

More detailed information about Nordea's remuneration 2015

QUANTITATIVE DISCLOSURES ACCORDING TO CRR
/ REGULATION (EU) no 575/2013 OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL of 26 June 2013

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Nordea strives for a sound remuneration structure

Nordea has a clear remuneration policy, instructions and processes, ensuring sound remuneration structures throughout the organisation. To support the Group's ability to recruit and retain the right talents and competences Nordea's compensation model is based on an overriding principle: remuneration should be competitive, but not market leading.

International remuneration standard

Nordea is the largest Nordic bank with extensive international operations. Internationally, remuneration schemes within the areas of financial business that are exposed to global competition have a significant element of variable pay.

Nordea cannot deviate substantially from international market standards. The G20 countries and the Financial Stability Board (FSB) also recommend the inclusion of a component of variable compensation. Nonetheless Nordea has taken measures to limit variable remuneration within the Group.

Risk management in Nordea

Compensation should be consistent with and promote sound and effective risk management and incentives to take excessive risks have systematically been eliminated. Nordea has for several years analysed all parts of the Group and all types of risks, including lending risks and has applied risk-adjusted key measures in the variable pay systems. For identification of risk takers special emphasis has been placed on market, credit, operational and reputation risks. In a number of units, all employees have been defined as risk takers. To identify risk takers at Nordea Markets, our analysis has been based on hierarchical structures as well as individual risk mandates, taking into account the size and complexity of Nordea's operations. Within lending activities, managers of a number of business areas as well as all employees in the Group Credit organisation have been defined as risk takers. When identifying risk takers within control functions, Nordea has followed the principle of including all employees in the relevant units irrespective of the individual person's capacity to influence risks. Members of Group and divisional credit committees have also been defined as risk takers.

Variable remunerations

Performance-related salaries account for less than 15 per cent of the Group's total staff costs. Around one-fourth of the Group's performance-related salaries are paid out by the Swedish parent company.

Performance-related salaries for identified risk takers 2015 are partly deferred and/or retained according to Swedish FSA regulation and relevant local FSA regulation on deferrals and/or retention. In addition Nordeas Executive Incentive Programme 2015 (EIP 2015), offered to up to 400 managers and key employees, follows known regulations on deferral and retention regardless if participant is an identified risk taker or not. Deferred compensation will be paid only if it is sustainable according to the financial situation of Nordea, and justified according to the performance of Nordea, relevant division, if any, and the individual concerned. Nordea continues to have payout ratios in bonus-related areas at approximately half the level of international peers.

Qualitative and quantitative information

Nordea has in conjunction with the adoption of its annual report, provided quantitative disclosures according to CRR / REGULATION (EU) no 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013.

QUANTITATIVE DISCLOSURES ACCORDING TO CRR / REGULATION (EU) no 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013

Salaries and remuneration per business areas and group functions 2015.

A * in the tables indicates that the group includes less than four individuals, and compensation is therefore not disclosed separate due to confidentiality reasons. The compensation is instead included in Total Group column or Other employees table.

Total expensed remuneration¹⁾

Function ²⁾	Retail Banking	Investment Banking	Asset Management	Group Functions	Control Functions and other personnel costs	Total Group
EURm						
Nordea Bank AB	- 351,1	- 143,1	- 23,6	- 313,2	- 108,6	- 939,7
Nordea Bank Danmark A/S	- 366,1	- 150,0	- 23,8	- 41,8	- 76,2	- 657,9
Nordea Bank Finland Abp	- 266,3	- 120,7	- 8,3	- 51,8	- 43,6	- 490,8
Nordea Bank Norge ASA	- 143,5	- 55,1	- 6,5	- 44,5	- 47,2	- 296,9
Other Nordea entities ³⁾	- 86,8	- 36,2	- 268,7	- 6,5	- 2,0	- 400,1
Total expensed remuneration	- 1 213,8	- 505,2	- 330,9	- 457,8	- 277,7	- 2 785,3

¹⁾ Including fixed & variable compensation, pensions and benefits, excluding social security contributions.

