



Deutsche Bank Global Financial Services Conference

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Making it possible

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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.

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- **Business model generates strong financials**
- **Building the future bank business model**

Nordea's focused and prudent business model

Relationship banking is key

Resources efficiently used
on core business

Well diversified and
balanced model

Fully integrated model across
countries and business units

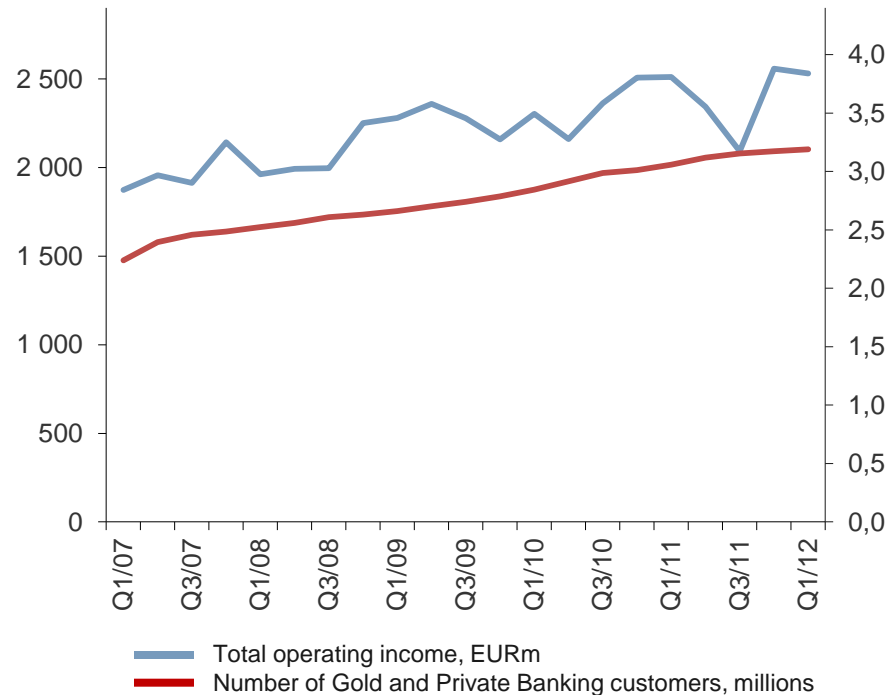
Very risk focused

The Nordics and its structure as
the home market

Making it possible

Improved relationships is the long term value driver

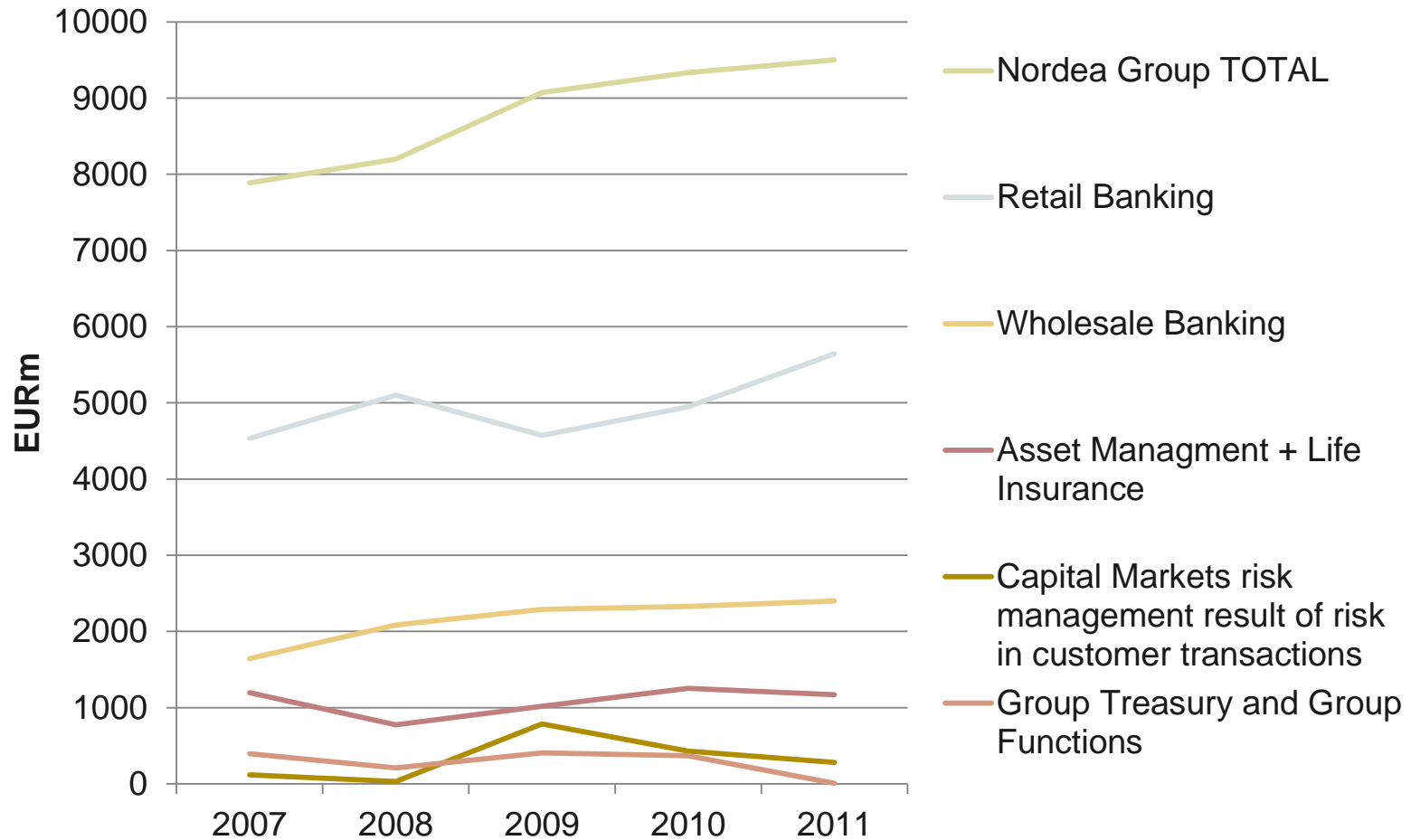
Total operating income and relationship customers



- Total income up 35% since 2007
- Relationship customers up 42% since 2007...
- ...and reinforced position as market leader in corporate merchant banking

