



First quarter 2013 results

Nordea delivers on its plan

Press 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.

Highlights

- We deliver on our plan
- Underlying profit up
- Flat costs for ten consecutive quarters
- Robust credit quality
- Flat Risk weighted assets
- Increased Core Tier 1 ratio to 13.2%
- Continued inflow of new customers and rapid increase of mobile bank customers
- 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

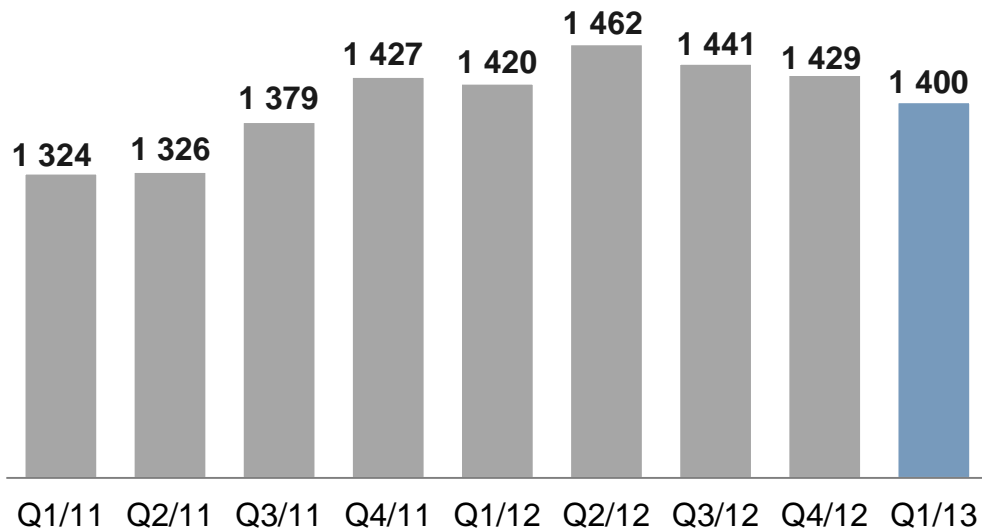
EURm	Q1/13	Q4/12	Change %
Net interest income	1 400	1 429	-2
Net fee and commission inc.	632	692	-9
Net fair value result	444	444	0
Total income¹	2 558	2 630	-3
Staff costs	-769	-764	1
Total expenses	-1 299	-1 327	-2
<i>Cost Income Ratio</i>	<i>51%</i>	<i>50%</i>	
Profit before loan losses	1 259	1 303	-3
Net loan losses	-199	-244	-18
Operating profit	1 060	1 059	0
Net profit	796	842	-5

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

¹ Includes Other income

Net interest income

Net interest income development, EURm

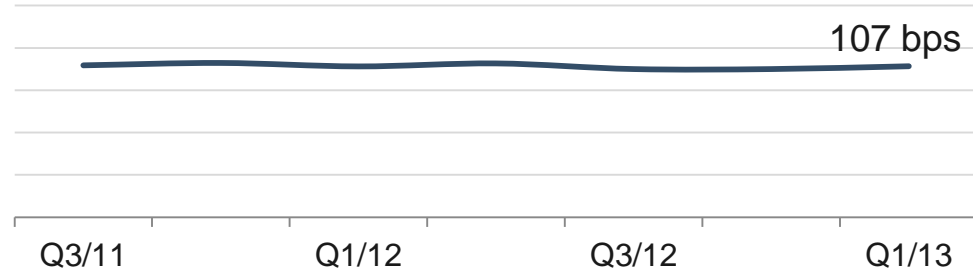


Comments

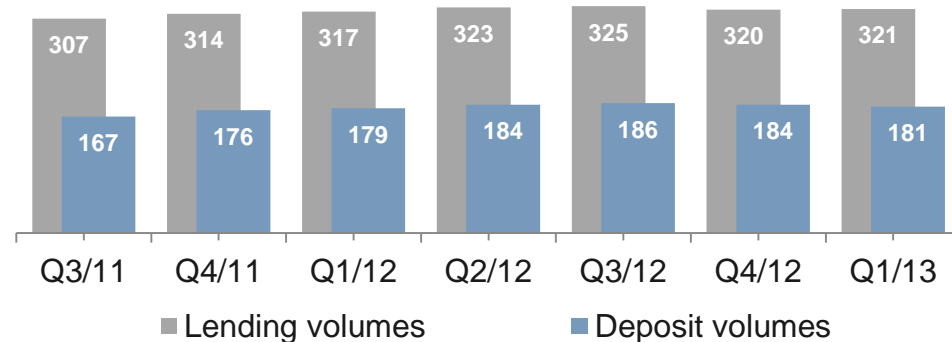
- NII slightly down in quarter
 - Two interest days less
 - Lower return on liquidity buffer

Stable Net Interest Margin

Blended net interest margin, %



Lending- and deposit volumes, EURbn*



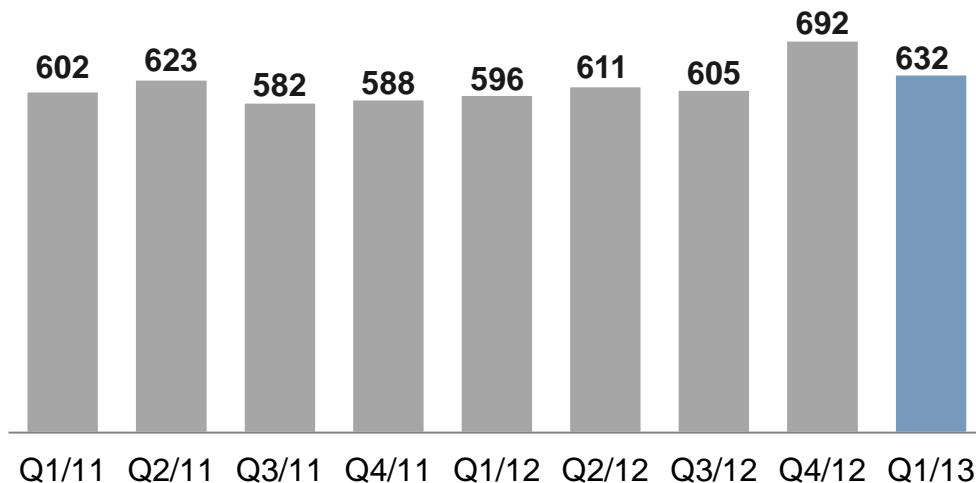
Comments

- Net margins largely flat, +2 bps to 107
- Lower interest rates put pressure on deposit margins
- Lending margins up somewhat in quarter, adapting to regulatory cost
- Low demand for corporate lending
 - Increasing importance of capital markets financing
- Funding gap under control

