

Nordea



Third Quarter 2017

Interim Management Statement

Third Quarter Results 2017

CEO Casper von Koskull's comments on the results:

"Despite increasing geopolitical risks and imbalances in the economy, we continue to see synchronised growth in our home markets. Margins remain stable, although we have not seen the usual pick-up in demand for corporate advisory services after the summer. Costs developed according to plan and credit quality improved as expected. The CET 1 ratio was unchanged at 19.2% and the management buffer increased to 180 bps to its highest level ever.

We are almost two years into the transformation of Nordea. Since investments are starting to deliver, it is time to enter the next phase, in which we see that we can structurally bring down costs and increase efficiency. This transformation would not have been possible without our strong balance sheet and robust business model. In the coming years we will achieve economies of scale by taking our centres of excellence to the next level and create efficient and automated operations. To achieve this we also need to continue a cultural transformation into a purpose-led and values-guided organisation. This shift will help us become first among peers in customer satisfaction."

(For further viewpoints, see CEO comments on page 2)

Third quarter 2017 vs. Third quarter 2016¹

(Third quarter 2017 vs. Second quarter 2017)

- Total operating income¹ -4%, in local currencies -4% (-1%, in local currencies -1%)
- Total expenses +2%, in local currencies +2% (-7%, in local currencies -7%)
- Operating profit¹ -5%, in local currencies -5% (+8%, in local currencies +8%)
- Common equity tier 1 capital ratio 19.2%, up from 17.9% (unchanged from 19.2%)
- Cost/income ratio¹ up to 51% from 48% (down 3% -point from 54%)
- Loan loss ratio of 10 bps, down from 16 bps (down 3 bps from 13 bps)
- Return on equity¹ 10.5%, down from 11.6% (up 1.0%-points from 9.5%)
- Diluted EPS¹ EUR 0.21 vs. EUR 0.22 (EUR 0.21 vs. EUR 0.18)

1,090

Total operating profit,
Q3 2017 (EURm)

19.2

CET 1 capital ratio (%)

Summary key figures

	Q3 2017	Q2 2017	Chg %	Loc. curr. %	Q3 2016	Chg %	Loc. curr. %	Jan-Sep 2017	Jan-Sep 2016	Chg %	Loc. curr. %
EURm											
Net interest income	1,185	1,175	1	1	1,178	1	1	3,557	3,518	1	1
Total operating income ¹	2,373	2,407	-1	-1	2,466	-4	-4	7,241	7,166	1	1
Total operating income	2,373	2,407	-1	-1	2,466	-4	-4	7,241	7,317	-1	-1
Profit before loan losses	1,169	1,116	5	5	1,283	-9	-9	3,500	3,750	-7	-7
Net loan losses	-79	-106	-25	-24	-135	-41	-41	-298	-373	-20	-20
Operating profit ¹	1,090	1,010	8	8	1,148	-5	-5	3,202	3,226	-1	-1
Operating profit	1,090	1,010	8	8	1,148	-5	-5	3,202	3,377	-5	-5
Diluted earnings per share ¹ , EUR	0.21	0.18			0.22			0.60	0.62		
ROE ¹ , %	10.5	9.5			11.6			10.1	11.0		
ROE, %	10.5	9.5			11.6			10.1	11.7		

Exchange rates used for Q3 2017 for income statement items are for DKK 7.4373, NOK 9.2361 and SEK 9.5833.

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

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We build strong and close relationships through our engagement with customers and society. Whenever people strive to reach their goals and realise their dreams, we are there to provide relevant financial solutions. We are the largest bank in the Nordic region and among the ten largest financial groups in Europe in terms of total market capitalisation with around 11 million customers, 31,500 employees and 600 branch office locations. The Nordea share is listed on the Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen exchanges. Read more about us on nordea.com.

CEO Comment

Financial outcome

We continue to see synchronised growth in our home markets with very strong macro trends. The September non-manufacturing index in Europe had its strongest month since August 2005, and the Swedish Purchasing manufacturing index recently reached a six-year high. This is despite increasing geopolitical risks and imbalances in the economy, the latter mainly in the real estate sector. We maintain our cautious approach in some areas where we see price levels that could be unsustainable. Consequently, we are growing slower than the market in these areas.

The trend with stable lending and deposit margins continues and we expect this to continue. Demand for corporate loans is low and we have not seen the usual pick-up in corporate advisory activities after the summer. Underlying Assets under Management again reached an all-time-high level, although the inflow is currently somewhat lower than the long-term trends. We see continued lower customer activities in the capital markets due to low volatility.

As expected costs are starting to come down from the high levels in the first half of 2017.

Credit quality continues to improve and the loan loss ratio decreased to 10 bps, compared to 13bps in the previous quarter. Around half of the total net loan losses in Q3 relates to the oil and offshore portfolio. Our expectation is that loan losses will be below the long-term average of 16 bps in the coming quarters.

We continue to build up and strengthen our capital position and the Common Equity Tier 1 ratio is 19.2%, compared to 19.2% at the end of the second quarter. We have included the new PD validation, including the PD/ADF requirement from SFSA in our models which reduced the CET 1 ratio by approximately 60 bps. The management buffer increased in the quarter by 20 bps to 180 bps which is above our target level of 50-150bps.

On 1 October Nordea and DNB completed the combination of their Baltic operations creating Luminor - the third largest financial services provider in the Baltics.

Adding customer value

The use of artificial intelligence - AI - will enable enhancing customer experience. A customer service chatbot was presented in Norway in September and has been accessed more than 7,000 times and answered over 10,000 questions from both personal and corporate customers. In December we will be launching a web-based robot advisor, which will allow for investment and savings advice wherever and whenever it suits the customer best.

The mobile bank is increasingly becoming the first point of entry for millions of our customers. Our mobile wallet partnership with Samsung is followed by one with Apple, which increases the number of customers that can make purchases using their mobile phones. Our recently announced partnership with the fin-tech Tink will help customers to get an understanding about their financials in an easy way. We have also entered into collaboration with the Norwegian payment app Vipps.

The many aspects we are focusing on in order to improve the customer experience include quicker response times and increased accessibility. Our digital solutions allow customers to be one click away from meetings with advisors. One out of five customer meetings is held online, an increase of 21% compared to one year ago.

In September we hosted a major Nordic Sustainable Finance Conference with more than 200 participants, enabling us to set the direction for the future of sustainability in finance. We also facilitated the issuance of a USD 350 million green bond for the Folksam Group and a MuniFin EUR 500 million green bond. This was MuniFin's first ever EUR-denominated green bond, which represents another important step for the development of Nordea's green bond franchise.

Our Investment Banking and Equities areas also performed very strongly driven in particular by market share gains in our DCM and M&A businesses

Business transformation

We are almost two years into our transformation shift. So far, we have significantly built up our capabilities within compliance and risk management functions as well as invested in technology, such as the core banking platform, digital banking and IT remediation. This part of our journey has been costly and resulted in an increase in our long-term running costs. Many of these investments were not part of the original planning in 2015. However, our efforts have definitely made the bank significantly more resilient, robust and agile.

Since these investments are starting to deliver as expected, it is time to enter the next phase of the transformation, in which we see that we can structurally bring down costs and increase efficiency. This transformation requires a shift in competence among our employees. Additionally, in order to secure long-term competitiveness, we also plan to reduce the number of employees and consultants with at least 6,000 of which approximately 2,000 are consultants.

To attain these efficiency gains we will take a transformation cost of EUR 100 -150m in the fourth quarter of 2017. Also, over the coming four years, we will have transformation costs and, in order to make this shift as efficient and transparent as possible, we will report this spend as running costs. For 2018 we expect a total cost base, including transformation costs, of approximately EUR 4.9bn which we expect to gradually decline to below EUR 4.8bn in 2021.

We would not have been able to invest in a resilient platform and further improve our digital and mobile distribution without our strong balance sheet and robust business model. In the coming years we will achieve economies of scale by taking our centres of excellence to the next level and create efficient and automated operations. It is not possible to achieve any of this without also continuing a cultural transformation into a purpose-led and values-guided organisation. This shift will help us become first among peers in customer satisfaction.