Customer driven business model

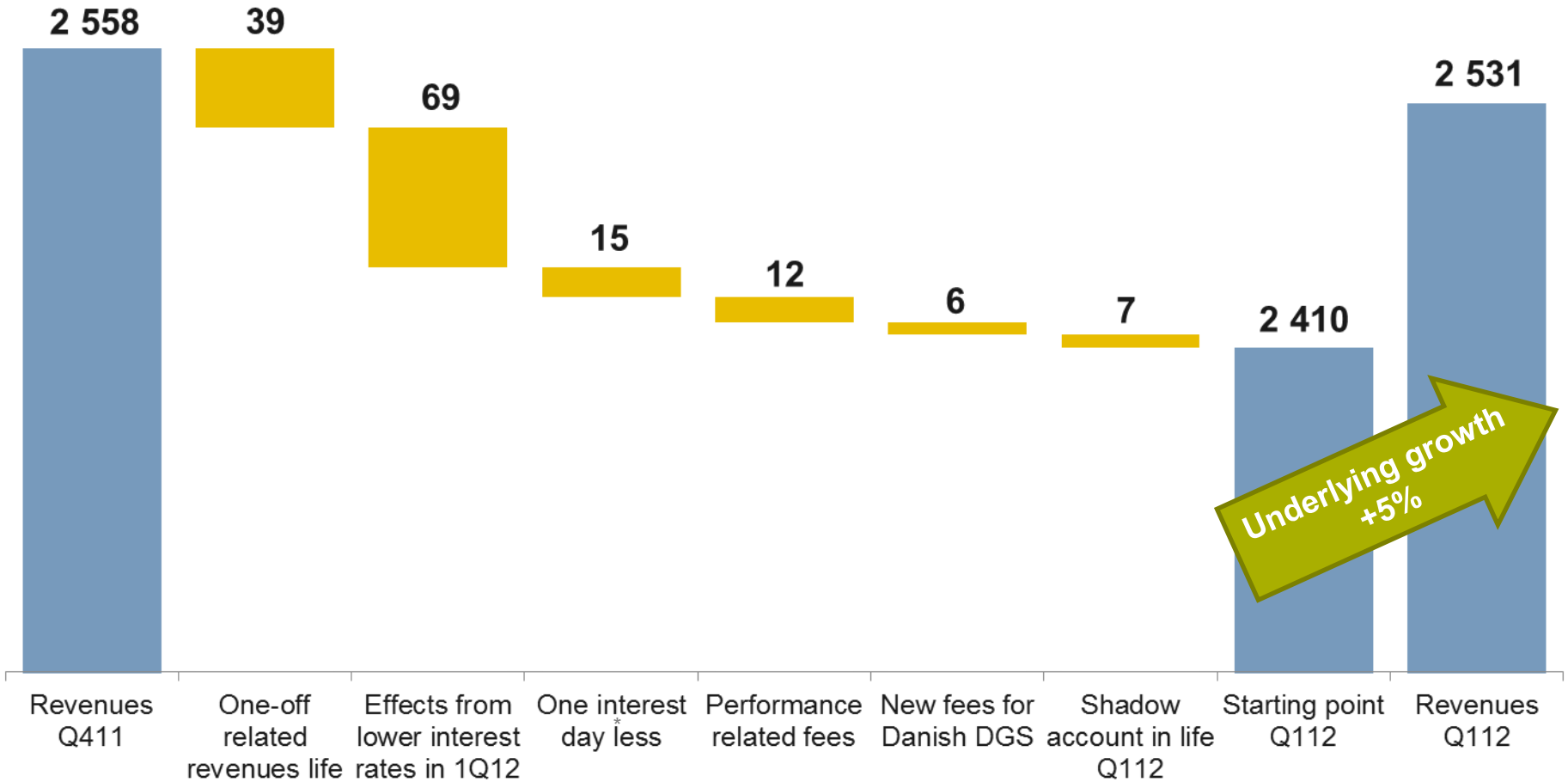
- 95% customer related - Only 5 % from Risk Management



Financial result – Q1/12

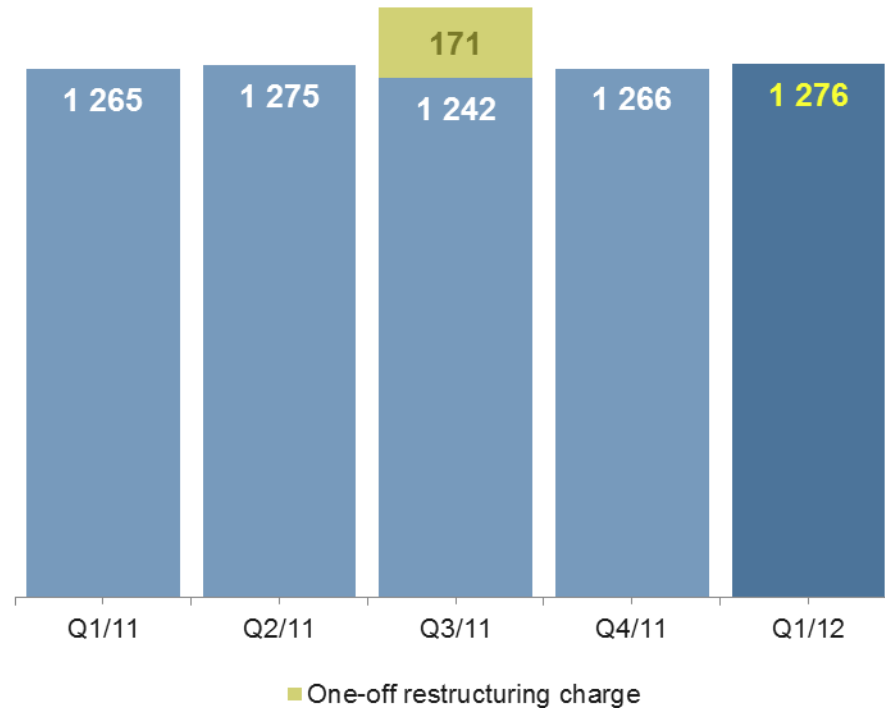
EURm	Q1/12	Q4/11	Change %	Q1/11	Change %
Net interest income	1,420	1,427	-1	1,324	7
Net fee and commission income	596	588	1	602	-1
Net fair value result	469	506	-7	544	-14
Other income	46	37	24	40	15
Total income	2,531	2,558	-1	2,510	1
Staff costs	-771	-714	8	-768	0
Total expenses	-1,276	-1,266	1	-1,265	1
Profit before loan losses	1,255	1,292	-3	1,245	1
Net loan losses	-218	-263	-17	-242	-10
Operating profit	1,037	1,029	1	1,003	3
Net profit	775	786	-1	742	4
Risk-adjusted profit	799	815	-2	771	4

Strong business momentum...



