

Interim Management Statement

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."

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

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

- Total operating income¹ +7%, in local currencies +6% (-5%, in local currencies -6%)
- Total expenses² +6%, in local currencies +5% (-6%, in local currencies -6%)
- Operating profit^{1,2} +10%, in local currencies +8% (-3%, in local currencies -4%)
- 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)

Summary key figures EURm	Q1 2017				Q4 2016		Chg %		Loc. curr.	
	Q1 2017	Q4 2016	Chg %	Loc. curr. %	Q1 2016	Chg %	Loc. curr. %			
Net interest income	1,197	1,209	-1	-2	1,168	2	0			
Total operating income ¹	2,461	2,588	-5	-6	2,295	7	6			
Total operating income	2,461	2,610	-6	-6	2,295	7	6			
Profit before loan losses ^{1,2}	1,215	1,269	-4	-5	1,117	9	7			
Net loan losses	-113	-129	-12	-12	-111	2	2			
Operating profit ^{1,2}	1,102	1,140	-3	-4	1,006	10	8			
Operating profit	1,102	1,248	-12	-12	1,006	10	8			
Diluted earnings per share, EUR	0.21	0.27			0.19					
Return on equity ^{1,2} , %	10.3	12.9			10.1					
Return on equity, %	10.3	13.9			10.1					

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: additional 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).

For further information:

Casper von Koskull, President and Group CEO, +46 10 157 10 20
 Rodney Alfvén, Head of Investor Relations, +46 72 235 05 15
 Torsten Hagen Jørgensen, Deputy CEO and Group COO, +45 5547 2200
 Helga Baagøe, Acting Head of Group Communications, +46 72 141 18 07

Nordea is among the ten largest universal banks in Europe in terms of total market capitalisation and has around 11 million customers, 31,500 employees and approximately 600 branch office locations. The Nordea share is listed on the Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen exchanges. We have broad expertise across the wide range of products, services and solutions that we provide within banking, asset management and insurance. At Nordea we build trusted relationships through our strong engagement with both customers and society.



CEO comment

The low-intensive growth continued in the beginning of 2017, although we are now seeing good potential for a synchronised recovery with improving growth prospects. Inflation is under control, and we are prepared for low rates for a long time. That means that the significant divergence in growth between the different Nordic countries will probably narrow and we expect more similar macro trends in our four home markets.

Total revenues increased 6% in local currencies compared to the first quarter of 2016.

Net interest income was unchanged in local currencies compared to the first quarter of 2016 despite headwinds from one less interest day and higher resolution fees.

Customer activity on financial markets held up well in the quarter. The net result from items at fair value increased 17% in local currencies to EUR 375m from EUR 332m in the first quarter of 2016.

Fee and commission income was up 12% in local currencies compared to the first quarter of 2016, mainly driven by savings-related business, where revenues were up 22% on the back of higher volumes. Inflow was down to 1.3bn compared to 4.1bn in the first quarter of 2016.

Costs increased by 5% in local currencies compared to the first quarter of 2016; however, excluding Group projects, Compliance and Risk, costs were up 2%. The cost-to-income ratio was 51%, unchanged compared to the same period of 2016. We see good progress in our investment programmes and are committed to bringing down costs to the 2016 level in 2018.

Credit quality remained solid and under strict control; the total loan loss level was at 14 bps, mainly related to oil and offshore portfolio. The impaired loan ratio was down by 3 bps compared to the first quarter in 2016. More than 75% of the losses in the first quarter came from our oil and offshore exposures. We expect losses in oil and offshore exposures to remain elevated in the coming quarters, and a largely unchanged credit quality at Group level.

Return on equity was 10.3% in the first quarter of 2017, down from 12.9% in the previous quarter. Capital generation remained strong and the CET1 ratio improved 40 bps to 18.8% compared to 18.4% in the previous quarter.

We are building an Open Banking platform to co-operate with partners and FinTechs to create better services for our customers. These services will, over time, utilise data and services that Nordea has across the universal banking product portfolio. We see Open Banking as a wider opportunity with currently more than 600 partners who have signed up and expressed their interest in it.

The Nordea Trade portal is an information resource with access to 20,000 market reports and news in 180 markets about trade shows, trade risks and practical tools needed to expand.

The idea is to serve as a supporting hand for companies in their process of exploring new opportunities abroad and expanding and sustaining international businesses. The Trade club is an exclusive membership club for banking customers and Nordea is the only bank offering such an opportunity in the Nordics. Since the launch in November 2016, the Trade portal has had 51,900 visits. The aggregated number from March was 29,200 visits.

In Sweden, Nordea customers can now pay with their Samsung phones via the Samsung Pay app in most stores. In Denmark we were the first to introduce a wallet that can be used locally and abroad on ordinary payment terminals in stores. With Nordea Wallet, we offer our customers to use contactless payments where stores provide this option. In Finland, Nordea was first out launching the new mobile service Siirto on 1 March, which allows customers to transfer money from one account to another.

Nordea has risen to rank among the top ten most favoured brands for fund selectors in Europe.

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

We have recently launched a Nordea-wide competitiveness improvement effort that will support the overall strategic transformation of Nordea with a coherent, transparent and sustainable common approach to efficiency and productivity gains. To get where we need to be, we are working towards becoming an efficient end-to-end digital organisation, operating with common processes, products, systems and with a shared culture and passion for customers and our long-term relationships.

In recent years, the Government policy in Sweden has become increasingly unpredictable and deviates significantly from the rest of EU, where most of our competitors are domiciled. A few examples are the different resolution regimes and removal of tax-deductibility for sub debt.

In February, the Swedish government proposed to increase the level of the resolution fee and to make the fee permanent. The proposal will significantly increase the costs for Swedish domiciled banks and their customers, not only in Sweden but also in the other Nordic countries. We have been discussing the Swedish regulatory framework with the Swedish government for approximately a year and we maintain an open and honest dialogue.

Given that the regulatory situation in Sweden does not offer a level playing field or predictable environment, we will also look at opportunities to move to Denmark or Finland. The focus on maintaining our AA rated business model will not be impacted by a potential move. The Nordea employees will continue to deliver value for all our customers, as we will keep on working with the Nordic operating model in the same way as we do today.

Casper von Koskull
President and Group CEO

Nordea

Income statement^{1,2}

EURm	Q1 2017	Q4 2016	Chg %	Local curr. %	Q1 2016	Chg %	Local curr. %
Net interest income	1,197	1,209	-1	-2	1,168	2	0
Net fee and commission income	866	867	0	-1	772	12	12
Net result from items at fair value	375	498	-25	-25	332	13	17
Profit from associated undertakings and joint ventures accounted for under the equity method	4	4	0	0	9	-56	-56
Other operating income	19	32	-41	-41	14	36	36
Total operating income¹	2,461	2,610	-6	-6	2,295	7	6
Staff costs	-799	-687	16	15	-740	8	7
Other expenses	-387	-475	-19	-19	-386	0	0
Depreciation, amortisation and impairment charges of tangible and intangible assets	-60	-71	-15	-15	-52	15	15
Total operating expenses²	-1,246	-1,233	1	0	-1,178	6	5
Profit before loan losses	1,215	1,377	-12	-12	1,117	9	7
Net loan losses	-113	-129	-12	-12	-111	2	2
Operating profit^{1,2}	1,102	1,248	-12	-12	1,006	10	8
Income tax expense	-258	-148	74	75	-224	15	15
Net profit for the period	844	1,100	-23	-24	782	8	6

