



First quarter 2013 results

Nordea delivers on its plan

International telephone conference
24 April 2013
Christian Clausen, Group CEO

Making it possible

Disclaimer

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

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.

This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Key message

- We deliver on our plan
- Underlying profit up 8%
- Low activity in the corporate sector
- Flat costs for ten consecutive quarters
- Robust credit quality
- Flat RWA
- Increased Core Tier 1 ratio to 13.2%
- Awarded “Best bank 2013 in the Nordic region” by Global Finance magazine

- **Q1 2013 financial results highlights**
- Delivering on the plan

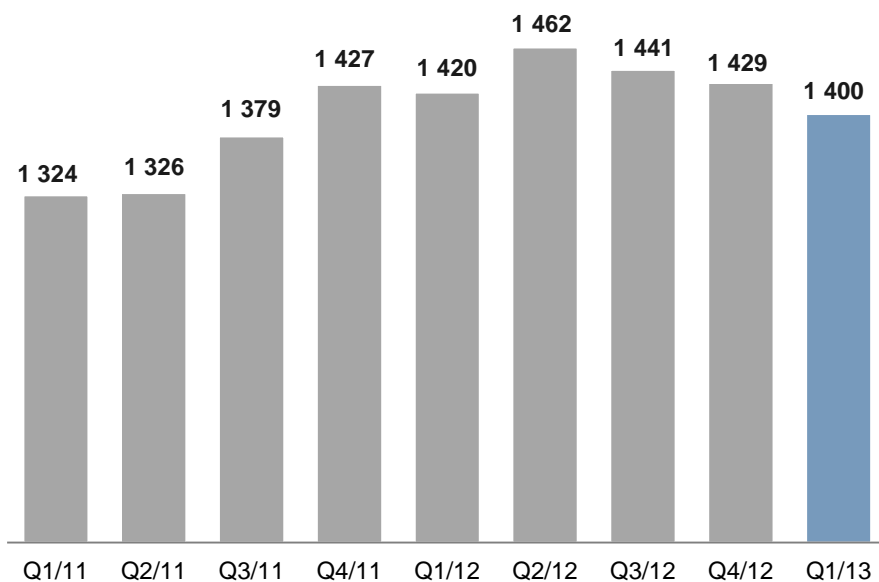
Financial results Q1/13

EURm	Q1/13	Q4/12	Change %
Net interest income	1 400	1 429	(2)
Net fee and commission income	632	692	(9)
Net fair value result	444	444	0
Total income¹	2 558	2 630	(3)
Staff costs	(769)	(764)	1
Total expenses	(1 299)	(1 327)	(2)
<i>Cost Income Ratio</i>	<i>51%</i>	<i>50%</i>	
Profit before loan losses	1 259	1 303	(3)
Net loan losses	(199)	(244)	(18)
Operating profit	1 060	1 059	0
Net profit	796	842	(5)
Risk-adjusted profit	863	882	(2)
Return on equity (%)	11.3%	12.3%	-100bps
Core Tier 1 capital ratio (%)	13.2%	13.1%	10bps
Risk-weighted assets (EURbn)	168	168	unch.

Q1/12	Change %
1 420	(1)
596	6
469	(5)
2 531	1
(771)	0
(1 276)	2
<i>50%</i>	
1 255	0
(218)	(9)
1 037	2
775	3
829	4
11.9%	-40bps
11.6%	160bps
182.3	-8%

Net interest income

Net interest income development, EURm

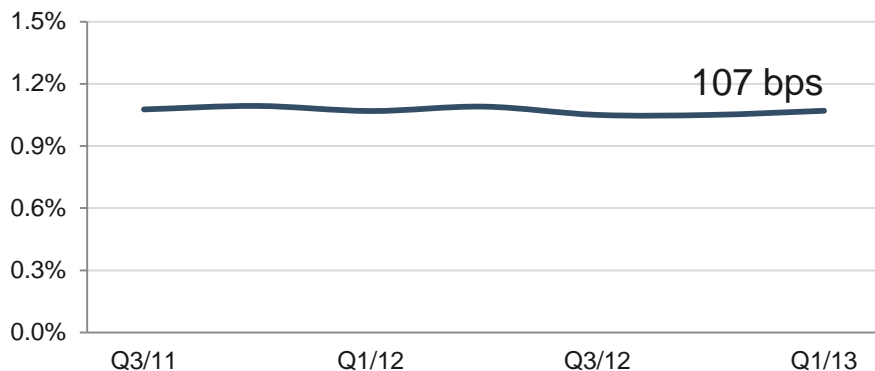


Comments

- NII slightly down in quarter
 - Two interest days less
 - Lower return on liquidity buffer

Stable Net Interest Margin but lower volumes

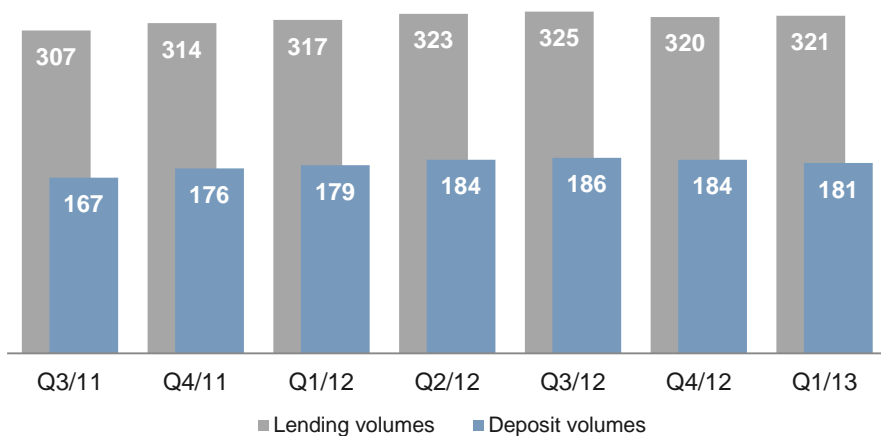
Blended net interest margin development, %



Comments

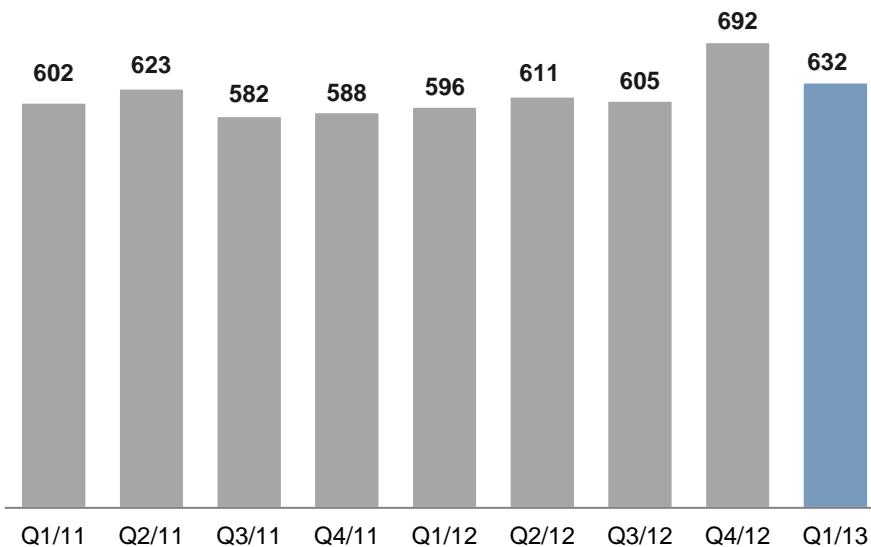
- Largely unchanged margin, up 2 bps to 107 bps in Q1
- Lower interest rates put pressure on deposit margins
- Lending margins up somewhat in quarter
 - Improved in Finland and CIB Sweden
- Demand for corporate lending remains subdued
 - Increasing importance of capital markets financing
- Funding gap under control

Lending- and deposit volumes, EURbn*



Net fee and commission income

Net fee and commission income development, EURm

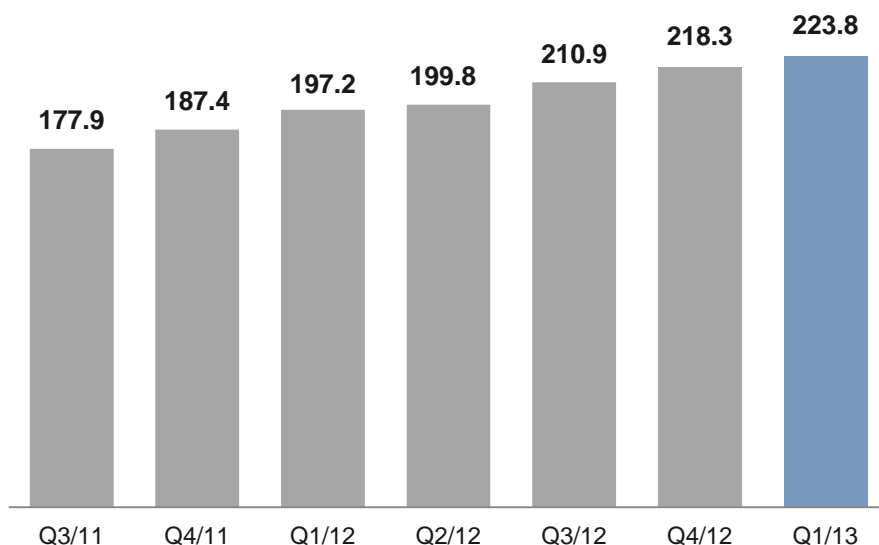


Comments

- Good trend but down on a seasonally strong Q4
- Higher deposit guarantee fees, EUR 14m
- Strong development in Assets under Management

