

A photograph of two cyclists riding on a dirt path through a forest. The path is surrounded by green foliage and white flowers. The cyclists are wearing helmets and backpacks. In the bottom right corner, there is a blue bar chart with five bars of varying heights. The word "Nordea" is written in white in the top left corner.

Nordea

**Senior Non-Preferred investor presentation**  
**June 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.

## Executive summary – Senior Non-Preferred notes

### Senior Non-Preferred (SNP) offering

- ✓ **SNP notes to be issued by Nordea Bank AB (publ)**
- ✓ **Reg-S EUR, benchmark size, GEM Euronext Dublin listing**
- ✓ **Contractual SNP format ranking between senior and tier 2 class from day one**
- ✓ **Intended to be aligned with Credit Hierarchy Directive (CHD) once locally implemented**
- ✓ **Expected ratings of AA- by Fitch, A by S&P and Baa1 by Moody's**

### Transaction rationale

- ✓ **Ensure compliance with 1 January 2019 TLAC requirements**

# Senior Non-Preferred Notes - summary of terms<sup>1</sup>

Terms	Details
Issuer	Nordea Bank AB (publ)
Notes	€ [●]m Senior Non-Preferred Notes
Expected rating of the notes <sup>2</sup>	AA- (Fitch), A (S&P), Baa1 (Moody's)
Status	Unsecured obligations of the Issuer ranking <i>pari passu</i> among themselves. Subordinated to depositors and other unsecured, unsubordinated creditors not ranking or expressed to rank <i>pari passu</i> with SNP. Senior to Junior Securities. (Contractual ranking at issuance, intended to be aligned with Credit Hierarchy Directive once implemented in the Relevant Jurisdiction).
Interest	[●]% per annum, Fixed Interest, payable annually
Early redemption	Callable on a Withholding Tax Event, Tax Event or MREL/TLAC Disqualification Event at the Outstanding Principal Amount with accrued interest (if any), subject to permission of the Competent and/or Resolution Authority (if required)
Substitution & variation	Following Withholding Tax Event, Tax Event, MREL/TLAC Disqualification Event, Alignment Event, Redomiciliation Event or to ensure the effectiveness or enforceability of bail-in, possibility to substitute or modify the terms of the Notes, without any requirement for the consent or approval of the Holders, so that the Notes become or remain Qualifying Securities, subject to certain conditions
Statutory loss absorption	Contractual acknowledgment of Bail-in and Loss Absorption Powers
Listing / Denominations	Application will be made for the Notes to be listed on the Irish Stock Exchange's regulated market / EUR 100,000 and integral multiples of EUR 1,000 in excess thereof
Governing law	English law, except that the provisions relating to status and subordination and all non-contractual obligations arising out of or in connection with such matters are governed by, and shall be construed in accordance with, the laws of the Relevant Jurisdiction
Target market	MiFID II professionals/ECPs-only/No PRIIPs KID – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared. The Notes will not be available to retail in the EEA
Documentation	The Issuer's EUR 50,000,000,000 EMTN Programme, with Base Prospectus dated 4 May 2018

