Nordea

Wholesale Banking

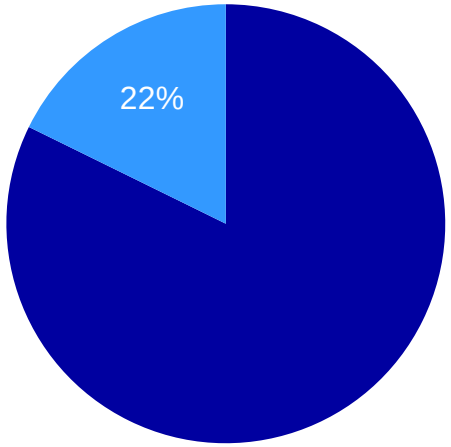
Stockholm 2017-11-13

Martin Persson, Head of Wholesale Banking

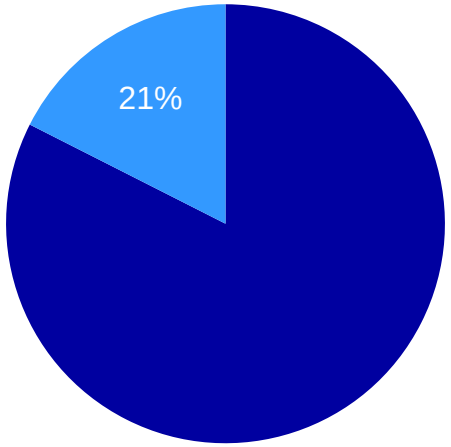
Wholesale Banking contribution to group

Key figures – YTD 17 (Q1-Q3)

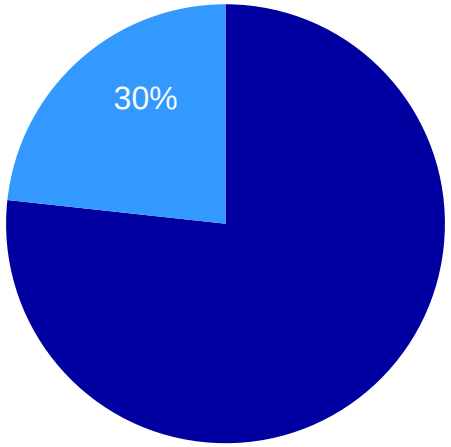
OPERATING INCOME



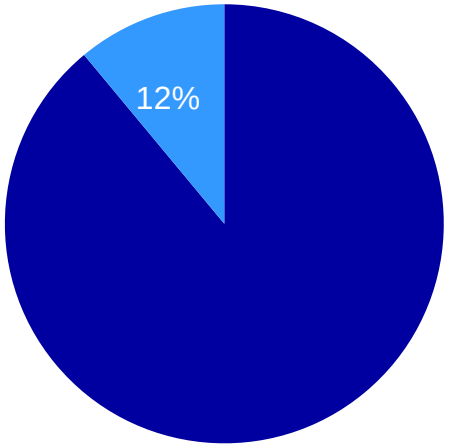
OPERATING PROFIT



ECONOMIC CAPITAL



FTEs



Wholesale Banking Nordea Group

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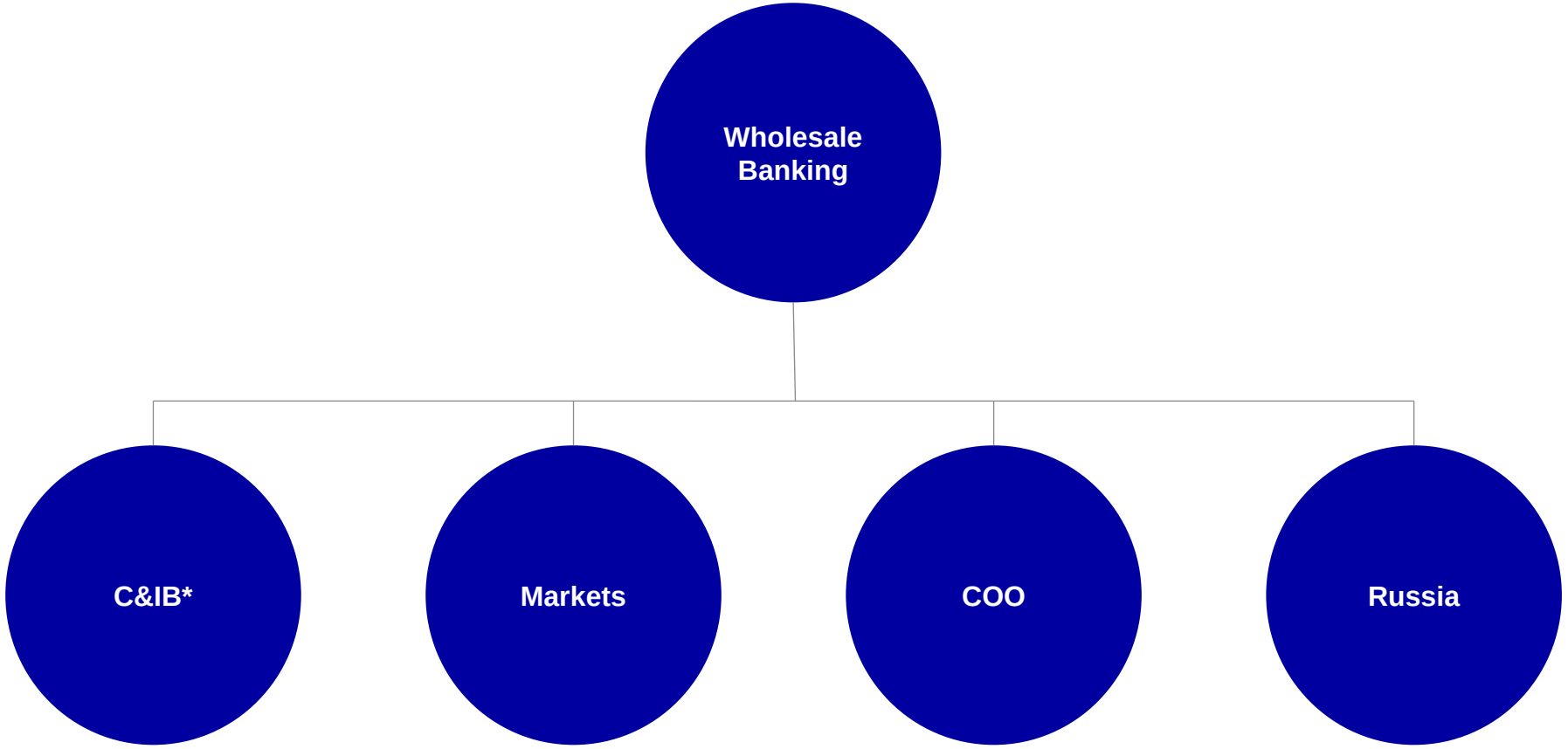
Simple and flat business structure

