

Nordea

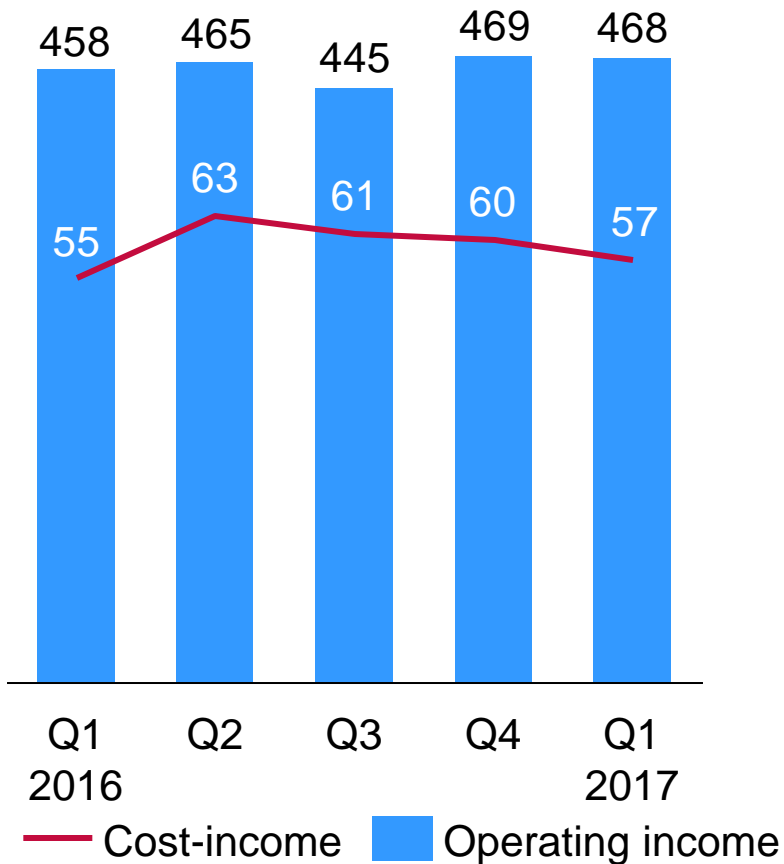
Commercial & Business Banking **Business Areas Presentation Day**