Assets under Management at all time high

Assets under Management development, EURbn

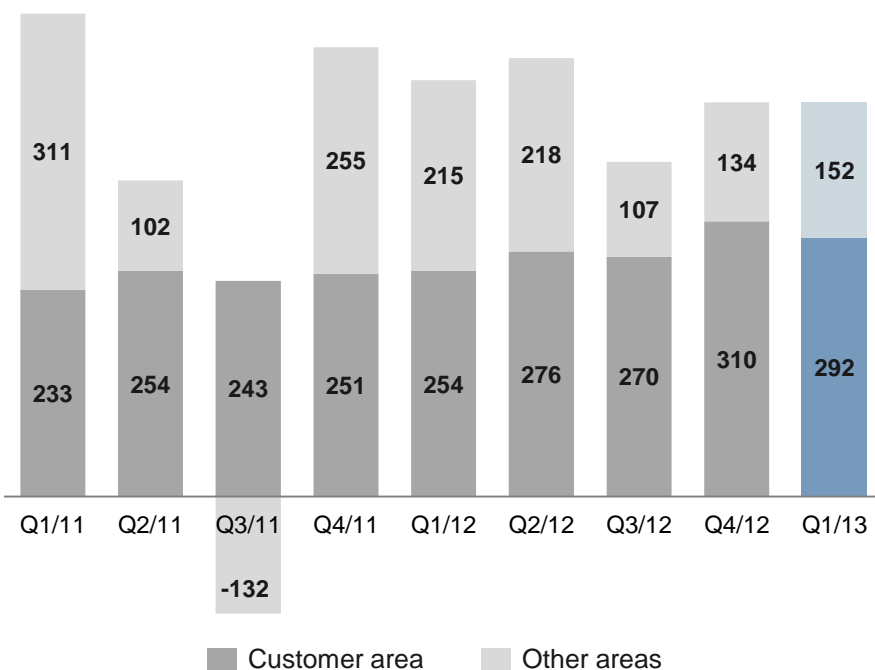


Comments

- Assets under Management at all-time-high of EUR 223.8bn
- Positive investment performance of EUR 5.9bn, 65% of our composites outperformed their benchmarks
- Strong inflow in Private Banking, Nordic Retail funds and Global fund distribution. Outflow in Institutional Sales

Net fair value at continued good levels

Net fair value development, EURm

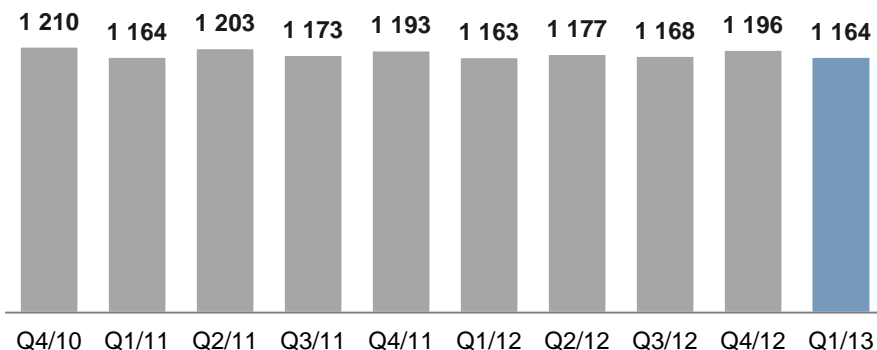


Comments

- Unchanged on previous quarter
- Customer driven activities up by 14% in the quarter*
- Strong trend in Denmark

Flat costs for ten consecutive quarters

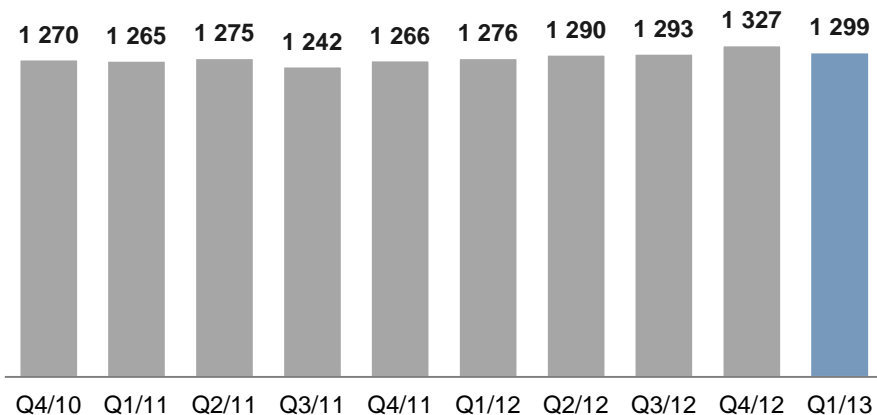
Total expenses (excl. FX and variable pay), EURm



Comments

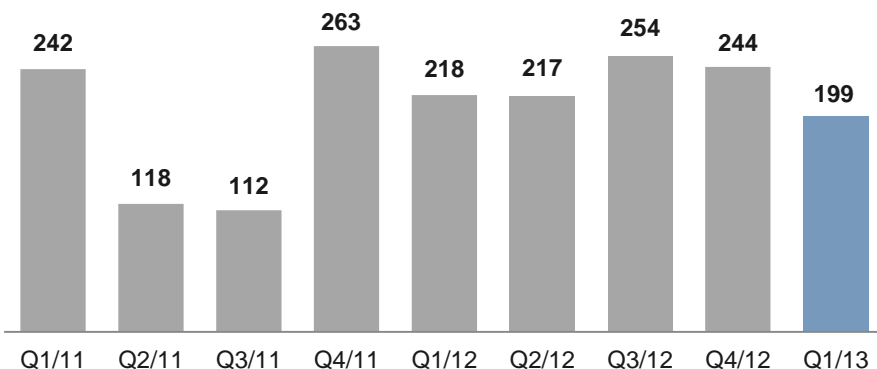
- Expenses under solid control
- Number of FTE's down 4% y-o-y
- Flat costs for 10 quarters - to remain flat for an additional 7 quarters