²⁾ Retail Banking including total lending activity (to individuals and enterprises) including Transaction Products from 2015 (previously reported as Investment Banking unit). Investment Banking including corporate finance advice services, private equity, capital markets, trading and sales. Asset Management including portfolio management, managing of UCITS funds etc. Group Functions including all functions that have responsibilities for the whole Nordea Group at the consolidated level and for subsidiaries with such functions at the solo level, e.g. Human Resources, IT. Independent control functions including staff active in the independent risk management, compliance and internal audit functions as described in the EBA's guidelines on internal governance. Other personnel costs including personnel related costs which cannot be split into one of the other areas.

³⁾ All legal entities in Nordea except for the four main Nordic banks and their branches.

1) Executive Management¹⁾

	Nordea Bank AB	Nordea Bank Danmark A/S ²⁾	Nordea Bank Finland ABp	Nordea Bank Norge ASA	Other Nordea entities ³⁾	Total Group
EURm						
Earned fixed compensation, pensions and benefits ⁴⁾	- 7,2	- 2,2	*	-	-	- 9,4
- Number of individuals in the group ⁵⁾	10	4	2	0	0	16
Earned variable compensation ⁶⁾	- 4,5	- 1,2	*	-	-	- 5,7
- Of which cash	- 1,0	- 0,2	*	-	-	- 1,2
- Of which shares, share-linked instruments and other financial instruments ⁷⁾	- 3,5	- 1,0	*	-	-	- 4,5
- Of which to be paid in 2016	- 0,9	- 0,4	*	-	-	- 1,3
Deferred compensation at 1 Jan 2015 ⁸⁾	- 8,0	- 4,7	*	-	-	- 14,4
Accrued deferred compensation during the year ⁹⁾	- 4,9	- 1,8	*	-	-	- 6,8
Payments 2015 related to prior years deferral ¹⁰⁾	0,8	1,6	*	-	-	2,9
Deferred compensation at 31 Dec 2015	- 12,2	- 4,8	*	-	-	- 18,3
Severance pay commitments in new employee contracts entered into during the year ¹¹⁾	*	-	-	-	-	-
- Number of individuals in the group	1	0	0	0	0	1
Committed guaranteed performance-related compensation during the year	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0
Severance pay expensed during the year	-	*	-	-	-	*
- Number of individuals in the group	0	1	0	0	0	1
- Highest individual expensed severance pay	-	- 0,4	-	-	-	- 0,4

¹⁾ Executive Management include CEO, Group Executive Management (GEM) and Executives in the four main Nordic banks for the period appointed to such positions.

²⁾ One external member of Nordea Bank Danmark A/S Board of Directors received a fixed Board fee for 2015 equal to 281.635 DKK.

³⁾ All legal entities in Nordea except for the four main Nordic banks and their branches.

⁴⁾ Including pension costs, excluding social security contributions. In case of split contracts, all remuneration is expensed for under the Executive's prime employer while column Total Group shows their total remuneration.

⁵⁾ Total number of Executives employed during the period.

⁶⁾ Total earned variable remuneration includes GEM EIP 2015 and EIP 2015. All amounts excluding social security contributions. No GEM members or Executive Management-members in Nordea Bank Danmark A/S have received profit sharing 2015.

⁷⁾ Includes share-linked deferral and retention of GEM EIP 2015 and EIP 2015. All amounts are excluding social security contributions.

⁸⁾ Includes share-linked deferral 2011-2014

⁹⁾ Includes deferred part of GEM EIP 2015 and EIP 2015 and indexation of 2011-2014 deferral schemes and shares deferred under Long-Term Incentive Programme 2010 and 2011.

¹⁰⁾ There have been adjustments due to forfeitures in 2015 corresponding to 0,1 MEUR in total.

¹¹⁾ Excluding committed, expensed and paid severance pay in accordance with collective agreements and local labour laws, where applicable.

