



Nordea

Debt investor presentation Q2 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.

Table of contents

1. Nordea in brief	4
2. Financial results highlights	13
3. Capital	27
4. Macro	31
5. Funding	35

1. Nordea in brief

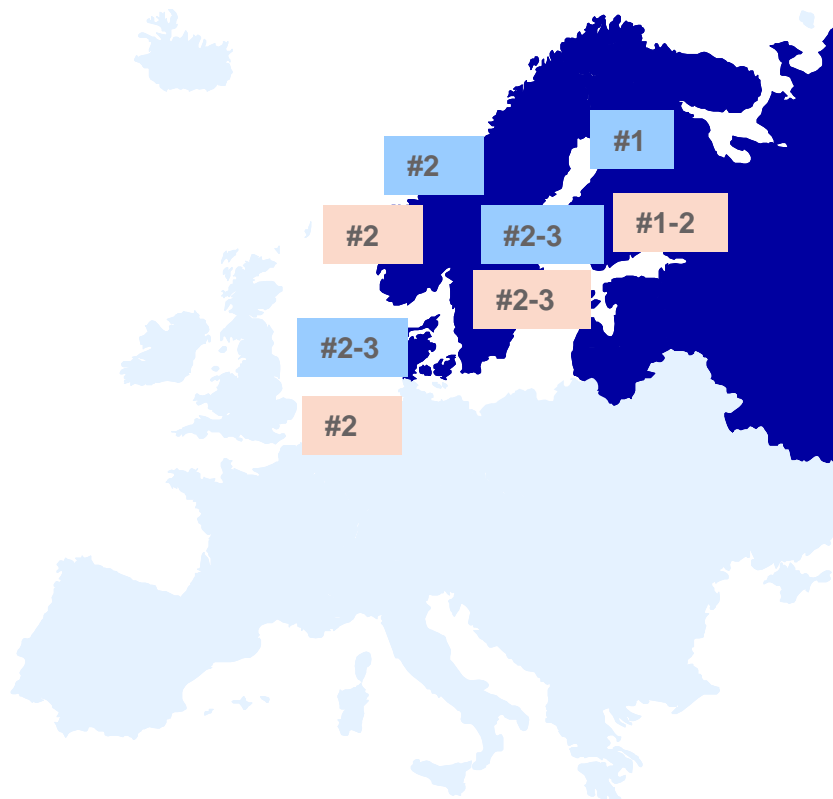
The largest financial services group in the Nordics

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 570bn of assets (Q2 2018)
- EUR 31.9bn in equity capital (Q2 2018)
- CET1 ratio 19.9% (Q2 2018)

AA level credit ratings

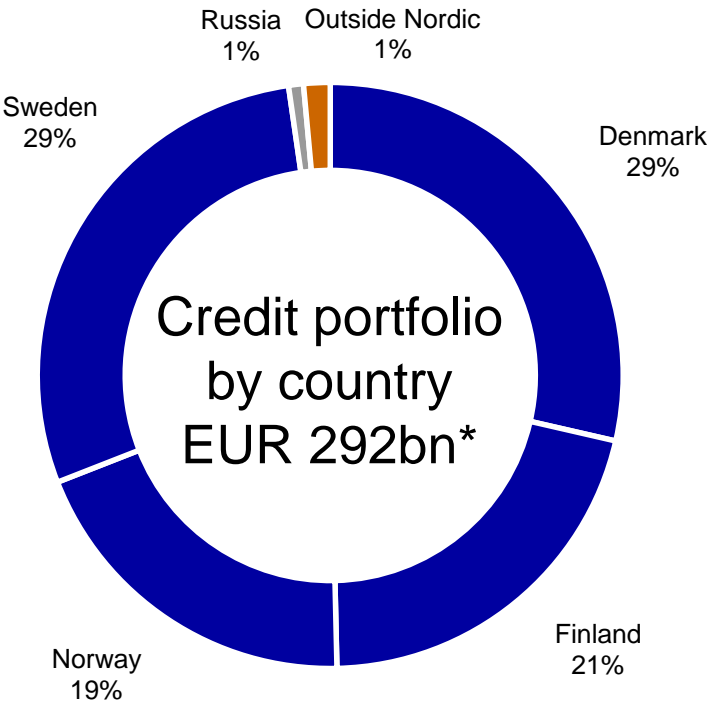
- Moody's Aa3 (stable outlook)
- S&P AA- (stable outlook)
- Fitch AA- (stable outlook)

EUR 33.5bn in market cap (Q2 2018)

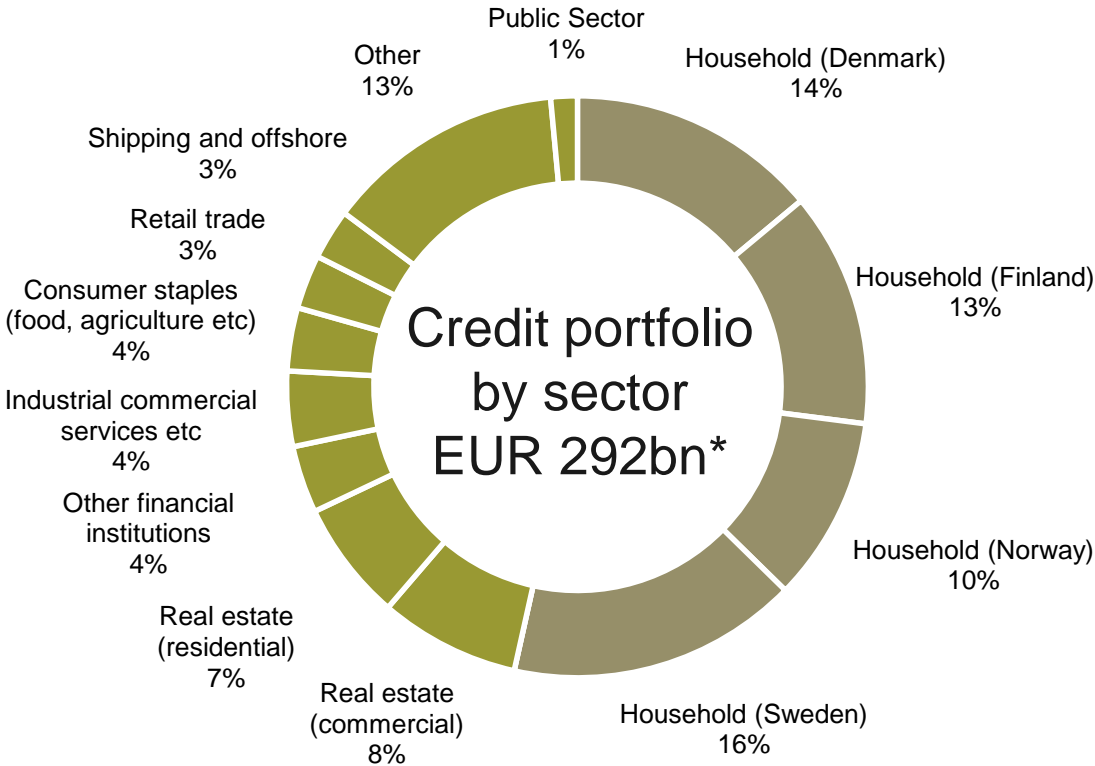
- One of the largest Nordic corporations
- A top-10 universal bank in Europe

Nordea is the most diversified bank in the Nordics

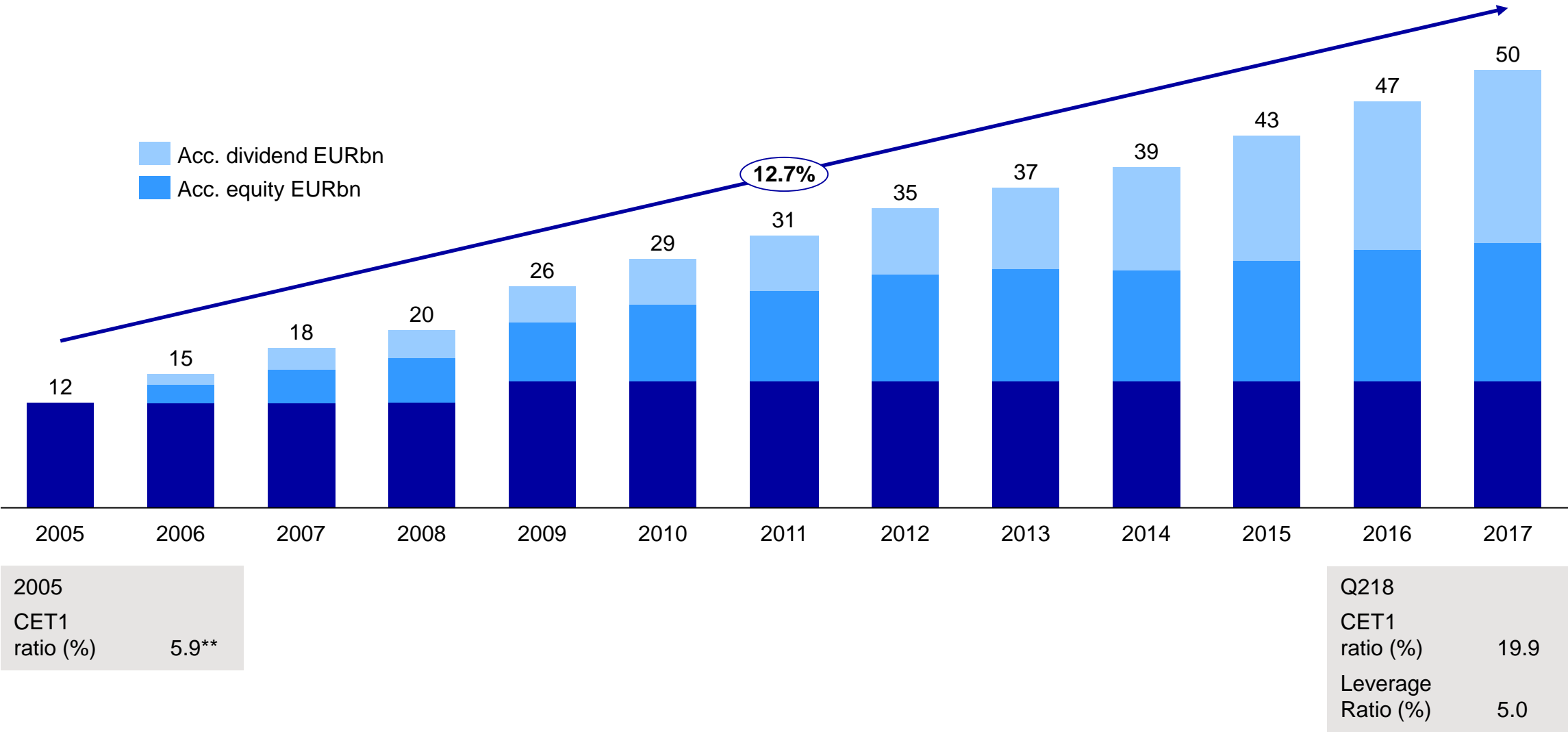
A Nordic-centric portfolio (98%)