* Excluding Repos

Net fee and commission income

Net fee and commission income, EURm

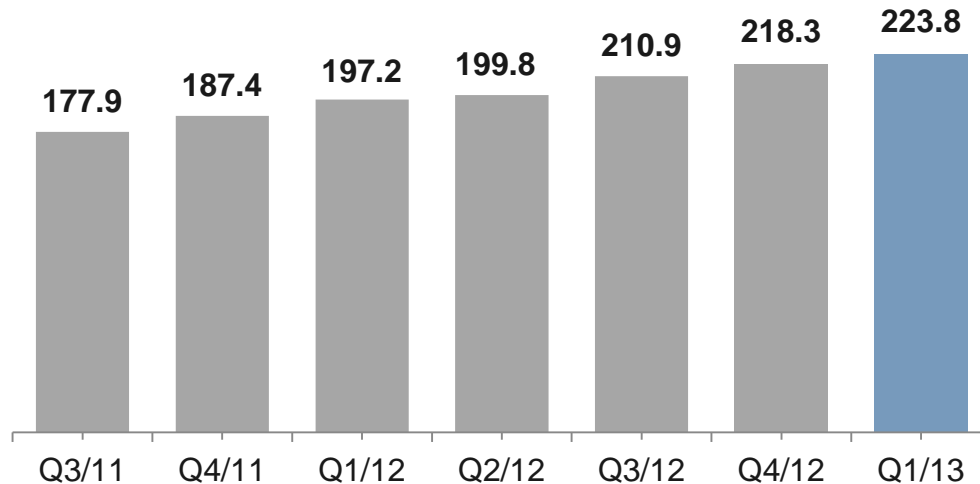


Comments

- Good trend but down on a seasonally strong Q4
- Higher deposit guarantee fees of EUR 14m

Assets under Management at all time high

Assets under Management, EURbn

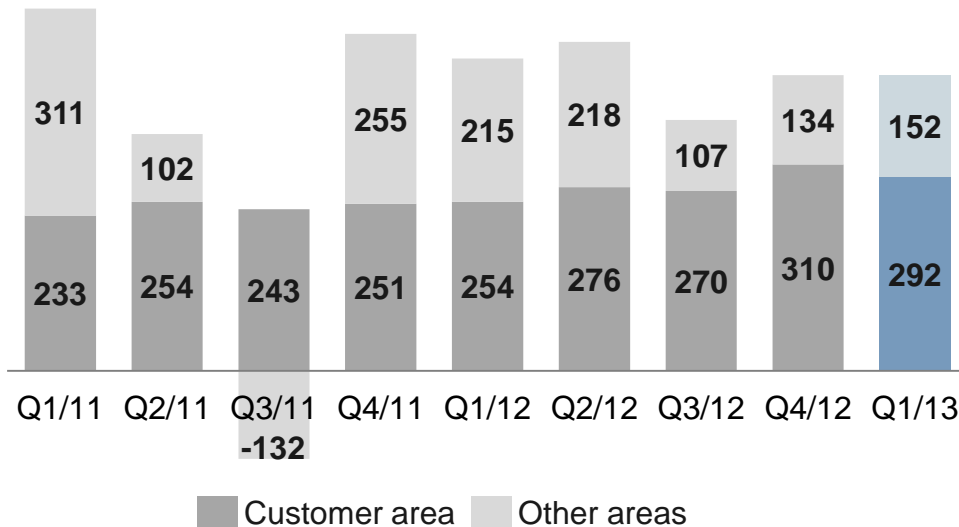


Comments

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

Net fair value at continued high levels

Net fair value, EURm



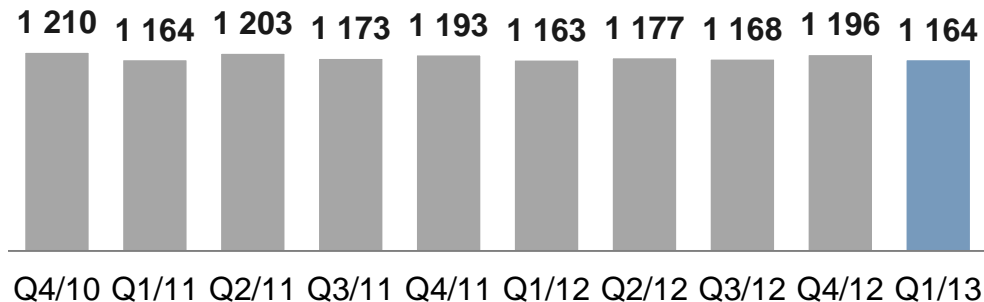
Comments

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

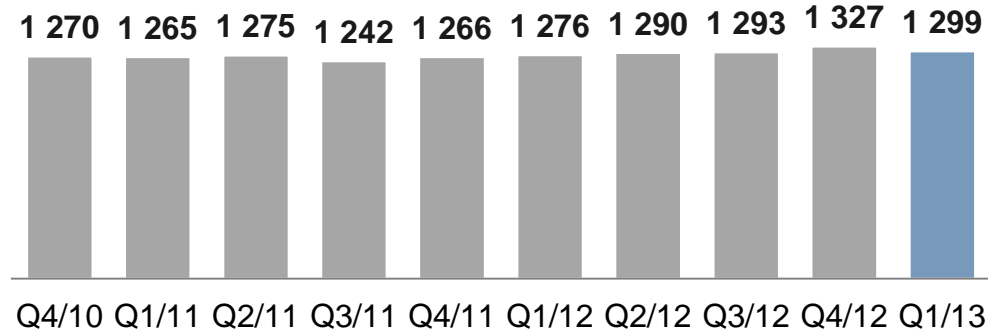
*Adjusted for fee recognition EUR 53m in Life Q4/12