Casper von Koskull
President and Group CEO

Income statement

	Q3 2017	Q2 2017	Chg %	Local curr. %	Q3 2016	Chg %	Local curr. %	Jan-Sep 2017	Jan-Sep 2016	Chg %	Local curr. %
EURm											
Net interest income	1,185	1,175	1	1	1,178	1	1	3,557	3,518	1	1
Net fee and commission income	814	850	-4	-4	795	2	3	2,530	2,371	7	7
Net result from items at fair value	357	361	-1	-1	480	-26	-26	1,093	1,217	-10	-9
Profit from associated undertakings and joint ventures accounted for under the equity method	3	0			-2			7	108	-94	-94
Other operating income	14	21	-33	-29	15	-7	0	54	103	-48	-47
Total operating income	2,373	2,407	-1	-1	2,466	-4	-4	7,241	7,317	-1	-1
Staff costs	-757	-795	-5	-5	-743	2	2	-2,351	-2,239	5	5
Other expenses	-377	-433	-13	-13	-389	-3	-3	-1,197	-1,171	2	3
Depreciation, amortisation and impairment charges of tangible and intangible assets	-70	-63	11	10	-51	37	35	-193	-157	23	23
Total operating expenses	-1,204	-1,291	-7	-7	-1,183	2	2	-3,741	-3,567	5	5
Profit before loan losses	1,169	1,116	5	5	1,283	-9	-9	3,500	3,750	-7	-7
Net loan losses	-79	-106	-25	-24	-135	-41	-41	-298	-373	-20	-20
Operating profit	1,090	1,010	8	8	1,148	-5	-5	3,202	3,377	-5	-5
Income tax expense	-258	-267	-3	-4	-260	-1	-1	-783	-711	10	10
Net profit for the period	832	743	12	12	888	-6	-6	2,419	2,666	-9	-9

Business volumes, key items¹

	30 Sep 2017	30 Jun 2017	Chg %	Local curr. %	30 Sep 2016	Chg %	Local curr. %
EURbn							
Loans to the public	313.7	314.7	0	-1	325.6	-4	-5
Loans to the public, excl. repos	296.6	297.9	0	-1	307.4	-4	-3
Deposits and borrowings from the public	182.2	189.5	-4	-4	187.4	-3	-4
Deposits from the public, excl. repos	173.1	176.2	-2	-2	177.1	-2	-1
Total assets	615.3	642.8	-4	-4	657.2	-6	-5
Assets under management	330.9	332.1	0		317.4	4	
Equity	32.3	31.4	3		31.1	4	

Ratios and key figures²

	Q3 2017	Q2 2017	Chg %	Q3 2016	Chg %	Jan-Sep 2017	Jan-Sep 2016	Chg %
Diluted earnings per share, EUR	0.21	0.18	17	0.22	-5	0.60	0.66	-9
EPS, rolling 12 months up to period end, EUR	0.87	0.88	-1	0.87	0	0.87	0.87	0
Share price ¹ , EUR	11.44	11.12	3	8.85	29	11.44	8.85	29
Total shareholders' return, %	8.8	10.7	-18	28.7	-69	15.1	-2.2	
Equity per share ¹ , EUR	7.95	7.74	3	7.69	3	7.95	7.69	3
Potential shares outstanding ¹ , million	4,050	4,050	0	4,050	0	4,050	4,050	0
Weighted average number of diluted shares, mn	4,039	4,039	0	4,038	0	4,039	4,036	0
Return on equity, %	10.5	9.5	11	11.6	-9	10.1	11.7	-14
Cost/income ratio, %	51	54	-5	48	6	52	49	6
Loan loss ratio, basis points ³	10	13	-23	16	-38	12	15	-20
Common Equity Tier 1 capital ratio, excl. Basel I floor ^{1,4} , %	19.2	19.2	0	17.9	7	19.2	17.9	7
Common Equity Tier 1 capital ratio, incl. Basel I floor ^{1,4} , %	12.1	12.0	1	11.3	7	12.1	11.3	7
Tier 1 capital ratio, excl. Basel I floor ^{1,4} , %	21.4	21.4	0	20.1	6	21.4	20.1	6
Total capital ratio, excl. Basel I floor ^{1,4} , %	24.5	24.6	0	24.1	2	24.5	24.1	2
Tier 1 capital ^{1,4} , EURbn	27.5	27.7	-1	27.4	0	27.5	27.4	0
Risk exposure amount excl. Basel I floor ⁴ , EURbn	128	130	-1	136	-6	128	136	-6
Risk exposure amount incl. Basel I floor ⁴ , EURbn	206	209	-1	218	-5	206	218	-5
Number of employees (FTEs) ¹	31,918	31,847	0	31,307	2	31,918	31,307	2
Economic capital ¹ , EURbn	26.7	27.3	-2	26.4	1	26.7	26.4	1

¹ End of period.

² For more detailed information regarding ratios and key figures defined as Alternative performance measures, see www.nordea.com/en/investor-relations/.

³ Including Loans to the public reported in Assets held for sale.

⁴ Including the result for the period.

Income statement

Excluding non-recurring items¹

	Q3 2017	Q2 2017	Chg %	Local curr. %	Q3 2016	Chg %	Local curr. %	Jan-Sep 2017	Jan-Sep 2016	Chg %	Local curr. %
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Other operating income	14	21	-33	-29	15	-7	0	54	45	20	22
Total operating income	2,373	2,407	-1	-1	2,466	-4	-4	7,241	7,166	1	1
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Income tax expense	-258	-267	-3	-4	-260	-1	-1	-783	-711	10	10
Net profit for the period	832	743	12	12	888	-6	-6	2,419	2,515	-4	-4

Ratios and key figures^{1,2}

	Q3 2017	Q2 2017	Chg %	Q3 2016	Chg %	Jan-Sep 2017	Jan-Sep 2016	Chg %
Diluted earnings per share, EUR	0.21	0.18	17	0.22	-5	0.60	0.62	-3
EPS, rolling 12 months up to period end, EUR ³	0.85	0.86	-1	0.84	1	0.85	0.84	1
Return on equity, %	10.5	9.5	11	11.6	-9	10.1	11.0	-8
Cost/income ratio, %	51	54	-5	48	6	52	50	4
ROCAR, % ⁴	12.1	10.6	14	13.4	-10	11.7	12.5	-6

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

² For more detailed information regarding ratios and key figures defined as Alternative performance measures, see www.nordea.com/en/investor-relations/.

³ Key figure is also effected by the non-recurring items in Q4 2016: gain in staff costs related to change in pension agreement in Norway of EUR 86m before tax and additional gain related Visa Inc.'s acquisition of Visa Europe amounting to EUR 22m before tax, and in Q4 2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR176m before tax and restructuring charge of EUR 263m before tax.

⁴ ROCAR restated due to changed definition of Average economic capital.

Table of contents

Macroeconomy and financial markets	6
Group results and performance	
Third quarter 2017.....	7
Net interest income	7
Net fee and commission income	8
Net result from items at fair value	9
Total operating income	9
Total expenses	10
Net loan losses and credit portfolio	11
Profit	12
First nine months 2017 compared to first nine months 2016.....	12
Other information.....	13
Capital position and risk exposure amount (REA)	13
Regulatory developments.....	13
Balance sheet	14
Funding and liquidity operations	14
Market risk.....	14
Baltics	15
Nordea Merger Plans	15
IFRS 9: Quantitative impact in Q3 reporting	15
Sale of management rights in Nordea PTE.....	15
Quarterly development, Group.....	16
Financial statements	
Nordea Group.....	17
Nordea Bank AB (publ).....	23

Macroeconomy and financial markets

The third quarter of 2017 featured improving economic conditions despite elevated geopolitical risks. In particular, much focus was on the ongoing political tensions following missile tests by North Korea. In the US, the Federal Reserve had a slightly more hawkish tone at its October meeting than what was expected after persistently disappointing inflation data. Chair Yellen argued that hiking at too moderate a pace could increase the risk of the economy overheating when inflation eventually picks up. Consequently, market participants started to anticipate a December hike. In Europe, The German federal election was held on 24 September. Once more, conservative party CDU/CSU received the most votes and Angela Merkel looked likely to become Chancellor for the fourth consecutive time. However, the election saw both of the largest parties (CDU/CSU and SPD) losing ground, while the right-wing AfD advanced, creating some political turbulence. In terms of economic data, Eurozone inflation edged 0.2 percentage points higher to 1.5% (y/y), while aggregate GDP continued its strong march with a 0.6% (q/q) reading for Q2, leading the ECB to revise up its GDP forecast for 2017 to 2.20%. Furthermore, in this context, ECB signaled at its September meeting that preparations are being made to scale back on the asset purchase programme. Looking to China, credit continued to grow at a fast pace, leading to some concerns. On the back of this, S&P downgraded China from AA- to A+. The Chinese economy has been growing at a steady pace this year and deflation fears have also alleviated. The latest GDP figures came in at 6.9% (y/y) for Q2, while the most recent CPI print showed that inflation picked up to 1.8% (y/y) in August. On the back of the global growth momentum, emerging markets stocks performed strongly over the quarter, with the MSCI Emerging Market index increasing by 7%. Brent crude Oil gained momentum and edged 14.5% higher to 56.8 USD per barrel. The S&P 500 gained 4.0% for the quarter while the US 10-year yield was virtually unchanged for the quarter at 2.33%. Eurostoxx gained 4.4% (q/q) and the German 10-year yield was little changed at the end of the quarter at 0.46%. The Euro strengthened against the US dollar during the quarter, from 1.143 to 1.181.

Denmark

The Danish economy expanded by 2.7% (y/y) in the second quarter of 2017. This was the sixth consecutive quarter with growth above long-term potential. In the second quarter household consumption was unchanged partly due to a large drop in car sales (-1.1% q/q). Exports increased by 0.8% while imports grew by 2.1%. The substantial increase in imports was mainly related to a surge in gross fixed capital formation (+2.7% q/q), which normally has a high import share. Leading indicators pointed to a slowdown in growth in Q3 within both manufacturing production and retail sales. In Q2 prices for single-family houses increased by 5%, while for owner-occupied flats they rose by an annual rate of 7.4%. Residential investment rose by 3.1% (y/y) during the second quarter. The Danish central bank maintained its -0.65% deposit rate in Q3 and made no intervention in the foreign exchange market. Danish equities rose by 2.8% during the quarter while the 10-year swap rate fell by 3bps to 1.10%.