Business volumes, key items³

EURbn	31 Mar 2017	31 Dec 2016	Chg %	Local curr. %	31 Mar 2016	Chg %	Local curr. %
Loans to the public	320.1	317.7	1	1	342.7	-7	-6
Loans to the public, excl. repos	299.2	298.5	0	0	308.8	-3	-3
Deposits and borrowings from the public	190.9	174.0	10	10	202.8	-6	-6
Deposits from the public, excl. repos	178.1	170.0	5	5	181.3	-2	-2
Total assets	650.3	615.7	6		675.6	-4	
Assets under management	330.1	322.7	2		290.9	13	
Equity	31.1	32.4	-4		29.1	7	

Ratios and key figures⁴

	Q1 2017	Q4 2016	Chg %	Q1 2016	Chg %
Diluted earnings per share, EUR	0.21	0.27	-24	0.19	7
EPS, rolling 12 months up to period end, EUR	0.95	0.93	1	0.83	14
Share price ³ , EUR	10.73	10.60	1	8.46	27
Total shareholders' return, %	6.7	27.5		-10.4	
Equity per share ³ , EUR	7.65	8.03	-5	7.22	6
Potential shares outstanding ³ , million	4,050	4,050	0	4,050	0
Weighted average number of diluted shares, million	4,039	4,038	0	4,034	0
Return on equity, %	10.3	13.9	-26	10.1	2
Cost/income ratio, %	51	47	7	51	-1
Loan loss ratio, basis points ⁵	14	16	-13	13	6
Common Equity Tier 1 capital ratio, excl. Basel I floor ^{3,6} , %	18.8	18.4	2	16.7	13
Common Equity Tier 1 capital ratio, incl. Basel I floor ^{3,6} , %	11.9	11.5	3	11.0	8
Tier 1 capital ratio, excl. Basel I floor ^{3,6} , %	21.0	20.7	1	18.7	13
Total capital ratio, excl. Basel I floor ^{3,6} , %	24.3	24.7	-2	21.8	11
Tier 1 capital ^{3,6} , EURbn	28.1	27.6	2	26.7	5
Risk exposure amount excl. Basel I floor ⁶ , EURbn	134	133	0	143	-7
Risk exposure amount incl. Basel I floor ⁶ , EURbn	214	216	-1	220	-3
Number of employees (FTEs) ³	31,640	31,596	0	30,399	4
Economic capital ³ , EURbn	28.9	26.3	10	27.0	7

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

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

³ End of period.

⁴ For more detailed information regarding ratios and key figures defined as Alternative performance measures, see <http://www.nordea.com/en/investor-relations/>.

⁵ Including Loans to the public reported in Assets held for sale.

⁶ Including the result for the period.

Nordea

Income statement - Excluding non-recurring items^{1,2}

EURm	Q1 2017	Q4 2016	Chg %	Local curr. %	Q1 2016	Chg %	Local curr. %
Net interest income	1,197	1,209	-1	-2	1,168	2	0
Net fee and commission income	866	867	0	-1	772	12	12
Net result from items at fair value	375	498	-25	-25	332	13	17
Profit from associated undertakings and joint ventures accounted for under the equity method	4	0			9		
Other operating income	19	14			14		
Total operating income¹	2,461	2,588	-5	-6	2,295	7	6
Staff costs	-799	-773	3	3	-740	8	7
Other expenses	-387	-475	-19	-19	-386	0	0
Depreciation, amortisation and impairment charges of tangible and intangible assets	-60	-71	-15	-15	-52	15	15
Total operating expenses²	-1,246	-1,319	-6	-6	-1,178	6	5
Profit before loan losses	1,215	1,269	-4	-5	1,117	9	7
Net loan losses	-113	-129	-12	-12	-111	2	2
Operating profit^{1,2}	1,102	1,140	-3	-4	1,006	10	8
Income tax expense	-258	-116			-224		
Net profit for the period	844	1,024	-18	-18	782	8	6

Ratios and key figures^{1,2,3}

	Q1 2017	Q4 2016	Chg %	Q1 2016	Chg %
Diluted earnings per share, EUR	0.21	0.25	-18	0.19	7
EPS, Rolling 12 months up to period end, EUR ⁴	0.89	0.88	2	0.84	6
Return on equity, %	10.3	12.9	-20	10.1	2
Cost/income ratio, %	51	51	-1	51	-1
ROCAR, %	12.3	15.5	-21	12.1	2

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).

³ For more detailed information regarding ratios and key figures defined as Alternative performance measures, see <http://www.nordea.com/en/investor-relations/>.

⁴ Also effected by the non-recurring items in Q2 2016, gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151m net of tax and in Q4 2015, the gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176m before tax and the restructuring charge of EUR 263m before tax.



Table of contents

Macroeconomy and financial markets	6
---	----------

Group results and performance

First 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 quarter 2017 compared to first quarter 2016.....	12
Other information.....	13
Capital position and risk exposure amount (REA).....	13
Balance sheet	14
Funding and liquidity operations	14
Legal structure Programme update.....	15
Baltics	15
Quarterly result development, Group	16

Financial statements

Nordea Group	17
Nordea Bank AB (publ).....	22



Macroeconomy and financial markets

The first quarter of 2017 featured improving confidence survey data globally, indicating a pick-up in global growth prospects, although hard data only partially confirmed the trend. In the US, Donald Trump took office as president and almost immediately faced serious headwinds on his policy implementation, which left markets uncertain as to whether new legislation deemed positive for business and growth could be enacted. In Europe, the Dutch election saw a populist defeat and eliminated some of the political uncertainty looming over Europe during 2017. The UK triggered Article 50 in March as expected, thus starting its process of leaving the EU. Negotiations on the future relationship had not started by end of Q1. In February, EMU inflation reached its highest level since 2013. However, the ECB kept its policy unchanged at its March meeting, citing temporary inflation pressures. In the US, the economy continued to show healthy signs of expansion and labour market improvement and the Federal Reserve raised interest rates by 0.25% at its March meeting and signalled two or three more rate hikes during 2017. Global trade picked up during the quarter and commodity prices increased; this was a boost to emerging economies. The index tracking emerging market purchase managers reached its highest level since the autumn of 2014. The Chinese economy showed signs of improving as well, with underlying indicators of electricity usage and railway freight rising. European and US equity markets had a strong start to the year, ending the quarter higher by 5.8% and 4.6%, respectively. US 10-year yields decreased slightly by 6bps to 2.39% on the back of lower expectations for fiscal stimulus, whereas German 10-year yields increased by 14bps during the quarter to 0.33%. The EUR/USD exchange rate increased by 1.8% to 1.065.

Denmark

The Danish economy expanded by 2.3% (y/y) in the fourth quarter of 2016; leading indicators show that it is likely the economy continued to grow at close to an above trend-pace in Q1 2017. In 2016, household consumption rose by 1.9% while exports rose by 1.7%. Households have benefited from historically low interest rates, rising employment and positive real wage growth. Also, households' financial wealth and home equity levels increased. Prices of single-family and terraced houses rose by about 4% in 2016 while prices of owner-occupied apartments rose by more than twice that amount. Early indications of house prices for Q1 were that they continued to rise. Higher house prices and lower financing costs have boosted residential investment, both in terms of rising housing starts, and higher repair and maintenance activity. The Danish central bank kept the key interest rate unchanged in Q1 but it intervened in both February and March in the foreign exchange market to keep the currency within the peg range. Danish equities rose by 1.7% during the quarter while the 10-year swap rate increased by 8bps to 1.02%.

