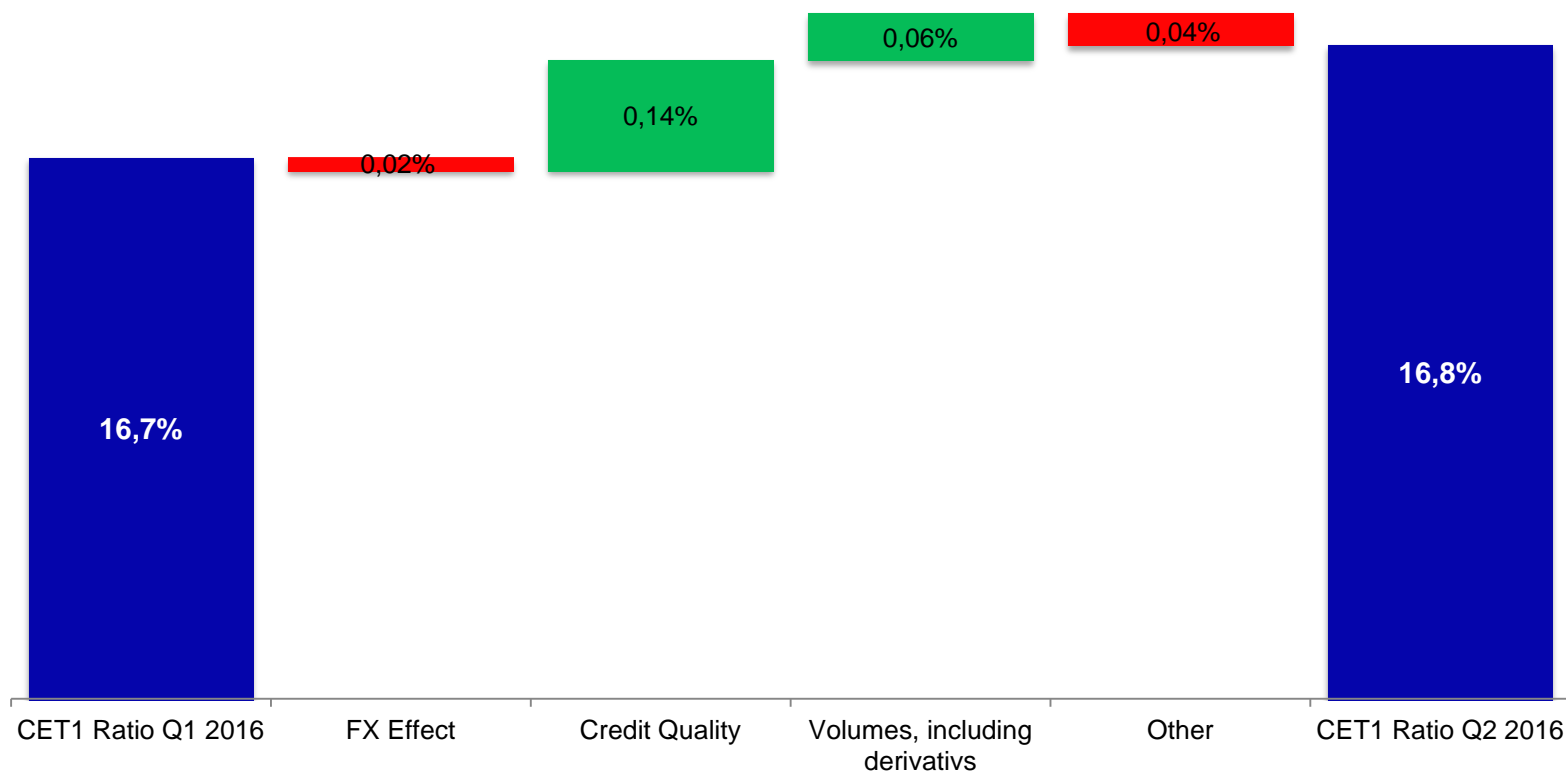
Stable development in Risk Exposure Amount

RISK EXPOSURE AMOUNT, EURbn



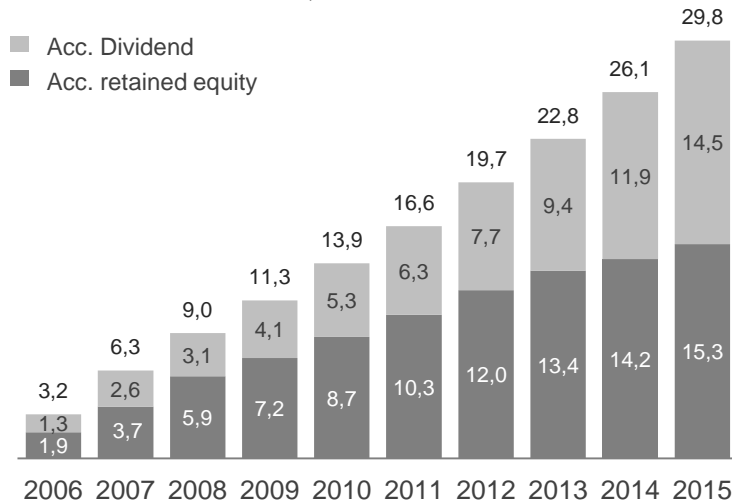
Common Equity Tier 1 ratio improved to 16.8%

COMMON EQUITY TIER 1 RATIO DEVELOPMENT, %



Strong capitalisation and strong capability to generate capital

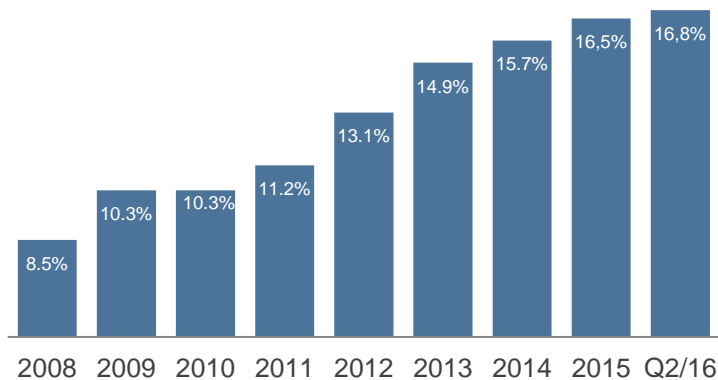
CAPITAL GENERATION¹, EURbn



COMMENTS

- Strong Group CET1 ratio - 16.8% in Q2 2016
- CET 1 capital ratio up 290bps since Q4 2013³

GROUP CET1 CAPITAL RATIO², %



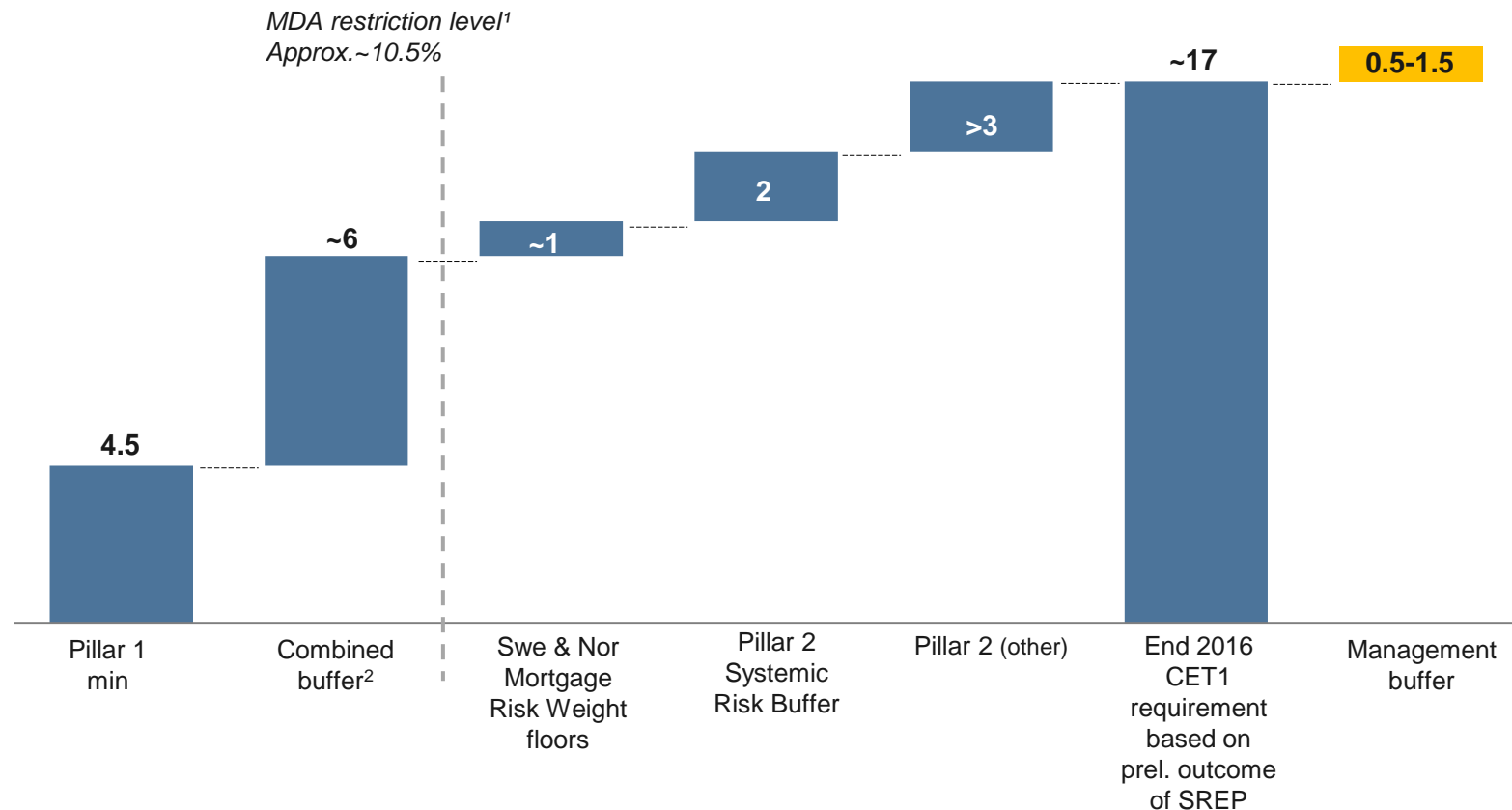
¹ Dividend included in the year profit was generated. Excluding rights issue (EUR 2 495m in 2009)