Finland

The Finnish economy expanded by 3.1% (y/y) in the first half of 2017. Indicators pointed towards strong growth in the third quarter as well. Demand among the main trading partners was robust and a further broad-based strengthening of exports was in the cards. Domestic demand remained strong, ranging from private consumption to construction and machinery investment. Consumption was driven by record-high consumer confidence. Employment improved during the quarter, as the economic recovery continued. There was no sign of the economic expansion spilling over into price pressures, as core inflation slowed down to below 0.5% (y/y). Finnish equity markets gained 0.9% during the quarter. The Finnish 10-year yield ended the quarter 7bps lower at around 0.62%.

Norway

The Norwegian economy continued to expand at a healthy pace in the second quarter. Growth was 0.7% (q/q) during the year's first two quarters as the activity level in oil-related sectors stabilised and private consumption grew. Preliminary data pointed towards slightly slower but still healthy growth in the third quarter. Unemployment continued to decrease in Q3. As a sign of the oil downturn losing its grip on the Norwegian economy, unemployment decreased the most in the oil counties. The effect of past NOK weakening on imported inflation abated further, but domestic inflation also fell. Underlying inflation recently fell to 0.9% (y/y) after hovering around 1.5% for the first half of 2017. Norges Bank kept its key policy rate unchanged at 0.5% at its September meeting, as widely anticipated. The central bank's interest rate path indicated an initial rate hike in the summer of 2019. The 2-year swap rate decreased by 5 bps to 1.08% in Q3, while the 10-year swap rate was roughly unchanged around 1.95%. The Norwegian krone was 2.5% stronger in trade-weighted terms in Q3 and equities were up by 14%.

Sweden

The Swedish economy showed good growth in the second quarter, at 1.2% (q/q) and 3.1% (y/y). The upturn was broad-based. Exports levelled out somewhat in recent months, while indicators for the export industry remained upbeat. Key economic indicators for the domestic economy suggested that the healthy growth momentum was sustained in the third quarter. Employment remained on the strong trend, while the unemployment rate fell only gradually due to the large inflow of labour. Consumer price inflation exceeded the 2% target for the first time in many years. Long-term inflation expectations remained anchored at the 2% inflation target. The Riksbank left its key policy rate unchanged at -0.50% at its September meeting and made no changes to its bond purchasing programme. The central bank signalled an initial rate hike by mid-2018. The trade-weighted SEK strengthened by 2%, and Swedish equities rose by 2% in the third quarter. The 10-year government bond yield was up by 3bps to 0.93%, little changed from the previous quarter.

Group results and performance

Third quarter 2017

Net interest income

Net interest income in local currencies increased 1% from the previous quarter.

Net interest income for Personal Banking was up 3% in local currencies from the previous quarter, driven by lower funding costs and lower 3-month NIBOR.

Net interest income for Commercial & Business Banking was unchanged in local currencies from the previous quarter.

Net interest income in Wholesale Banking was down 1% in local currencies from the previous quarter, mainly driven by lower lending volumes in Russia and Shipping, Oil and Offshore and lower yield fees.

Net interest income in Wealth Management was down 5% in the quarter from the previous quarter driven by a lower lending volume and lower deposit margin.

Net interest income in Group Functions and Other was down to EUR 115m compared to EUR 119m from the previous quarter.

Lending volumes

Loans to the public in local currencies, excluding repos, decreased by 1% from the previous quarter. Average lending volumes in local currencies in business areas were marginally up in Personal Banking and Commercial & Business Banking while somewhat down in Wholesale Banking and Wealth Management.

Deposit volumes

Total deposits from the public in local currencies, excluding repos, decreased by 2% from the previous quarter. Average deposit volumes in business areas were up, particularly in Wholesale Banking.

Net interest income per business area

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
EURm									
Personal Banking	574	555	559	543	536	3%	7%	3%	8%
Commercial & Business Banking	285	284	281	276	273	0%	4%	0%	4%
Wholesale Banking	185	190	200	203	204	-3%	-9%	-1%	-9%
Wealth Management	26	27	29	30	27	-4%	-4%	-5%	-4%
Group Functions and other	115	119	128	157	138	n.m	n.m	n.m	n.m
Total Group	1,185	1,175	1,197	1,209	1,178	1%	1%	1%	1%

Change in Net interest income

	Q3/Q2	Jan-Sep 17/16
EURm		
NII beginning of period	1,175	3,518
Margin driven NII	-7	141
Lending margin	-2	83
Deposit margin	-5	58
Volume driven NII	-4	-18
Lending volume	-5	-21
Deposit volume	1	3
Day count	14	-14
Other ¹	7	-70
NII end of period	1,185	3,557
¹ of which FX	-3	19

Net fee and commission income

Net fee and commission income decreased by 4% in local currencies from the previous quarter.

Savings and investment commissions

Net fee and commission income from savings and investments decreased by 3% in local currencies from the previous quarter to EUR 524m. Fees were negatively affected by AuM which decreased to EUR 330.9bn at the end of the quarter from EUR 332.1bn in the previous quarter.

Net inflow decreased to EUR 0.3bn compared to net inflow of EUR 1.9bn in the previous quarter. AuM in Q3 was impacted by EUR 2.2bn from the exclusion of volumes related to Life Baltics (included in Luminor) and Life Poland (divested). Fees were down approximately EUR 14m due to periodisation.

Payments and cards and lending-related commissions

Lending-related net fee and commission income decreased 2% in local currencies to EUR 149m from the previous quarter. Payments and cards net fee and commission income was down 7% to EUR 137m from the previous quarter.

Net fee and commission income per business area

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
EURm									
Personal Banking	182	190	193	187	178	-4%	2%	-2%	5%
Commercial & Business Banking	101	114	105	116	98	-11%	3%	-10%	4%
Wholesale Banking	140	133	167	159	145	5%	-3%	5%	-5%
Wealth Management	398	422	412	422	384	-6%	4%	-7%	4%
Group Functions and other	-7	-9	-11	-17	-10	n.m	n.m	n.m	n.m
Total Group	814	850	866	867	795	-4%	2%	-4%	3%

Net fee and commission income per category

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
EURm									
Savings and investments, net	524	539	556	547	498	-3%	5%	-3%	5%
Payments and cards, net	137	148	126	138	129	-7%	6%	-7%	6%
Lending-related, net	149	151	161	172	169	-1%	-12%	-2%	-12%
Other commissions, net	4	12	23	10	-1	n.m	n.m	n.m	n.m
Total Group	814	850	866	867	795	-4%	2%	-4%	3%

Assets under Management (AuM), volumes and net inflow

	Q317	Q217	Q117	Q416	Q316	Net inflow Q317
EURbn						
Nordic Retail funds	61.2	60.6	60.7	59.2	56.6	-0.1
Private Banking	101.8	102.9	101.6	100.2	97.6	-0.3
Institutional sales	94.6	94.4	93.8	91.7	92.6	0.4
Life & Pensions	73.3	74.2	74.0	71.6	70.6	0.3
Total	330.9	332.1	330.1	322.7	317.4	0.3

Net result from items at fair value

The net result from items at fair value decreased by 1% from the previous quarter to EUR 357m, and decreased 26% from same quarter in 2016. Fair value adjustment had a positive impact of EUR 39m (EUR 39m in Q2 2017).

Capital Markets income for customers in Wholesale Banking, Personal Banking, Commercial and Business Banking and Private Banking

Customer-driven capital markets activities in the customer business were down slightly 1% lower than in the previous quarter. The net fair value result for the business units largely was unchanged at EUR 149m, from EUR 150m in the previous quarter. However, the underlying level in Q3 was down from Q2 due to lower customer activity. Q2 included EUR -38m related to debt restructuring of customer exposure in Shipping, Oil and Offshore.

Life & Pensions

The net result from items at fair value for Life & Pensions decreased EUR 6m from the previous quarter to EUR 51m.

Wholesale Banking other

The net fair value result for Wholesale Banking other, i.e. income from managing the risks inherent in customer transactions, decreased to EUR 111m compared to EUR 135m in the previous quarter.

Group Functions and Other

The net fair value result in Group Functions and Other increased from the previous quarter and amounted to EUR 46m (EUR 19m in the previous quarter)

Net result from items at fair value per area

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3
EURm							
Personal Banking	20	23	19	20	26	-13%	-23%
Commercial & Business Banking	58	68	61	69	67	-15%	-13%
Wholesale Banking excl. Other	62	43	92	111	79	44%	-22%
Wealth Mgmt excl. Life	9	16	26	19	17	-44%	-47%
Wholesale Banking Other	111	135	99	183	147	-18%	-24%
Life & Pensions	51	57	59	67	53	-11%	-4%
Group Functions and other	46	19	19	29	91	n.m	n.m
Total Group	357	361	375	498	480	-1%	-26%

Equity method

Income from companies accounted for under the equity method was EUR 3m, up from EUR 0m in the previous quarter.

Total operating income

Total income decreased by 1% in local currencies from the previous quarter to EUR 2,373m.

Other operating income

Other operating income was EUR 14m, down from EUR 21m in the previous quarter.

Total operating income per business area

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3	Local currency	
EURm								Q3/Q2	Q3/Q3
Personal Banking	778	774	773	751	742	1%	5%	1%	6%
Commercial & Business Banking	451	475	467	469	445	-5%	1%	-5%	2%
Wholesale Banking	498	501	562	655	576	-1%	-14%	0%	-13%
Wealth Management	492	530	529	544	485	-7%	1%	-8%	0%
Group Functions and other	154	127	130	191	218	n.m	n.m	n.m	n.m
Total, incl. non-recurring items	2,373	2,407	2,461	2,610	2,466	-1%	-4%	-1%	-4%
Total, excl. non-recurring items¹	2,373	2,407	2,461	2,588	2,466	-1%	-4%	-1%	-4%

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

Total expenses

Total expenses in the third quarter amounted to EUR 1,204m, down 7% from the previous quarter and up 2% from the third quarter of 2016 in local currencies.