Flat costs for ten consecutive quarters

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



Total expenses, EURm

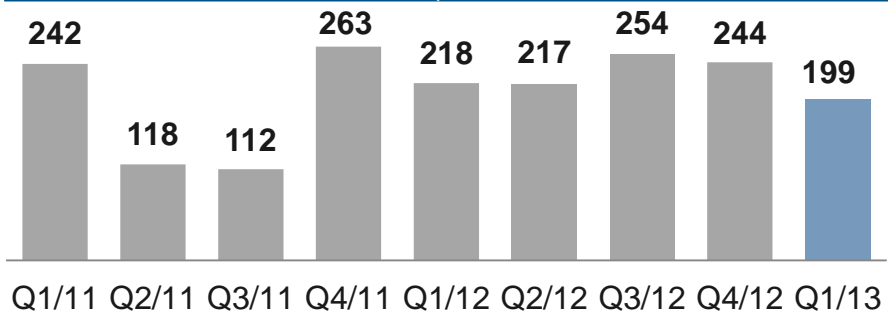


Comments

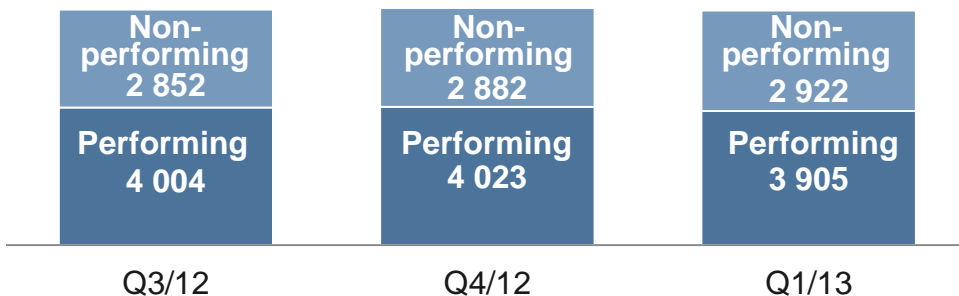
- Expenses under solid control
- Number of FTE's down 4% y-o-y
- Flat costs for 10 quarters
 - Costs set to remain flat for an additional 7 quarters

Robust credit quality

Total net loan losses, EURm



Impaired loans, EURm



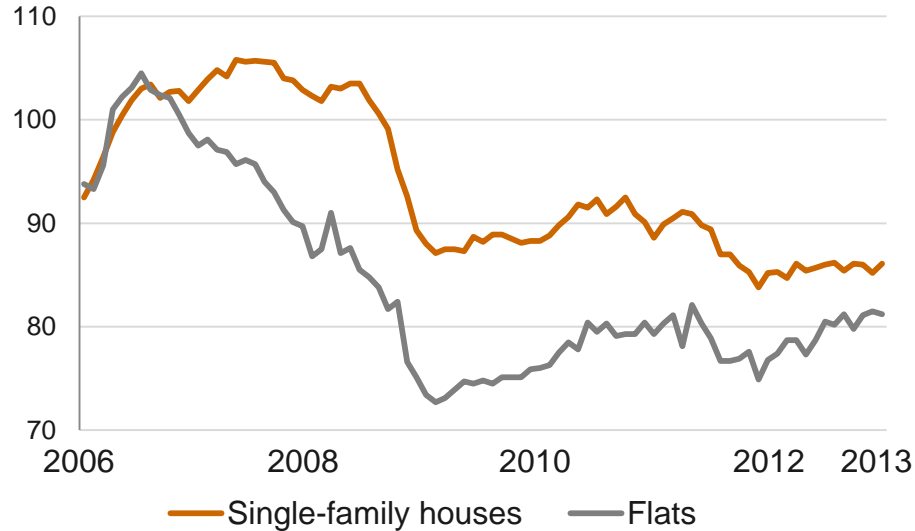
Comments

- Underlying credit quality remains robust
- Stabilisation of impaired loans
- Losses in Denmark and shipping down:
 - Loan loss ratio in Banking Denmark down from 55 to 47 bps*
 - Loan loss ratio in shipping decreased from 185 to 123 bps

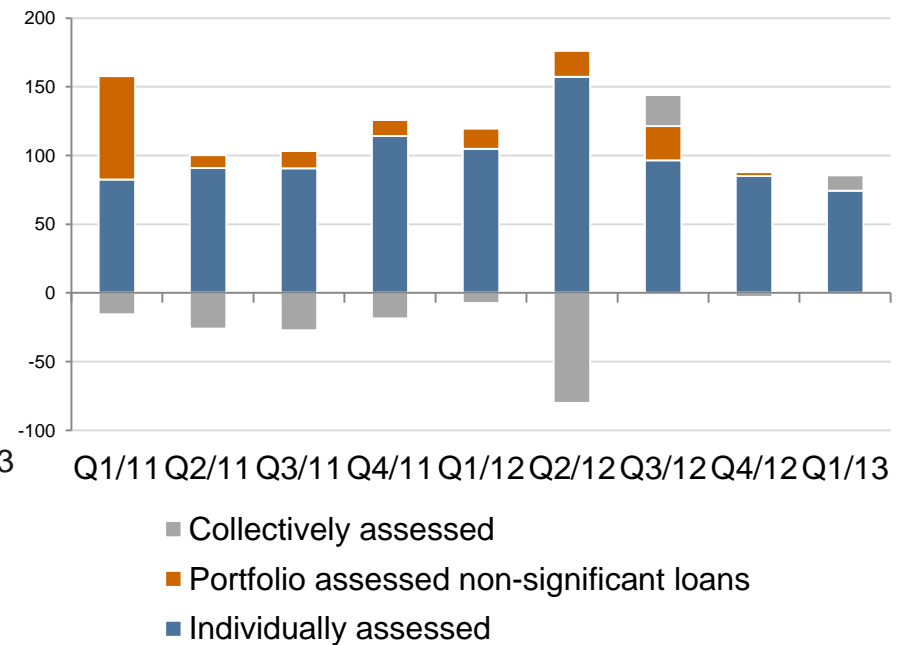
*Excluding provisions to the Danish Deposit Guarantee Fund