² CET1 capital ratio excluding Basel 1 transition rules 2008-2013. From 2014, CET1 capital is calculated in accordance with Basel 3 (CRR/CRDIV) framework

³ Estimated Basel 3 CET1 ratio 13.9% Q4 2013

The preliminary outcome of SREP for 2016 is a forward-looking CET1 requirement by end of 2016 of approx. 17% excl. management buffer

COMMON EQUITY TIER 1 RATIO BUILD-UP, %



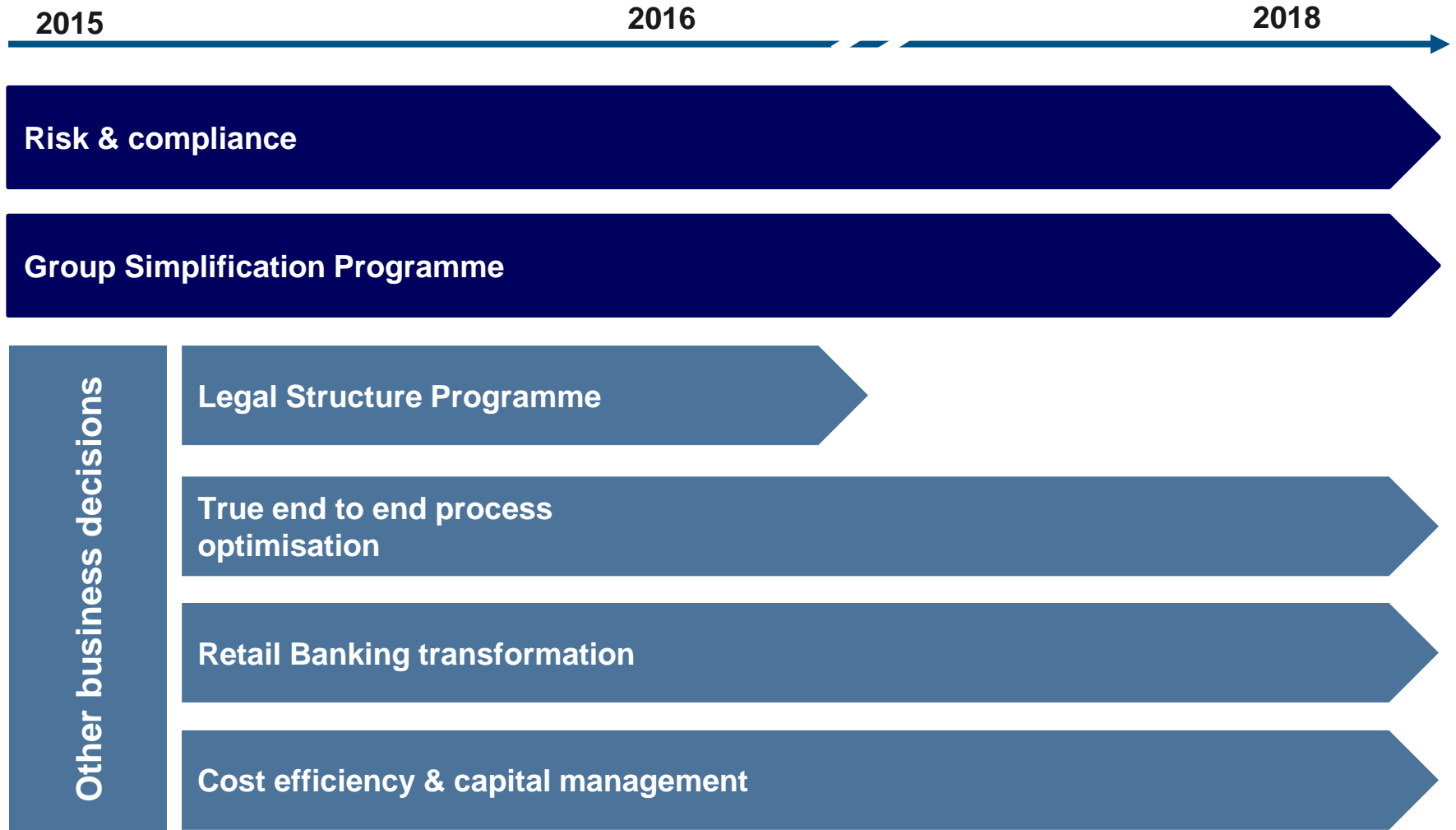
1) Maximum Distributable Amount, provided for illustrative purposes only. The Swedish FSA does not normally intend to make a formal decision on the capital requirement under Pillar 2. "Insofar that a formal decision has not been made, the capital requirement under Pillar 2 does not affect the level at which the automatic restrictions on distributions linked to the combined buffer requirement come into effect." Swedish FSA, Sep 2014.

2) The combined buffer consists of 3% systemic risk buffer, 2.5% capital conservation buffer and ~0.5% countercyclical buffer. The calculation of the countercyclical buffer is based on Swedish and Norwegian buffer rates of 1.5%, which entered into force in Q2 2016.

Transformational change agenda



Executing on our transformational change agenda



Simplification Programme – achievements so far

Product & data clean-up



70% of deposit, loan and payment products consolidated or closed
Comprehensive clean-up of customer data accomplished

Core Banking Platform



Vendor chosen
Proof of concept carried out
Model bank installed
First product successfully gone live in June 2016

New Payment Platform



Vendor chosen
New payment engine installed
All in- and outbound SEPA Interbank payments for Baltic and Nordic non-Euro currencies successfully added to the Global Payment Engine

Group Common Data



Local data warehouses in Norway and Finland closed
98% of data sourced to common data warehouse
Nordic sales performance management tool implemented in Finland and Norway

Legal Structure Programme



Ongoing preparations for the mergers of NBD, NBN and NBF with NBAB. Regulatory approval in Sweden received in May 2016. Planned execution early January 2017 depending among other on regulatory approval and a satisfactory outcome of discussions with the local authorities

