



Debt Investor Presentation Q1 2015

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

Nordea = Nordic ideas



11 million customers

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

Distribution power

- Approx. 700 branch office locations
- Approx. 7 million Netbank customers

Financial strength

- EUR 10.2bn in full year income (2014)
- EUR 725.9bn of assets (Q1 2015)
- EUR 28.5bn in equity capital (Q1 2015)
- AA credit rating
- Common equity tier 1 capital ratio of 15.6% (Q1 2015)

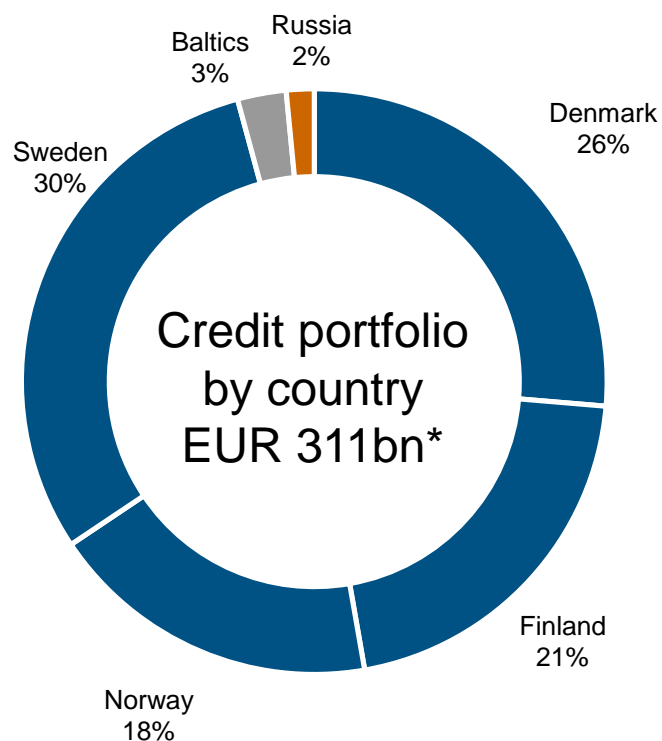
EUR ~46bn in market cap

- One of the largest Nordic corporations
- A top-10 European retail bank

Nordea is the most diversified bank in the Nordics...

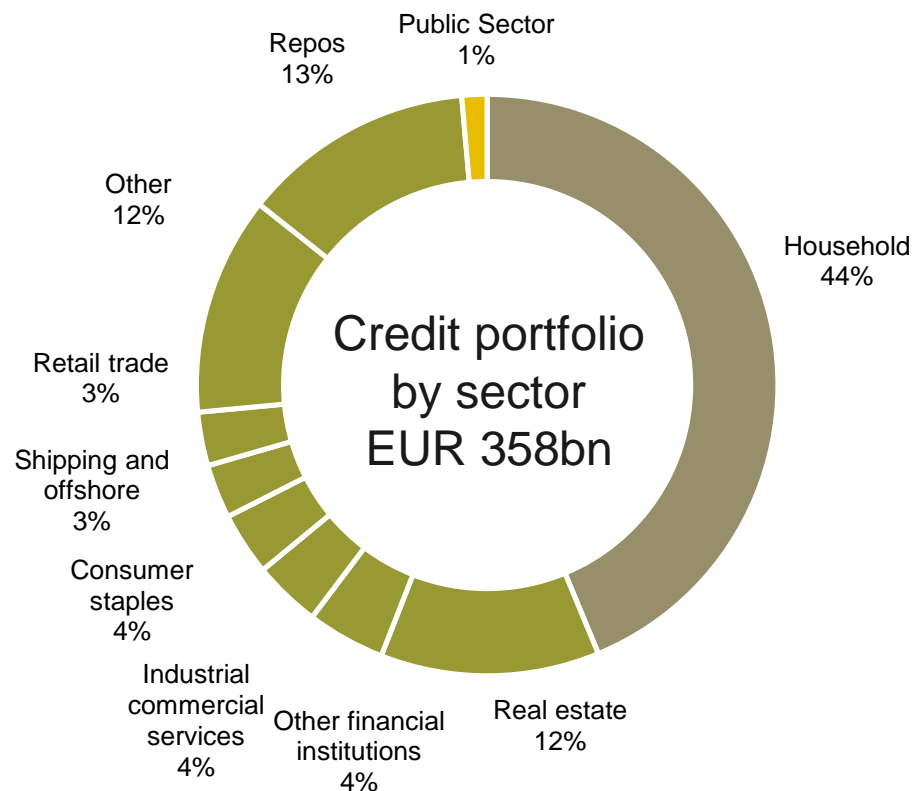
Q1 2015

A Nordic centric portfolio (95 %)



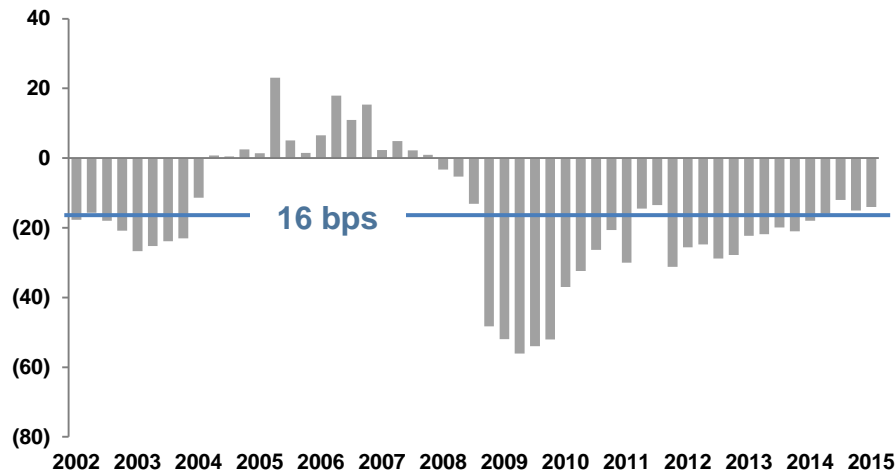
* Excluding repos

Lending: 55% Corporate and 44% Household



...generating low credit losses over a business cycle

LOAN LOSSES, BPS



COMMENTS

- Since 2002, Nordea's loan losses have averaged 16 bps of total lending
- Historically low credit losses are the result of a well diversified credit portfolio, a rigid risk management process as well as low risk appetite
- Loan loss ratio Q1/15 amounted to 14 bps, below ten year average

Q1 2015 financial results highlights

Highlights of first quarter 2015

First quarter 2015 vs first quarter 2014*

- ✓ Revenues are up 11%
 - ✓ Negative interest rates put pressure on Net interest income
 - ✓ Record high Assets under Management
 - ✓ Increased activity in the capital markets
- ✓ Costs are down 2%, delivering according to plan
- ✓ Loan losses are down 21% to 14 bps
- ✓ Operating profit is up 29%
- ✓ Improved common equity tier 1 ratio 100 bps to 15.6%
- ✓ Our customers usage of digital solutions continue to increase

*All P&L items in local currencies

Financial results

EURm	Q1/15	Q4/14	Chg %
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Net interest income	1 288	1 356	-5
Net fee & commission income	757	763	-1
Net fair value result	644	367	75
Total income*	2 714	2 513	8
Total expenses	-1 184	-1 227	-4
Profit before loan losses	1 530	1 286	19
Net loan losses	-122	-129	-5
Operating profit	1 408	1 157	22
Net profit from cont. op	1 082	877	23

Q1/14	Chg %	Local currencies Chg %
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1 362	-5	-3
704	8	9
411	57	58
2 501	9	11
-1 237	-4	-2
1 264	21	23
-158	-23	-21
1 106	27	29
840	29	31

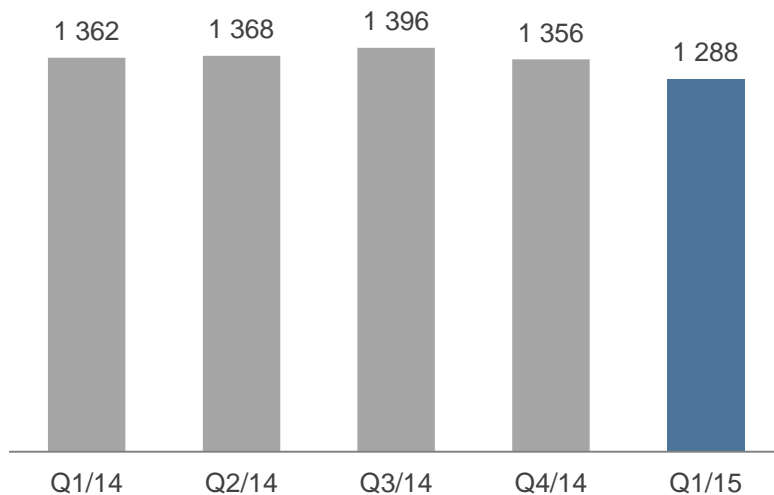
Return on equity (%)	14.3	11.8	250 bps
CET1 capital ratio (%)	15.6	15.7	-10 bps
Cost/income ratio (%)	43.6	48.8	-520 bps

11.4	290 bps	-
14.6	100 bps	-
49.5	-590 bps	-

*Includes other income 9 •

Net interest income

NET INTEREST INCOME DEVELOPMENT, EURm



COMMENTS

- NII affected by pressure on deposit rates
 - Negative interest rates in Denmark and Sweden
- Two fewer interest days and negative FX, reduces NII by EUR 43m
- Deposit margin reduces NII by EUR 39m

Net interest margin and volumes

BLENDNET INTEREST MARGIN DEVELOPMENT, BPS

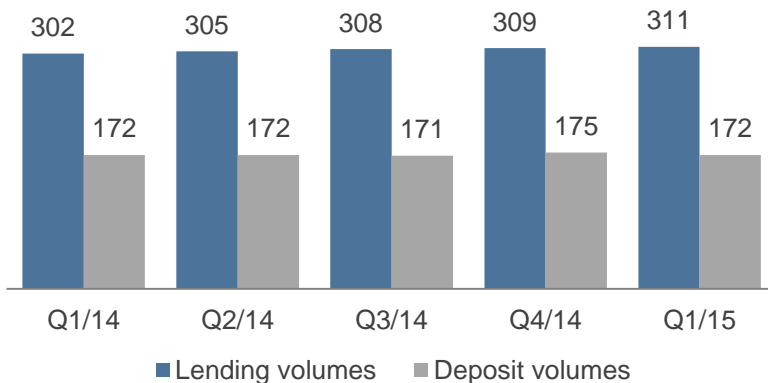


Q1/14 Q2/14 Q3/14 Q4/14 Q1/15

COMMENTS

- Blended margin down 5 bps to 103 bps
 - Slightly improving lending margins
 - Pressure on deposit margins
- Lending volumes up 3% y-o-y*