2) Other risktakers¹⁾

	Nordea Bank AB	Nordea Bank Danmark A/S	Nordea Bank Finland ABp	Nordea Bank Norge ASA	Other Nordea entities ²⁾	Total Group
EURm						
Earned fixed compensation, pensions and benefits ³⁾	- 89,9	- 82,5	- 40,7	- 35,4	- 33,0	- 281,3
- Number of individuals in the group ⁴⁾	752	692	399	262	203	2308
Earned variable compensation ⁵⁾	- 18,5	- 19,0	- 8,9	- 6,9	- 16,2	- 69,4
- Of which cash	- 5,1	- 6,3	- 2,8	- 2,0	- 6,8	- 23,0
- Of which shares, share-linked instruments and other financial instruments ⁶⁾	- 9,4	- 9,1	- 4,2	- 3,8	- 7,3	- 33,8
- Of which to be paid in 2015	- 6,0	- 6,4	- 3,0	- 2,4	- 6,0	- 23,8
Deferred compensation at 1 Jan 2015 ⁷⁾	- 26,0	- 30,3	- 13,1	- 8,3	- 15,3	- 91,2
Accrued deferred compensation during the year ⁸⁾	- 14,9	- 18,0	- 7,8	- 7,1	- 14,6	- 62,4
Payments related to prior years deferral ⁹⁾	8,1	12,4	4,8	3,3	5,0	33,7
Deferred compensation at 31 Dec 2015	- 32,7	- 35,9	- 16,1	- 12,1	- 25,0	- 120,0
Severance pay commitments in new employee contracts entered into during the year ¹⁰⁾	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0
Committed guaranteed performance-related compensation during the year	-	-	*	-	-	*
- Number of individuals in the group	0	0	1	0	0	1
Severance pay expensed during the year	- 0,5	- 0,5	-	*	*	- 2,0
- Number of individuals in the group	6	7	0	2	6	21
- Highest individual expensed severance pay	- 0,2	- 0,1	-	- 0,0	- 0,3	- 0,3

¹⁾ Other risk takers includes employees within those categories of staff whose professional activities could impact the risk profile of the Nordea Group as identified per 31 Dec 2015.

²⁾ All legal entities in Nordea except for the four main Nordic banks and their branches.

³⁾ Including pension costs, excluding social security contributions.

⁴⁾ Number of individuals in the group as per 31 Dec 2015.

⁵⁾ Total variable compensation includes earned costs of EIP 2015, variable salary part (VSP), bonus, one time payments (OTP), and profit sharing 2015. All amounts excluding social security contributions.

⁶⁾ Shares, share-linked instruments and other financial instruments here includes share-linked deferral and retention 2015. All amounts excluding social security contributions.

⁷⁾ Includes share-linked deferral 2011-2014 and shares deferred under LTIP 2010 and LTIP 2011 for employees classified as identified staff as of 31 Dec 2015.

⁸⁾ Includes earned variable remuneration 2015 subject to deferral and indexation of 2011-2014 deferral schemes and shares deferred under LTIP 2010 and LTIP 2011.

⁹⁾ There have been no adjustments due to forfeitures in 2015.

¹⁰⁾ Excluding committed, expensed and paid severance pay in accordance with collective agreements and local labour laws, where applicable.

