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Nordea publishes its Annual Report and Sustainability Report

Today, Nordea publishes its Annual Report and Sustainability Report on nordea.com.

The Annual Report describes operations in 2016 – an eventful year for Nordea. Besides macroeconomic and regulatory challenges for the sector, Nordea contended with substantial media attention, and commenced the implementation of a sweeping transformation agenda. Two important milestones during the year were the implementation of the new legal structure, and the launch of the first service on the new core banking platform.

Despite the challenging market with sustained exceptionally low interest rates, we were pleased to report an improved net interest margin. Inflow to asset management was record-high, Euromoney awarded Nordea Private Banking for having the best Nordic Private Banking offering. We also further cemented our leading position in the Nordics in corporate advisory. However, earnings declined 1% over the full year.

During the year, the operations of the former Retail Banking business area were streamlined and two new customer organisations were created – Personal Banking, which serves the household market, and Commercial and Business Banking, serving SMEs. This streamlining enables a sharper focus on improving the customer experience of Nordea, and puts us in a better position to keep working to strengthen the execution capacity in each customer group.

The cost progression and credit quality were in line with our forecasts. The CET1 ratio improved by 190 bp in 2016 to 18.4%, and return on equity was 11.5%. Nordea's board proposes a dividend of EUR 0.65 per share.

We expect 2017 to be eventful too, and stand prepared to face the challenges. Our strategic focus is clear. Thanks to our strong balance sheet and robust business model, we can continue to invest in our platform and hence fundamentally change the bank. We continue to focus on creating a fully digital platform, improving customer satisfaction and transforming the organisation. In so doing, we will be best at compliance, with a strong ethics and value culture, and meet our commitments towards society and generate value for our customers and shareholders.

In 2016 the bank embarked on a major transformation journey. In order to ensure a sustainable business model, environmental, ethical and social aspects must be integrated into all parts of our business. During the year we established a Business Ethics and Values Committee, chaired by the CEO, and appointed a new Head of Sustainability. We have also held dialogue meetings with a great number of stakeholders, and based on these have identified nine sustainability goals that we will work with in 2017. You can read about these in the Sustainability Report 2016.

The Annual Report and Sustainability Report can be downloaded from nordea.com. The Capital and Risk Management (Pillar III) Report 2016 will also be available for downloading from nordea.com/ir. The Sustainability Report and Capital and Risk Management Report are available in English only.

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