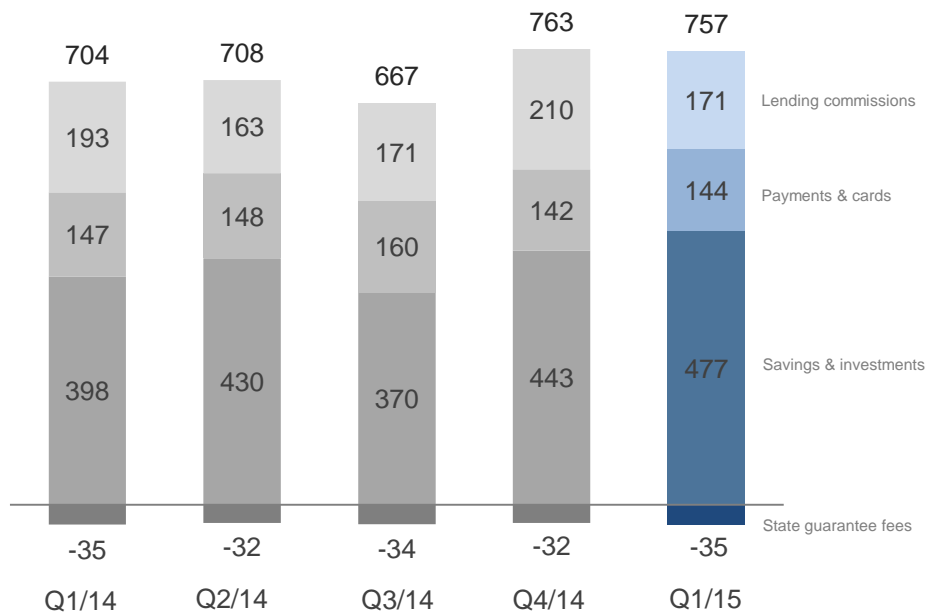
LENDING AND DEPOSIT VOLUMES*, EURbn



* Excluding repos and FX

Net fee and commission income

NET FEE AND COMMISSION DEVELOPMENT, EURm

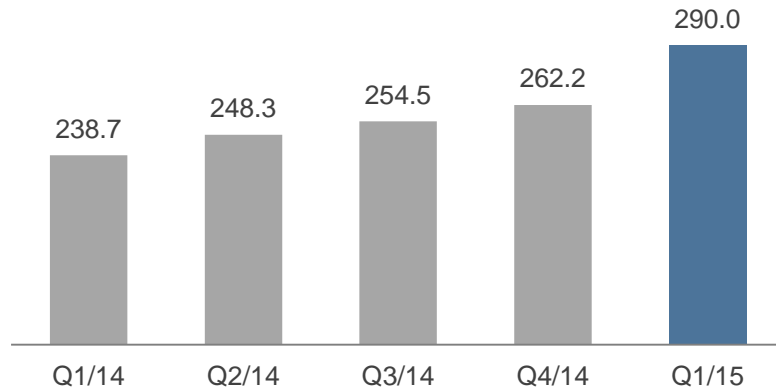


COMMENTS

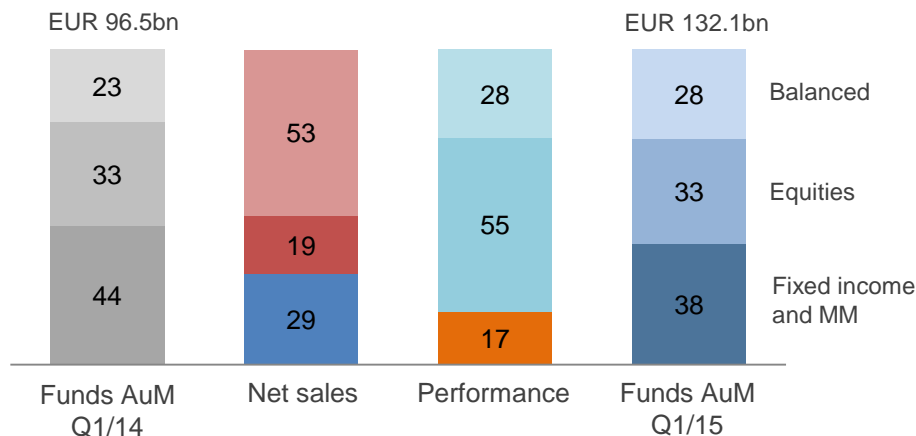
- High net inflow and good performance in asset management
- High activity in corporate finance and brokerage
- Lending commission down from strong level in previous quarter

Strong growth with balanced risk levels in customer savings

AUM DEVELOPMENT, EURbn



AUM FUNDS SPLIT, %

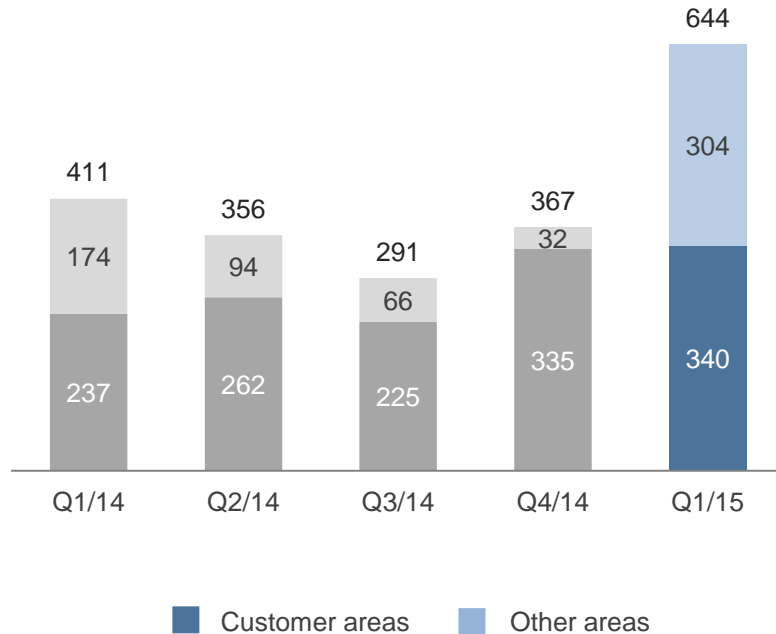


COMMENTS

- All time high AuM at EUR 290bn
- Record high net inflow of EUR 7.2bn
 - Continuous strong and well diversified inflow
- High customer interest in balanced funds – 53% of net sales
- Nordea Stable Return Fund has been the best-selling fund in Europe in the beginning of 2015
- 72% of composites outperformed benchmark over a 3-year period

Net fair value

NET FAIR VALUE DEVELOPMENT, EURm

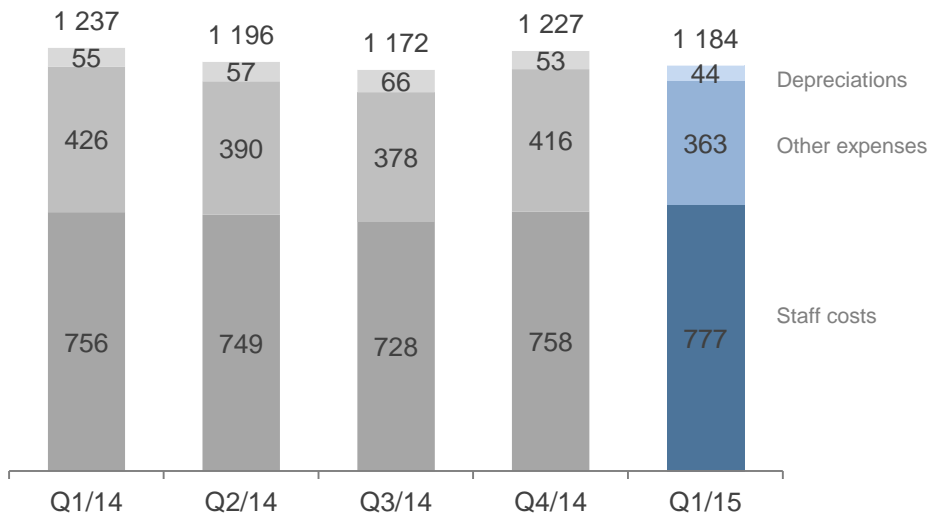


COMMENTS

- Supporting corporate and institutional customers to manage their risks
 - Customer areas up from strong previous quarter
- High activity in capital markets

Expenses under solid control

TOTAL EXPENSES*, EURm



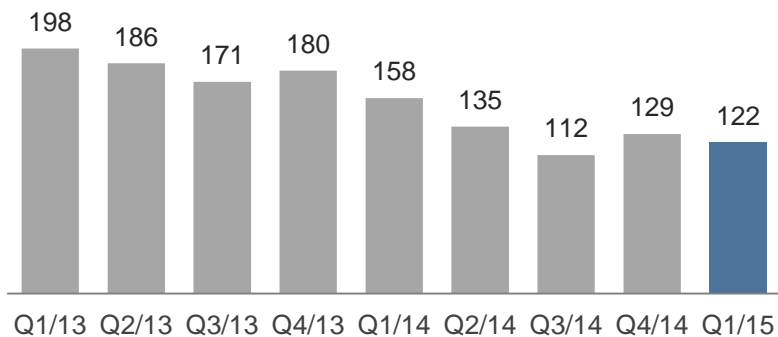
COMMENTS

- Cost/income ratio improved 520 bps to 43.6%
- Costs are down 3.4% in local currencies and excluding variable pay
- Staff costs up 3% in local currencies
 - Higher variable pay and pension expenses
- Other expenses down 12%
- Cost programme delivering according to plan

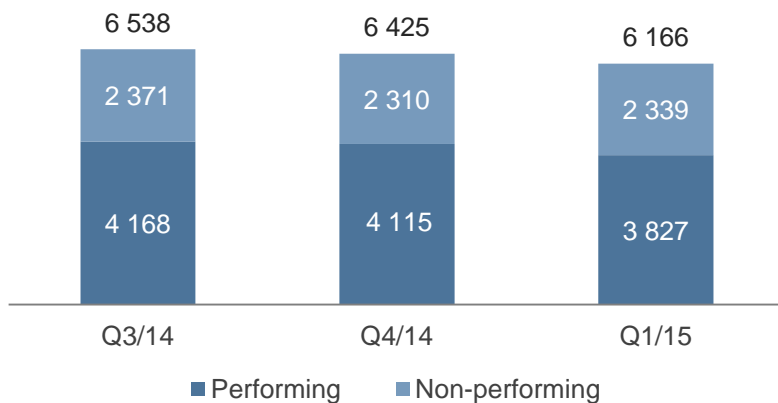
* Excluding non-recurring items

Solid credit quality

TOTAL NET LOAN LOSSES, EURm



IMPAIRED LOANS, EURm

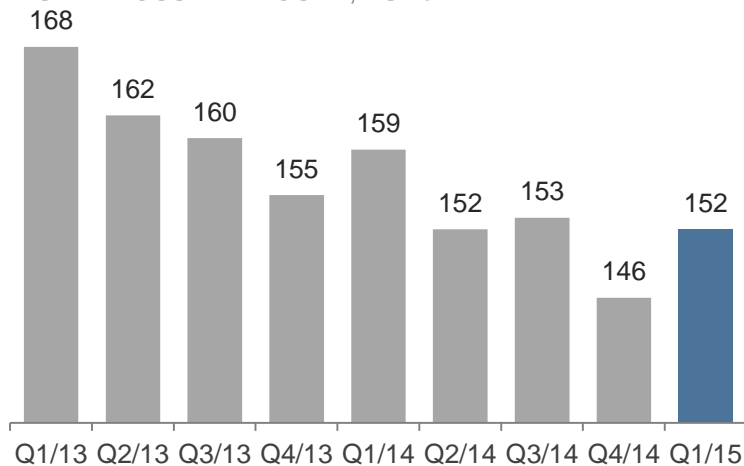


COMMENTS

- Loan losses at 14 bps
- Stable or improving credit quality in all areas
- Impaired loans ratio down from 174bps to 159bps
- Provisioning ratio increased to 45% (43%)