Governance



Key figures – YTD 17 (Q1-Q3)

Income
€ 1.6bn

FTE
~4000

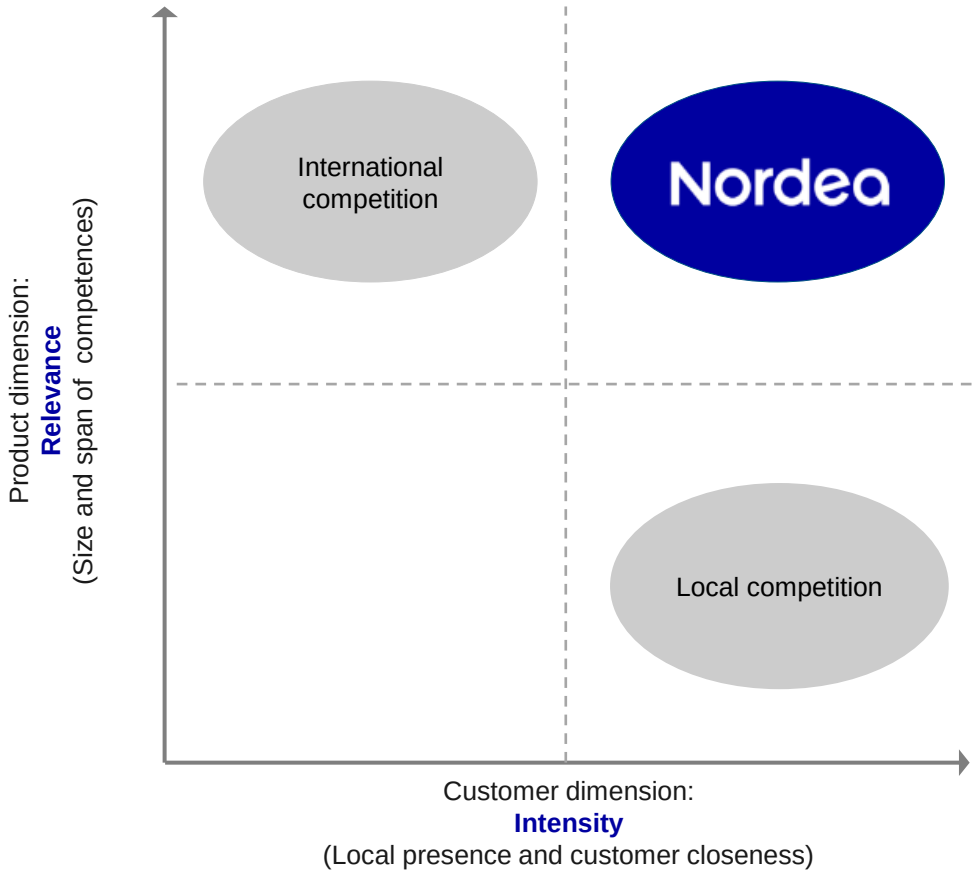
C/I
44%

RoCaR
8%

3 *Includes Shipping oil & offshore

Unique strategic positioning

Strategic position



Market leader

Nordea

Strong corporate client momentum in Sweden

Corporate Banking 2017 Sweden

Overall Performance

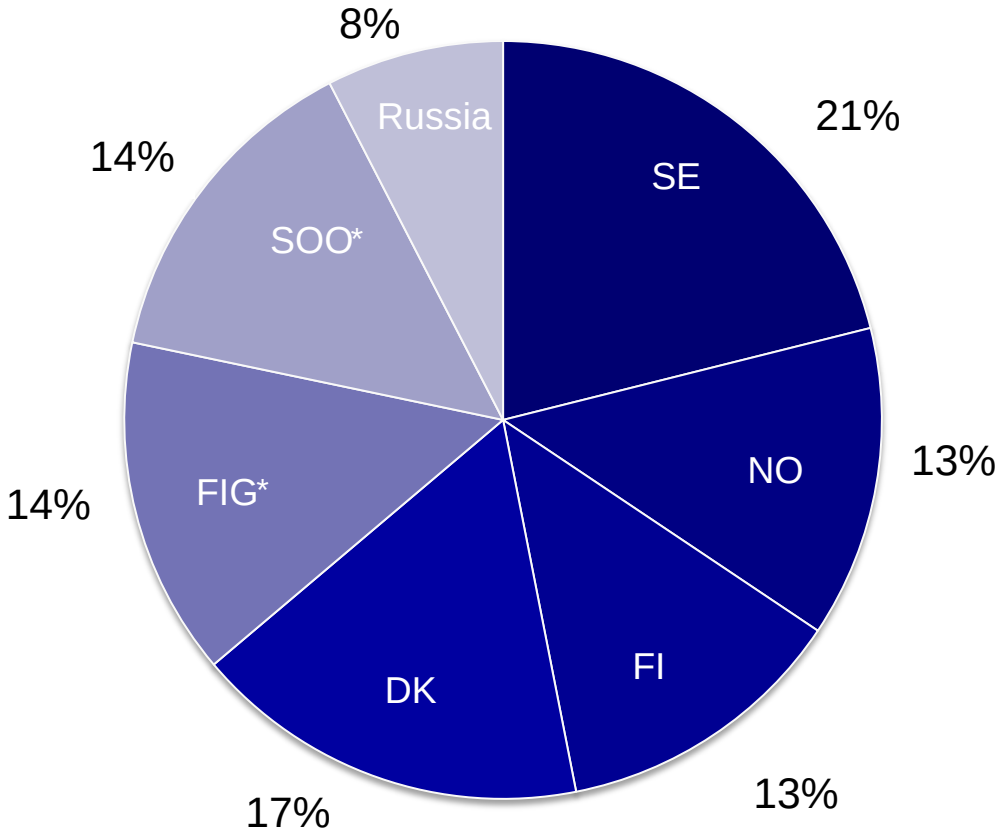