... and expenses under strict control

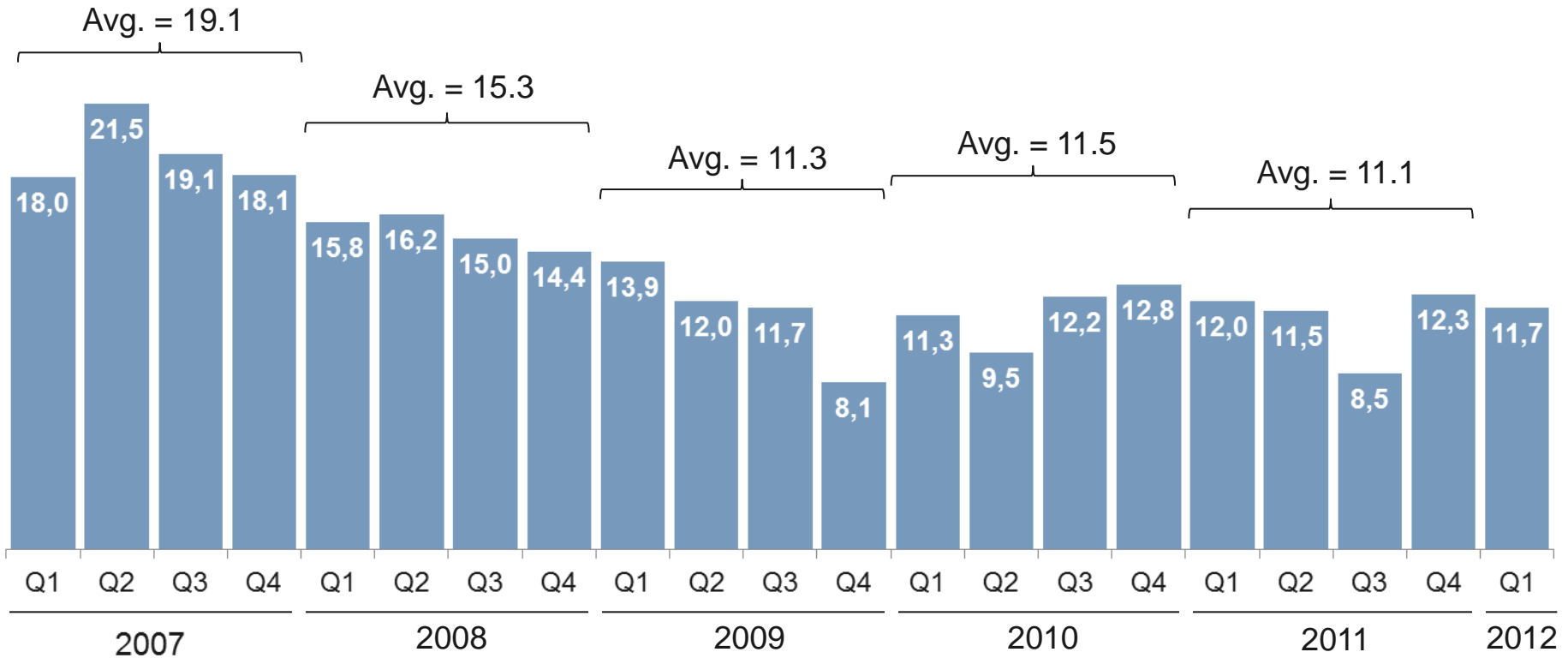
Total expenses, EURm



- Nordea will deliver flat costs for a prolonged period of time

High and stable RoE throughout the cycle...

RoE, adjusted for restructuring costs 2011, percent



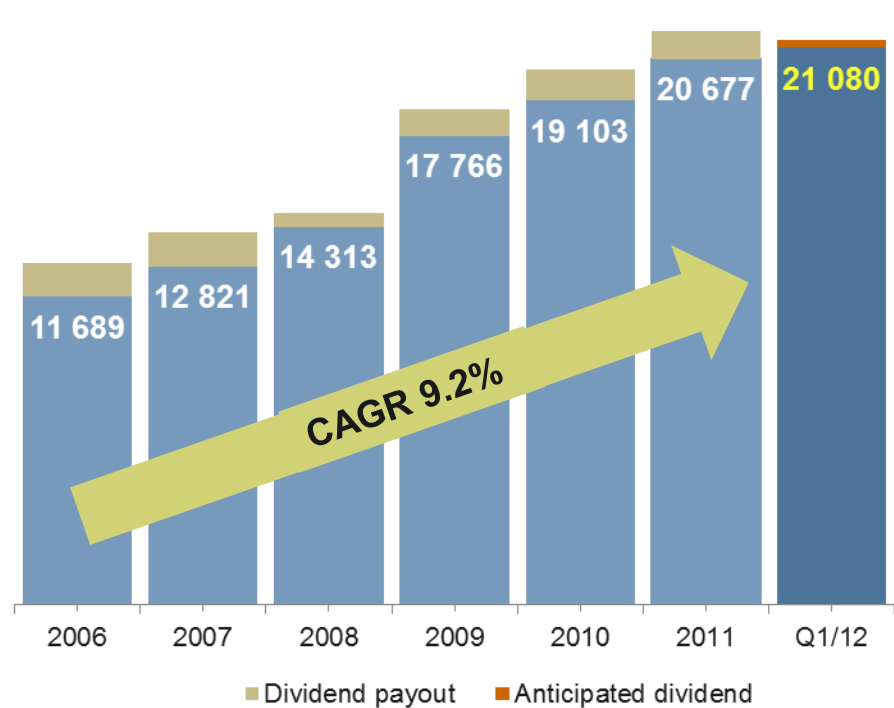
CT1 = 6.8%



CT1 = 11.6%

... gives strong capital generation...

Core Tier 1 capital, EURm

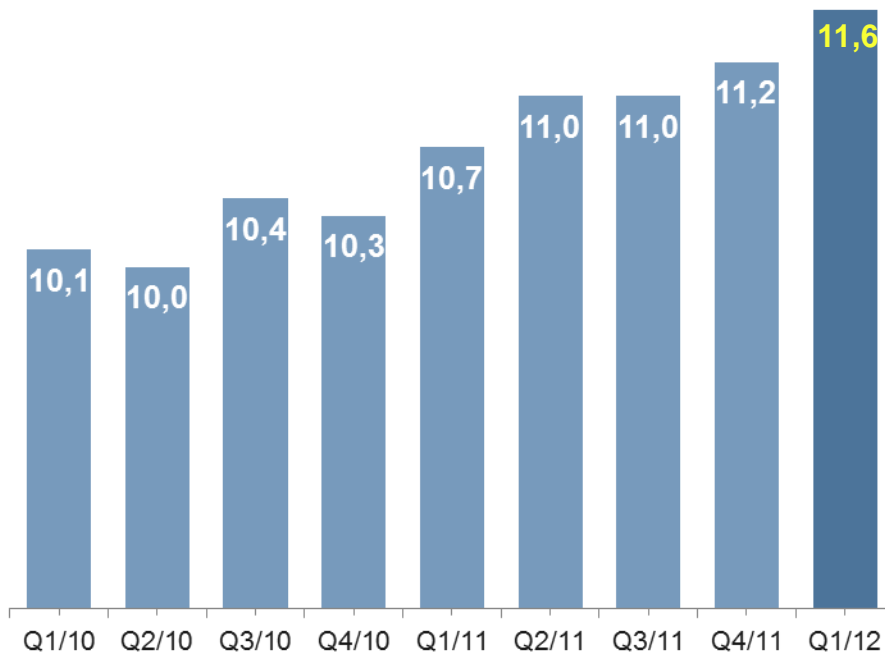


- Generated capital of EUR 6.9bn since 2006*
 - In addition distributed EUR 6.3bn to shareholders
- Strong capital generation gives good flexibility

*Adjusted for rights issue

... as well as a clear increase in Core Tier 1 ratio

Core Tier 1 capital ratio, % (excl. Hybrids)
Basel 2.5 excluding transition rules

