

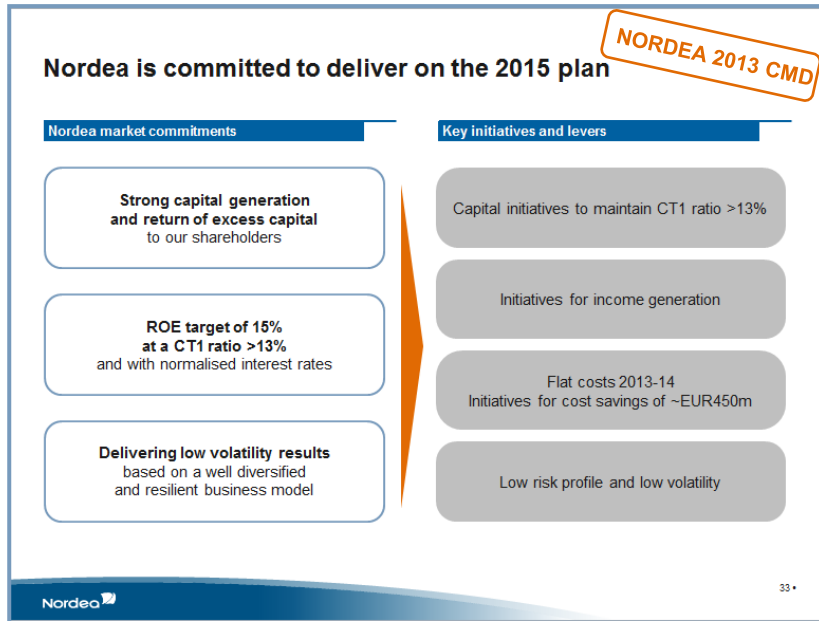
Shaping the future relationship bank

Christian Clausen
President and Group CEO



Nordea has delivered on its 2015 plan

Commitments in 2015 plan



Nordea has delivered (Q4 2012 vs. Q4 2014)