Denmark is stabilising

House price index¹



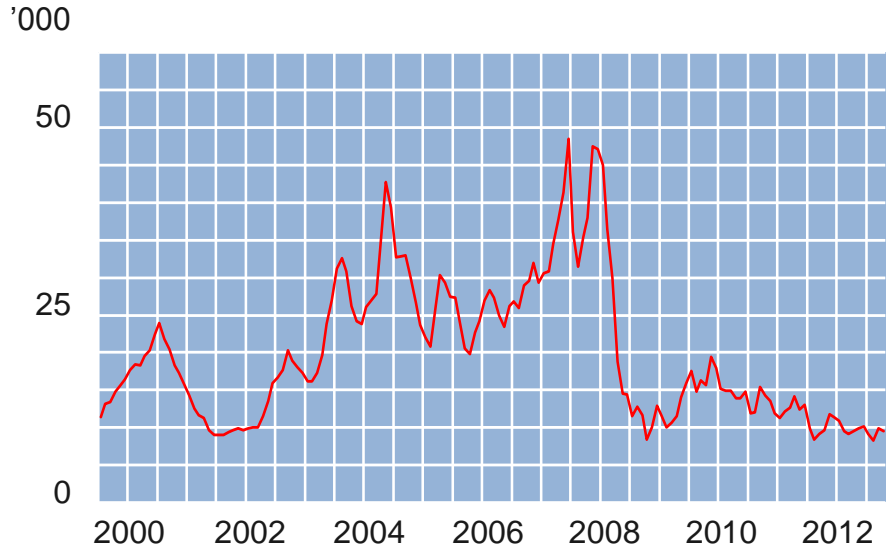
Loan losses net, Retail Banking Denmark



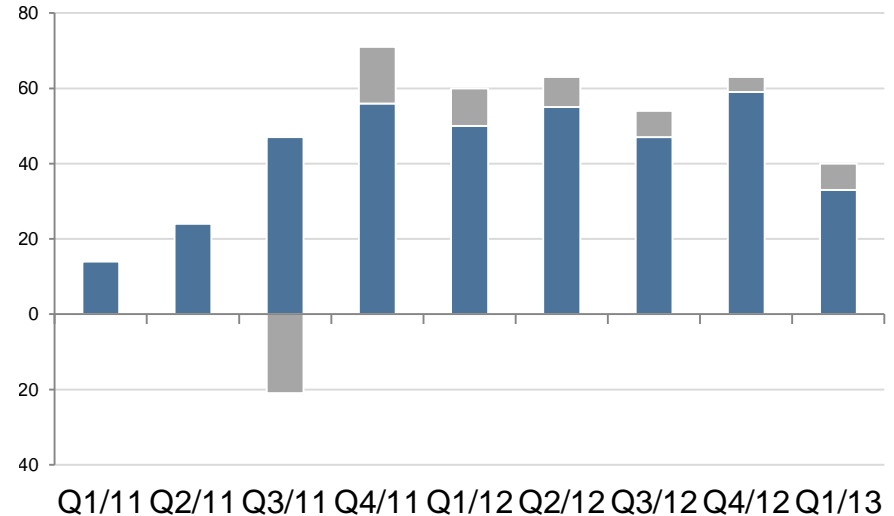
¹ Source: Danmarks Statistik

Shipping credit quality is stabilising

Shipping freight rates



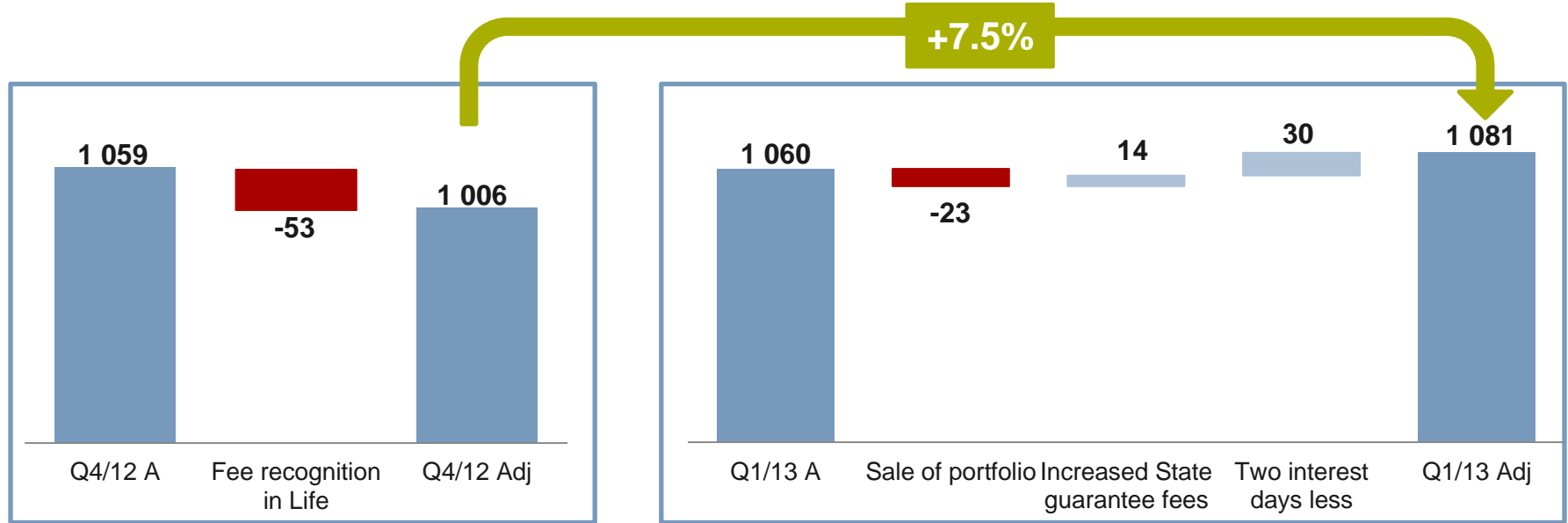
Loan losses net, shipping



- Collectively assessed
- Individually assessed

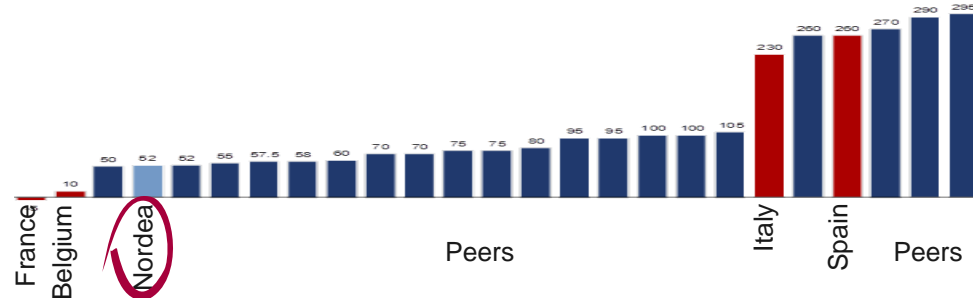
Strong underlying performance in Q1

Adjusted operating profit, EURm

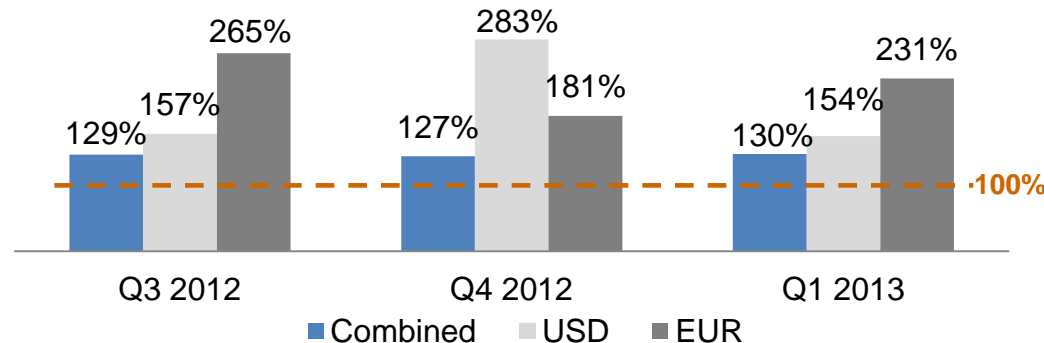


Strong access to funding

Long term senior unsecured funding*



LCR developments



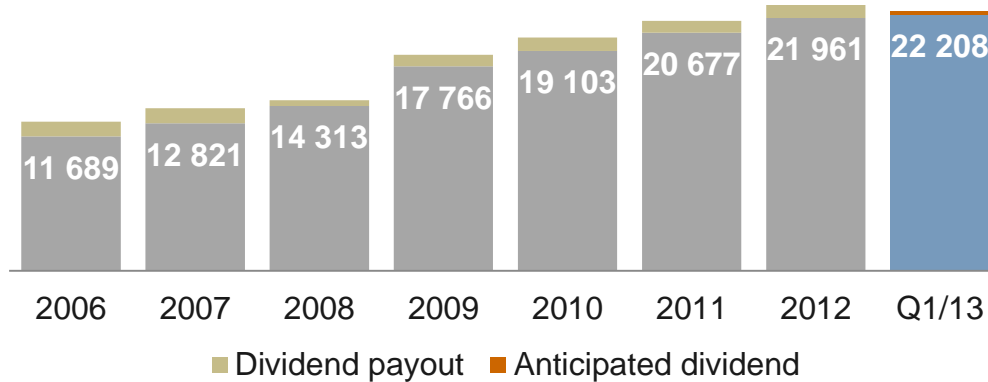
Comments

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

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

Capital generation

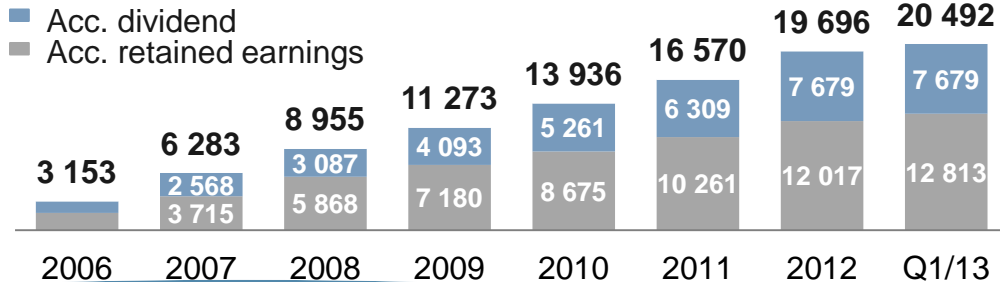