Lending: 47% Corporate and 53% Household

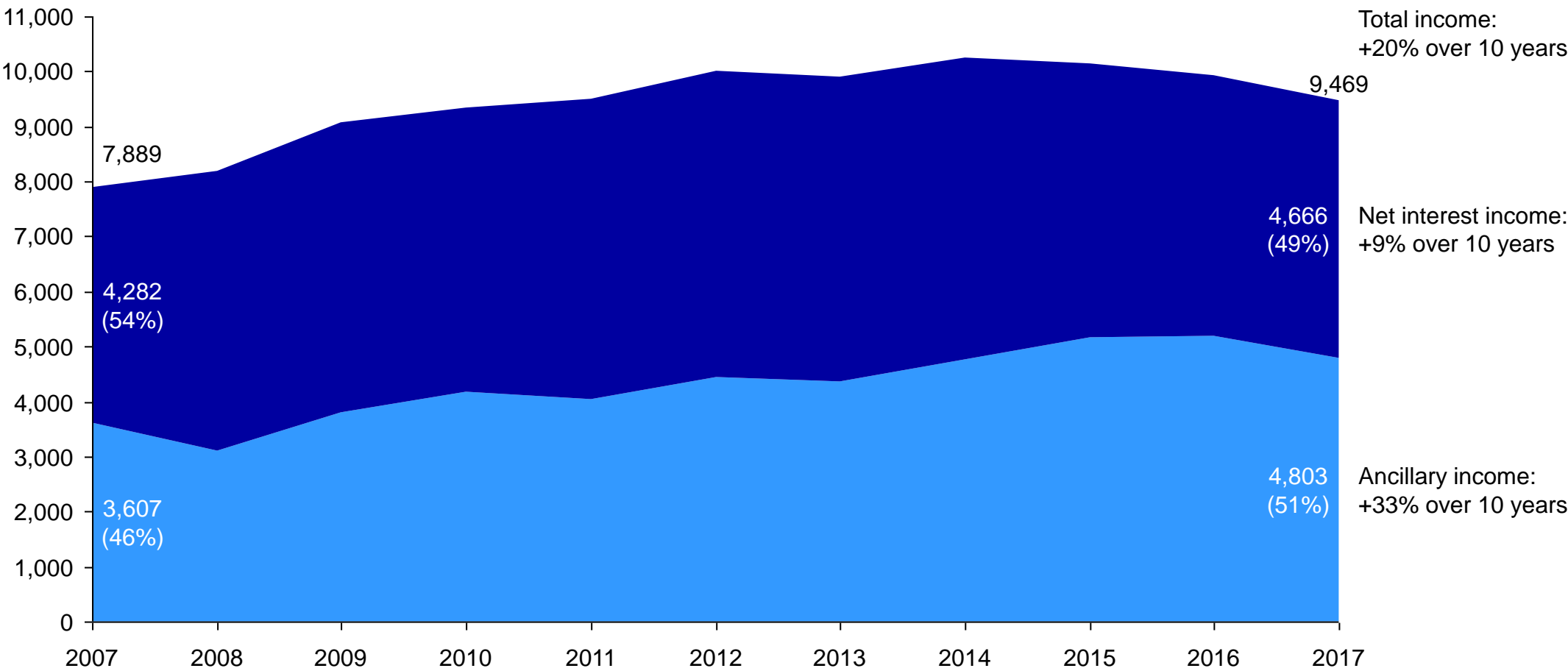


Strong Nordea track record



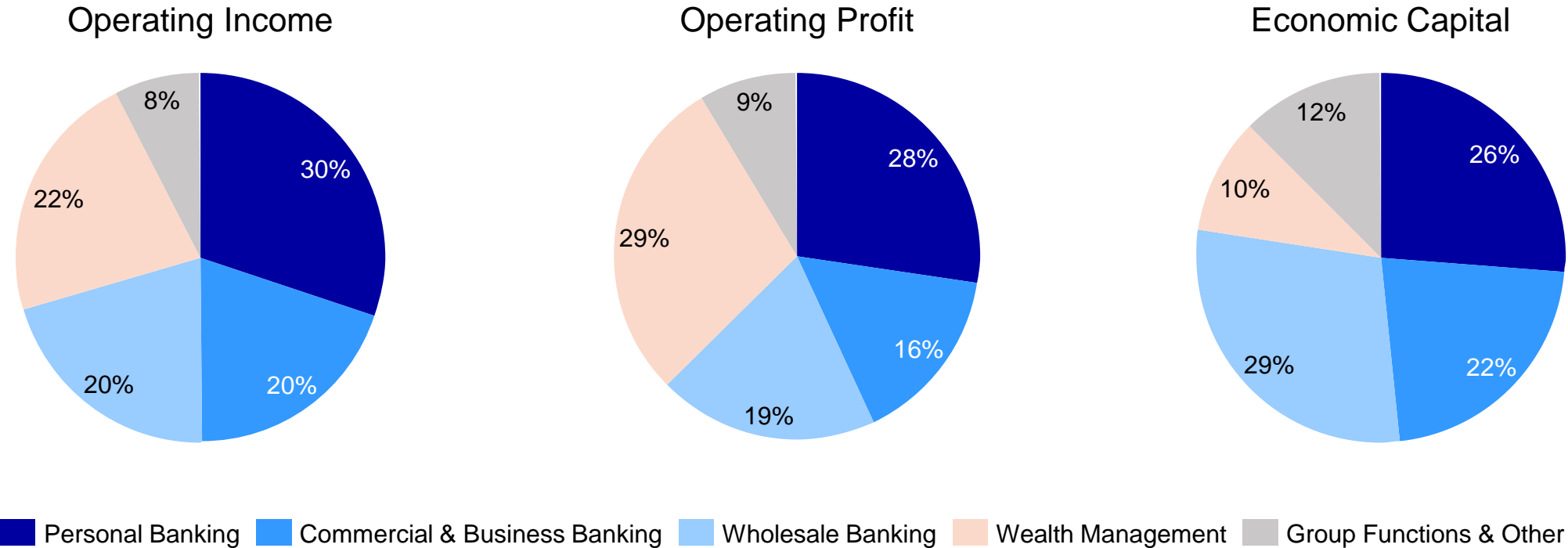
Changed revenue structure

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



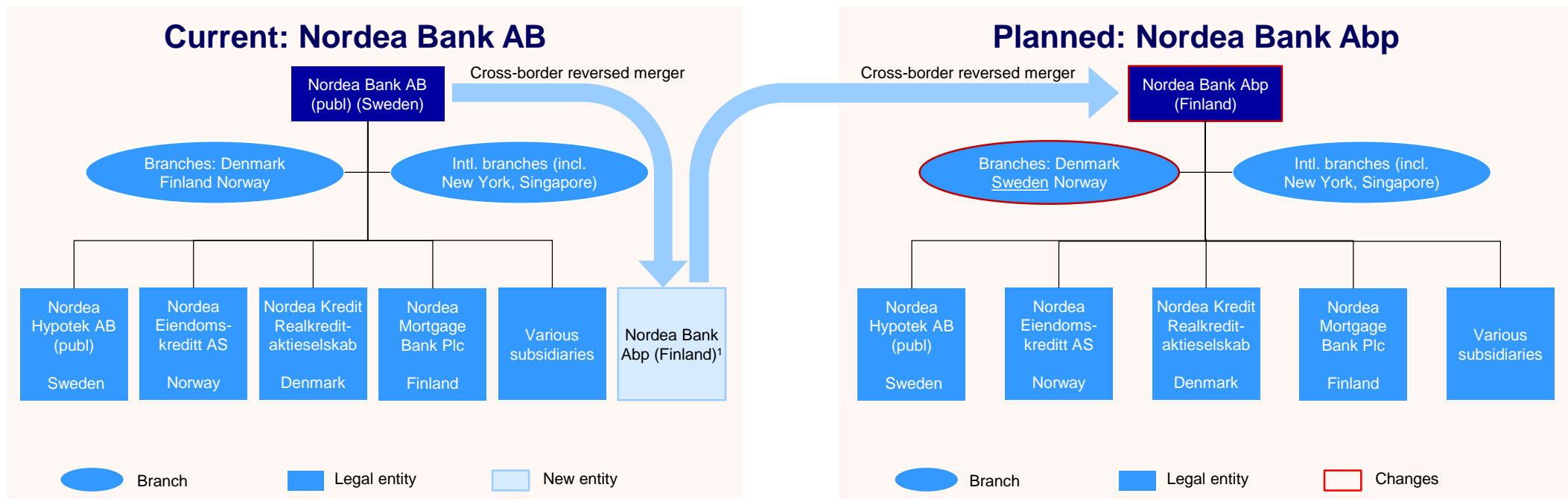
Well mixed profit generation

Business Area contribution in FY 2017

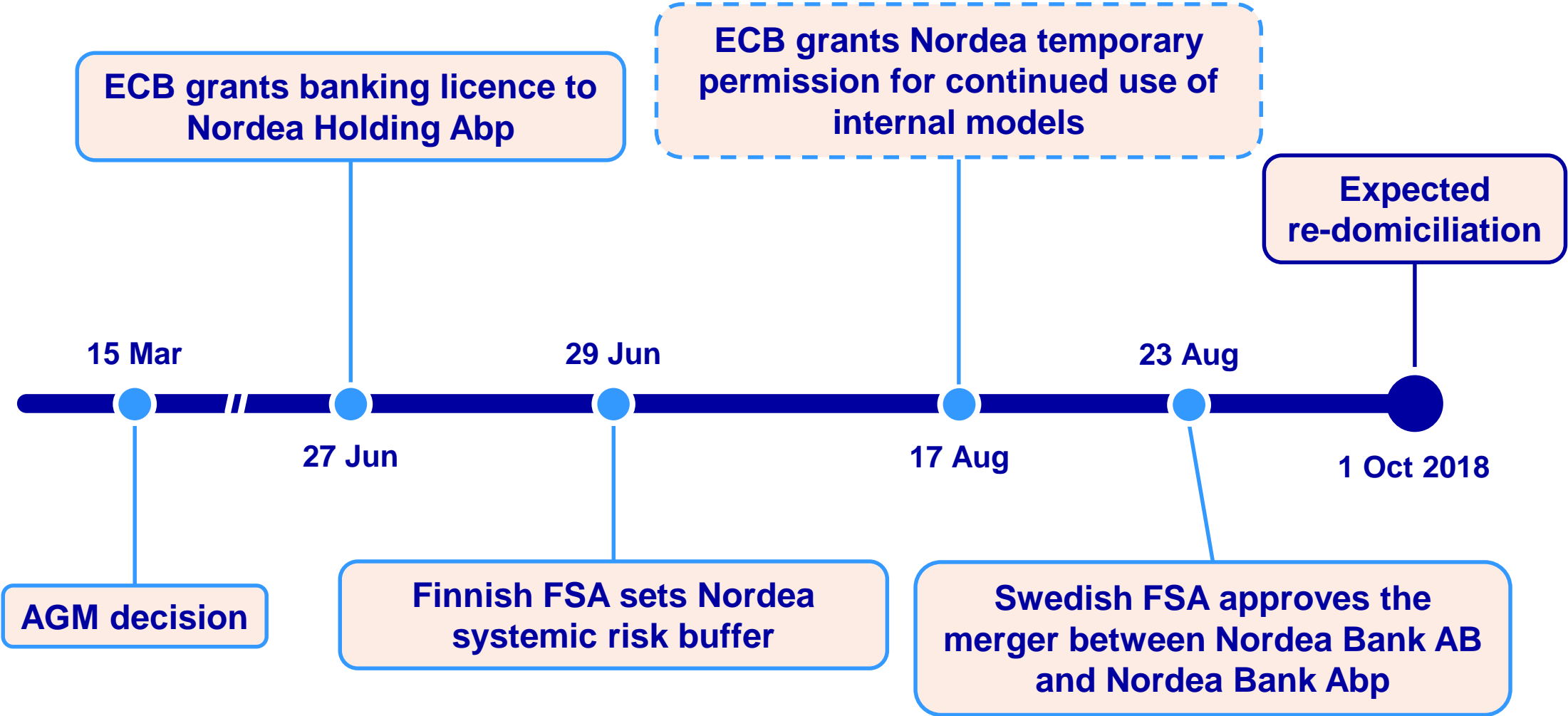


Re-domiciliation of the parent company to Finland

- The re-domiciliation will be carried out by way of a cross-border reversed merger through which Nordea Bank AB (publ) will be **merged into a newly established Finnish subsidiary**
- Nordea Board of Directors has on 25 October 2017 **signed the merger plan**
- Nordea **AGM approved** the proposal to re-domicile on 15 March 2018
- Ongoing work with relevant authorities and the re-domiciliation is planned to be effective as of **1 October 2018**



Re-domiciliation process according to plan



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



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



ESG Score: 81 (out of 100)**



ESG Rating: A (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 organization (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

2. Financial results highlights

Nordea

Improved customer satisfaction and business momentum

- Stabilising trend in NII
- Positive signs in volume development in most sectors
- Strong trend in corporate advisory service

Delivering on the cost targets

Strong credit quality

Capital ratios at all-time-high

Major improvements in compliance

2018 outlook

- Reported net profit for 2018 to be higher vs 2017
- Unlikely that recurrent revenues in 2018 will reach the 2017 level*
- Confident to reach cost target for 2018 of EUR 4.9bn
- Loan losses in the coming quarters are expected to be lower than the long-term average

Planned acquisition of Gjensidige Bank – strategic partnership with Gjensidige Forsikring

* 2017 revenues adjusted for the deconsolidation of the Baltic operations and Nordea Life and Pension in Denmark



Nordea Group

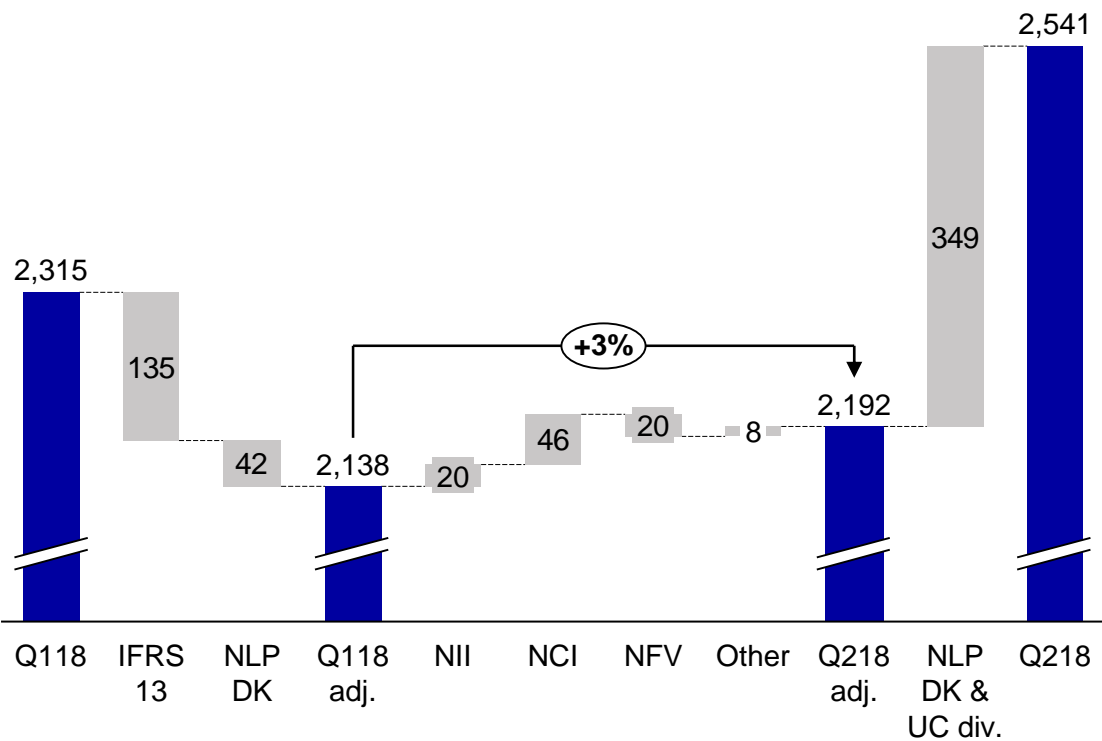
EURm	Q218	Q118	Change QoQ	Change QoQ (local currency)	Q217	Change YoY	Change YoY (local currency)
Net interest income	1,073	1,053	2%	2%	1,175	-9%	-7%
Net fee and commission income	800	770	4%	5%	850	-6%	-4%
Net fair value result	260	441	-41%	-39%	361	-28%	-25%
Other Income	408	51			21		
Total operating income	2,541	2,315	10%	10%	2,407	6%	8%
Total operating expenses	-1,154	-1,205	-4%	-3%	-1,291	-11%	-8%
Net loan losses	-59	-40	48%	53%	-106	-44%	-41%
Operating profit	1,328	1,070	24%	24%	1,010	31%	34%
Net profit	1,085	820	32%	33%	743	46%	49%
Return on equity (%)	13.9	10.0	+3.9 %-points		9.5	+4.4 %-points	
CET1 capital ratio (%)	19.9	19.8	+0.1 %-points		19.2	+0.7 %-points	
Cost/income ratio (%)	45	52	-7 %-points		54	-9 %-points	

Q2 2018 Group financial highlights

		Q218 vs. Q118*	Q218 vs. Q217*	
Income		Net interest income (chg %)	2	-7
		Total operating income (chg %)	10	8
Costs		Total operating expenses (chg %)	-3	-8
Profit		Operating profit (chg %)	24	34
Credit quality		Loan loss level (bps)	10 (7)	10 (13)
Capital		CET1 ratio (%)	19.9 (19.8)	19.9 (19.2)