Actions to enforce a strong risk and compliance culture

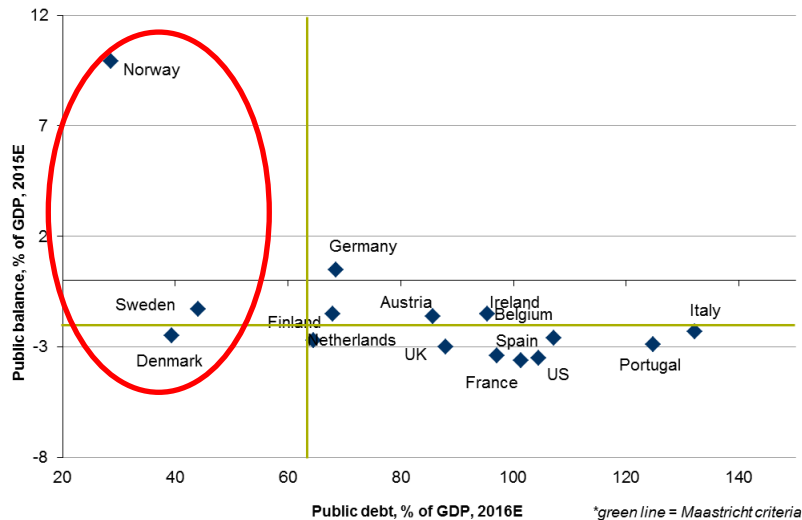
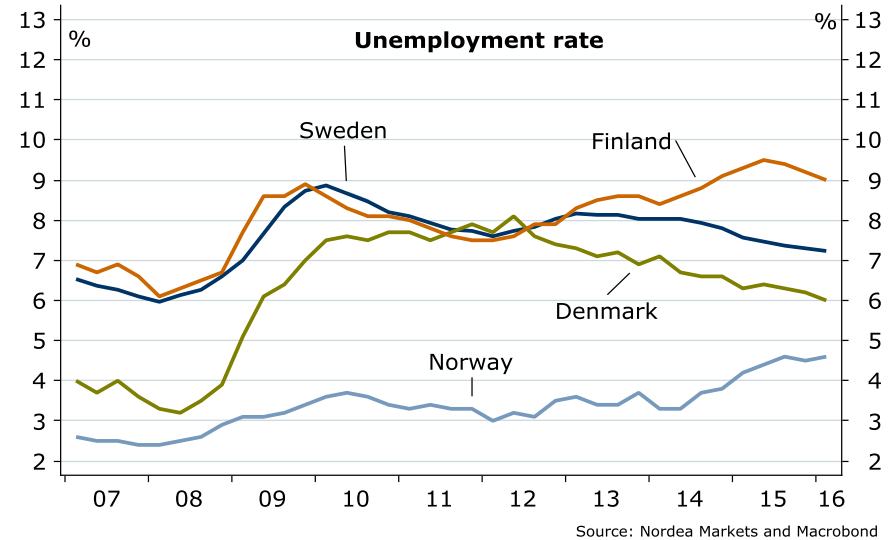
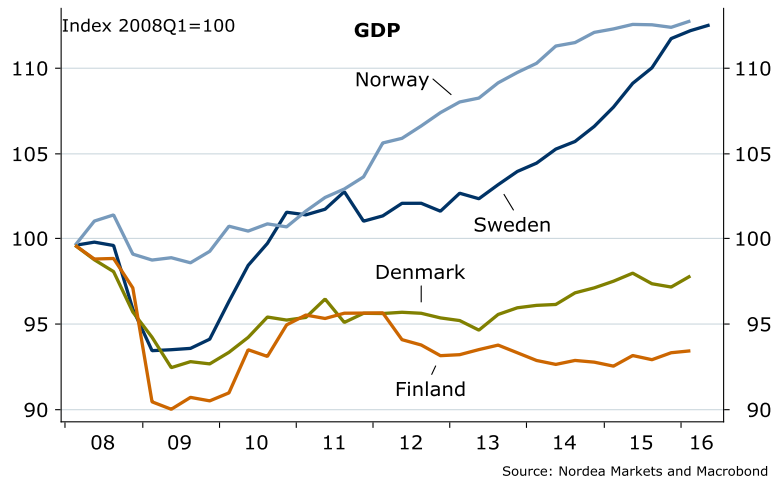
- Internal investigation completed, conclusions presented and decisive measures taken
 - Private Banking business activities to be in line with internal policies and external tax rules and anti-money laundering regulations
 - Covered Panama-related offshore structures in Nordea Bank S.A. in Luxembourg as well as Nordic Private Banking
 - Prompt implementation of recommendations: i a stricter governance of Nordea Bank S.A. in Luxembourg, enforcement of stricter criteria for offshore structures in Nordea accounts, strengthened tax policy on customer advice, strengthening of competencies and resources in control functions
- Actions taken to strengthen compliance frameworks and processes
 - Significantly strengthening the functions, processes and systems devoted to regulatory compliance in general, including the monitoring and advice function Group Compliance
 - Established a Financial Crime Change Programme, to ensure robust group wide standards and processes (June 2015)
 - Established a central anti-money laundering unit for know your customer, sanctions screening and transaction monitoring (November 2015)
- Actions taken to strengthen risk and compliance culture
 - Business Ethics and Values committee established (November 2015)
 - A Tax Board will make the call on complex issues and ensure consistent decisions
 - Ethical considerations always an integral part of our business model

We will take action to ensure that we stay a safe and trusted partner

Q2 2016 Macro

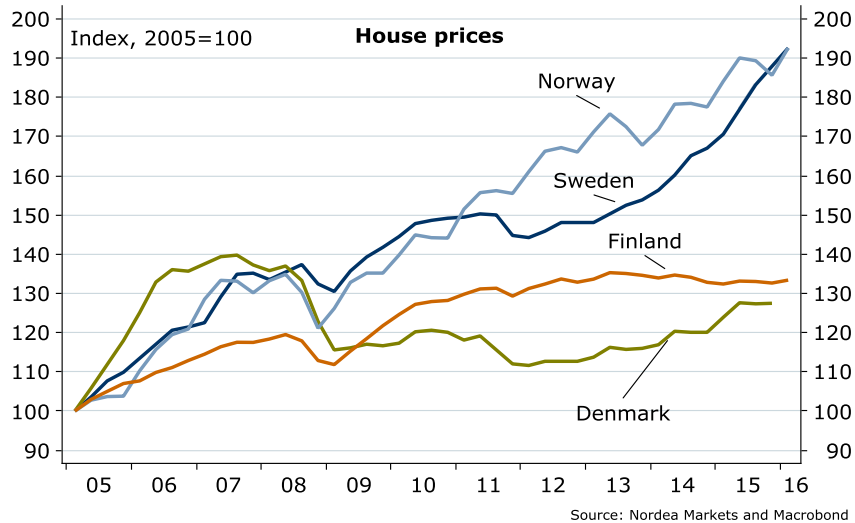


Resilient Nordic economies

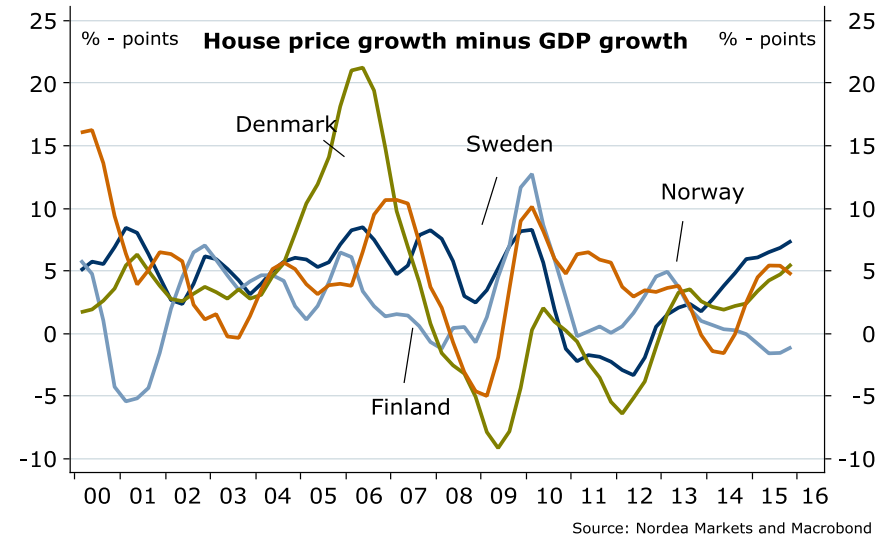
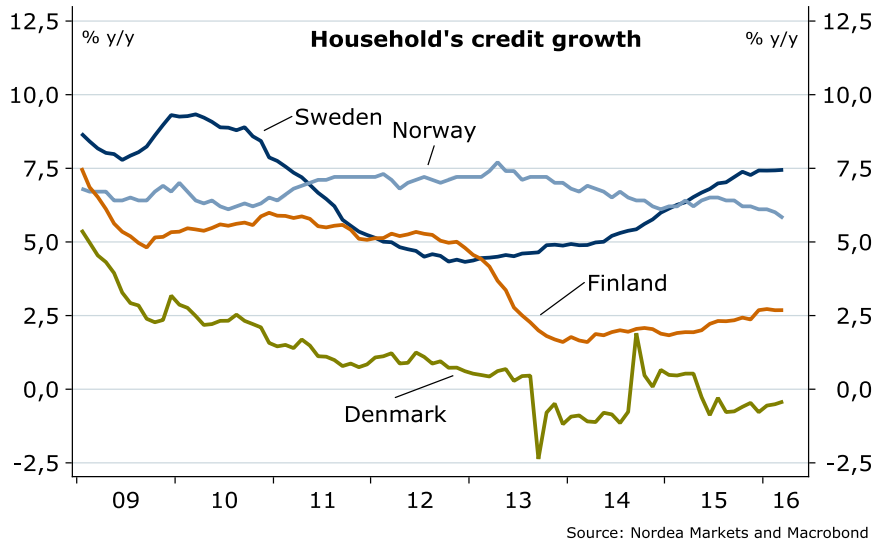


- Growth in the Nordic countries has been held back by modest global demand, but they are still more resilient than others. All countries apart from Finland are currently in an expansionary phase. However, Norwegian growth is expected to slow due to the struggling oil industry.
- The Nordics benefit from their strong public finances and structural advantages. They also benefit from the global recovery, especially from the upturn in the US and Germany.
- The Nordic economies continue to have robust public finances despite slowing growth. Norway is in a class of its own due to oil revenues.