Core Tier 1 capital , EURm



Comments

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

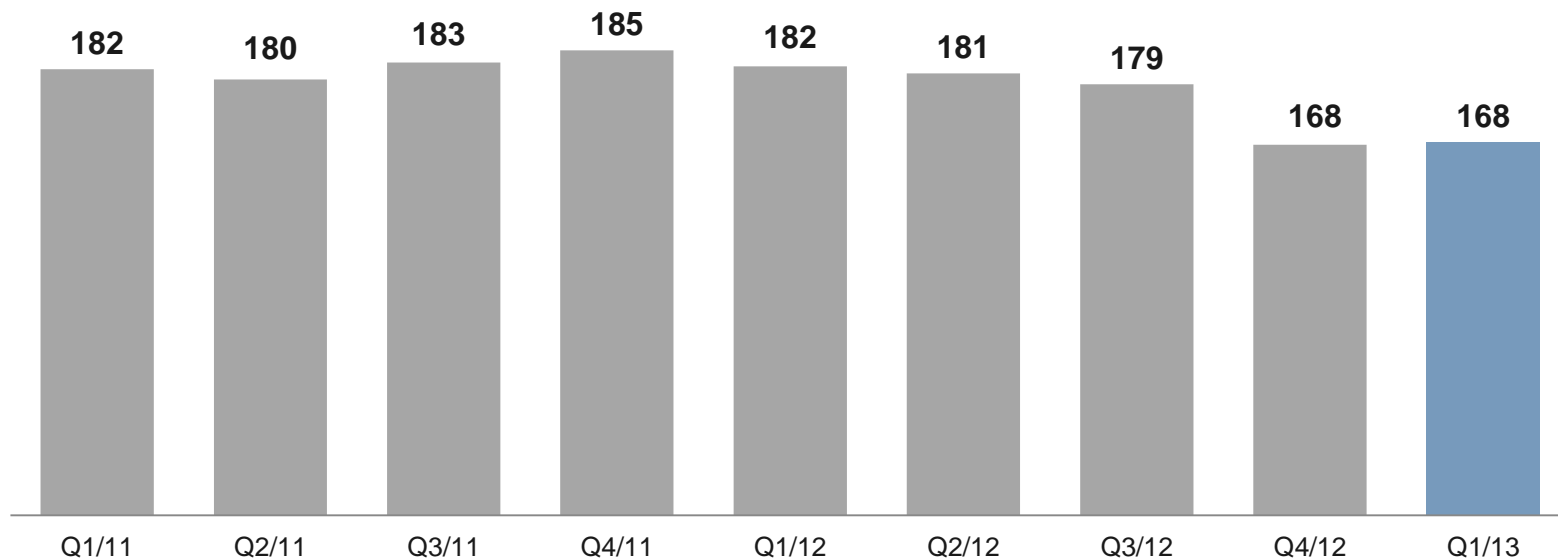
Capital generation*, EURm



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

Risk weighted assets

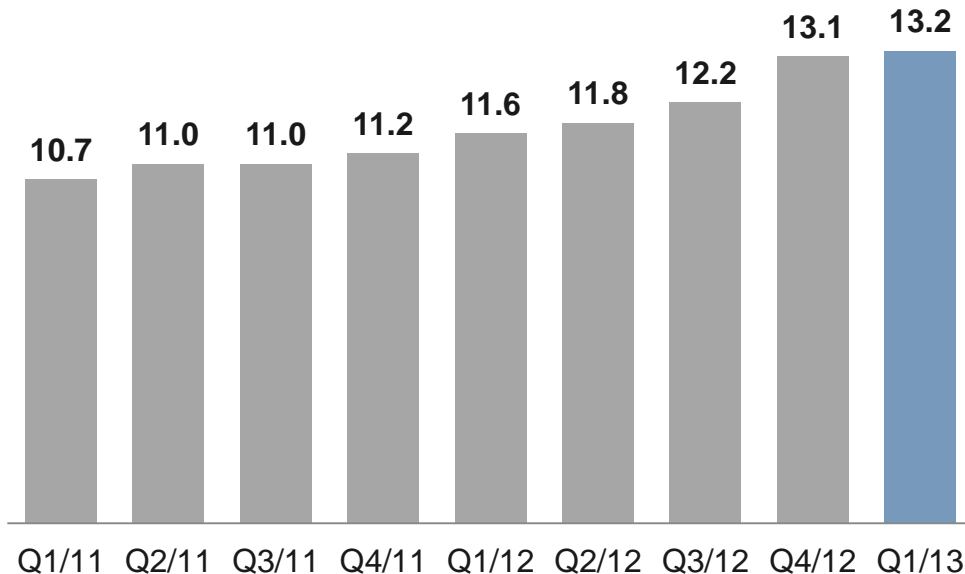
Risk-weighted assets , EURbn*



¹ Basel 2.5 excluding transition rules

Core Tier 1 ratio

Core Tier 1 capital ratio, %*



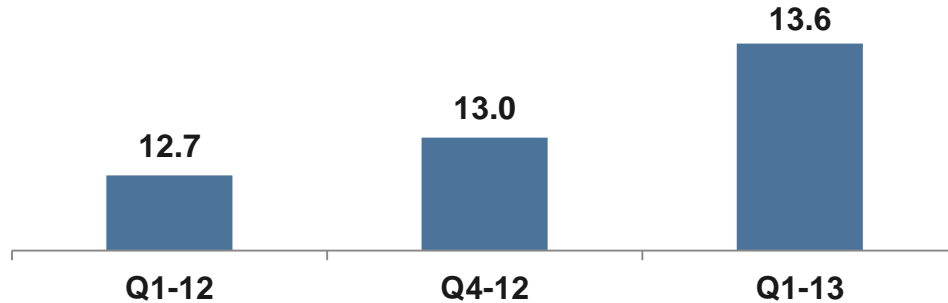
Comments

- Improved ratio 10 bps since Q4/12 and 160 bps since Q1/12
- Capital policy: Core Tier 1 ratio of >13%

* Excluding hybrids. Basel II excluding transition rules

Retail Banking: Development and deliveries on the plan

RaRoCar, %



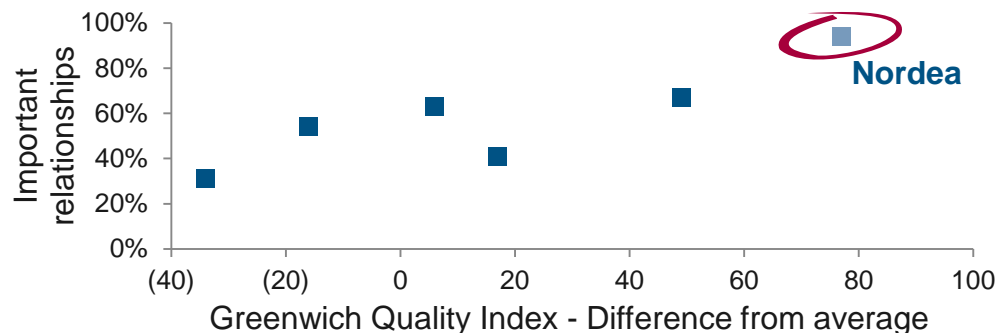
Key results, EURm	Q1/13	Q4/12	Chg	Q1/12	Chg
Total income	1,409	1,441	-2%	1,390	1%
Total expenses	-778	-814	-4%	-767	1%