Risk exposure amount

RISK EXPOSURE AMOUNT, EURbn*



COMMENTS

- REA up EUR 6bn in the quarter
 - Positive impact from capital management EUR 1bn
 - Stable credit quality
 - FX effect mainly related to USD, NOK and Swiss franc

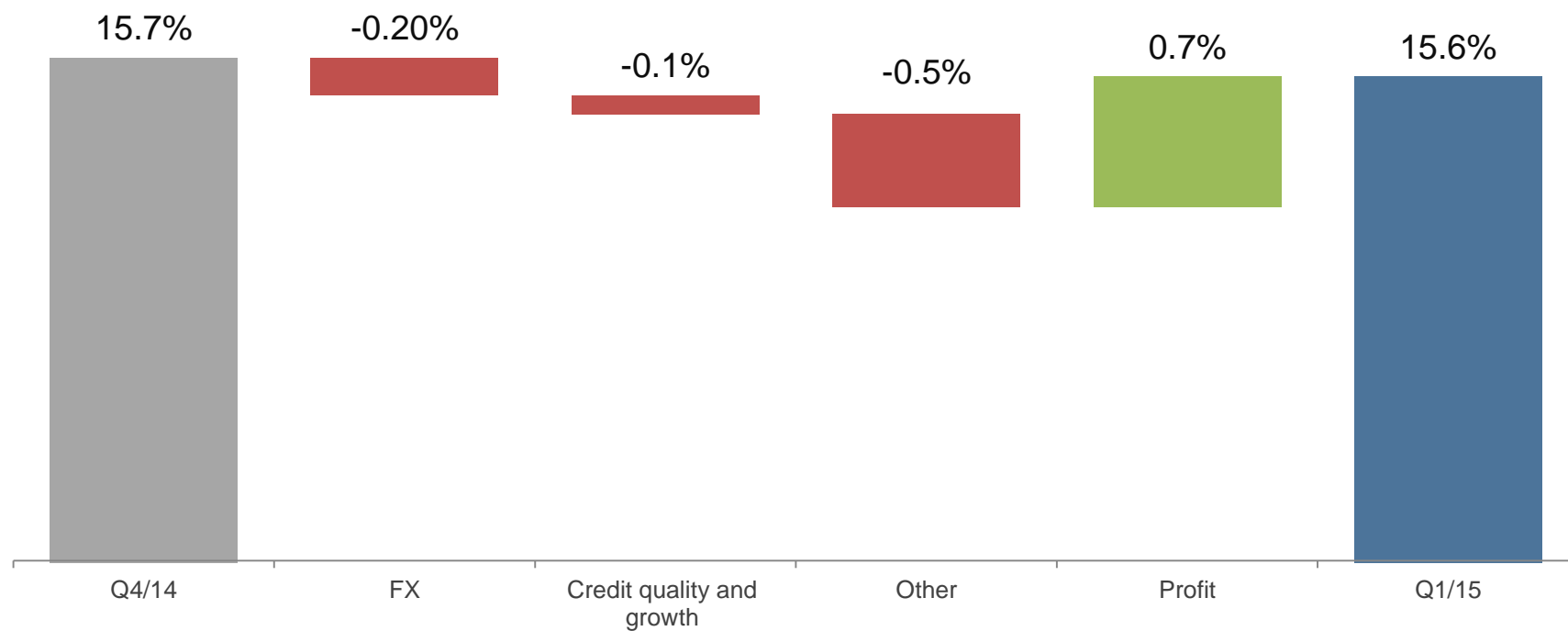
RISK EXPOSURE AMOUNT DEVELOPMENT, EURbn



* Basel 2.5 excluding transition rules until Q4/13. Basel 3 from Q1/14

CET 1 ratio down 10 bps

COMMON EQUITY TIER 1 RATIO DEVELOPMENT, %

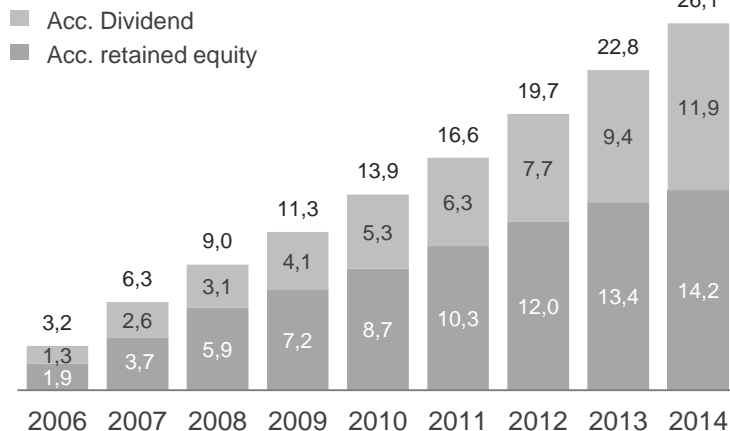


Capital



Strong capitalisation and strong capability to generate capital

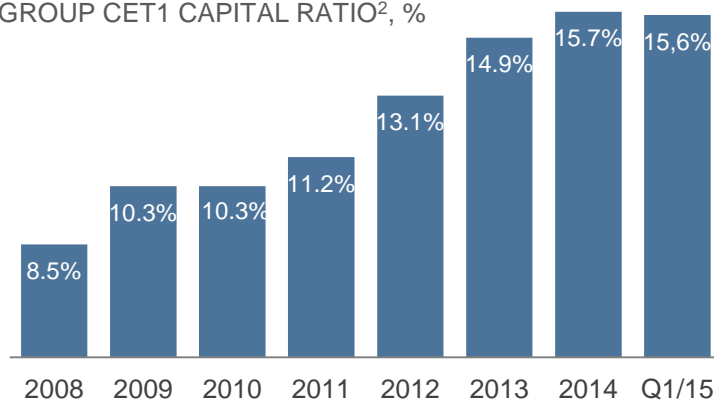
CAPITAL GENERATION¹, EURbn



COMMENTS

- Strong Group CET1 ratio - 15.6% in Q1 2015
- CET 1 capital ratio up 170bps since Q4 2013³

GROUP CET1 CAPITAL RATIO², %



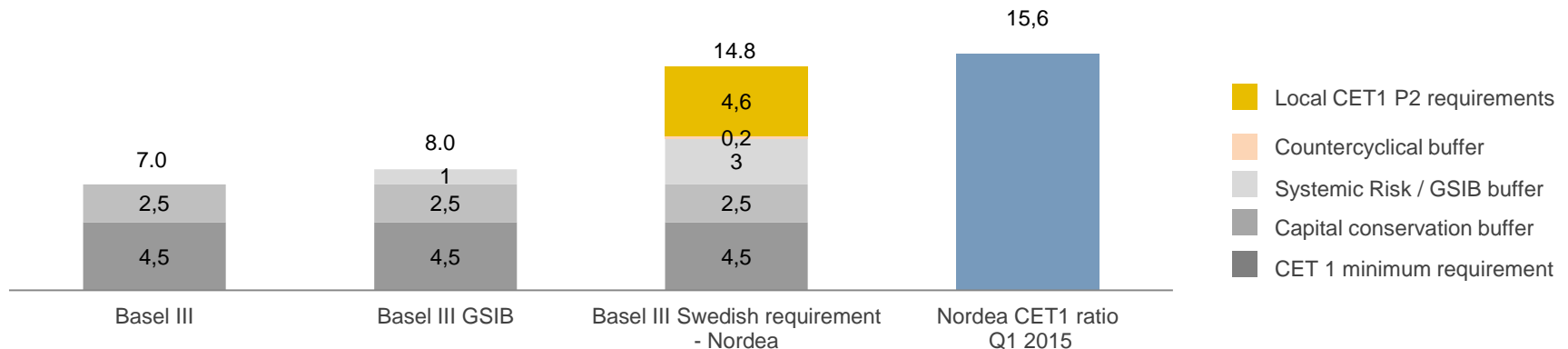
¹ Dividend included in the year profit was generated. Excluding rights issue (EUR 2 495m in 2009)

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

Common Equity Tier 1 capital requirements*

COMMON EQUITY TIER 1 CAPITAL REQUIREMENTS, % OF RWA



- The Swedish FSA quarterly communicates Swedish banks' capital requirements
- Swedish banks are subject to individualised Pillar 2 capital requirements
- For example, a pillar 2 add-on is required due to risk weight floor for Swedish mortgages of 25%
 - i.e. adds 0.8% Pillar 2 CET1 requirement for Nordea

*As disclosed in the Swedish FSA Memorandum on Capital Requirements for Swedish Banks (Feb 17, 2015)

2015 plan update and 2015 Capital Markets Day



Cost plan 2013-15 delivering the targeted 5% reduction with all key elements contributing, but some unplanned events

Cost efficiency clusters in 2015 plan

Streamline physical distribution ✓

Optimise advisory services ✓

Reengineer processes ✓

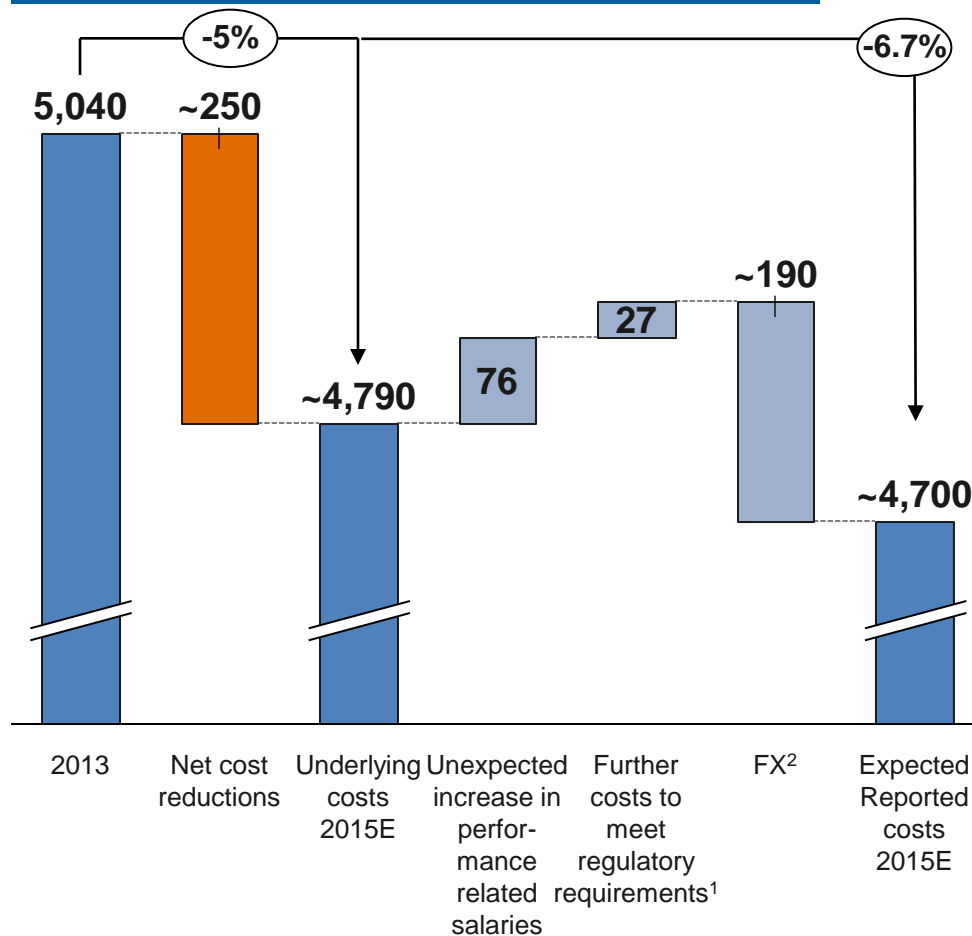
Transform premises ✓

Enhance digitalisation ✓

Streamline IT ✓

Optimise external spend ✓

Cost development 2013-2015



1) Not part of original 2015 plan
2) Based on FX rates as per 1 May 2015

Nordea market commitments and financial priorities 2016-2018

Market commitments

Strong capital generation and efficiency with return of excess capital to shareholders