Finland

The Finnish economy continued its slow and uneven recovery in Q4. However, confidence improved sharply, suggesting stronger growth already in Q1. Domestic demand remained the growth engine led by investment and some support from consumption. Both the industrial and services sectors gained momentum. There were also some early signs of exports recovering. The Finnish public sector austerity has led to a declining deficit and a decline in real public expenditure, excluding social security funds. Inflation trended somewhat higher. Finnish equity markets gained 2% during the quarter and the Finnish 10-year government bond yield largely tracked the swings in German yields, ending the quarter around 10bps higher at close to 0.45%.

Norway

Growth in Norway showed a pick-up in momentum in Q4 2016, and survey data indicated a continuation of this trend in Q1 2017. Oil investments fell, but at a slower pace than previously. Meanwhile, low interest rates, NOK weakness and expansionary fiscal policy continued to positively affect the economy. Unemployment appears to have peaked in early 2016 and has shown signs of a slight decrease lately. Core inflation has dropped by about 2 percentage points over the past six months and came out at 1.6% in Q1. The effect of past NOK weakening on imported inflation is fading. Norges Bank kept its key rate unchanged at 0.5% at its March meeting, but signalled more concern over low inflation than expected. Norges Bank kept the bottom of the rate path unchanged at 0.4%, but it lowered the rate path quite significantly further out. The 2-year swap rate decreased by 10bps to 1.17% in Q1, while the 10-year swap rate was unchanged at 1.92%. The Norwegian krone was 2% weaker in trade-weighted terms in Q1. Norwegian equities were down by 2%, as oil-related companies continued to struggle.

Sweden

Swedish GDP growth remained strong throughout 2016. In Q4, GDP rose by 2.3% over the year and by 1.0% over the quarter. The growth was rather broad-based with both domestic demand and exports rising. Moreover, key indicators suggest that growth momentum extended into the first quarter of this year. Employment remained on its steadily upward trend, while the unemployment rate fell only gradually due to the large inflow of labour. Consumer price inflation continued to hover around 1.5-2.0% (y/y), boosted by rising energy prices. Long-term inflation expectations remained anchored at the 2% inflation target. The Riksbank left the key policy rate unchanged at -0.50% in February. Also the bond purchase programme was left untouched. The trade-weighted Swedish krona weakened initially in Q1 but regained its losses and ended the quarter where it started. Swedish equities rose by 4%. 10-year government bond yields rose 6bps to 0.61%, driven by expectations of higher growth and inflation globally.



Group results and performance

First quarter 2017

Net interest income

Net interest income in local currencies decreased 2% from the previous quarter partly explained by two less interest days and higher resolution fees. Both lending and deposit margins improved compared to the previous quarter.

Net interest income for Personal Banking was up 2% in local currencies from the previous quarter, driven by improved lending and deposit margins.

Net interest income for Commercial & Business Banking was up 1% in local currencies from the previous quarter.

Net interest income in Wholesale Banking was down 3% in local currencies from the previous quarter, mainly driven by lower lending volumes, lower yield fees and two less interest days.

Net interest income in Wealth Management was more or less unchanged in the quarter and amounted to EUR 29m compared to EUR 30m in the previous quarter.

Net interest income in Group Corporate Centre was stable at EUR 126m compared to EUR 132m in the previous quarter.

Lending volumes

Loans to the public in local currencies, excluding repos, were unchanged from the previous quarter. Average lending volumes in local currencies in business areas were mostly unchanged in Personal Banking, Commercial & Business Banking and Wealth Management, but somewhat down in Wholesale Banking.

Deposit volumes

Total deposits from the public in local currencies, excluding repos increased by 5% from the previous quarter. Average deposit volumes in business areas were slightly up.

Net interest income per business area

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Personal Banking	560	545	537	521	512	3%	9%	2%	9%
Commercial & Business Banking	279	276	272	282	278	1%	0%	1%	-1%
Wholesale Banking	200	203	204	209	214	-1%	-7%	-3%	-12%
Wealth Management	29	30	27	27	26	-3%	12%	-1%	11%
Group Corporate Centre	126	132	108	125	131	-5%	-4%	n.m	n.m
Other and eliminations	3	23	30	8	7	n.m	n.m	n.m	n.m
Total Group	1,197	1,209	1,178	1,172	1,168	-1%	2%	-2%	0%

Change in Net interest income

EURm	Q1/Q4	Jan-Mar
		17/16
NII beginning of period	1,209	1,168
Margin driven NII	26	60
Lending margin	16	45
Deposit margin	10	15
Volume driven NII	-6	-11
Lending volume	-6	-11
Deposit volume	0	0
Day count	-28	-14
GCC	-6	-15
Other ¹	2	9
NII end of period	1,197	1,197
¹ of which FX	10	29



Net fee and commission income

Net fee and commission income decreased 1% in local currencies from the previous quarter.

Savings and investment commissions

Net fee and commission income from savings and investments increased 1% in local currencies from the previous quarter to EUR 556m mainly due to higher assets under management. AuM increased to EUR 330.1bn at the end of the quarter compared to EUR 322.7bn in previous quarter. Net inflow increased to EUR 1.3bn compared to net outflow of EUR 0.2bn in the previous quarter.

Positive market return explains the remainder of the AuM increase.

In the first quarter, there were no performance-related fees compared to EUR 16m in the previous quarter.

Payments and cards and lending-related commissions

Lending-related net fee and commission income decreased 7% in local currencies to EUR 161m from the previous quarter. Payments and cards net fee and commission income was down 9% to EUR 126m from the previous quarter.

Net fee and commission income per business area

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Personal Banking	194	184	178	175	190	5%	2%	5%	2%
Commercial & Business Banking	106	117	99	102	99	-9%	7%	-9%	7%
Wholesale Banking	167	159	145	163	162	5%	3%	6%	3%
Wealth Management	412	422	384	378	336	-2%	23%	-3%	21%
Group Corporate Centre	-4	-5	-3	-2	-4	n.m	n.m	n.m	n.m
Other and eliminations	-9	-10	-8	-12	-11	n.m	n.m	n.m	n.m
Total Group	866	867	795	804	772	0%	12%	-1%	12%

Net fee and commission income per category

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Savings and investments, net	556	547	498	489	455	2%	22%	1%	22%
Payments and cards, net	126	138	129	130	127	-9%	-1%	-9%	-1%
Lending-related, net	161	172	170	175	177	-6%	-9%	-7%	-10%
Other commissions, net	23	10	-2	10	13	n.m	n.m	n.m	n.m
Total Group	866	867	795	804	772	0%	12%	-1%	12%

Assets under Management (AuM), volumes and net inflow

EURbn	Q117	Net inflow Q117	Q416	Q316	Q216	Q116
Private Banking	101.6	0.8	100.2	97.6	93.2	92.2
Institutional sales	93.8	-0.2	91.7	92.6	84.6	78.0
Life & Pensions	74.0	0.4	71.6	70.6	68.3	67.5
Total	330.1	1.3	322.7	317.4	300.2	290.9



Net result from items at fair value

The net result from items at fair value decreased 25% from the previous quarter to EUR 375m but increased 13% from same quarter in 2016. Fair value adjustment had a marginally positive impact of EUR 3m down from EUR 127m in Q4 2016.