Net loan losses	-129	-140	-8%	-156	-17%
Operating profit	502	487	3%	467	7%
RWA	88,735	89,767	-1%	94,358	-6%

Execution on financial plan

- Cross-selling activities
 - Particularly positive results in the savings area
- 20,000 new Gold and Premium customers welcomed
- Cost efficiency initiatives ahead of plans
 - Mainly related to distribution and cash handling
- Awarded “Best bank 2013 in the Nordic region”

Wholesale Banking: Development and deliveries on the plan

Relationship quality



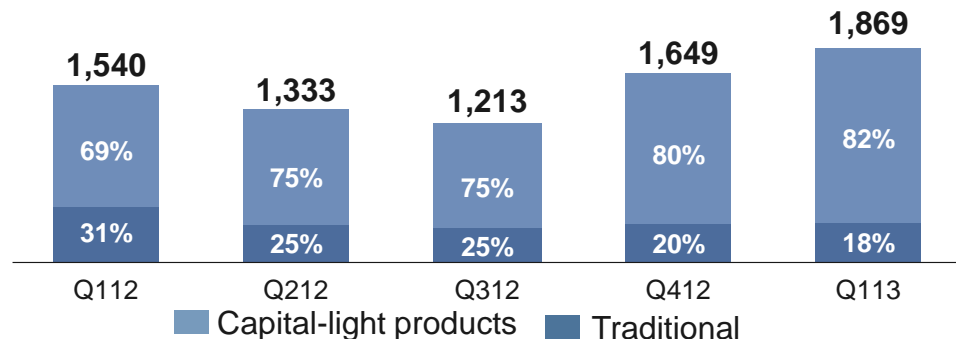
Comments and execution on plan

- Continued challenging economic outlook and strict business selection
- Higher margins did not fully offset lower lending volumes
- Reduced RWA, fewer FTEs and continued low cost/income ratio
- Business selection to drive increased returns and income growth