House price development in the Nordics



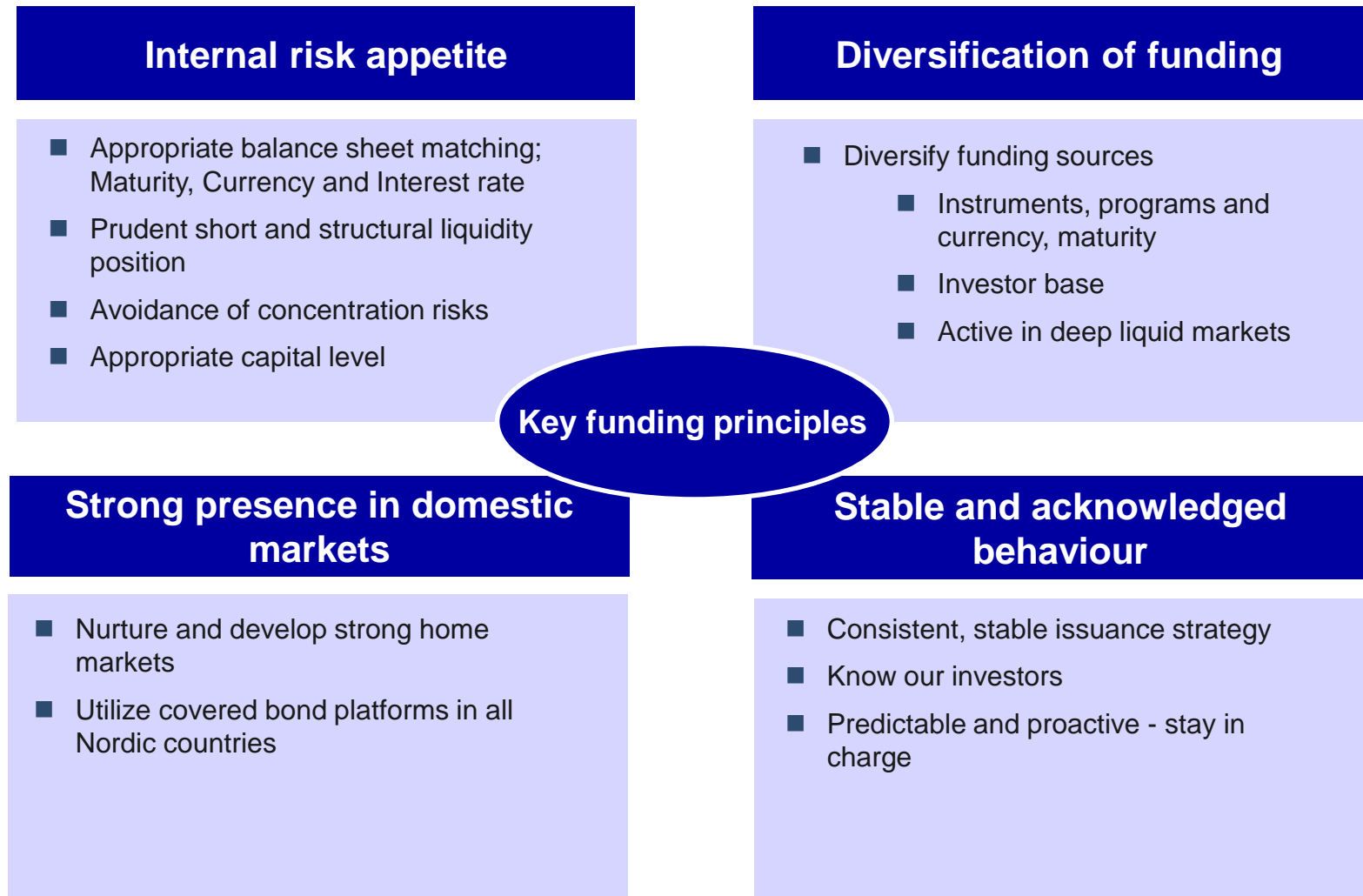
- In Sweden and Norway house prices carry on upwards. However, for both Sweden and Norway a much more moderate growth pace, or even stagnation, should be expected over the coming years
- House prices in Finland has stabilized on the back of the poor overall economic performance. In Denmark, house prices have started to recover after years of sluggish development.



Q2 2016 Funding

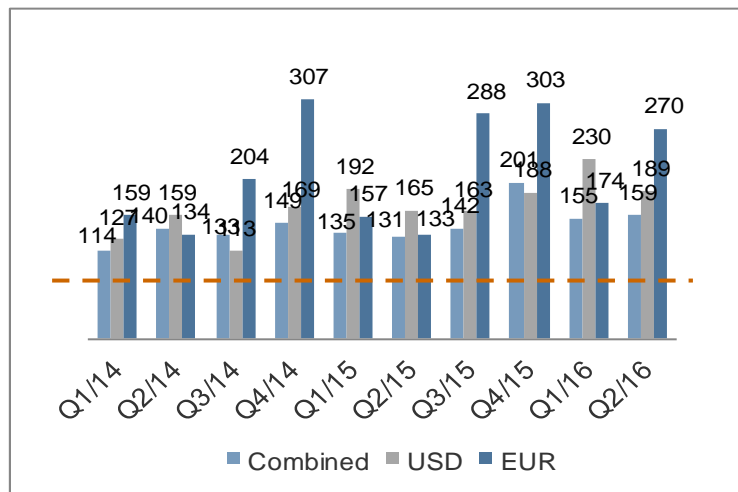


Securing funding while maintaining a prudent risk level



Solid funding operations

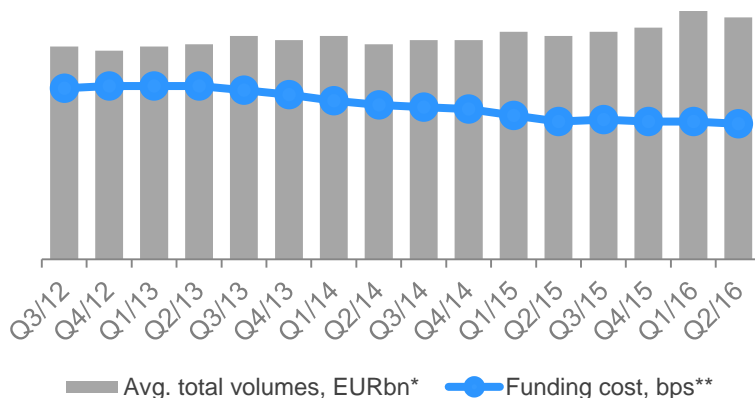
LCR DEVELOPMENTS, %



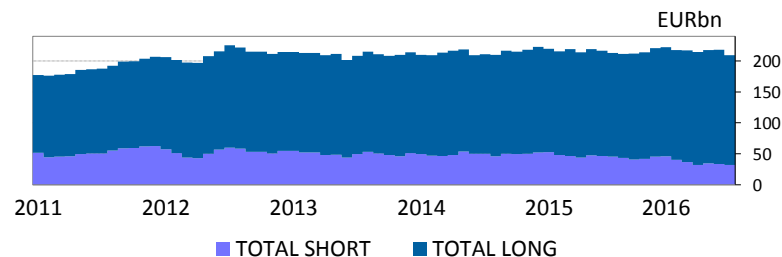
COMMENTS

- Long term issuance of EUR 6.2bn during Q2
- Conservative liquidity management
 - LCR compliant to Swedish rules
 - Liquidity buffer EUR 59bn
- Funding costs trending down
- 82%*** of issuance is long-term

LONG TERM FUNDING VOLUMES AND COST



DISTRIBUTION OF SHORT VS. LONG TERM FUNDING



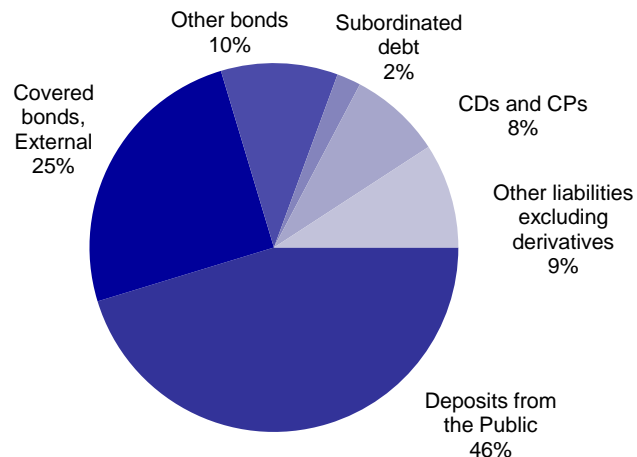
*Senior unsecured and covered bonds (excluding Nordea Kredit, seasonal effects in volumes due to redemptions)