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

Customer-driven capital markets activities generated lower income in the customer business than in the previous quarter. The net fair value result for the business units decreased to EUR 198m, from EUR 222m in the previous quarter.

Life & Pensions

The net result from items at fair value for Life & Pensions decreased EUR 8m from the previous quarter to EUR 59m.

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 99m compared to EUR 183m in the previous quarter. The higher number in the previous quarter was positively affected by an effect of fair value adjustment of EUR 121m, driven by wider credit spreads and higher long-term interest rates.

Group Functions and Other and eliminations

The net fair value result in Group Corporate Centre was EUR 26m compared to EUR 29m in the fourth quarter.

Net result from items at fair value per area

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1
Personal Banking	19	23	26	32	22	-17%	-14%
Commercial & Business Banking	61	69	67	74	69	-12%	-12%
Wholesale Banking excl. Other	92	111	79	90	77	-17%	19%
Wealth Mgmt excl. Life	26	19	17	25	23	37%	13%
Wholesale Banking Other	99	183	147	80	36	-46%	n.m
Life & Pensions	59	67	53	60	86	-12%	-31%
Group Corporate Centre	26	29	129	46	25	-10%	4%
Other and eliminations	-7	-3	-38	-2	-6	n.m	n.m
Total Group	375	498	480	405	332	-25%	13%

Equity method

Income from companies accounted for under the equity method was EUR 4m, unchanged from the previous quarter.

Other operating income

Other operating income was EUR 19m, down from the high level in the previous quarter (EUR 32m), which was positively impacted by a EUR 18m gain related to Visa Inc.'s acquisition of Visa Europe.

Total operating income

Total income decreased by 6% in local currencies from the previous quarter to EUR 2,461m (excluding the EUR 22m capital gain related to Visa Inc.'s acquisition of Visa Europe recognised in the previous quarter).

Total operating income per business area

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Personal Banking	775	753	744	730	723	3%	7%	2%	7%
Commercial & Business Banking	468	469	445	465	458	0%	2%	-1%	1%
Wholesale Banking	562	655	576	542	489	-14%	15%	-15%	12%
Wealth Management	529	544	485	495	476	-3%	11%	-3%	10%
Group Corporate Centre	149	154	234	171	153	-3%	-2%	n.m	n.m
Other and eliminations	-22	35	-18	153	-4	n.m	n.m	n.m	n.m
Total, incl. non-recurring items	2,461	2,610	2,466	2,556	2,295	-6%	7%	-6%	6%
Total, excl. non-recurring items¹	2,461	2,588	2,466	2,405	2,295	-5%	7%	-6%	6%

¹ Non-recurring items (Q4 2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 22m before tax. Q2 2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151m net of tax).



Total expenses

Total expenses in the first quarter amounted to EUR 1,246m excluding non-recurring items, down 6% from the previous quarter but up 5% from the first quarter of 2016 in local currencies.

Staff costs were up 3% in local currencies from the previous quarter excluding changes in the pension agreement in Norway and up 7% in the same period in 2016 in local currencies.

Other expenses were down 19% in local currencies from the previous quarter, following lower spend in Group projects and seasonally lower IT, marketing and traveling costs.

Depreciations were down 15% from the previous quarter but up 15% from same quarter of 2016.

The number of employees (FTEs) at the end of the first quarter was 31,640 which is more or less unchanged from

the previous quarter but up 4% from the same quarter of 2016. The increase from the first 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 128m, compared to EUR 147m in the previous quarter. In addition, EUR 34m was capitalised compared to EUR 109m in the previous quarter.

Provisions for performance-related salaries in the first quarter were EUR 81m, compared to EUR 95m in the previous quarter.

The cost/income ratio was unchanged in the first quarter, compared to both the previous quarter and the first quarter of 2016.

We see good progress in our investment programmes and are committed to bringing down costs to the 2016 in 2018.

Total operating expenses

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Staff cost	-799	-687	-743	-756	-740	16%	8%	15%	7%
Other expenses	-387	-475	-389	-396	-386	-19%	0%	-19%	0%
Depreciations	-60	-71	-51	-54	-52	-15%	15%	-15%	15%
Restructuring charge	0	0	0	0	-263	n.m	n.m	n.m	n.m
Total, incl. non-recurring items	-1,246	-1,233	-1,183	-1,206	-1,178	1%	6%	0%	5%
Total, excl. non-recurring items¹	-1,246	-1,319	-1,183	-1,206	-1,178	-6%	6%	-6%	5%

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

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Personal Banking	-452	-445	-446	-425	-466	2%	-3%	1%	-3%
Commercial & Business Banking	-268	-281	-271	-295	-251	-5%	7%	-5%	6%
Wholesale Banking	-236	-267	-234	-243	-223	-12%	6%	-13%	4%
Wealth Management	-225	-225	-213	-212	-208	0%	8%	-1%	8%
Group Corporate Centre	-33	-66	-24	-39	-22	-50%	49%	n.m	n.m
Other and eliminations	-32	51	5	8	-8	n.m	n.m	n.m	n.m
Total, incl. non-recurring items	-1,246	-1,233	-1,183	-1,206	-1,178	1%	6%	0%	5%
Total, excl. non-recurring items¹	-1,246	-1,319	-1,183	-1,206	-1,178	-6%	6%	-6%	5%

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

Currency fluctuation effects

% -points	Q1/Q4		Jan-Mar
	Q1/Q4	Q1/Q1	17/16
Income	1	1	1
Expenses	1	1	1
Operating profit	1	1	1
Loan and deposit volumes	0	0	0



Net loan losses

Credit quality remained solid and under strict control. Net loan loss provisions decreased to EUR 113m and the loan loss ratio improved to 14 basis points (EUR 129m and 16 bps in the previous quarter) driven by net reversals of collective provisions.

In general, there were increased individual provisions related to oil services and offshore in Shipping, Oil and Offshore as well as Russia compared to Q4. The loan loss ratio for individual losses is 16 bps and for collective losses -2 bps (in Q4, the ratio for individual losses was 15 bps and for collective losses it was 1 bp).

We expect losses in oil and offshore exposures to remain elevated in the coming quarters, and a largely unchanged credit quality at Group level.

Credit portfolio

Total lending to the public, excluding reversed repurchase agreements, amounted to EUR 299bn when excluding the operations in the Baltics, which is unchanged from the previous quarter in local currencies.

The impaired loans ratio was more or less unchanged at 162 bps of total loans (163 bps in the previous quarter). Total impaired loans gross increased slightly by 1% compared to the previous quarter to EUR 5,618m, mainly due to the oil and offshore portfolio. The provisioning ratio is unchanged from the previous quarter at 44%.

Loan loss ratios and impaired loans

Basis points of loans	Q117	Q416	Q316	Q216	Q116
Loan loss ratios					
annualised, Group	14	16	16	15	13
of which individual	16	15	7	13	14
of which collective	-2	1	9	2	-1
Personal Banking total ¹	2	-1	4	9	4
Banking Denmark ¹	3	-10	6	10	-6
Banking Finland ¹	1	3	3	6	5
Banking Norway ¹	1	0	1	3	2
Banking Sweden ¹	2	3	0	3	3
Banking Baltic countries ¹	-5	10	5	54	35
Commercial & Business					
Banking	9	17	24	18	20
Commercial Banking	23	19	22	6	15
Business Banking	-12	15	26	29	24
Corporate & Institutional Banking (CIB) ¹	18	40	9	17	37
Shipping, Offshore & Oil Services ¹	200	163	200	80	50
Banking Russia ¹	162	90	30	120	29
Impaired loans ratio					
gross, Group (bps) ³	162	163	163	172	165
- performing	62%	58%	61%	60%	58%
- non-performing	38%	42%	39%	40%	42%
Total allowance ratio, Group (bps)	71	71	71	73	72
Provisioning ratio, Group ²	44%	44%	44%	42%	43%

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 decreased to EUR 1,102m, down 4% in local currencies compared to the previous quarter, but up 8% compared to the same quarter of 2016.