3) Other employees¹⁾

	Nordea Bank AB	Nordea Bank Danmark A/S	Nordea Bank Finland ABp	Nordea Bank Norge ASA	Other Nordea entities ³⁾	Total Group
EURm						
Earned fixed compensation, pensions and benefits ²⁾	- 753,1	- 496,3	- 382,9	- 225,2	- 293,2	- 2150,8
- Number of individuals in the group ³⁾	11175	5926	6502	2414	4269	- 29789,0
Expensed variable compensation ⁴⁾	- 89,4	- 56,8	- 57,5	- 29,4	- 57,8	- 290,8
- Of which cash	- 85,9	- 53,3	- 53,5	- 28,1	- 57,8	- 278,6
- Of which shares, share-linked instruments and other financial instruments ⁵⁾	- 3,5	- 3,5	- 4,0	- 1,3	- 0,0	- 12,2
Deferred compensation at 1 Jan 2015 ⁶⁾	- 6,7	- 4,9	- 5,4	- 2,5	- 0,4	- 19,9
Accrued deferred compensation during the year ⁷⁾	- 4,4	- 4,4	- 4,9	- 1,6	- 15,3	- 0,1
Payments related to prior years deferral	1,0	0,9	1,0	0,5	0,1	3,4
Deferred compensation at 31 Dec 2015	- 10,1	- 8,4	- 9,4	- 3,7	- 15,7	- 16,6
Severance pay commitments in new employee contracts entered into during the year ⁸⁾	*	-	*	-	-	-
- Number of individuals in the group	1	0	1	0	0	2
Committed guaranteed performance-related compensation during the year	- 0,7	*	-	-	-	- 0,8
- Number of individuals in the group	6	1	0	0	0	7
Severance pay expensed during the year ⁹⁾	- 8,6	- 14,7	- 10,3	- 4,3	- 2,7	- 40,7
- Number of individuals in the group	128	339	317	65	52	901
- Highest individual expensed severance pay	- 0,4	- 1,2	- 0,5	- 0,3	- 0,2	- 1,2

¹⁾ All legal entities in Nordea except for the four main Nordic banks and their branches, excluding discontinuous operations and group adjustments.

²⁾ Including pension costs, excluding social security contributions.

³⁾ Number of employees per 31 Dec 2015.

⁴⁾ Expensed variable compensation includes expensed costs of VSP, bonus, OTP, and profit sharing 2015 and booked costs of EIP 2015. All amounts excluding social security contributions.

⁵⁾ Shares, share-linked instruments and other financial instruments here includes share-linked deferral and retention in EIP 2015. All amounts excluding social security contributions.

⁶⁾ Deferred compensation at 1 Jan 2015 relates to Nordea-specific deferral schemes in selected Divisions. All amounts excluding social security contributions.

⁷⁾ Includes deferred part of EIP 2015 and Nordea-specific deferral schemes in selected Divisions.

⁸⁾ Excluding severance pay commitments in accordance with collective agreements and local labour laws, where applicable. Severance pay in Nordea is always expressed in fixed monthly salaries.

⁹⁾ The main reason for the severance pay expensed during the year is reduction of employees as part of Nordea's Accelerated Cost Efficiency Programme.

4) Individuals being remunerated EUR 1 million or more per financial year 2015¹⁾

	Nordea Bank AB	Nordea Bank Danmark A/S	Nordea Bank Finland ABp	Nordea Bank Norge ASA	Other Nordea entities ³⁾	Total Group
Number of individuals³⁾						
EURm 1.0 - 1.5	6	9	0	2	5	22
EURm 1.5 - 2.0	4	0	0	0	2	6
EURm 2.0 - 2.5	2	0	0	0	0	2
EURm 2.5 - 3.0	0	0	0	0	0	0
EURm 3.0 - 3.5	0	0	0	0	0	0
Total	12	9	0	2	7	30

¹⁾ Total remuneration includes fixed salary, earned variable remuneration, benefits, pension (pension premiums paid in defined contribution plans and pension rights earned during the year in defined benefit plans in accordance with IAS 19) for the year.

²⁾ All legal entities in Nordea except for the four main Nordic banks and their branches, excluding discontinued operations in Poland.

³⁾ In case of split contract, individual is under the employee's prime employer.

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Salaries and remuneration 2015

A * in the tables indicates that the group includes less than four individuals, and compensation is therefore not disclosed separate due to confidentiality reasons. The compensation is instead included in Other employees.

