



Wealth Management

Gunn Wærsted
Head of Wealth Management

Nordea 

Wealth Management in brief

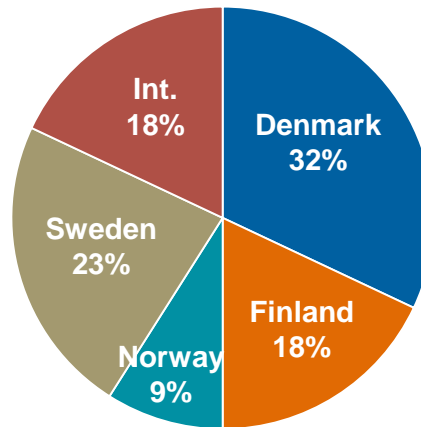
Strong customer franchise

#1 Asset Management

#1 Life & Pension

#1 Private Banking

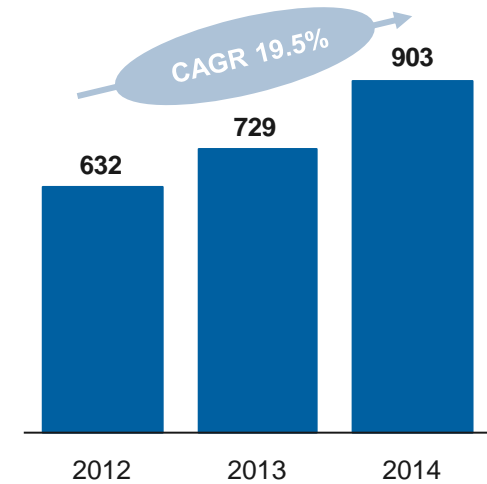
Well diversified business



EUR 290bn AuM

Growing business

Profit, EURm



Leading Nordic wealth manager with global reach

- #1-2 position for each business in each country
- Integrated value chain and global scale
- Cost and capital efficient business model

Wealth Management has delivered on its 2015 plan

Commitments in 2015 plan

Key Wealth Management value drivers

Key ambitions and initiatives

Capitalise growth momentum

- Leverage the strength of a diversified business model and broad distribution capabilities
- Elevate Retail Banking customers to Private Banking
- Accelerate external customer acquisition Private Banking
- Leverage the strong momentum in AM institutional sales

Enhanced value propositions

- Enhance accessibility, advice and transactions through online and multichannel
- Roll-out enhanced wealth planning concepts and advisory skills
- Develop advisory concepts and tools
- Develop and launch new products and solutions

Efficiency & prioritisation

- Improve operations, continue to extract benefits of an integrated wealth value chain
- Improve IT efficiency through offshoring and investments to reduce complexity
- Improve frontline efficiency, to increase the number of right clients per advisor
- Migrate to market return products in Life & Pension

NORDEA 2013 CMD

Nordea  96 •

Wealth mgmt. has delivered (2012 vs. 2014)