Staff costs were down 5% in local currencies from the previous quarter and up 2% from the same period in 2016 in local currencies.

Other expenses were down 13% in local currencies from the previous quarter, mainly due to seasonality.

Depreciations were up 10% in local currencies from the previous quarter and up 35% from same quarter of 2016.

The number of employees (FTEs) at the end of the third quarter was 31,918, which is more or less unchanged from the previous quarter but up 2% from the same quarter of

2016. The increase from the third quarter of 2016 is mainly related to compliance and risk.

Expenses related to Group projects, Compliance and Risk that affected the P&L were EUR 119m, compared to EUR 149m in the previous quarter. In addition, EUR 67m was capitalised from Group projects compared to EUR 80m in the previous quarter.

Provisions for performance-related salaries in the second quarter were EUR 77m, compared to EUR 65m in the previous quarter.

The cost/income ratio was down to 51% in the third quarter, compared to the previous quarter (54%) and up compared to the third quarter of 2016 (48%).

Total operating expenses

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
EURm									
Staff costs	-757	-795	-799	-687	-743	-5%	2%	-5%	2%
Other expenses	-377	-433	-387	-475	-389	-13%	-3%	-13%	-3%
Depreciations	-70	-63	-60	-157	-51	11%	37%	10%	35%
Total, incl. non-recurring items	-1,204	-1,291	-1,246	-1,233	-1,183	-7%	2%	-7%	2%
Total, excl. non-recurring items¹	-1,204	-1,291	-1,246	-1,319	-1,183	-7%	2%	-7%	2%

¹ Non-recurring items (Q4 2016: gain in staff costs related to change in pension agreement in Norway of EUR 86m).

Total operating expenses per business area

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
EURm									
Personal Banking	-430	-455	-446	-420	-427	-5%	1%	-5%	1%
Commercial & Business Banking	-273	-281	-275	-298	-282	-3%	-3%	-3%	-3%
Wholesale Banking	-222	-228	-236	-267	-234	-3%	-5%	-1%	-4%
Wealth Management	-225	-248	-225	-225	-213	-9%	6%	-10%	4%
Group Functions and other	-54	-79	-64	-23	-27	n.m	n.m	n.m	n.m
Total, incl. non-recurring items	-1,204	-1,291	-1,246	-1,233	-1,183	-7%	2%	-7%	2%
Total, excl. non-recurring items¹	-1,204	-1,291	-1,246	-1,319	-1,183	-7%	2%	-7%	2%

¹ Non-recurring items (Q4 2016: gain in staff costs related to change in pension agreement in Norway of EUR 86m).

Currency fluctuation effects

	Q3/Q2	Q3/Q3	Jan-Sep 17/16
%-points			
Income	0	0	0
Expenses	0	0	0
Operating profit	0	0	0
Loan and deposit volumes	0	-1	-1

Net loan losses

Credit quality continues to improve, with positive net rating migration in Q3 among the retail portfolio and unchanged among the corporate portfolio.

Net loan loss decreased to EUR 79m and the loan loss ratio improved to 10 bps (EUR 106m and 13 bps in the previous quarter). Loan losses in Q3 are mainly stemming from corporate customers with the largest individual loan losses related to the Oil and Offshore and Manufacturing industries. Loan losses are mainly related to Denmark and Norway, however, also partly related to Russia, Baltics and our international units.

The loan loss ratio for individual losses are 12 bps and for collective -2 bps (in Q2, the ratio for individual losses was 11 bps and for collective it was 2 bps). Collective reversals are driven by identified individual provisions as well as partly by positive rating migration in the retail portfolio.

Our expectation is that loan losses will be below the long-term average of 16 bps in the coming quarters.

Credit portfolio

Total lending to the public, excluding reversed repurchase agreements, decreased slightly to EUR 297bn when excluding the Held for Sale operations in the Baltics transferred to Luminor bank as of 1 October 2017.

Total impaired loans gross decreased by 2% to EUR 5,853m driven by private customers in Denmark and a few corporate customers in the manufacturing industry. However, the impairment rate gross increased slightly to 174 bps (172 bps in Q2) of total loans due to a decrease in lending to credit institutions and central banks mostly caused by a decrease in reversed repurchase agreements. Provisioning ratio increased slightly to 41% (40% in Q2).

Loan loss ratios and impaired loans

	Q317	Q217	Q117	Q416	Q316
Basis points of loans					
Loan loss ratios					
annualised, Group	10	13	14	16	16
of which individual	12	11	16	15	7
of which collective	-2	2	-2	1	9
Personal Banking total ¹	3	7	2	-1	4
Banking Denmark ¹	-1	11	3	-10	6
Banking Finland ¹	1	4	1	3	3
Banking Norway ¹	4	0	1	0	1
Banking Sweden ¹	2	2	2	3	0
Banking Baltic countries ¹	42	9	-5	10	5
Commercial & Business Banking ¹	12	8	9	17	24
Commercial Banking ¹	21	13	23	19	22
Business Banking ¹	1	2	-12	15	26
Wholesale Banking	22	34	44	48	32
Corporate & Institutional Banking (CIB) ¹	14	18	18	40	9
Shipping, Offshore & Oil Services ¹	101	146	200	163	200
Banking Russia ¹	62	88	162	90	30
Impaired loans ratio					
gross, Group (bps) ³	174	172	162	163	163
- servicing	64%	64%	62%	58%	61%
- non-servicing	36%	36%	38%	42%	39%
Total allowance					
ratio, Group (bps)	71	69	71	71	71
Provisioning ratio, Group ²	41%	40%	44%	44%	44%

¹ Negative amount are net reversals.

² Total allowances in relation to gross impaired loans.

³ In Q4 and Q3 2016 170bps, including Baltics operations reported as assets held for sale. The transaction is expected to close during Q4 2017.

Profit

Operating profit

Operating profit excluding non-recurring items increased to EUR 1,090m, up 8% in local currencies compared to the previous quarter, and down 5% compared to the same quarter of 2016.

Taxes

Income tax expense was EUR 258m compared to EUR 267m in the previous quarter. The effective tax rate was 23.7%, compared to 26.4% in the previous quarter and 22.6% in the third quarter last year.

Net profit

Net profit increased 12% in local currencies from the previous quarter to EUR 832m. Return on equity was 10.5%, up from 9.5% in the previous quarter.

Diluted earnings per share were EUR 0.21 (EUR 0.18 in the previous quarter).

Operating profit per business area

	Q317	Q217	Q117	Q416	Q316	Q3/Q2	Q3/Q3	Local currency	
								Q3/Q2	Q3/Q3
EURm									
Personal Banking	335	293	320	333	301	14%	11%	15%	13%
Commercial & Business Banking	153	178	175	136	114	-14%	34%	-14%	34%
Wholesale Banking	236	209	236	292	271	13%	-13%	11%	-13%
Wealth Management	267	282	304	319	272	-5%	-2%	-6%	-3%
Group Functions and other	99	48	67	168	190	n.m	n.m	n.m	n.m
Total, incl. non-recurring items	1,090	1,010	1,102	1,248	1,148	8%	-5%	8%	-5%
Total, excl. non-recurring items¹	1,090	1,010	1,102	1,140	1,148	8%	-5%	8%	-5%

¹ Non-recurring items (Q4 2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 22m before tax and gain in staff costs related to change in pension agreement in Norway of EUR 86m.).

First nine months 2017 compared to first nine months 2016

Total income was up 1% in local currencies and up 1% in EUR from the prior year and operating profit was down 1% in both local currencies and EUR from the previous year excluding non-recurring items.

Income

Net interest income was up 1% in both local currencies and EUR from 2016. Average lending volumes in business areas in local currencies were down by 1% compared to the first nine months of 2016 while deposits volumes were up by 2%.

Net fee and commission income increased 7% in both local currencies and EUR from the previous year.

Net result from items at fair value decreased both in local currencies (9%) and in EUR (10%) from 2016.

Expenses

Total expenses were up 5% in both local currencies and EUR from the previous year excluding non-recurring items and amounted to EUR 3,741m. Staff costs were up 5% in local currencies excluding non-recurring items.

Net loan losses

Net loan loss provisions decreased to EUR 298m, corresponding to a loan loss ratio of 12 bps (down from 15 bps in first nine months of 2016).

Net profit

Net profit excluding non-recurring items decreased 4% in both local currencies and EUR to EUR 2,419m.

Currency fluctuation impact

Currency fluctuations had no effect on income and expenses but a negative effect of 1%-point on loan and deposit volumes compared to a year ago.

Other information

Capital position and risk exposure amount, REA

Nordea Group's Basel III Common equity tier 1 (CET1) capital ratio remained flat at 19.2% at the end of the third quarter 2017 compared to 19.2% at the end of the second quarter 2017. Risk exposure amount, REA, decreased with EUR 1.4bn. The main drivers were improved credit quality and lower volumes in the corporate portfolio, somewhat offset by the PD/ADF implementation. CET1 capital decreased with EUR 0.2bn, partly explained by increased deduction for intangible assets.

The tier 1 capital ratio remained flat at 21.4% compared to 21.4% in the previous quarter and the total capital ratio decreased somewhat to 24.5% from 24.6%.

