

Second Quarter Results 2017

CEO Casper von Koskull's comments on the results:

"In the second quarter, we have seen evenly distributed growth in our four Nordic home markets. The overall economic situation remains very solid although the geopolitical environment is increasingly unstable.

After a period of improved margins, we recently saw a stabilising margin trend, which we expect to continue. We are also seeing continued high activity in corporate advisory services and improved inflow in asset management operations. Customer activities in the capital markets have been lower this quarter due to low volatility. We have had very high activity in the quarter in our simplification and transformation projects, which has impacted the cost development. Credit quality is solid and we expect loan losses below the long-term average in coming quarters. We continue to build up and strengthen our capital position and the Common Equity Tier 1 ratio reached an all-time-high level of 19.2%.

As new initiatives have surfaced in Scandinavia about exploring to join the banking union, we would like to process this information before making a final decision in September about our domicile. The transformation programme is progressing according to plan, a key milestone has been reached in the Core Banking Programme, and approximately 28,000 Nordea employees have been engaged in the implementation of the new business culture."

Second quarter 2017 vs. Second quarter 2016 (Second quarter 2017 vs. First quarter 2017)

- Net interest income EUR 1,175m, 0%; +1% in local currencies (-2%, 0% in local currencies)
- Total operating income¹ EUR 2,407m, 0%; +1% in local currencies (-2%, -1% in local currencies)
- Total expenses EUR 1,291m, +7%; +8% in local currencies (+4%, +5% in local currencies)
- Profit before loan losses EUR 1,116m, -7%; -7% in local currencies (-8%, -7% in local currencies)
- Net loan losses EUR 106m, -17%; -15% in local currencies (-6%, -4% in local currencies)
- Operating profit¹ EUR 1,010m, -6%; -6% in local currencies (-8%, -8% in local currencies)
- Common Equity Tier 1 capital ratio 19.2%, up from 16.8% (up 40 bps from 18.8%)
- Cost/income ratio¹ 54% up from 50% (up 3%-points from 51%)
- Loan loss ratio of 13 bps, down from 15 bps (down 1 bps from 14 bps)
- Return on equity¹ 9.5%, down from 11.4% (down 0.8%-points from 10.3%)
- Diluted EPS EUR 0.18 vs. EUR 0.25 (EUR 0.18 vs. EUR 0.21)

Exchange rates used for Q2 2017 for income statement items are for DKK 7.4368, NOK 9.1771 and SEK 9.5961.

¹ Excl. non-recurring items (Q2 2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151m net of tax)

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Second Quarter Results 2017:

http://www.rns-pdf.londonstockexchange.com/rns/5978L_-2017-7-20.pdf

The information in this press release is such, which Nordea Bank AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 07.00 CET on 20 July 2017.