



Fourth Quarter and Full Year Results 2015

Investor presentation

Casper von Koskull, President, Group CEO

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.

Highlights

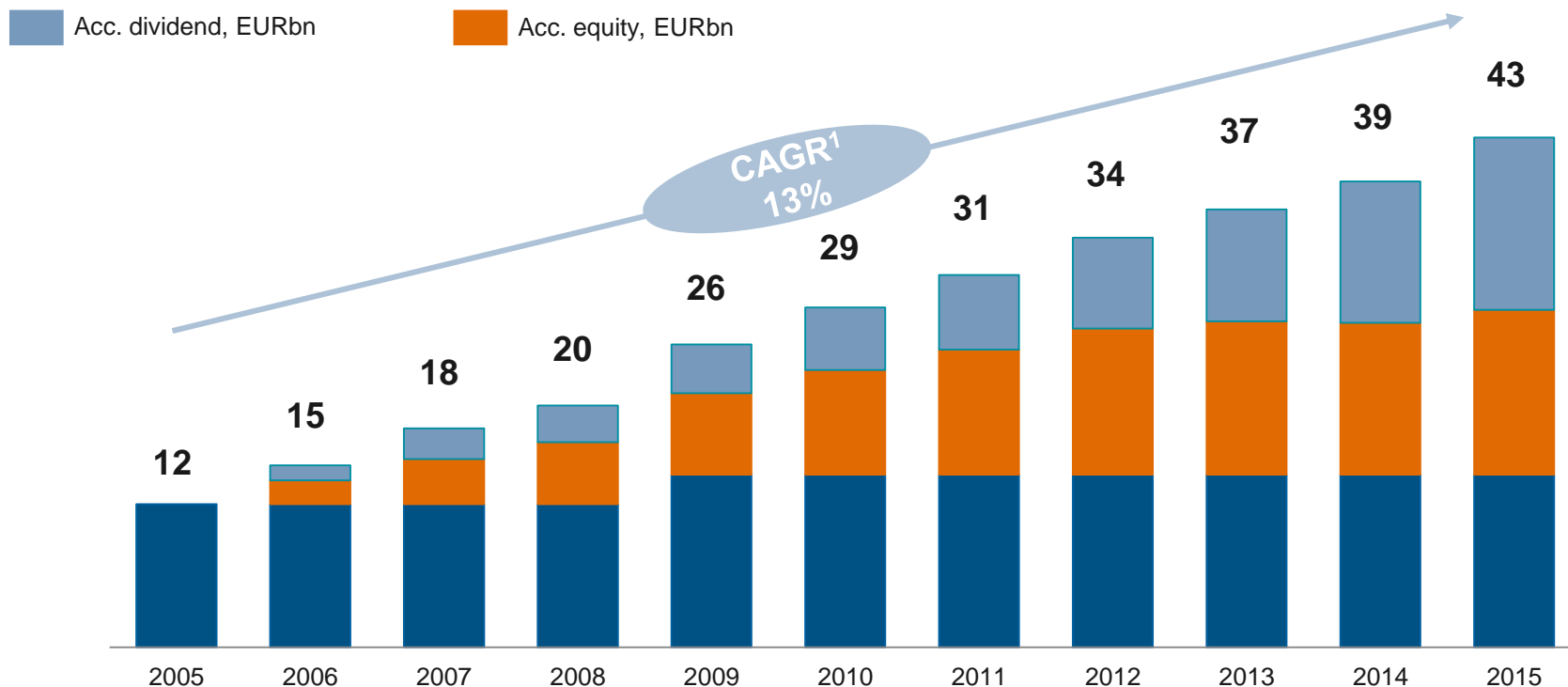
2015 vs. 2014*

- ✓ Income up 3%
- ✓ Cost target of EUR 4.7bn achieved
- ✓ Improved credit quality
- ✓ CET 1 ratio improved 80 bps to 16.5%
- ✓ Proposed dividend of EUR 0.64 cent
 - ✓ New dividend policy
- ✓ 2016-2018 a transition period
 - ✓ Execute on transformational change agenda
 - ✓ Key activities lead to a restructuring charge of EUR 263m
 - ✓ Investments in core banking platform and digital customer solutions

