Nordea

Second Quarter Results 2016

International telephone conference

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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.

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Highlights

Q2/16 vs. Q2/15*

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

*In local currencies

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Q2 2016 financial results highlights

Financial results

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

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

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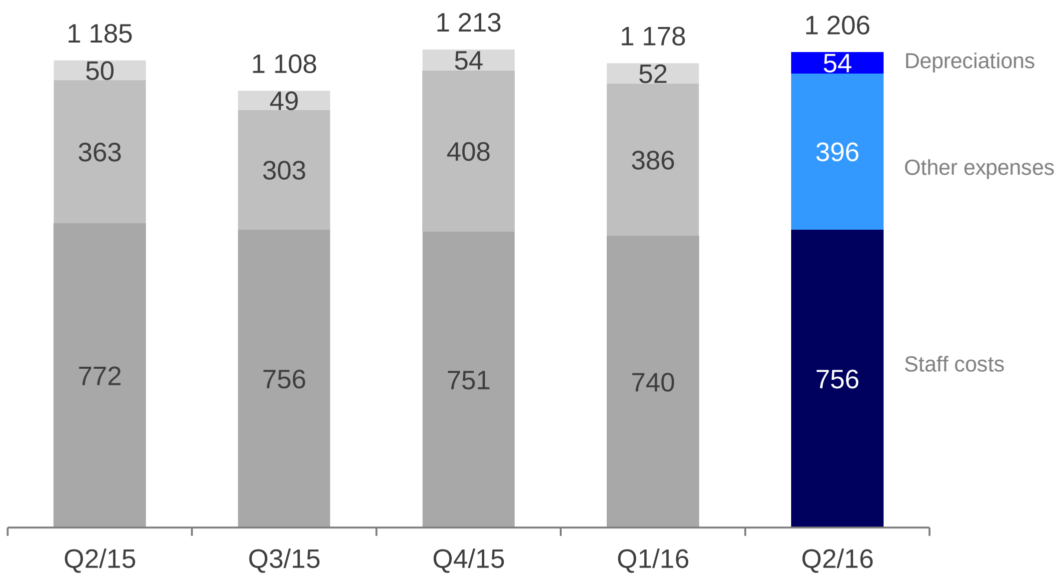
Costs developing according to plan