ROE above the Nordic peer average

Maintain a low risk profile based on actively managed and resilient businesses

Financial priorities

Improved income mix & growth

Continued cost efficiency

Disciplined capital management

Highly stable CET1 ratio

Continued cost efficiency

Key cost drivers and initiatives 2016-2018

Underlying cost drift

- Moderate salary drift
- Premises and other external contracts, e.g., procurement, linked to general inflation

1.5-2%

Cost efficiency

- Continue branch optimisation & remove manual cash handling
- Simplify & automate services, processes and products
- IT and consultancy insourcing

Selected growth areas

- Private Banking distribution capacity, Global Fund Distribution, Focused Wealth Management product development
- Selected areas in Capital Markets and Transaction Banking
- Online service, sales and advice

Compliance and Simplification

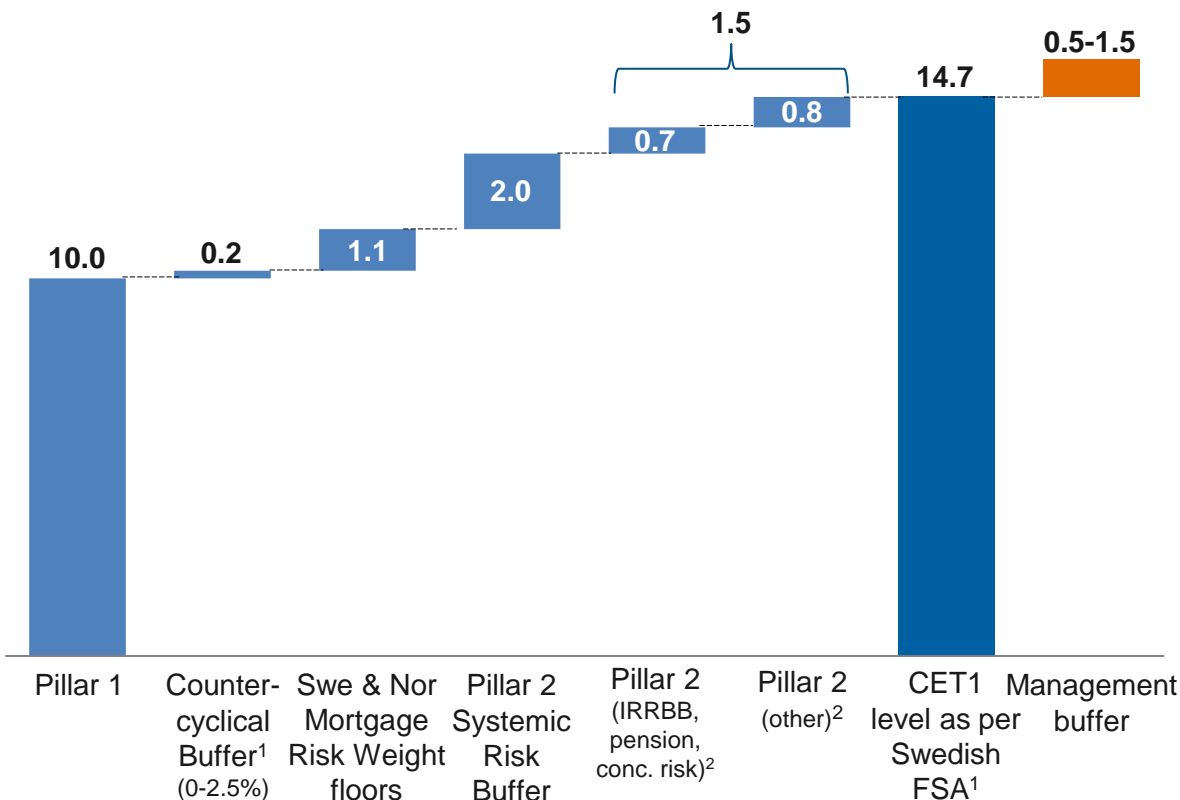
- Investment in Core banking, Payment & Common data platforms
- Resource build up within compliance and operational risk

~1%

<1% cost CAGR

Management buffer reflects Nordea's diversified business

CET1 ratio build-up, %



Management buffer designed to cover

Components	Bps
FX volatility (10% EUR weakening/historical vol. analysis)	~30-40
Pension risk (50bp decrease of discount rates)	~20
Countercyclical buffer variation, unforeseen events	~0-90
Total management buffer	50-150

- Supported by close to 10 year track-record of low CET1-ratio volatility of 21/38bps
- Committed to maintaining a strong capital base and actively managing to further reduce CET1 ratio volatility

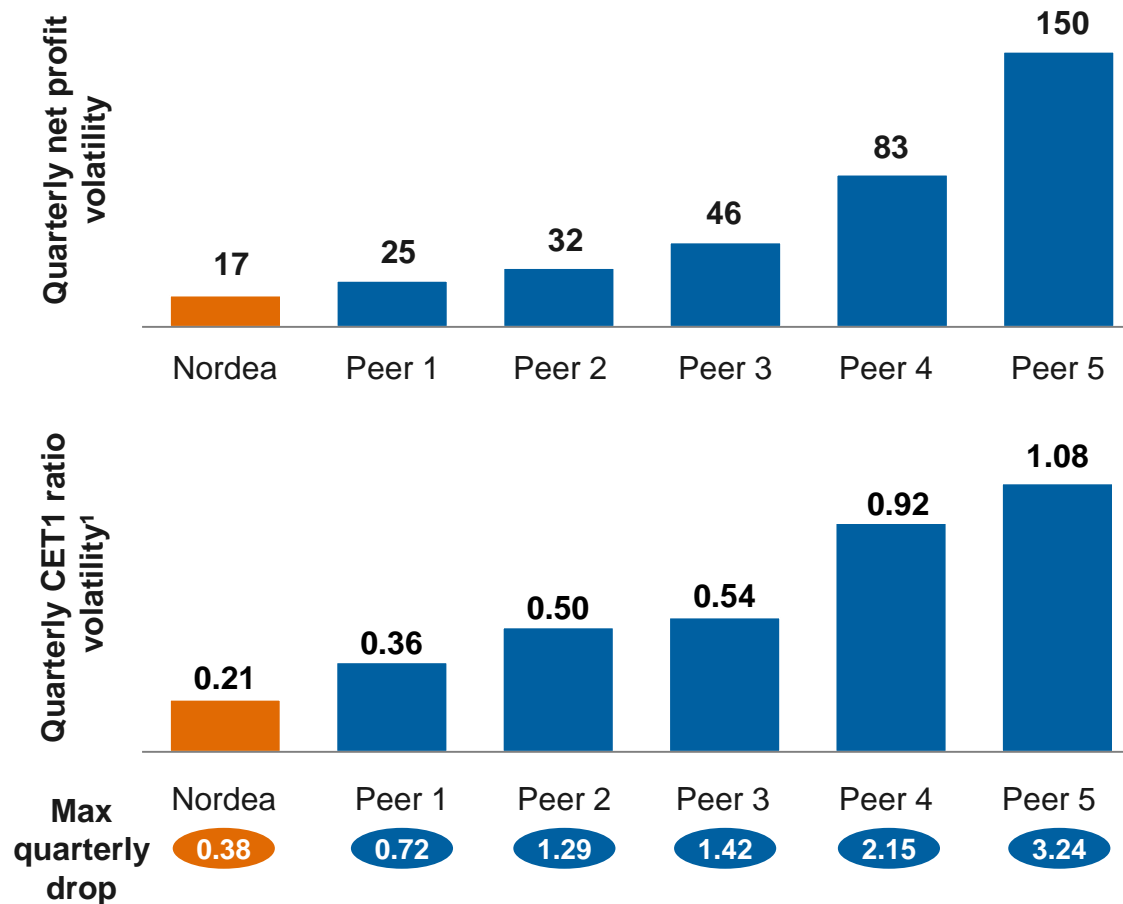
1) Countercyclical buffer only applied for Sweden in accordance with Swedish FSA Memorandum on Capital Requirement for Swedish banks (Feb 17, 2015)

2) In the Swedish FSA Memorandum on May 11, 2015 (adjusted requirement on the assessment of capital requirements from three significant risk types), the Swedish FSA published the final methods for assessing requirements for three different risk types. The CET1 requirement for Nordea based on these methods is estimated to 0.7%. Note that individual Pillar 2 CET1 requirements for other risks are estimated and agreed bilaterally with the Swedish FSA in the SREP and can vary over time. In the Swedish FSA Memorandum on Capital Requirements for Swedish Banks (Feb 17, 2015) a standardised CET1 value of 1.5% was used for other Pillar 2 risks

Earnings stability

– The most stable bank in the Nordics

Nordea and peers 2006-2015, %



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

Group financial targets 2016-2018

Financial Targets - based on currently known regulatory requirements

Dividend policy	Dividend pay-out ratio of at least 75% ¹
Capital policy	Management buffer of 50-150 bps above the regulatory CET1 requirement
RoE	RoE above the Nordic peer average ²
Costs	<1% cost CAGR ³
REA	Largely unchanged

A total dividend CAGR of >10%

1) For 2015 the dividend ambition is unchanged, i.e., to increase the pay-out ratio from 2014

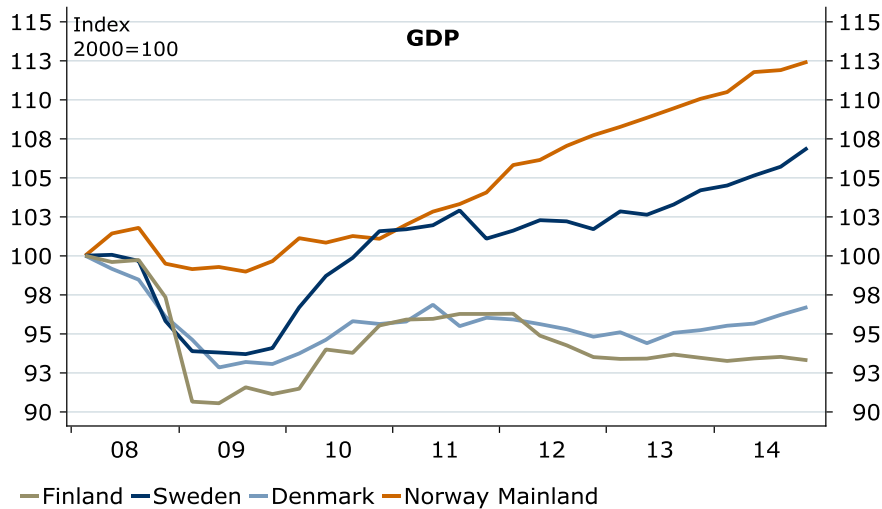
2) Weighted to reflect Nordea's Nordic geographic mix