* In local currencies and excluding non-recurring items

Strong Nordea track record

Strong capital generation and stable returns at low risk¹



CET 1
Ratio, %

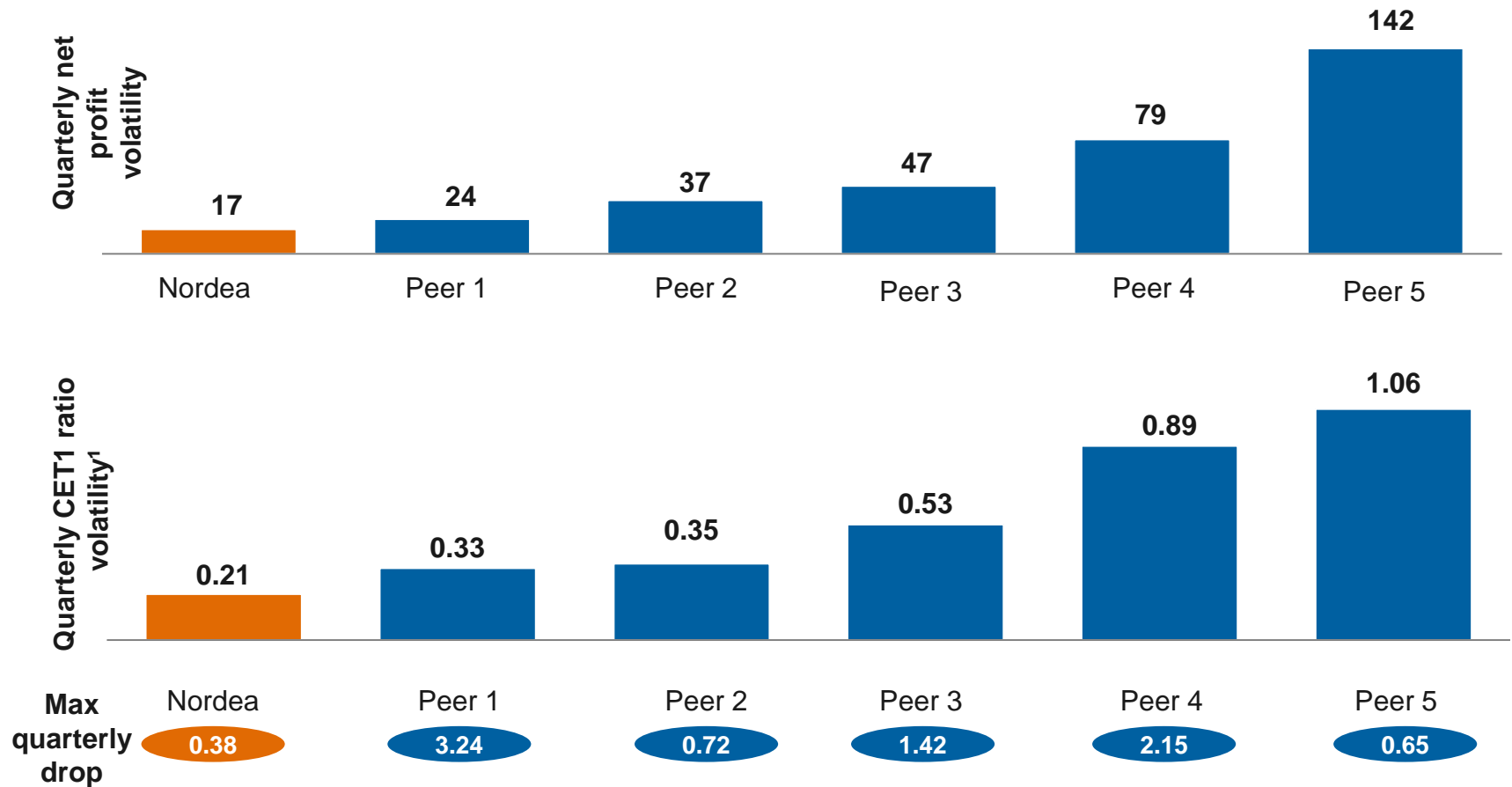
5.9²

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 - Q3 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

Q4 2015 financial results highlights

Financial results

| EURm | Q4/15 | Q3/15 | Chg Q4/Q3 % | Loc. curr. Chg % | Chg Q4/Q4 % | Loc. curr. Chg % | 2015 | 2014 | Chg 15/14 % | Loc. curr. Chg % |
|---------------------------------|--------|--------|-------------------|------------------------|-------------------|------------------------|--------|--------|-------------------|------------------------|
| Net interest income | 1 241 | 1 272 | -2 | -2 | -8 | -6 | 5 110 | 5 482 | -7 | -4 |
| Net fee & commission income | 768 | 717 | 7 | 7 | 1 | 2 | 3 025 | 2 842 | 6 | 8 |
| Net fair value result | 436 | 222 | 96 | 95 | 19 | 17 | 1 703 | 1 425 | 20 | 19 |
| Total income* | 2 645 | 2 253 | 17 | 17 | 5 | 7 | 10 140 | 10 241 | -1 | 1 |
| Total income*, ** | 2 469 | 2 253 | 10 | 10 | -2 | 0 | 9 964 | 9 864 | 1 | 3 |
| Total expenses | -1 476 | -1 108 | 33 | 33 | 20 | 21 | -4 957 | -5 400 | -8 | -6 |
| Total expenses** | -1 213 | -1 108 | 9 | 9 | -2 | 0 | -4 694 | -4 866 | -4 | -1 |
| Net loan losses | -142 | -112 | 27 | 25 | 10 | 12 | -479 | -534 | -10 | -8 |
| Operating profit | 1 027 | 1 033 | -1 | 0 | -11 | -9 | 4 704 | 4 307 | 9 | 11 |
| Operating profit** | 1 114 | 1 033 | 8 | 8 | -4 | -2 | 4 791 | 4 464 | 7 | 9 |
| Net profit from cont. op | 848 | 780 | 9 | 10 | -3 | -2 | 3 662 | 3 357 | 9 | 11 |
| Return on equity** (%) | 11.5 | 10.4 | +110 bps | - | -30 bps | - | 12.3 | 11.5 | +80 bps | - |
| CET1 capital ratio (%) | 16.5 | 16.3 | +20 bps | - | +80 bps | - | 16.5 | 15.7 | +80 bps | - |
| Cost/income ratio** (%) | 49 | 49 | -10 bps | - | +20bps | - | 47 | 49 | -220 bps | - |

* Including other income

** Excluding non-recurring items

Retail Banking financial development

FINANCIAL RESULT

COMMENTS

| EURm | Q4/15 | Q3/15 | Chg Q4/Q3 % | 2015 | 2014 | Chg 15/14 % | Chg 15/14 local % |
|-----------------------------|-------|-------|-------------------|--------|--------|-------------------|----------------------------|
| Net interest income | 847 | 866 | -2 | 3 502 | 3 832 | -9 | -7 |
| Net fee & commission income | 248 | 264 | -6 | 1 077 | 1 094 | -2 | -1 |
| Net fair value result | 100 | 104 | -4 | 438 | 398 | 10 | 13 |
| Total income | 1 200 | 1 251 | -4 | 5 063 | 5 361 | -6 | -4 |
| Total expenses | -637 | -638 | 0 | -2 593 | -2 825 | -8 | -6 |
| Net loan losses | -83 | -67 | 24 | -316 | -431 | -27 | -26 |
| Operating profit | 480 | 546 | -12 | 2 154 | 2 105 | 2 | 4 |

Income:

- Lower interest rates pressure deposit margins
- Good lending growth in households in Sweden and Norway – low elsewhere
- Low activity in Denmark puts pressure on NCI in Q4

Costs:

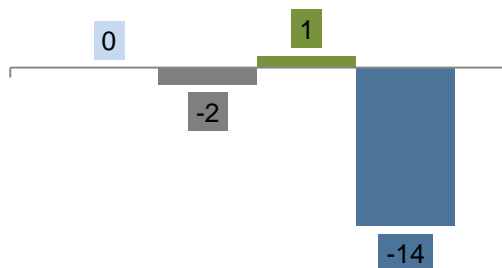
- Reduced costs by 6% y-o-y
- Unchanged costs q-o-q despite seasonality