Taxes

Income tax expense was EUR 258m compared to EUR 148m in the previous quarter. The effective tax rate was 23.5%, compared to 11.9% in the previous quarter and 22.3% in the first quarter last year.

Net profit

Net profit decreased 18% in local currencies from the previous quarter to EUR 844m. Return on equity was 10.3%, down from 12.9% in the previous quarter.

Diluted earnings per share were EUR 0.21 (EUR 0.27 in the previous quarter).

Operating profit per business area

EURm	Q117	Q416	Q316	Q216	Q116	Q1/Q4	Q1/Q1	Local currency	
								Q1/Q4	Q1/Q1
Personal Banking	316	310	283	270	243	2%	30%	1%	29%
Commercial & Business Banking	183	154	125	134	166	19%	10%	19%	10%
Wholesale Banking	236	292	271	243	210	-19%	12%	-19%	9%
Wealth Management	304	319	272	283	268	-5%	13%	-4%	13%
Group Corporate Centre	116	86	210	132	130	35%	-11%	n.m	n.m
Other and eliminations	-53	87	-13	161	-11	n.m	n.m	n.m	n.m
Total, incl. non-recurring items	1,102	1,248	1,148	1,223	1,006	-12%	10%	-12%	8%
Total, excl. non-recurring items¹	1,102	1,140	1,148	1,072	1,006	-3%	10%	-4%	8%

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. Q2 2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151m net of tax).

First quarter 2017 compared to first quarter 2016

Total income was up 6% in local currencies (up 7% in EUR) from the prior year and operating profit was up 8% in local currencies (up 10% in EUR) from the prior year excluding non-recurring items.

Income

Net interest income was unchanged in local currencies (up 2% in EUR) from 2016. Average lending volumes in business areas in local currencies were unchanged from the first quarter of 2016 while deposits volumes were up 1%.

Net fee and commission income increased 12% in local currencies (increased 12% in EUR) from the previous year.

Net result from items at fair value increased 17% in local currencies (13% in EUR) from 2016.

Expenses

Total expenses were up 5% in local currencies (6% in EUR) from the previous year excluding non-recurring items and amounted to EUR 1,246m. Staff costs were up 7% in local currencies excluding non-recurring items.

Net loan losses

Net loan loss provisions increased to EUR 113m, corresponding to a loan loss ratio of 14 bps (13 bps for first quarter 2016).

Net profit

Net profit increased 6% in local currencies (8% in EUR) to EUR 844m.

Currency fluctuation impact

Currency fluctuations had an increasing effect of 1% on income and expenses as well as 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 increased to 18.8% at the end of the first quarter 2017 compared to 18.4% at the end of the fourth quarter 2016. REA increased EUR 0.4bn. The main drivers were increased REA calculated under the standardised approach and changes to credit quality in the corporate and institution portfolios. This was somewhat offset by decreased market risk.

The tier 1 capital ratio increased to 21.0% compared to 20.7% in the previous quarter and the total capital ratio decreased from 24.7% to 24.3%.

The CET1 capital was EUR 25.1bn, the Tier 1 capital was EUR 28.1bn and the Own Funds were EUR 32.5bn. CET1 Capital increased EUR 0.5bn mainly driven by continued strong profit generation and a dividend from Nordea Life and Pension of EUR 350m. The decrease of the Own funds was mainly due to a call of a Tier 2 loan. The capital requirement based on the Basel 1 transitional rules was EUR 17.1bn and the adjusted Own Funds were EUR 32.7bn.

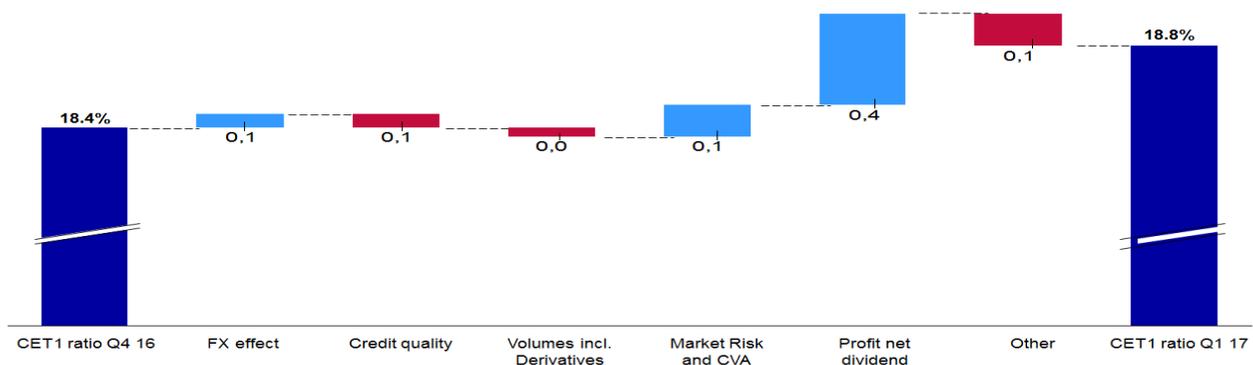
The CRR leverage ratio decreased to 4.7% including profit, a decrease from 5.0% compared to fourth quarter.

Capital ratios

%	Q117	Q416	Q316	Q216	Q116
CRR/CRDIV					
CET 1 cap. ratio	18.8	18.4	17.9	16.8	16.7
Tier 1 capital ratio	21.0	20.7	20.1	18.9	18.7
Total capital ratio	24.3	24.7	24.1	22.1	21.8

Economic Capital (EC) was at the end of the first quarter EUR 28.9bn, which is an increase by EUR 2.6bn compared to fourth quarter. Main driver for the increase stems from credit risk by EUR 2.3bn, foremost due to the annual update of the Pillar II framework. These increases were slightly offset by a decrease in market risk stemming from the FX risk in the banking book. Lastly intangible assets were affected by increased investment in IT, software and development.

Common equity tier 1 (CET1) capital ratio, changes in the quarter



The Group's Internal Capital Requirement (ICR) was at the end of the first quarter EUR 14.0bn, a decrease of EUR 0.5bn compared to the previous quarter. The ICR should be compared to the Own Funds, which was EUR 32.5bn at the end of the fourth quarter. 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.

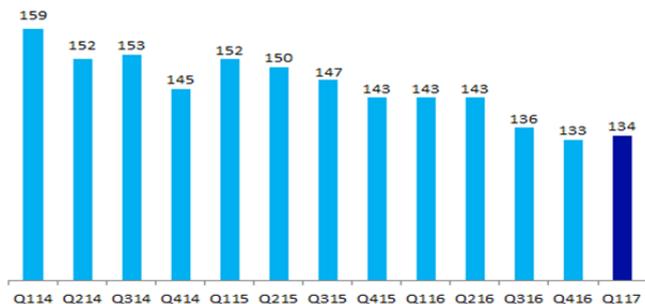
Regulatory developments

On 23 February the Swedish National Debt Office published the final framework for MREL (minimum requirement for own funds and eligible liabilities). The final framework, which is an updated version of the draft proposal from April last year, contains the final calibration for MREL requirements as well as subordination requirement for eligible instruments.