3) Excluding FX and performance related salaries

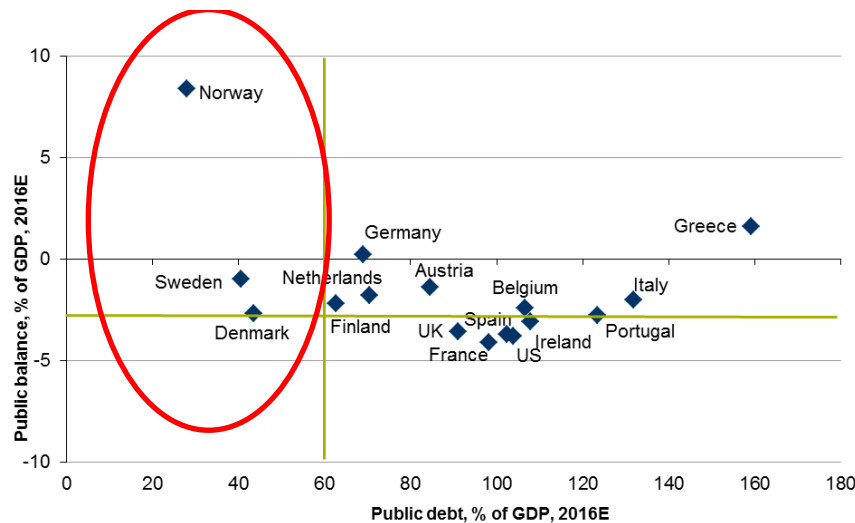
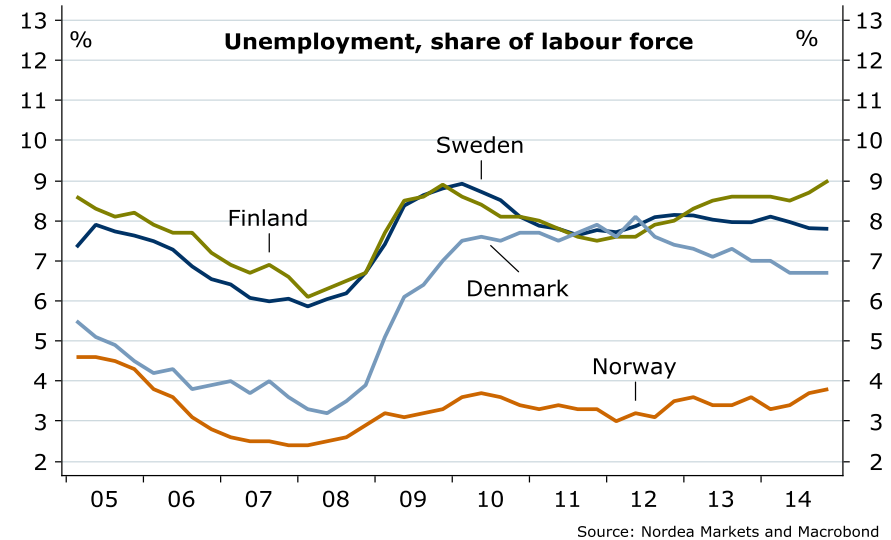
Q1 2015 Macro



Resilient Nordic economies



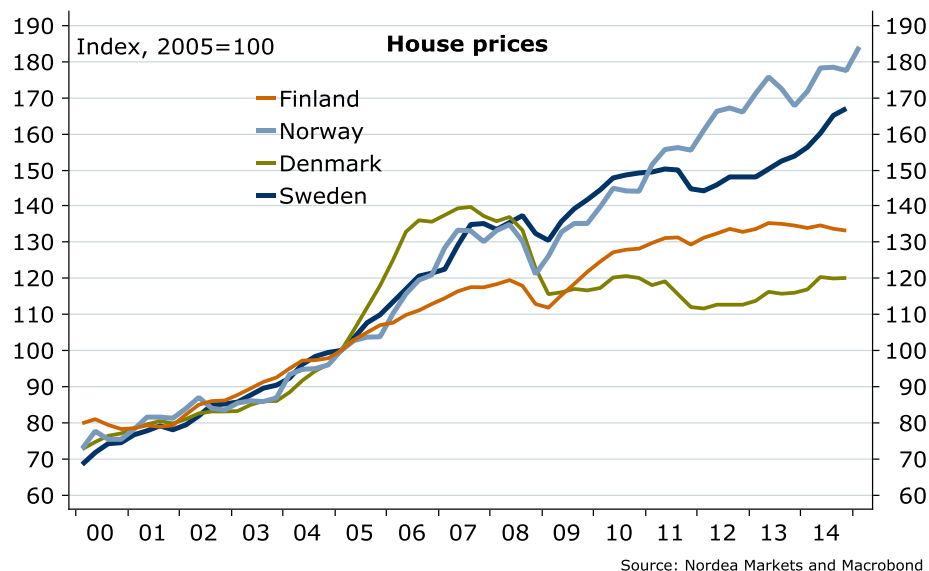
Source: Nordea Markets and Macrobond



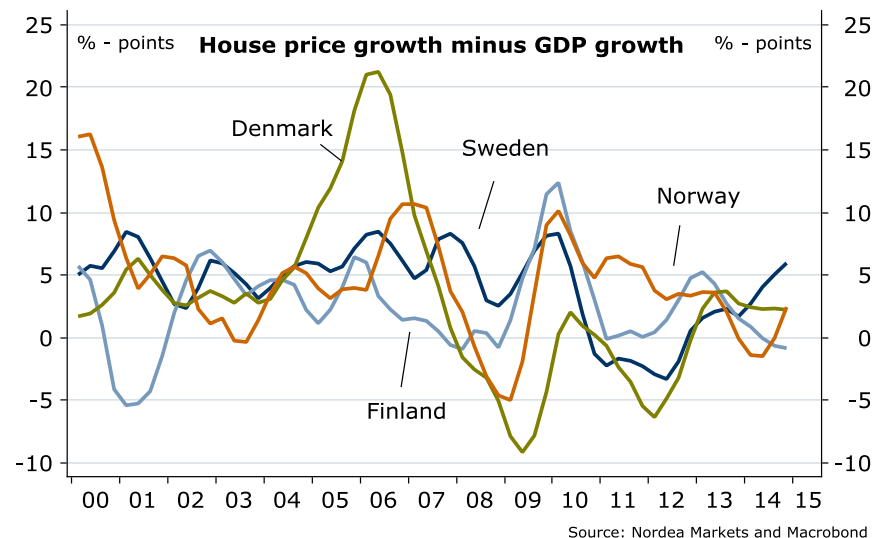
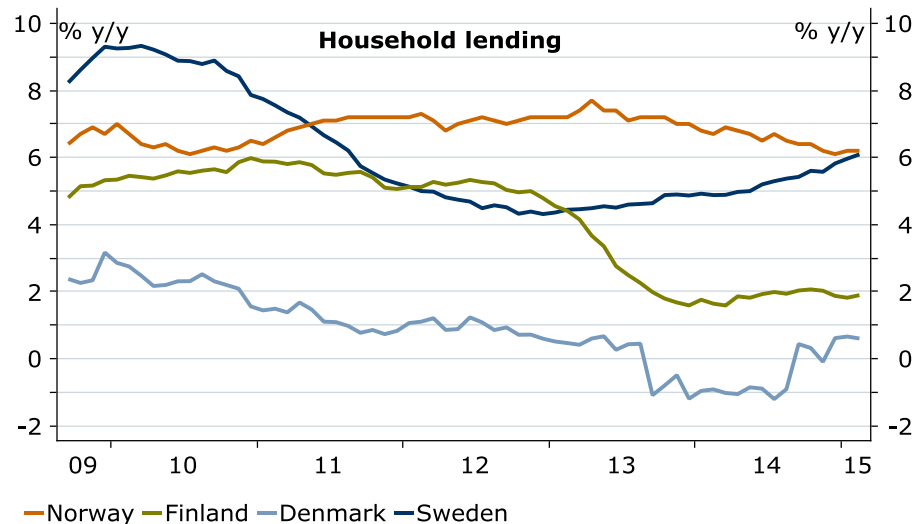
Source: Nordea Markets, European Commission, Winter 2015 forecast

- 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.
- 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.
- Nordic sovereigns are all rated Aaa/AAA/AAA.

House price development in the Nordics



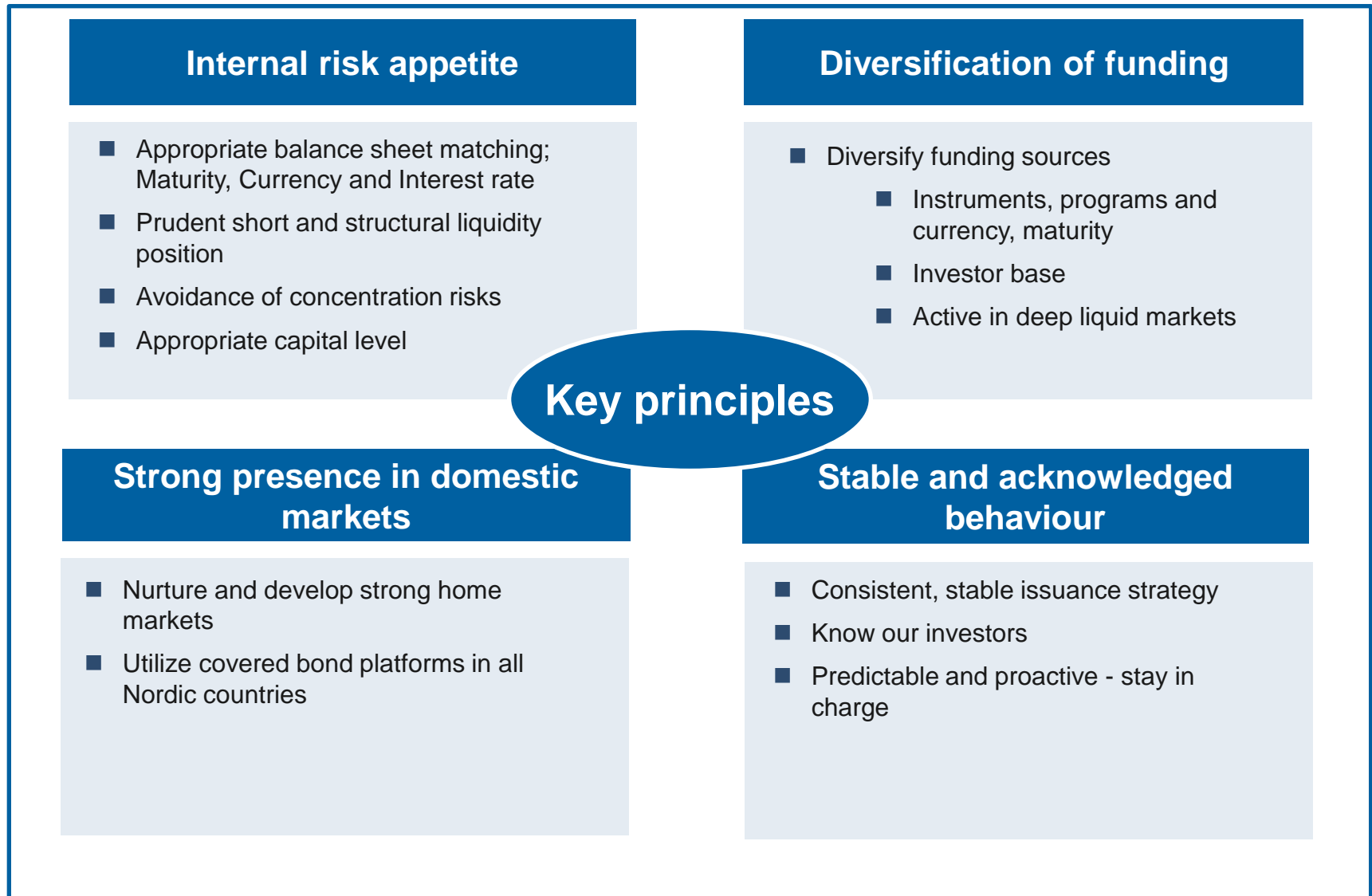
- In Sweden and Norway house prices carry on upwards. Fundamentals, such as population growth, and low mortgage rates suggest that the trends will continue. For both countries, however, a more moderate growth pace should be expected over the coming years.
- House prices in Finland has stabilized on the back of the poor overall economic performance. In Denmark, house prices have started to recover after years of sluggish development.