	Rank	Score	
All	1	4,13	SEB
	2	4,01	Nordea
	3	4,00	Danske Bank
	4	3,94	DNB
	5	3,80	Handelsbanken

Based on 93 interviews. For more information, please visit us at www.prospera.se and LinkedIn

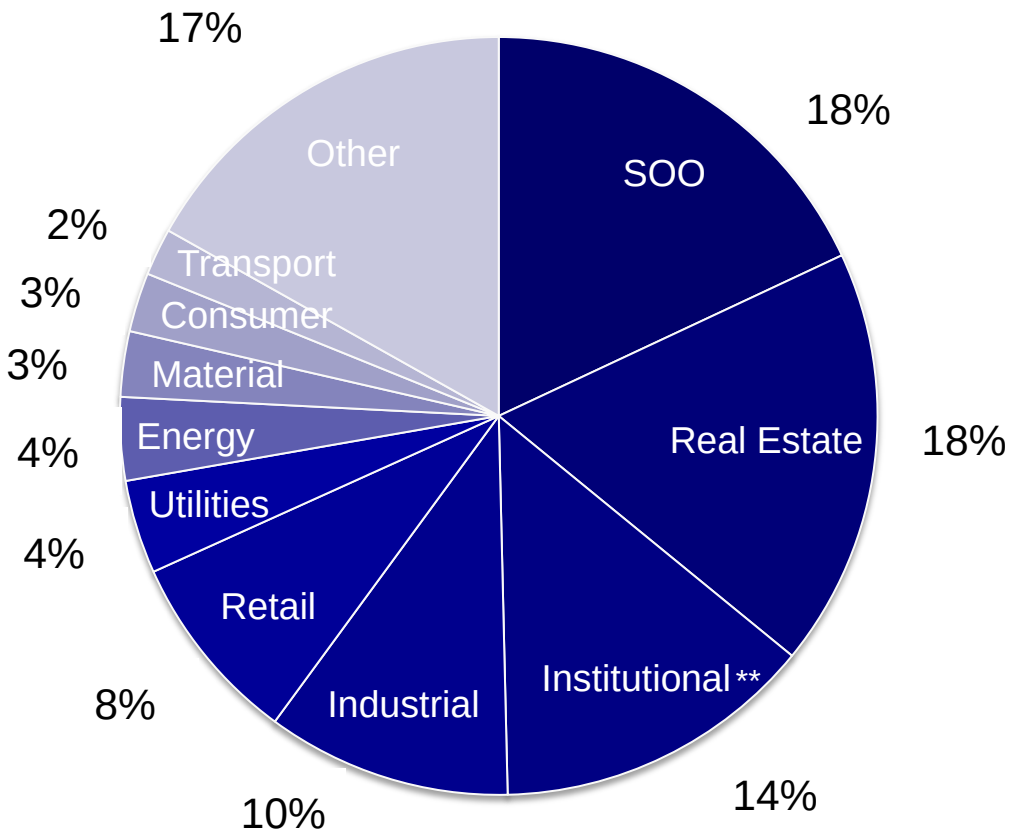
KANTAR SIFO | Prospera

Well diversified income and lending mix

Operating income split YTD - 17 (Q1-Q3)