Retail Banking business development

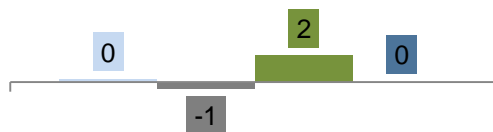
QUARTERLY DEVELOPMENT IN VOLUMES (LOCAL CURR.%) AND MARGINS, BPS*

■ Loan growth ■ Change lending margin
■ Deposit growth ■ Change deposit margin

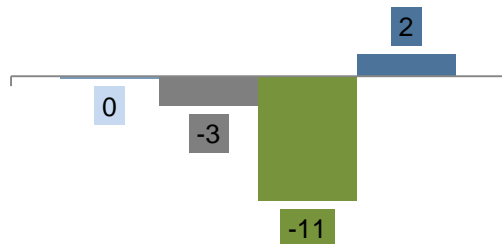
BANKING DENMARK



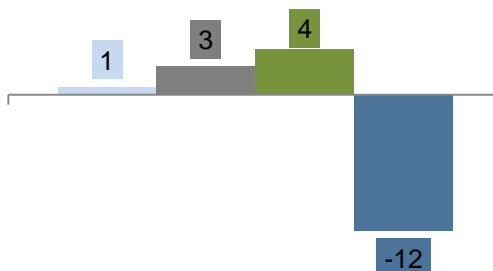
BANKING FINLAND



BANKING NORWAY



BANKING SWEDEN



BUSINESS UPDATE

Customers usage of online continue to accelerate

- Every 7th advisory meeting was online in Q4

Increased investments to take lead in digital solutions

- Next generation online and mobile solutions customers
- Establish hubs in Finland and Denmark
- 200+ specialists to be employed during 2016

* All volumes and margins are averages for the period

Wholesale Banking financial development

FINANCIAL RESULT

COMMENTS

| EURm | Q4/15 | Q3/15 | Chg Q4/Q3 % | 2015 | 2014 | Chg 15/14 % | Chg 15/14 local % |
|-----------------------------|-------|-------|-------------------|-------|-------|-------------------|----------------------------|
| Net interest income | 256 | 262 | -2 | 1 036 | 1 124 | -8 | -4 |
| Net fee & commission income | 152 | 130 | 17 | 564 | 630 | -10 | -9 |
| Net fair value result | 190 | 95 | 100 | 829 | 679 | 22 | 22 |
| Total income | 598 | 488 | 23 | 2 431 | 2 437 | 0 | 2 |
| Total expenses | -230 | -189 | 22 | -873 | -863 | 1 | 4 |
| Net loan losses | -56 | -47 | 19 | -158 | -98 | 61 | 72 |
| Operating profit | 312 | 252 | 24 | 1 400 | 1 476 | -5 | -4 |

Income:

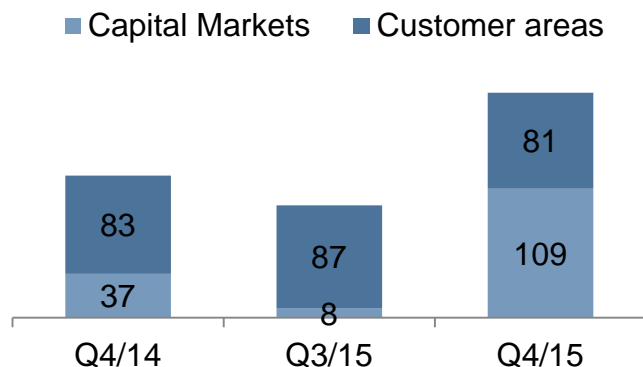
- Strong demand for event-driven transactions
- High activity level for institutional customers
- Higher activity in FICC

Costs:

- Improved C/I ratio to 38%, from 39% on previous quarter

Wholesale Banking business development

NET FAIR VALUE DEVELOPMENT

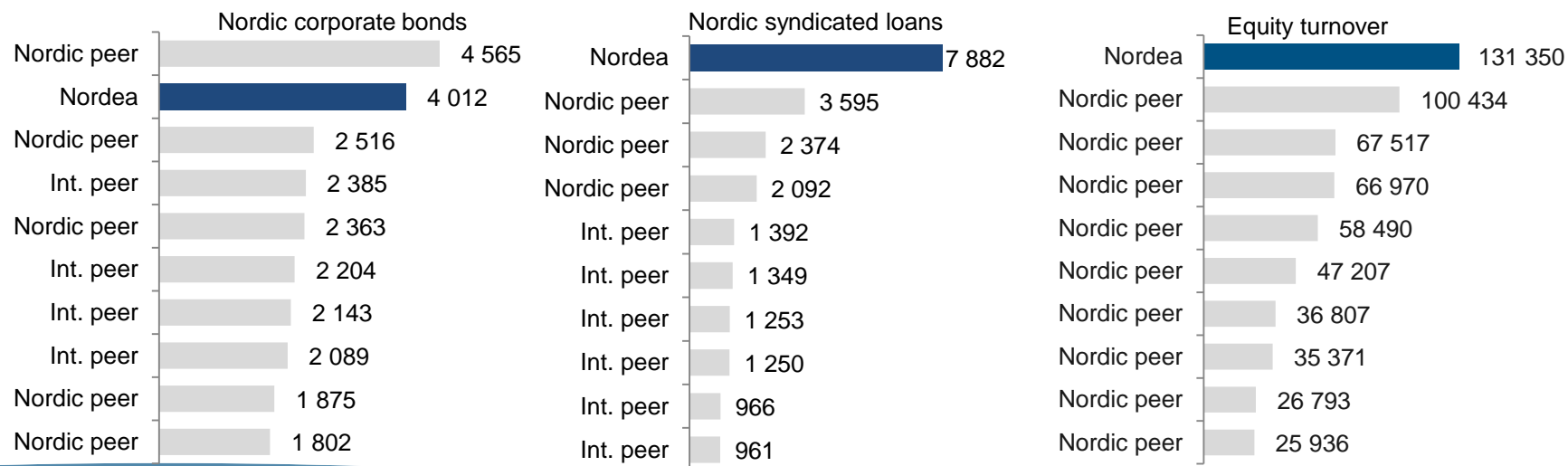


BUSINESS UPDATE

Leading wholesale bank in the Nordics

- Ranked #1 in Nordic equities by Prospera
- Largest customer base according to Greenwich
- Lead advisor for major IPOs
- Increased activity, lending and transactions