Total expenses, EURm

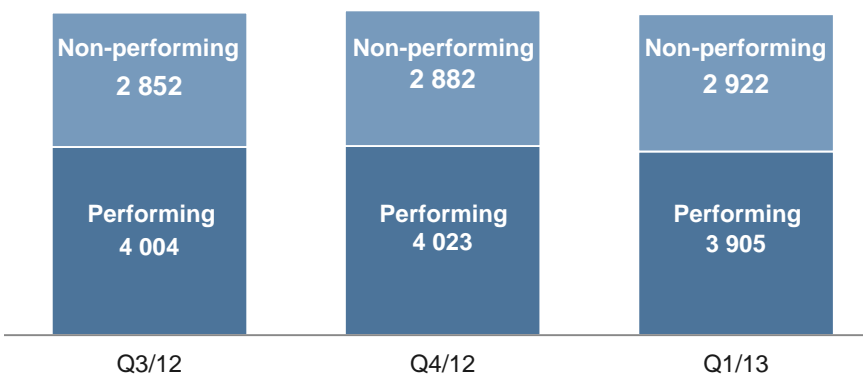


Robust credit quality

Total net loan losses, EURm



Impaired loans, EURm

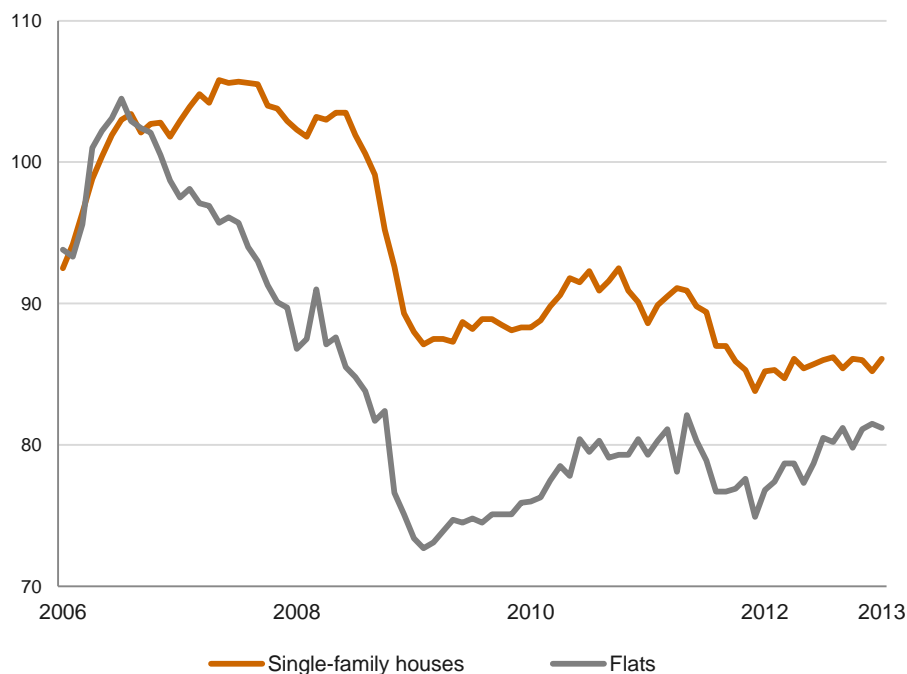


Comments

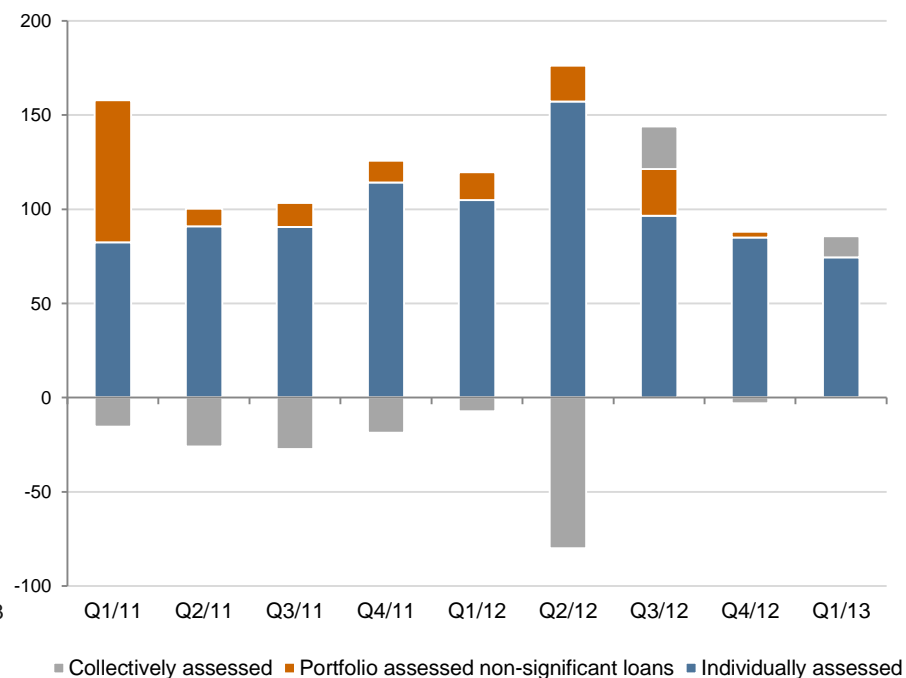
- Underlying credit quality remains robust
- Stabilisation in level of impaired loans
- Provisioning ratio increased to 43%
- Credit quality remains solid in Finland, Norway, Sweden, Baltics and Poland
- Losses in Denmark and shipping remain at elevated levels but were down in both areas compared to the previous quarter
 - Loan loss ratio in Banking Denmark decreased from 55 bps to 47 bps in Q1/13*
 - Ship values seem to be bottoming out, loan loss ratio in shipping decreased from 185 bps to 123 bps in Q1/13

Denmark is stabilising

House price index¹



Loan losses net, Retail Banking Denmark



Comments

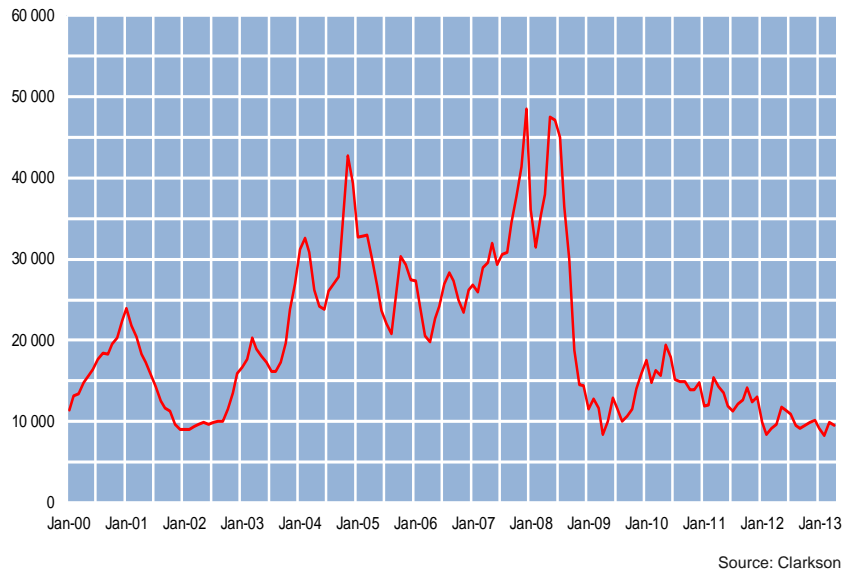
■ House prices in Denmark show continued stabilisation