** Spread to Xibor

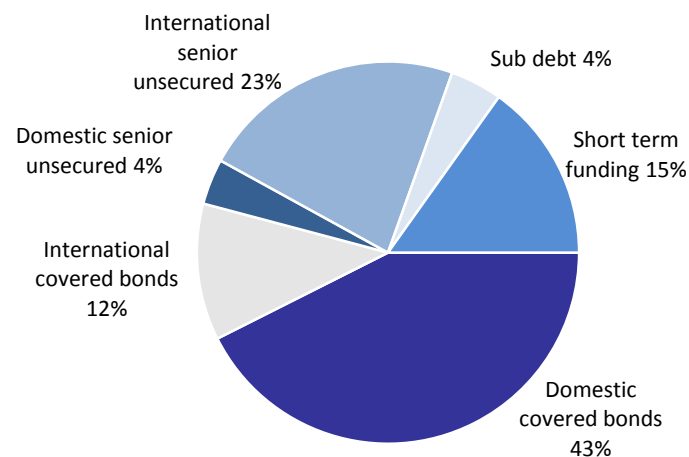
*** Adjusted for internal holdings

Stable funding with strong market access – Q2 2016

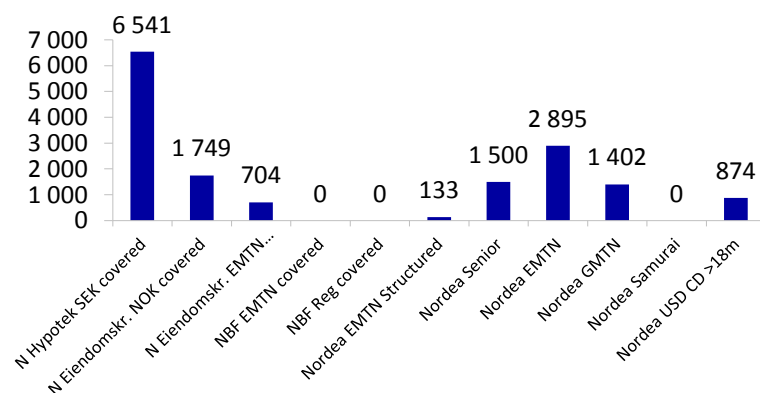
TOTAL FUNDING BASE, EUR 457bn* (BALANCE SHEET)



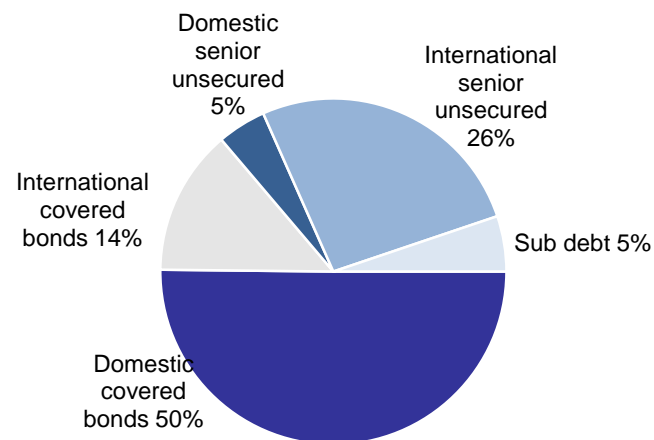
LONG- AND SHORT TERM FUNDING, EUR 209bn** (GROSS)



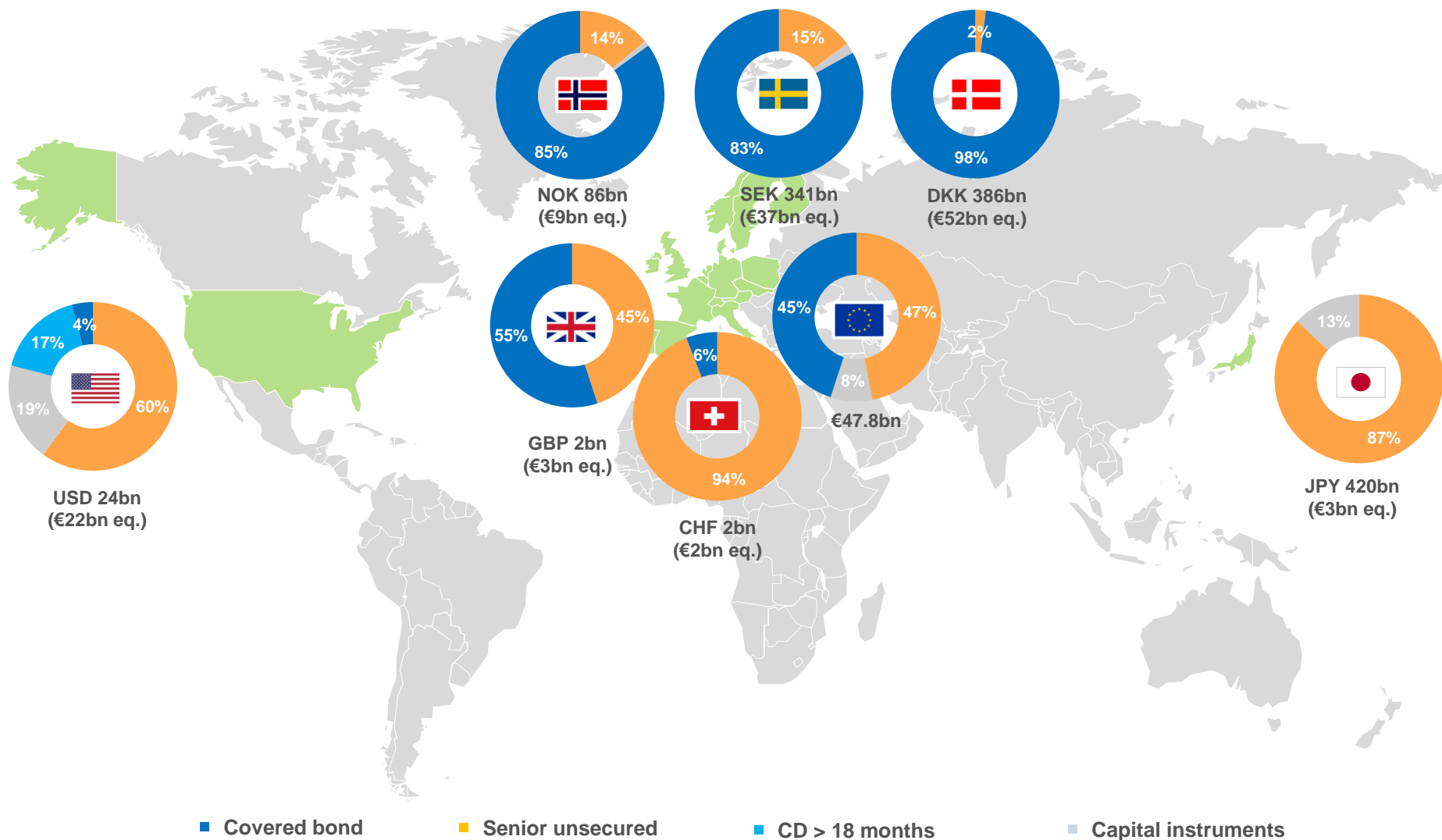
LONG TERM FUNDING - 2016 COMPOSITION (EXCL. NORDEA KREDIT), EURm



LONG TERM FUNDING ISSUANCE BY INSTRUMENT



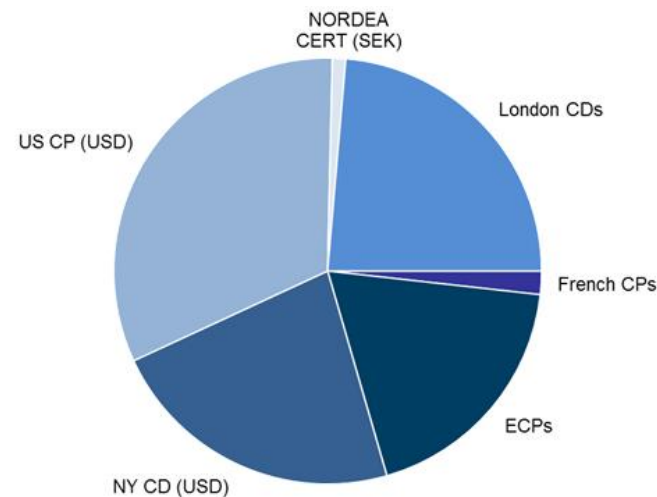
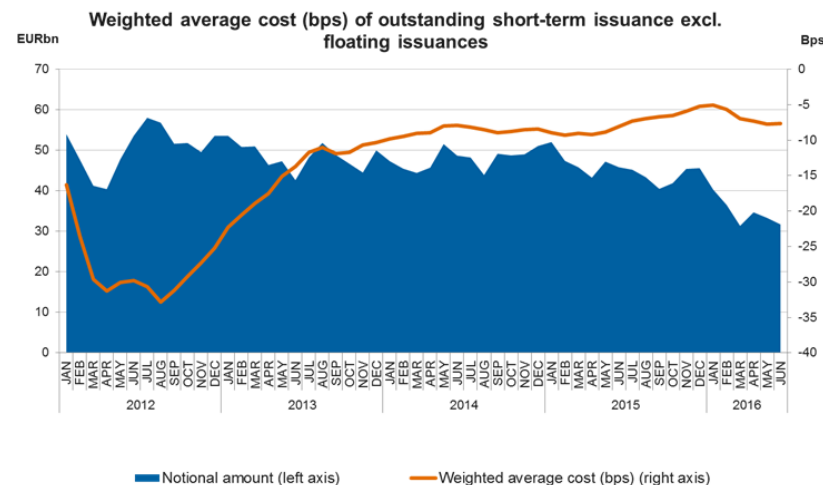
Nordea's global issuance platform