TOTAL EXPENSES*, EURm



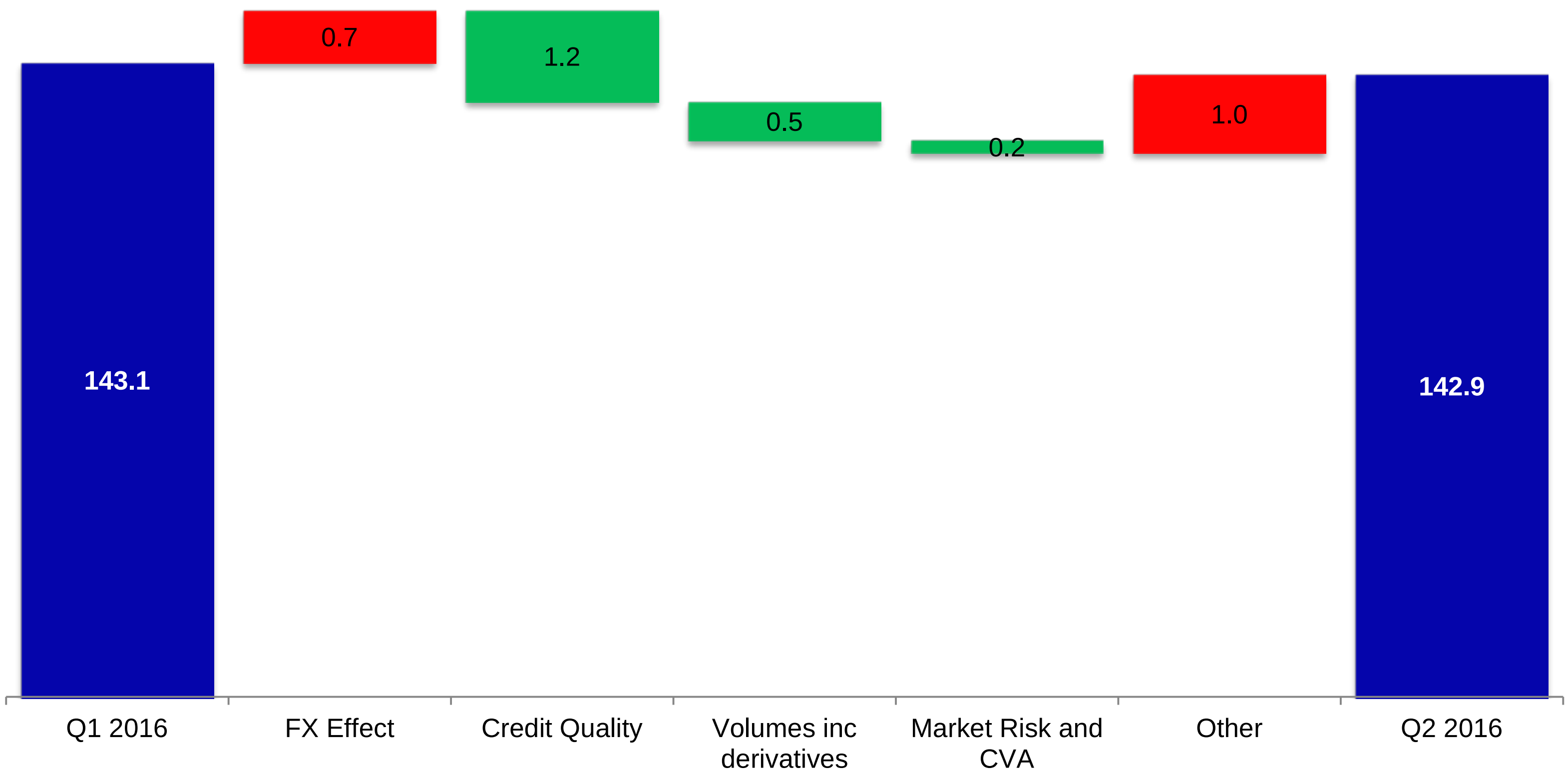
*Excluding restructuring charge of EUR 263m in Q4/15