On March 7, Nordea received approval from the Swedish FSA to calculate its Sovereign exposures under Foundation IRB approach. In Q1 Nordea has included the REA increase, equivalent of a total Sovereign Risk Weight of 2.2%, as additional risk exposure amount. Full technical implementation is expected during Q2.

As previously announced by Swedish Financial Supervisory Authority the countercyclical capital buffer rate in Sweden was increased to 2% as of 19 March.

Risk exposure amount, REA (EURbn), quarterly development





Balance sheet

Total assets in the balance sheet increased EUR 34bn in the quarter and the asset values of derivatives were EUR 14bn lower than in the previous period.

Loans to the public increased slightly to EUR 320bn in the quarter compared to EUR 318bn in the previous quarter.

Other assets increased by EUR 31bn in the quarter.

Balance sheet data

EURbn	Q117	Q416	Q316	Q216	Q116
Loans to credit institutions	19	9	13	10	12
Loans to the public	320	318	326	345	343
Derivatives	56	70	81	87	87
Interest-bearing securities	93	88	83	85	87
Other assets	162	131	155	144	146
Total assets	650	616	657	671	676
Deposits from credit inst.	70	38	58	64	59
Deposits from the public	191	174	187	196	203
Debt securities in issue	188	192	191	188	193
Derivatives	56	69	77	83	87
Other liabilities	114	111	112	111	105
Total equity	31	32	31	30	29
Total liabilities and equity	650	616	657	671	676

Nordea's funding and liquidity operations

Nordea issued approx. EUR 4.2bn in long-term funding in the first quarter excluding Danish covered bonds and subordinated notes, of which approx. EUR 3.2bn represented the issuance of Finnish, Swedish and Norwegian covered bonds in domestic and international markets. A EUR 1.5bn 5-year covered bond was issued from Nordea Mortgage Bank.

Nordea's long-term funding portion of total funding was, at the end of the first 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, 142% at the end of the first quarter. The LCR in EUR was 185% and in USD 150% at the end of the first quarter. LCR for the Nordea Group according to CRR LCR definitions was 163% at the end of the first quarter. The liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III/CRD IV liquid assets and amounted to EUR 65bn at the end of the first quarter (EUR 69bn at the end of the fourth quarter).

Funding and liquidity data

	Q117	Q416	Q316	Q216	Q116
Long-term funding portion	81%	82%	82%	82%	83%
LCR total	142%	159%	148%	155%	155%
LCR EUR	185%	334%	257%	270%	174%
LCR USD	150%	221%	253%	189%	230%

Market risk

Total market risk, measured as Value at Risk, in the trading book was EUR 9m (EUR 16m in Q4 2016), a reduction mainly driven by reduced equity exposure over the period.

Trading book

EURm	Q117	Q416	Q316	Q216	Q116
Total risk, VaR	9	16	16	32	36
Interest rate risk, VaR	9	12	15	29	34
Equity risk, VaR	3	5	4	4	2
Foreign exchange risk, VaR	5	4	4	6	10
Credit spread risk, VaR	6	6	7	10	3
Diversification effect	62%	42%	46%	36%	28%

Total market risk, measured as Value at Risk, in the banking book was largely unchanged at EUR 63m (EUR 59m in Q4 2016).

Banking book

EURm	Q117	Q416	Q316	Q216	Q116
Total risk, VaR	63	59	54	80	90
Interest rate risk, VaR	63	58	53	75	90
Equity risk, VaR	2	1	2	6	7
Foreign exchange risk, VaR	2	5	4	20	3
Credit spread risk, VaR	1	2	2	4	6
Diversification effect	7%	10%	12%	25%	15%

Nordea share and ratings

Nordea's share price as per end of Q1 2017

	Nasdaq STO (SEK)	Nasdaq COP (DKK)	Nasdaq HEL (EUR)
12/30/2016	101.30	78.65	10.60
3/31/2017	102.30	79.90	10.72
Change %	1%	2%	1%

Nordea ratings as per end of Q1 2017

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

* Negative outlook as of the 20th November 2012

Nordea

Legal Structure Programme update

The new legal structure was implemented by means of cross-border mergers between Nordea Bank AB (publ) and its subsidiary banks in Denmark, Finland and Norway and went into force on 2 January 2017.

The mergers went smoothly and the new structure has now been in place for a quarter. Thus the decision to formally close the programme was taken 31 March 2017.

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 merger is conditional on regulatory approvals and is expected to close during the fourth quarter of 2017.

Follow-up on the sale of Nordea Bank Russian Retail loan portfolio

Nordea has, as already communicated as an event after the balance sheet date in the Fourth Quarter and Full Year Results 2016, sold the existing portfolio of mortgage and consumer loans in Russia. The carrying amount of the portfolio was EUR 228m and the cost related to the divestment recognised on "Net result from items at fair value" in the first quarter 2017 was EUR 16m. The buyer was SovCombank.

Follow up on the customer co-ownership of Nordea Liv & Pension in Denmark

Foreningen NLP representing the customers of Nordea Liv & Pension has, as already communicated in Fourth Quarter and Full Year Results 2016, purchased 25% of the holding in Nordea Liv & Pension, Livforsikringselskab A/S in Denmark from Nordea Life Holding AB. The transaction was approved by the Danish FSA and closed on 10 January 2017. The purchase price was EUR 291m and the tax exempt gain recognised directly in equity was EUR 122m.



Quarterly development, Group

EURm	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	1,197	1,209	1,178	1,172	1,168
Net fee and commission income	866	867	795	804	772
Net result from items at fair value	375	498	480	405	332
Profit from associated undertakings and joint ventures accounted for under the equity method	4	4	-2	101	9
Other operating income	19	32	15	74	14
Total operating income	2,461	2,610	2,466	2,556	2,295
General administrative expenses:					
Staff costs	-799	-687	-743	-756	-740
Other expenses	-387	-475	-389	-396	-386
Depreciation, amortisation and impairment charges of tangible and intangible assets	-60	-71	-51	-54	-52
Total operating expenses	-1,246	-1,233	-1,183	-1,206	-1,178
Profit before loan losses	1,215	1,377	1,283	1,350	1,117
Net loan losses	-113	-129	-135	-127	-111
Operating profit	1,102	1,248	1,148	1,223	1,006
Income tax expense	-258	-148	-260	-227	-224
Net profit for the period	844	1,100	888	996	782
Diluted earnings per share (DEPS), EUR	0.21	0.27	0.22	0.25	0.19
DEPS, rolling 12 months up to period end, EUR	0.95	0.93	0.87	0.84	0.83