Erik Ekman, Head of Commercial & Business Banking
May 11, 2017

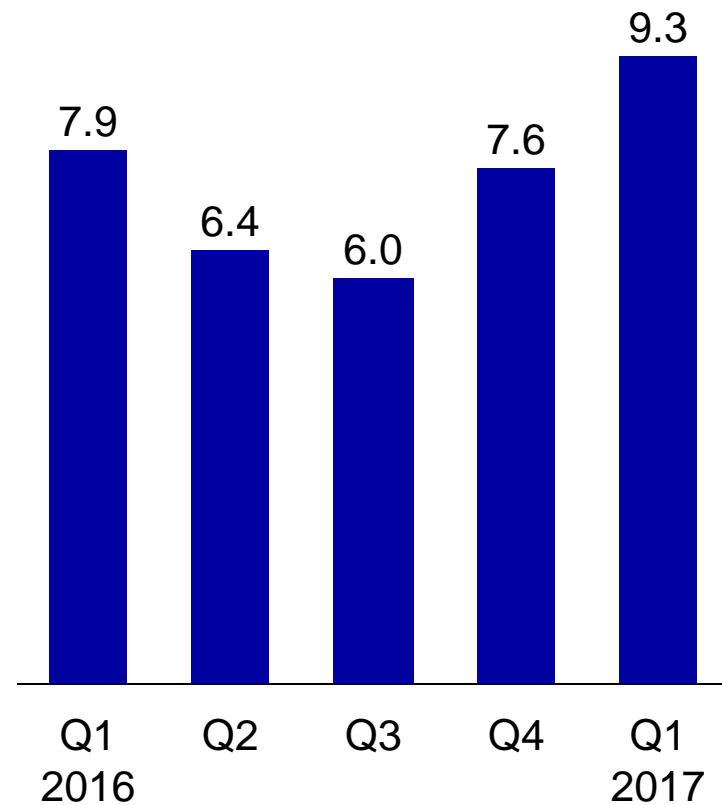


Financial development in Commercial & Business Banking since 2016

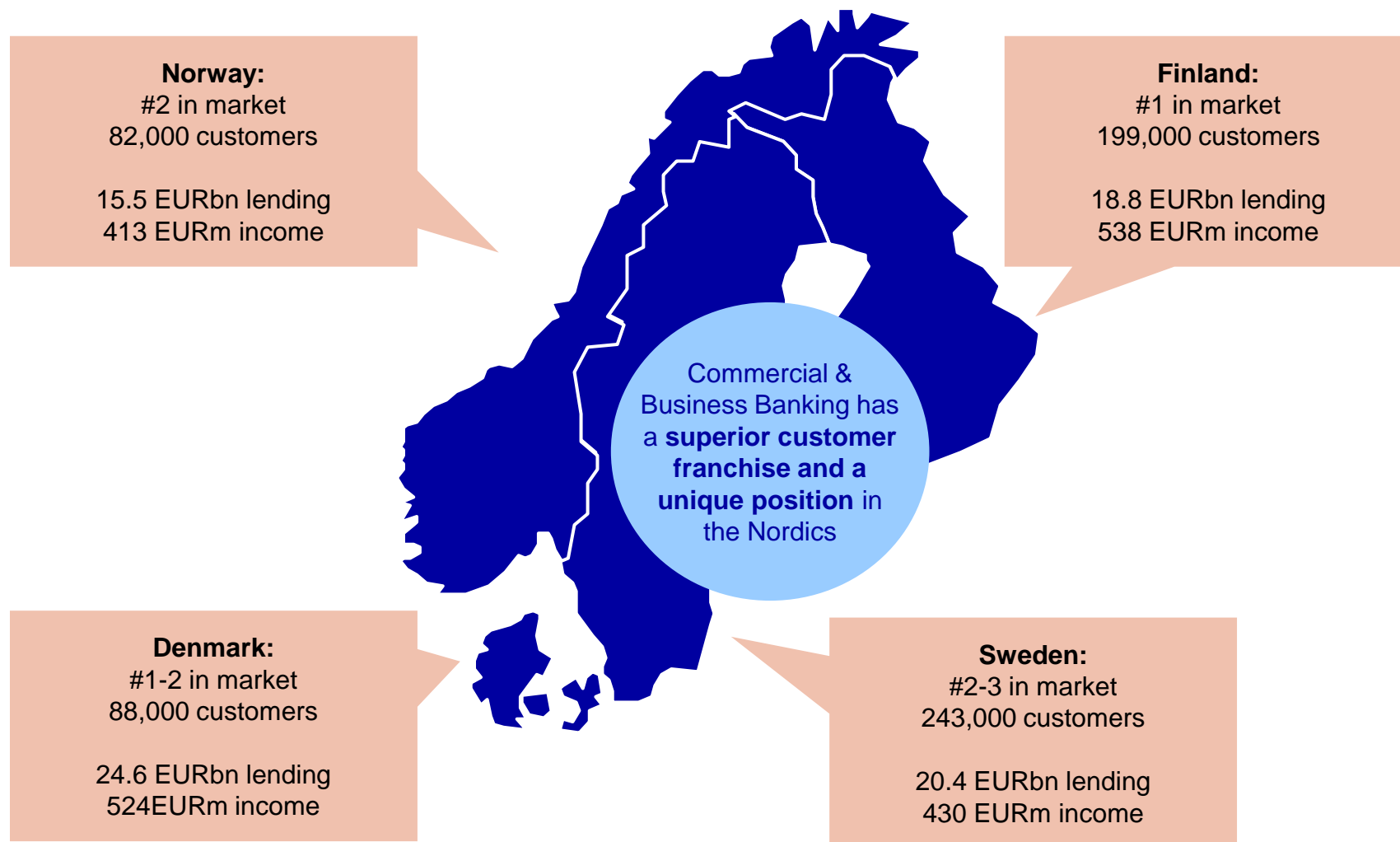
Operating income (EURmn)
and Cost/income (%)



