

Nordea: Fourth Quarter and Full Year Results 2016

COPENHAGEN, Denmark & HELSINKI & OSLO, Norway & STOCKHOLM--([BUSINESS WIRE](#))-- Regulatory News:

CEO Casper von Koskull's comments on the results:

"2016 has probably been the most eventful year in the history of Nordea. On top of macro and regulatory challenges for the sector, Nordea has addressed significant media attention and started to implement a profound transformational change agenda. Two major achievements have been the creation of a new legal structure and launching a term deposit product on the new core banking platform. Despite a challenging revenue situation in 2016, we have throughout the year improved our net interest margin; for 2016, the inflow to our Assets under Management reached an all-time high, and we have confirmed our leading Nordic position in corporate advisory operations. Cost performance and credit quality are in line with our guidance. Our CET1 ratio improved 190 bps in 2016 to 18.4%, and RoE was 11.5%^{1,2}. Nordea's Board of Directors proposes a dividend per share of EUR 0.65.

We also expect 2017 to be eventful, and we are well-prepared to deal with the challenges. Our strategic direction is clear. Our strong balance sheet and robust business model will enable us to further invest in our platform and thereby transform the bank. We continue to focus on the creation of a fully digital platform, improving customer satisfaction and transforming the organisation to be best in class in compliance, with a strong ethics and a values culture that can fulfil our obligations to society and deliver value to our customers and shareholders."

Full year 2016 vs. Full year 2015^{1,2} (Fourth quarter 2016 vs. Fourth quarter 2015^{1,2})

- Net interest income EUR 4,727m, -5%; -3% in local currencies (0%, 0% in local currencies)
- Total operating income¹ EUR 9,754m, -2%; -1% in local currencies (+5%, +5% in local currencies)
- Total expenses² EUR 4,886m, +4%; +5% in local currencies (+9%, +10% in local currencies)
- Profit before loan losses EUR 5,127m, -1%; 0% in local currencies (+18%, +17% in local currencies)
- Net loan losses EUR 502m, +5%; +9% in local currencies (-9%, -6% in local currencies)
- Operating profit^{1,2} EUR 4,366m, -9%; -8% in local currencies (+2%, +2% in local currencies)
- Common Equity Tier 1 capital ratio 18.4%, up from 16.5% (up 190 bps from 16.5%)
- Cost/income ratio^{1,2} 50%, up from 47% (up 2%-points from 49%)
- Loan loss ratio² of 15 bps, up from 14 bps (down 1 bps from 17 bps)
- Return on equity^{1,2} 11.5%, down from 12.3% (up 140 bps from 11.5%)
- Diluted EPS EUR 0.93 vs. EUR 0.91 (EUR 0.27 vs. EUR 0.21)

Exchange rates used for Q4 2016 for income statement items are for DKK 7.4453, NOK 9.2943 and SEK 9.4675.

¹ Excl. non-recurring items (Q4 2015: gain from divestment of Nordea's merchant acquiring business to Nets of EUR 176m before tax, Q2 2016: gain related to Visa Inc.'s acquisition of Visa Europe amounting to EUR 151m net of tax, Q4 2016: additional gain related to Visa of EUR 22m before tax).

² Excl. non-recurring items (Q4 2015: restructuring charge of EUR 263m before tax, Q4 2016: gain in staff costs related to change in pension agreement in Norway of EUR 86m before tax).

[Fourth Quarter and Full Year Results 2016 \(PDF\)](#)

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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 a broad expertise across the wide range of products, services and solutions that we provide within banking, asset management and insurance. In Nordea we build trusted relationships through our strong engagement with both customers and society.

www.nordea.com

Contacts

Nordea

Casper von Koskull, +46 10 157 1020

President and Group CEO

or

Rodney Alfvén, +46 72 235 05 15

Head of Investor Relations

or

Torsten Hagen Jørgensen, +45 5547 2200

Deputy CEO and Group COO

or

Helga Baagøe, +46 721 411 807

Acting Head of Group Communications

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