Income CAGR 9.1% ✓

Cost / Income 46% (-9 pp) ✓

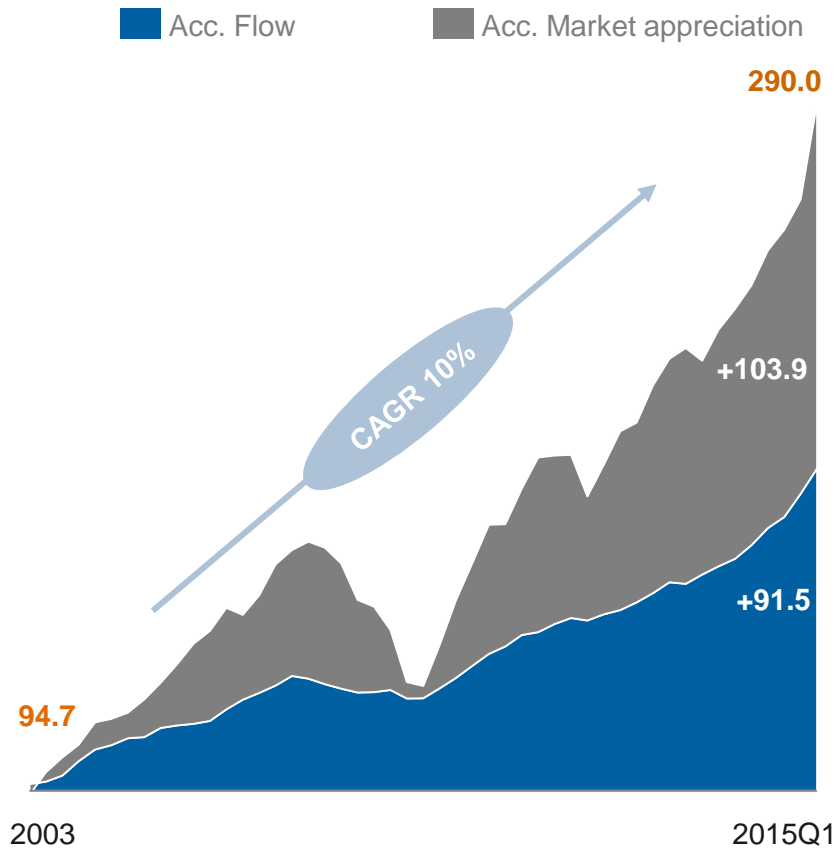
Profit CAGR 19.5% ✓

RoCaR 32.4% (+10.1 pp) ✓

+ EUR 35bn Net Flow ✓

Strong growth through consistently high flow

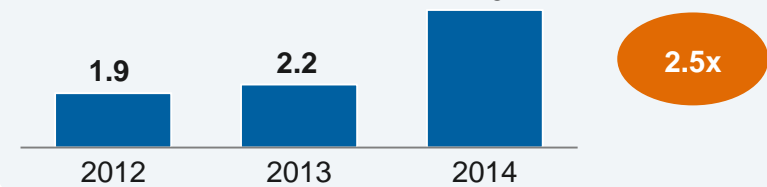
Assets under Management (AuM), EURbn



Key growth initiatives in 2015 plan

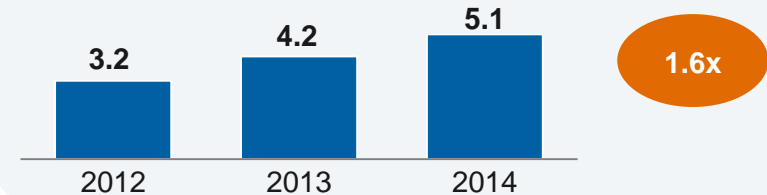
Growth through external distribution

GFD¹ net flow, EURbn



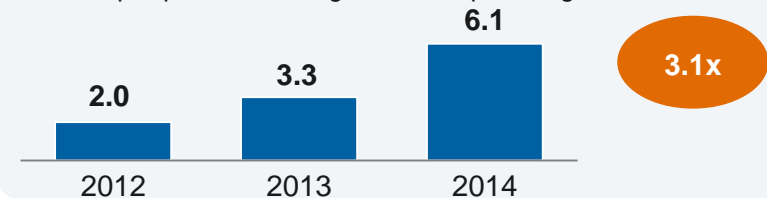
Growth through bancassurance

Market return premiums, EURbn



Focus on client acquisition

Net flow per private banking relationship manager, EURm



1) Global Fund Distribution

Looking ahead: Well positioned to capitalise on trends

Trends

Demographics

Low yield environment

Globalisation

Regulation

Digitalisation

Nordea wealth management platform

Strong customer franchise

Leading advisory and product capabilities

**Well diversified business across markets
and business lines**

Efficient and scalable operating model

Three strategic focus areas

Nordea platform

**Pan-Nordic platform
with scalability**

**Superior Nordic distribution power and
global capabilities**

**Actively managed business portfolio
with low volatility**

Strategic focus areas 2016-2018

Client Relationships

Advice & Solutions

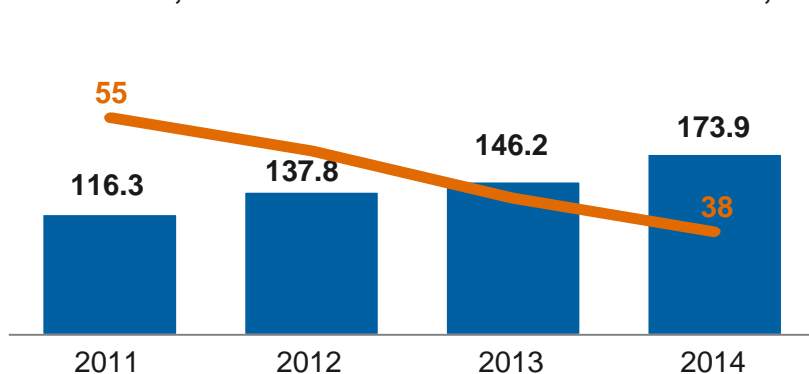
Efficiency

A leading European asset manager

Scalable business model

AuM in AM, EURbn

Cost/Income, %



Value drivers

- 30.5% CAGR Profit (last 3 years)
- 37 bp Income/AuM (+4 bp last 3 years)
- 14 bp Cost/AuM (-5 bp last 3 years)
- 45% 4-5 star Nordic rated funds as of 2015Q1¹
- 99 bp² investment outperformance last 36 months