Total Operating Income

Q218 vs Q118, EURm

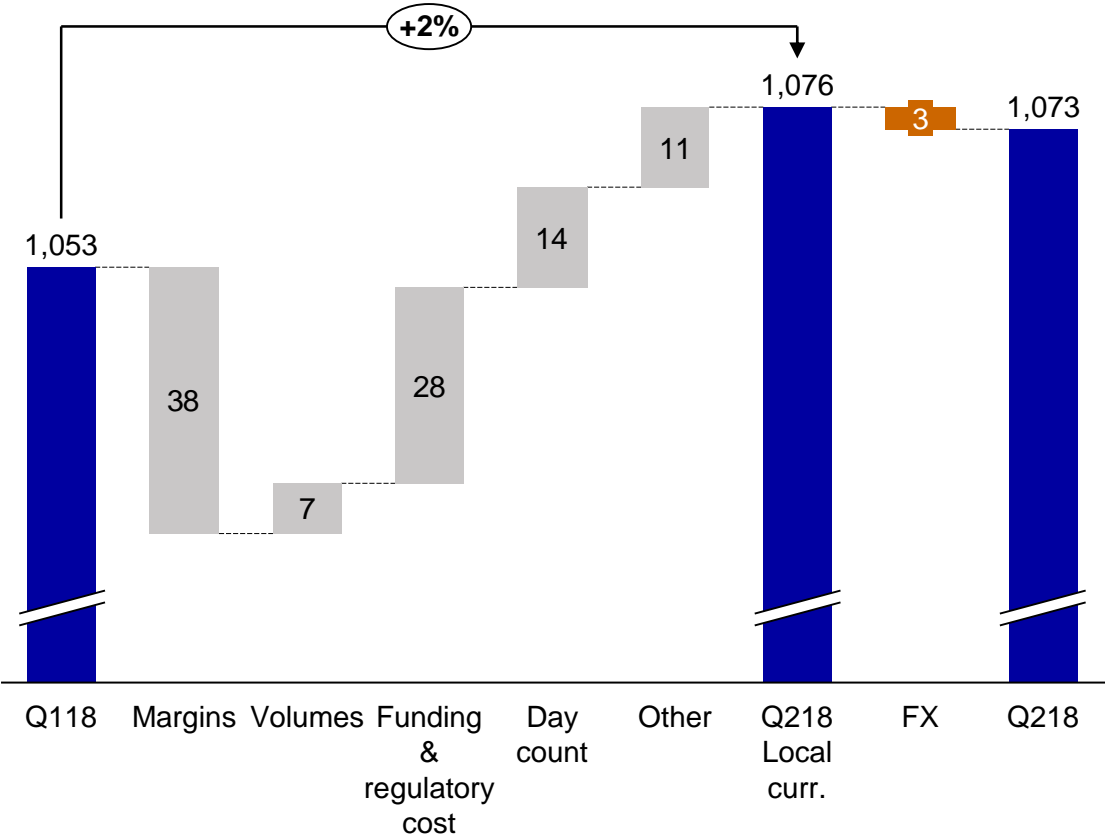


Comments

- Non-recurrent revenues in both Q1 and Q2
- Underlying revenues +3%

Net Interest Income

Q218 vs Q118, EURm

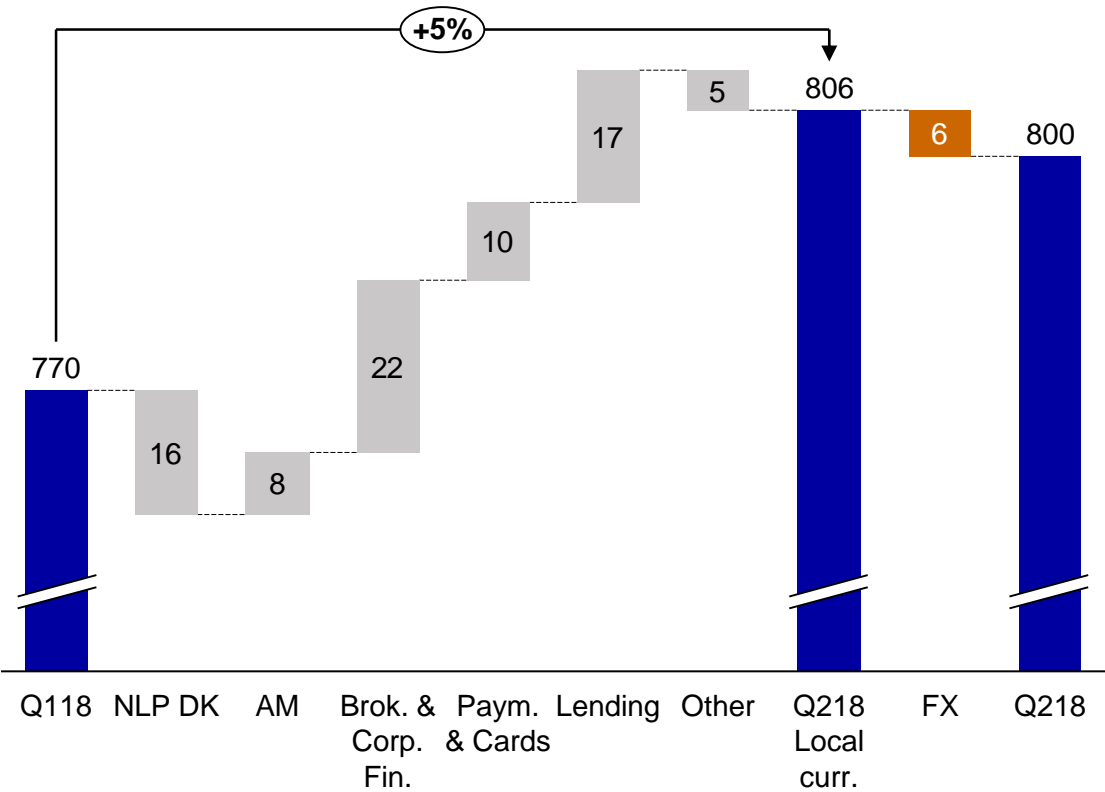


Comments

- Positive volume development in most sectors
 - Lending up 2% and deposits up 3%
- Pressure on lending margins mainly in Sweden and Norway
- Lower funding and regulatory cost

Net Fee and Commission Income

Q218 vs Q118, EURm



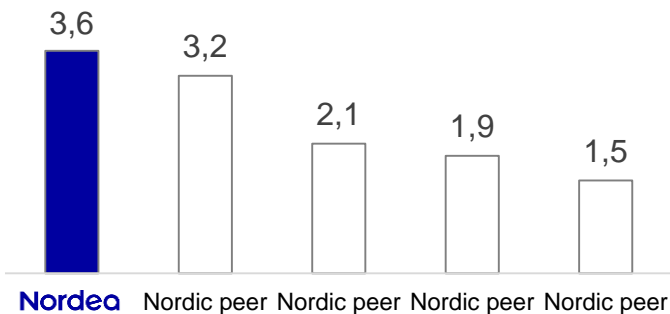
Comments

- Strong trend in corporate advisory service
- Increased lending fees
- Increased payments & cards fees
- Deconsolidation of Nordea Life & Pension in Denmark
- Lower Asset Management volumes

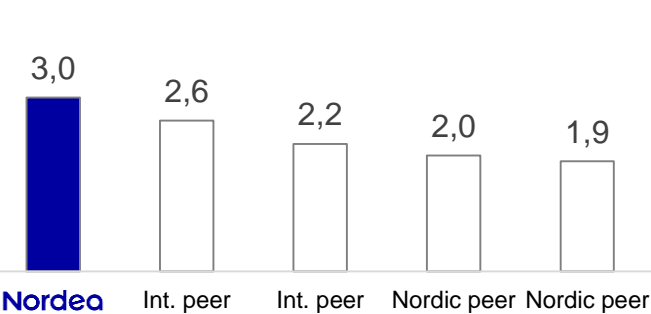
#1 Corporate & Investment Bank in the Nordics

League table positions YTD 2018, deal value EURbn

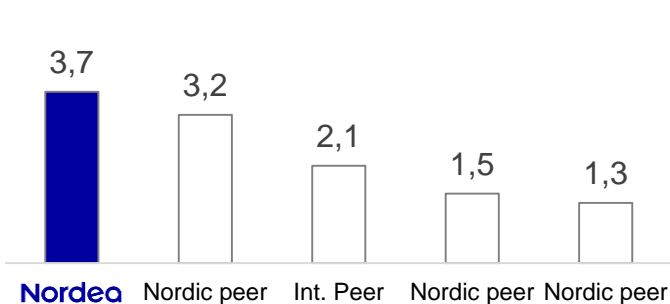
Corporate Bond Issuance



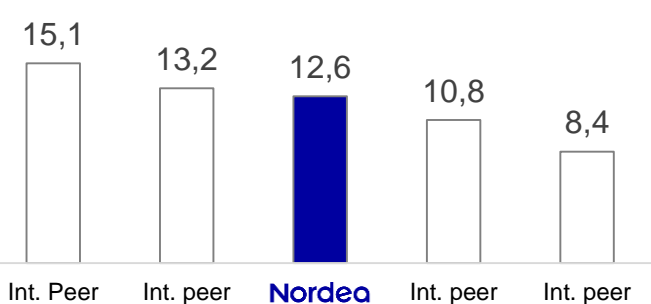
Equity Capital Markets



Syndicated Loans



Mergers & Acquisitions

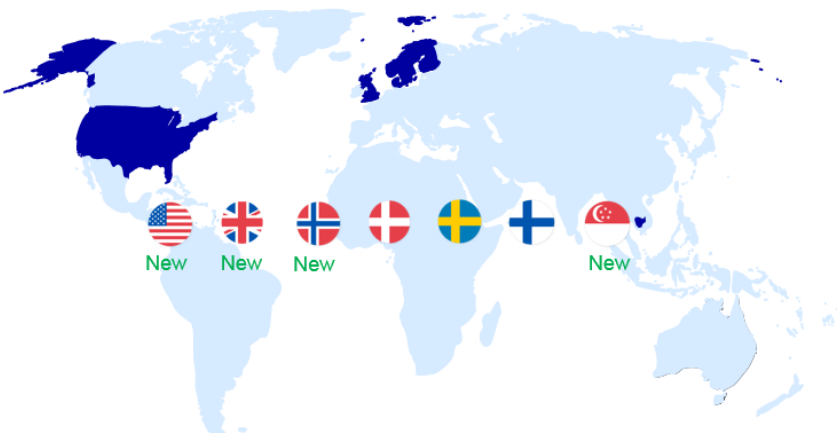


Example Q2 key deal

The Telenor win

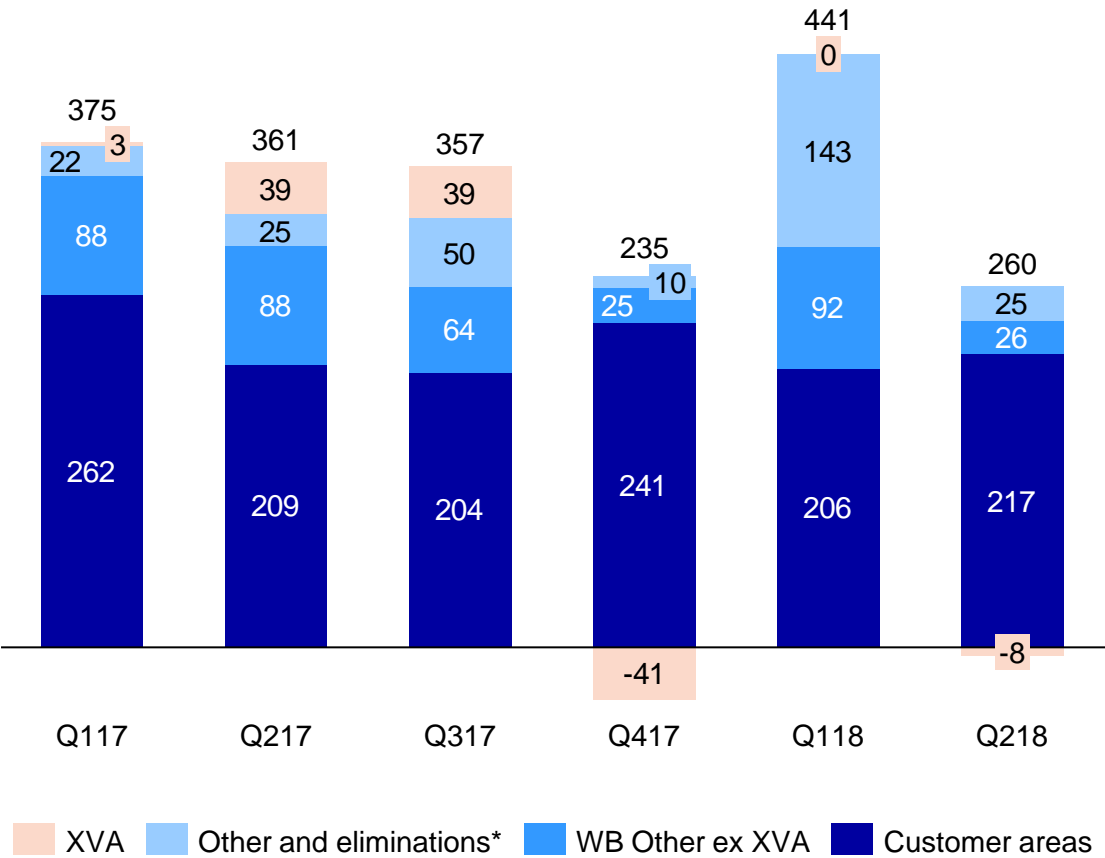


Complete CM wallet in 7 markets (4 new)
More than 70m transactions
Significant TxB/eCom upside



Net Fair Value

6 quarters development, EURm

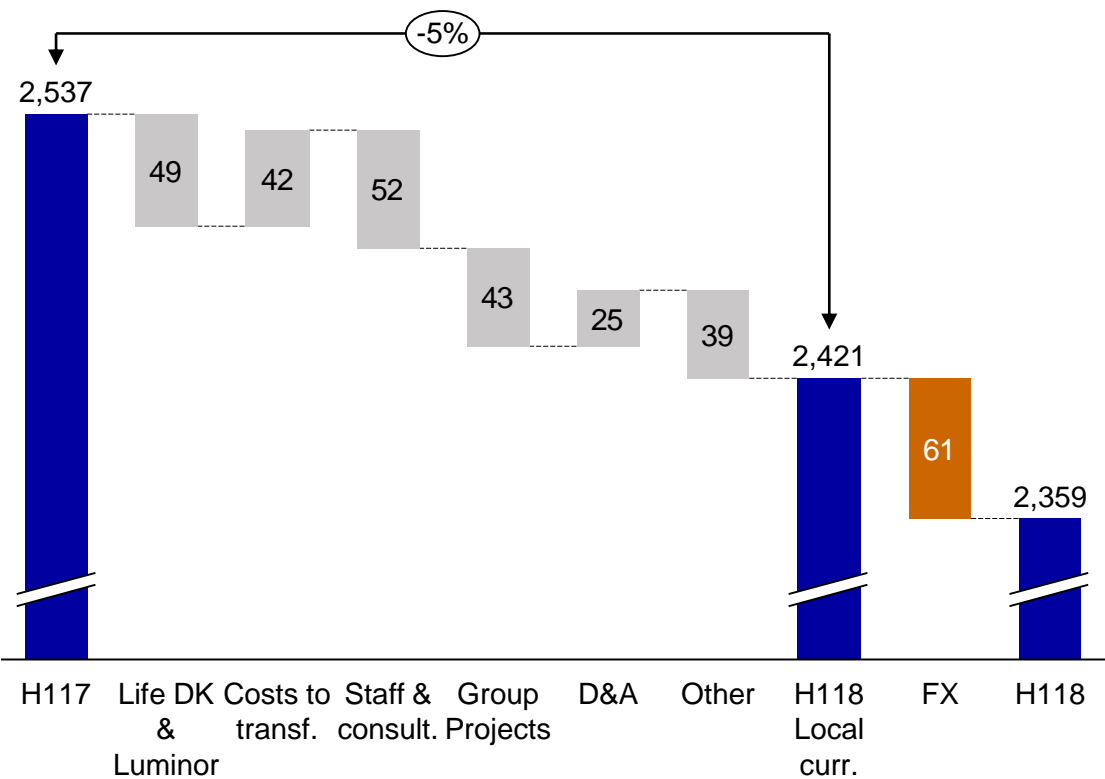


Comments

- Improved revenues in customer areas
- Soft trading environment
- Deconsolidation of Nordea Life & Pension in Denmark
- Negative impact from XVAs