1) Executive Management¹⁾

	Nordea Investment Mngt AB	Nordea Finans Sverige AB	Nordea Hypotek AB	Nordea Livförsäkring Sverige AB	Nordea Realkreditakties elskab	Nordea Livförsäkringsse lskab A/S	Nordea Finans Denmark
EURm							
Earned fixed compensation, pensions and benefits ²⁾	- 0,9	*	*	*	*	*	*
- Number of individuals in the group ³⁾	4	2	1	1	1	1	1
Earned variable compensation ⁴⁾	- 0,6	*	*	*	*	*	*
- Of which cash	- 0,3	*	*	*	*	*	*
- Of which shares, share-linked instruments and other financial instruments ⁵⁾	- 0,3	*	*	*	*	*	*
- Of which to be paid in 2015	- 0,3	*	*	*	*	*	*
Deferred compensation at 1 Jan 2015 ⁶⁾	- 1,8	*	*	*	*	*	*
Accrued deferred compensation during the year ⁷⁾	- 0,7	*	*	*	*	*	*
Payments 2015 related to prior years deferral ⁸⁾	0,6	*	*	*	*	*	*
Deferred compensation at 31 Dec 2015	- 2,0	*	*	*	*	*	*
Severance pay commitments in new employee contracts entered into during the year ⁹⁾	-	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0	0
Committed guaranteed performance-related compensation during the year	-	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0	0
Severance pay expensed during the year	-	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0	0
- Highest individual expensed severance pay	-	-	-	-	-	-	-

¹⁾ Executive Management include CEOs in all legal entities, members of Direktionen and Board of Director-members in Denmark employed by the legal entity.

²⁾ Including pension costs, excluding social security contributions.

³⁾ Number of Executives employed at the end of the year all of which earned profit sharing in 2015.

⁴⁾ Total expensed variable compensation includes expensed costs of EIP 2015, variable salary part, bonus, one time payments, and profit sharing 2015. All amounts excluding social security contributions.

⁵⁾ Deferred compensation at 1 Jan 2015 relates to share-linked deferrals 2011-2014.

⁶⁾ Includes earned variable remuneration 2015 subject to deferral and indexation of 2011-2014 deferral schemes and shares deferred LTIP 2010 and LTIP 2011.

⁷⁾ Includes earned variable remuneration 2014 subject to deferral and indexation of 2010-2013 deferral schemes and shares deferred under LTIP 2010 and LTIP 2011.

⁸⁾ There has been no adjustments due to forfeitures in 2015.

⁹⁾ Excluding committed, expensed and paid severance pay in accordance with collective agreements and local labour laws, where applicable.

2) Other risktakers¹⁾

	Nordea Investment Mngt AB	Nordea Finans Sverige AB	Nordea Hypotek AB	Nordea Livförsäkring Sverige AB	Nordea Realkreditakties elskab	Nordea Livförsäkringsse- lskab A/S	Nordea Finans Denmark
EURm							
Expensed fixed compensation, pensions and benefits ²⁾	- 7,8	- 0,5	*	- 0,6	-	- 1,7	- 1,0
- Number of individuals in the group ³⁾	29	4	0	4	0	9	9
Earned variable compensation ⁴⁾	- 5,8	- 0,1	*	- 0,2	-	- 0,7	- 0,2
- Of which cash	- 2,8	- 0,0	*	- 0,0	-	- 0,1	- 0,0
- Of which shares, share-linked instruments and other financial instruments ⁵⁾	- 2,9	- 0,0	*	- 0,0	-	- 0,1	- 0,1
- Of which to be paid in 2015	- 2,3	- 0,0	*	- 0,0	-	- 0,1	- 0,1
Deferred compensation at 1 Jan 2015 ⁶⁾	- 1,0	- 0,0	*	- 0,9	-	- 1,3	- 0,2
Accrued deferred compensation during the year ⁷⁾	- 5,7	- 0,0	*	- 0,0	-	- 0,3	- 0,1
Payments related to prior years deferral ⁸⁾	- 0,3	- 0,0	*	- 0,2	-	- 0,5	- 0,1
Deferred compensation at 31 Dec 2015	- 6,4	- 0,1	*	- 0,6	-	- 1,2	- 0,3
Severance pay commitments in new employee contracts entered into during the year ⁹⁾	-	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0	0
Committed guaranteed performance-related compensation during the year	-	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0	0
Severance pay expensed during the year	-	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0	0
- Highest individual expensed severance pay	-	-	-	-	-	-	-

¹⁾ Other risk takers include employees within those categories of staff whose professional activities could impact the risk profile of the relevant legal entity as identified per 31 Dec 2015.