RoCar (%)

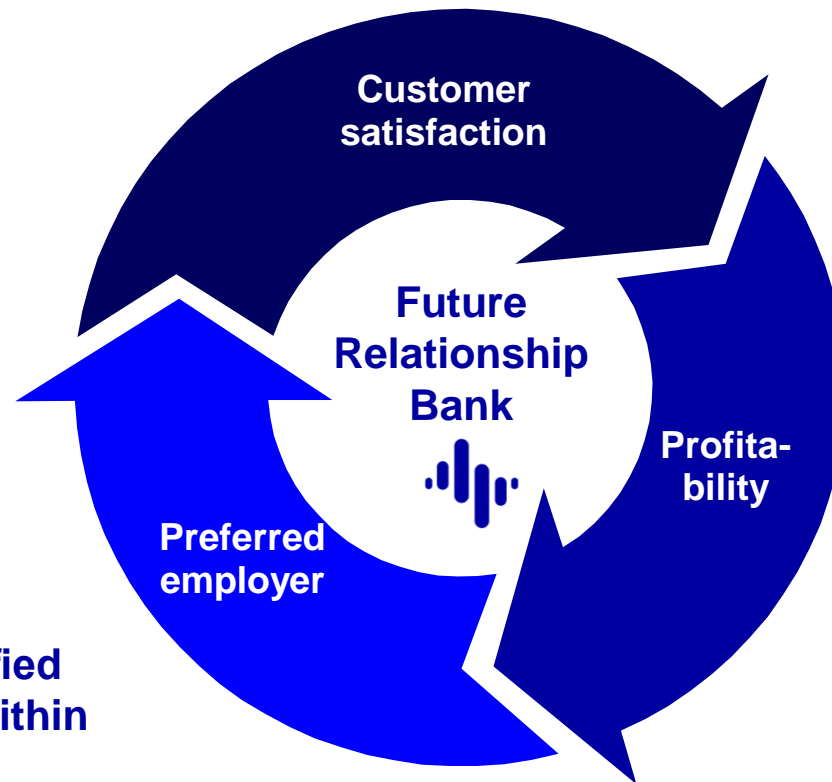


Commercial & Business Banking has solid pan-Nordic platform



We have the ambition to be #1 in ALL our markets and we want to have...