COMMENTS

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

Stable development in Risk Exposure Amount

RISK EXPOSURE AMOUNT, EURbn



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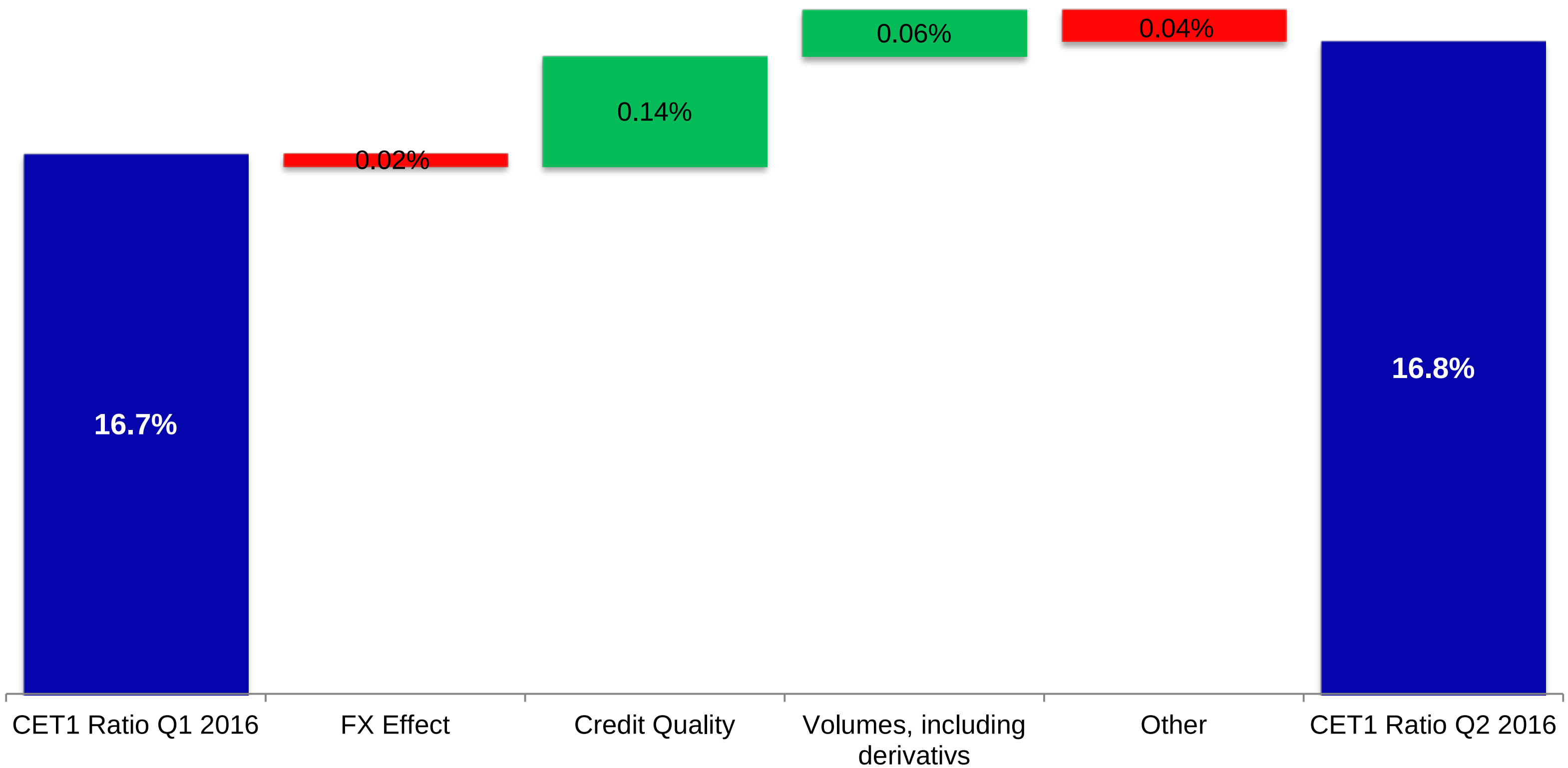
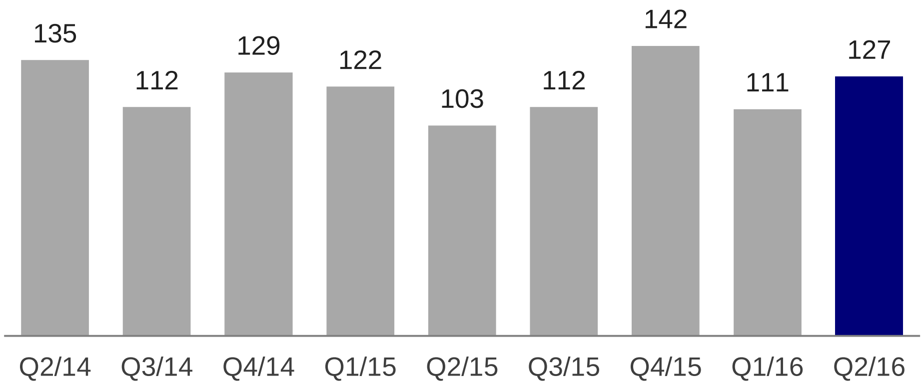
Common Equity Tier 1 ratio improved to 16.8%