LEAGUE TABLES 2015, EURm



Wealth Management financial development

FINANCIAL RESULT

COMMENTS

| EURm | Q4/15 | Q3/15 | Chg Q4/Q3 % | 2015 | 2014 | Chg 15/14 % | Chg 15/14 local % |
|-----------------------------|-------|-------|-------------------|-------|-------|-------------------|----------------------------|
| Net interest income | 36 | 33 | 9 | 121 | 141 | -14 | -13 |
| Net fee & commission income | 384 | 332 | 16 | 1 437 | 1 170 | 23 | 23 |
| Net fair value result | 92 | 72 | 28 | 341 | 355 | -4 | -3 |
| Total income | 523 | 442 | 18 | 1 929 | 1 693 | 14 | 15 |
| Total expenses | -203 | -198 | 3 | -801 | -785 | 2 | 3 |
| Net loan losses | 0 | 0 | 0 | -1 | -3 | -67 | -62 |
| Operating profit | 320 | 244 | 31 | 1 127 | 905 | 25 | 25 |

Income:

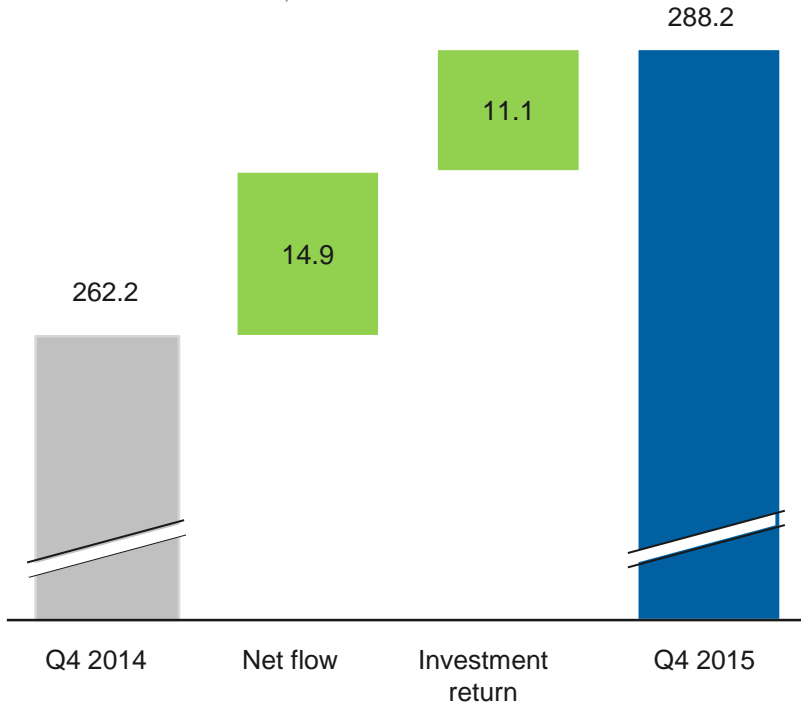
- Assets under Management, up 5% on previous quarter
- High demand from Private Banking customers
- Record level of gross written premiums in Life and Pension
- 89% of premiums are market return products

Costs:

- Seasonal fluctuations in costs, down 2% from Q4/14

Wealth Management business development

AUM DEVELOPMENT, EURbn

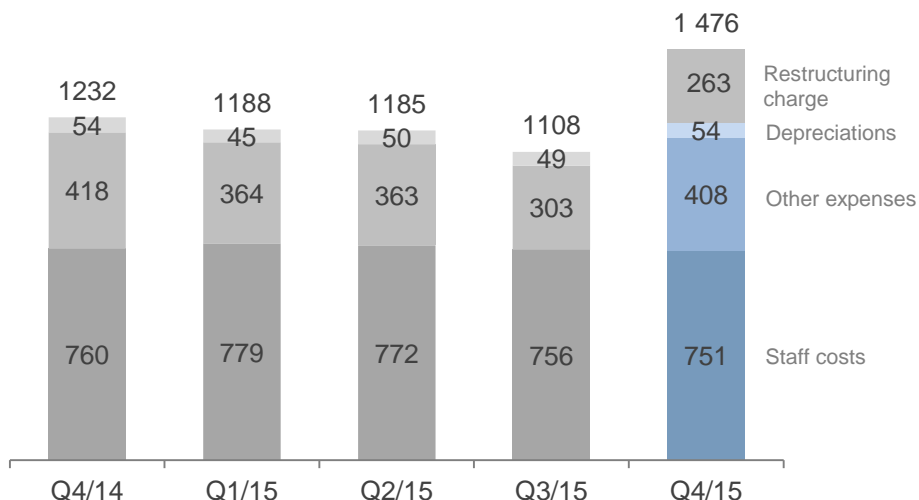


BUSINESS UPDATE

- Top ten bestselling fund provider in Europe for the fourth consecutive year (per November 2015)
- International sales of Nordea Funds exceeded Nordic sales in the fourth quarter
- Awarded Best Private Bank in the Nordics by The Banker
- Nordea Stable Return fund #5 of the funds in Europe with the largest net flow in 2015

Long term improvement in cost efficiency

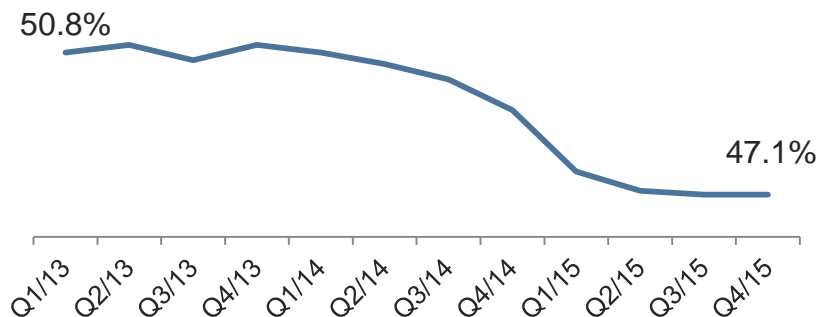
TOTAL EXPENSES*, EURm



COMMENTS

- Full year cost target of EUR 4.7bn* reached
- Increased costs q-o-q due to seasonality and regulatory requirements
- All-time-low cost to income ratio* for 2015 of 47.1%
- Approximately 3% cost increase in local currencies expected in 2016 due to IT and compliance projects