Capital generation of EUR 4.9bn with 15.7% CET1 and 70% pay-out ratio ✓

ROE 11.6%, ~13% if CET1 at 13%, ancillary income +9% and costs -5%¹ ✓

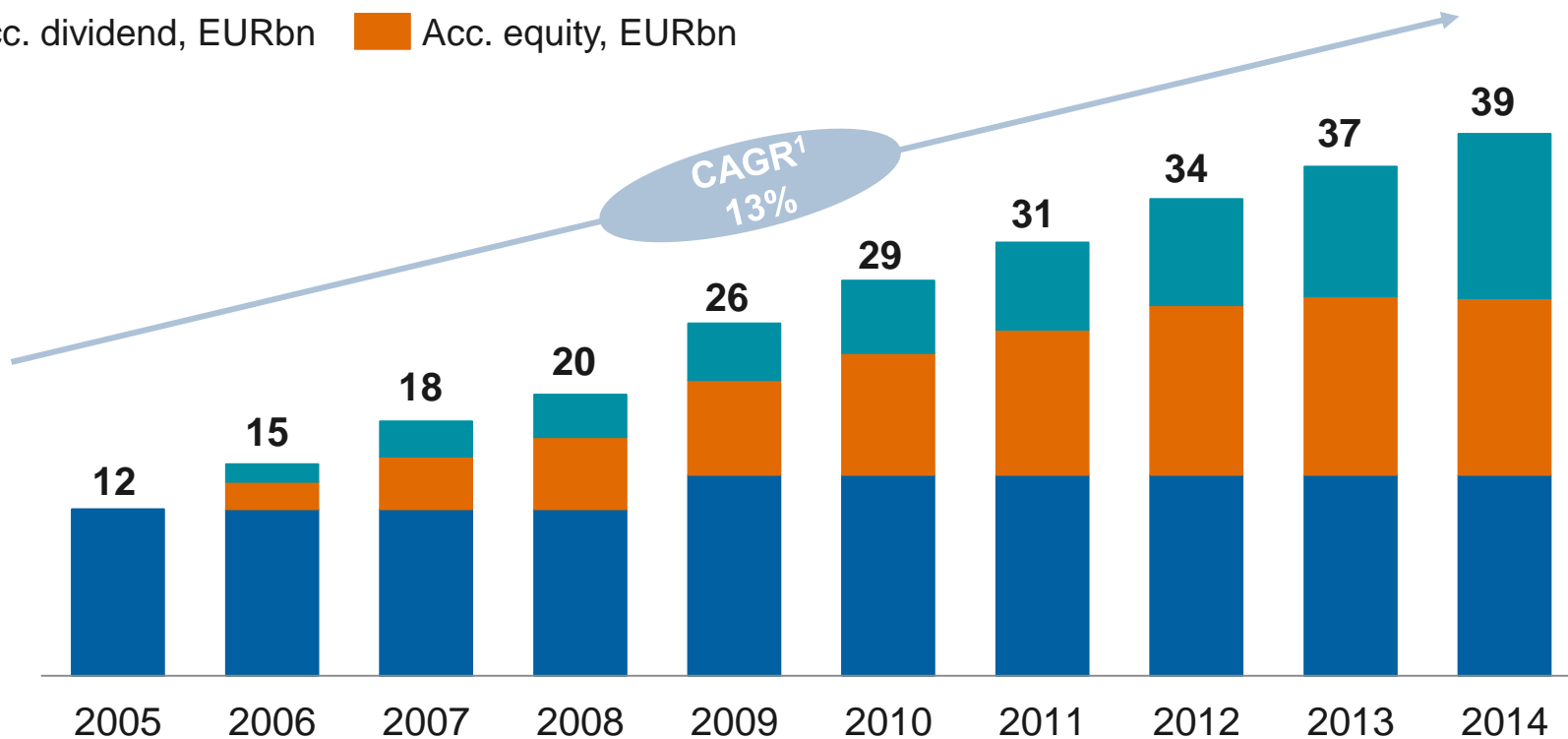
Loan losses at 15 bps, below 10 year average of 16 bps ✓

1) 2013 vs. 2015, excluding FX, and unexpected increase in performance related salaries and further costs to meet regulatory requirements in 2015

Strong Nordea track record

Strong capital generation and stable returns at low risk¹

Acc. dividend, EURbn Acc. equity, EURbn



CET 1
Ratio, %

5.9²

15.7

1) CAGR 2014 vs. 2005, adjusted for EUR 2.5bn rights issue in 2009. Equity columns represents end-of-period equity less dividends for the year. No assumption on reinvestment rate for paid out dividends
2) Calculated as Tier 1 capital excl. hybrid loans