Short Term Funding (STF) – volumes, duration & average costs

COMMENTS

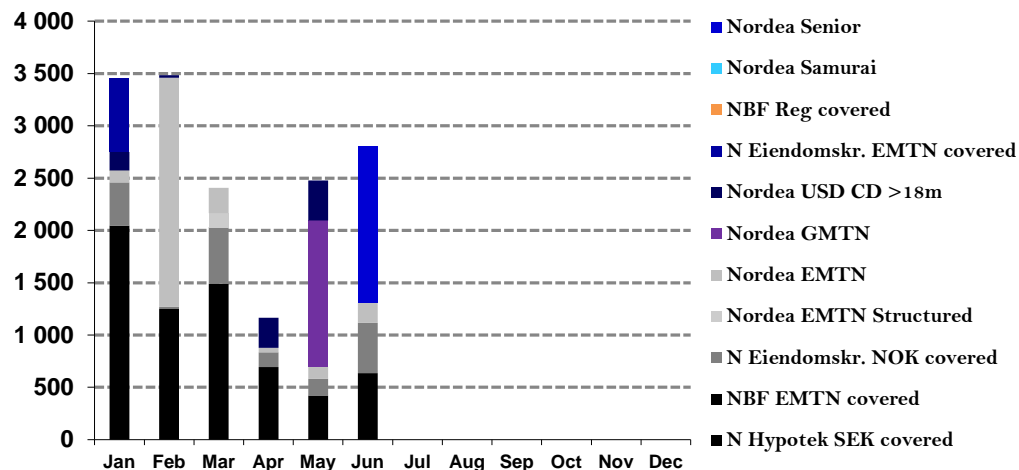
- Well diversified STF issuance between US and Europe, all programs functioning well
- In Q2 there has been a clear change in the STF market as the Money Market Reform has been affecting the market, both through shorter maturities and lower volumes
- Nordea has been able to maintain outstanding volumes in the US market, having around half of its STF issuance still from the US market
- The pricing in the US market is tight due to expectations of higher rates and a competitive market environment (as issuers are trying to maintain their outstanding volumes)
- Pricing slightly turning more positive



Long term issuance per June 2016 – EUR 15.5bn

(excl. Nordea Kredit and subordinated loans)

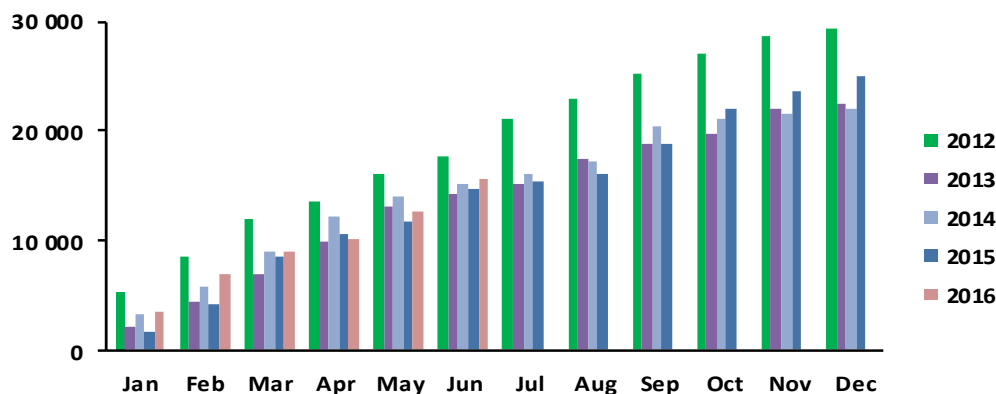
MONTHLY LTF ISSUANCE 2016



BENCHMARK TRANSACTIONS 2016

- GBP 500m Covered 3Y FRN
- EUR 2bn NBAB Senior dual tranche
 - 1.25bn 7Y Fixed and 750m 3Y FRN
- USD 1.5bn NBAB Senior dual tranche
 - 1.25bn 5Y Fixed and 250m 5Y FRN

ACCUMULATED LONG TERM FUNDING



DOMESTIC COVERED BOND ISSUANCE 2016

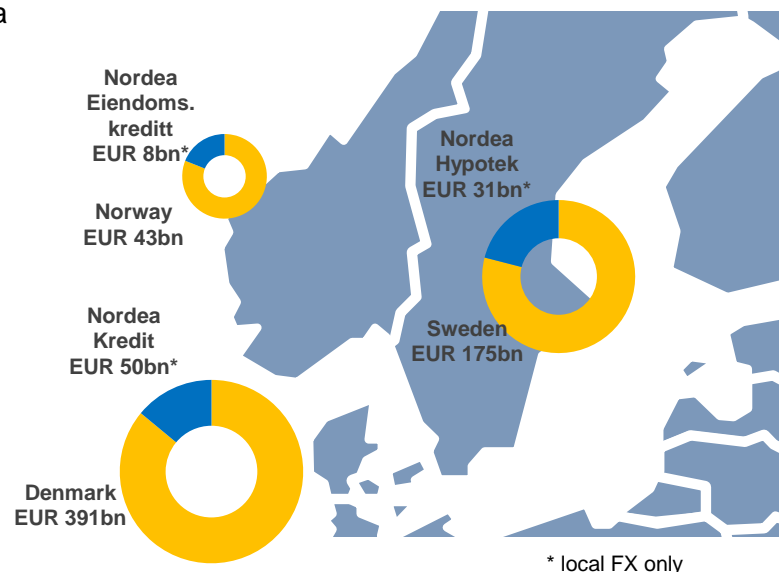
- SEK 57.5bn Nordea Hypotek
- NOK 16.1bn Nordea Eiendomskreditt





Nordea covered bonds – four platforms for domestic and international issuance

- Nordic domestic covered bond markets represent over half of Nordea long term funding
 - Three distinct local investor bases in three local currencies
 - Tap issuance via contracted market-makers
 - Long track record of market functionality
- International covered bond markets complement Nordea's domestic funding
 - Benchmark issuance in EUR, GBP and USD
- Nordea covered bonds carry ECBC Covered Bond Label



Nordic domestic covered bond market sizes



Q2 2016	Nordea Bank Finland 	Nordea Eiendoms kreditt 	Nordea Hypotek 	Nordea Kredit 
Legislation	Finnish	Norwegian	Swedish	Danish/SDRO
Cover pool size	EUR 21.8bn	EUR 12.0bn (Eq.)	EUR 53.8bn (Eq.)	Balance principle
Cover pool assets	Finnish residential mortgages primarily	Norwegian residential mortgages	Swedish residential mortgages primarily	Danish residential and commercial mortgages
Covered bonds outstanding	EUR 17.1bn	EUR 10.0bn (Eq.)	EUR 33.3bn (Eq.)	EUR 54.2 bn (Eq.)
OC	27.6%	20.3%	61.5%	CC1: 11.1% /CC2: 10.3%
Issuance markets	International (EUR)	Domestic (NOK) International (GBP, USD, CHF)	Domestic (SEK)	Domestic (DKK, EUR)
Rating (Moody's/S&P)	Aaa/-	Aaa/-	Aaa/AAA	Aaa/AAA

Encumbered and unencumbered assets

Q2 2016 ASSET ENCUMBRANCE

Template A - Assets	Carrying amount of encumbered assets	Carrying amount of unencumbered assets
Assets of the reporting institution	162,737	452,379
Equity instruments	3,803	437
Debt securities	16,866	55,503
Other assets	27,747	95,910

Template B - Collateral received	Encumbered collateral received or own debt securities issued	Unencumbered collateral received or own debt securities issued
Collateral received by the reporting institution	37,585	41,000
Equity instruments	1,132	810
Debt securities	36,453	13,573
Other collateral received	0	10,964
Own debt securities issued other than own covered bonds or ABSs	0	12

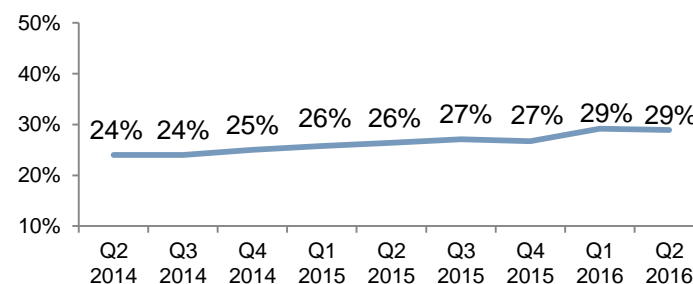
Encumbrance according to sources	Covered bonds	Repos	Derivatives	Other
Total encumbered assets and re-used collateral received	112,986	46,512	33,324	7,500
Cash		622	27,750	715
Net encumbered loans	112,986			
Own covered bonds encumbered		640	696	
Own covered bonds received and re-used		1,129	137	
Securities encumbered		12,007	1,727	6,785
Securities received and re-used		32,114	3,014	