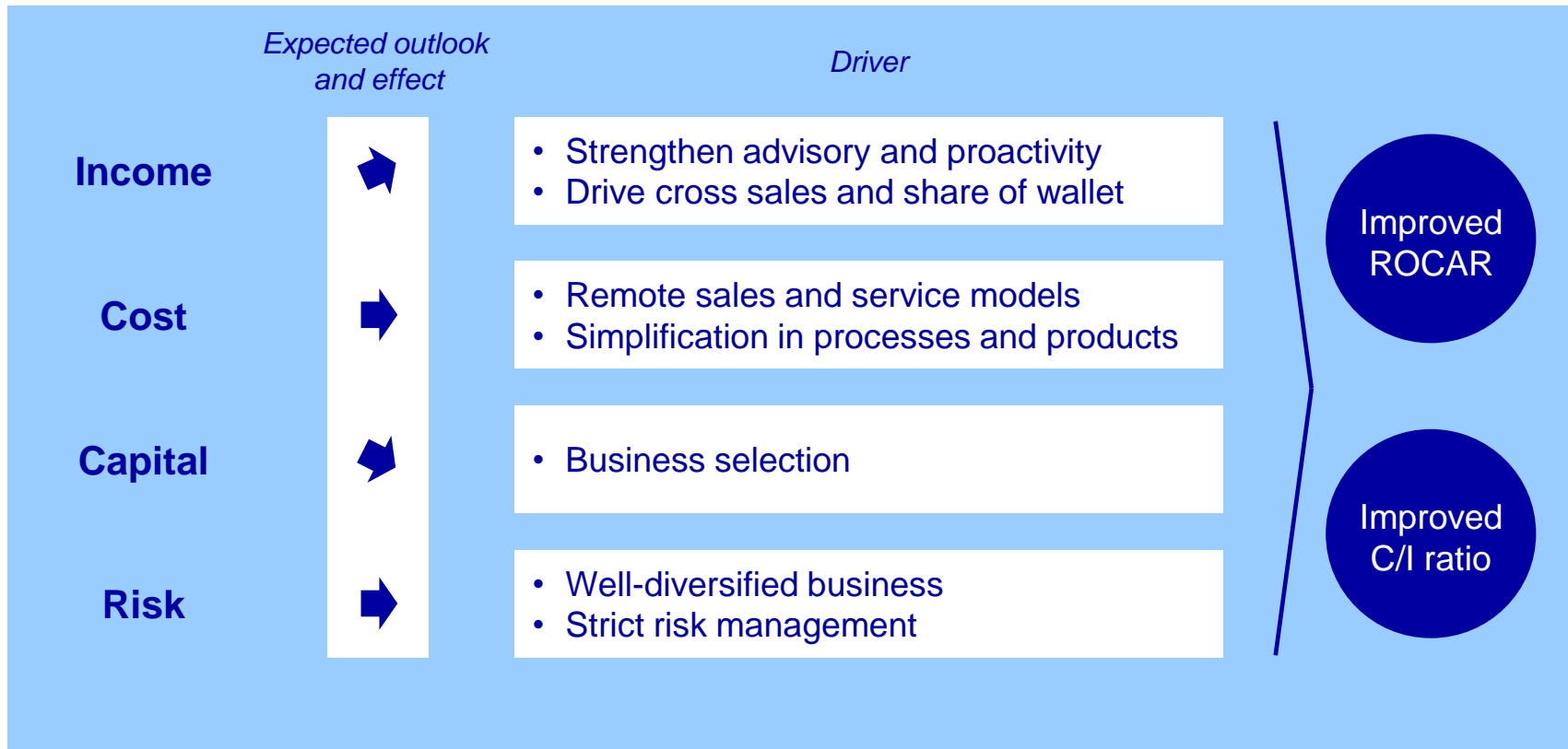
#1 ...most satisfied customers
in the markets we chose to
compete in



#1 ...best