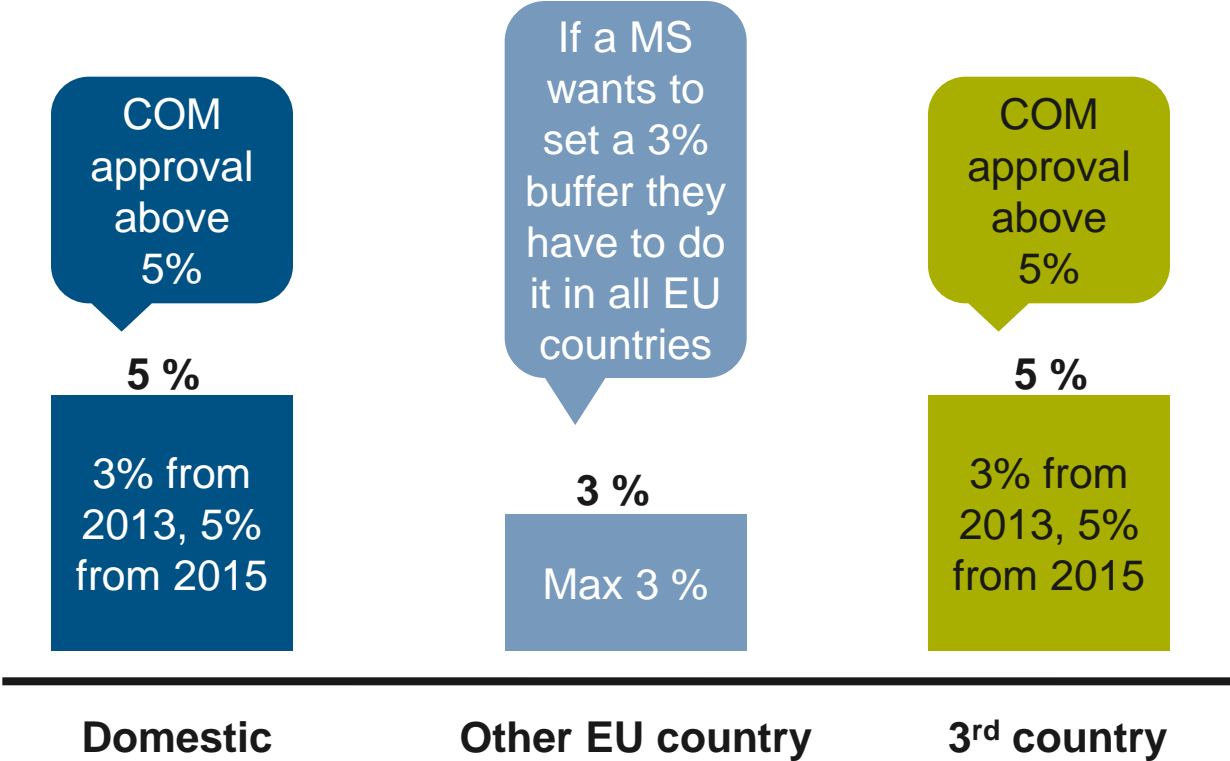


- Improved ratio by 150bps since Q1/10 due to;
 - Strong profit generation
 - Controlled RWA development
- Lending growth of 17%
- RWA growth of 1%

CRD IV suggests that capital requirement for Nordea will be slightly below 11%

European Council

INTERPRETATION





- **Business model generates strong financials**
- **Building the future bank business model**

New Normal is execution of a “Focused relationship strategy”