Costs

H118 vs H117, EURm

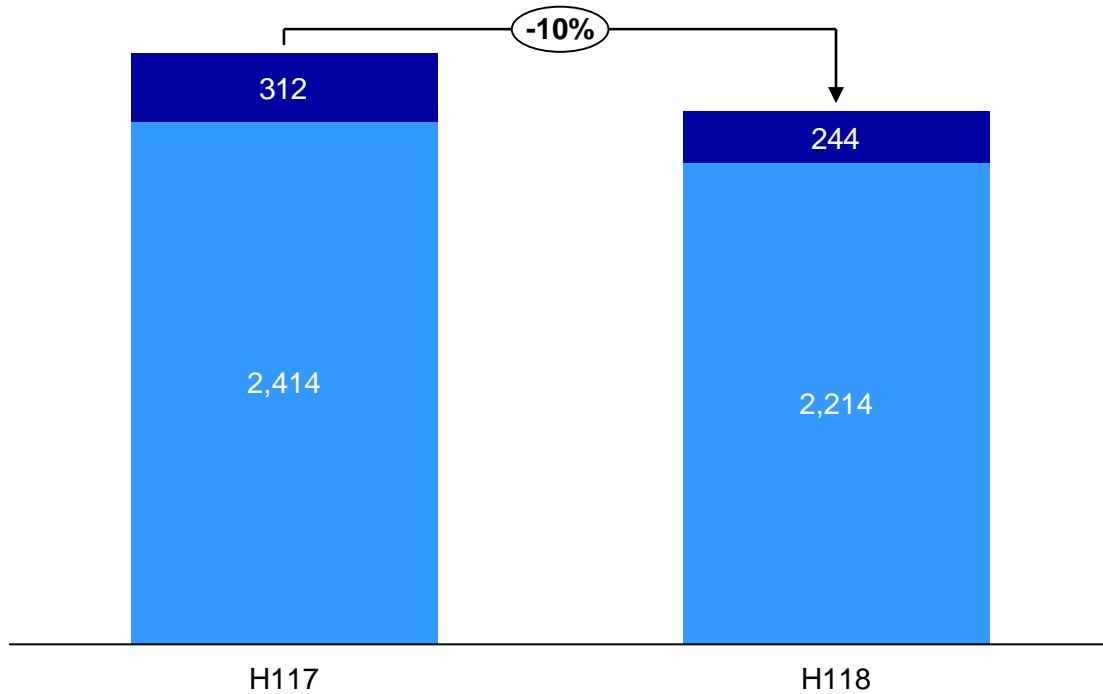


Comments

- Decrease in Group projects
- Reduced staff and consultancy costs
- Increased depreciations
- Transformation cost of EUR 23m in Q2 and EUR 42m for first half of 2018
- Positive FX impact

Major reduction in cash spending

H118 vs H117, EURm



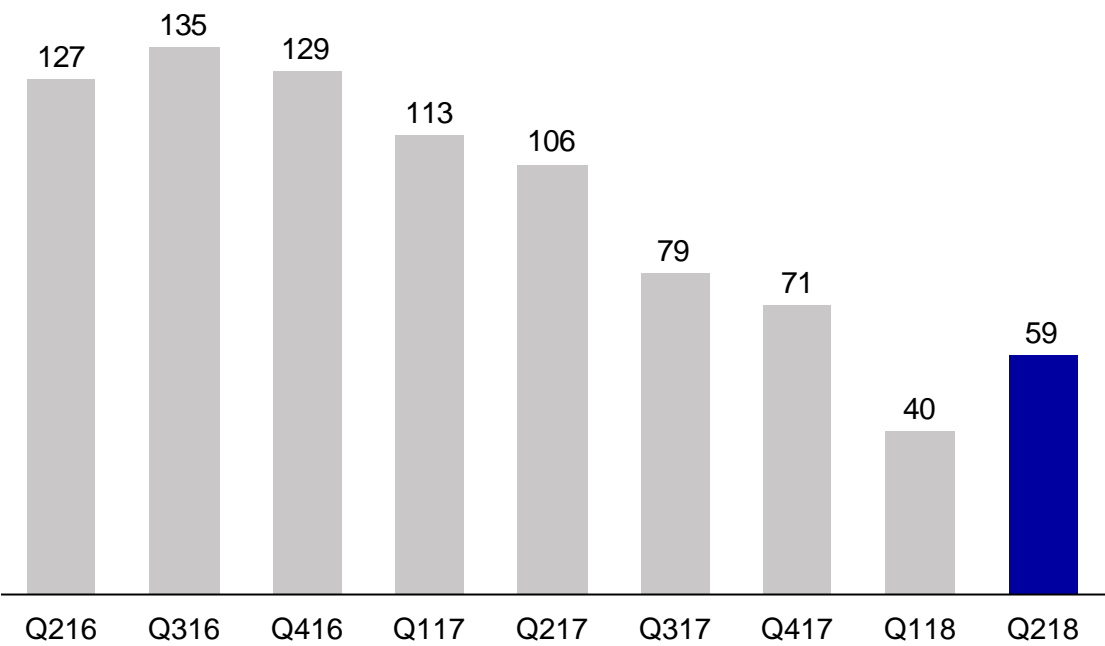
Comments

- Total cash spending in the P&L and balance sheet for the first half of 2018 is down 10% YoY
- On track for 2018 cash spending target of EUR 5.1bn
- Lower cash spending will continue to improve capital generation

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

Strong asset quality

Total net loan losses*, EURm



Comments

- Collective provisions related to potential impacts of sanctions to Russia
- Write-backs in Nordic franchise
- Gross impairment rate (stage 3) also down

Planned acquisition of Gjensidige Bank – strategic partnership with Gjensidige Forsikring

Gjensidige Bank – a growing, profitable and digital bank



EUR 4,840m customer assets

- RoE >10%
- 12% CAGR (2015-2017)

Acquisition summary*

- Price NOK 5,500m**
- EUR 25m annualised cost synergies by 2022
- RoI ~16% by 2022

Rationale for the planned acquisition and partnership

- Strategy to grow in the Nordics
- Expand customer reach
- Both insurance and financing product offering via partnership



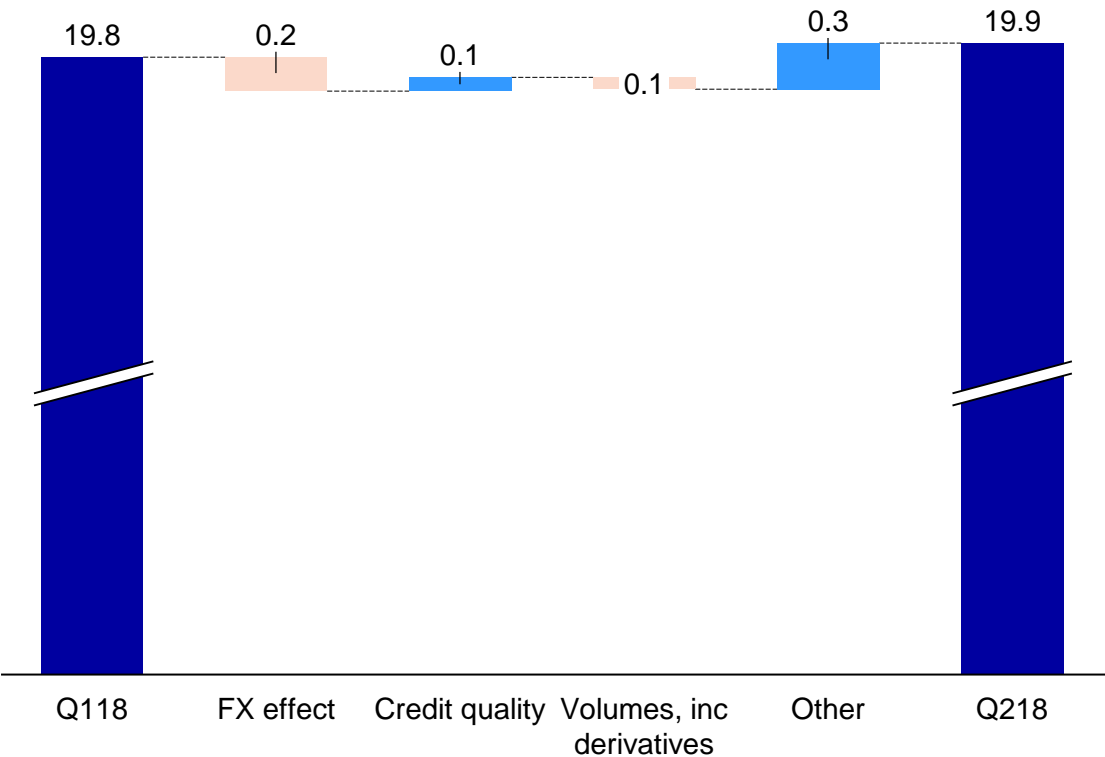
Status on our transformation

Re-domiciliation	<ul style="list-style-type: none">• ECB has granted banking licence to Nordea Bank Abp• The merger is planned to be effected 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

3. Capital

Common Equity Tier 1 ratio development Q218 vs Q118

Quarterly development



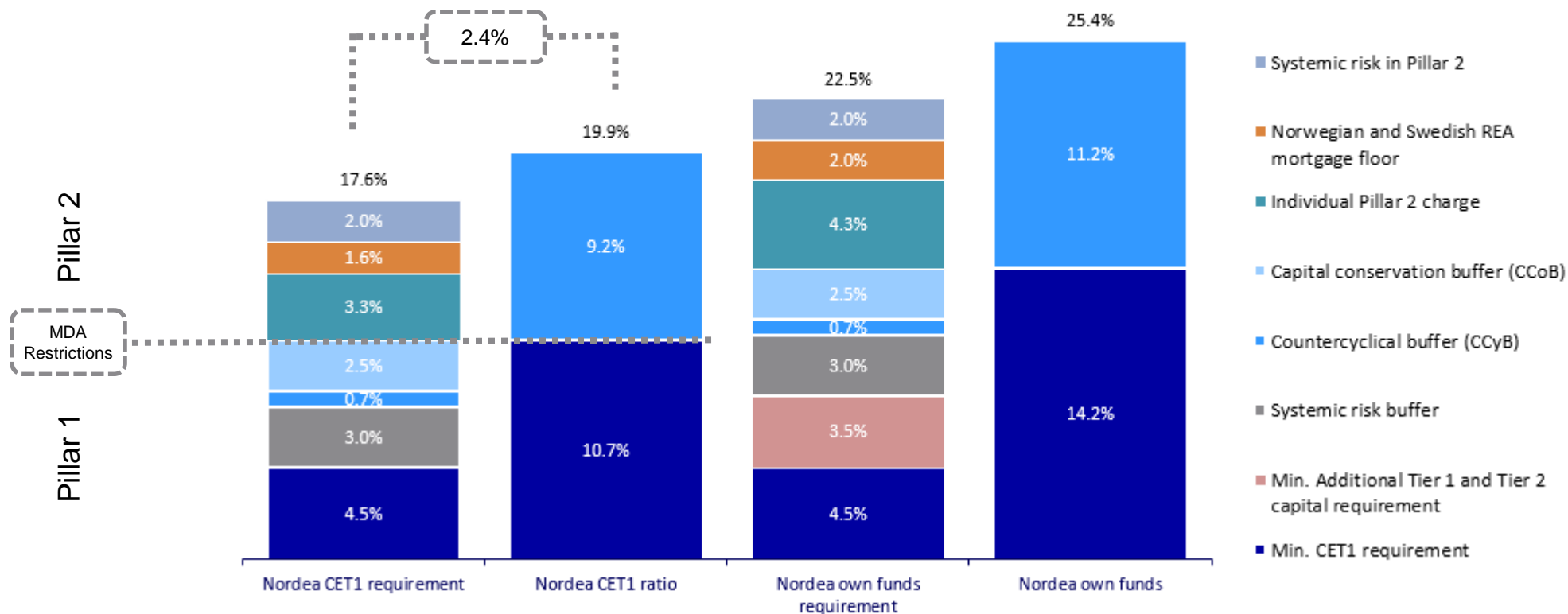
Comments

- CET1 ratio continued to strengthen to 19.9% in Q2
- Risk Exposure Amount down EUR 0.1bn, while CET1 capital is up EUR 0.1bn
- Management buffer at all-time-high at 2.4% compared to target range of 0.5-1.5%

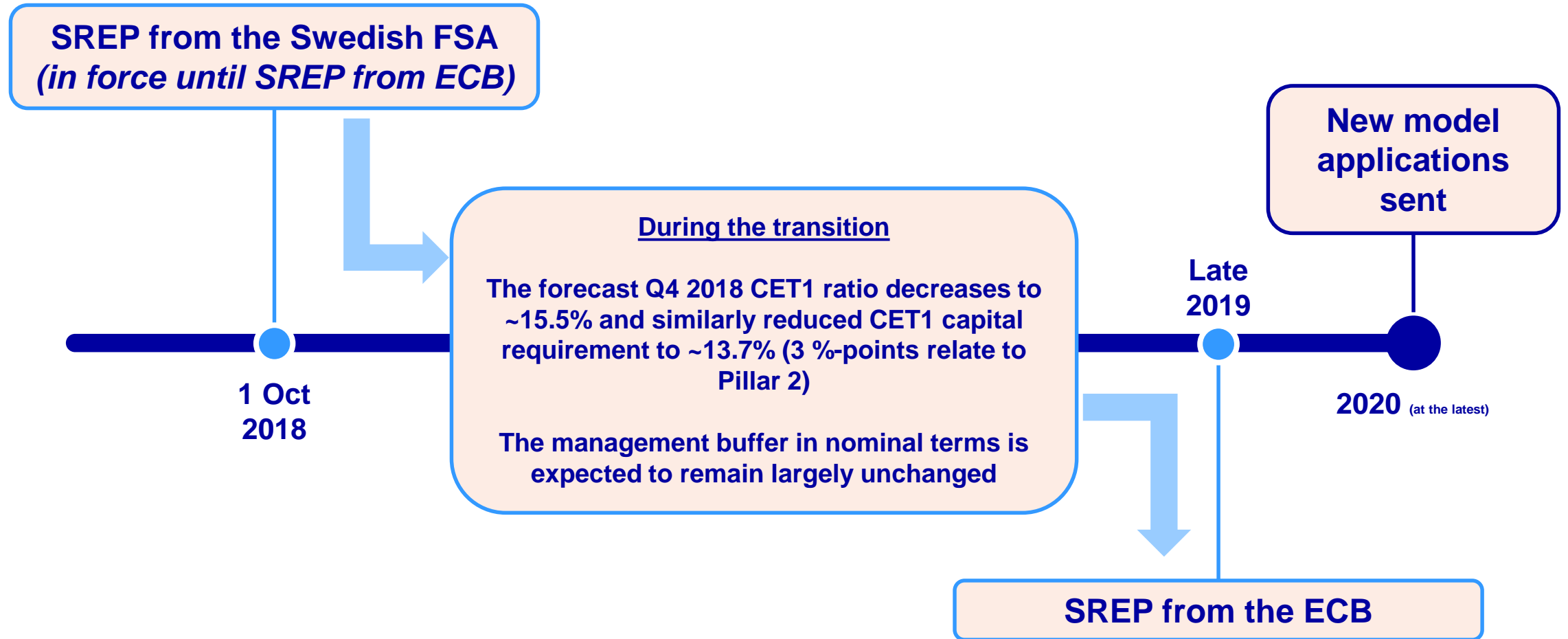
Nordea estimated CET1 and own funds requirement Q2 2018*