At the end of the third quarter, the CET1 capital was EUR 24.7bn, the Tier 1 capital was EUR 27.5bn and the Own Funds were EUR 31.4bn.

The CRR leverage ratio increased to 4.9%, compared to 4.7% in the previous quarter.

Economic Capital (EC) was EUR 26.7bn at the end of the third quarter, a decrease by EUR 0.6bn compared to the last quarter. The decrease mainly stems from a reduction in credit risk Pillar I. A decrease in market risk, both Pillar I and Pillar II, and prudent valuation further reduced EC. This was slightly offset by an increase in intangible assets and NLP.

The Group's Internal Capital Requirement (ICR) was at the end of the third quarter EUR 13.6bn and remained relatively flat to the previous quarter. The ICR should be compared to the own funds, which was EUR 31.4bn. The ICR is calculated based on a Pillar I plus Pillar II approach. For more detailed information about the ICR methodology see the Capital and Risk Management Report.

Capital ratios

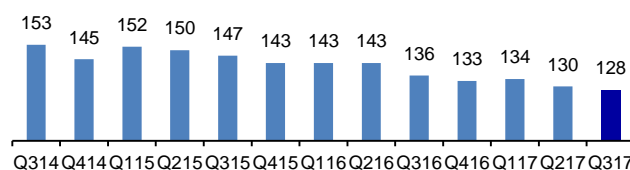
	Q317	Q217	Q117	Q416	Q316
%					
CRR/CRDIV					
CET 1 cap. ratio	19.2	19.2	18.8	18.4	17.9
Tier 1 capital ratio	21.4	21.4	21.0	20.7	20.1
Total capital ratio	24.5	24.6	24.3	24.7	24.1

Regulatory developments

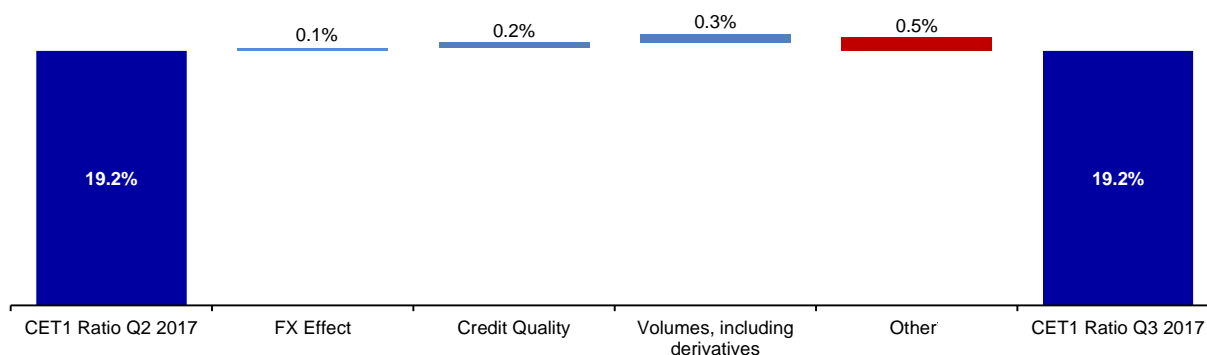
On 24 August the Swedish FSA issued a consultation on repealing its legislative acts on liquidity, FFFS 2011:37 and FFFS 2012:6. The motive for the repealing, which is proposed to occur 1 January 2018, is that the legislative acts will be replaced by the binding rules stated in the CRR which enters into force the same date.

The Finnish FSA communicated on 26 September that the authority will set a credit institution specific minimum level of 15% for the average risk weight on residential mortgage loans for credit institutions that use the Internal Rating Based Approach.

Risk exposure amount, REA (EURbn), quarterly



Common equity tier 1 (CET 1) capital ratio, changes in the quarter



Balance sheet

Total assets in the balance sheet decreased by EUR 27.5bn in the quarter and the asset values of derivatives were EUR 4bn lower than in the previous period.

Loans to the public were more or less unchanged at EUR 314bn in the quarter compared to EUR 315bn in the previous quarter.

Other assets decreased by EUR 12bn from the previous quarter.

Balance sheet data

	Q317	Q217	Q117	Q416	Q316
EURbn					
Loans to credit institutions	14	21	19	9	13
Loans to the public	314	315	320	318	326
Derivatives	49	53	56	70	81
Interest-bearing securities	88	91	93	88	83
Other assets	150	163	162	131	155
Total assets	615	643	650	616	657
Deposits from credit inst.	54	70	70	38	58
Deposits from the public	182	190	191	174	187
Debt securities in issue	183	185	188	192	191
Derivatives	45	53	56	69	77
Other liabilities	118	114	114	111	111
Total equity	32	31	31	32	31
Total liabilities and equity	615	643	650	616	657

Nordea's funding and liquidity operations

Nordea issued approx. EUR 3bn in long-term funding in the third quarter (excluding Danish covered bonds and subordinated notes), of which approx. EUR 900m represented issuance of covered bonds from Nordea Hypotek. A EUR 2bn dual tranche (4-year and 10-year tenor) senior unsecured bond was issued from Nordea Bank AB during the third quarter.

Nordea's long-term funding portion of total funding was, at the end of the third quarter, approx. 81%.

Short-term liquidity risk is measured using several metrics and the Liquidity Coverage Ratio (LCR) is one such metric. LCR for the Nordea Group was, according to the Swedish FSA's LCR definition, 143% at the end of the third quarter. The LCR in EUR was 187% and in USD 161% at the end of the third quarter. LCR for the Nordea Group according to CRR LCR definitions was 154% at the end of the third quarter. The liquidity buffer is composed of highly liquid central bank eligible securities and cash with characteristics similar to Basel III/CRD IV high quality liquid assets and amounted to EUR 107bn at the end of the third quarter (EUR 126bn at the end of the second quarter).

Funding and liquidity data

	Q317	Q217	Q117	Q416	Q316
Long-term funding portion	81%	80%	81%	82%	82%
LCR total	143%	141%	142%	159%	148%
LCR EUR	187%	203%	185%	334%	257%
LCR USD	161%	165%	150%	221%	253%

Market risk

Total market risk, measured as Value at Risk, in the trading book was EUR 13m, an increase from the previous quarter (EUR 10m).

Trading book

	Q317	Q217	Q117	Q416	Q316
EURm					
Total risk, VaR	13	10	9	16	16
Interest rate risk, VaR	10	12	9	12	15
Equity risk, VaR	2	4	3	5	4
Foreign exchange risk, VaR	9	2	5	4	4
Credit spread risk, VaR	5	5	7	6	7
Diversification effect	48%	59%	62%	42%	46%

Total market risk, measured as Value at Risk, in the banking book was EUR 47m (EUR 52m in Q2 2017). The decrease is driven by a reduction in interest rates exposure.

Banking book

	Q317	Q217	Q117	Q416	Q316
EURm					
Total risk, VaR	47	52	63	59	54
Interest rate risk, VaR	48	53	63	58	53
Equity risk, VaR	4	4	2	1	2
Foreign exchange risk, VaR	2	2	2	5	4
Credit spread risk, VaR	1	1	1	2	2
Diversification effect	14%	14%	7%	10%	12%

Nordea share and ratings

Nordea's share price as at the end of Q3 2017 and ratings as at the end of Q3 2017.

	Nasdaq STO (SEK)	Nasdaq COP (DKK)	Nasdaq HEL (EUR)
30/12/2016	101.30	78.65	10.60
31/03/2017	102.30	79.90	10.72
30/06/2017	107.20	83.15	11.14
30/09/2017	110.40	85.15	11.44

Moody's		Standard&Poor's		Fitch	
Short	Long	Short	Long	Short	Long
P-1	Aa3	A-1+	AA-	F1+	AA-

Baltics

In August 2016, Nordea and DNB announced that they will combine their operations in the Baltics. At the beginning of March this year, it was announced that Luminor will be the name of the joint Baltic bank. The completion was conditional upon receiving regulatory approvals and fulfilling certain conditions. After receiving all the requisite approvals and fulfilling the conditions, the transaction closed on 1 October 2017.

Luminor will comprise Nordea's approximately 350,000 customers across the three markets and DNB's 930,000 customers across the three markets. The operations will have approximately 3,000 employees.

Luminor has a strong geographical presence with Nordea's strong Estonian, DNB's strong Lithuanian and jointly strong Latvian footprints. As a result of the transaction, corporate banking, private banking and household customers will benefit from increased geographical coverage, a broader product offering and ultimately better product and service development.

The two banks greatly complement one another in the Baltic region, and Luminor will be even better equipped to counter increasing competition and capitalise on scale with the objective to become the main bank for more businesses, customers and partners in the Baltics.

Nordea has established a Baltic Office in order to monitor Nordea's investment in Luminor and serve as the point of contact between Nordea and Luminor. The Baltic Office is headed by Jørgen Christian Andersen.

In the fourth quarter 2017 Nordea will derecognise all assets and liabilities held for sale and recognise an investment in Luminor. Nordea will as from the fourth quarter consolidate Luminor using the equity method, meaning Nordea will recognise its share of the post-tax result in Luminor on the line "Profit from associated undertakings and joint ventures accounted for under the equity method" in the income statement.

Nordea Merger plans

On 6 September 2017, the Board of Directors of Nordea Bank AB (publ) initiated a process to re-domicile the parent company from Sweden to Finland. The Boards of Directors of each of Nordea Bank AB (publ) and the newly established and wholly-owned Finnish company Nordea Holding Abp have as of 25 October signed a joint cross-border merger plan that will be presented to the shareholders at a general meeting for their approval, requiring a two-third majority of the votes cast and present at such a meeting.