Lending per industry - 17 Q3



6 *Operates on a global basis
**Include holding companies

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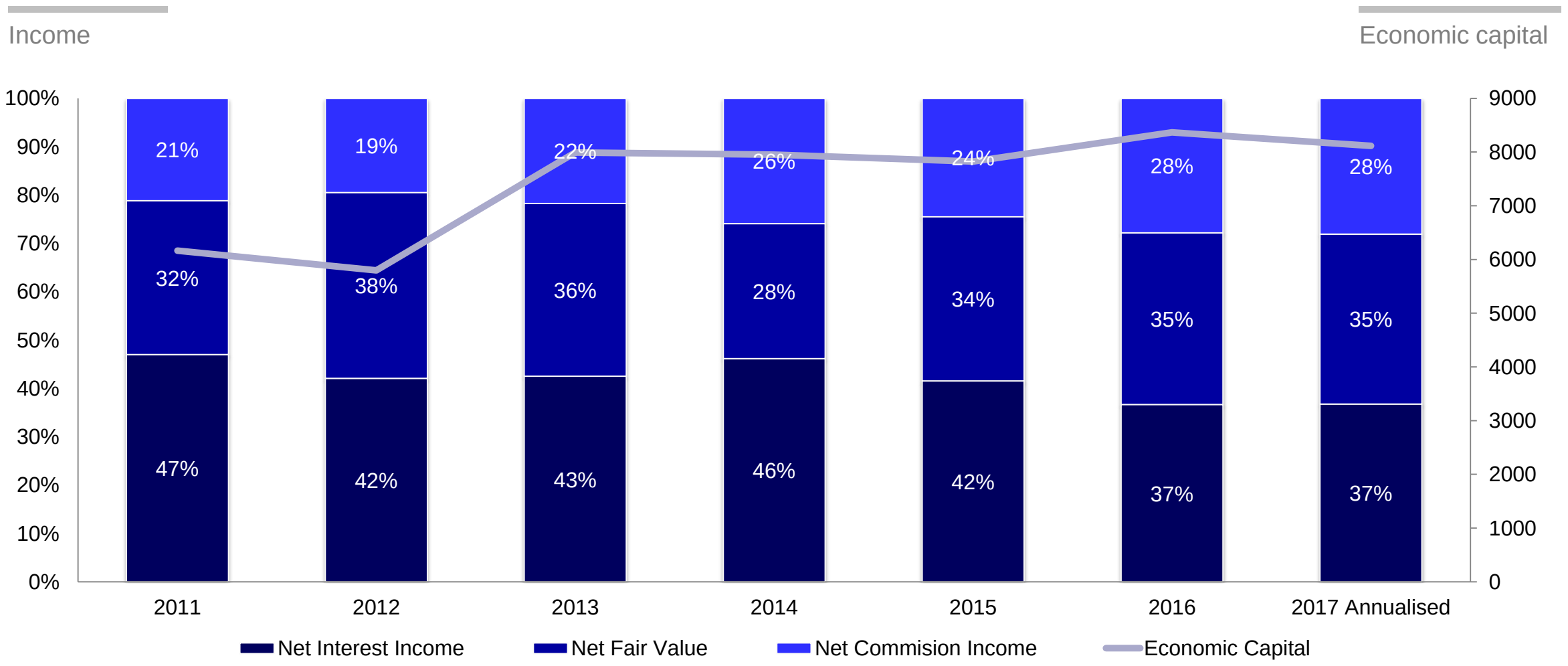
Transition from bank to capital markets financing