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%

Wealth Management: Development and deliveries on the plan

Gross Written Premium, EURm



Comments and execution on plan

- AuM growth of 13% in Q1/13 YoY
- 82% of Gross Written Premium in capital-light products
- Cost savings in Life & Pensions (3% of cost base)
- Product range optimisation: 6 funds were consolidated and 3 funds closed during the quarter

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	-	-1	-
Operating profit	175	234	-25%	153	14%
RWA	3,161	2,902	9%	3,602	-12%



- 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

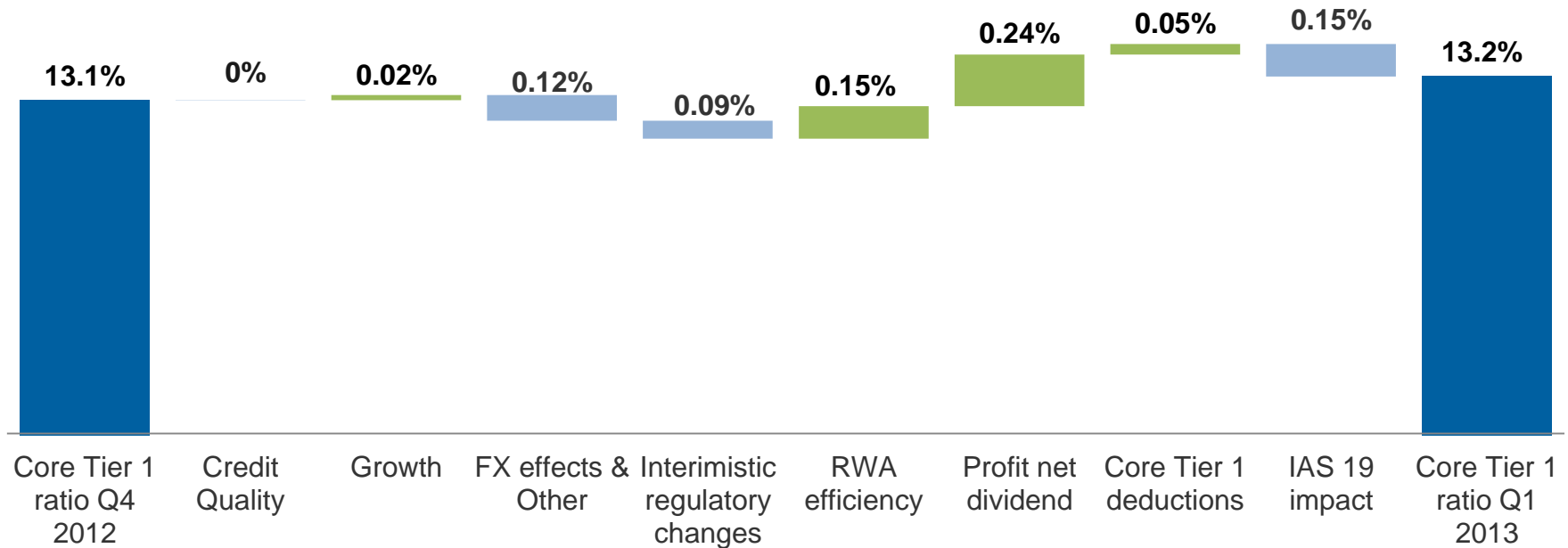
Flat costs 2013-14
Initiatives for cost savings of
~EUR450m