Comments

- As part of the re-domiciliation process, Nordea will migrate from the Swedish FSA framework to the harmonised ECB capital requirement's framework
- Nordea is currently in dialogue with the ECB to establish future capital requirements
- Finnish FSA has set Nordea's systemic risk buffer at 3% as of July 2019



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

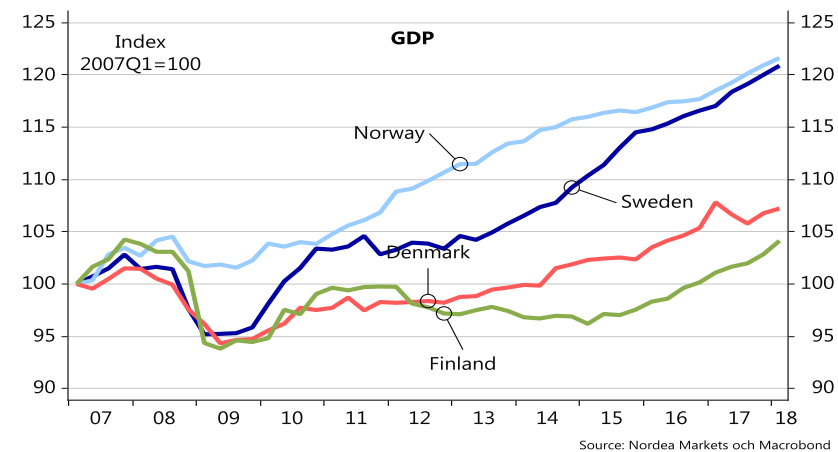


Nordea remains equally strongly capitalised. Nordea's capital and dividend policy remain unchanged. Nordea is committed to maintain its AA rating

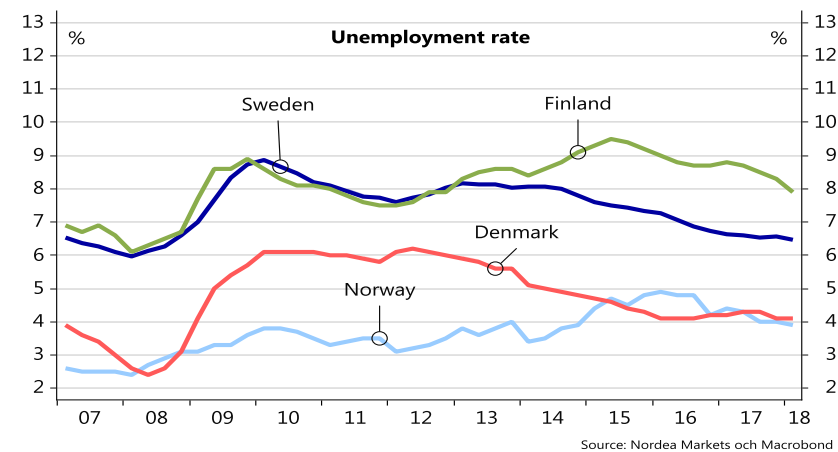
4. Macro

Prospering Nordic economies

GDP development



Unemployment rate



Comments

- The Nordics are enjoying an economic tailwind. While the synchronized global recovery raise exports, the accommodative monetary polices support domestic demand
- Short-term survey indicators remain upbeat, which suggests growth will be held up in the near-term

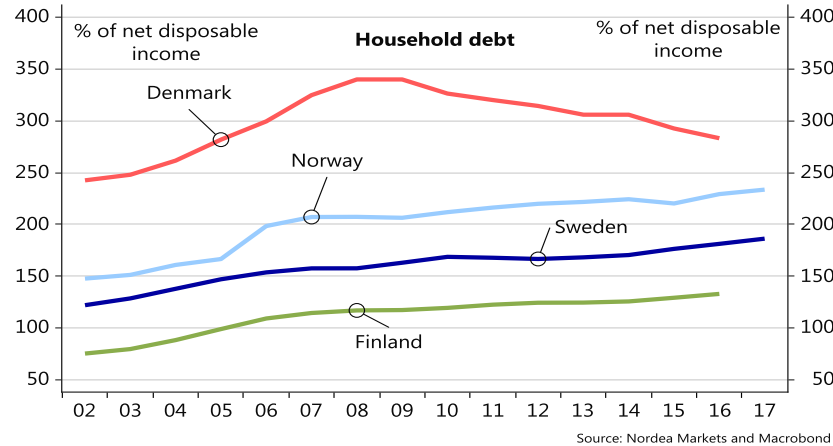
GDP forecast, %

Country	2015	2016	2017	2018E	2019E
Denmark	1.6	2.0	2.2	1.8	1.7
Finland	0.1	2.1	2.6	3.0	2.5
Norway	1.4	1.0	1.8	2.4	2.4
Sweden	4.3	3.0	2.7	2.5	1.9

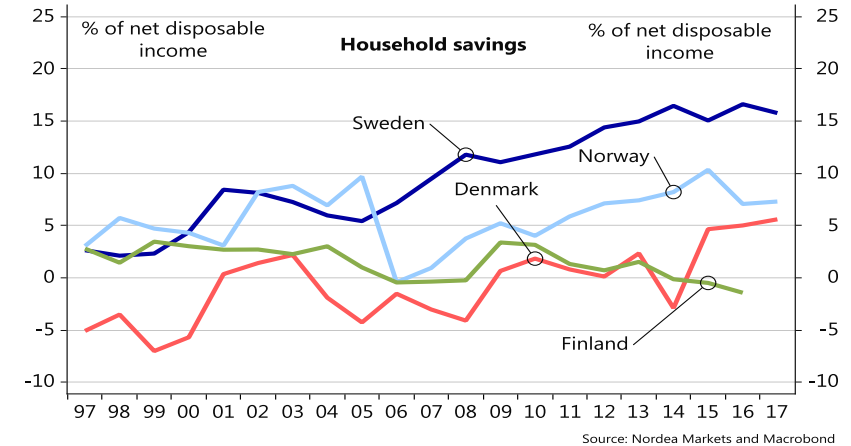
Source: Nordea Markets Economic Outlook April 2018 and Macrobond

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

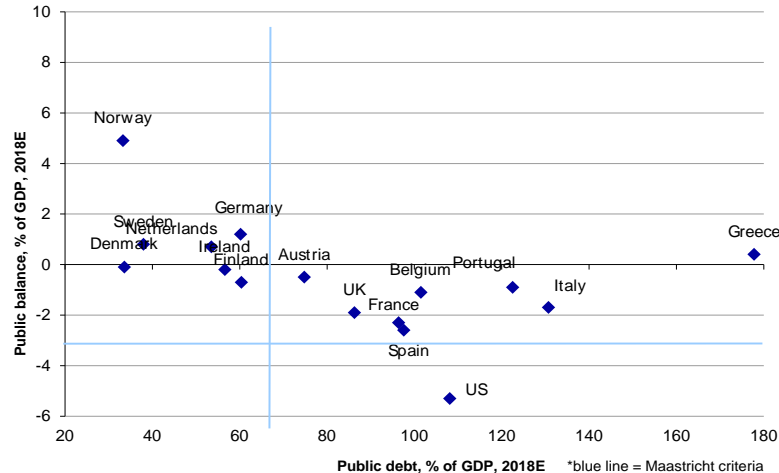
Household debt



Household savings



Public balance/debt, % of GDP, 2018E

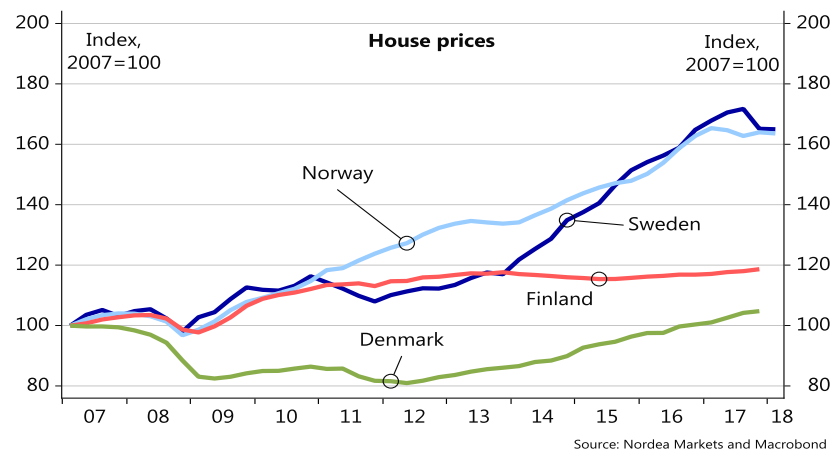


Comments

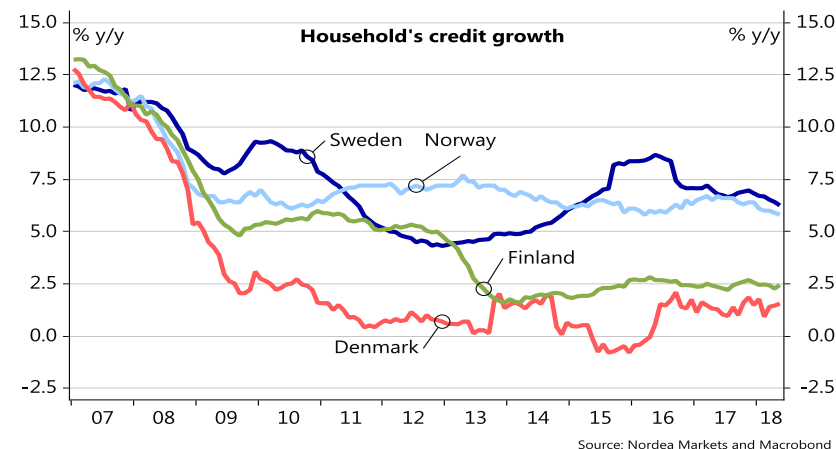
- In all countries, apart from Denmark, household debt continues to rise somewhat faster than income. Meanwhile, households' savings rates remain at high levels, apart from Finland where savings have declined somewhat in recent years
- The Nordic public finances are robust due to the overall economic 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

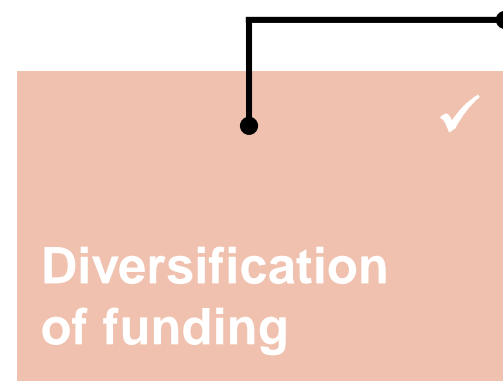
- Recent quarters have shown stabilisation in the Swedish and Norwegian housing markets, while prices continue to rise in Denmark and to some extent also in Finland
- In Sweden house prices declined during H2 2017 but the trend has levelled out in H1 2018, despite increased regulations which was expected 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

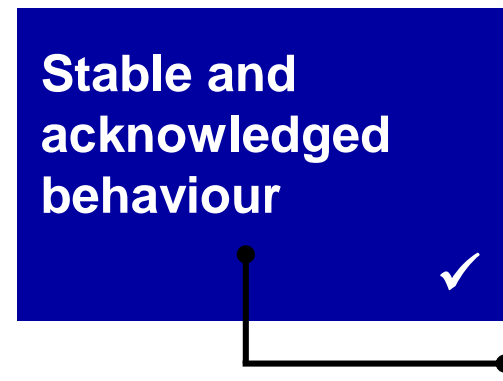
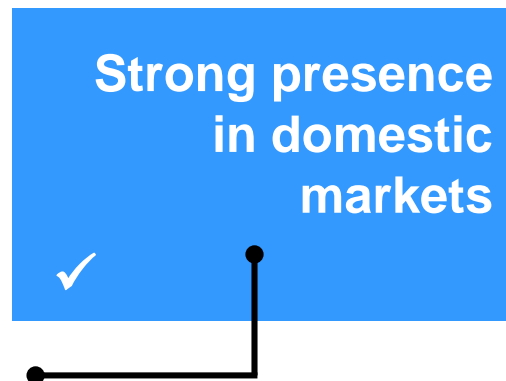
Securing funding while maintaining a prudent risk level