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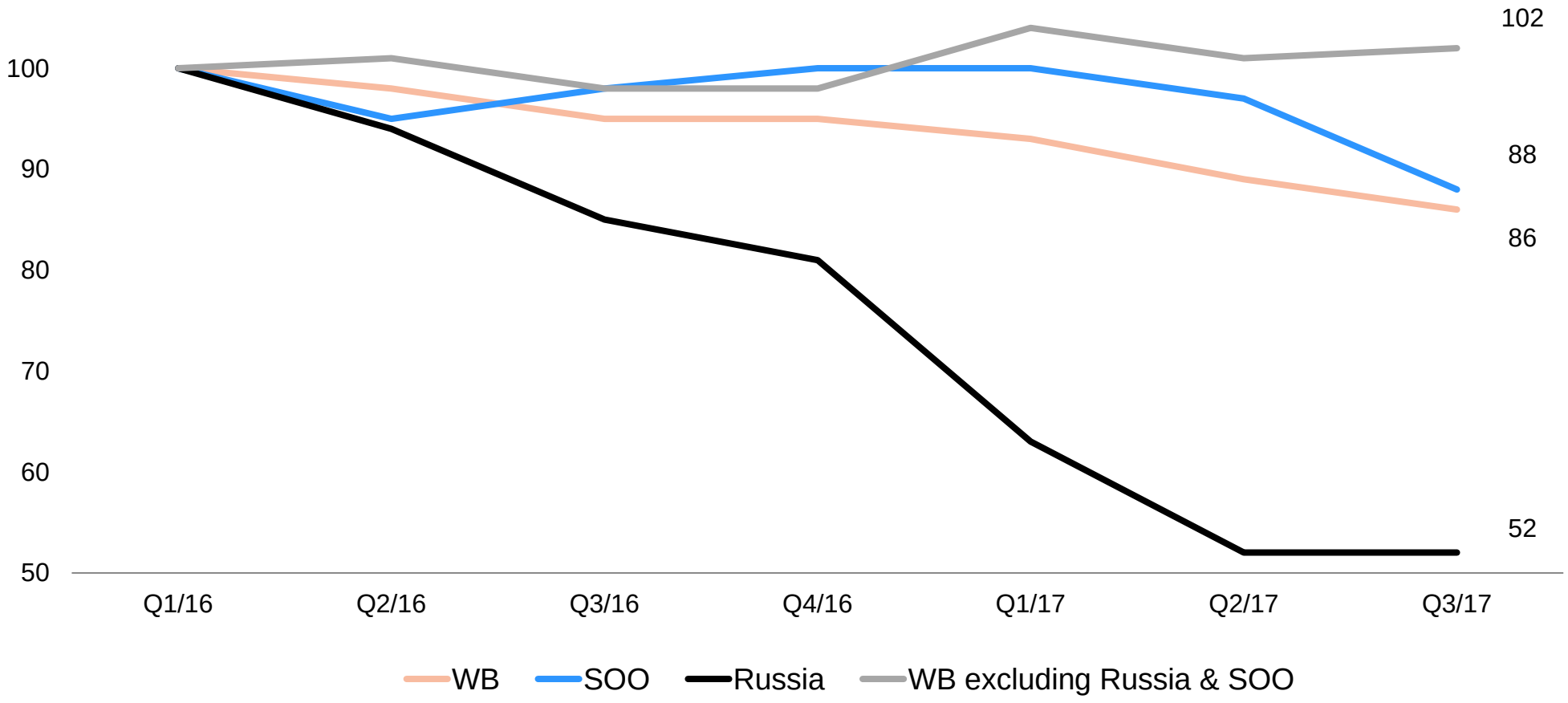
Active business selection and de-risking of loan portfolio

Net interest income (Q1 2016 rebased to 100)



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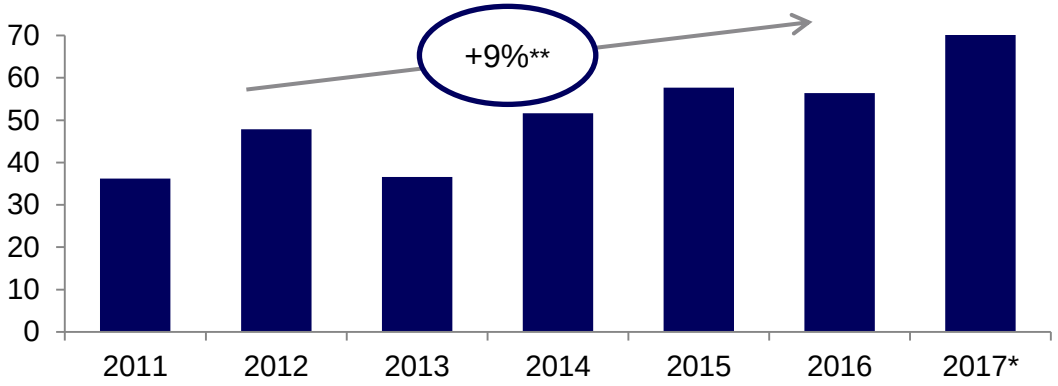
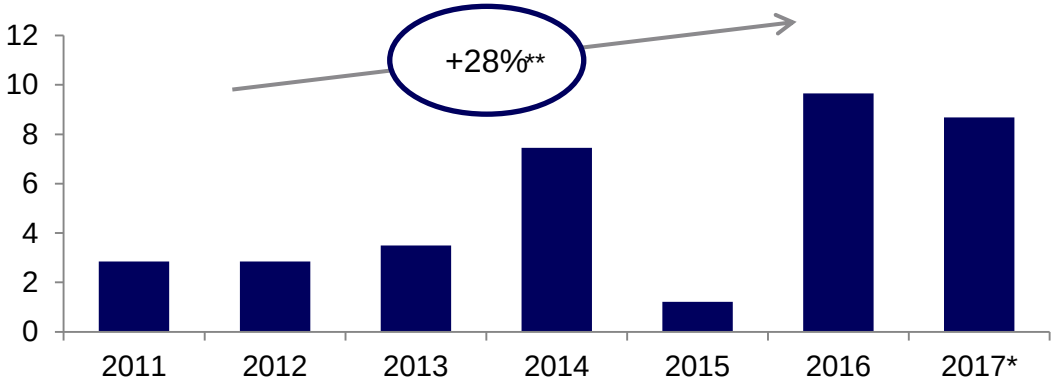
Strategic focus in growing ancillary income

