

Copenhagen, Helsinki, Oslo, Stockholm, 27 May 2015

Nordea sets financial targets for 2016-2018

At today's Capital Markets Day in London, Nordea will update the market about its continued work to shape the future relationship bank and its financial targets for 2016-2018.

CEO Christian Clausen's comments:

- We have over the past years successfully delivered on our 2015 plan, building capital and restoring sustainable returns to meet new requirements from regulators. We now have a strong foundation for creating our business model for the future – the future relationship bank.
- Cost and capital efficiency remains an integral part of our business model, enabling us to free up resources for investments in the future and to deliver attractive and stable returns in the current low growth environment. We invest in our simplification initiative, creating a more scalable, resilient and agile platform for Nordea. This will enable us to take our relationship bank into the future and integrate a fully digital experience in the relationships with our 11 million customers. In addition, we invest in our risk and compliance functions to strengthen our position as a safe and trusted partner and in continuing to build stronger competencies in our growth areas, says Christian Clausen, President and Group CEO.

Nordea will update the market about the below targets for 2016-2018, which have been decided upon by the Board of Directors.

The financial targets for 2016-2018 have been set as follows:

- Less than 1% average annual cost increase (CAGR)¹
- Dividend payout ratio of at least 75%
- Return on equity (RoE) above the Nordic peer average²
- Risk exposure amount (REA) to be largely unchanged
- A capital policy that states that the CET1 capital ratio should include a management buffer of 50-150 bps above the regulatory requirement

This is in total expected to imply an annual total dividend growth (CAGR) of more than 10%.

Financial targets 2016 to 2018 are based on currently known regulatory requirements

¹) Excl. FX and performance related salaries. (Based on a cost base of approx. EUR 4.7bn in 2015 of which approximately EUR 100m relates to an unexpected increase in performance related salaries and further costs to meet regulatory requirements in 2015).

²) Weighted to reflect Nordea's Nordic geographical mix.

At today's Capital Markets Day, Nordea will present its strategic direction, the financial initiatives and targets, risk management and the three business areas. The event will be held today Wednesday 27 May 2015 9.00-12.00 UK time at The Berkeley, Wilton Place, Knightsbridge, London. The event will be webcast live and the presentation slides will be posted on www.nordea.com/ir.

For further information:

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

Nordea's vision is to be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 11 million customers, approximately 700 branch office locations and is among the ten largest universal banks in Europe in terms of total market capitalisation. The Nordea share is listed on the Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen exchanges.