Comments

■ Loan losses have decreased for the latest quarters

Shipping credit quality is stabilising

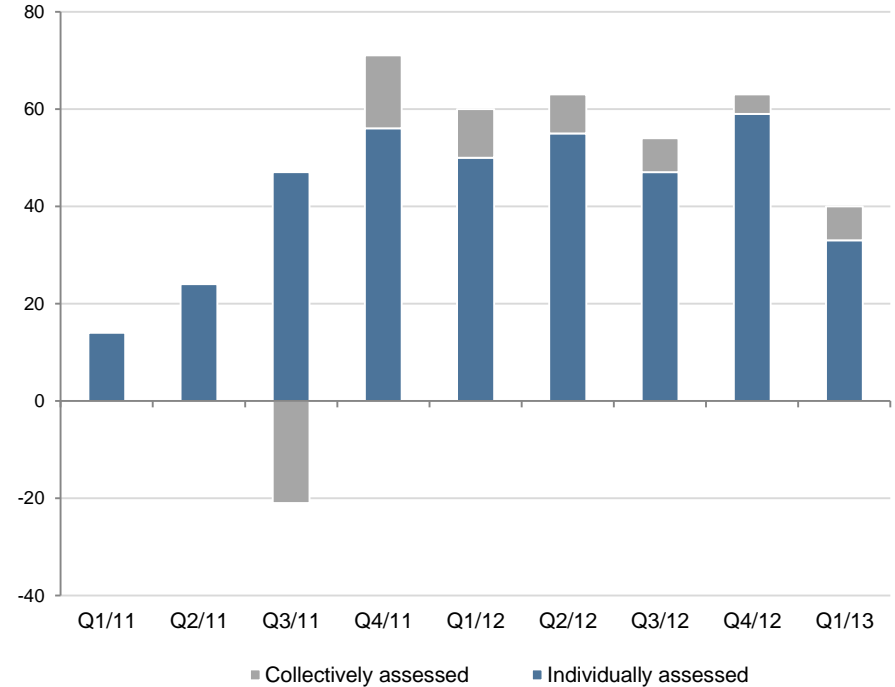
Shipping freight rates



Comments

- Freight rates are still at low levels

Loan losses net, shipping

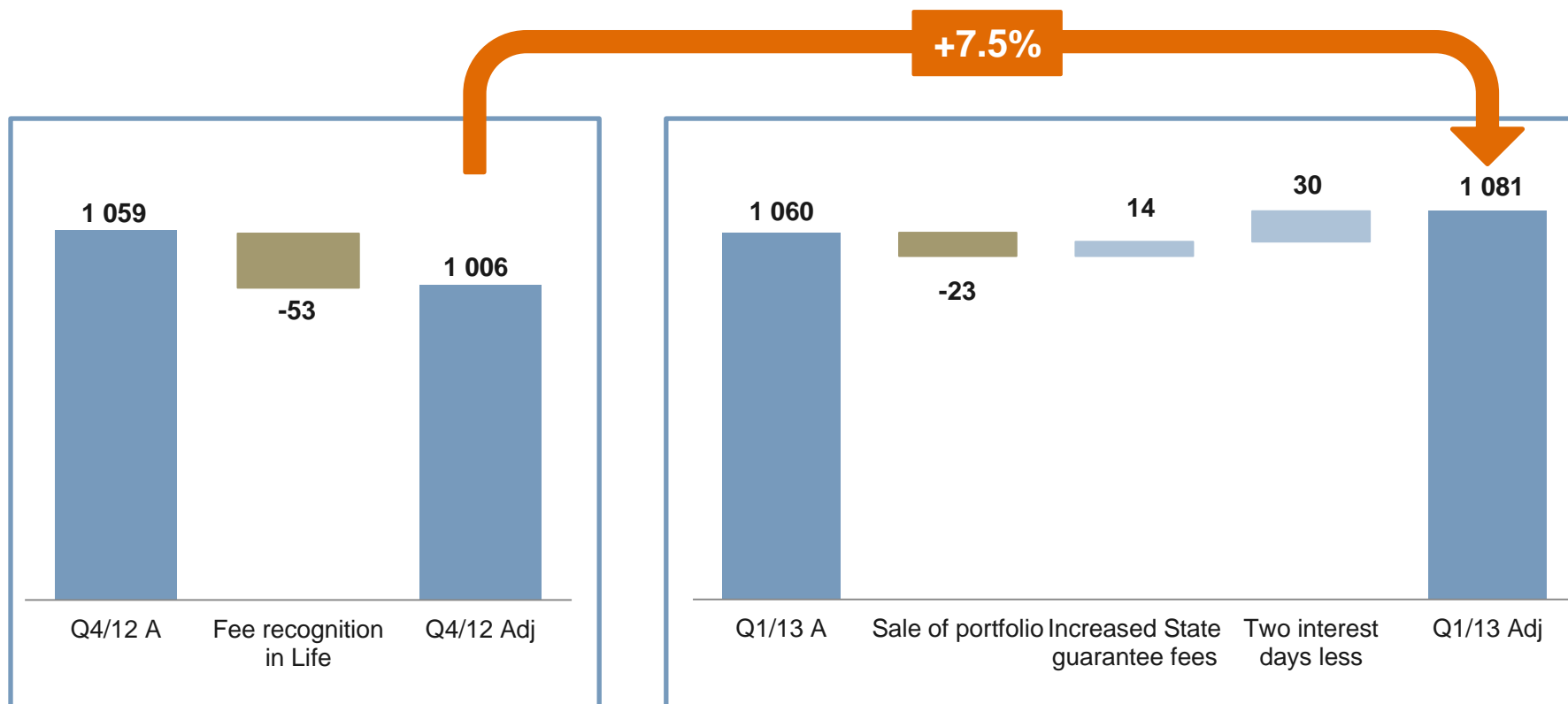


Comments

- Loan losses remains elevated but down from previous period

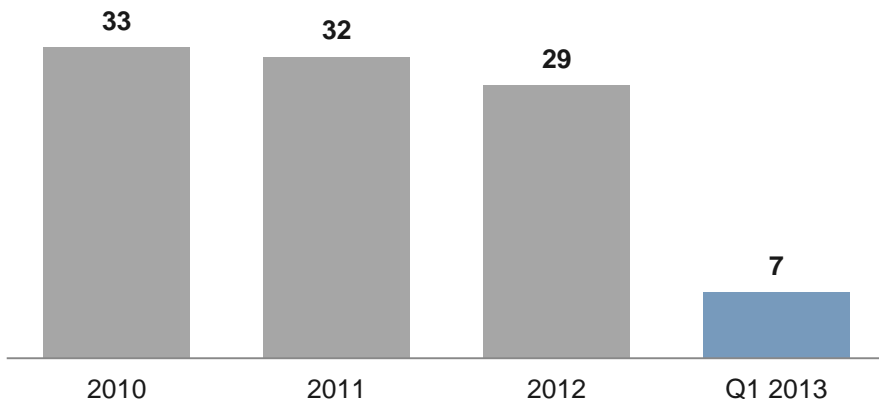
Strong underlying performance in Q1

Adjusted operating profit, EURm



Strong access to funding

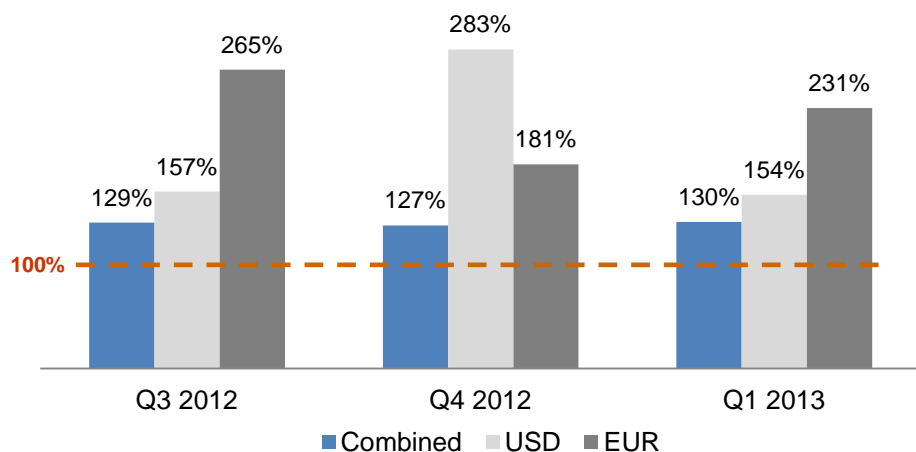
Long term funding, EURbn



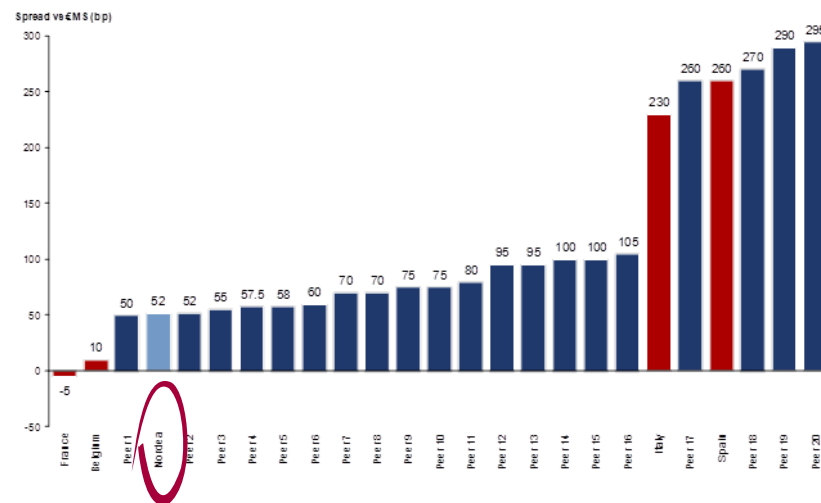
Comments

- Strong diversified funding platform
- Confirmed AA rating from Moody's and Fitch
- Conservative liquidity management
 - LCR compliant
 - Liquidity buffer EUR 67bn
- One of the lowest funding costs of any bank in Europe