profitability
– ahead of
peers

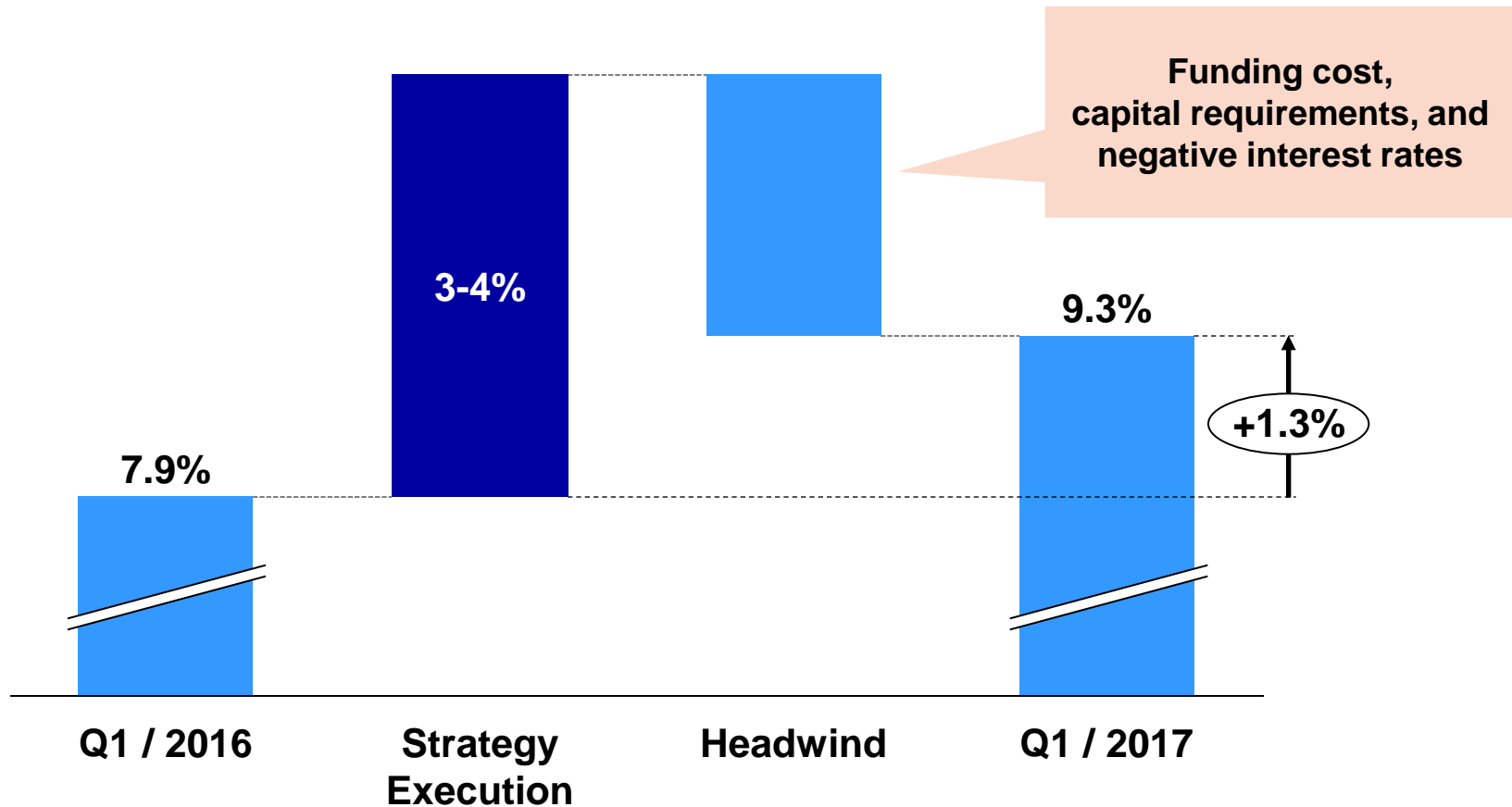
#1 ...most satisfied
employees within
the industry