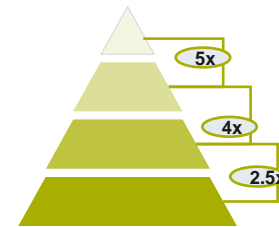
Themes

1. Disciplined ROE focus
2. Cost efficiency
3. Capital efficiency
4. Liquidity efficiency

Units



Segments

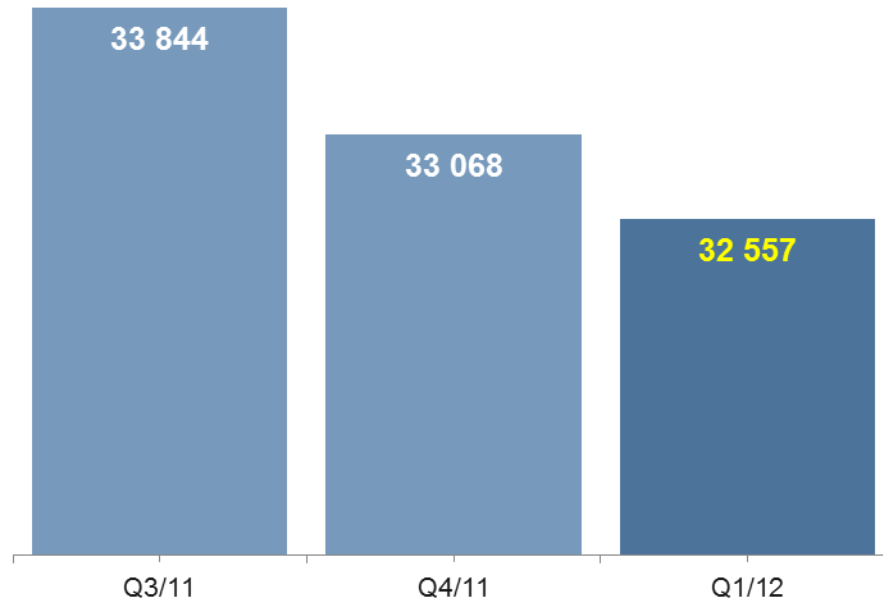


Customers



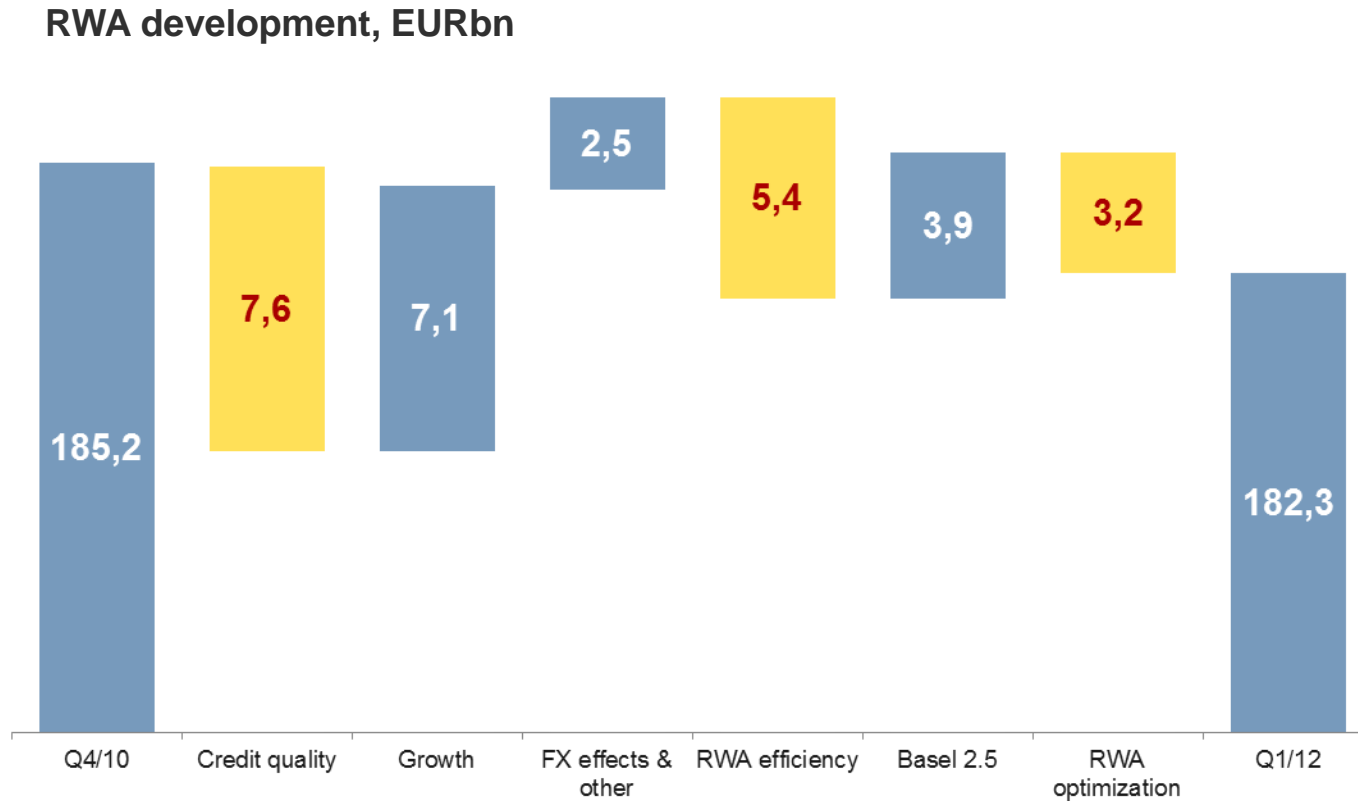
Cost efficiency according to plan

Total Group full-time equivalents



- FTE's are down by approx. 1,600 (4.6%) since mid-2011
- EUR 120m in cost savings
- 6% staff reduction by end 2012
- Shift in Poland to full relationship banking approach
 - FTE's reduced by up to 400

Capital efficiency has clearly strengthened our Core Tier 1



Liquidity premia: An execution of funding efficiency

Purpose

- Align internal pricing with true cost / value of funding and liquidity
- Ensure pricing to customer reflects the true economics of the contract
- Enhance understanding of product and customer profitability

Principles

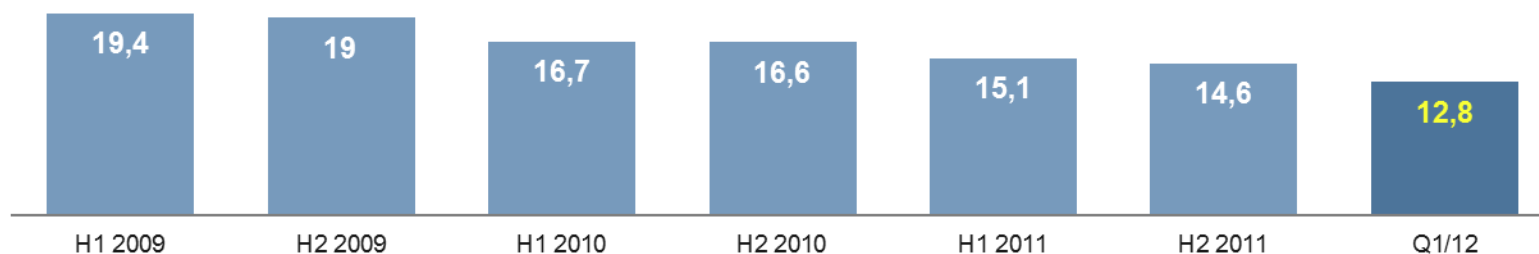
- Calculated at contract level
- Reflect the characteristics of the contract, e.g. maturity
- Based on Nordea's cost of funding curve

Status

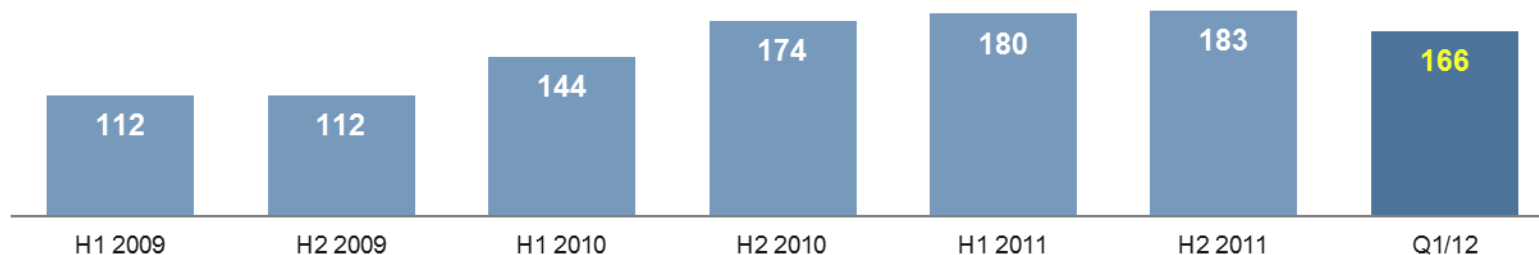
- “Granular liquidity premia” allocated to business areas, but not below
- Pilots are carried out in a number of areas to assess impact
- Roll-out across most business units planned for Q1 2013

Customer behaviour supports our distribution journey

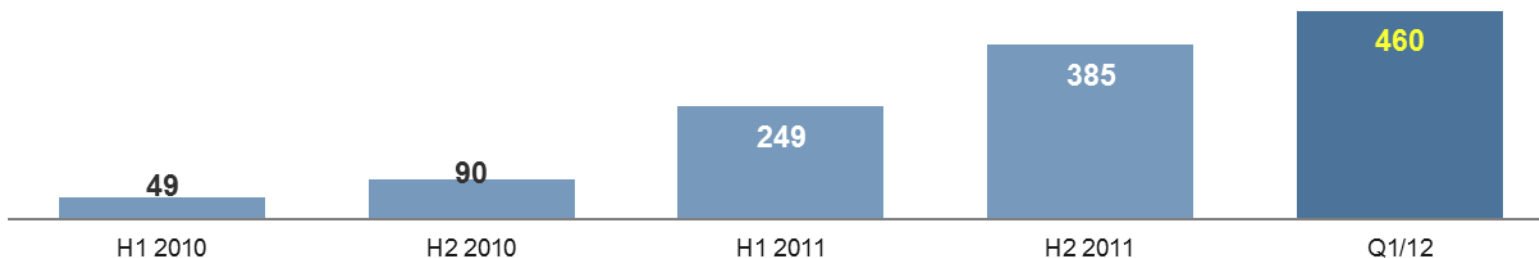
Number of manual transactions, million



Number of netbank log-ins, million



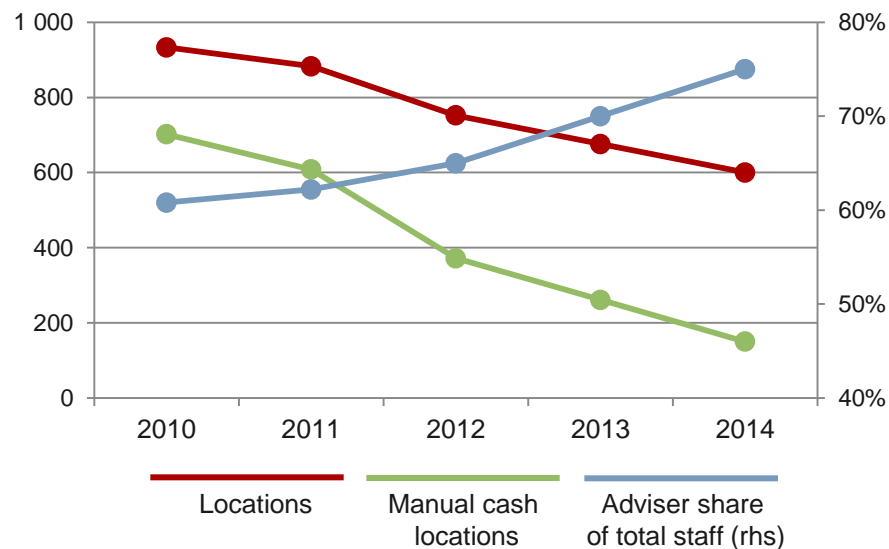
Number of unique mobile banking users, thousands