The execution of the merger is further conditional upon e.g. receiving the requisite regulatory approvals. The merger, and consequently the re-domiciliation, is planned to be effected during the second half of 2018, tentatively on 1 October 2018. The merger plan can be found on www.nordea.com

IFRS 9: Expected quantitative impact

The IASB has completed the new standard for financial instruments, IFRS 9 "Financial instruments". IFRS 9 covers classification and measurement, impairment and general hedge accounting and replaces the current requirements covering these areas in IAS 39. IFRS 9 is effective as from annual periods beginning on or after 1 January 2018. The impact on the Common Equity Tier 1 capital ratio, after adjustment of the shortfall deduction and before transition rules, is expected to be insignificant. Additional qualitative disclosures can be found in the interim report for the second quarter 2017. (More details in Note 1 on Page 21).

Sale of management rights in Nordea Powszechna Towarzystwo Emerytalne S.A. (PTE)

Nordea Life and Pension has divested PTE's management right to an open-ended pension fund to Aegon. The transaction was approved by the Polish authorities in the third quarter 2017. The transaction has not had any significant impact on the income statement. Goodwill allocated to the affected operations of EUR 40m has been derecognised and the fair value of an earn-out has been recognised. The earn-out is over 20 years and is accounted for as a financial instrument held at fair value.

Quarterly development, Group

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Jan-Sep 2017	Jan-Sep 2016
EURm							
Net interest income	1,185	1,175	1,197	1,209	1,178	3,557	3,518
Net fee and commission income	814	850	866	867	795	2,530	2,371
Net result from items at fair value	357	361	375	498	480	1,093	1,217
Profit from associated undertakings and joint ventures accounted for under the equity method	3	0	4	4	-2	7	108
Other operating income	14	21	19	32	15	54	103
Total operating income	2,373	2,407	2,461	2,610	2,466	7,241	7,317
General administrative expenses:							
Staff costs	-757	-795	-799	-687	-743	-2,351	-2,239
Other expenses	-377	-433	-387	-475	-389	-1,197	-1,171
Depreciation, amortisation and impairment charges of tangible and intangible assets	-70	-63	-60	-71	-51	-193	-157
Total operating expenses	-1,204	-1,291	-1,246	-1,233	-1,183	-3,741	-3,567
Profit before loan losses	1,169	1,116	1,215	1,377	1,283	3,500	3,750
Net loan losses	-79	-106	-113	-129	-135	-298	-373
Operating profit	1,090	1,010	1,102	1,248	1,148	3,202	3,377
Income tax expense	-258	-267	-258	-148	-260	-783	-711
Net profit for the period	832	743	844	1,100	888	2,419	2,666
Diluted earnings per share (DEPS), EUR	0.21	0.18	0.21	0.27	0.22	0.60	0.66
DEPS, rolling 12 months up to period end, EUR	0.87	0.88	0.95	0.93	0.87	0.87	0.87

Income statement

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Full year 2016
EURm					
Operating income					
Interest income	1,915	1,917	5,741	5,842	7,747
Interest expense	-730	-739	-2,184	-2,324	-3,020
Net interest income	1,185	1,178	3,557	3,518	4,727
Fee and commission income	1,019	1,023	3,169	3,016	4,098
Fee and commission expense	-205	-228	-639	-645	-860
Net fee and commission income	814	795	2,530	2,371	3,238
Net result from items at fair value	357	480	1,093	1,217	1,715
Profit from associated undertakings and joint ventures accounted for under the equity method	3	-2	7	108	112
Other operating income	14	15	54	103	135
Total operating income	2,373	2,466	7,241	7,317	9,927
Operating expenses					
General administrative expenses:					
Staff costs	-757	-743	-2,351	-2,239	-2,926
Other expenses	-377	-389	-1,197	-1,171	-1,646
Depreciation, amortisation and impairment charges of tangible and intangible assets	-70	-51	-193	-157	-228
Total operating expenses	-1,204	-1,183	-3,741	-3,567	-4,800
Profit before loan losses	1,169	1,283	3,500	3,750	5,127
Net loan losses	-79	-135	-298	-373	-502
Operating profit	1,090	1,148	3,202	3,377	4,625
Income tax expense	-258	-260	-783	-711	-859
Net profit for the period	832	888	2,419	2,666	3,766
Attributable to:					
Shareholders of Nordea Bank AB (publ)	828	888	2,407	2,666	3,766
Non-controlling interests	4	-	12	-	-
Total	832	888	2,419	2,666	3,766
Basic earnings per share, EUR	0.21	0.22	0.60	0.66	0.93
Diluted earnings per share, EUR	0.21	0.22	0.60	0.66	0.93

Statement of comprehensive income

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Full year 2016
EURm					
Net profit for the period	832	888	2,419	2,666	3,766
Items that may be reclassified subsequently to the income statement					
Currency translation differences during the period	29	194	-257	414	438
Tax on currency translation differences during the period	-3	-	-1	-	-
<i>Hedging of net investments in foreign operations:</i>					
Valuation gains/losses during the period	-26	-148	80	-234	-219
Tax on valuation gains/losses during the period	5	32	-18	51	48
<i>Available for sale investments:¹</i>					
Valuation gains/losses during the period, net of recycling	9	51	55	122	117
Tax on valuation gains/losses during the period	-2	-12	-13	-28	-27
<i>Cash flow hedges:</i>					
Valuation gains/losses during the period, net of recycling	-3	-58	-108	-47	-44
Tax on valuation gains/losses during the period	0	13	24	11	10
Items that may not be reclassified subsequently to the income statement					
<i>Defined benefit plans:</i>					
Remeasurement of defined benefit plans	57	-39	57	-461	-205
Tax on remeasurement of defined benefit plans	-13	9	-12	104	47
Other comprehensive income, net of tax	53	42	-193	-68	165
Total comprehensive income	885	930	2,226	2,598	3,931
Attributable to:					
Shareholders of Nordea Bank AB (publ)	881	930	2,214	2,598	3,931
Non-controlling interests	4	-	12	-	-
Total	885	930	2,226	2,598	3,931

¹ Valuation gains/losses related to hedged risks under fair value hedge accounting are accounted for directly in the income statement.

Balance sheet

	30 Sep 2017	31 Dec 2016	30 Sep 2016
EURm			
Assets			
Cash and balances with central banks	48,284	32,099	49,266
Loans to central banks	5,841	11,235	10,862
Loans to credit institutions	14,362	9,026	12,752
Loans to the public	313,706	317,689	325,596
Interest-bearing securities	87,580	87,701	82,974
Financial instruments pledged as collateral	7,279	5,108	10,389
Shares	29,540	21,524	22,200
Assets in pooled schemes and unit-linked investment contracts	25,472	23,102	23,149
Derivatives	48,637	69,959	80,529
Fair value changes of the hedged items in portfolio hedge of interest rate risk	143	178	137
Investments in associated undertakings and joint ventures	572	588	775
Intangible assets	4,071	3,792	3,594
Property and equipment	634	566	572
Investment properties	3,280	3,119	2,984
Deferred tax assets	81	60	232
Current tax assets	519	288	328
Retirement benefit assets	379	306	123
Other assets	16,305	18,973	20,553
Prepaid expenses and accrued income	1,620	1,449	1,590
Assets held for sale	6,972	8,897	8,585
Total assets	615,277	615,659	657,190
Liabilities			
Deposits by credit institutions	54,243	38,136	58,387
Deposits and borrowings from the public	182,247	174,028	187,411
Deposits in pooled schemes and unit-linked investment contracts	25,828	23,580	23,633
Liabilities to policyholders	42,471	41,210	40,086
Debt securities in issue	182,625	191,750	191,380
Derivatives	45,485	68,636	77,400
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,754	2,466	3,678
Current tax liabilities	565	487	833
Other liabilities	30,236	24,413	25,481
Accrued expenses and prepaid income	1,942	1,758	1,846
Deferred tax liabilities	823	830	620
Provisions	239	306	345
Retirement benefit obligations	246	302	492
Subordinated liabilities	9,181	10,459	10,096
Liabilities held for sale	5,094	4,888	4,432
Total liabilities	582,979	583,249	626,120
Equity			
Non-controlling interests	162	1	1
Share capital	4,050	4,050	4,050
Share premium reserve	1,080	1,080	1,080
Other reserves	-1,216	-1,023	-1,256
Retained earnings	28,222	28,302	27,195
Total equity	32,298	32,410	31,070
Total liabilities and equity	615,277	615,659	657,190
Assets pledged as security for own liabilities	201,479	189,441	193,078
Other assets pledged	5,400	8,330	5,179
Contingent liabilities	19,363	23,089	22,514
Credit commitments ¹	77,117	77,881	77,157
Other commitments	2,355	1,553	1,601

¹ Including unutilised portion of approved overdraft facilities of EUR 31,697m (31 Dec 2016: EUR 30,703m, 30 Sep 2016: EUR 31,219m).