- 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

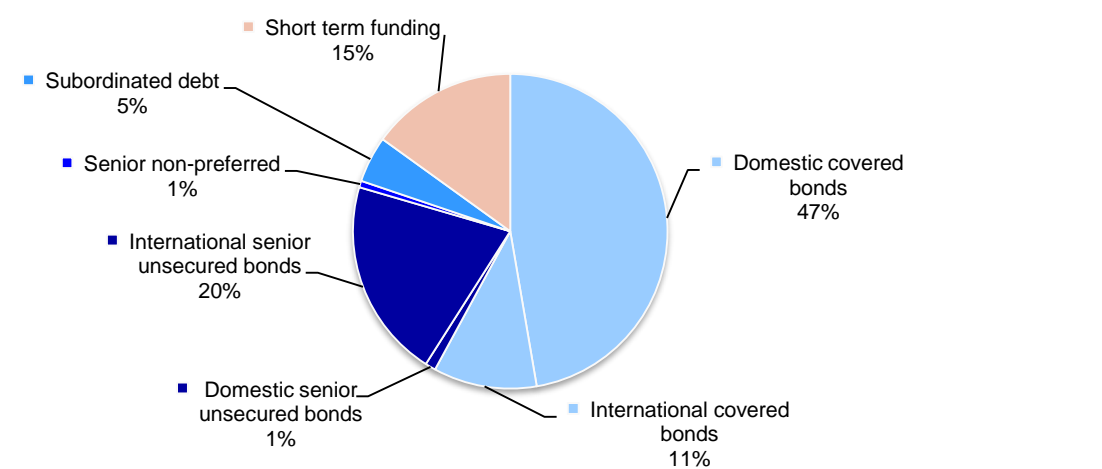
Diversified balance sheet

Total assets EUR 570bn

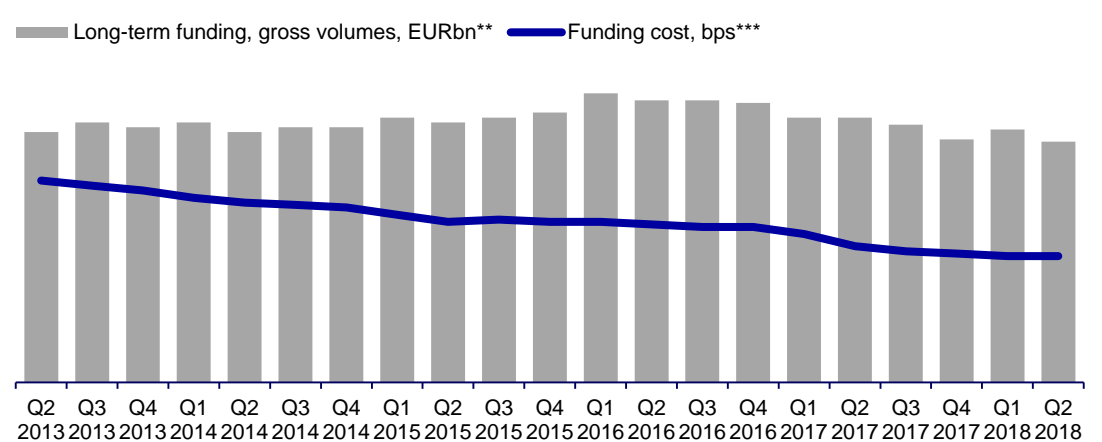


Solid funding operations

Long- and short-term funding, gross volumes, EUR 188bn

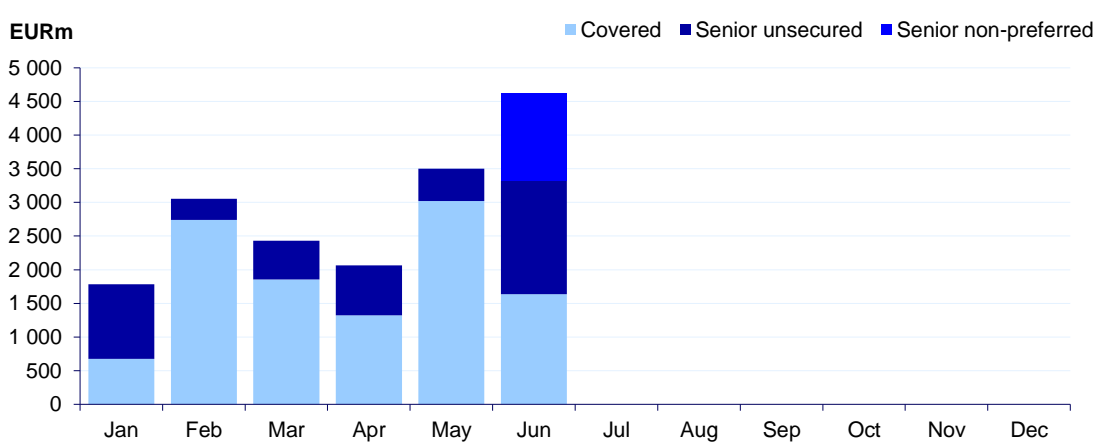


Long-term funding costs trending down*

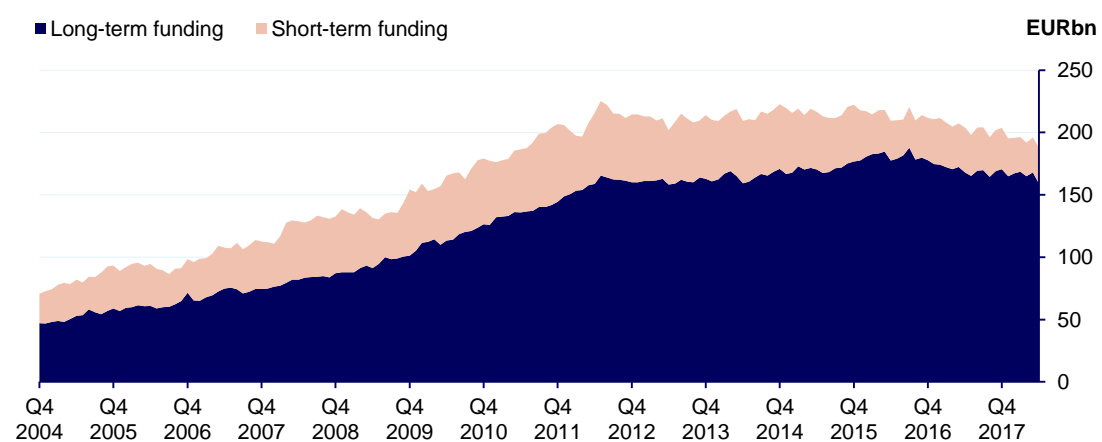


* Excluding Nordea Kredit covered bonds and subordinated debt
 ** Seasonal effects in volumes due to redemptions
 *** Spread to Xibor

YTD long-term issuance as of Q2 2018, gross volumes, EUR 17.5bn****



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



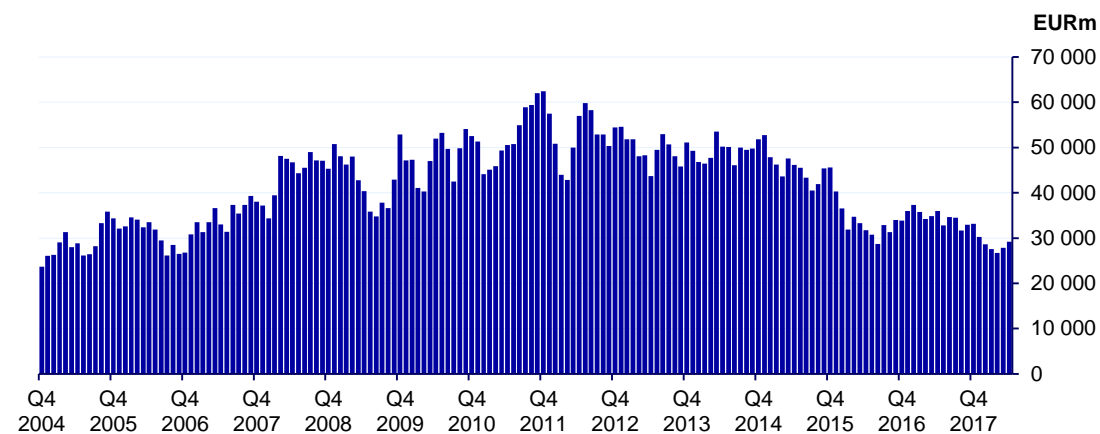
**** Excluding Nordea Kredit
 ***** As of Q2 2018 84% of total funding is long term, adjusted for internal holdings

Short-term funding – prudent and active management

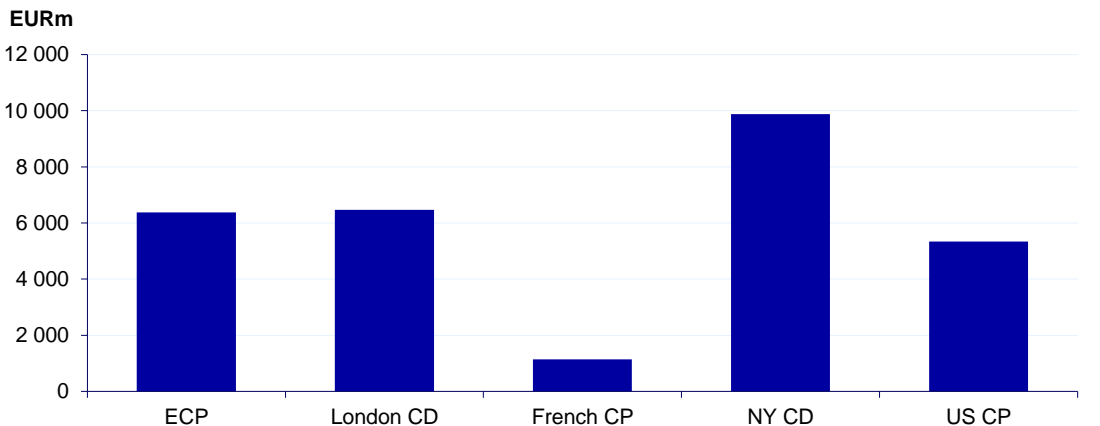
Comments

- Short dated issuance remains an attractive funding component for the group at the current levels
- Each program has its niche contribution improving diversification
- Total outstanding of short-term funding has stabilised around EUR 27-34bn during H1 2018
- Nordea has been able to somewhat improve its pricing levels both in the US and European market and the average duration of STF issuance
- 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

Short-term issuance



Split between programs



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

Comments

- Nordea will establish corresponding funding programs for the new company in Finland (Nordea Bank Abp), i.e.

Short term programs:

USCP, USCD
ECP
FCP
LCD

Long term programs:

EMTN
GMTN
Structured note programs
Samurai (shelf registration)

- Outstanding debt transactions will automatically be transferred by way of universal succession
- Once the re-domiciliation has taken place, 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)*

Pro forma following re-domiciliation to Finland planned for 1 Oct – Nordea Bank Abp

Pro forma income statement Jan-Jun 2018

	Nordea Bank AB	Pro Forma Nordea Bank Abp
EURm		
Operating income		
Interest income	1 987	1 987
Interest expense	-918	-918
Net interest income	1 069	1 069
Fee and commission income	1 142	1 142
Fee and commission expense	-195	-195
Net fee and commission income	947	947
Net gains/losses on items at fair value	497	489
Dividends	105	105
Other operating income	285	285
Total operating income	2 903	2 895
Operating expenses		
Staff costs	-1 329	-1 306
Other expenses	-622	-622
Depr/amortisation and impairment charges	-150	-150
Total operating expenses	-2 101	-2 078
Profit before loan losses	802	817
Loan losses	-68	-68
Impairment of securities held as financial non-current assets	0	0
Operating profit	734	749
Taxes	-183	-186
Net profit for the period	551	562

Pro forma balance sheet 2018-06-30

	Nordea Bank AB	Pro Forma Nordea Bank Abp
EURm		
Assets		
Cash and balances with central banks	33 101	33 101
Treasury bills	16 694	16 694
Loans to credit institutions	65 617	65 617
Loans and receivables to the public	161 065	161 065
Interest-bearing securities	46 421	46 421
Financial instruments pledged as collateral	14 382	14 382
Shares	7 312	7 312
Derivatives	43 936	43 936
Fair value changes of the hedged items in portfolio hedge of interest rate risk	63	63
Investments in group undertakings	12 512	12 512
Investments in associated undertakings and joint ventures	1 039	1 039
Participating interest in other companies	26	26
Intangible assets	2 209	2 209
Property and equipment	370	370
Deferred tax assets	81	81
Current tax assets	308	308
Retirement benefit assets	235	272
Other assets	19 542	19 542
Prepaid expenses and accrued income	1 250	1 250
Total assets	426 163	426 200
Liabilities		
Deposits by credit institutions and central banks	61 677	61 677
Deposits and borrowing from the public	182 806	182 806
Debt securities in issue	69 865	69 865
Derivatives	45 643	45 643
Fair value changes of the hedge items in pf hedge of interest rate risk	404	404
Current tax liabilities	321	321
Other liabilities	26 781	26 781
Accrued expenses and prepaid income	1 225	1 225
Deferred tax liabilities	28	38
Provisions	384	384
Retirement benefit obligation	254	245
Subordinated liabilities	8 574	8 574
Total liabilities	397 962	397 963
Total equity	28 201	28 237
Total liabilities and equity	426 163	426 200

Pro forma following re-domiciliation to Finland planned for 1 Oct – Nordea Group

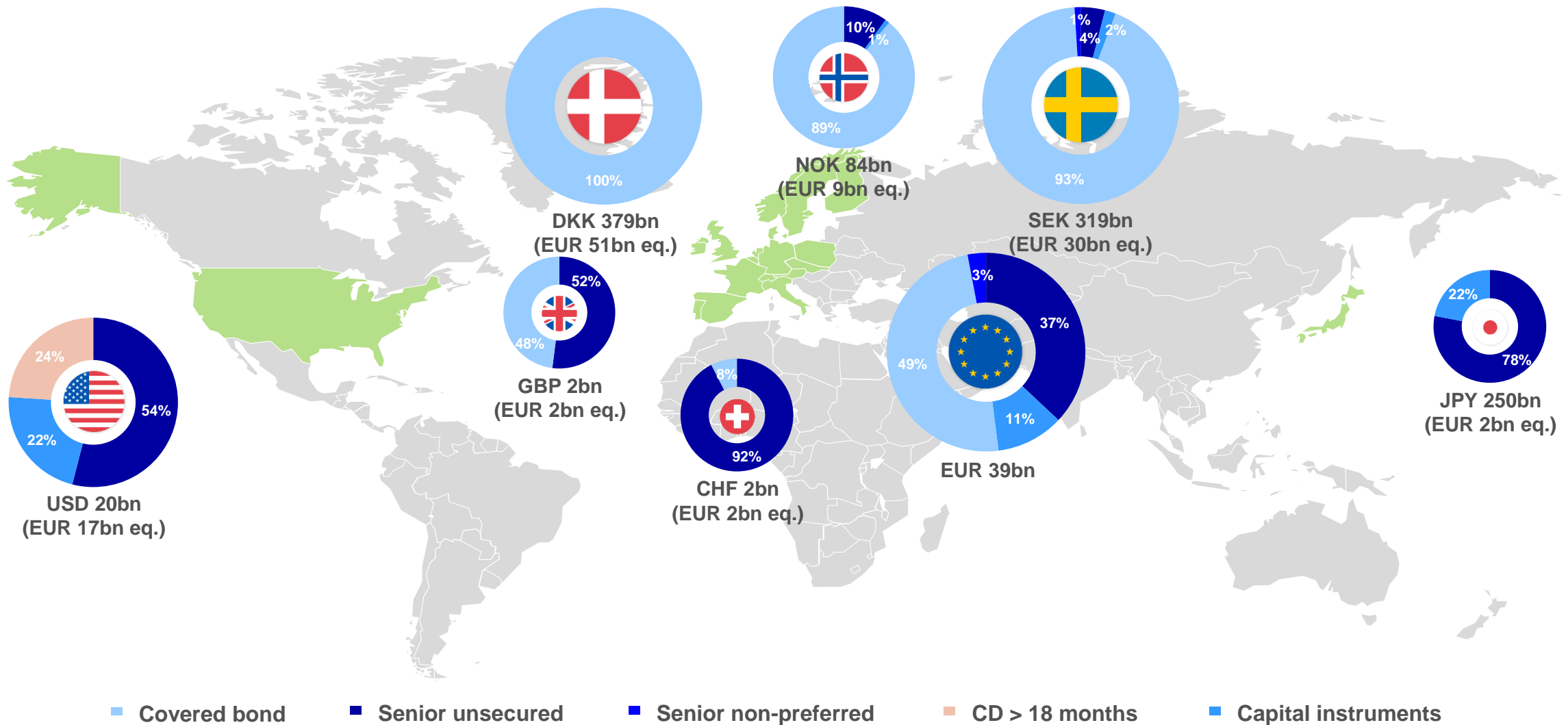
Pro forma income statement Jan-Jun 2018

Pro Forma		
EURm		
Operating income		
Interest income	3 546	3 546
Interest expense	-1 420	-1 420
Net interest income	2 126	2 126
Fee and commission income	1 971	1 971
Fee and commission expense	-401	-401
Net fee and commission income	1 570	1 570
Net gains/losses on items at fair value	701	701
Profit from associated undertakings and JVs accounted for under the equity method	61	61
Other operating income	398	398
Total operating income	4 856	4 856
Operating expenses		
Staff costs	-1 528	-1 528
Other expenses	-686	-686
Depr/amortisation and impairment charges	-145	-145
Total operating expenses	-2 359	-2 359
Profit before loan losses	2 497	2 497
Loan losses	-99	-99
Operating profit	2 398	2 398
Taxes	-493	-493
Net profit for the period	1 905	1 905