* Semi-annualised

Transforming the branch network

Nordic development, manual cash location and share of advisors in branch network staff

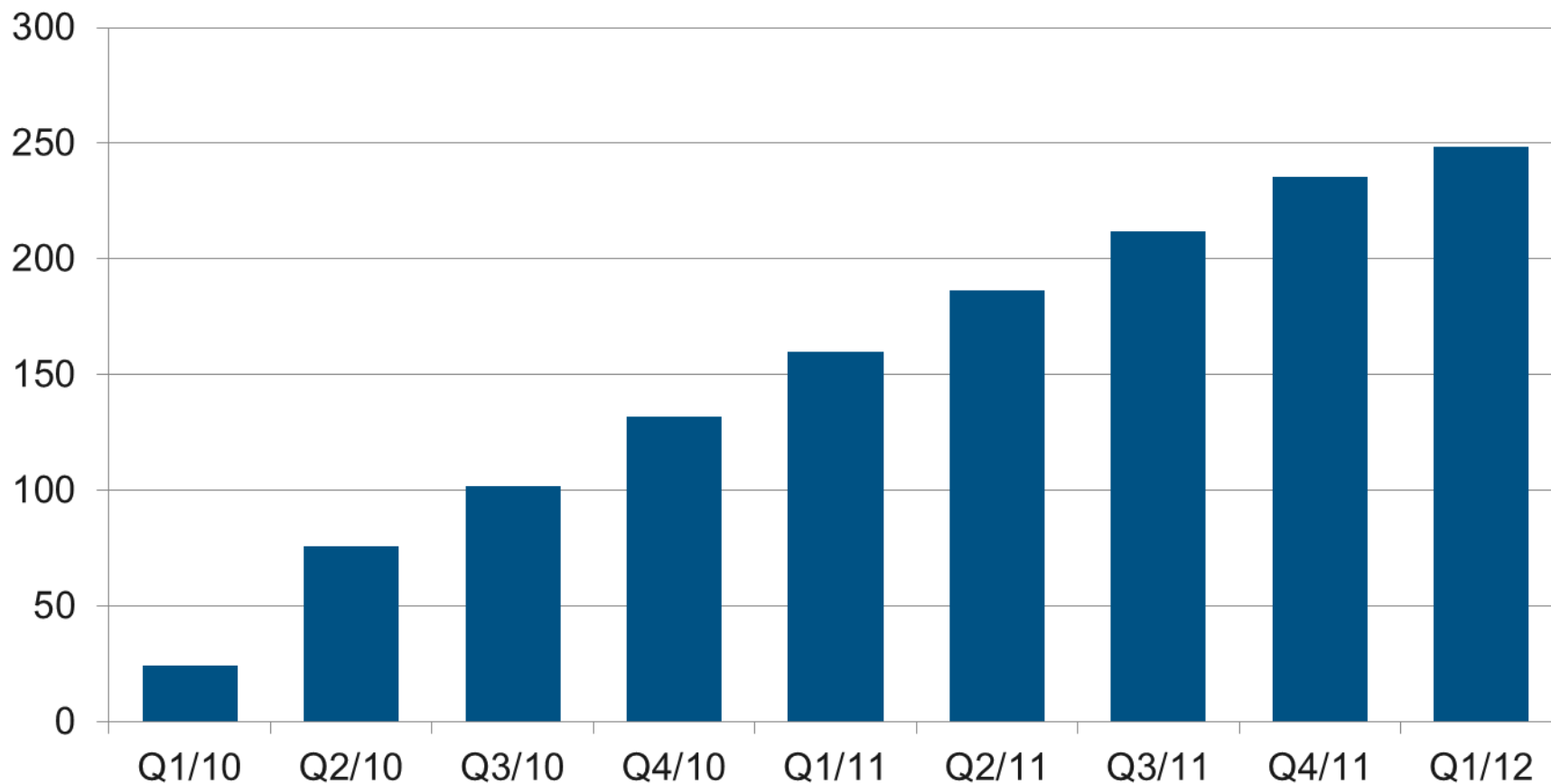


	Nordic branch network, end 2009		Nordic branch network 2012	
Focused on relationship customers	78 branches focused on Corporate	7%	558 Corporate and Advisory branches	49%
Focused on daily service and cash			200 Service branches	17%
All Customers All Services	995 Full-service branches	93%	388 Community branches	34%

Share of all branches

Attracting new customers

Net increase of relationship customers, thousands, accumulated



Taking Wholesale Banking to the next level

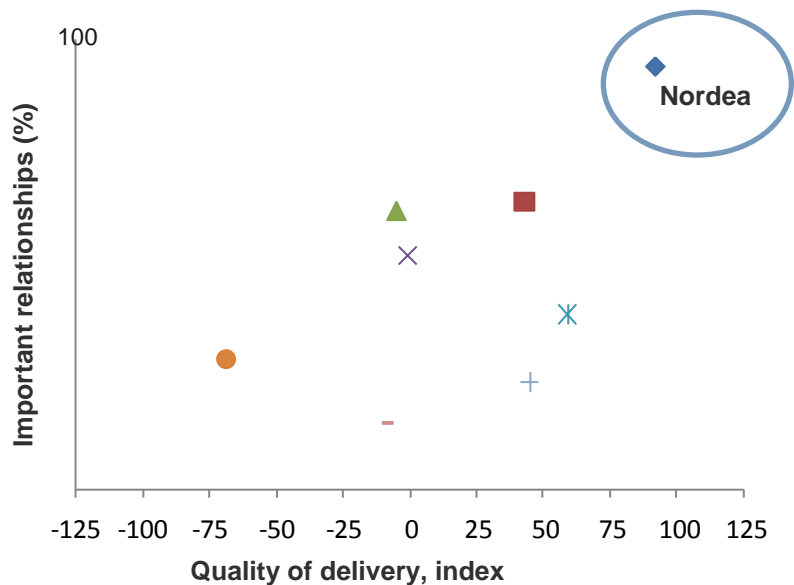
- Adapting to the new regulatory framework – what and how we do business with our customers
 - Pricing discipline
 - Cost management
 - RWA and funding efficiency
- Alignment of the Wholesale Banking value chain
- Focus on core customer relationships, wallet share and fee-based income