ASSET ENCUMBRANCE RATIO 28.9 %

**Unencumbered assets net of other assets/
Unsecured debt securities in issue*** 444%

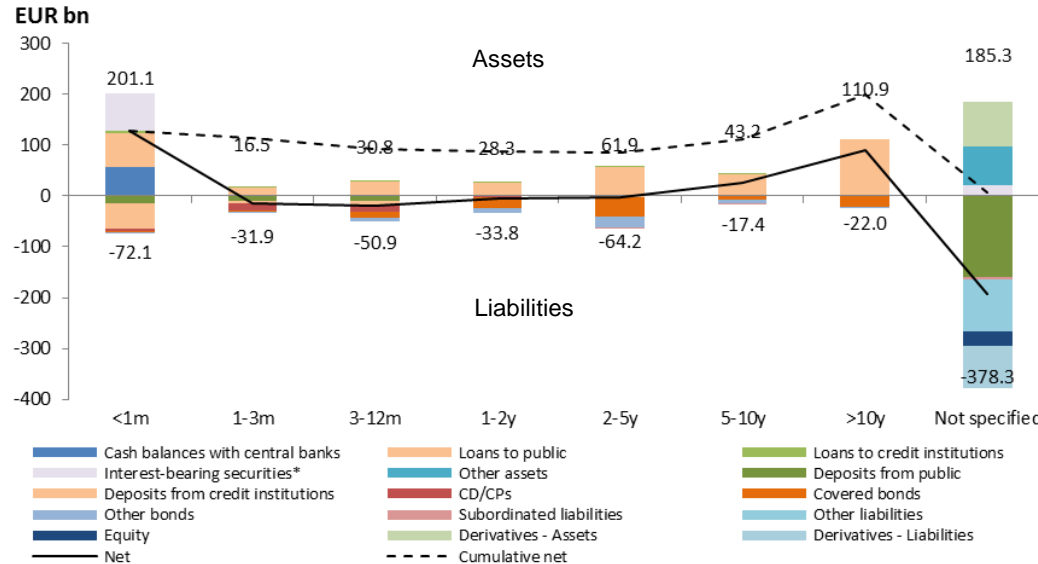
Asset encumbrance methodology aligned with EBA Asset Encumbrance definitions from Q4 2014
*Q2 2016: EUR 80.3bn

ASSET ENCUMBRANCE; STABLE OVER TIME



Maturity profile

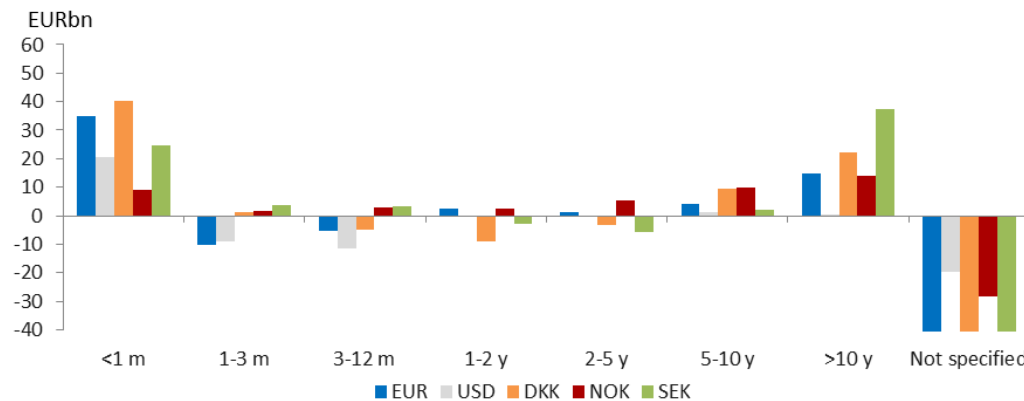
MATURITY PROFILE BY PRODUCT



COMMENTS

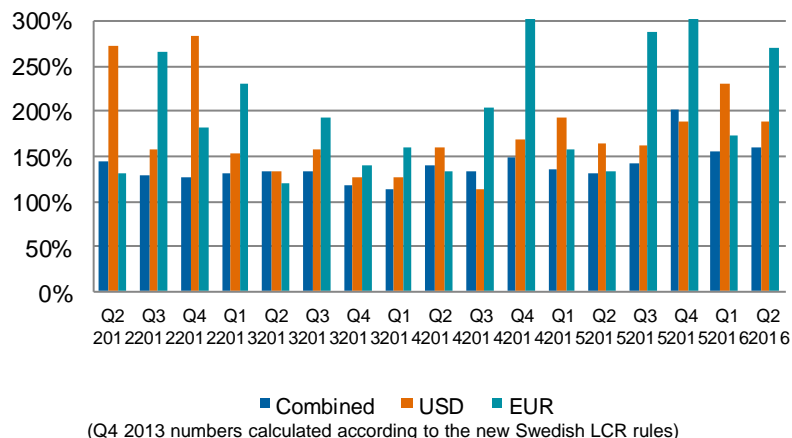
- The balance sheet maturity profile has during the last couple of years become more balanced by:
 - lengthening of issuance
 - focusing on asset maturities
- Resulting in well balanced structure in assets and liabilities in general, as well as by currency
- The structural liquidity risk is similar across all currencies

MATURITY GAP BY CURRENCY



Liquidity Coverage Ratio

LIQUIDITY COVERAGE RATIO



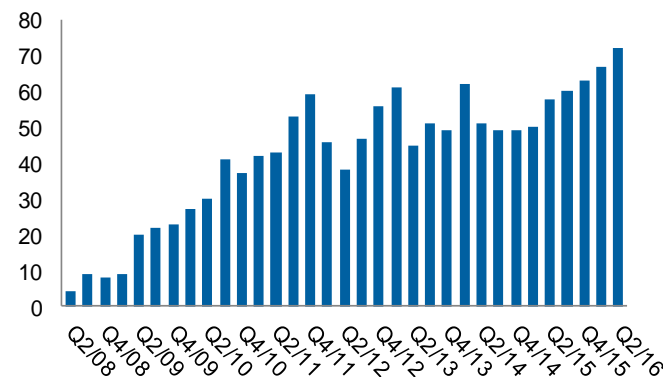
LCR SUBCOMPONENTS, EURbn

EURbn	Combined		USD		EUR	
	After factors	Before factors	After factors	Before factors	After factors	Before factors
Liquid assets level 1	84.1	84.1	42.6	42.6	23.0	23.0
Liquid assets level 2	21.4	25.1	1.1	1.3	3.8	4.4
Cap on level 2	0.0	0.0	0.0	0.0	0.0	0.0
A. Liquid assets total	105.5	109.2	43.8	44.0	26.8	27.5
Customer deposits	43.7	175.6	8.7	16.2	14.9	58.1
Market borrowing *	67.4	70.7	27.8	28.3	22.8	24.9
Other cash outflows **	29.0	71.6	1.1	7.8	2.1	13.8
B. Cash outflows total	140.1	317.9	37.6	52.3	39.7	96.7
Lending to non-financial customer	7.4	14.8	1.1	2.2	2.5	5.0
Other cash inflows	66.4	67.8	13.3	14.1	28.1	28.7
Limit on inflows	0.0	0.0	0.0	0.0	-0.8	0.0
C. Total inflows	73.8	82.7	14.4	16.4	29.8	33.8
LCR Ratio [A/(B-C)]	159%		189%		270%	

COMMENTS

- LCR limit in place as of Jan 2013
 - LCR of 159% (Swedish rules)
 - LCR compliant in USD and EUR
- Compliance is reached by high quality liquidity buffer and management of short-term cash flows
- Long-term liquidity risk is managed through own metrics, 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

Diversified Liquidity Buffer Composition

By instrument and currency – Q2 2016

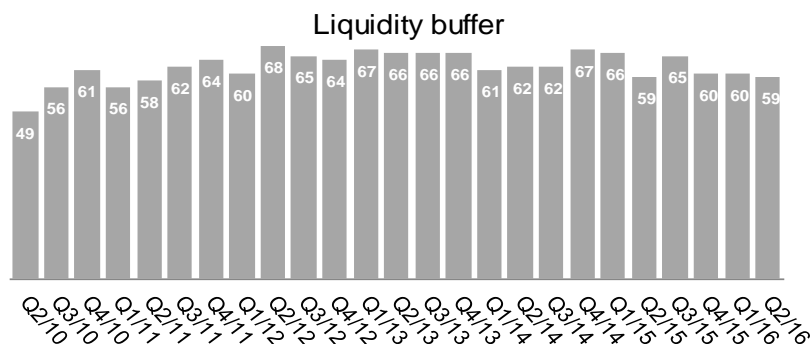
LIQUIDITY BUFFER COMPOSITION

EURm	Market value in millions EUR				
	SEK	EUR	USD	Other	Sum
Cash and balances with central banks	1,034	17,428	32,087	6,392	56,941
Balances with other banks	0	1	14	9	25
Securities issued or guaranteed by sovereigns, central banks or multilateral development banks *	2,331	7,109	8,337	3,851	21,628
Securities issued or guaranteed by municipalities or other public sector entities *	1,774	752	2,591	377	5,495
Covered bonds * :					
- Securities issued by other bank or financial institute	6,535	3,647	921	12,583	23,685
- Securities issued by the own bank or related unit	0	59	0	1,712	1,771
Securities issued by non financial corporates *	1,592	221	0	2	1,814
Securities issued by financial corporates, excluding covered bonds *	133	115	170	24	442
All other securities **	0	0	0	0	0
Total (according to Swedish FSA and Swedish Bankers' Association definition)	13,398	29,331	44,120	24,951	111,800
Adjustments to Nordea's official buffer *** :	-1,280	-17,704	-32,554	-1,394	-52,932
Total (according to Nordea definition)	12,119	11,627	11,566	23,556	58,868

COMMENT

- High level Liquidity buffer, which is also diversified by
 - instrument
 - currency
- Nordea Liquidity Buffer definition does not include Cash and Central banks
- By including those the size of the buffer reaches EUR 104bn

