

First Quarter Results 2017

CEO Casper von Koskull's comments on the results:

"Since 2009 we have seen a low-intensive but stable growth environment with constantly lower rates. We are witnessing the global recovery gaining strength and becoming more synchronised. Nevertheless, significant geopolitical risks remain.

Income momentum has improved and total income is up by 6% compared to the first quarter of 2016, mainly driven by net fee and commission income. Assets under management reached a new all-time high level of EUR 330.1bn, mainly driven by strong performance. Costs are up 5% compared to the first quarter of 2016 mainly driven by Group projects, Compliance and Risk and we see good progress in our investment programmes. Credit quality is solid and loan losses remain largely unchanged at 14 bps. The capital position continues to strengthen and the Common Equity Tier 1 ratio increased to 18.8%, compared to 18.4% at the end of 2016.

Our transformation projects are running in line with expectations, and the Core Banking Programme is making steady progress towards implementation of the full savings and deposits portfolio in Finland during 2017."

First quarter 2017 vs. First quarter 2016^{1,2} (First quarter 2017 vs. Fourth quarter 2016^{1,2})

- Net interest income EUR 1,197m, +2%; 0% in local currencies (-1%, -2% in local currencies)
- Total operating income¹ EUR 2,461m, +7%; +6% in local currencies (-5%, -6% in local currencies)
- Total expenses² EUR 1,246m, +6%; +5% in local currencies (-6%, -6% in local currencies)
- Profit before loan losses EUR 1,215m, +9%; +7% in local currencies (-4%, -5% in local currencies)
- Net loan losses EUR 113m, +2%; +2% in local currencies (-12%, -12% in local currencies)
- Operating profit^{1,2} EUR 1,102m, +10%; +8% in local currencies (-3%, -4% in local currencies)
- Common Equity Tier 1 capital ratio 18.8%, up from 16.7% (up 40 bps from 18.4%)
- Cost/income ratio^{1,2} unchanged at 51% (unchanged from 51%)
- Loan loss ratio of 14 bps, up from 13 bps (down 2 bps from 16 bps)
- Return on equity^{1,2} 10.3%, up from 10.1% (down 2.6%-points from 12.9%)
- Diluted EPS EUR 0.21 vs. EUR 0.19 (EUR 0.21 vs. EUR 0.25)

Exchange rates used for Q1 2017 for income statement items are for DKK 7.4352, NOK 8.9883 and SEK 9.5053.

¹ Excl. non-recurring items (Q4 2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 22m before tax).

² Excl. non-recurring items (Q4 2016: gain in staff costs related to change in pension agreement in Norway of EUR 86m before tax).

First Quarter Results 2017:

http://www.rns-pdf.londonstockexchange.com/rns/5080D_-2017-4-27.pdf

For further information:

Casper von Koskull, President and Group CEO, +46 10 157 1020
+45 5547 2200

Rodney Alfvén, Head of Investor Relations, +46 72 235 05 15
721 411 807

Torsten Hagen Jørgensen, Deputy CEO and Group COO,

Helga Baagøe, Acting Head of Group Communications, +46

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