# 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

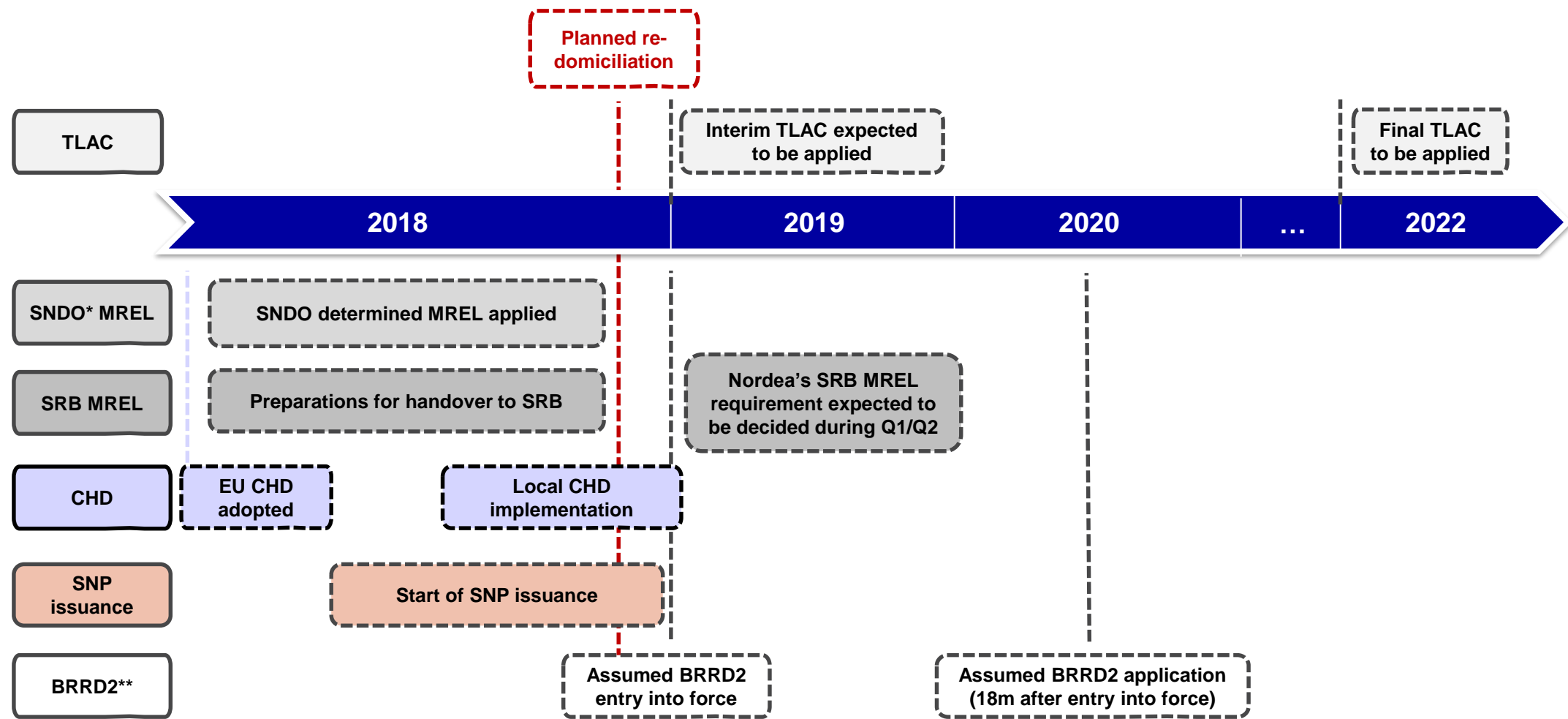
## Need for SNP

- Issuance of SNP will support TLAC compliance
- Final SNP volume to be concluded once the SRB MREL requirement is implemented