C/I RATIO DEVELOPMENT**, %

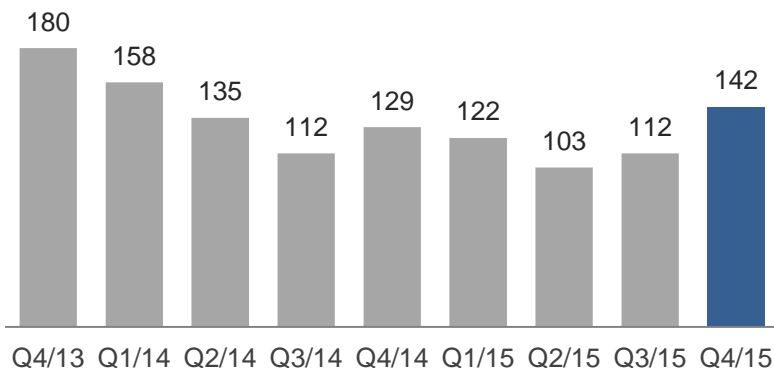


* Excluding non-recurring items

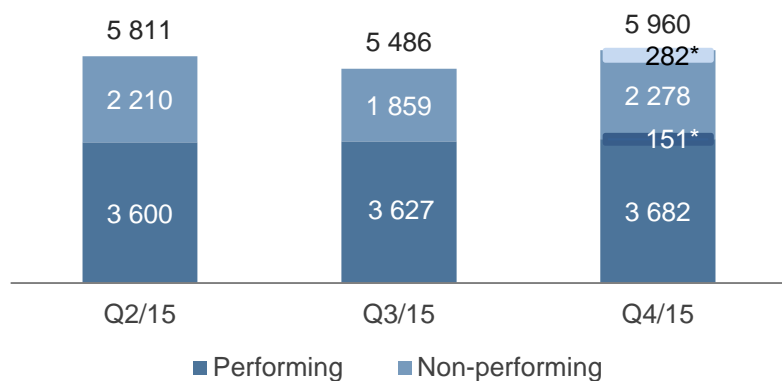
** Rolling four quarters

Solid asset quality with strongly rated customers

TOTAL NET LOAN LOSSES, EURm



IMPAIRED LOANS, EURm



COMMENTS

- Loan losses at 17 bps
- Solid credit quality with low negative migration
- Impaired loans ratio increased from 145bps to 162bps
 - Increase is mainly in household portfolio as an outcome of a new collective provision model and aligned reporting practice.
 - The overall quality of the portfolio has not deteriorated
- Deteriorated market environment has weakened the general credit quality in sub-portfolios with strong commodity price connection:
 - Oil & Gas, Offshore & Oil services, EUR 6.3bn, <2% of total exposure (exposure at default)
 - Russia EUR 5.5bn, 1% of total exposure (exposure at default)
- Total loan loss level expected to stay within long term loan loss average of 16 bps during the coming quarters