TIME SERIES – LIQUIDITY BUFFER, EURbn



* 0-20 % Risk weight

** All other eligible and unencumbered securities held by Treasury

Appendix: Q2 2016 Business Areas

Retail Banking financial development

FINANCIAL RESULT

EURm	Q2/16	Q1/16	Chg Q2/Q1 %	Chg Q2/Q2 %	Chg Q2/Q2 local %
Net interest income	801	790	1	--6	-5
Total income	1 197	1 178	2	-5	-4
Total expenses	-680	-677	0	-2	-1
Net loan losses	-71	-55	29	-4	-1
Operating profit	446	446	0	-9	-8

COMMENTS

- Positive trend in Net Interest Income
 - Improved lending margins
 - Deposit margins somewhat down
- Decent lending growth in households in Sweden and Norway – low elsewhere
- Good inflow in household deposits
- Expenses are down 1% y-o-y, more than mitigating inflation and compliance investments

Digital solutions increase accessibility



73.500 online meetings with customers were held in Q2 – a 60% increase compared to Q2/15

BUSINESS UPDATE

- Number of eBranches increased to 29 (23 in Q1), with 250 advisors to serve customers
- Transactions with contactless cards ~2,2m in May, up 4x since Jan 2016
- Runs the largest Nordic fin tech accelerator designed to grow start-ups' business ideas and accelerate Nordea's innovation power
- Increased focus on servicing customers - Retail divided into Personal Banking and Commercial & Business Banking

Wholesale Banking financial development

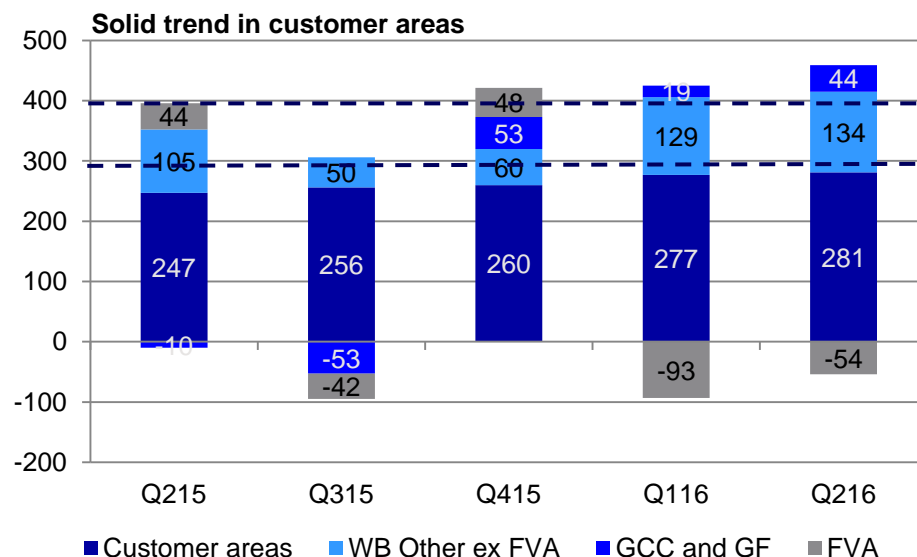
FINANCIAL RESULT

EURm	Q2/16	Q1/16	Chg Q2/Q1 %	Chg Q2/Q2 %	Chg Q2/Q2 local %
Net interest income	209	213	-2	-19	-14
Total income	540	486	11	-15	-12
Total expenses	-229	-211	9	-7	-4
Net loan losses	-56	-56	0	124	150
Operating profit	255	219	16	-30	-29

COMMENTS

- Solid customer activity
- Stabilizing trend in Net Interest Income
- UK referendum triggered increased customer activities
- Strong trend within Equity Capital Markets
- Lower interest rates and increased spreads lead to a negative Fair Value Adjustment of EUR 50m (EUR86m)

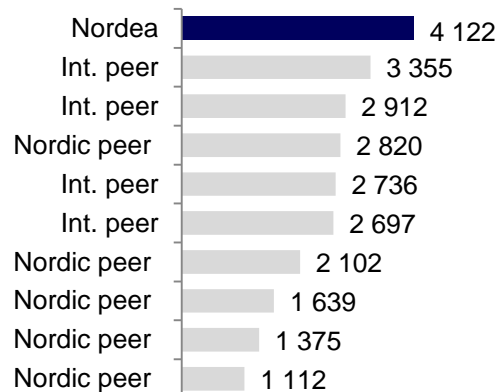
Wholesale Banking number one position confirmed



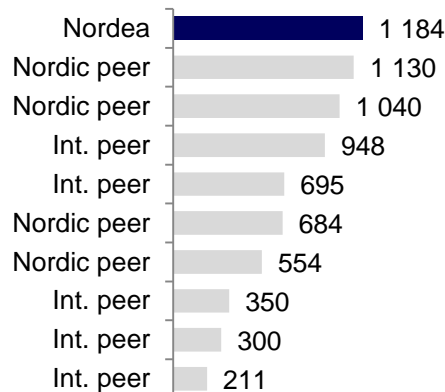
BUSINESS UPDATE

- Joint global leader of DONG Energy IPO, the largest IPO globally in 2016
- Award winning services in Equities and selective #1 league table positions again confirm our market leading position in the Nordics

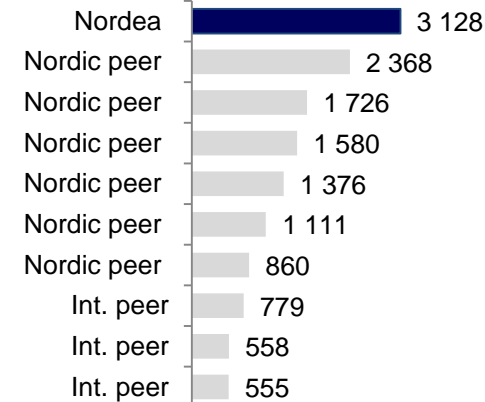
Nordic #1 on Equity Capital Markets (EURm)



Nordic #1 on Corporate bonds (EURm)



Nordic #1 on Syndicated loans (EURm)



Wealth Management financial development

FINANCIAL RESULT

EURm	Q2/16	Q1/16	Chg Q2/Q1 %	Chg Q2/Q2 %	Chg Q2/Q2 local %
Net interest income	28	26	8	12	9
Total income	499	481	4	0	1
Total expenses	-202	-197	3	-3	-2
Operating profit	297	284	5	2	2

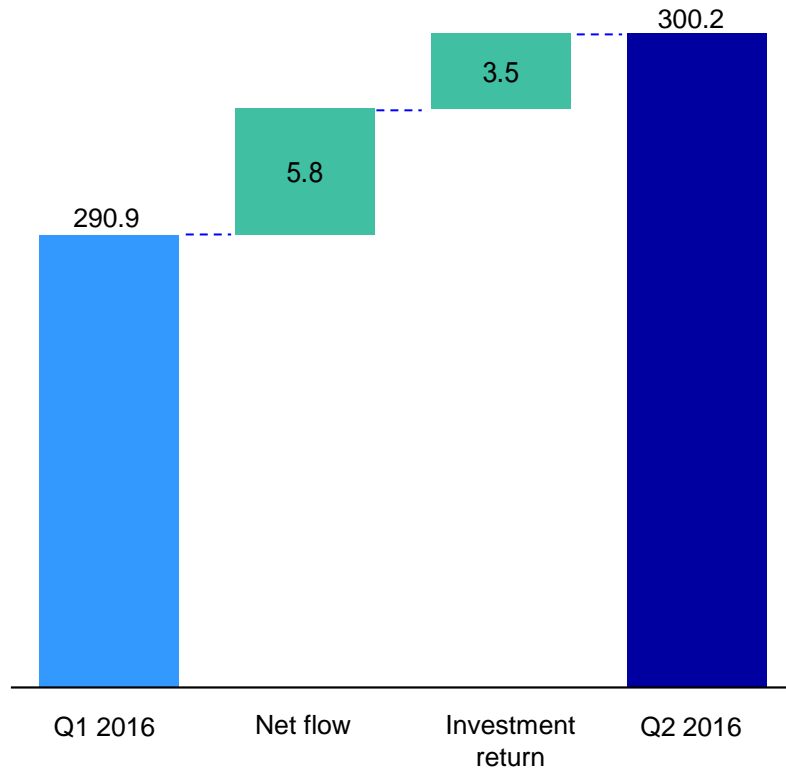
COMMENTS

- Continued strong trend in Asset Management
 - Average AuM +5% q-o-q
- Higher customer activity in Private Banking
- No release of fee reservation in Danish life (EUR 18m in 1Q16)
- Solvency ratio in Nordea Life and Pension at 172%

Annualised net inflow corresponds to 8% of AuM

AuM DEVELOPMENT, EURbn

BUSINESS UPDATE



- Increase in AuM (+3.2%)
 - Positive market development and net inflow of EUR 5.8bn in Q2 or 8% annualised
- According to Morningstar
 - Nordea attracted highest fund inflow in Europe in 2016 YTD per end-May
 - Stable Return fund attracted highest net inflow YTD per end-May of all funds in Europe
- 73% of composites outperformed benchmark over a 3-year period

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