Q1 2015 Funding

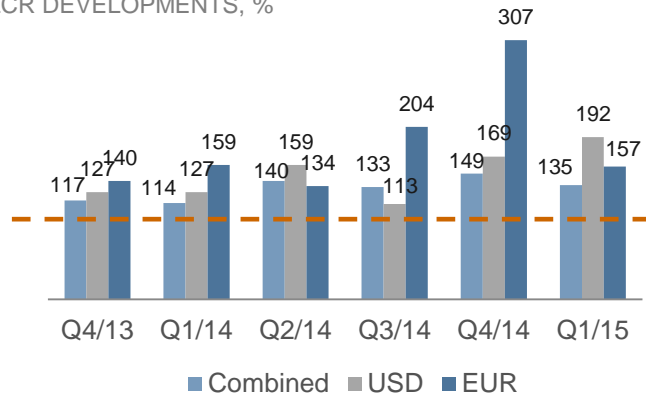


Securing funding while maintaining a prudent risk level

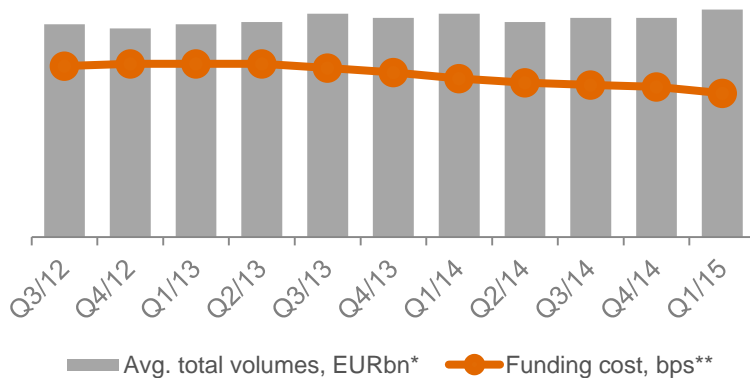


Solid funding operations

LCR DEVELOPMENTS, %



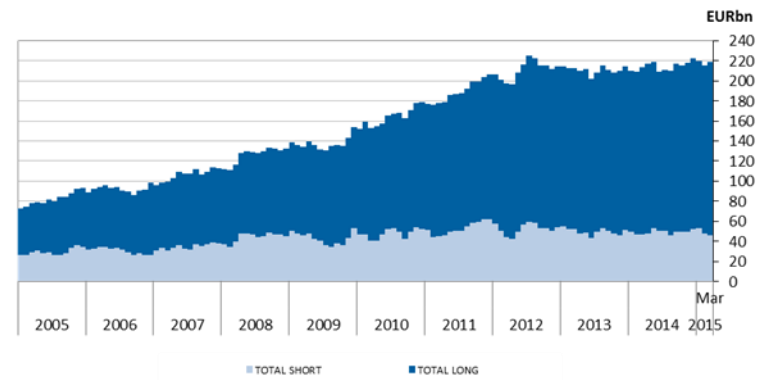
LONG TERM FUNDING VOLUMES AND COST



COMMENTS

- Long term issuance of EUR 8bn during Q1
- Conservative liquidity management
 - LCR compliant to Swedish rules
 - Liquidity buffer EUR 66bn
- 74%*** of issuance is long-term
- Funding costs trending down

DISTRIBUTION OF SHORT VS LONG FUNDING,



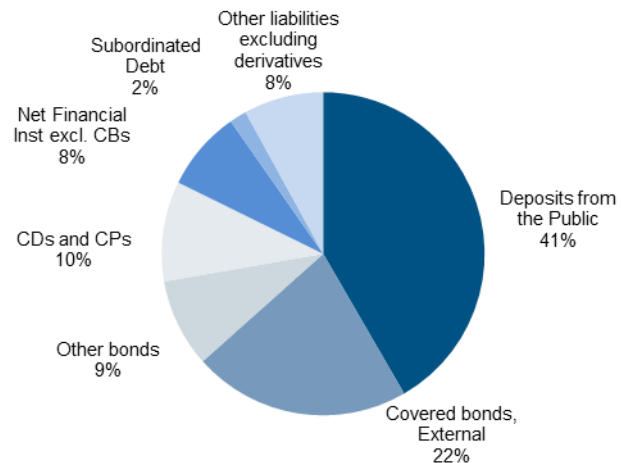
*Senior unsecured and covered bonds (excluding Nordea Kredit, seasonal effects in volumes due to redemptions)

** Spread to Xibor

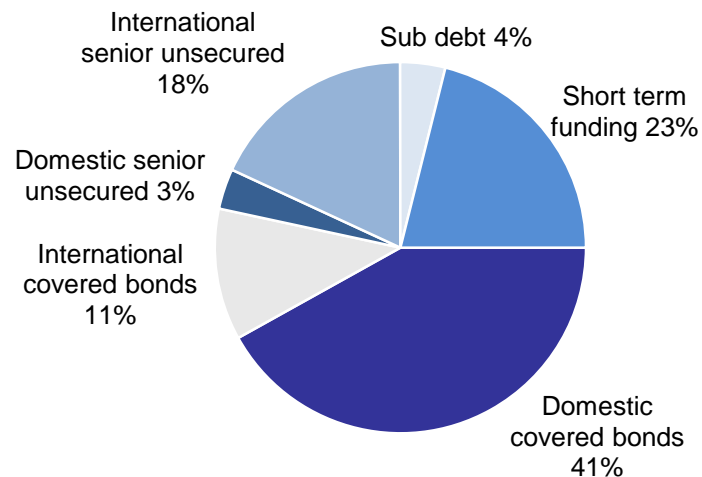
***Adjusted for internal holdings

Stable funding with strong market access – Q1 2015

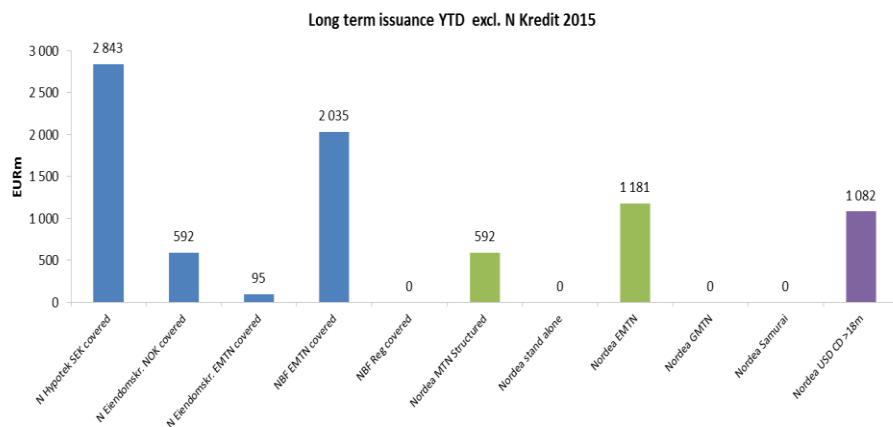
Total funding base, EUR 478bn* (balance sheet)



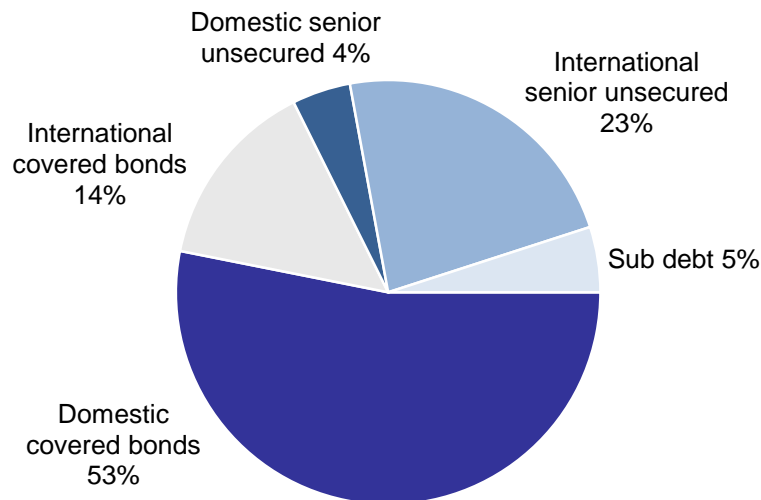
Long- and short term funding, EUR 219bn**



Long term funding - 2015 composition

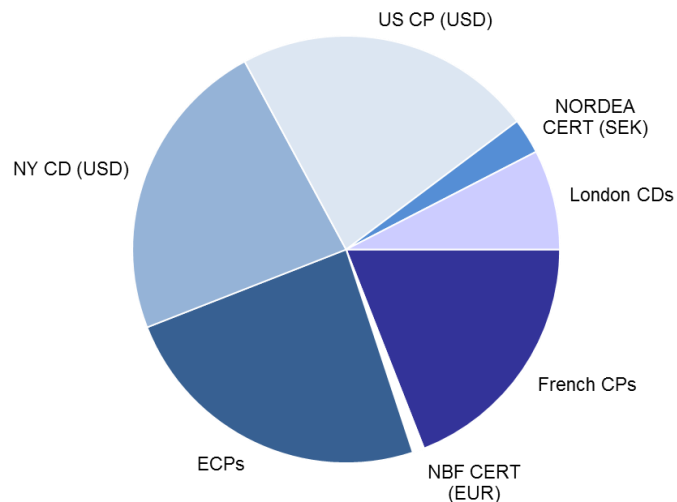


Long term funding issuance by instrument



Short term issuance, diversification and duration – Q1 2015

Diversification of Short-term funding programs EUR 46.2bn



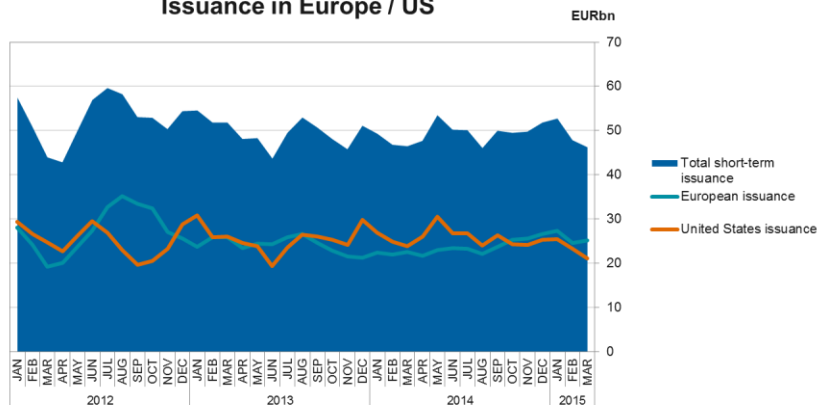
Comments

Nordea actively manages its short term funding mix

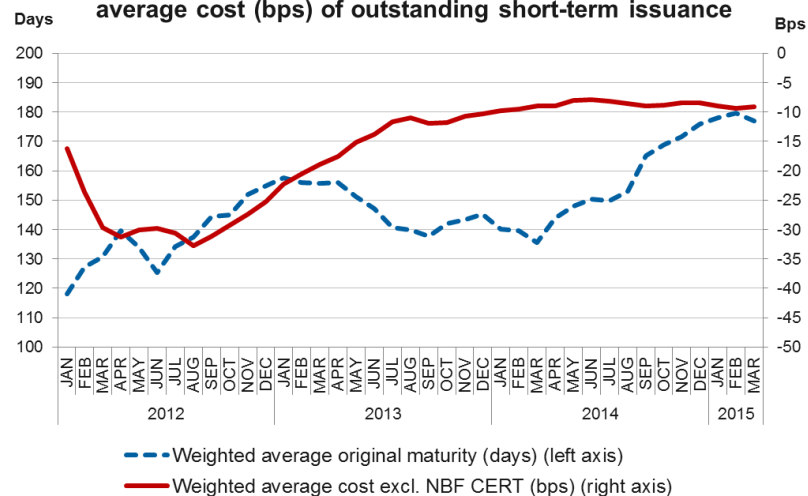
- ✓ Balance between programs – contingent development
- ✓ Maintained stable spread development
- ✓ Weighted average original maturity remain around 180 days in 2015