Nordea

Income statement

EURm	Q1 2017	Q1 2016	Jan-Dec 2016
Operating Income			
<i>Interest income</i>	1,912	1,975	7,747
<i>Interest expense</i>	-715	-807	-3,020
Net interest income	1,197	1,168	4,727
<i>Fee and commission income</i>	1,082	994	4,098
<i>Fee and commission expense</i>	-216	-222	-860
Net fee and commission income	866	772	3,238
Net result from items at fair value	375	332	1,715
Profit from associated undertakings and joint ventures accounted for under the equity method	4	9	112
Other operating income	19	14	135
Total operating income	2,461	2,295	9,927
Operating expenses			
General administrative expenses:			
Staff costs	-799	-740	-2,926
Other expenses	-387	-386	-1,646
Depreciation, amortisation and impairment charges of tangible and intangible assets	-60	-52	-228
Total operating expenses	-1,246	-1,178	-4,800
Profit before loan losses	1,215	1,117	5,127
Net loan losses	-113	-111	-502
Operating profit	1,102	1,006	4,625
Income tax expense	-258	-224	-859
Net profit for the period	844	782	3,766
Attributable to:			
Shareholders of Nordea Bank AB (publ)	839	782	3,766
Non-controlling interests	5	-	-
Basic earnings per share, EUR	0.21	0.19	0.93
Diluted earnings per share, EUR	0.21	0.19	0.93

Statement of comprehensive income

EURm	Q1 2017	Q1 2016	Jan-Dec 2016
Net profit for the period	844	782	3,766
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	67	155	438
Tax on currency translation differences during the period	74	-	-
Hedging of net investments in foreign operations:			
Valuation gains/losses during the period	18	-85	-219
Tax on valuation gains/losses during the period	-4	19	48
Available for sale investments: ¹			
Valuation gains/losses during the period, net of recycling	28	27	117
Tax on valuation gains/losses during the period	-7	-6	-27
Cash flow hedges:			
Valuation gains/losses during the period, net of recycling	-82	16	-44
Tax on valuation gains/losses during the period	19	-3	10
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
Remeasurement of defined benefit plans	18	-308	-205
Tax on remeasurement of defined benefit plans	-4	70	47
Other comprehensive income, net of tax	127	-115	165
Total comprehensive income	971	667	3,931
Attributable to:			
Shareholders of Nordea Bank AB (publ)	966	667	3,931
Non-controlling interests	5	-	-

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



Balance sheet

EURm	31 Mar 2017	31 Dec 2016	31 Mar 2016
Assets			
Cash and balances with central banks	61,527	32,099	48,734
Loans to central banks	4,541	11,235	11,030
Loans to credit institutions	18,764	9,026	11,986
Loans to the public	320,052	317,689	342,731
Interest-bearing securities	93,211	87,701	87,154
Financial instruments pledged as collateral	5,263	5,108	9,554
Shares	27,942	21,524	22,983
Assets in pooled schemes and unit-linked investment contracts	24,382	23,102	20,667
Derivatives	56,204	69,959	87,394
Fair value changes of the hedged items in portfolio hedge of interest rate risk	154	178	171
Investments in associated undertakings and joint ventures	580	588	642
Intangible assets	3,935	3,792	3,299
Property and equipment	559	566	573
Investment properties	3,234	3,119	3,062
Deferred tax assets	168	60	135
Current tax assets	457	288	201
Retirement benefit assets	324	306	346
Other assets	18,692	18,973	23,352
Prepaid expenses and accrued income	1,561	1,449	1,541
Assets held for sale	8,722	8,897	-
Total assets	650,272	615,659	675,555
Liabilities			
Deposits by credit institutions	70,295	38,136	58,523
Deposits and borrowings from the public	190,855	174,028	202,819
Deposits in pooled schemes and unit-linked investment contracts	24,922	23,580	21,340
Liabilities to policyholders	41,831	41,210	39,255
Debt securities in issue	188,441	191,750	192,764
Derivatives	56,109	68,636	87,403
Fair value changes of the hedged items in portfolio hedge of interest rate risk	2,195	2,466	3,496
Current tax liabilities	649	487	273
Other liabilities	25,741	24,413	27,694
Accrued expenses and prepaid income	2,151	1,758	2,097
Deferred tax liabilities	772	830	952
Provisions	281	306	419
Retirement benefit obligations	274	302	447
Subordinated liabilities	9,603	10,459	8,945
Liabilities held for sale	5,076	4,888	-
Total liabilities	619,195	583,249	646,427
Equity			
Non-controlling interests	177	1	1
Share capital	4,050	4,050	4,050
Share premium reserve	1,080	1,080	1,080
Other reserves	-896	-1,023	-1,303
Retained earnings	26,666	28,302	25,300
Total equity	31,077	32,410	29,128
Total liabilities and equity	650,272	615,659	675,555
Assets pledged as security for own liabilities	193,653	189,441	189,255
Other assets pledged	4,835	8,330	9,527
Contingent liabilities	21,618	23,089	21,907
Credit commitments ¹	77,898	77,881	76,236
Other commitments	2,104	1,553	3,577

¹ Including unutilised portion of approved overdraft facilities of EUR 30,588m (31 Dec 2016: EUR 30,703m, 31 Mar 2016: EUR 32,987m).

Statement of changes in equity

EURm	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 hedge	Available for sale investment	Defined benefit plans					
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	-	-	-	-	-	-	839	839	5	844	
Other comprehensive income, net of tax	-	-	155	-63	21	14	-	127	-	127	
<i>Total comprehensive income</i>	-	-	155	-63	21	14	839	966	5	971	
Dividend for 2016	-	-	-	-	-	-	-2,625	-2,625	-	-2,625	
Disposal of own shares ³	-	-	-	-	-	-	28	28	-	28	
Other changes ⁴	-	-	-	-	-	-	122	122	171	293	
Balance at 31 Mar 2017	4,050	1,080	-1,195	-26	101	224	26,666	30,900	177	31,077	

EURm	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 hedge	Available for sale investment	Defined benefit plans					
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	
<i>Total comprehensive income</i>	-	-	267	-34	90	-158	3,766	3,931	-	3,931	
Dividend for 2015	-	-	-	-	-	-	-2,584	-2,584	-	-2,584	
Disposal 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	

EURm	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 hedge	Available for sale investment	Defined benefit plans					
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	-	-	-	-	-	-	782	782	-	782	
Other comprehensive income, net of tax	-	-	89	13	21	-238	-	-115	-	-115	
<i>Total comprehensive income</i>	-	-	89	13	21	-238	782	667	-	667	
Share-based payments ²	-	-	-	-	-	-	-1	-1	-	-1	
Dividend for 2015	-	-	-	-	-	-	-2,584	-2,584	-	-2,584	
Disposal of own shares ³	-	-	-	-	-	-	14	14	-	14	
Balance at 31 Mar 2016	4,050	1,080	-1,528	84	11	130	25,300	29,127	1	29,128	

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

² The total holding of own shares related to Long Term Incentive Programme (LTIP) is 10.9 million (31 Dec 2016: 10.9 million, 31 Mar 2016: 11.7 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 31 Mar 2017 was 11.0 million (31 Dec 2016: 13.3 million, 31 Mar 2016: 17.1 million).