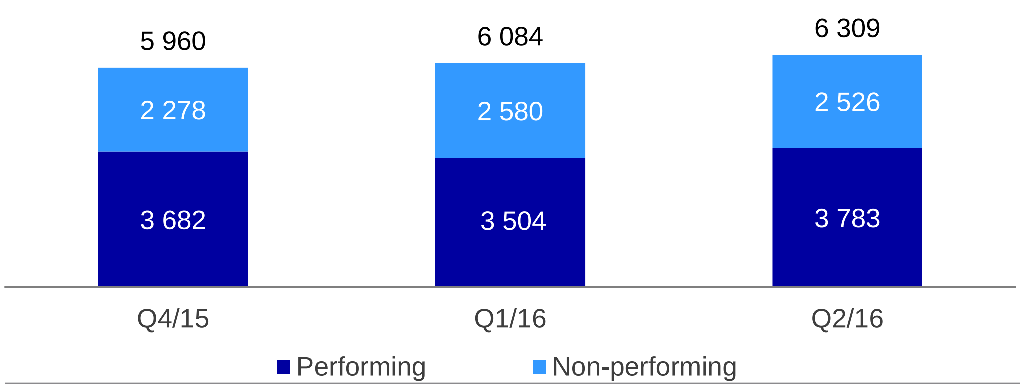
COMMON EQUITY TIER 1 RATIO DEVELOPMENT, %



Solid asset quality with strongly rated customers

TOTAL NET LOAN LOSSES, EURm





COMMENTS

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

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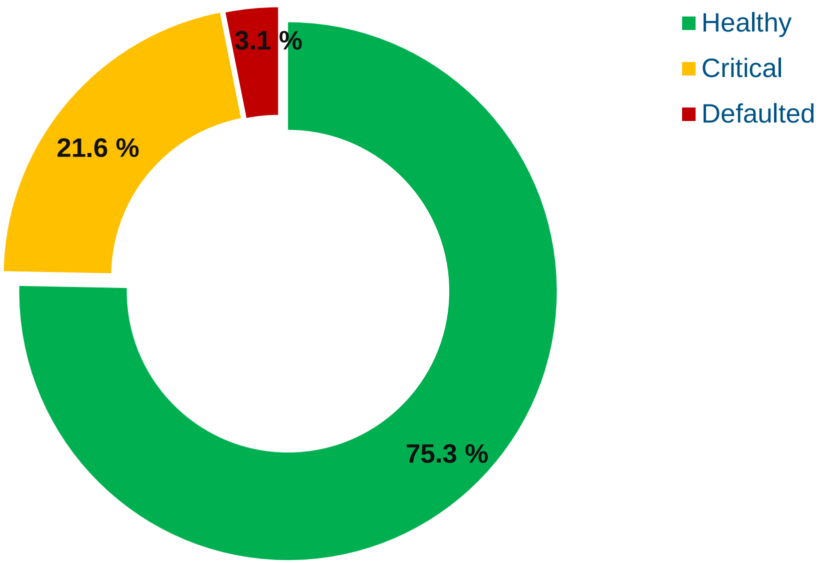
Offshore and Oil Services

EXPOSURE TO OIL AND GAS, OILSERVICES AND OFFSHORE



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

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

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

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

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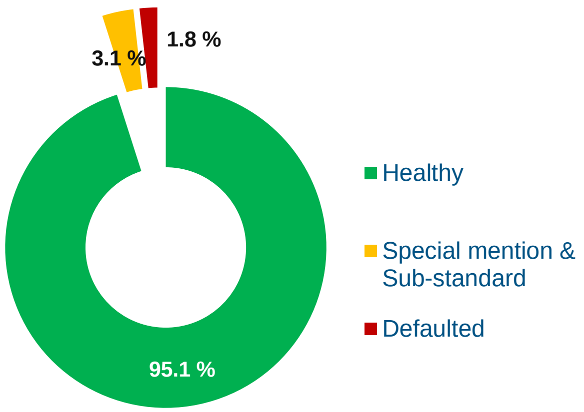
Overall solid credit quality in a diversified portfolio

NORDEA Credit quality

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



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

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