LCR developments



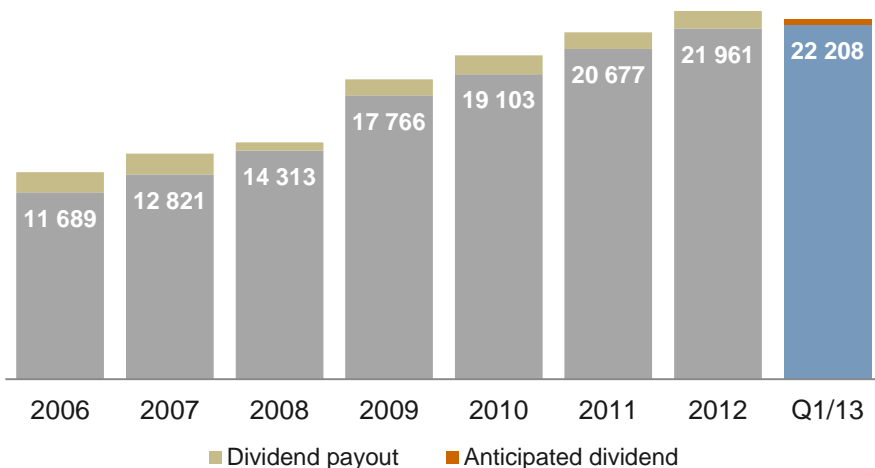
Long term senior unsecured funding*



* European banks compared to governments. 5 year bonds, bps

Capital generation

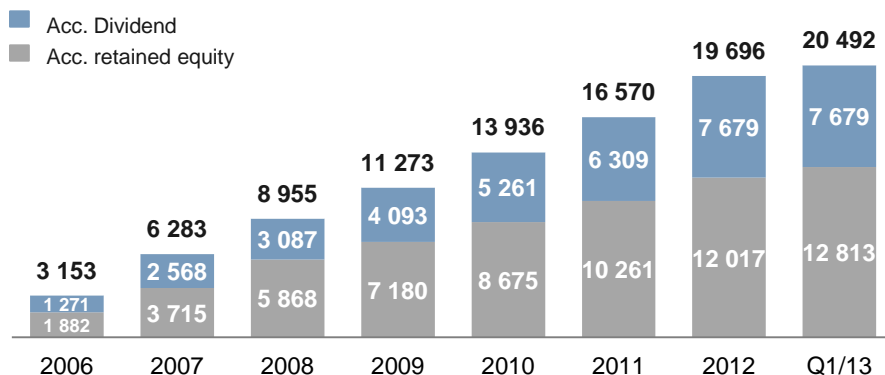
Core Tier 1 capital , EURm



Comments

- Continued strong profit generation
- Negatively impacted by revised IAS 19

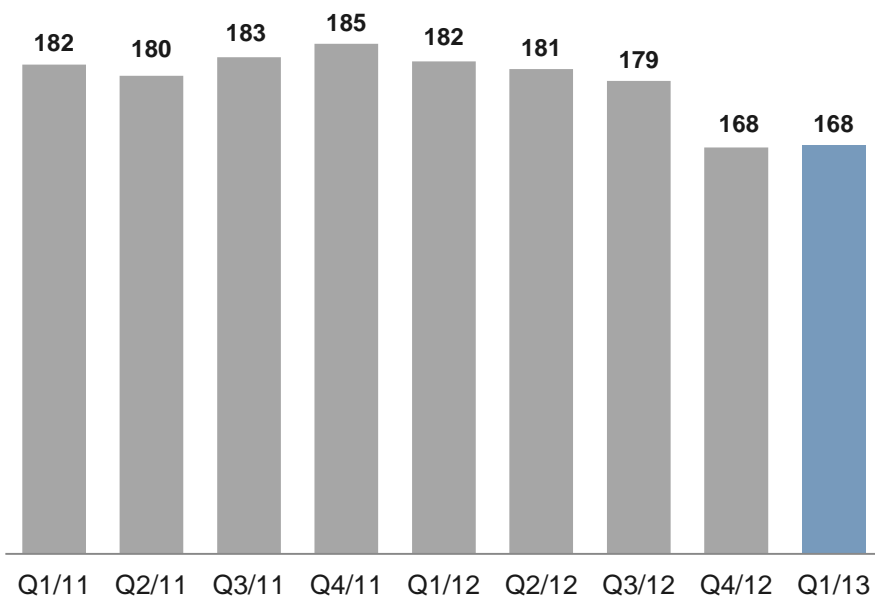
Capital generation*, EURm



* Dividend included in the year profit was generated. Excluding rights issue (EUR 2 495m in 2009)

Risk weighted assets

Risk-weighted assets , EURbn*

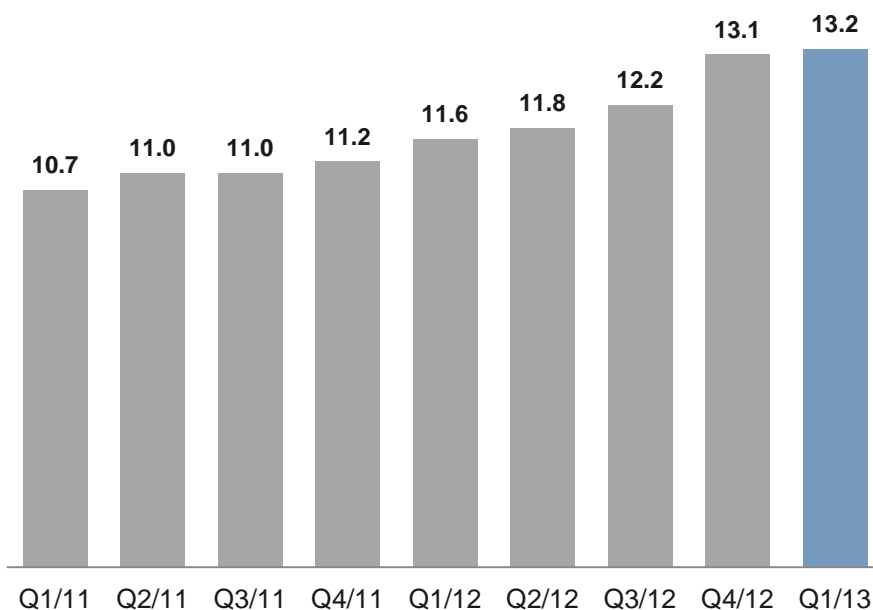


Comments

- RWA flat on previous quarter
 - Increase due to yearly update of operational risk
 - Higher risk weights for commercial and residential real estate exposures due to expired regulatory transition rules. Interimistic impact until AIRB approval
- Efficiency gains of EUR 2bn
 - Roll out of Internal Model Method

Core Tier 1 ratio

Core Tier 1 capital ratio, %*



Comments

- Improved ratio 10 bps sine Q4/12 due to increased core tier 1 capital driven by strong profit generation and reduced shortfall reduction
- Compliant with our capital policy of a Core Tier 1 ratio of >13%

Retail Banking: Deliveries on the plan

Financial performance

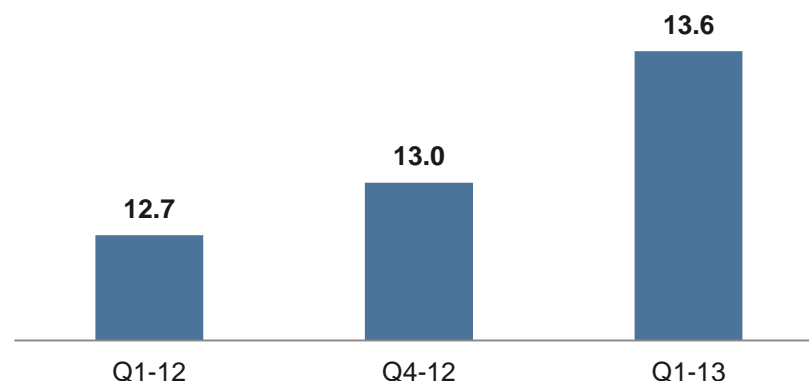
- Operating profit up 7% from Q1 last year
- Income up 1% YoY despite lower interest rates
- Expenses under control
- Loan losses continued to decrease

Key results, EURm	Q1/13	Q4/12	Chg %	Q1/12	Chg %
Total income	1,409	1,441	(2)	1,390	1
Total expenses	(778)	(814)	(4)	(767)	1
Net loan losses	(129)	(140)	(8)	(156)	(17)
Operating profit	502	487	3	467	7
RWA	88,735	89,767	(1)	94,358	(6)

Execution on 2015 financial plan

- Re-pricing of lending book continued according to plan in both household and corporate business
- Cross-selling activities on track, with particular positive results in the savings area
- 20,000 new Gold and Premium customers welcomed during the quarter
- Cost efficiency initiatives ahead of plans, mainly related to distribution and cash handling
- Awarded “Best bank 2013 in the Nordic region”

RaRoCar, %



Wholesale Banking: Deliveries on the plan

Financial performance

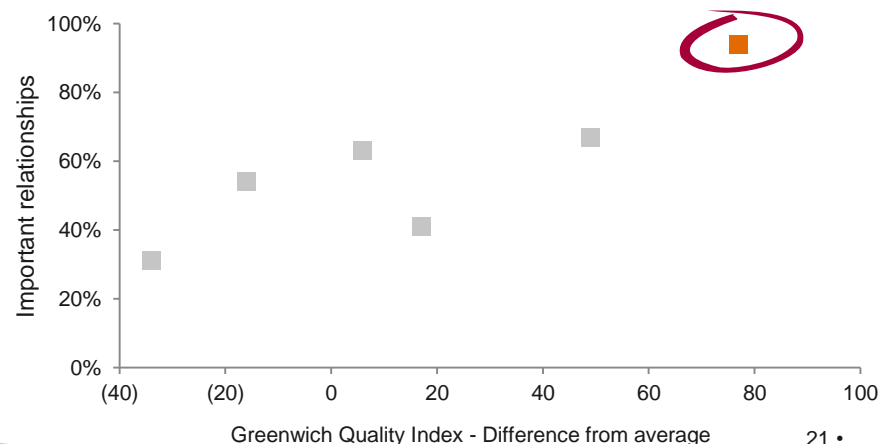
- Lower activity and income due to continued challenging economic outlook and strict business selection
- Higher margins did not fully offset lower lending volumes
- Reduced operating expenses
- Efficient resource management with reduced RWA, fewer FTEs and continued low cost/income ratio
- Lower loan losses driven by developments in Shipping

Key results, EURm	Q1/13	Q4/12	Chg %	Q1/12	Chg %
Total income	627	657	(5%)	732	(14%)
Total expenses	(226)	(244)	(7%)	(232)	(3%)
Net loan losses	(68)	(99)	(31%)	(65)	5%
Operating profit	333	314	6%	435	(23%)
RWA	64,882	65,405	(1%)	74,421	(13%)