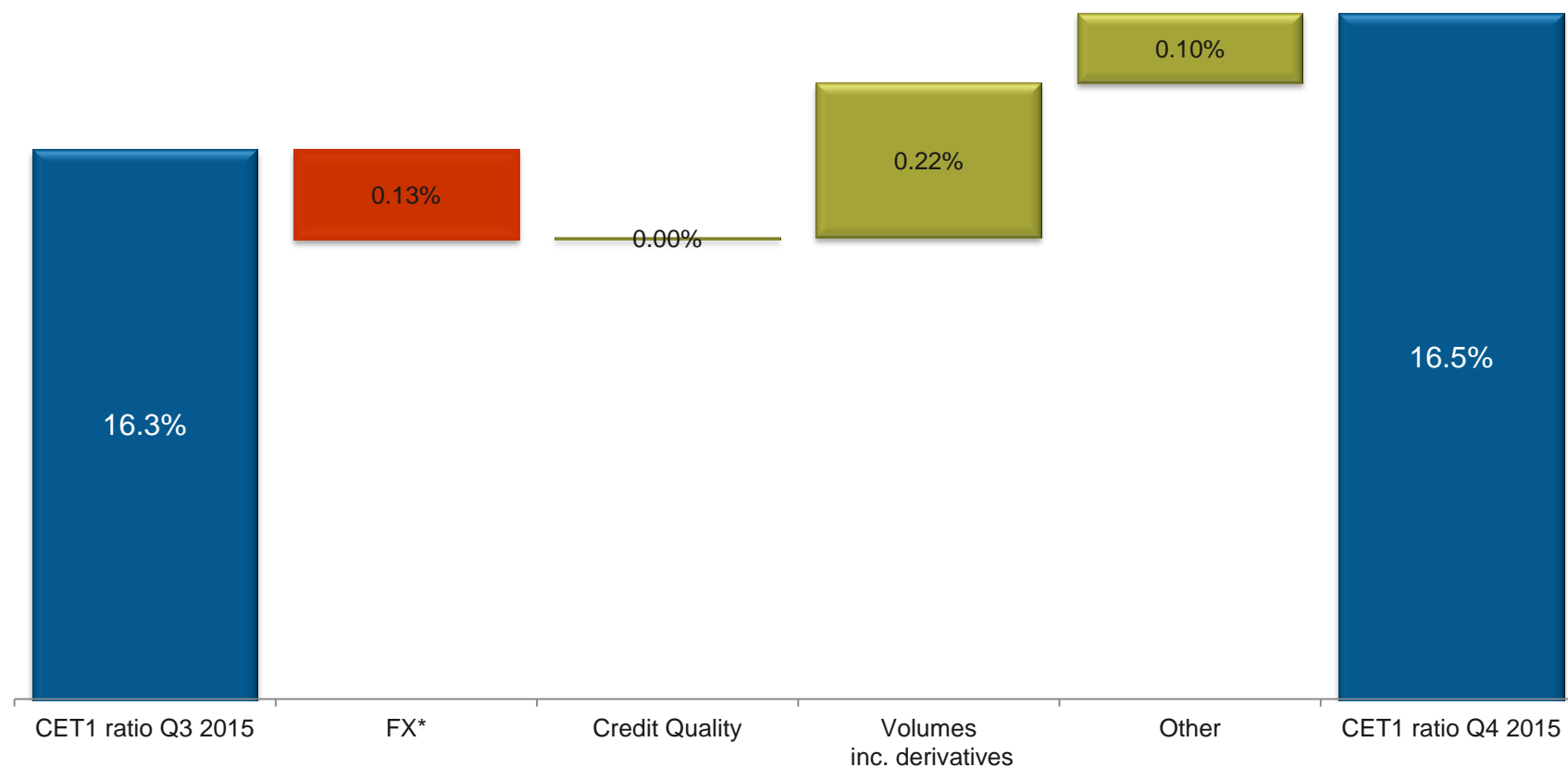
REA is down EUR 3.4bn to EUR 143.3bn

RETURN ON EQUITY DEVELOPMENT, %



Common Equity Tier 1 ratio improved to 16.5%

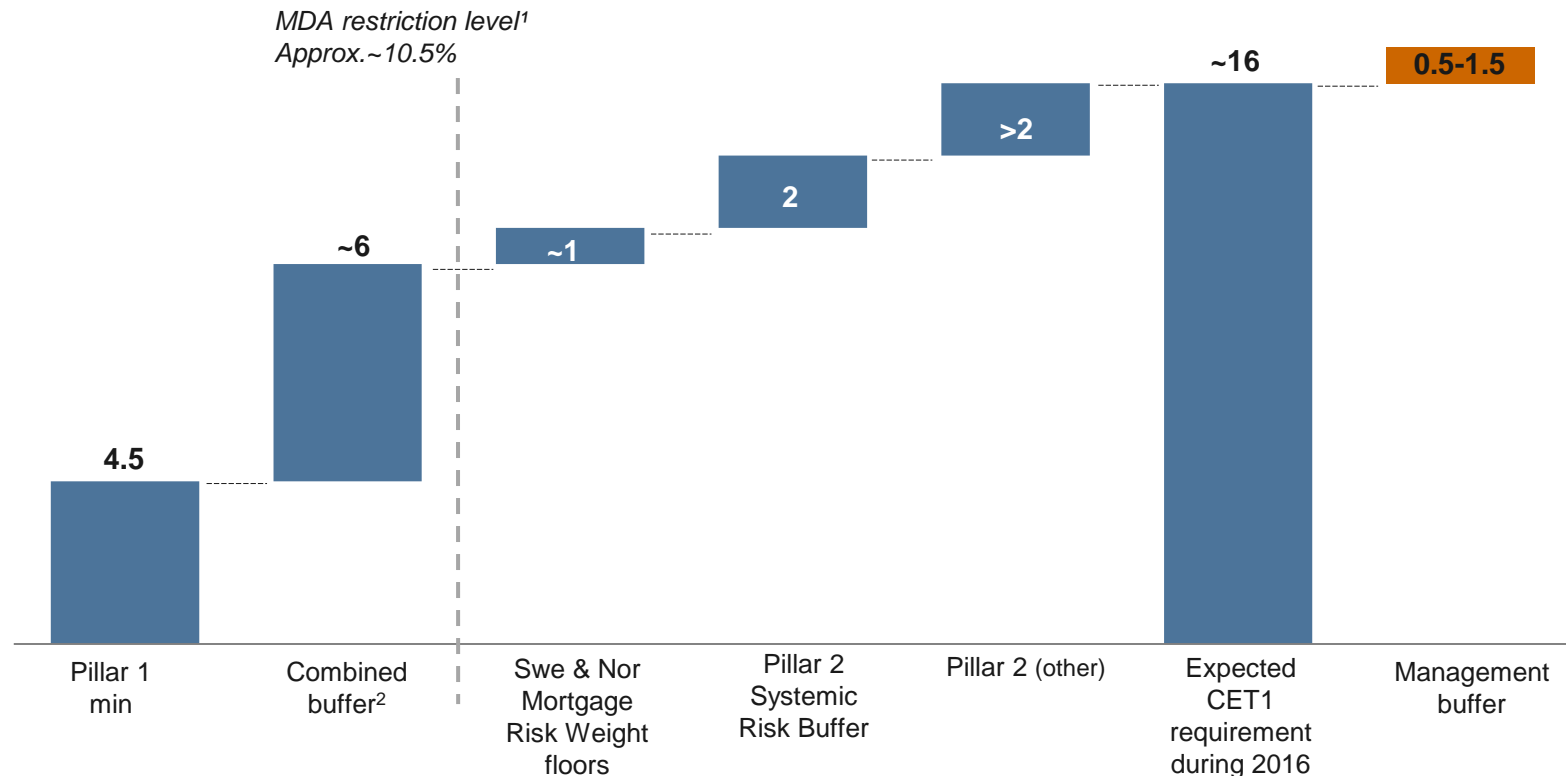
COMMON EQUITY TIER 1 RATIO DEVELOPMENT, %



* Includes FX effect from OCI

Nordea expects to operate the bank with a CET 1 ratio of approximately 16.5% during 2016