Customer vision shaping the future relationship bank

Customer vision for the future relationship bank

Customer vision

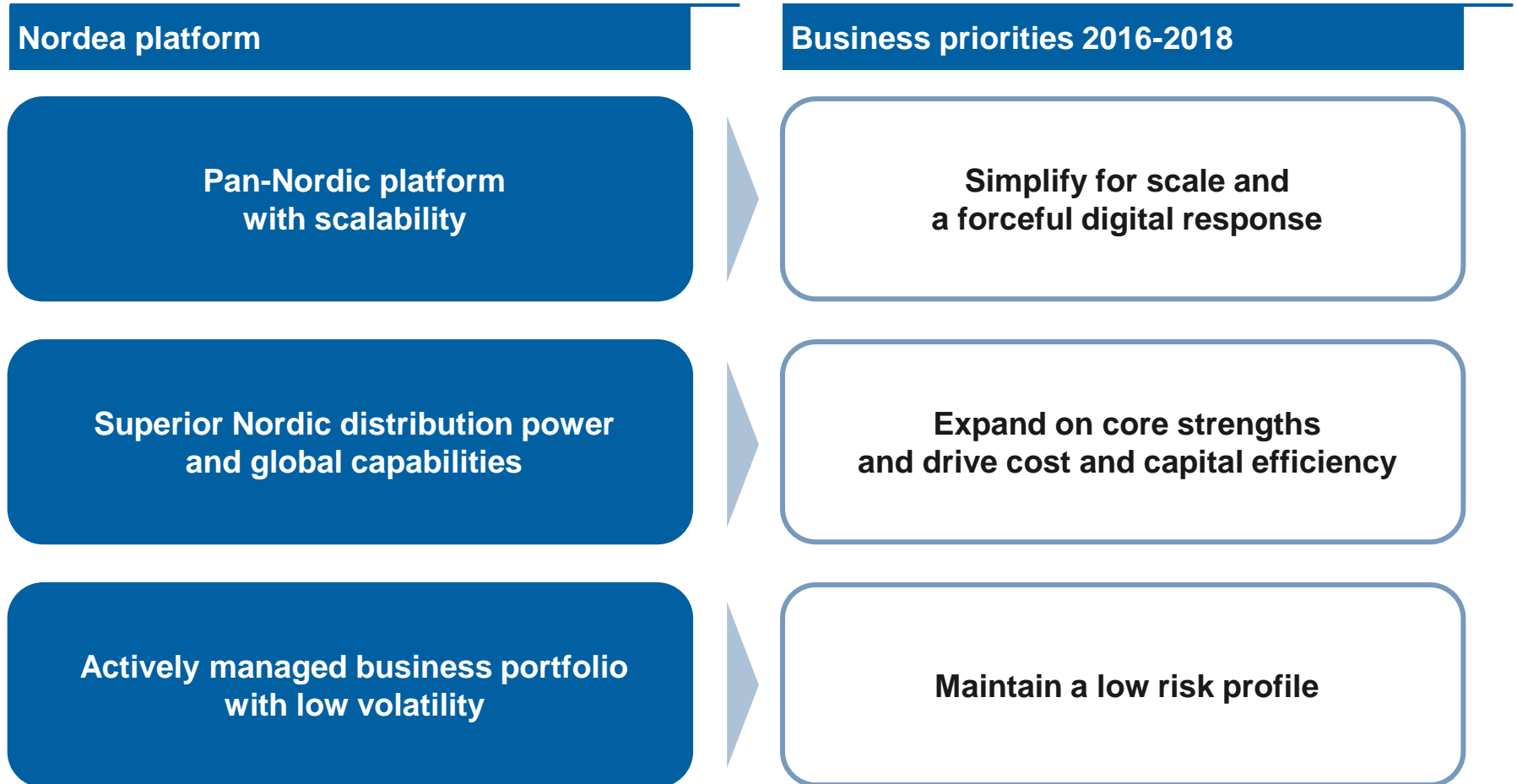
Easy to deal with...

...relevant and competent...

...anywhere and anytime...

*...where the personal and digital
relationship makes Nordea my safe
and trusted partner*

Focused business priorities enable the vision



Industry transformation drives need to simplify

Three transforming industry drivers

Balance sheet regulation

- Paradigm shift
- Mostly in place
- Increased efficiency



Operational regulation

- Increasing demands
- Higher operational risk
- Complex and costly



Digitalisation

- Behaviour shifting fast
- Opportunity and threat
- Investments required



Simplification

Simplify for scale

Simplification program – priorities and benefits

4-5 years of the journey remains

Reducing # of products and align data records

Automating processes and increasing commonality

Investing in new, common core IT systems

30-35% increase in annual IT development spend, insignificant P&L impact medium term