Execution on 2015 financial plan

- Relationship strategy strength further evidenced by Greenwich Quality and Share Leader awards
- Business selection to drive increased returns and income growth
 - Repricing reflecting market developments, risk and regulatory requirements
 - RWA allocation supporting ancillary income
 - Systematic segment, customer and transaction reviews
 - Leverage access to capital markets financing

Relationship quality



Wealth Management: Deliveries on the plan

Financial performance

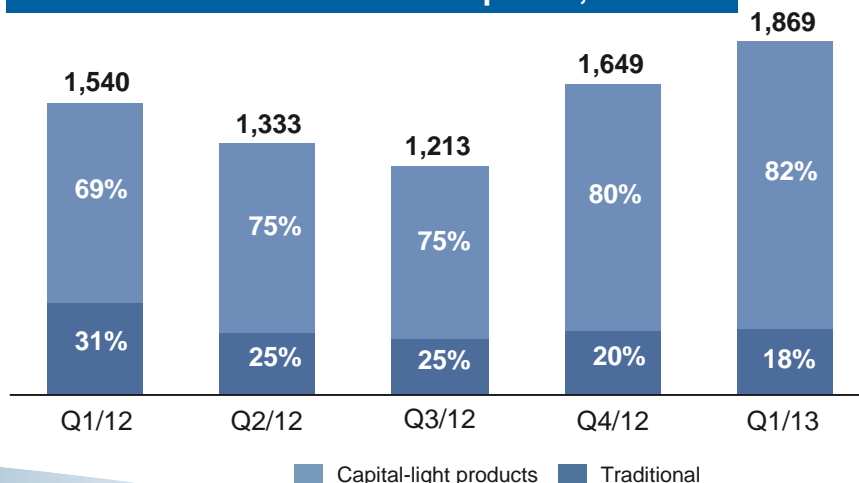
- AuM growth of 13% in Q1/13 YoY
- Total income down on seasonally strong Q4/12 and up 8% YoY
- Solid net inflow from Private Banking (EUR 1.1bn) and Retail funds (EUR 0.9bn) due to positive market sentiment and higher advisory activities
- A record-high level of Life & Pensions' gross written premiums at EUR 1,87bn
- Net outflow in Institutional Sales mainly related to changes in the business strategy of a few key clients

Key results, EURm	Q1/13	Q4/12	Chg %	Q1/12	Chg %
Total income	371	446	(17)	343	8
Total expenses	(196)	(211)	(7)	(189)	4
Net loan losses	0	(1)	(100)	(1)	(100)
Operating profit	175	234	(25)	153	14
RWA	3,161	2,902	9	3,602	-12

Execution on 2015 financial plan

- 82% of Gross Written Premium were directed to capital-light products, up from 69% YoY and Gross Written Premium up 21%
- RWA reduction of 12% YoY in Wealth Management following reduced RWA in International Private Banking
- Cost savings programme in Life & Pensions, with estimated full year cost savings of EUR 6m in 2013, corresponding to 3% of LP cost base in 2012
- Product range optimisation in Asset Management, where 6 funds were consolidated and 3 funds closed during the quarter

Gross Written Premium development, EURm



- Q1 2013 financial results highlights
- **Delivering on the plan**

2015 plan – progress against our published goals

Nordea market commitments

**Strong capital generation
and return of excess capital**
to our shareholders

**ROE target of 15%
at a CT1 ratio >13%**
and with normalised interest rates

Delivering low volatility results
based on a well diversified
and resilient business model

Key initiatives and levers

Capital initiatives to maintain CT1 ratio
>13%

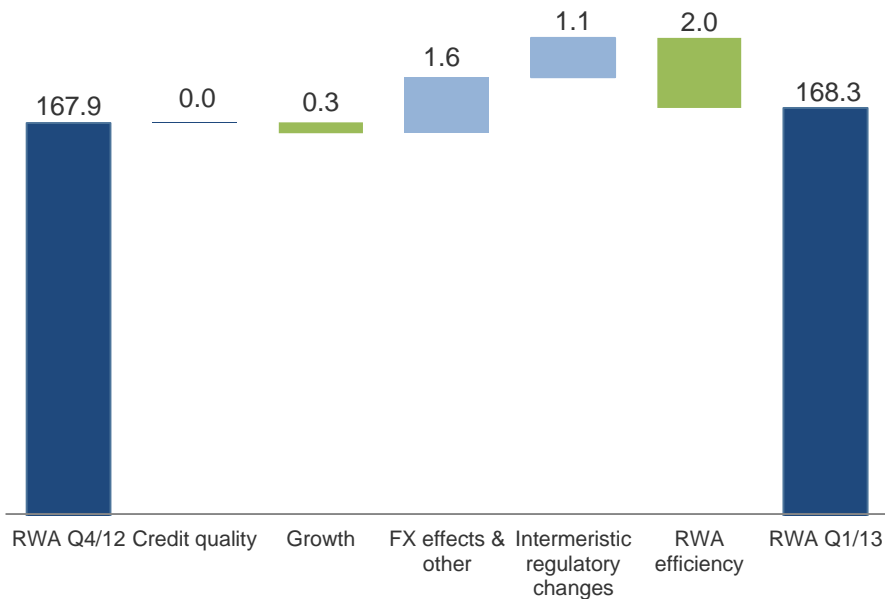
Initiatives for income generation

Flat costs 2013-14
Initiatives for cost savings of ~EUR450m

Low risk profile and low volatility

RWA development in Q1 approx. flat, as efficiency initiatives mitigate increase due to regulatory changes

RWA development, EURbn

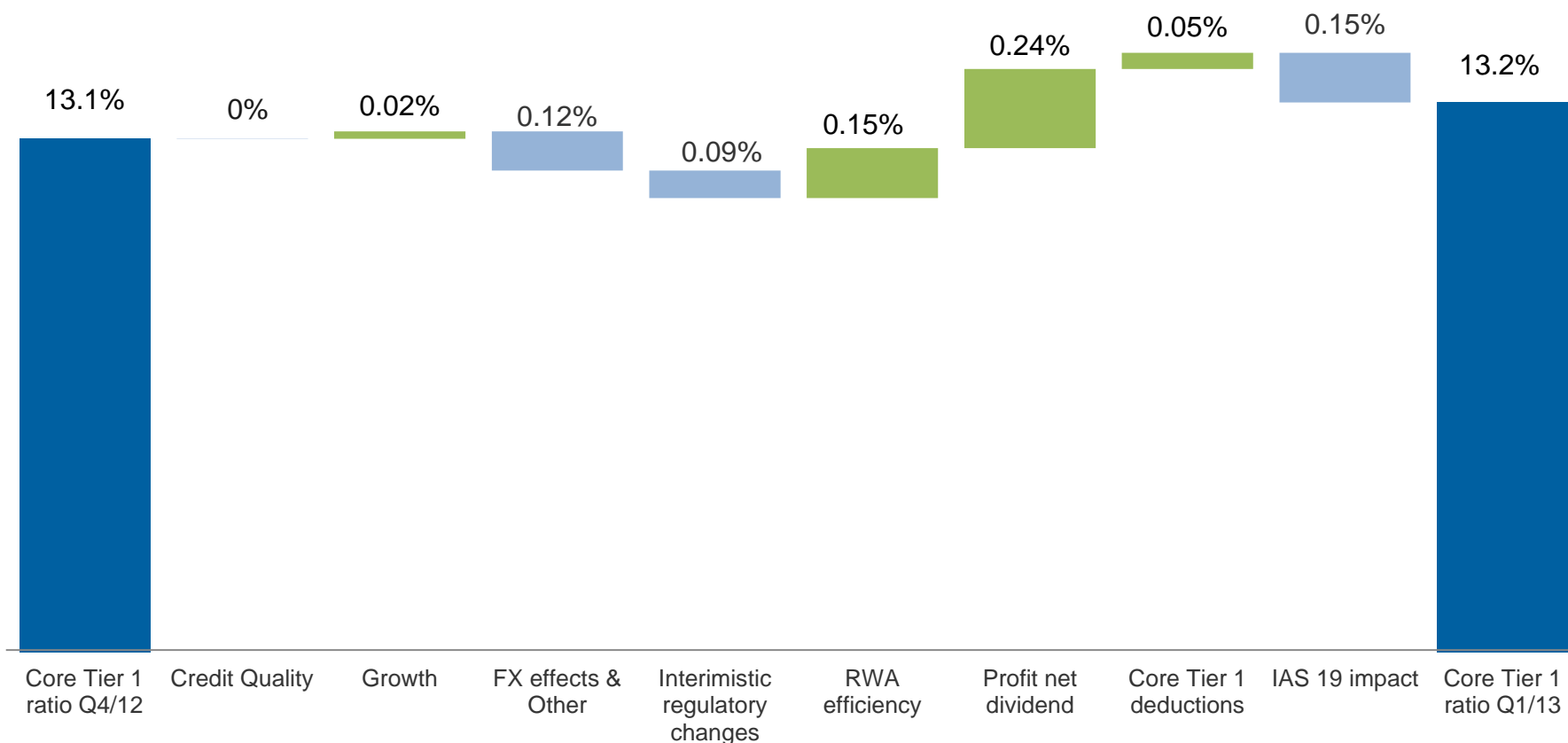


Comments to RWA development in Q1

- RWA largely unchanged on prior quarter
- Increase in RWA as a result of
 - Higher regulatory LGD:s for commercial and residential real estate due to expired regulatory transition rules. Interimistic impact until Nordea get an AIRB approval
 - Yearly update of Operational risk RWA
- Decrease in RWA as a result of:
 - Roll-out of IMM for counterparty credit risk
 - Other RWA efficiency initiatives