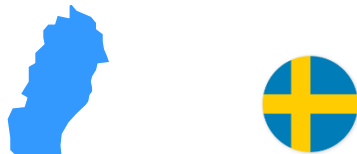


Pro forma balance sheet 2018-06-30

	Pro Forma	
EURm		
Assets		
Cash and balances with central banks	33 690	33 690
Loans to central banks	6 732	6 732
Loans to credit institutions	13 351	13 351
Loans to the public	314 813	314 813
Interest-bearing securities	74 987	74 987
Financial instruments pledged as collateral	8 898	8 898
Shares	15 568	15 568
Assets in pooled schemes and unit-linked investment contract	26 335	26 335
Derivatives	43 719	43 719
Fair value changes of hedged items in portfolio hedge of interest rate risk	165	165
Investments in associated undertakings and joint ventures	1 577	1 577
Intangible assets	4 064	4 064
Property and equipment	594	594
Investment property	1 615	1 615
Deferred tax assets	119	119
Current tax assets	363	363
Retirement benefit assets	265	265
Other assets	20 237	20 237
Prepaid expenses and accrued income	1 507	1 507
Assets held for sale	1 454	1 454
Total assets	570 053	570 053
Liabilities		
Deposits by credit institutions	50 145	50 145
Deposits and borrowings from the public	176 491	176 491
Deposits in pooled schemes and unit-linked investment contracts	26 904	26 904
Liabilities to policyholders	19 241	19 241
Debt securities in issue	177 865	177 865
Derivatives	44 519	44 519
Fair value changes of hedged items in portfolio hedge of interest rate risk	1 272	1 272
Current tax liabilities	613	613
Other liabilities	27 394	27 394
Accrued expenses and prepaid income	1 581	1 581
Deferred tax liabilities	589	589
Provisions	314	314
Retirement benefit obligations	276	276
Subordinated liabilities	8 573	8 573
Liabilities held for sale	2 331	2 331
Total liabilities	538 108	538 108
Total equity	31 945	31 945
Total liabilities and equity	570 053	570 053

Nordea's global issuance platform














Nordea covered bond operations

Four aligned covered bond issuers with complementary roles	 Nordea Eiendomskreditt	 Nordea Hypotek	 Nordea Kredit	 Nordea Mortgage Bank	
	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 11.5bn (eq.)	EUR 50.0bn (eq.)	Balance principle	EUR 20.1bn
	Covered bonds outstanding	EUR 9.2bn (eq.)	EUR 29.9bn (eq.)	EUR 53.0bn (eq.)	EUR 18.3bn
	OC	26.1%	67.3%	CC1/CC2 10.7%/3.5%	9.5%
	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 Bank AB	Senior unsecured*	EUR	500	30 Jun 2017	30 Jun 2022	Fixed
	Nordea Bank AB	Senior unsecured	EUR	1 000 1 000	27 Sep 2017 27 Sep 2017	27 Sep 2027 27 Sep 2021	Fixed FRN
	Nordea Hypotek AB	Covered	SEK	5 000	18 Oct 2017	20 Sep 2023	Fixed
	Nordea Bank AB	AT1	EUR	750	28 Nov 2017	12 Mar 2025	Fixed
	Nordea Bank AB	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 AB	Senior non-preferred	EUR	1 000	15 Jun 2018	26 Jun 2023	Fixed
	Nordea Bank AB	Senior non-preferred	SEK	2 250 750	19 June 2018 19 June 2018	25 June 2023 25 June 2023	Fixed FRN

Regulatory status

Capital requirements

- As part of the re-domiciliation process, Nordea will migrate from the Swedish FSA framework to the harmonised ECB capital requirement's framework
- Nordea is currently in dialogue with the ECB to establish future capital requirements

TLAC and MREL requirements

- TLAC requirement is expected to be met from 1 January 2019
- Single Resolution Board's ("SRB") MREL requirement after re-domiciliation, with MREL calibration based on capital requirements including Pillar 2 and combined buffer

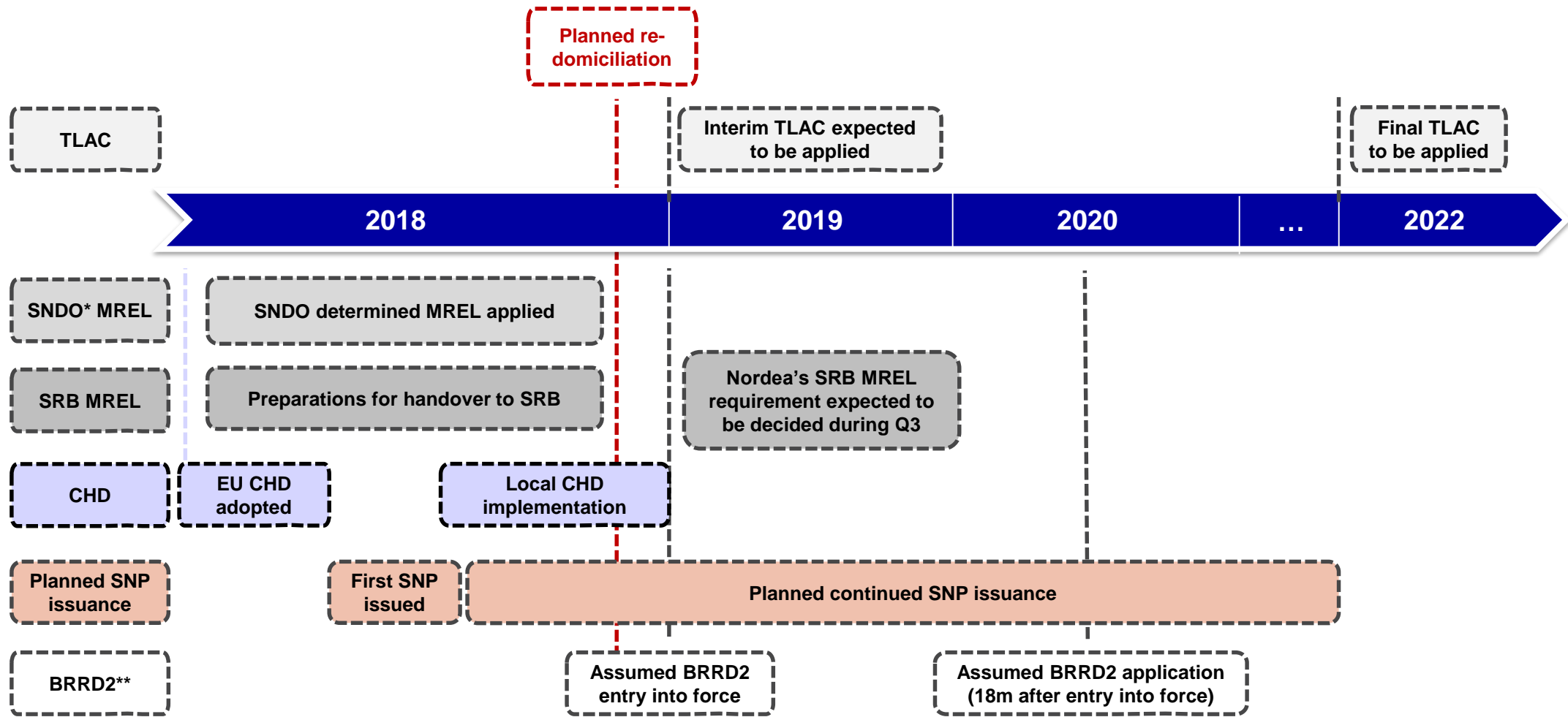
Need for Senior Non-Preferred ("SNP")

- Issuance of SNP will support TLAC compliance
- Final SNP volume to be updated after clarity from SRB

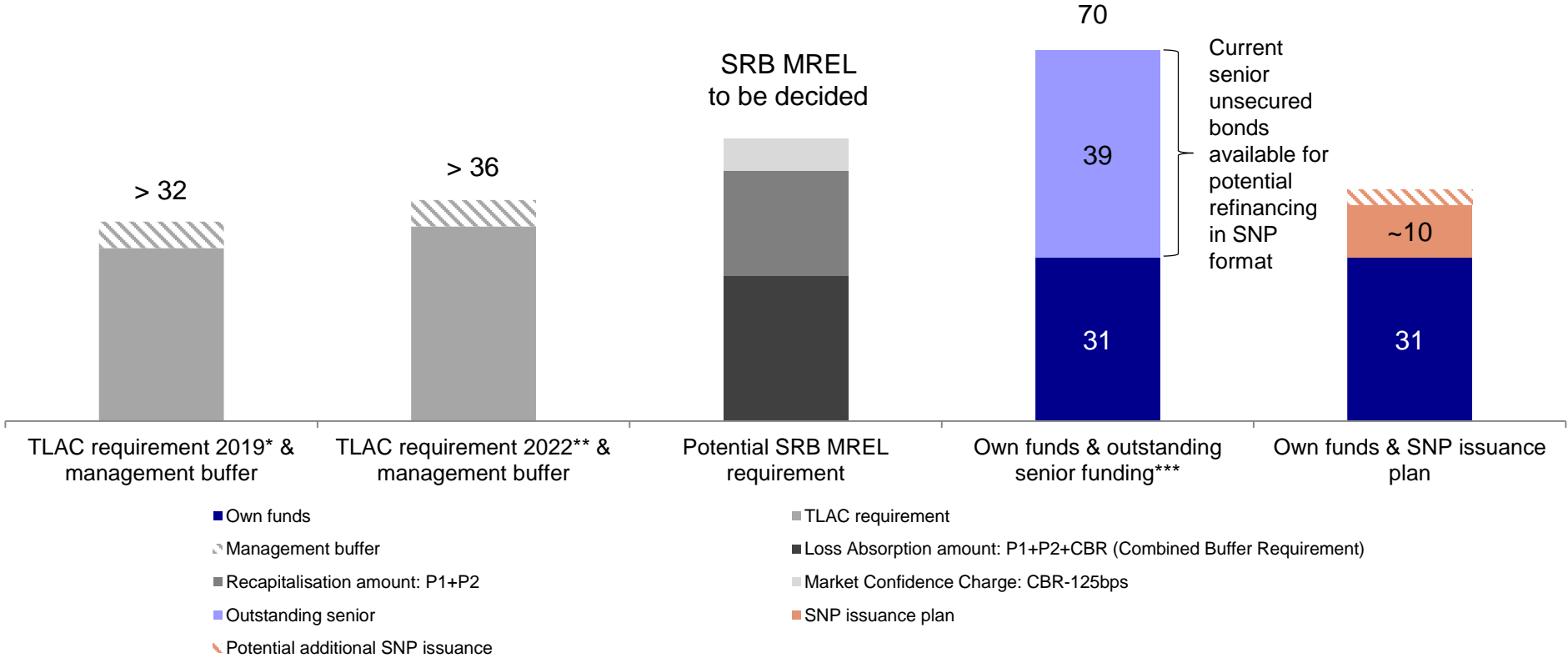
Creditor Hierarchy Directive ("CHD")

- Swedish implementation is proposed to be applied from 29 December 2018
- Finnish implementation proposal consultation finalised in June, application as soon as possible once adopted and no later than 1 January 2019
- Nordea has used a contractual SNP solution prior to local CHD implementation that would align to the implemented CHD once in place

SNP, TLAC and MREL expected timeline



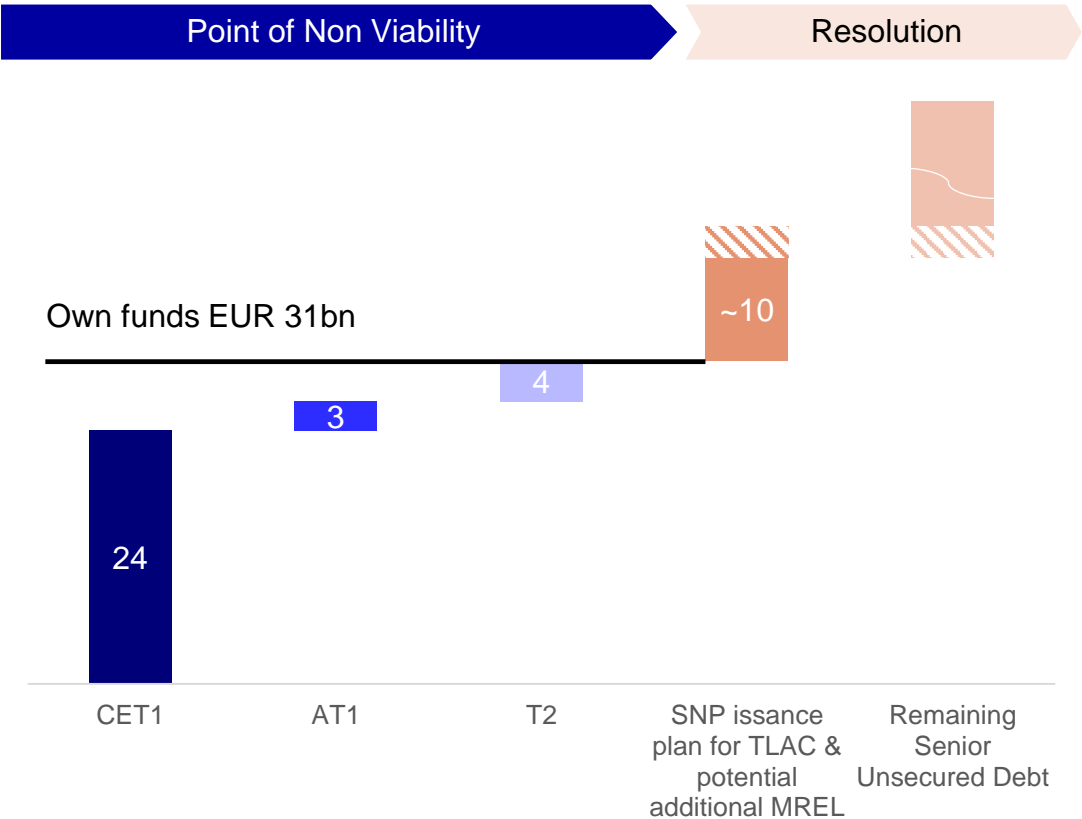
Nordea's TLAC and future SRB MREL requirement (EURbn)



48 * TLAC requirement 2019 is max of (16 % of REA + Combined Buffer, 6 % Leverage Ratio Exposure, "LRE") and constraining requirement for Nordea is 6 % of LRE
** TLAC requirement 2022 is max of (18 % of REA + Combined Buffer, 6.75 % of LRE) and constraining requirement for Nordea is 6.75 % of LRE
*** Other bonds & CDs with original maturity over 1 year as reported. Amortised Tier 2 are excluded

2022 TLAC compliance ensured by strong capital position and SNP issuance plan

- Nordea's strong capital position will provide a substantial buffer to protect SNP investors
- Nordea own funds of EUR 31bn* will rank junior to SNP investors
- Planned SNP issuance of ~EUR 10bn** from 2018 to 2021 (~4 years) to ensure 2022 TLAC compliance
- Potential additional SNP issuance needed to meet the SRB MREL requirement
- Nordea issued SNP of EUR 1.3bn eq. in June