Statement of changes in equity

	Attributable to shareholders of Nordea Bank AB (publ)								Non-controlling interests	Total equity
	Share capital ¹	Share premium reserve	Other reserves:				Retained earnings	Total		
			Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans				
EURm										
Balance at 1 Jan 2017	4,050	1,080	-1,350	37	80	210	28,302	32,409	1	32,410
Net profit for the period	-	-	-	-	-	-	2,407	2,407	12	2,419
Other comprehensive income, net of tax	-	-	-196	-84	42	45	-	-193	-	-193
Total comprehensive income	-	-	-196	-84	42	45	2,407	2,214	12	2,226
Dividend for 2016	-	-	-	-	-	-	-2,625	-2,625	-	-2,625
Divestment of own shares ³	-	-	-	-	-	-	16	16	-	16
Other changes ⁴	-	-	-	-	-	-	122	122	149	271
Balance at 30 Sep 2017	4,050	1,080	-1,546	-47	122	255	28,222	32,136	162	32,298

	Attributable to shareholders of Nordea Bank AB (publ)							Total	Non-controlling interests	Total equity
	Share capital ¹	Share premium reserve	Other reserves:				Retained earnings			
			Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans				
EURm										
Balance at 1 Jan 2016	4,050	1,080	-1,617	71	-10	368	27,089	31,031	1	31,032
Net profit for the period	-	-	-	-	-	-	3,766	3,766	-	3,766
Other comprehensive income, net of tax	-	-	267	-34	90	-158	-	165	-	165
Total comprehensive income	-	-	267	-34	90	-158	3,766	3,931	-	3,931
Dividend for 2015	-	-	-	-	-	-	-2,584	-2,584	-	-2,584
Divestment of own shares ³	-	-	-	-	-	-	31	31	-	31
Balance at 31 Dec 2016	4,050	1,080	-1,350	37	80	210	28,302	32,409	1	32,410

	Attributable to shareholders of Nordea Bank AB (publ)									
	Share capital ¹	Share premium reserve	Other reserves:				Retained earnings	Total	Non-controlling interests	Total equity
			Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans				
EURm										
Balance at 1 Jan 2016	4,050	1,080	-1,617	71	-10	368	27,089	31,031	1	31,032
Net profit for the period	-	-	-	-	-	-	2,666	2,666	-	2,666
Other comprehensive income, net of tax	-	-	231	-36	94	-357	-	-68	-	-68
Total comprehensive income	-	-	231	-36	94	-357	2,666	2,598	-	2,598
Dividend for 2015	-	-	-	-	-	-	-2,584	-2,584	-	-2,584
Divestment of own shares ³	-	-	-	-	-	-	24	24	-	24
Balance at 30 Sep 2016	4,050	1,080	-1,386	35	84	11	27,195	31,069	1	31,070

¹ Total shares registered were 4,050 million (31 Dec 2016: 4,050 million, 30 Sep 2016: 4,050 million).

² The total holding of own shares related to Long Term Incentive Programme (LTIP) is 10.2 million (31 Dec 2016: 10.9 million, 30 Sep 2016: 10.9 million).

³ Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 30 Sep 2017 was 11.1 million (31 Dec 2016: 13.3 million, 30 Sep 2016: 13.3 million).

⁴ Refers to the sale of 25% of Nordea Liv & Pension, Livforsikringselskab A/S in Denmark.

Cash flow statement, condensed

	Jan-Sep 2017	Jan-Sep 2016	Full year 2016
EURm			
Operating activities			
Operating profit	3,202	3,377	4,625
Adjustments for items not included in cash flow	2,652	2,748	3,892
Income taxes paid	-1,006	-688	-952
Cash flow from operating activities before changes in operating assets and liabilities	4,848	5,437	7,565
Changes in operating assets and liabilities	14,809	16,767	-4,285
Cash flow from operating activities	19,657	22,204	3,280
Investing activities			
Properties and equipment	-102	-65	-104
Intangible assets	-447	-427	-656
Net investments in debt securities, held to maturity	-10	-261	-360
Other financial fixed assets	-20	-9	186
Cash flow from investing activities	-579	-762	-934
Financing activities			
Issued/amortised subordinated liabilities	-750	1,000	1,000
Divestment of own shares including change in trading portfolio	16	24	31
Dividend paid	-2,625	-2,584	-2,584
Cash flow from financing activities	-3,359	-1,560	-1,553
Cash flow for the period	15,719	19,882	793
Cash and cash equivalents	30 Sep 2017	30 Sep 2016	31 Dec 2016
EURm			
Cash and cash equivalents at beginning of the period	41,860	40,200	40,200
Translation difference	-2,805	-740	867
Cash and cash equivalents at end of the period	54,774	59,342	41,860
Change	15,719	19,882	793
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	48,284	49,266	32,099
Loans to central banks	4,575	8,215	8,538
Loans to credit institutions	1,770	1,733	1,093
Assets held for sale	145	128	130
Total cash and cash equivalents	54,774	59,342	41,860

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal systems under government authority, where the following conditions are fulfilled:

- the central bank or the postal giro system is domiciled in the country where the institution is established.
- the balance on the account is readily available at any time.

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

Notes to the financial statements

Note 1 Accounting policies

The information presented in this Interim Management Statement follows the guidelines for Interim Management Statements issued by Nasdaq OMX. This Interim Management Statement is not presented in accordance with IAS 34 "Interim Financial Reporting".

The accounting policies and methods of computation are largely the same as for the Annual Report 2016. For more information see Note G1 in the Annual Report 2016. For changes implemented during 2017, see "Changed accounting policies and presentation" below.

Changed accounting policies and presentation

Amendments have been made in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) which have been implemented on 1 January 2017. These amendments have not had any significant impact on Nordea's financial statements.

The Swedish Financial Reporting Board has amended the accounting recommendation for groups by issuing "RFR 1 Supplementary Accounting Rules for Groups – January 2017". These changes were implemented by Nordea on 1 January 2017 but have not had any significant impact on Nordea's financial statements.

Changes in IFRSs not yet applied

IFRS 9 "Financial instruments"

The IASB has completed the new standard for financial instruments, IFRS 9 "Financial instruments". IFRS 9 covers classification and measurement, impairment and general hedge accounting and replaces the current requirements covering these areas in IAS 39. IFRS 9 is effective as from annual periods beginning on or after 1 January 2018. Additional qualitative disclosures can be found in the interim report for the second quarter 2017.

No significant quantitative impact is expected from the new classification and measurement requirements.

The quantitative impact from the new impairment requirements on total allowances and provisions for on- and off-balance exposures, including debt instruments accounted for at fair value through other comprehensive income (FVOCI), is expected to be an increase within the range 5-15%. Total allowances and provisions amounted to EUR 2,471m at the end of the third quarter 2017 and the increase of total allowances and provisions will be accounted for directly in equity (after tax) at transition. The impact on the Common Equity Tier 1 capital ratio, after adjustment of the shortfall deduction and before transition rules, is expected to be insignificant. The final impact is dependent on the exposures on Nordea's balance sheet, as well as Nordea's macro-economic forecasts, at transition.

There will be no impact from the new hedge accounting requirements in IFRS 9 as Nordea will continue using the hedge accounting requirements in IAS 39 until the IASB has completing the requirements on macro (open portfolio) hedge accounting.

IFRS 15 "Revenue from Contracts with Customers"

The IASB published the new standard, IFRS 15 "Revenue from Contracts with Customers" in 2014. Clarifications to the standard were published in April 2016. The new standard outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition standards and interpretations within IFRS, such as IAS 18 "Revenue". The new standard is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted. The standard was endorsed by the EU-commission in 2016 and the clarifications are expected to be endorsed in 2017. The standard does not apply to financial instruments, insurance contracts or lease contracts.

The current assessment is that the new standard will have an impact on Nordea's accounting policies for loan origination fees, as such fees are expected to be amortised as part of the effective interest of the underlying exposures to a larger extent than today. An opening balance adjustment, to be recognised directly in equity (after tax), is expected at transition 1 January 2018, but the current expectation is that this will not have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

Exchange rates

	Jan-Sep 2017	Jan-Dec 2017	Jan-Sep 2016
EUR 1 = SEK			
Income statement (average)	9.5833	9.5961	9.3713
Balance sheet (at end of period)	9.6490	9.6398	9.6210
EUR 1 = DKK			
Income statement (average)	7.4373	7.4368	7.4474
Balance sheet (at end of period)	7.4423	7.4366	7.4513
EUR 1 = NOK			
Income statement (average)	9.2361	9.1771	9.3801
Balance sheet (at end of period)	9.4125	9.5713	8.9865
EUR 1 = RUB			
Income statement (average)	64.9383	62.7421	76.2621
Balance sheet (at end of period)	68.2519	67.5449	70.5140

Note 2 Risks and uncertainties

Nordea is subject to various legal regimes and requirements, including those of the Nordic countries, the European Union and the United States. Governmental authorities that administer and enforce those regimes are regularly conducting investigations with regards to Nordea's regulatory compliance, including the compliance with anti-money laundering (AML) and economic sanction requirements.

The supervisory authorities have during 2016 conducted ongoing investigations with regards to Nordea's compliance in several areas, e.g. investment advice, AML, external tax rules, competition law and governance and control. The Nordea Group is also responding to inquiries from U.S. governmental authorities regarding historical compliance with certain U.S. financial sanctions during 2008-2013. The outcome of some investigations is pending and it cannot be excluded that these investigations could lead to criticism or sanctions.

In June 2015 the Danish Financial Supervisory Authority investigated how Nordea Bank Danmark A/S had followed the regulations regarding anti-money laundering (AML). The outcome has resulted in criticism and the matter was, in accordance with Danish administrative practice, handed over to the police for further handling and possible sanctions.