Platform

- Active management with leading Multi Assets capabilities
- Cost level ~30% below European peers³
- Only European asset manager consistently on top 10 in European Fund sales 2012-14⁴
- Product offering of strategic importance in the savings and wealth offerings

Strategy and key priorities

- ➔ Expanding capacity to service new and existing Global distribution partners
- ➔ New investment products creating value for customers in the low yield environment
- ➔ Further leverage multi asset investment solutions
- ➔ Continued investments in platform robustness and scalability

1) Morningstar

2) As of Q1 2015. GIPS compliant. Before fees

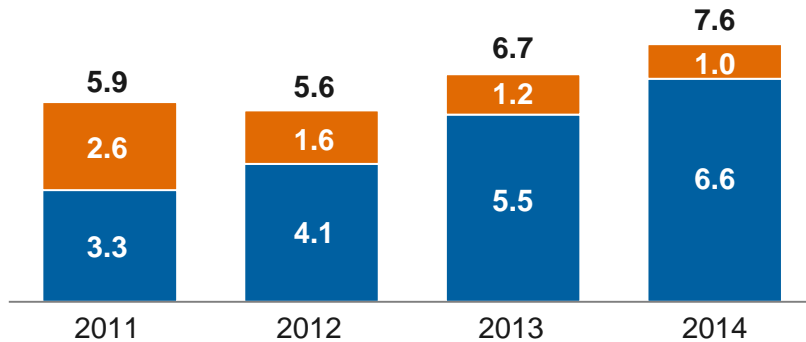
3) McKinsey Asset Management Survey 2014 (Cost/AuM): peer group "Western European Bank Owned Asset Managers"

4) Morningstar (incl. open-ended-funds, FoF and ETFs, excl. Money Market)

The #1 Nordic pension provider

Transition to capital efficient pension provider

Gross written premiums, EURbn ■ Trad. ■ MRP¹



Value drivers

- 29.2% CAGR Profit last 3 years. and 15% RoE² 2014
- 37% C/I (-21pp last 3 years.)
- 25.8% CAGR Market return premiums, share of AuM +16pp to 52%
- Average guarantee 2.2%

Platform

- Successfully transformed to market return company
- Focus on bancassurance with low distribution cost
- Product offering of strategic importance in the savings and wealth segment
- Estimated Nordic market share of 24% within market return product segment

Strategy and key priorities

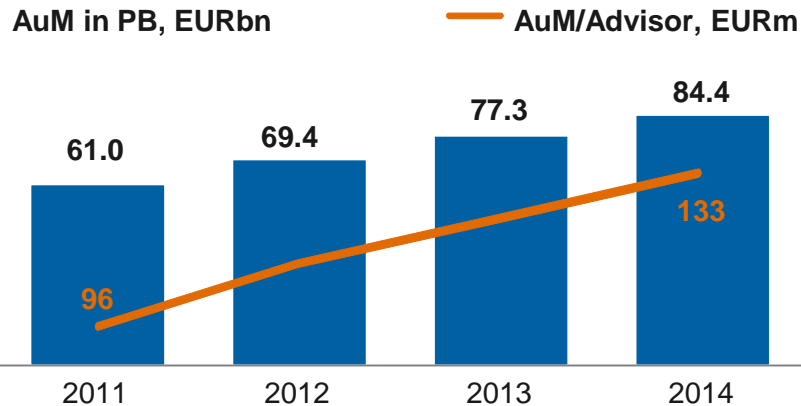
- ➔ Building next generation retirement offerings to fuel additional growth
- ➔ Investments in IT and Operations platforms to seize cost reductions
- ➔ Solvency II transition without equity capital injection
- ➔ RoE 18% in 2018

1) Market return products

2) Adjusted for changes in fee reservation account and profit sharing in Sweden. 17% ex. adjustments

The #1 Nordic private bank

Increased private banking footprint



Value drivers

- 11.8% CAGR Profit
- 64% C/I (-4pp)
- 35% RoCaR 2014
- Customer Satisfaction Index +8pp to 77 since 2008

Platform

- #1-2 position in each Nordic country, largest Nordic International private bank
- Well functioning referral model
- Cost/Income ratio 9pp below European peers¹
- 110,000 Private Banking Clients