Strategy

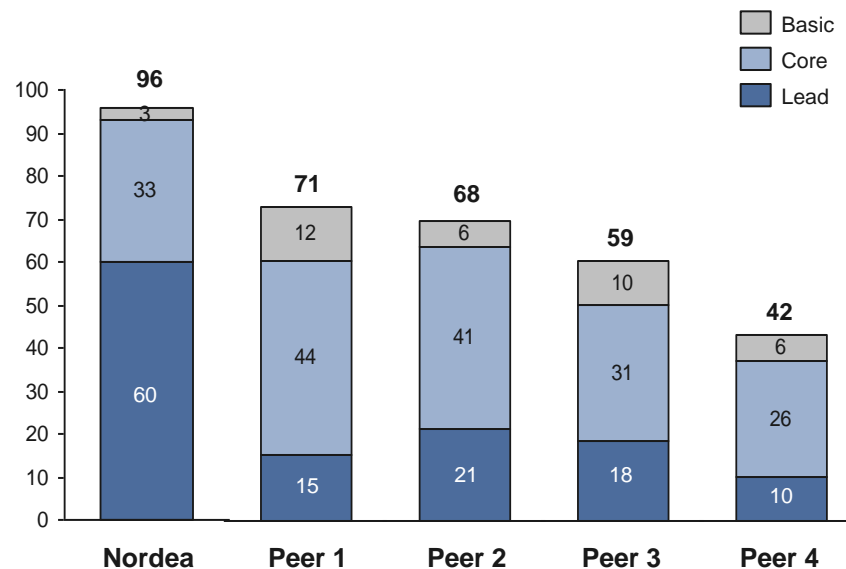


Relationship strategy is key

Nordic leader in quality and volume



Nordic leader in customer relationship, Percent



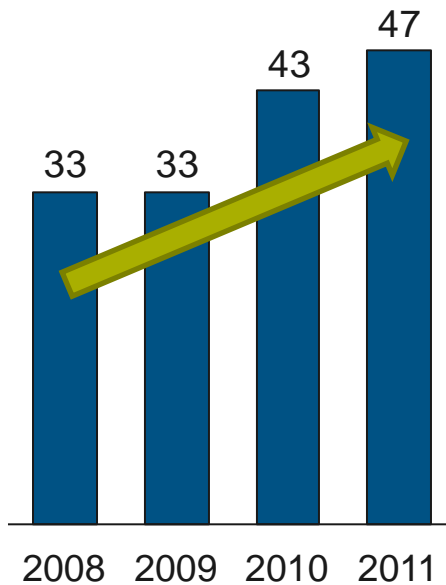
Source: Greenwich Associates 2011

Successful customer relationship strategy

- Swedish corporate customers as an example

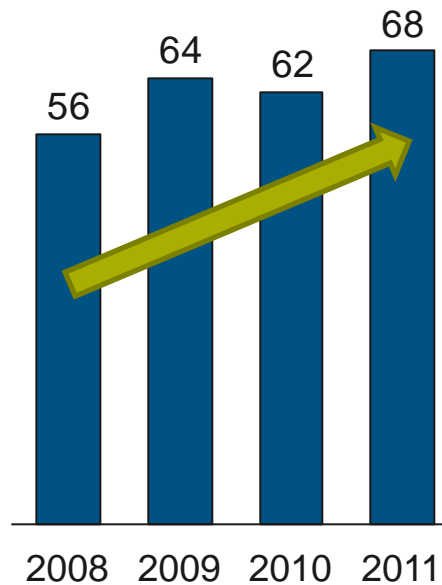


Lead Relationships (%)



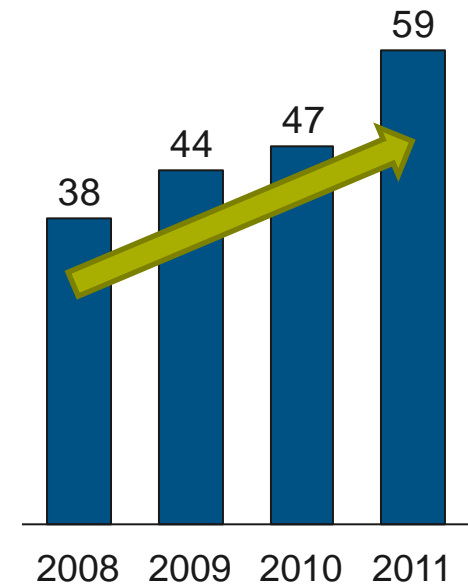
The 1 or 2 most important bank or house bank used for domestic and/or international services

Product Cross-sell Effectiveness (%)



The average number of products bought from the bank divided by the average number of products used by its customers

Share Strategic Thinking (%)



With which bank customers share their strategic thinking

Successful advisory business

#1 Advisor, M&A Nordic region, Q1/12

Bank	Deal value	Transactions
Nordea Corporate Finance	2.111	6
Barclays	1.800	1
Deutsche Bank	1.800	1
Goldman Sachs	1.800	1
Handelsbanken Capital Markets	1.600	3
JP Morgan Cazenove	1.600	1
SEB Enskilda	759	3
Morgan Stanley	557	1
Swedbank First Securities	510	2
FIH Partners A/S	510	1

#1 Bookrunner Syndicated Loans Nordic, Q1/12

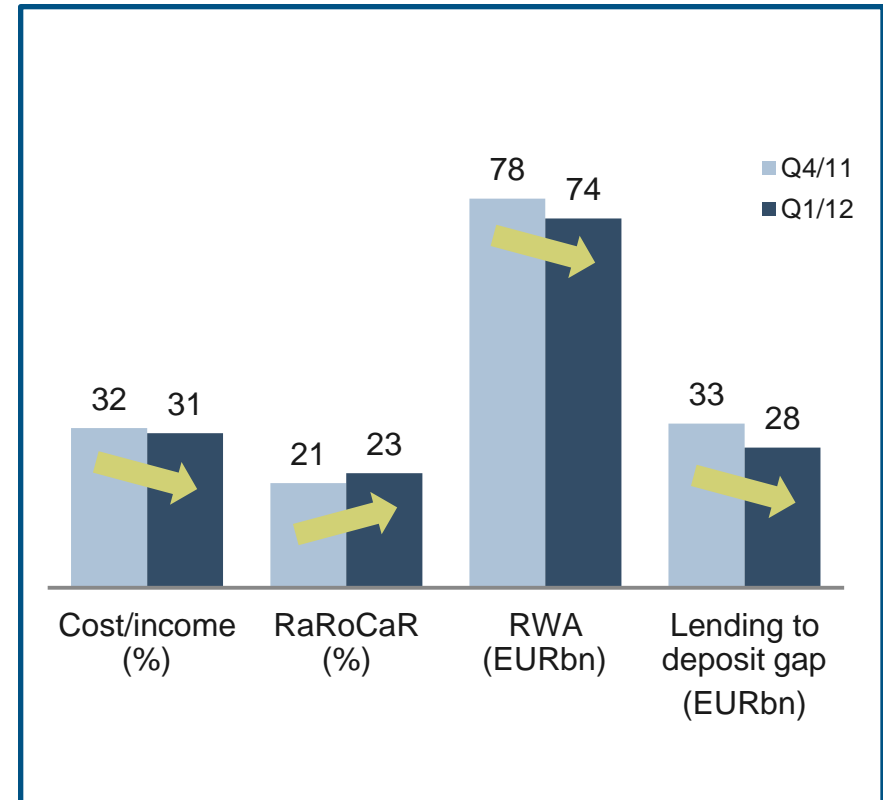
Bank	Deal value	Transactions
Nordea Markets	673	6
SEB Enskilda	563	5
Swedbank First Securities	342	3
HSBC	297	3
RBS	297	3
Citi	297	3
Danske Bank	268	3
Deutsche Bank	197	2
Barclays	197	2
Mitsubishi UFJ Financial Group	196	2