Value creation in Commercial & Business Banking is done through a number of levers...



...and the business has already demonstrated a strong potential for improvement

RoCar of Commercial & Business Banking



Further, we put emphasis on some areas where we largest business potential – some examples



Example

- Significant number of smaller customers in Sweden has Nordea as their secondary bank
- Income in some cases not adequate to cover cost of maintaining relationship, e.g. KYC

Business potential

- Review of customer base with bias to profitability – explore cross sales opportunities



- Agriculture sector challenged by macro economic conditions, which has lead to a drain on resources – capital, loan losses and management attention

- Agriculture now organised as standalone segment to lift competency level and ring-fence management focus

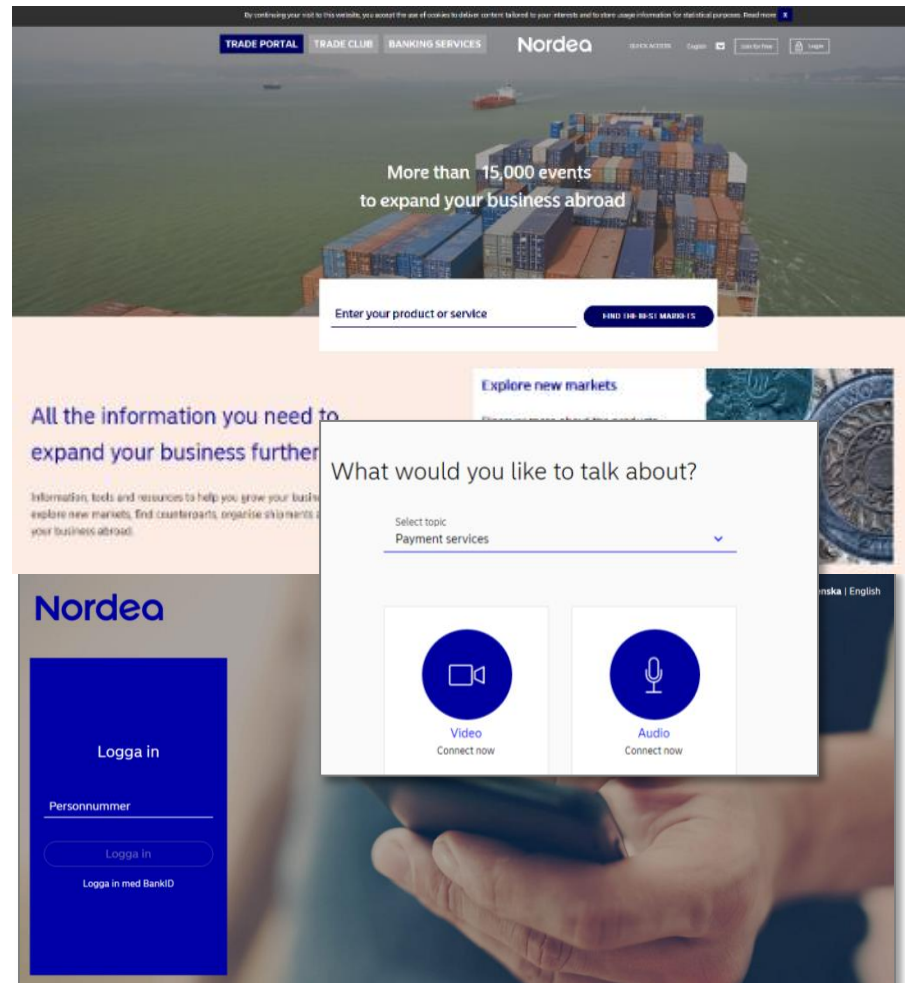


- Credit quality of exposures to shipyards have deteriorated substantially as oil prices have dropped. This has driven up capital consumption

- Nordea has typically provided project finance to individual projects and has and has collateral in the vessels
- Exposure decline as projects are completed

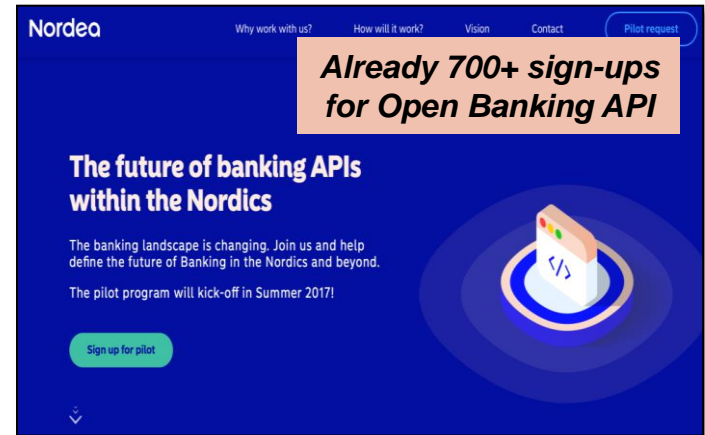
We are building capabilities for the future growth through interactions supported by digital capabilities...

- New **digital channels (web & mobile)**
 - Self-service
 - Contact centers
 - Remote advisory platforms
 - Digital sales capabilities
 - Value added services
 - Trade Portal & Trade Club
 - e-markets
- Helping us **transform** the way we service our customers
 - Online branches with team based advisory
 - Visual agenda – online tool supporting sales process and tailored customer advice, e.g. liquidity management
 - Visual agenda
 - Digital leads




...and through Transaction Banking

- **~2,800 employees** offering dedicated services to **~1.4 million customers**
- **~1,400 mEUR income**
- Services all Nordea's customers with payments, credit cards, cash mgmt. solutions, financing, leasing, and trade finance
- One of the main **innovation hubs** in Nordea, e.g. through collaboration with Stockholm Fintech Hub
- Creating the **future of mobile payments**, including Nordea Wallet, Samsung Pay, and Siirto (Finland)
- New global platforms launched for Trade Finance and leasing*



Ambition is to realise the CBB #1 ambition

- ✓ Superior customer franchise
- ✓ Unique market position in the Nordics
- ✓ Solid segment strategy
- ✓ Clear value creation potential
- ✓ Develop capabilities for future growth
- ✓ Track record of improvement



Close gap to
realise CBB
ambition on
#1

Nordea

Thank You!

Erik.Ekman@nordea.com