Nordea has made significant investments to address the deficiencies highlighted by the investigations. Amongst other Nordea established in 2015 the Financial Crime Change Programme and have strengthened the organisation significantly to enhance the AML and sanction management risk frameworks. Nordea has also established the Business Ethics and Values Committee and a culture transformation programme to embed stronger ethical standards into our corporate culture. In addition the group is investing in enhanced compliance standards, processes and resources in both first and second line of defence.

Nordea Bank AB (publ)

At January 2, 2017 Nordea Bank AB (NBAB) merged with Nordea bank Finland Plc (NBF), Nordea Bank ASA (NBN) and Nordea Bank Denmark A/S (NBD). At the date NBAB has recognised the assets and liabilities and income statement as of 1 January 2017 of its former subsidiaries, as they are dissolved and have become branches to NBAB. For more information see Annual Report 2016, Note P20 "Investments in group undertakings being merged".

Income statement

	Q3 2017	Q3 2016	Jan-Sep 2017	Jan-Sep 2016	Full year 2016
EURm					
Operating income					
Interest income	1,056	335	3,159	1,053	1,403
Interest expense	-445	-224	-1,382	-712	-939
Net interest income	611	111	1,777	341	464
Fee and commission income	573	214	1,807	729	978
Fee and commission expense	-93	-37	-291	-104	-138
Net fee and commission income	480	177	1,516	625	840
Net result from items at fair value	300	95	931	185	216
Dividends	1	400	722	951	3,210
Other operating income	162	159	354	511	712
Total operating income	1,554	942	5,300	2,613	5,442
Operating expenses					
General administrative expenses:					
Staff costs	-650	-212	-2,027	-865	-1,113
Other expenses	-342	-239	-1,084	-708	-1,008
Depreciation, amortisation and impairment charges of tangible and intangible assets	-71	-47	-199	-122	-172
Total operating expenses	-1,063	-498	-3,310	-1,695	-2,293
Profit before loan losses	491	444	1,990	918	3,149
Net loan losses	-55	-15	-238	-109	-193
Impairment of securities held as financial non-current assets	-3	0	-3	0	-6
Operating profit	433	429	1,749	809	2,950
Appropriations	-	-	-	-	1
Income tax expense	-104	31	-339	70	-51
Net profit for period	329	460	1,410	879	2,900

Nordea Bank AB (publ)

Balance sheet

	30 Sep 2017	31 Dec 2016	30 Sep 2016
EURm			
Assets			
Cash and balances with central banks	47,922	101	95
Treasury bills	18,019	6,583	4,955
Loans to credit institutions	66,848	88,375	82,047
Loans to the public	161,864	43,726	44,101
Interest-bearing securities	47,373	10,359	9,247
Financial instruments pledged as collateral	14,004	-	1,001
Shares	10,849	130	2,700
Derivatives	49,106	4,668	5,506
Fair value changes of the hedged items in portfolio hedge of interest rate risk	60	0	3
Investments in group undertakings	13,162	20,101	20,121
Investments in associated undertakings and joint ventures	79	12	7
Participating interest in other companies	20	1	1
Intangible assets	2,010	1,539	1,379
Property and equipment	391	132	129
Deferred tax assets	37	22	115
Current tax assets	467	204	221
Retirement benefit assets	152	-	-
Other assets	15,854	4,560	2,721
Prepaid expenses and accrued income	1,264	749	783
Total assets	449,481	181,262	175,132
Liabilities			
Deposits by credit institutions	65,862	20,374	18,245
Deposits and borrowings from the public	189,797	58,183	57,459
Debt securities in issue	76,544	63,162	60,281
Derivatives	48,154	3,612	4,313
Fair value changes of the hedged items in portfolio hedge of interest rate risk	739	1,008	1,679
Current tax liabilities	190	0	0
Other liabilities	29,255	3,279	3,556
Accrued expenses and prepaid income	1,487	670	906
Deferred tax liabilities	139	-	-
Provisions	327	307	307
Retirement benefit obligations	259	169	175
Subordinated liabilities	9,035	10,086	9,843
Total liabilities	421,788	160,850	156,764
Untaxed reserves	2	2	2
Equity			
Share capital	4,050	4,050	4,050
Development cost reserve	1,033	569	366
Share premium reserve	1,080	1,080	1,080
Other reserves	10	-2	-29
Retained earnings	21,518	14,713	12,899
Total equity	27,691	20,410	18,366
Total liabilities and equity	449,481	181,262	175,132
Assets pledged as security for own liabilities	38,761	1,080	2,584
Other assets pledged	5,400	11,750	9,650
Contingent liabilities	54,162	71,965	71,879
Commitments ¹	83,556	26,993	27,110

¹ Including unutilised portion of approved overdraft facilities of EUR 36,605m (31 Dec 2016: EUR 15,890m, 30 Sep 2016: EUR 16,096m).

Glossary

Return on equity

Net profit for the period excluding non-controlling interests as a percentage of average equity for the year. Average equity including net profit for the year and dividend until paid, non-controlling interests excluded.

Total shareholders return (TSR)

Total shareholders return measured as growth in the value of a shareholding during the year, assuming the dividends are reinvested at the time of the payment to purchase additional shares.

Tier 1 capital

The Tier 1 capital of an institution consists of the sum of the Common equity tier 1 capital and Additional Tier 1 capital of the institution. Common equity tier 1 capital includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations, the full expected shortfall deduction (the negative difference between expected losses and provisions) and finally other deductions such as cash flow hedges.

Tier 1 capital ratio

Tier 1 capital as a percentage of risk exposure amount. The Common equity tier 1 capital ratio is calculated as Common equity tier 1 capital as a percentage of risk exposure amount.

Loan loss ratio

Net loan losses (annualised) divided by quarterly closing balance of loans to the public (lending).

Impairment rate, gross

Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net

Individually assessed impaired loans after allowances divided by total loans before allowances

Total allowance rate

Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans

Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to impaired loans (provisioning ratio)

Total allowances divided by total impaired loans before allowances.

Non-servicing, not impaired

Past due loans, not impaired due to future cash flows (included in Loans, not impaired).

Economic capital

Economic Capital is Nordea's internal estimate of required capital and measures the capital required to cover unexpected losses in the course of its business with a certain probability. EC uses advanced internal models to provide a consistent measurement for Credit Risk, Market Risk, Operational Risk, Business Risk and Life Insurance Risk arising from activities in Nordea's various business areas. The aggregation of risks across the group gives rise to diversification effects resulting from the differences in risk drivers and the improbability that unexpected losses occur simultaneously.

ROCAR

ROCAR, % (Return on Capital at Risk) is defined as Net profit excl non-controlling interests and non-recurring items, in percentage of Economic capital. For Business areas it is defined as Operating profit after standard tax in percentage of Economic capital.

For a list of further Alternative Performance Measures and business definitions, <http://www.nordea.com/en/investor-relations/reports-and-presentations/select-reports-and-presentations/> and the Annual Report.

For further information

- A press conference with management will be held on 26 October at 9.00 CET, at Smålandsgatan 17, Stockholm where Casper von Koskull, President and Group CEO, will present the results. The presentation will be conducted in English and can be viewed [live \(direct link\)](#). You can also find the presentation material at www.nordea.com/ir.
- After the results presentation, there will be a Q&A session (starting at approximately 09.30 with Torsten Hagen Jørgensen, Group COO and Rodney Alfvén, Head of Investor Relations); please dial +44(0)20 3427 1919 or +46(0)8 5065 3936 confirmation code 8792298 no later than 08.50 CET.
- After the conference an indexed on-demand replay will be available [here](#). A replay will also be available until 2 November by dialing +44 (0) 207 660 0134 or +46 (0) 8 5199 3077, access code 8792298.
- An analyst and investor presentation on the Nordea Transformation 2016-2021 will be held in London on 27 October at 08.00 local time at Andaz Hotel London, 40 Liverpool Street, London EC2M 7QN where Casper von Koskull, President and Group CEO, Torsten Hagen Jørgensen, Group COO, Rodney Alfvén, Head of Investor Relations and Pawel Wyszynski, Senior IR Officer, will participate.
- The presentation, including Q&A, is expected to last approximately one and half hour and will be webcasted and can be viewed [live \(direct link\)](#)
- The presentation slides will also be posted on www.nordea.com/ir.
- This Interim Management Statement, an investor presentation and a fact book are available on www.nordea.com.

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Financial calendar

25 January 2018 – Fourth Quarter Report 2017 (silent period starts 11 January 2018)

25 April 2018 – First Quarter Report 2018 (silent period starts 5 April 2018)

19 July 2018 – Second Quarter Report 2018 (silent period starts 6 July 2018)

24 October 2018 – Third Quarter Report 2018 (silent period starts 5 October 2018)

Stockholm 26 October 2017

Casper von Koskull
President and Group CEO

This Interim Management Statement has been prepared in accordance with the Nasdaq guidelines for preparing interim management statements.

This Interim Management Statement has not been subject to review by the Auditors.

This Interim Management Statement is published in one additional language version, in Swedish. In the event of any inconsistencies between the Swedish language version and this English version, the English version shall prevail.

The information in this report 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 26 October 2017.

This Interim Management Statement 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 Interim Management Statement 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.

The information provided in this press release is such, which Nordea is required to disclose pursuant to the Swedish Financial Instruments Trading Act (1991:980) and/or the Swedish Securities Markets Act (2007:528).