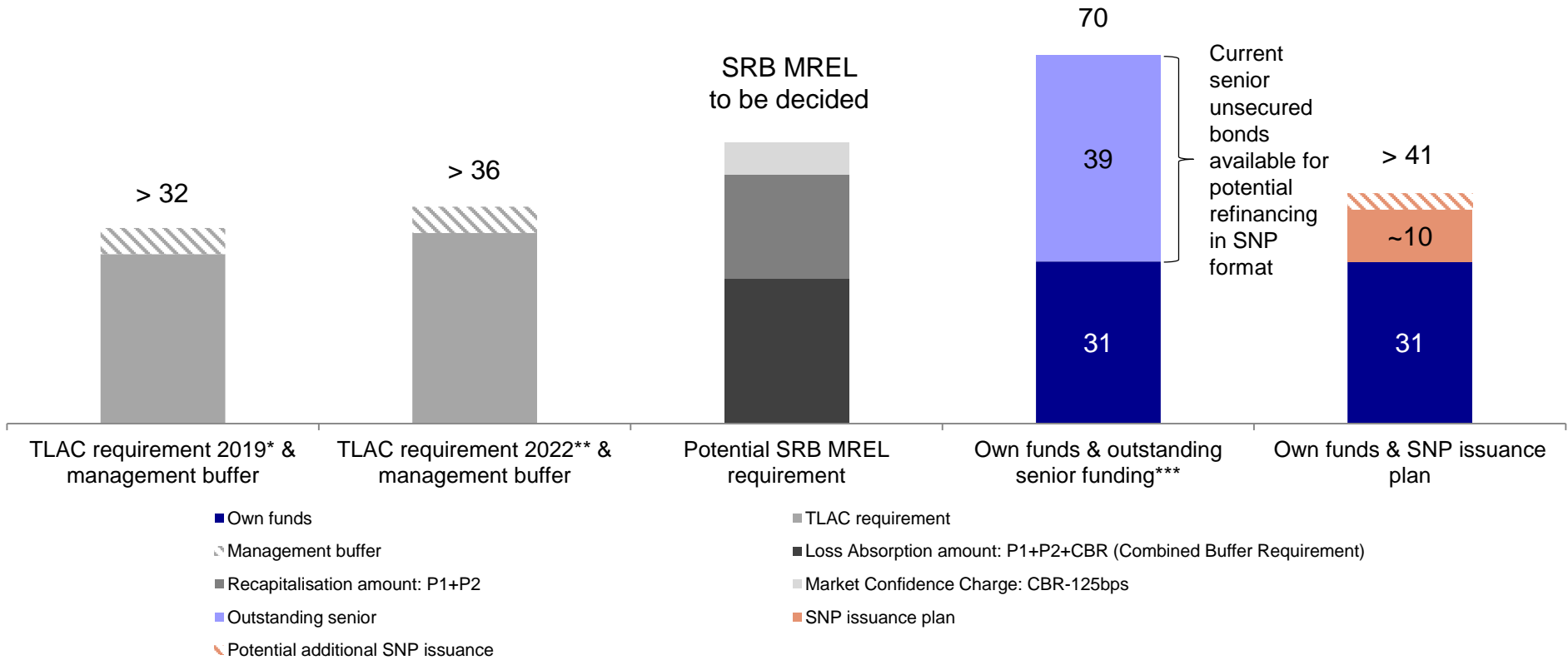
## Creditor Hierarchy Directive

- Swedish implementation proposal is in process, to be applied from 29 December, 2018
- Finnish implementation proposal published for consultation until 15 June, application as soon as possible after being passed, and no later than 29 December, 2018

# SNP, TLAC and MREL expected timeline



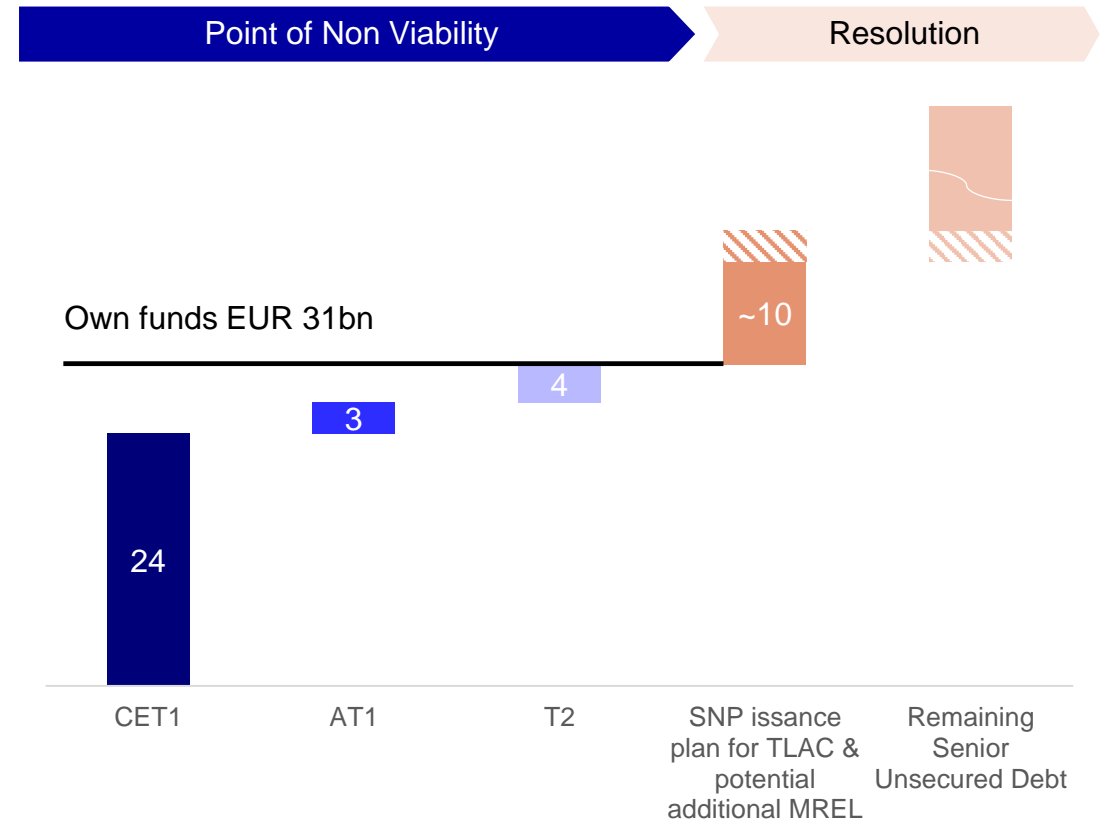
# Nordea's TLAC and future SRB MREL requirement (EURbn)