COMMON EQUITY TIER 1 RATIO BUILD-UP, %

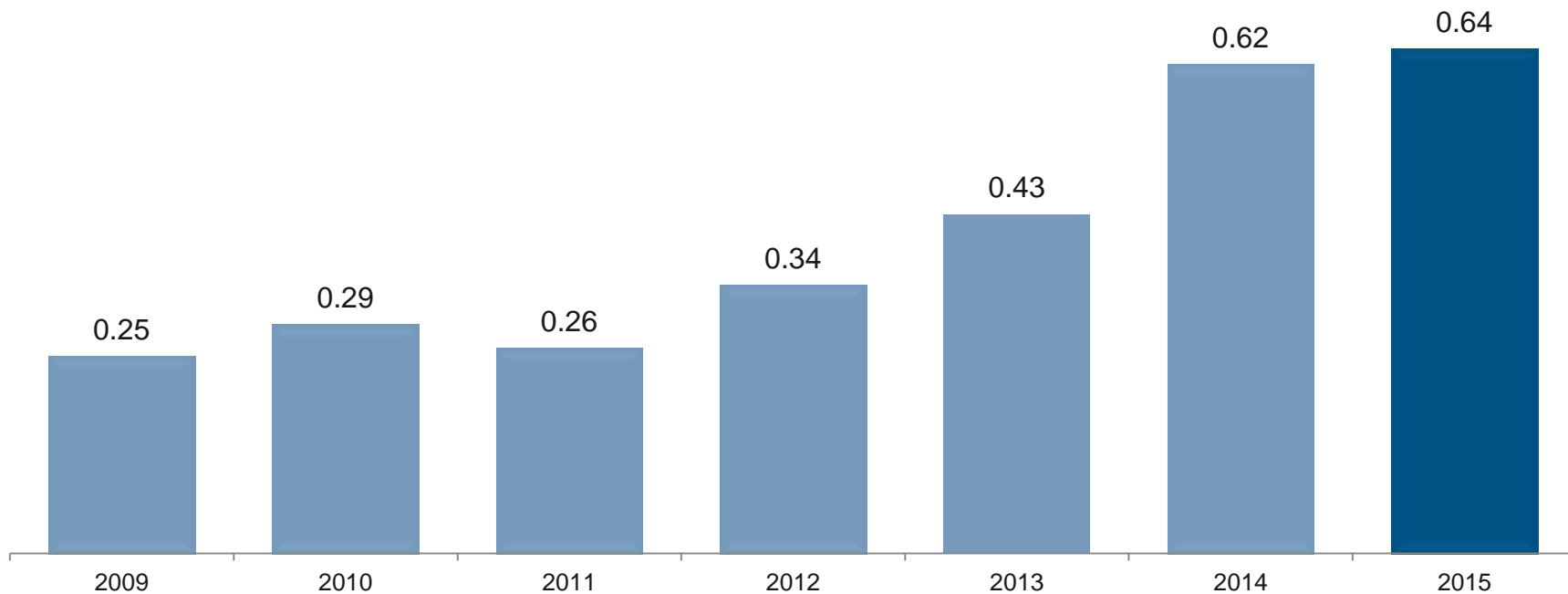


1) Maximum Distributable Amount, provided for illustrative purposes only. The Swedish FSA does not normally intend to make a formal decision on the capital requirement under Pillar 2. "Insofar that a formal decision has not been made, the capital requirement under Pillar 2 does not affect the level at 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 increasing Swedish and Norwegian buffer rates from 1 to 1.5%, which will enter into force in Q2 2016.

Proposed dividend of EUR 0.64

DIVIDENDS, EUR/SHARE



New dividend policy

Capital policy

”Nordea’s capital policy to maintain a management buffer of 50-150bps above the capital requirement remains unchanged.”

Dividend policy

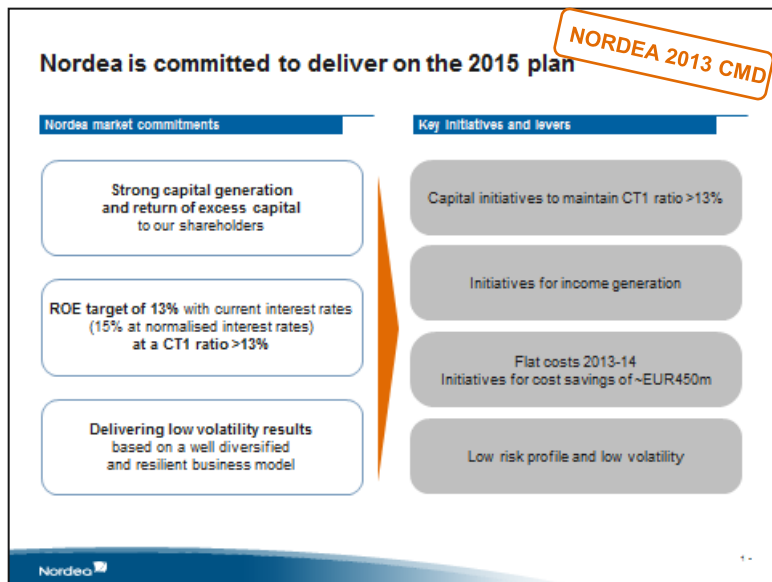
“Nordea strives to maintain a strong capital position in line with Nordea’s capital policy. The ambition is to achieve a yearly increase in the dividend per share”.

Delivery on the 2015 plan



Nordea has delivered on its 2015 plan

Commitments in 2015 plan



Nordea has delivered (Q4 2012 vs. Q4 2015)

Capital generation of EUR 8.4bn with 16.5% CET1. DPS CAGR 23%¹ ✓

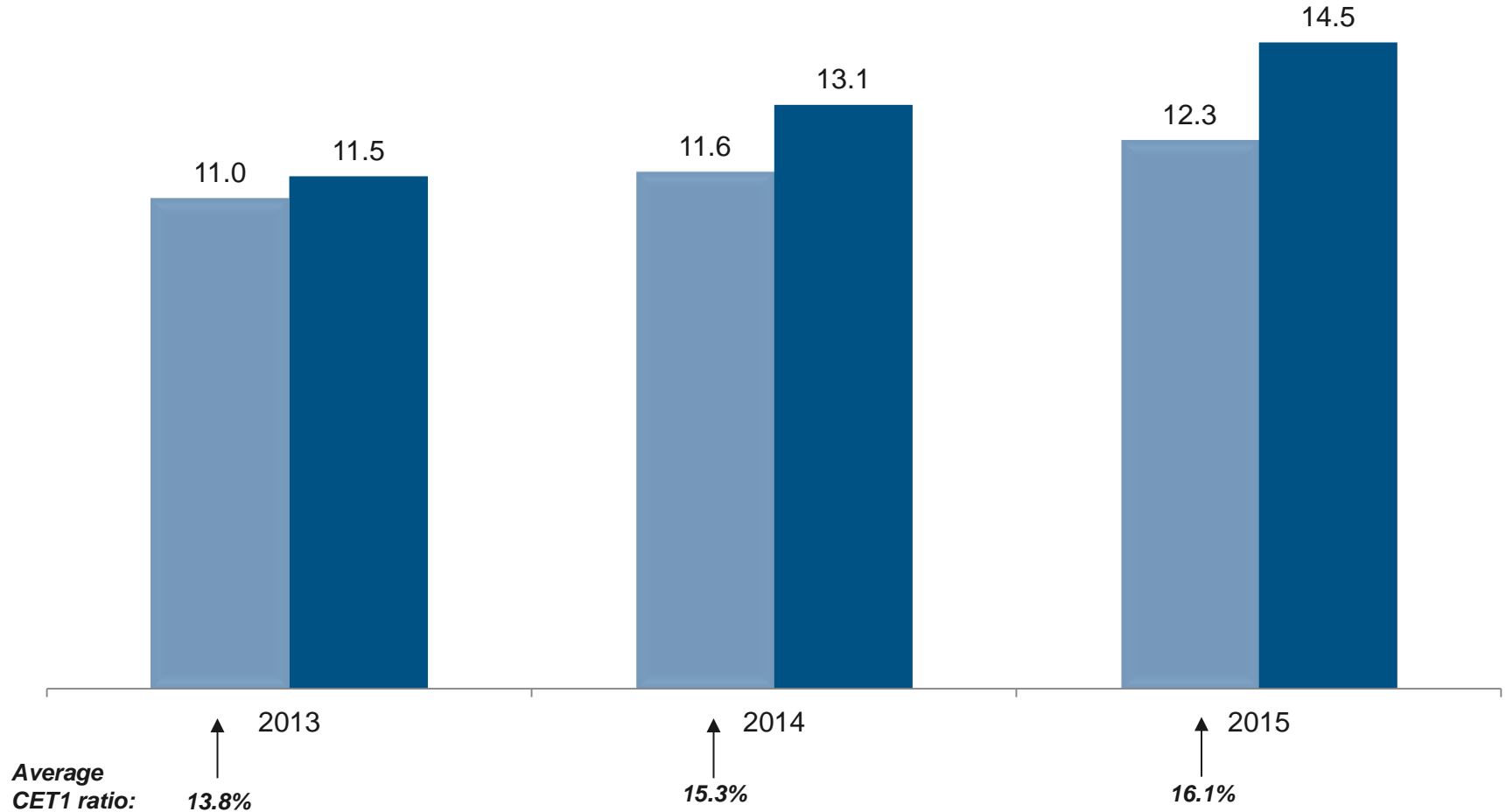
ROE 12.3%, 14.5% if CET1 at 13%, ancillary income +15% and delivered on cost activities ✓