Core Tier 1 ratio +10 bps in Q1 due to RWA efficiencies and profit generation

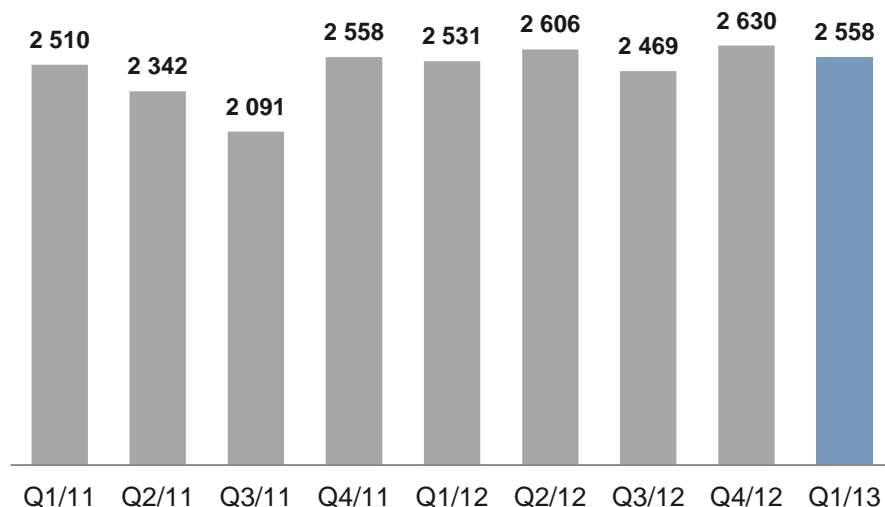
Core Tier 1 ratio development, %



Income holding up – challenging environment mitigated



Total income, EURm



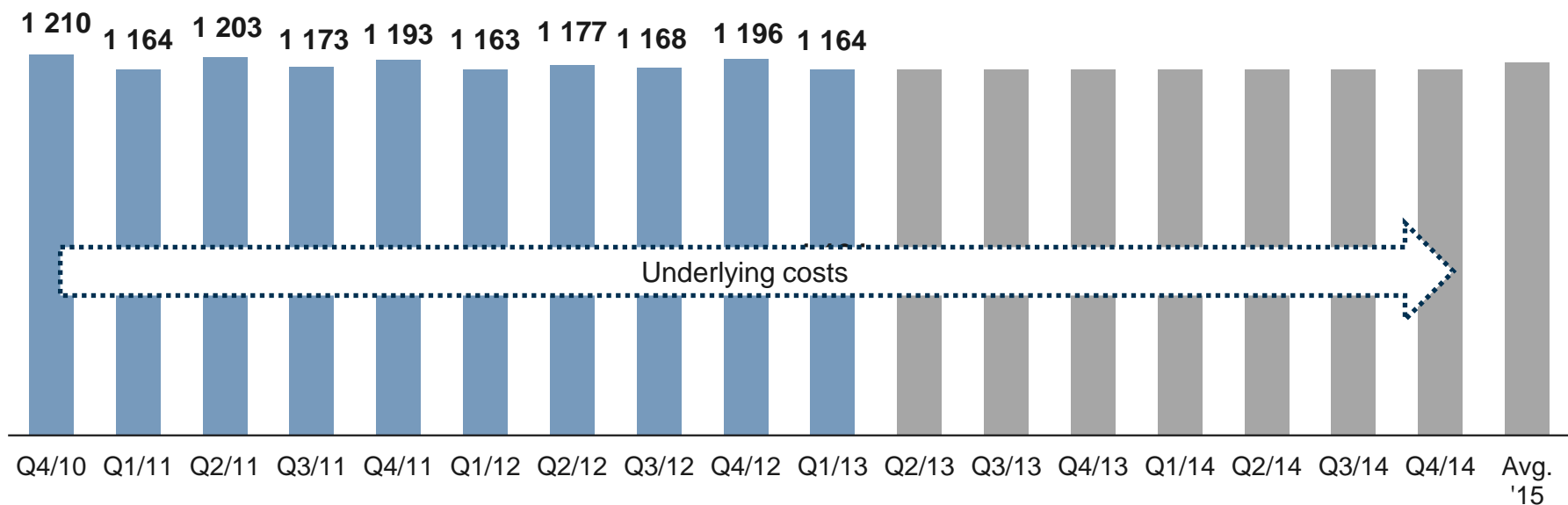
Comments to key income related activities in Q1

- Re-pricing
 - Total lending margins +20 bps y/y (RB)
 - CIB/SOO lending margins +15 bps y/y (WB)
- New customers
 - Over 20,000 new (externally recruited) Gold and Premium customers (RB)
 - 2% increase in Private Banking's customer base
- Ancillary income
 - Net elevation of 8,000 customers to Gold and Premium (RB)
 - 5% increase in non-interest income (RB)
 - Customer reviews to support business selection (WB)
 - Good development in sales of risk products
 - Strong sales of market return products (WM)

Costs in check – ten quarters of flat costs

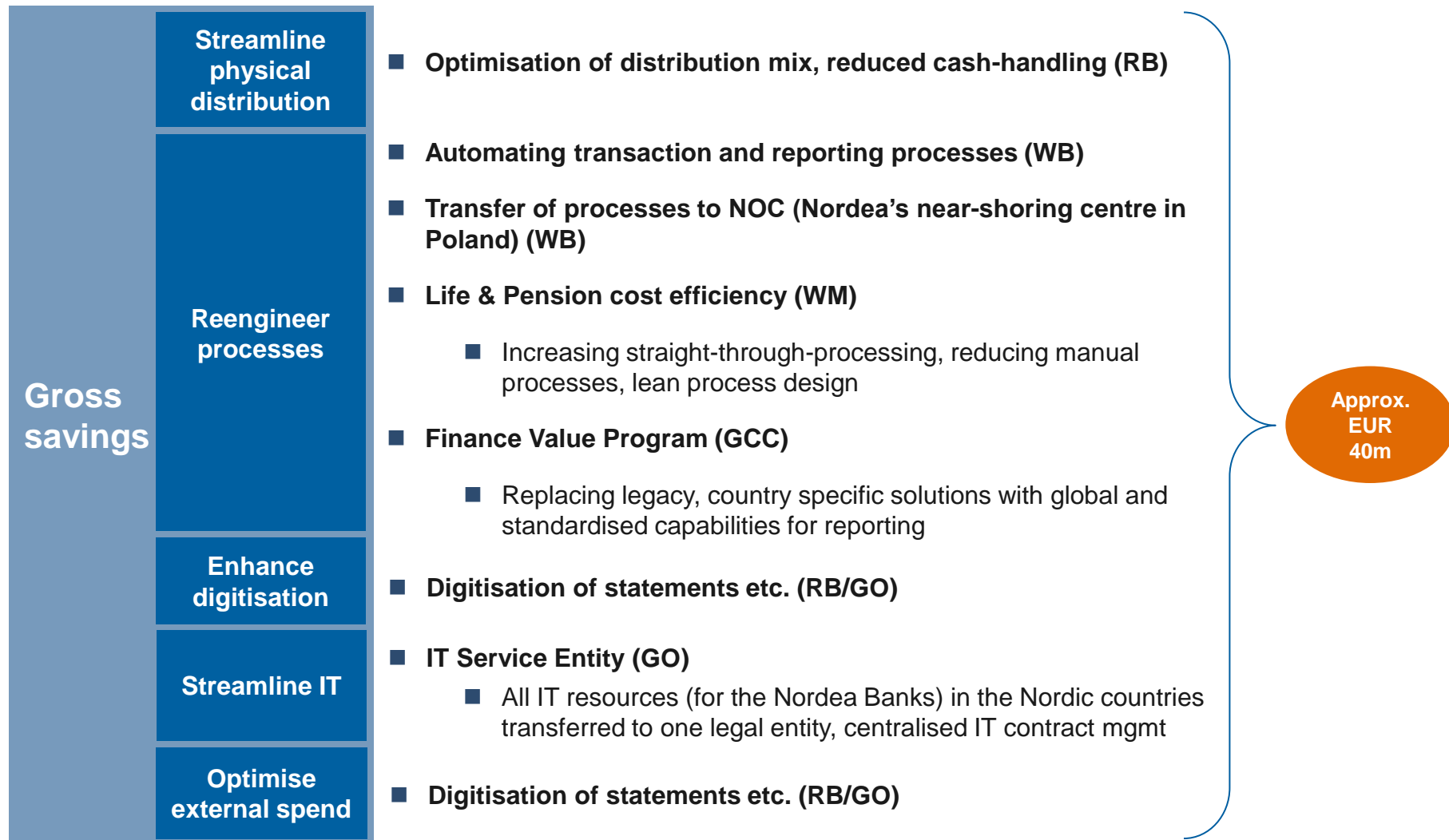


Total expenses (excl. FX & variable pay¹), EURm



¹ Variable pay including profit sharing is excluded. FX unchanged from Q4/10 28 •