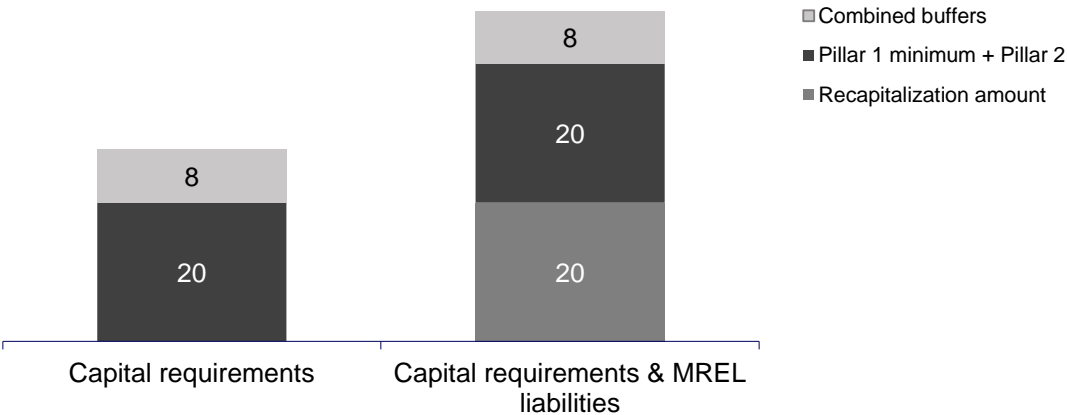


Summary of Nordea SNP, TLAC and MREL

Comments

- Nordea will ensure 2019 and 2022 TLAC compliance given the GSIB classification
- Nordea aims to use own funds and SNP to cover the minimum TLAC requirement once fully implemented in 2022
- MREL after re-domiciliation is pending, dependent on factors such as:
 - Results from dialogue with the SRB and other authorities
 - Nordea's capital requirement components for MREL calibration to be decided by the ECB
 - Uncertain SNP need under future SRB MREL
- SNDO published in December 2017 Nordea's recapitalisation amount: 16.5% of REA (EUR 20bn), to be met with SNP from 2022

Swedish MREL (EURbn)



Current senior bonds available for potential refinancing in SNP format

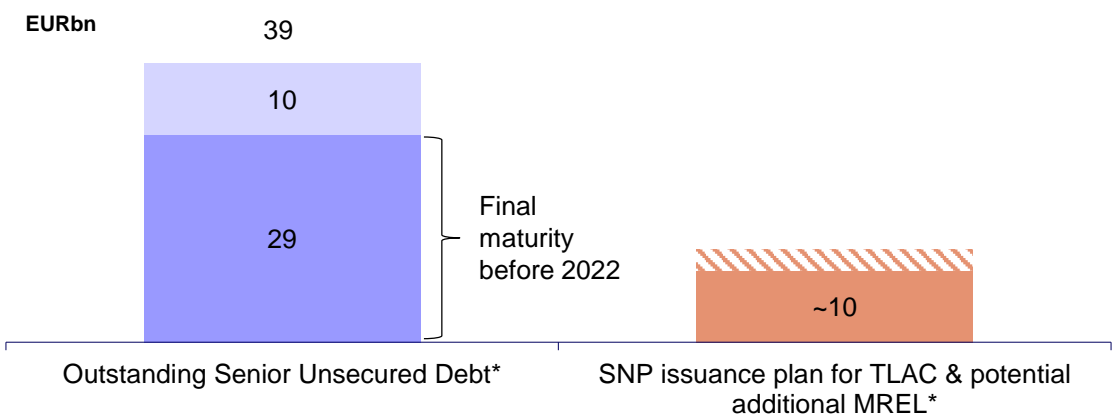
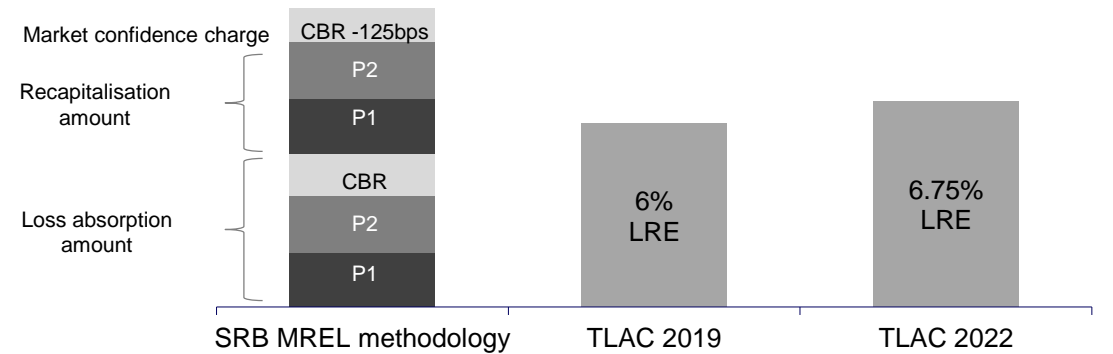


Illustration SRB MREL methodology and TLAC**



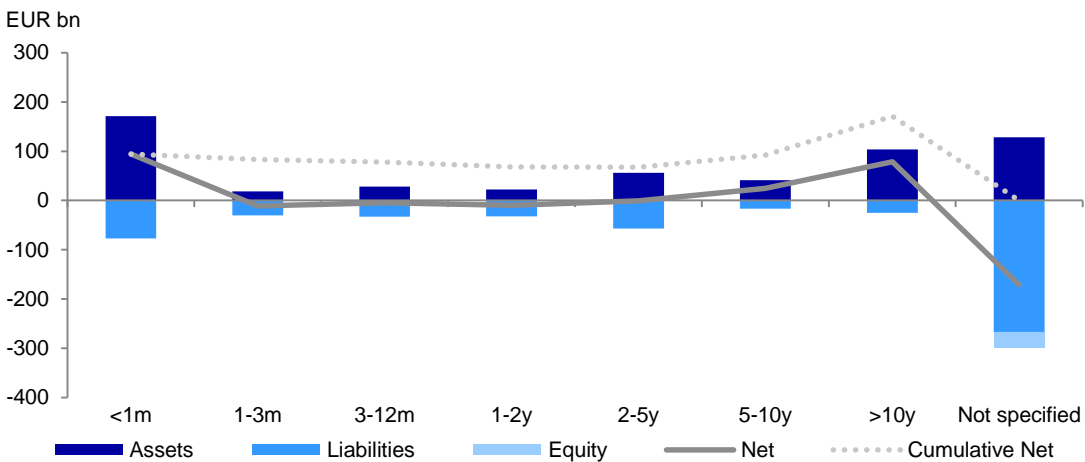
Contractual SNP to be aligned with implemented CHD, relative ranking remains unaffected



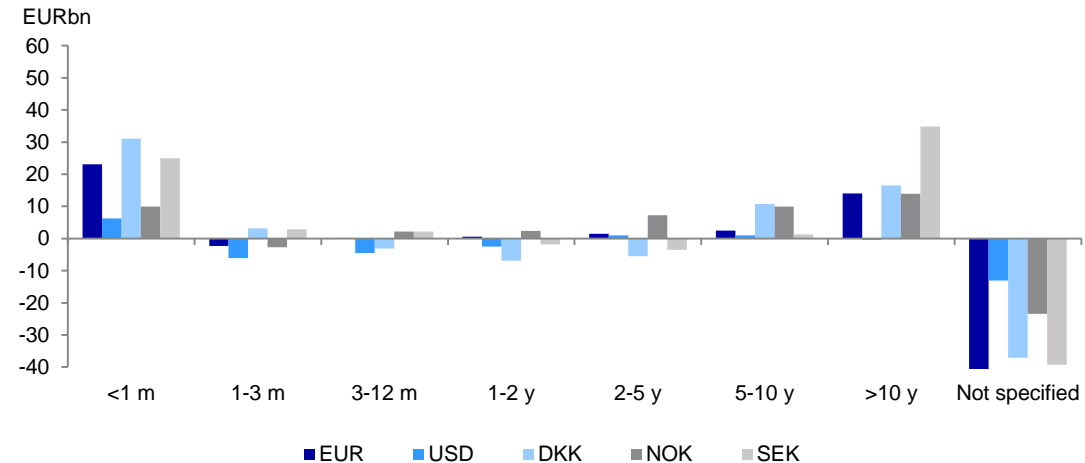
- Nordea issued SNP of EUR 1.3bn eq. in June
- Contractual SNP format ranking between senior and subordinated class from day one
- When CHD is implemented locally, contractual SNP will be aligned to the implemented CHD, relative ranking will be unaffected

Maturity profile

Maturity profile



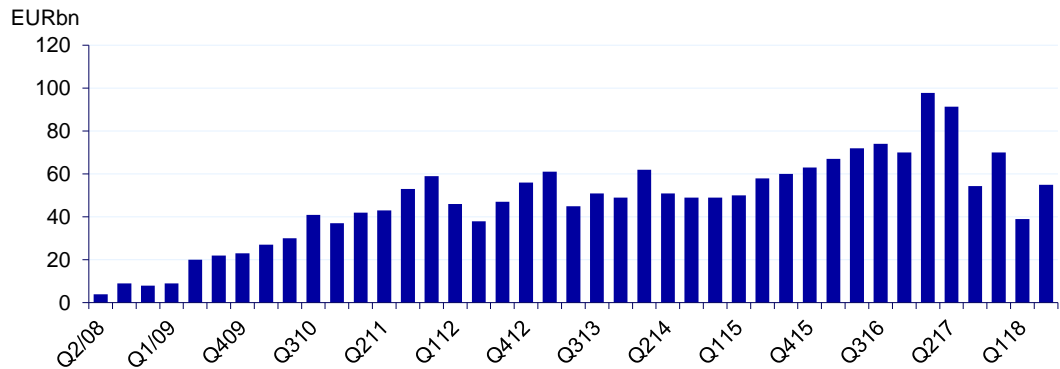
Maturity gap by currency



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)

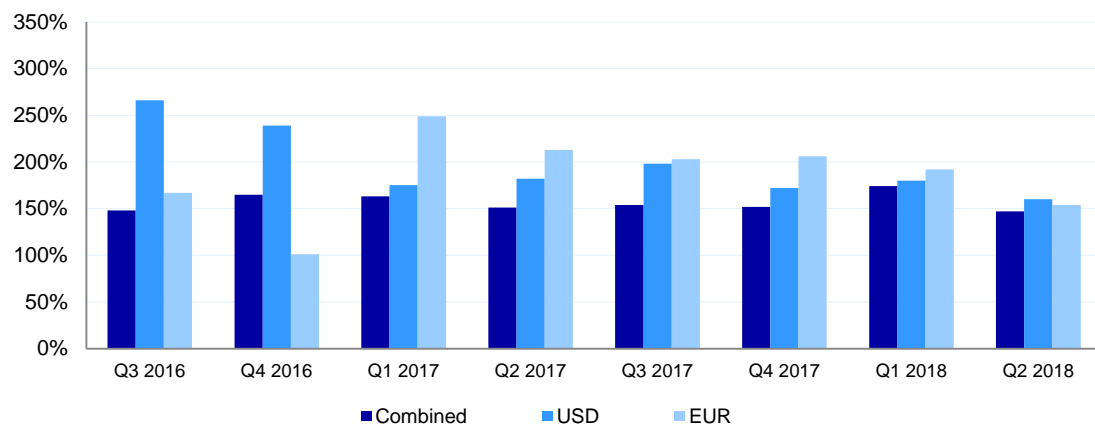
Net Balance of Stable Funding



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



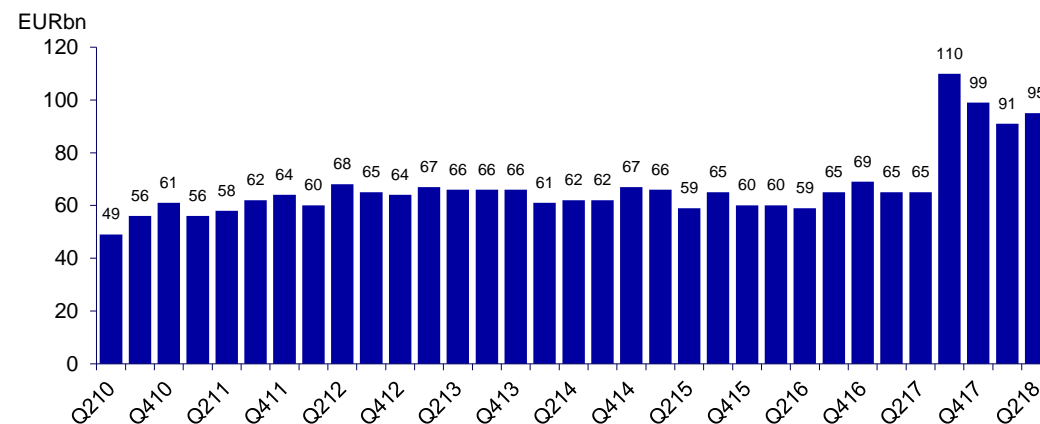
LCR subcomponents*, EURm

	Combined	USD	EUR
Total high-quality liquid assets (HQLA)	92,511	30,588	15,060
Liquid assets level 1	88,872	30,182	14,134
Liquid assets level 2	3,639	406	926
Cap on level 2	0	0	0
Total cash outflows	80,697	57,037	39,115
Retail deposits & deposits from small business customers	5,857	89	1,777
Unsecured wholesale funding	56,666	24,358	9,965
Secured wholesale funding	2,768	359	892
Additional requirements	11,683	31,789	25,495
Other funding obligations	3,723	443	986
Total cash inflows	17,570	37,862	29,337
Secured lending (e.g. reverse repos)	2,889	851	433
Inflows from fully performing exposures	4,605	628	1,242
Other cash inflows	10,076	36,383	35,152
Limit on inflows	0	0	-7,490
Liquidity coverage ratio (%)	147%	160%	154%

Comments

- EBA Delegated Act LCR in force starting from October 2016
 - LCR of 147%
 - 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 95bn, which includes the cash and central bank balances
 - New liquidity buffer method introduced in July 2017

Time series – liquidity buffer



Contacts

Investor Relations

Rodney Alfvén

Head of Investor Relations
Nordea Bank AB
Mobile: +46 722 35 05 15
Tel: +46 10 156 29 60
rodney.alfven@nordea.com

Andreas Larsson

Head of Debt IR
Nordea Bank AB
Mobile: +46 709 70 75 55
Tel: +46 10 156 29 61
andreas.larsson@nordea.com

Axel Malgerud

Debt IR Officer
Nordea Bank AB
Mobile: +46 721 41 51 50
Tel: +46 10 157 13 13
axel.malgerud@nordea.com

Carolina Brikho

Roadshow Coordinator
Nordea Bank AB
Mobile: +46 761 34 75 30
Tel: +46 10 156 29 62
carolina.brikho@nordea.com

Group Treasury & ALM

Mark Kandborg

Head of Group Treasury & ALM
Tel: +45 33 33 19 09
Mobile: +45 29 25 85 82
mark.kandborg@nordea.com

Ola Littorin

Head of Long Term Funding
Tel: +46 8 407 9005
Mobile: +46 708 400 149
ola.littorin@nordea.com

Jaana Sulin

Head of Short Term Funding
Tel: +358 9 369 50510
Mobile: +358 50 68503
jaana.sulin@nordea.com

Maria Härdling

Head of Capital Structuring
Tel: +46 10 156 58 70
Mobile: +46 705 594 843
maria.hardling@nordea.com