Loan losses at 14 bps, below 10 year average of 16 bps ✓

1) Assuming dividend proposal for 2015 of 0.64 per share

Strong focus on RoE

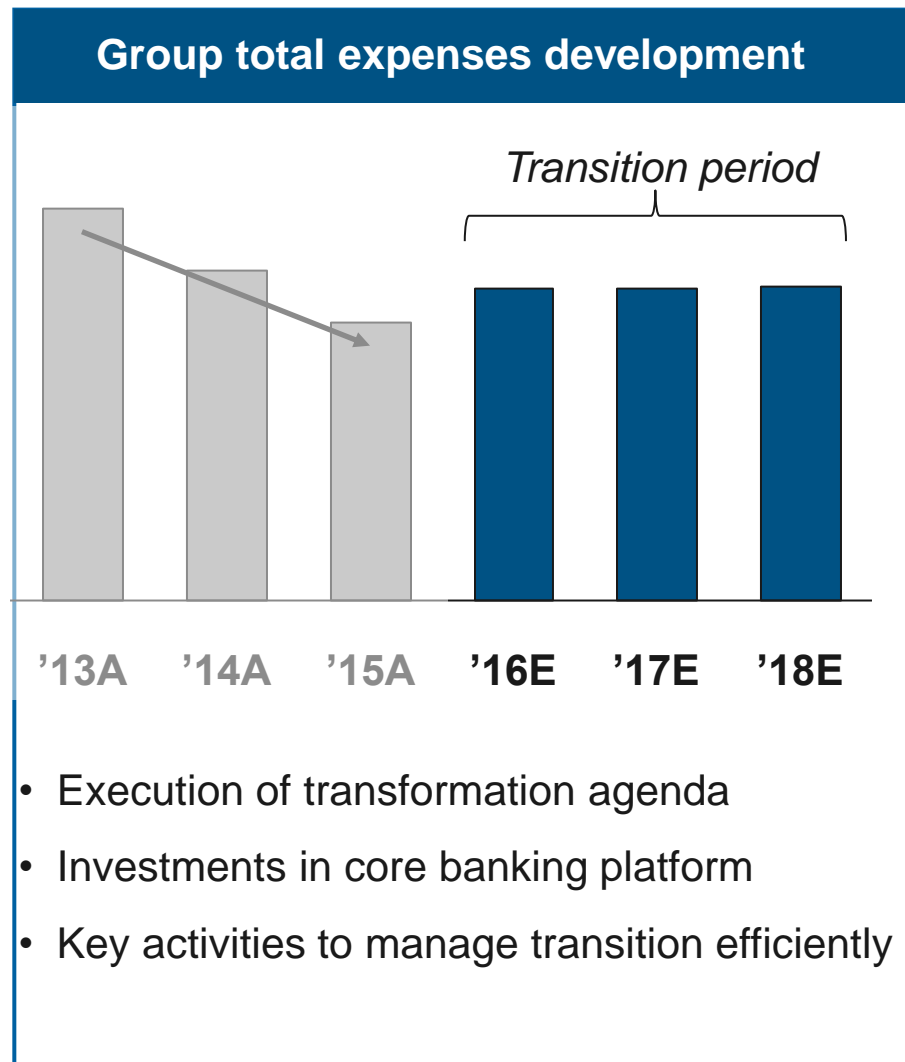
■ RoE at actual CET1 ■ RoE at CET1 13.0%



Transition period to
deliver One Nordea



2016-2018: Transforming for the future



“One Nordea”...

**...more efficient with
simpler structure &
decreased complexity...**

**...enabling 2019-2022 cost
reductions**

Restructuring charge – key activities

| | |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group-wide | <ul style="list-style-type: none">▪ Digitisation of customer interactions, reducing need for manual services and processes▪ Acceleration of near-shoring of back- and middle-office processes▪ Strengthened performance culture |
| Retail Banking | <ul style="list-style-type: none">▪ Transition to e-branches and consolidation, competence shift to support move from branches to online centres▪ Streamlining Transaction Banking through merger of Transaction Products, Cards, Nordea Finance and Trade Finance |
| Wholesale Banking | <ul style="list-style-type: none">▪ Focusing on customer coverage across Europe to further leverage resources and competencies in the Nordics |
| Wealth Management | <ul style="list-style-type: none">▪ Creation of global units for production, distribution and support with clear division of responsibilities▪ Centralisation of functions not directly focused on serving/supporting customer handling) |
| Group Functions | <ul style="list-style-type: none">▪ Reduced need for office space through acceleration of roll-out of activity based work-places▪ Reduced rents through move from central city locations▪ Automated processes |

Financial summary



Summary

- ✓ 2015 a challenging year but with strong deliveries
 - ✓ C/I ratio at all-time-low
 - ✓ Loan losses the lowest since 2007
 - ✓ Net profit highest ever
 - ✓ RoE is the highest since 2008
 - ✓ Highest Common Equity Tier 1 ratio ever
 - ✓ Highest dividend ever
- ✓ 2016 is the start of a transition period to deliver “One Nordea”
 - ✓ Increase customer satisfaction and make the bank more competitive
 - ✓ Drive a simplified, more agile and cost efficient bank
 - ✓ Manage the transition in an efficient way



Fourth Quarter and Full Year Results 2015

Investor presentation

Casper von Koskull, President, Group CEO