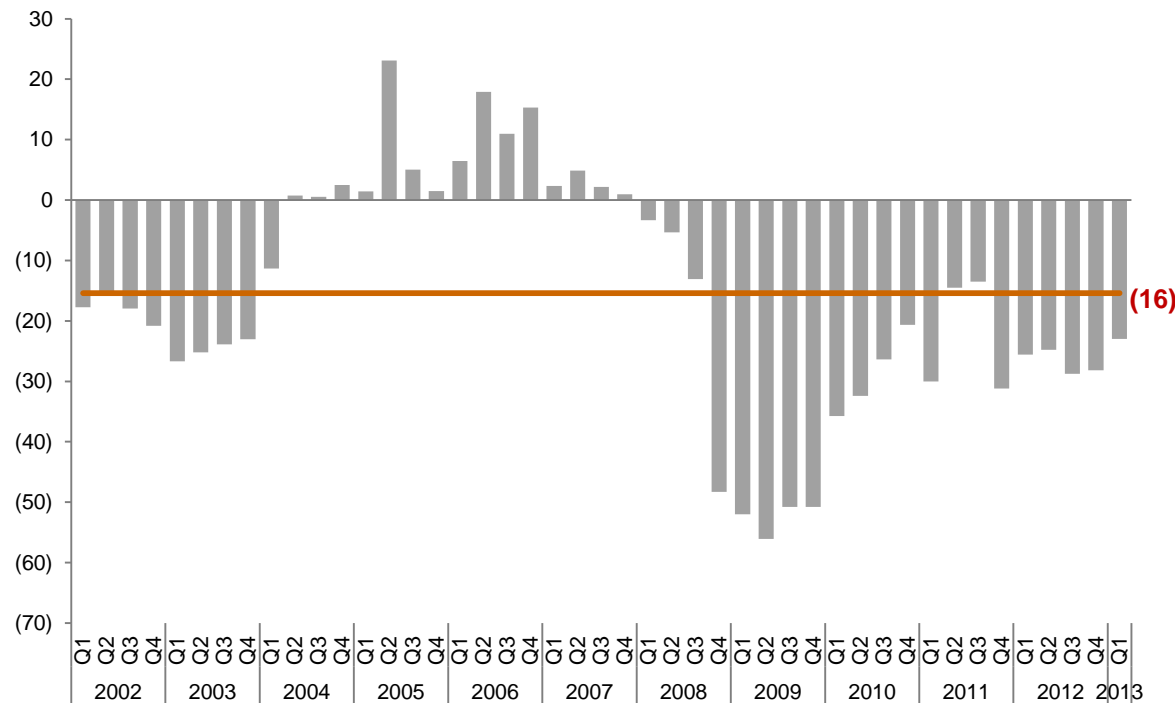
Cost initiatives progressing according to plan – approx. 40m of gross savings realised in Q1



Loan losses development in Q1 – decreasing in line with plan



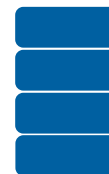
Actual loan losses, bps



Comments

- The credit quality continues to be robust
- Loan losses still concentrated to two specific areas, Denmark and Shipping – but credit quality stabilised and improvements expected during 2013
- Losses still stable and low in other areas, except for slightly higher collective provisions in CIB

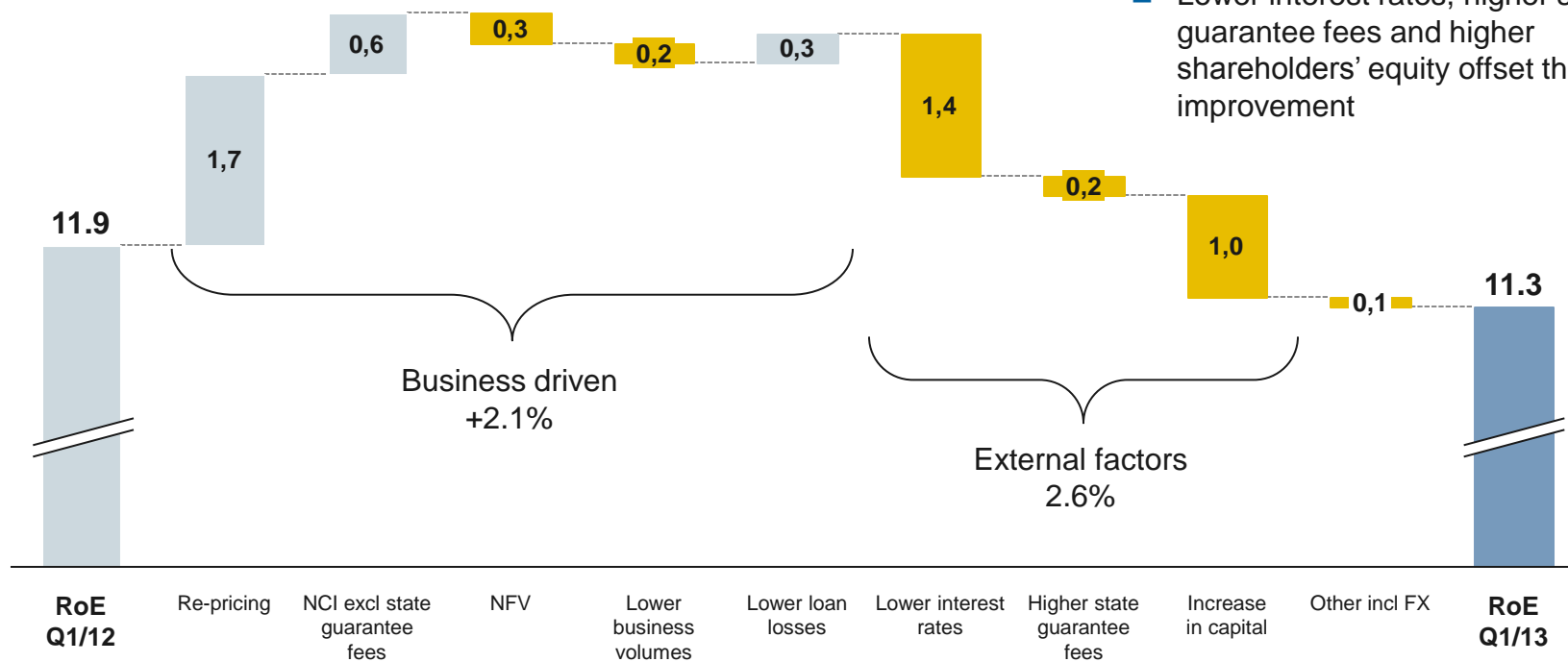
RoE development YoY - challenging macro environment and increased capital offset strong underlying business performance



RoE, per cent, Q1/Q1

Comments

Return on Equity
Q1 2012 – Q1 2013



- Strong re-pricing of lending margins since January 2012, and lower loan losses
- Lower interest rates, higher state guarantee fees and higher shareholders' equity offset the improvement

Progress in summary



Progress on Nordea financial plan 2013-2015, in Q1 2013

CT1 ratio

- Core Tier 1 ratio +10 bps in Q1 to 13.2% due to RWA efficiencies and profit generation

RWA

- RWA development in Q1 approx. flat, as efficiency initiatives mitigate increase due to regulatory changes

Income growth

- Income holding up – challenging environment mitigated by income generating activities
- Re-pricing, increased share-of-wallet and good development of ancillary income contributing

Costs

- Underlying costs flat for 10th consecutive quarter
- Cost initiatives progressing according to plan – approx. 40m of gross savings realised

Loan losses

- Decreasing in line with plan, credit quality continues to be robust
- Loan losses still concentrated to two specific areas, Denmark and Shipping

RoE

- RoE slightly down y/y (-60 bps), as lower interest rates and increased capital offset strong underlying business performance
- Repricing (+170 bps) and lower interest rates (-140 bps) most influential factors



First quarter 2013 results

Nordea delivers on its plan

International telephone conference

24 April 2013

Christian Clausen, Group CEO

Making it possible