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



Cash flow statement, condensed

EURm	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
<i>Operating activities</i>			
Operating profit	1,102	1,006	4,625
Adjustments for items not included in cash flow	1,391	232	3,892
Income taxes paid	-331	-311	-952
Cash flow from operating activities before changes in operating assets and liabilities	2,162	927	7,565
Changes in operating assets and liabilities	27,468	16,486	-4,285
Cash flow from operating activities	29,630	17,413	3,280
<i>Investing activities</i>			
Properties and equipment	-19	-29	-104
Intangible assets	-172	-103	-656
Net investments in debt securities, held to maturity	-169	-177	-360
Other financial fixed assets	35	0	186
Cash flow from investing activities	-325	-309	-934
<i>Financing activities</i>			
Issued/amortised subordinated liabilities	-750	-	1,000
Divestment/repurchase of own shares incl change in trading portfolio	28	14	31
Dividend paid	-2,625	-2,584	-2,584
Cash flow from financing activities	-3,347	-2,570	-1,553
Cash flow for the period	25,958	14,534	793
Cash and cash equivalents			
EURm	01 Mar 2017	01 Mar 2016	01 Dec 2016
Cash and cash equivalents at beginning of the period	41,860	40,200	40,200
Translation difference	-405	-1,290	867
Cash and cash equivalents at end of the period	67,413	53,444	41,860
Change	25,958	14,534	793
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	61,527	48,734	32,099
Loans to central banks	3,937	2,690	8,538
Loans to credit institutions	1,815	2,020	1,093
Assets held for sale	134	-	130
Total cash and cash equivalents	67,413	53,444	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 giro 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.



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 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 1 January 2017 but have not had any significant impact on Nordea's financial statements.

Exchange rates

	Jan-Mar 2017	Jan-Dec 2016	Jan-Mar 2016
EUR 1 = SEK			
Income statement (average)	9.5053	9.4675	9.3241
Balance sheet (at end of period)	9.5322	9.5525	9.2253
EUR 1 = DKK			
Income statement (average)	7.4352	7.4453	7.4605
Balance sheet (at end of period)	7.4379	7.4344	7.4512
EUR 1 = NOK			
Income statement (average)	8.9883	9.2943	9.5273
Balance sheet (at end of period)	9.1683	9.0863	9.4145
EUR 1 = RUB			
Income statement (average)	62.5730	74.1913	82.2815
Balance sheet (at end of period)	60.3130	64.3000	76.3051

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 regularly conduct investigations with regards to Nordea's regulatory compliance, including compliance with anti-money laundering (AML) and economic sanction requirements.

The SFSA has closed the investigation related to the 'Panama' papers without any sanctions.

As announced in the previous quarter, the Nordea Group is 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.

Nordea has made significant investments to address the deficiencies highlighted by the investigations. The strengthening of the compliance governance framework has continued, and the Consequence Management Committee and the Product Oversight Committee have been established in Q1.

Nordea

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

EURm	Q1 2017	Q1 2016	Jan-Dec 2016
Operating Income			
<i>Interest income</i>	1,044	360	1,403
<i>Interest expense</i>	-506	-247	-939
Net interest income	538	113	464
<i>Fee and commission income</i>	629	255	978
<i>Fee and commission expense</i>	-98	-34	-138
Net fee and commission income	531	221	840
Net result from items at fair value	327	46	216
Dividends	466	550	3,210
Other operating income	99	169	712
Total operating income	1,961	1,099	5,442
Operating expenses			
General administrative expenses:			
Staff costs	-684	-430	-1,113
Other expenses	-353	-229	-1,008
Depreciation, amortisation and impairment charges of tangible and intangible assets	-64	-37	-172
Total operating expenses	-1,101	-696	-2,293
Profit before loan losses	860	403	3,149
Net loan losses	-104	-28	-193
Impairment of securities held as financial non-current assets	-	0	-6
Operating profit	756	375	2,950
Appropriations	-	-	1
Income tax expense	-79	54	-51
Net profit for period	677	429	2,900



Nordea Bank AB (publ)

Balance sheet

EURm	31 Mar 2017	31 Dec 2016	31 Mar 2016
Assets			
Cash and balances with central banks	61,118	101	80
Treasury bills	21,753	6,583	6,125
Loans to credit institutions	63,845	88,375	86,291
Loans to the public	171,877	43,726	46,147
Interest-bearing securities	51,652	10,359	11,283
Financial instruments pledged as collateral	10,288	-	105
Shares	10,369	130	3,360
Derivatives	57,259	4,668	5,324
Fair value changes of the hedged items in portfolio hedge of interest rate risk	73	0	1
Investments in group undertakings	13,007	20,101	19,478
Investments in associated undertakings and joint ventures	80	12	7
Participating interest in other companies	10	1	1
Intangible assets	1,822	1,539	1,145
Property and equipment	329	132	135
Deferred tax assets	125	22	85
Current tax assets	403	204	45
Retirement benefit assets	141	-	-
Other assets	18,815	4,560	1,711
Prepaid expenses and accrued income	1,204	749	793
Total assets	484,170	181,262	182,116
Liabilities			
Deposits by credit institutions	80,913	20,374	20,963
Deposits and borrowings from the public	198,649	58,183	59,955
Debt securities in issue	79,884	63,162	63,454
Derivatives	59,563	3,612	4,659
Fair value changes of the hedged items in portfolio hedge of interest rate risk	915	1,008	1,602
Current tax liabilities	417	0	8
Other liabilities	24,660	3,279	3,344
Accrued expenses and prepaid income	1,749	670	1,029
Deferred tax liabilities	161	-	-
Provisions	371	307	295
Retirement benefit obligations	282	169	180
Subordinated liabilities	9,476	10,086	8,701
Total liabilities	457,040	160,850	164,190
Untaxed reserves	2	2	2
Equity			
Share capital	4,050	4,050	4,050
Development cost reserve	721	569	77
Share premium reserve	1,080	1,080	1,080
Other reserves	104	-2	-16
Retained earnings	21,173	14,713	12,733
Total equity	27,128	20,410	17,924
Total liabilities and equity	484,170	181,262	182,116
Assets pledged as security for own liabilities	37,738	1,080	2,983
Other assets pledged	4,835	11,750	7,693
Contingent liabilities	58,647	71,965	72,515
Commitments ¹	80,425	26,993	28,334

¹ Including unutilised portion of approved overdraft facilities of EUR 35,558m (31 Dec 2016: EUR 15,890m, 31 Mar 2016: EUR 17,059m).



Business definitions

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 business definitions, see the Annual Report.

**For further information:**

- A press conference with management will be held on 27 April at 8.30 CET, at Mäster Samuelsgatan17, Stockholm.
- After the presentation there will be a webcasted telephone conference which will start at approximately 09.00 CET. Torsten Hagen Jørgensen, Group COO and Rodney Alfvén, Head of Investor Relations, will participate. Please dial +44(0)20 3427 1907 or +46(0)8 5352 6408, confirmation code 3280376, no later than 08.20 CET. After the conference an indexed on-demand replay will be available on www.nordea.com. A replay will be available until 5 May by dialing +44 (0)20 3427 0598 or +46 (0)8 5051 3897, access code 3280376.
- An analyst and investor presentation will be held in London on 28 April at 08.00 local time at The Langham, 1c Portland Place, Regent Street, London W1B 1JA
- This Interim Management Statement, an investor presentation and a fact book are available on www.nordea.com.

Contacts:

Casper von Koskull, President and Group CEO	+46 10 157 10 20
Torsten Hagen Jørgensen, Deputy CEO and Group COO	+45 55 47 22 00
Rodney Alfvén, Head of Investor Relations	+46 72 235 05 15
Helga Baagøe, Acting Head of Group Communications	+46 72 141 18 07

Financial calendar

20 July 2017 – Second Quarter Report 2017 (silent period starts 7 July 2017)

26 October 2017 – Third Quarter Report 2017 (silent period starts 7 October 2017)

Stockholm 27 April 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 06.30 CET on 27 April 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).

Nordea Bank AB (publ)
Smålandsgatan 17
SE-105 71 Stockholm
www.nordea.com/ir
Tel. +46 8 614 7800
Corporate registration No. 516406-0120