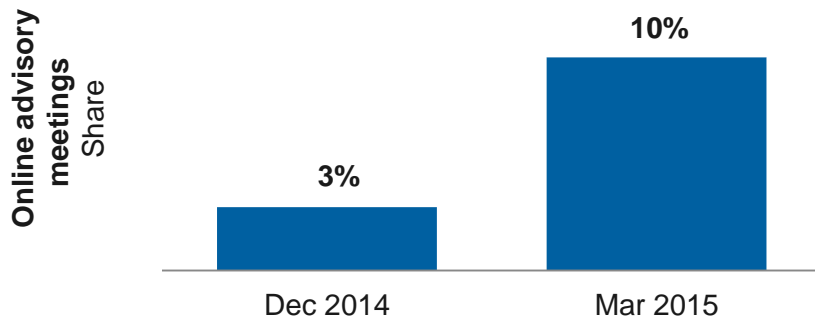
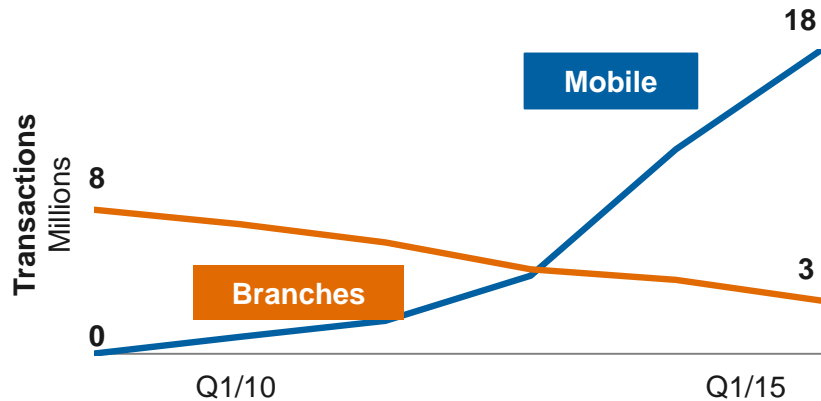
Increased scale, efficiency and agility serving all customers from one common platform