Short-term funding programs - outstanding by geographical area

Issuance in Europe / US

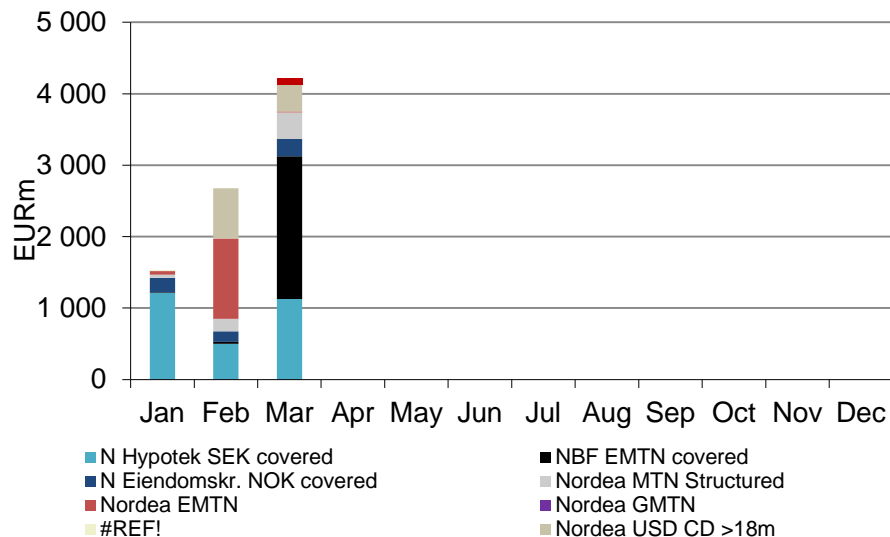


Weighted average original maturity (days) and weighted average cost (bps) of outstanding short-term issuance

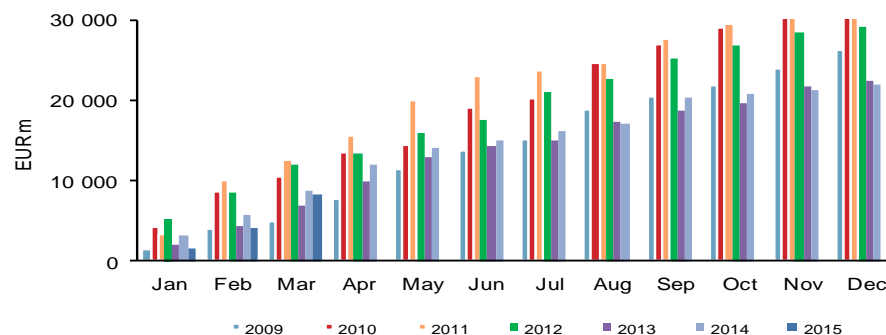


Long term issuance per March 2015 – EUR 8.4bn (excl. Nordea Kredit and AT1)

MONTHLY LTF ISSUANCE 2015¹



ACCUMULATED LONG TERM FUNDING¹



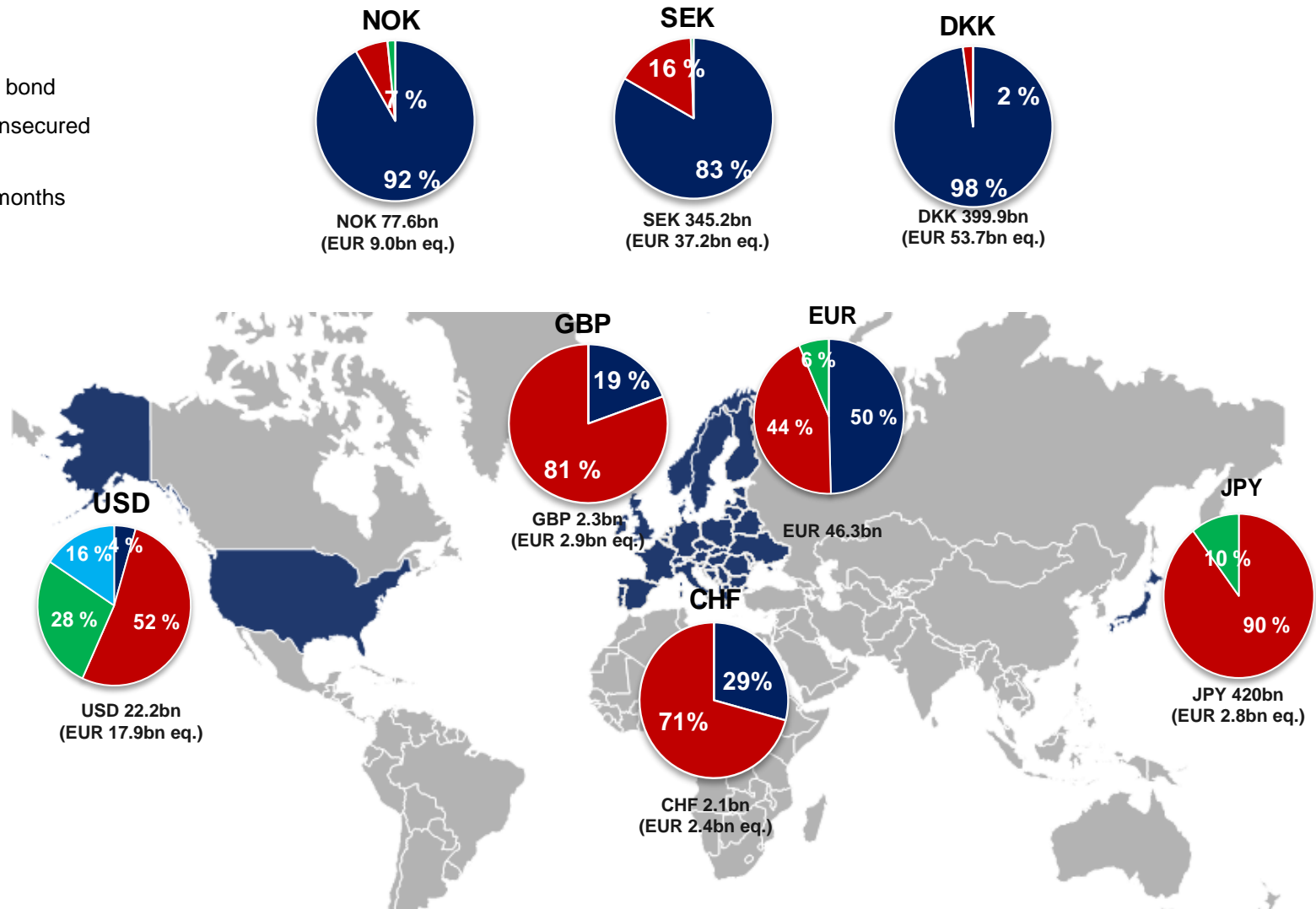
COMMENTS

- **Benchmark transactions 2015**
 - EUR 1bn 1,125% 10yr senior (Feb)
 - EUR 1bn NBF Covered 5.25yr (Mar)
 - EUR 1bn NBF Covered 12yr (Mar)
- **Major EMTN placements 2015**
 - EUR 50m 5yr senior (Jan)
 - SEK 1bn 5yr senior (Feb)
 - GBP 75m NEK Covered 5yr (Mar)
- **Domestic covered bond issuance 2015**
 - SEK 26.4bn Nordea Hypotek
 - NOK 5.2bn Nordea Eiendomscreditt

1. Excl. Nordea Kredit and Subordinated debt

Nordea's global issuance platform

- Covered bond
- Senior unsecured
- Capital
- CD>18 months



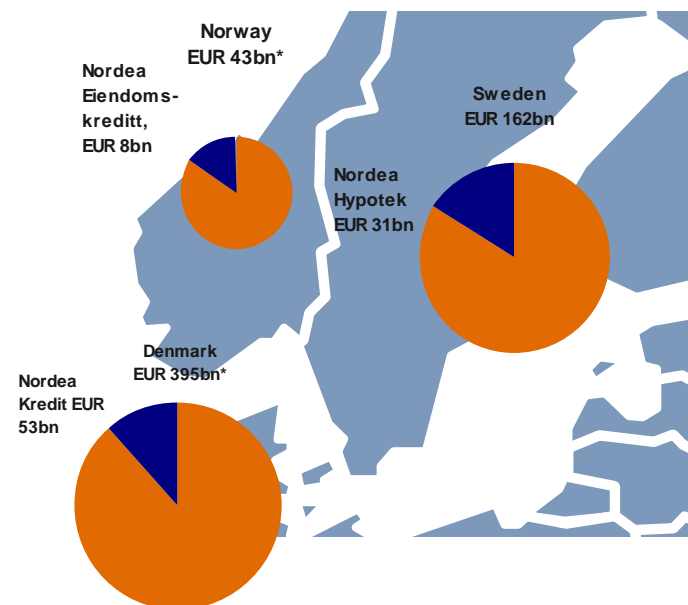
Nordea's wholesale funding source is globally well diversified





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
 - Markets have remained open throughout the financial crisis
 - Tap issuance format via contracted market-makers reduce execution risk
- International covered bond markets complement Nordea's domestic funding
 - Regular benchmark issuance in EUR
 - Complementary issuance in GBP and USD
- Nordea covered bonds carry ECBC Covered Bond Label



Nordic domestic covered bond market sizes*



Q1 2015	Nordea Bank Finland 	Nordea Eiendomskreditt 	Nordea Hypotek 	Nordea Kredit 
Legislation	Finnish	Norwegian	Swedish	Danish/SDRO
Cover pool size	EUR 19.4bn	EUR 10.9bn eq	EUR 49.4bn 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 17.7bn	EUR 9.5 bn (Eq.)	EUR 34.3bn (Eq.)	EUR 55.4 bn (Eq.)
OC	17.4%	16.8%	43.2%	CC1: 10.1% / CC2: 12.1%
Currencies of issuance	EUR	NOK, GBP, USD (+others)	SEK	DKK, EUR
Rating (Moody's/S&P)	Aaa/-	Aaa/-	Aaa/AAA	Aaa/AAA