7      \* 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



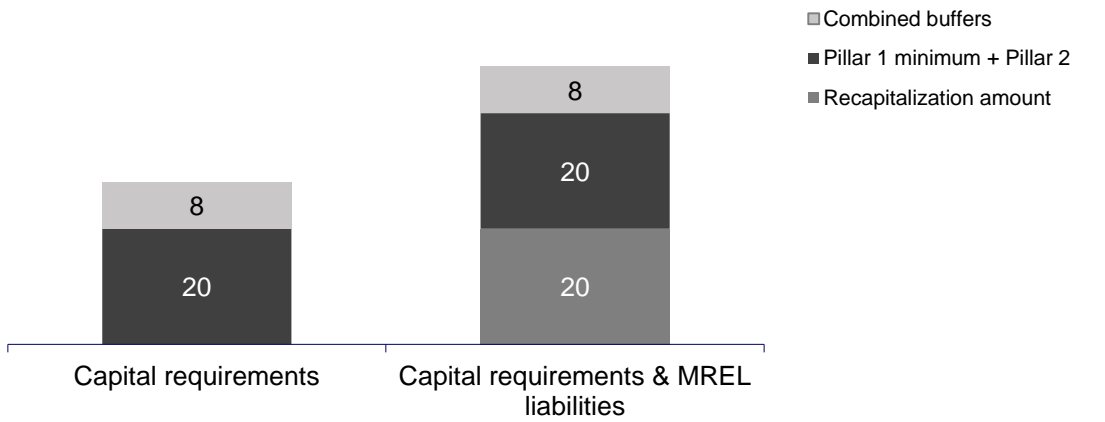


# Summary of Nordea SNP, TLAC and MREL

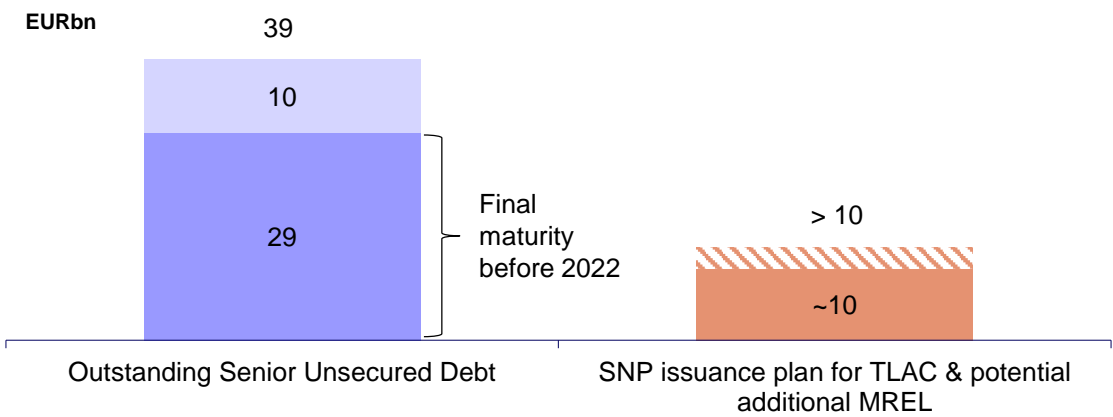
## Comments

- 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

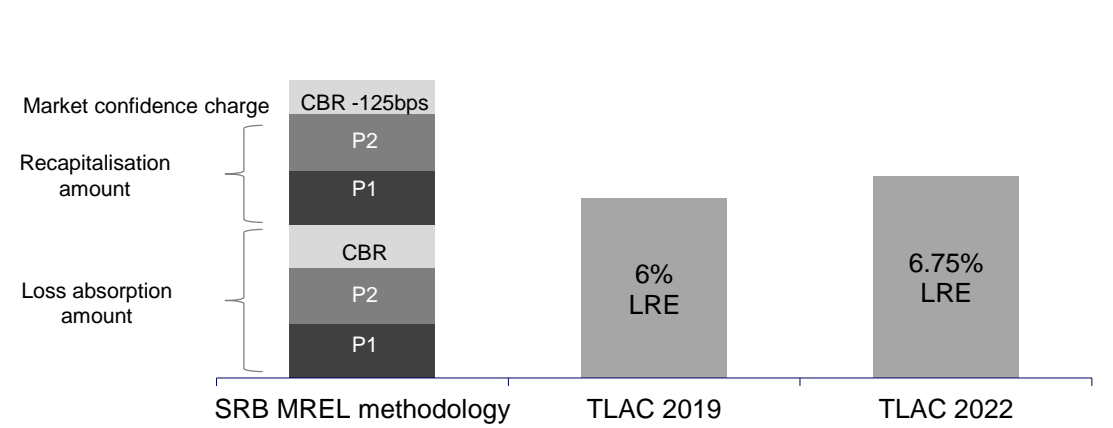
## Swedish MREL (EURbn)



## Current senior bonds available for potential refinancing in SNP format



## Illustration SRB MREL methodology and TLAC\*



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# 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
- A detailed timetable will be agreed with the relevant authorities and the re-domiciliation is planned to be effective as of **1 October 2018**