An end-to-end digital response and execution of the customer vision

Stable and resilient operation, compliant and in control

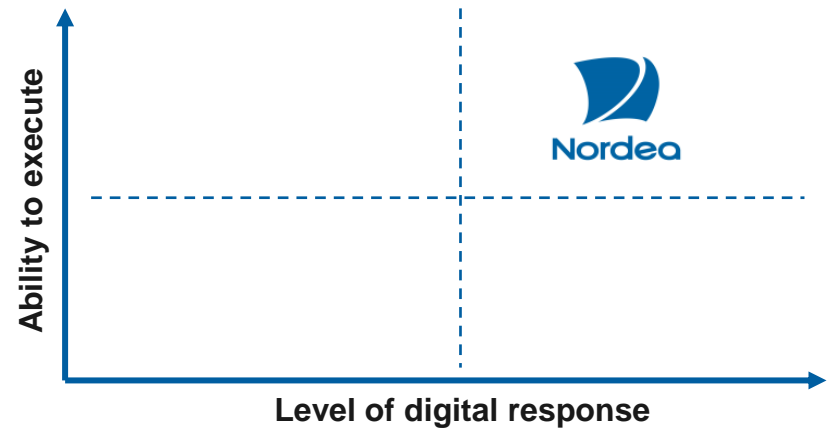
A forceful digital response

Relationship banking is turning digital fast



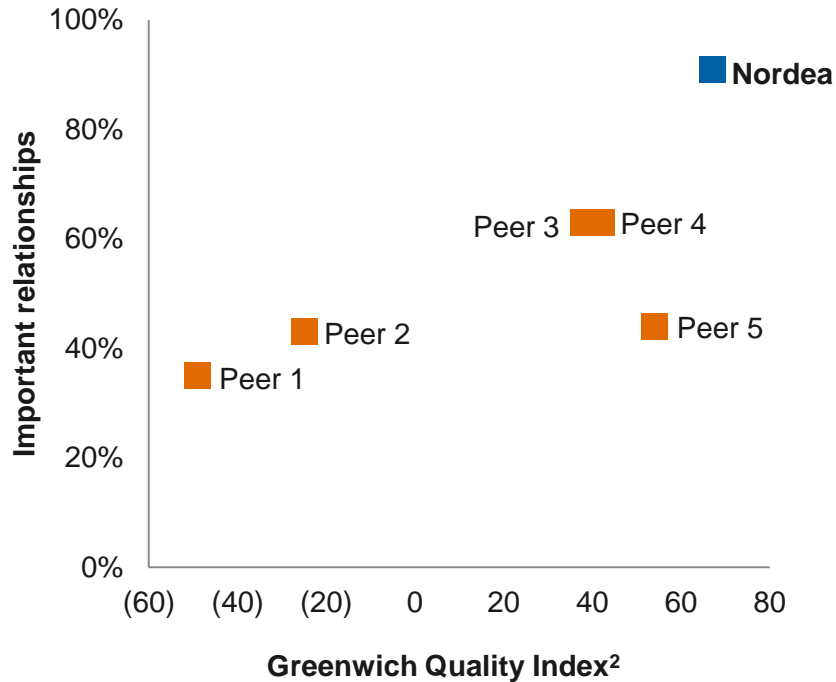
End-to-end digital response required

- Digital response required
- Front-end solutions will not suffice
- Automated end-to-end processes across the full value chain is a must
- Consistency and endurance in execution to unlock benefits



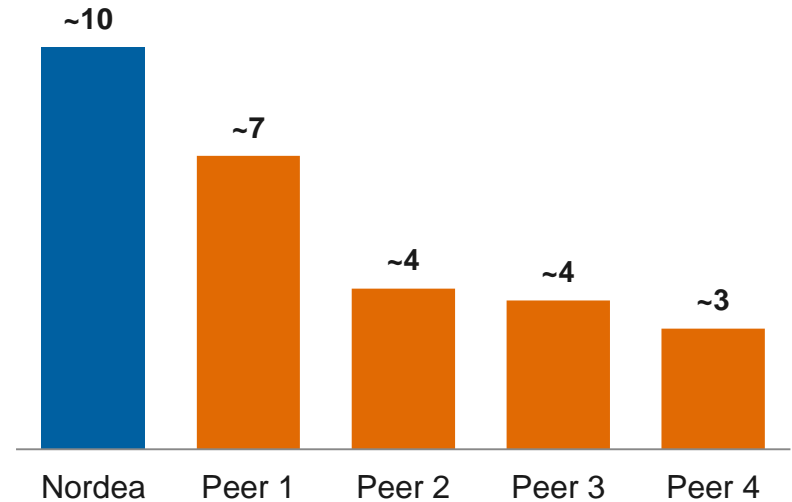
Expand on core strengths: a unique Nordic relationship base

Nordic large corporate relationships



Unique Nordea position
 Size and competence = relevance
 Multi-local presence = intensity

Nordic household relationships¹



Ambition to be #1 in each retail market on customer and employee satisfaction, and profitability

1) Retail and Private Banking customers, millions
 2) Difference from average

Expand on core strengths: capabilities on par with int'l peers

Global capabilities in focus¹

Capital Markets

#1 Corporate bonds and loans

#1 Nordic Equity Trading

Asset Mgmt.

#1 in the Nordics by AuM

Top Ten fund manager in Europe²

Life & Pension

#1 in the Nordics by premiums

24% Market return product market share

Private Banking

#1-2 position in each country

Largest Nordic int'l private bank

Business model and priorities

- Leading Nordic platform integrating equities, bonds, lending and risk management
- A return-driven culture with strong talent
- Centralised, highly scalable production platform
- Strengthen distribution, leading product range for low yield environment
- Leading Life & Pensions platform, successfully transformed to market return company
- Next generation retirement offering
- Leading in Nordic wealth planning and Global investment management solutions
- Increase capacity in Sweden and Norway

1) Ranking in Nordic region

2) Only European fund manager consistently in European Top 10 for net fund sales the past three years