Encumbered and unencumbered assets

Q1 2015 Asset Encumbrance

Template A - Assets	Carrying amount of encumbered assets	Carrying amount of unencumbered assets
Assets of the reporting institution	156 120	518 855
Equity instruments	2 565	8 024
Debt securities	20 669	57 938
Other assets	25 028	137 881

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	36 356	34 272
Equity instruments	0	1 655
Debt securities	36 356	9 020
Other collateral received	0	14 778
Own debt securities issued other than own covered bonds or ABSs	0	10

Encumbrance according to sources	Covered bonds	Repos	Derivatives	Other
Total encumbered assets and re-used collateral received	104 965	48 882	32 004	6 624
Cash			25 033	919
Net encumbered loans	104 965			
Own covered bonds encumbered		927	765	277
Own covered bonds received and re-used		1 661	33	119
Securities encumbered		16 840	2 448	3 946
Securities received and re-used		29 454	3 726	1 363

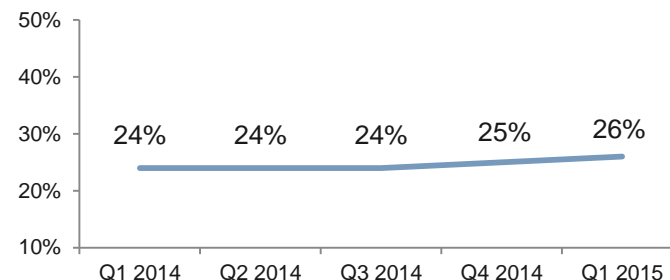
ASSET ENCUMBRANCE RATIO 25,8 %

**Unencumbered assets net of other assets/
Unsecured debt securities in issue*** 411 %

Asset encumbrance methodology aligned with EBA Asset Encumbrance definitions from Q4 2014

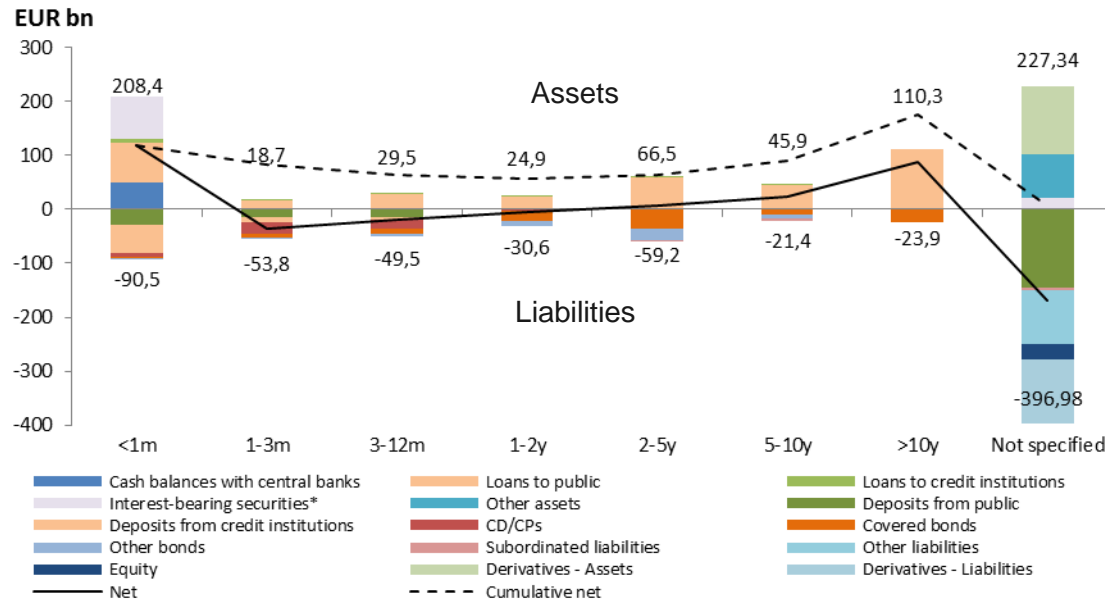
*Q1 2015: EUR 92.8bn

Asset Encumbrance stable over time



Maturity profile

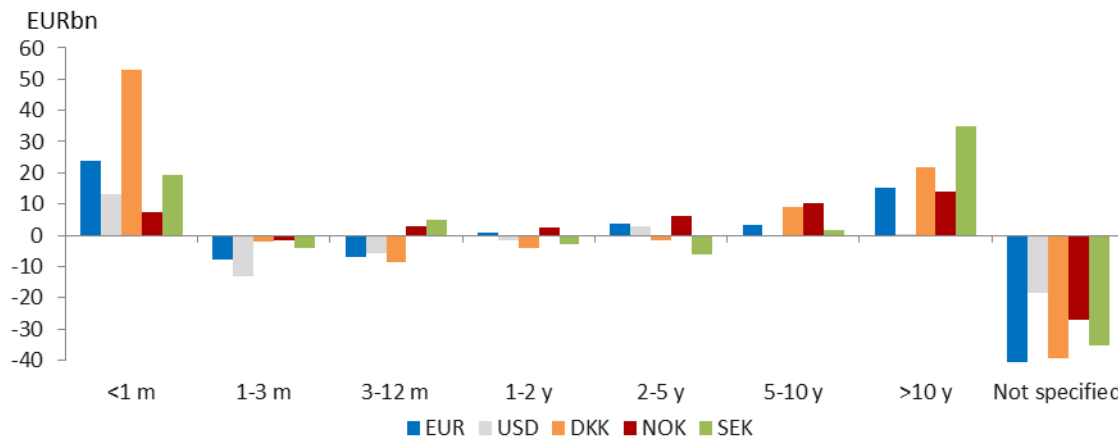
Maturity profile by product



* Includes Group Treasury's liquidity portfolio

Not specified: items with no fixed maturity, incl. stable deposits, equity etc.

Maturity gap by currency

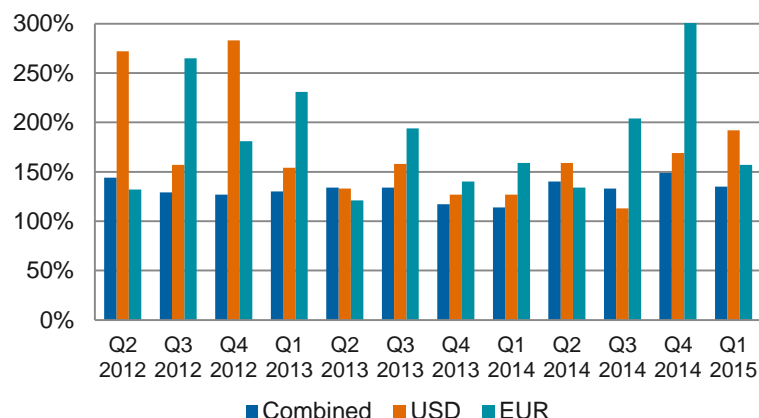


Comments

- 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
- Balance sheet considered to be well balanced even in foreign currencies

Liquidity Coverage Ratio

Liquidity Coverage Ratio



Q4 2013 numbers calculated according to the new Swedish LCR rules

- LCR limit in place as of Jan 2013
 - LCR of 135% (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)

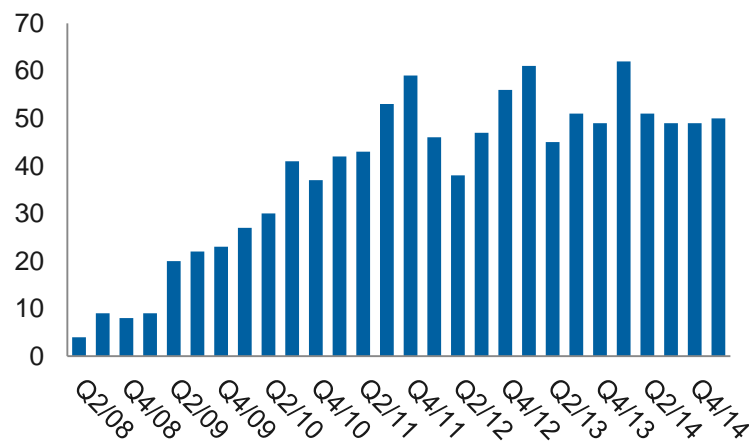
LCR subcomponents, EURbn

EURbn	Combined		USD		EUR	
	After factors	Before factors	After factors	Before factors	After factors	Before factors
Liquid assets level 1	70	70	33	33	9	9
Liquid assets level 2	25	30	1	1	5	6
Cap on level 2	0	0	0	0	0	0
A. Liquid assets total	96	100	34	34	14	15
Customer deposits	40	164	7	13	10	50
Market borrowing *	73	75	26	26	24	24
Other cash outflows **	7	47	1	8	2	13
B. Cash outflows total	120	286	34	48	36	88
Lending to non-financial customer	7	14	1	1	3	7
Other cash inflows	43	46	16	17	28	29
Limit on inflows	0	0	0	0	-5	0
C. Total inflows	50	60	16	18	27	36
LCR Ratio [A/(B-C)]	135%		192%		157%	

*Corresponds to Chapter 4, Articles 10-13 in Swedish LCR regulation, containing e.g. portion of corporate deposits, market funding, repos and other secured funding

**Corresponds to Chapter 4, Articles 14-25, containing e.g. unutilised credit and liquidity facilities, collateral need for derivatives, derivative outflows

Net Balance of Stable Funding, EURbn



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

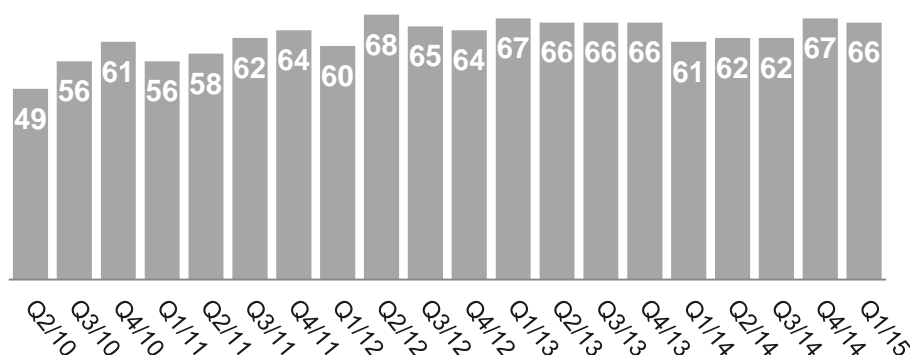
By instrument and currency - Q1 2015

Liquidity Buffer composition

Market value EURm					
	SEK	EUR	USD	Other	Total
Cash and balances with central banks	47	127	24 811	25 418	50 403
Balances with other banks	111	1	8	154	274
Securities issued by sovereigns etc*	3 550	8 077	8 119	1 844	21 590
Covered bonds by other financial inst*	6 988	6 931	638	10 701	25 258
Covered bonds by own bank or related unit	56	806	0	3 563	4 425
All other securities**	252	315	2 685	28	3 281
Total (according to Swedish Swedish Bankers' Association definition)	11 150	16 761	36 520	41 782	106 212
Adjustments to Nordea's official buffer: cash and balances with other banks/central banks (-), central banks haircuts (-)	-583	-430	-25 216	-13 615	-39 843
Total Liquidity buffer (Nordea definition)	10 567	16 331	11 303	28 168	66 369

- 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 106bn

Time series- Liquidity buffer, EURbn



* 0-20 % Risk weight

** All other eligible and unencumbered securities held by Treasury

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