Execution of New Normal

Business model refinement

- Further alignment of the Wholesale Banking value chain
- Mitigate impact of new regulations
- Strict internal resource management
- Optimization of capital utilization in banking and trading books

Strong Q1 performance



Bring Life & Pensions in line with Group ROE target by increasing cost and capital efficiency

1

Life & Pensions product strategy

Traditional

- High guarantee closed for new business
- Asset liability matching
- Customer migration to other products

New traditional

- Fee based product
- Premium guarantee
- Offered as attractive alternative to traditional products

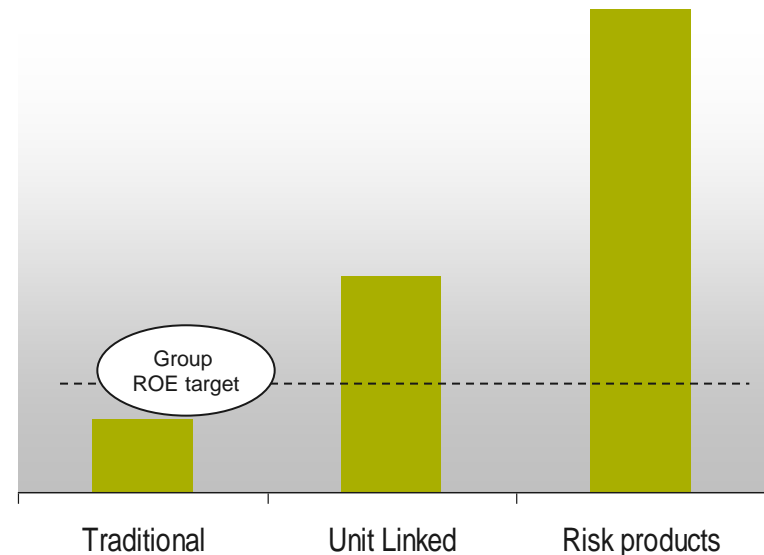
Unit linked

- Actively grow business to all segments via all channels

Risk products

- Actively grow business via bundling with bank products

Life & Pensions ROE % by product, 2010

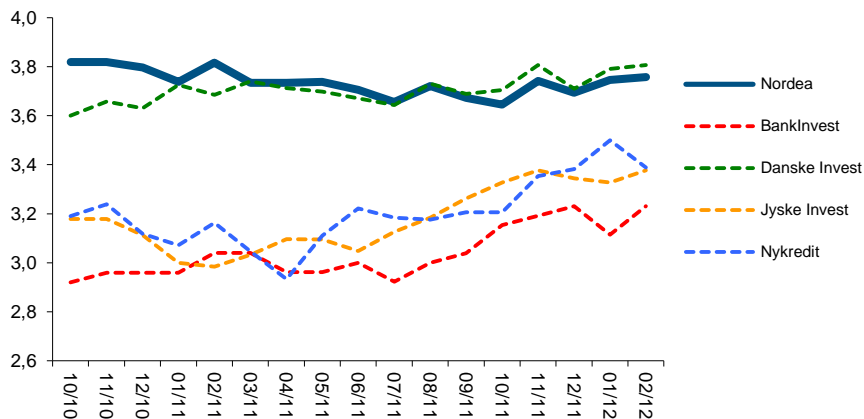


2

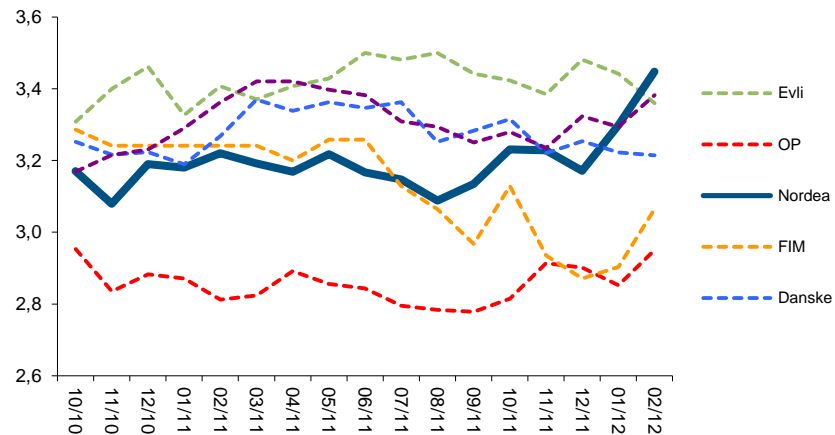
Extensive cost reduction programme – including scaling down activities in less profitable areas

Morningstar ratings picking up

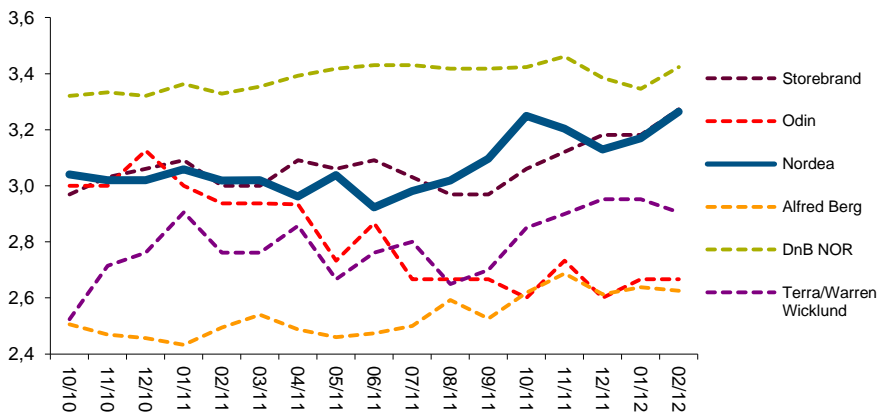
Denmark #2



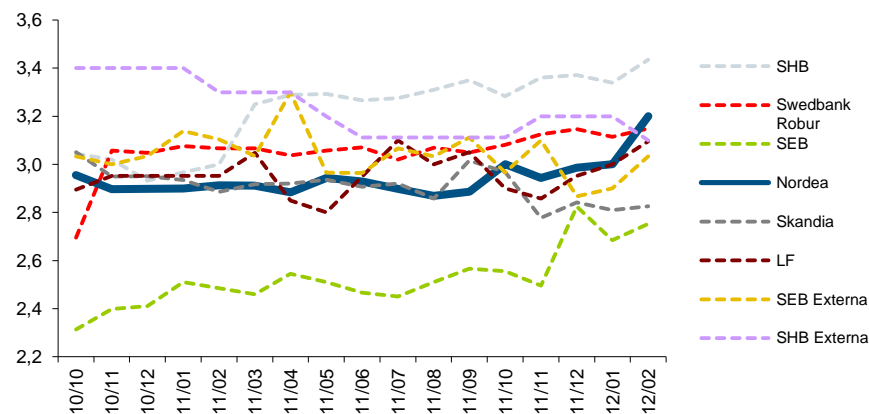
Finland #1



Norway shared #2



Sweden #2



Key messages

- **Nordea's business model delivers strong fundamentals**
 - Improved relationships
 - High diversification
 - High RoE
 - Strong capital generation
- **Execution of New Normal will build the future bank business model**
 - Building the future bank business model
 - Approx. 100 projects in place
 - Target is to reduce costs from new regulations by being more efficient on costs, capital and liquidity



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