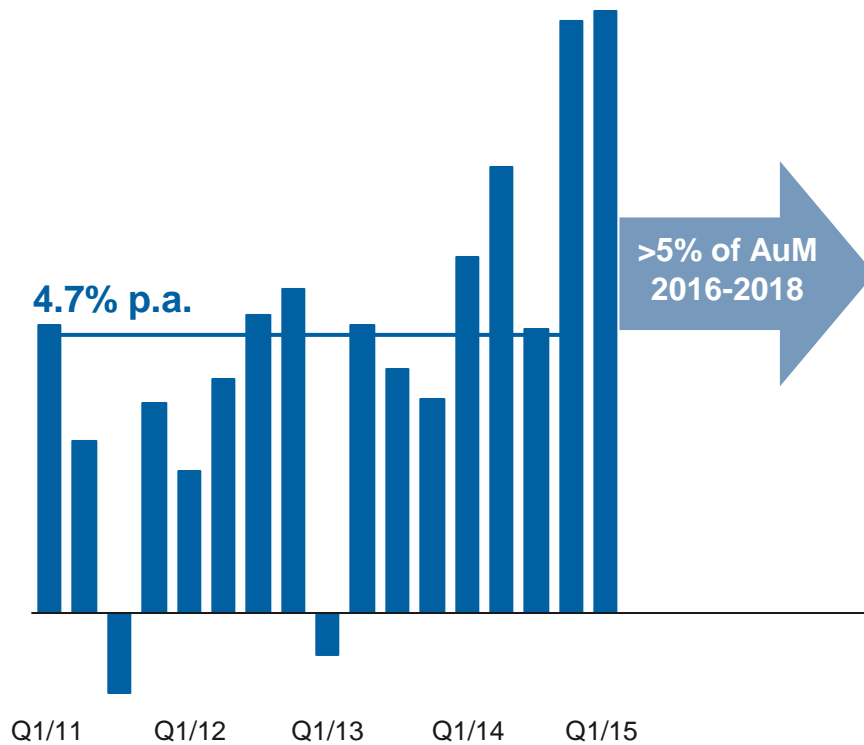
Strategy and key priorities

- ➔ Increase capacity in Norway and Sweden
- ➔ Developing new digital offerings
- ➔ Enhancing solutions for wealth planning and investment advice
- ➔ Continued shift to managed solutions
- ➔ Enhanced offerings for selected segments, incl. UHNWI and business owners
- ➔ Focusing on higher-AuM customers, lower-AuM clients referred to Retail

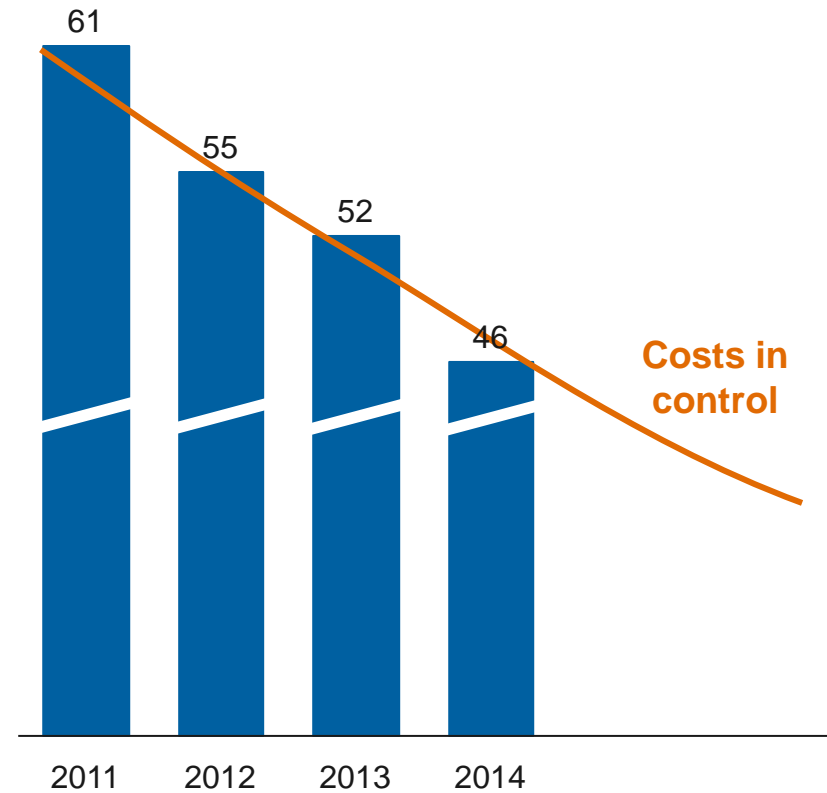
1) McKinsey European Private Banking Survey 2014

High growth going forward, costs in control

Net flow, % of AuM



Cost/Income, %



Summary