Expand on core strengths: building the efficient business model

Free up resources through increased capital and cost efficiency

**Capital
efficiency**

*From balance sheet to
competence and advisory
intensive business model*

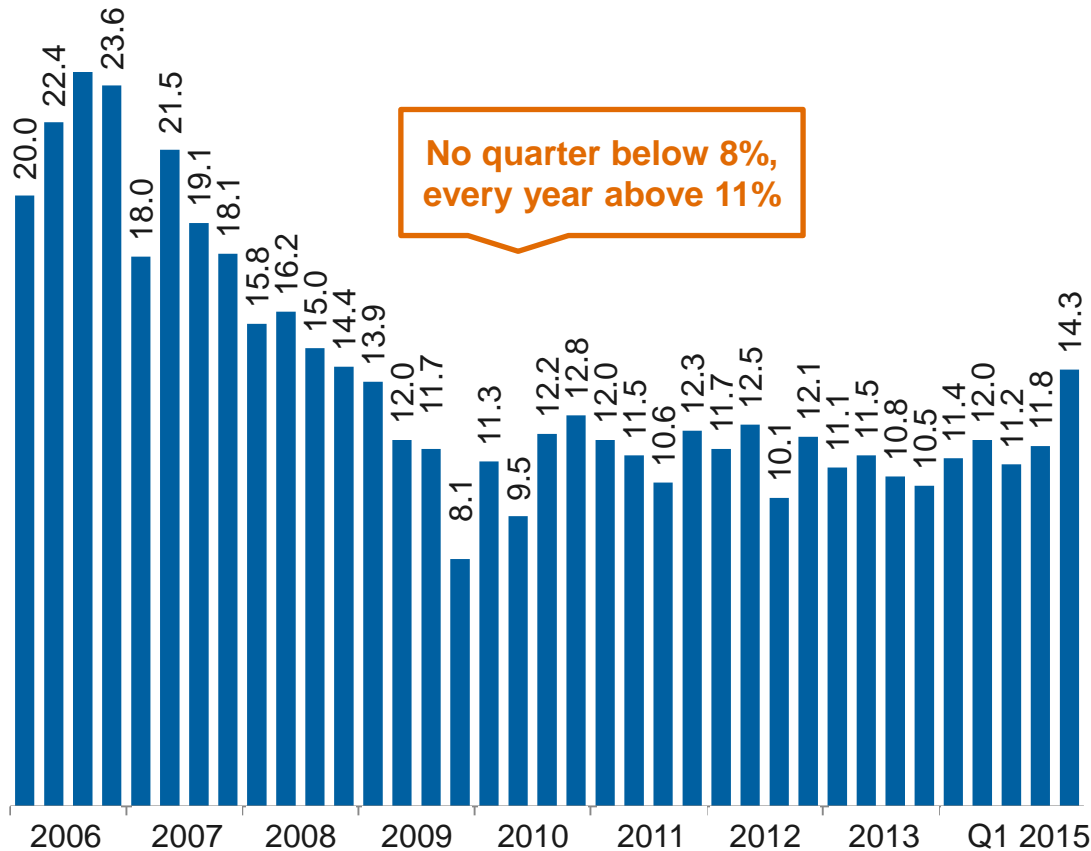
**Cost
efficiency**

*Continuous cost control and
optimisation*

*Free up resources for
investments in
simplification,
compliance and
operational risk, and
growth areas*

Maintain a low risk profile

Nordea ROE track record¹, %



Priorities

- Sustain forward looking and holistic risk appetite framework
 - 16 risk boundaries across all risk types
 - Close monitoring of leading indicators
 - Deep dives on specific risk areas for appropriate action
 - Active use of stress-testing and scenario analyses
- Maintain relationship strategy and sustain a large, well diversified client base
- Broad set of diversified products

1) ROE adjusted for restructuring costs in 2011 and one-off related items in 2014

Summary of priorities 2016-2018

Business priorities 2016-2018 and strategic targets

**Simplify for scale and
a forceful digital response**

**Expand on core strengths
and drive cost and capital efficiency**

Maintain a low risk profile

One scalable common platform
Anywhere and anytime –
efficient, agile and resilient

Leading customer relations
Number 1 bank for each customer

Increased free capital generation
All business areas contributing