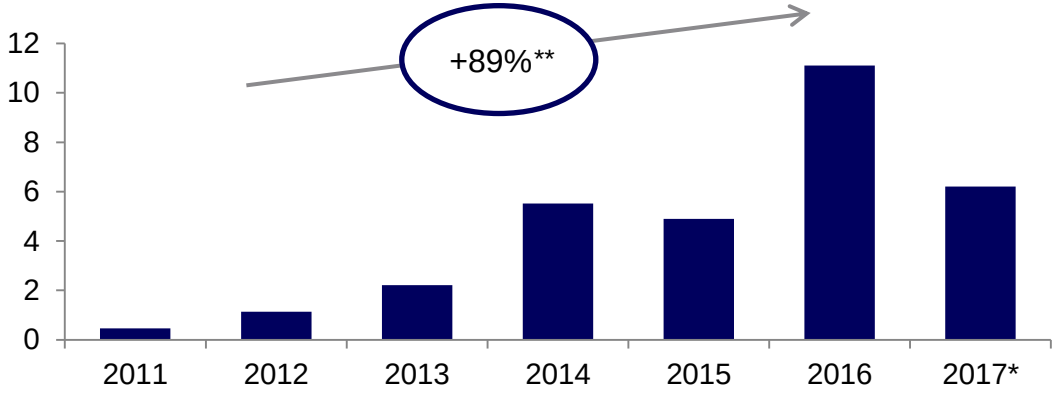
Debt Capital Markets deal value, €bn



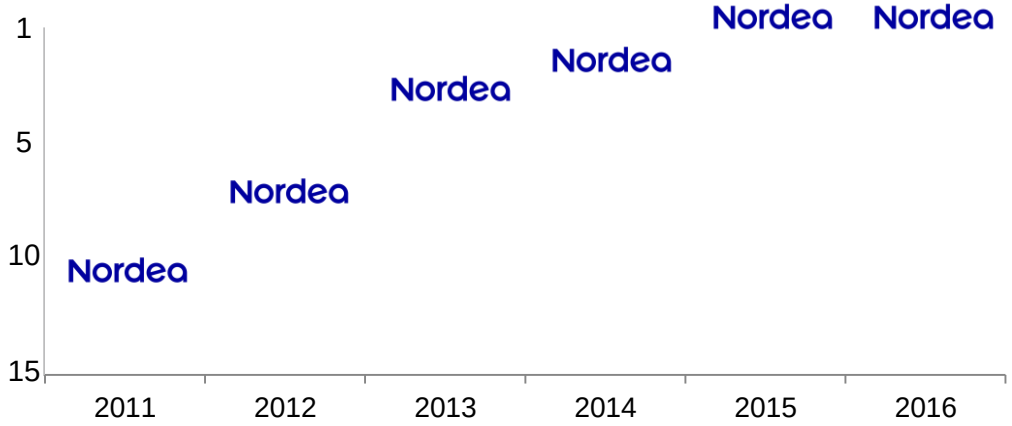
Mergers & Acquisitions deal value, €bn



Equity Capital Markets deal value,€bn



Nordic Equity Prospera ranking



 *Annualised
**Growth is calculated as Compounded Annual Growth Rate between 2011-2016

Nordea

Leading Nordic franchise in debt capital markets

<Menu> to Return

Actions | Alerts | Summary | Settings | League Tables: Ranking

Table: Bloomberg Nordic Bonds | Party: Nordea
Period: Quarter 1st 3 2017 | Role: Manager

League Table | History | Analysis | Deals

	Manager	Rank		Vol (MM USD)	Issues	Fees	Table Share (%)	Mkt Share Diff
101)	Nordea	1	0	17,325.04	248	--	12.52	3.93
102)	Danske Bank	2	0	9,946.10	166	--	7.19	0.06
103)	SEB	3	0	9,526.77	154	--	6.88	0.00
104)	Swedbank	4	0	7,533.19	178	--	5.44	-0.47
105)	DNB ASA	5	↑2	7,519.54	192	--	5.43	1.13
106)	Barclays	6	↑8	5,642.14	46	0.322	4.08	0.80
107)	Citi	7	↓1	5,337.62	47	0.240	3.86	-0.75
108)	Goldman Sachs	8	0	4,925.36	31	0.450	3.56	-0.65
109)	JP Morgan	9	↓4	4,658.87	46	0.450	3.37	-1.68
110)	Deutsche Bank	10	0	4,575.70	43	0.125	3.31	-0.59
111)	Bank of America Merrill Ly	11	↑2	4,222.85	34	0.125	3.05	-0.51
112)	Svenska Handelsbanken	12	0	4,054.90	90	--	2.93	-0.65
113)	BNP Paribas	13	↓4	3,969.36	51	--	2.87	-1.25
114)	HSBC	14	↓3	2,990.44	15	0.020	2.16	-1.44
115)	UBS	15	↑2	2,832.95	18	--	2.05	-0.33
116)	Societe Generale	16	↑9	2,599.87	13	--	1.88	0.69
117)	RBC Capital Markets	17	↑9	2,462.43	18	0.100	1.78	0.85
118)	SpareBank 1 Markets AS	18	↑24	2,266.46	119	--	1.64	1.35
119)	NatWest Markets	19	N	2,159.26	17	0.100	1.56	1.56
120)	Landesbank Baden-Wuertte	20	↓2	2,155.51	12	--	1.56	-0.44
121)	Credit Suisse	21	↓5	2,133.03	17	--	1.54	-0.90
21)	Credited - 70 Managers			138,407.02	1,263	0.178		
22)	Total			179,722.99	1,629	0.178	Total issuance increased by 14.3%	