²⁾ Including pension costs, excluding social security contributions.

³⁾ Full time equivalents per 31 Dec 2015. All Other risktakers earned profit sharing in 2015.

⁴⁾ Total earned variable compensation includes earned EIP 2015, variable salary part, bonus, one time payments, and profit sharing 2015. All amounts excluding social security contributions.

⁵⁾ Shares, share-linked instruments and other financial instruments here includes share-linked deferral and retention 2015. All amounts excluding social security contributions.

⁶⁾ Deferred compensation at 1 Jan 2015 relates to share-linked deferrals 2011-2014.

⁷⁾ Includes earned variable remuneration 2015 subject to deferral and indexation of 2011-2014 deferral schemes and shares deferred LTIP 2011.

⁸⁾ There has been no adjustments due to forfeitures in 2015.

⁹⁾ Excluding committed, expensed and paid severance pay in accordance with collective agreements and local labour laws, where applicable.

3) Other employees¹⁾

	Nordea Investment Mngt AB	Nordea Finans Sverige AB	Nordea Hypotek AB	Nordea Livförsäkring Sverige AB	Nordea Realkreditakties elskab	Nordea Livförsäkrings skab A/S	Nordea Finans Denmark
EURm							
Expensed fixed compensation, pensions and benefits ²⁾	- 51,5	- 14,4 *		- 13,5	- 10,1	- 38,9	- 13,3
- Number of individuals in the group ³⁾	447	225	2	181	104	515	172
Expensed variable compensation ⁴⁾	- 28,7	- 1,1 *		- 0,2	- 0,1	- 1,0	- 0,7
- Of which cash	- 28,7	- 1,1 *		- 0,2	- 0,1	- 1,0	- 0,7
- Of which shares, share-linked instruments and other financial instruments ⁵⁾	- 0,0	- 0,0 *		- 0,0	- 0,0	- 0,0	- 0,0
	- 28,7	- 1,1 *		- 0,2	- 0,1	- 1,0	- 0,7
Deferred compensation at 1 Jan 2015 ⁶⁾	-	-	-	-	-	-	-
Accrued deferred compensation during the year ⁷⁾	-	-	-	-	-	-	-
Payments related to prior years deferral ⁸⁾	-	-	-	-	-	-	-
Deferred compensation at 31 Dec 2015	-	-	-	-	-	-	-
Severance pay commitments in new employee contracts entered into during the year ⁹⁾	-	-	-	-	-	-	-
- Number of individuals in the group	0	0	0	0	0	0	0
Committed guaranteed performance-related compensation during the year	-	-	-	-	-	-	0,0
- Number of individuals in the group	0	0	0	0	0	0	0
Severance pay expensed during the year	- 0,8 -	-	*		- 0,3	- 0,6	- 0,1
- Number of individuals in the group	13	0	0	2	6	13	6
- Highest individual expensed severance pay	- 0,2 -	-		- 0,1	- 0,1	- 0,2	- 0,0

¹⁾ All employees except "Executive Management" and "Other risktakers"

²⁾ Including pension costs, excluding social security contributions.

³⁾ Number of employees per 31 Dec 2015. All Other employees earned profit sharing in 2015.

⁴⁾ Expensed variable compensation includes expensed costs of variable salary part, bonus, one time payments, profit sharing 2015 and accrued costs of EIP 2015. All amounts excluding social security contributions.

⁵⁾ Shares, share-linked instruments and other financial instruments here includes profit sharing for Finnish and Swedish employees. All amounts excluding social security contributions.

⁶⁾ Deferred compensation at 1 Jan 2015 relates to share-linked deferrals 2011-2014.

⁷⁾ Includes earned variable remuneration 2015 subject to deferral and indexation of 2011-2014 deferral schemes and shares deferred LTIP 2011.

⁸⁾ There has been no adjustments due to forfeitures in 2015.

⁹⁾ Excluding committed, expensed and paid severance pay in accordance with collective agreements and local labour laws, where applicable.