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2017 Bloomberg Finance L.P.
SN 779916 CEST GMT+2:00 G436-3364-3 26-Oct-2017 13:43:23

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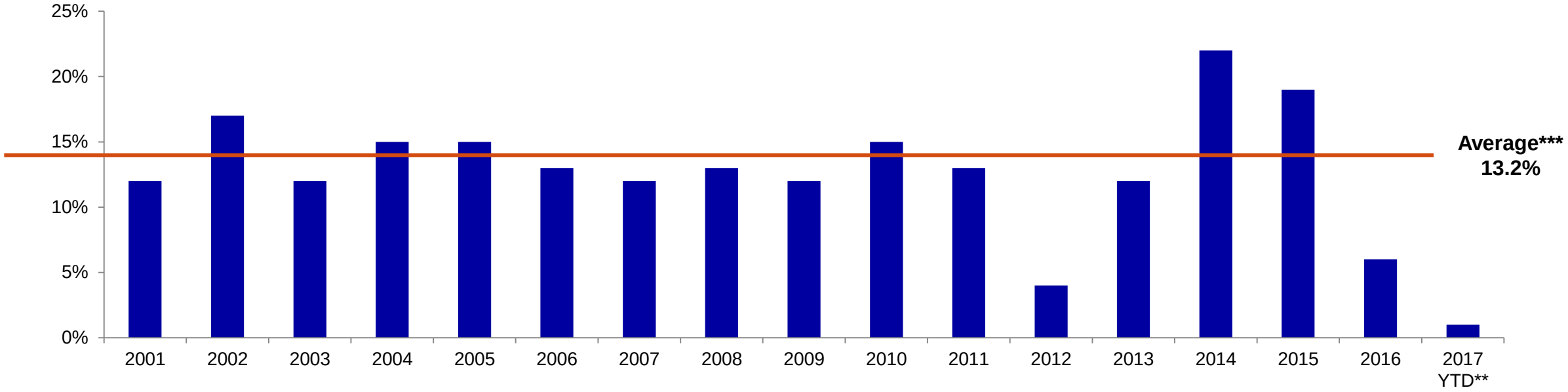
Shipping oil and offshore

RoCaR development*



Loan Losses, % **Average 0.43%*****

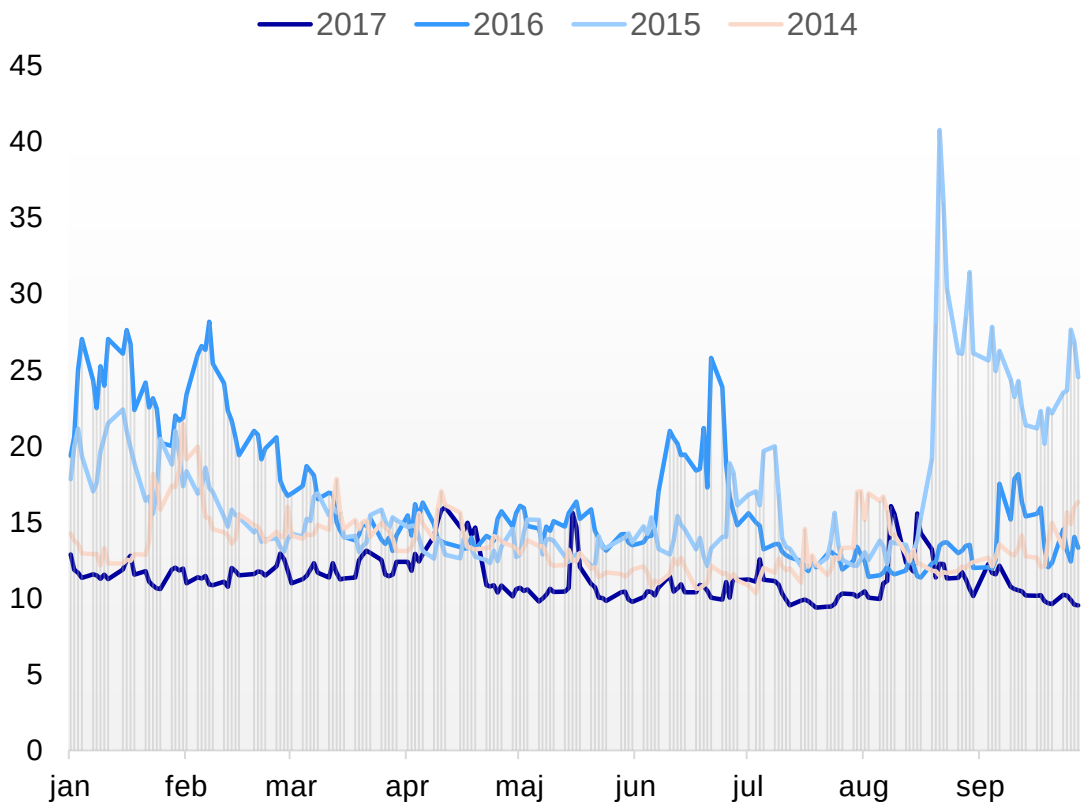
0.19	-0.1	0.03	-0.1	-0.1	-0.01	0.00	0.08	0.75	0.33	1	1.85	0.83	-0.32	0.05	1.22	1.27
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD

*Assuming Economic Capital in % of lending in line with 2011-2016 average
** YTD = Q1-Q3- 2017
***Average calculated between 2001-2016

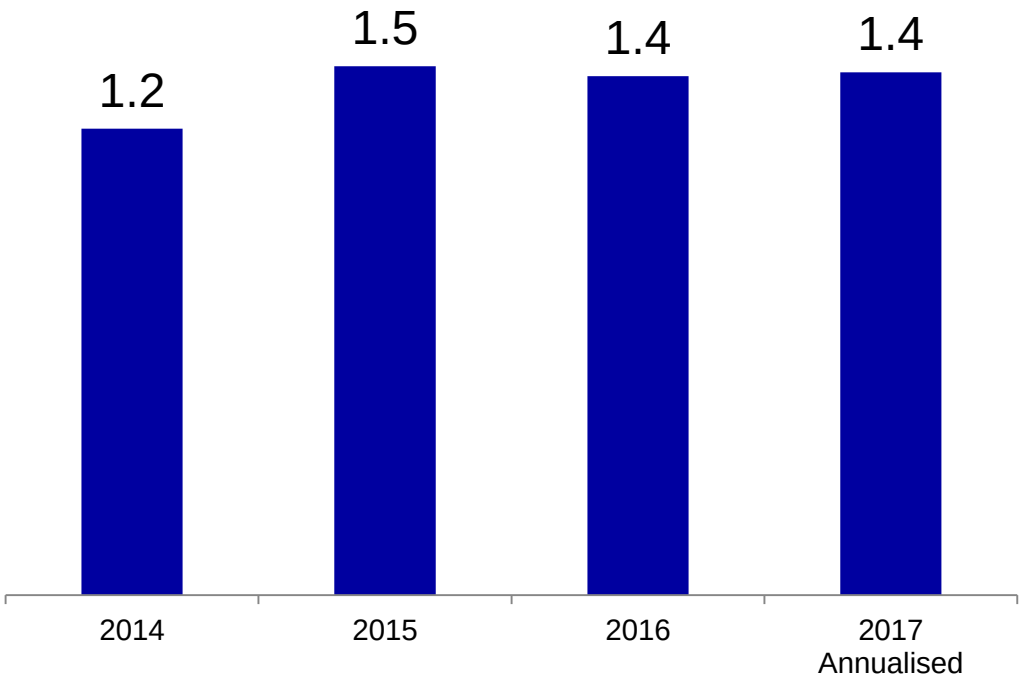
Nordea

Nordea Markets - resilient income generation despite record low volatility

VIX index YTD 17



Markets income €bn



*Stability fund fees and IAS adjustment have been excluded.

Nordea

Wholesale Banking transformation

Key transformation initiatives

Business strategy unchanged, #1 relationship bank in the Nordics
- Streamlined customer service
- Further explore digital channels and services

Re-positioning of Markets

- Implement new cross-Nordic operating model for Markets business with stronger customer ownership and clearly defined service and value offerings
- Cross-sell and capital markets financing

Operational excellence,
- Simplified IT infrastructure, robotics and near-shoring to Poland

Strengthened capital governance and risk management
- Increase capital velocity
- Consolidate SOO franchise and normalised loan losses

Cost efficiencies and quality gains

Where do the cost efficiencies come from?

Distribution/ Channels/ Service model	High
IT & Operations	High
Credit proc. & Prod.	Medium
Key support functions	Medium

Operational excellence,
- Simplified IT infrastructure, robotics and near-shoring to Poland

Improved customer satisfaction

- Client coverage: A more coordinated, dedicated and holistic approach to customer interaction
- Research: High uniform quality, easier and more transparent to deal with and utilise pan-Nordic capacity

Value drivers going forward – looking ahead

Market characteristics	GDP growth **~2%**	Interest rates **0%**	Volatility **Low**	Regulation **High**
Top line characteristics	Lending	Income	NII	Cost/Income
Value drivers	Pricing	Fee & Comm.	EC	Loan losses
Value creation	**Market position** **#1**		**Return** **12%**	

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Thank you!