Low risk profile and low volatility

Core Tier 1 ratio +10 bps in Q1



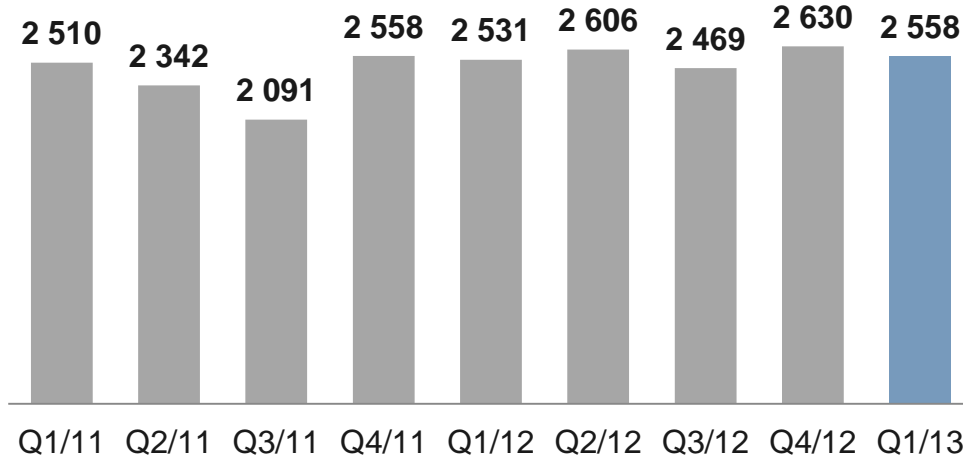
Core Tier 1 ratio development, %



Income holding up – challenging environment mitigated



Total income, EURm



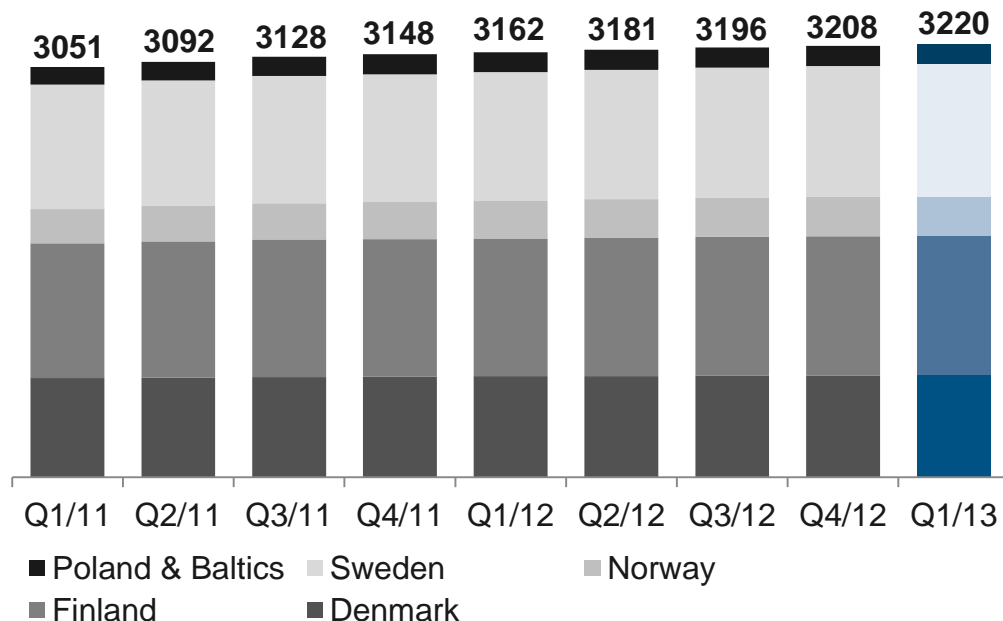
Comments

- New customers: over 20,000 new relationship customers
- Ancillary income
 - Elevation of 8,000 customers to Gold and Premium (RB)
 - Non-interest income up 5% (RB)
 - Customer reviews to support business selection (WB)
 - Good development in sales of risk products (WB)
 - Strong sales of market return products (WM)
- Continued adaptation of margins to regulatory cost

Continued inflow of new customers



Relationship customers, household, '000s



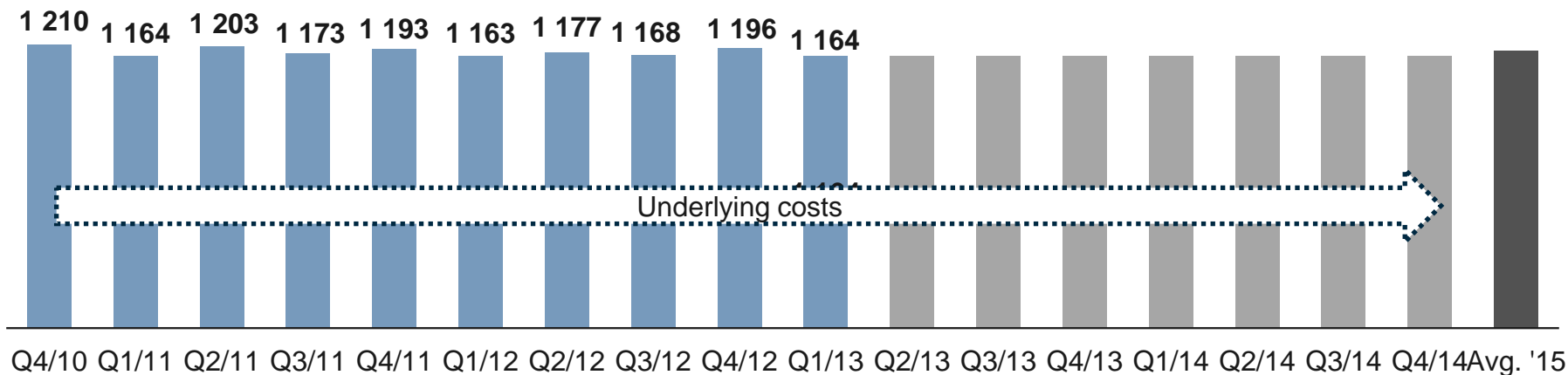
Comments

- Over 20,000 new relationship customers from outside Nordea
- Net increase of 58,000 in one year
- Increase in each quarter in each Nordic country over the last years
- 408,000 household meetings and 87,000 corporate meetings in quarter
- 4,041,000 active netbank users
- 949,000 active mobile bank users

Costs in check – ten quarters of flat costs



Total expenses (excl. FX & variable pay*), EURm



*Variable pay including profit sharing is excluded. FX unchanged from Q4/10.

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

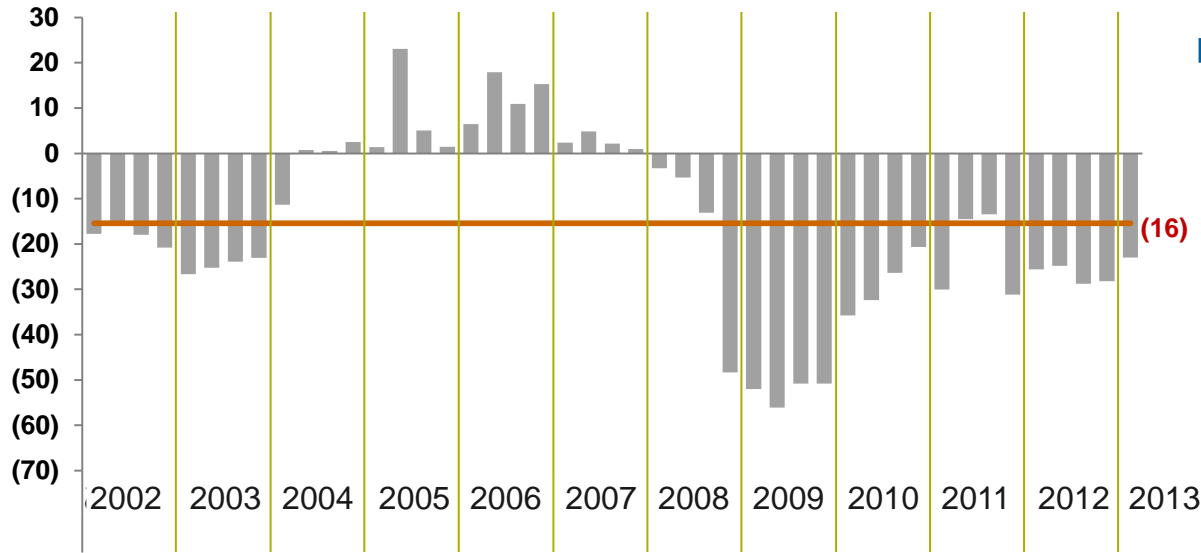


Gross savings	Streamline physical distribution	<ul style="list-style-type: none">• Optimisation of distribution mix, reduced cash-handling
	Reengineer processes	<ul style="list-style-type: none">• Automating transaction and reporting processes• Transfer of processes to NOC (Nordea's near-shoring centre in Poland)• Life & Pension cost efficiency• Finance Value Program - global and standardised reporting
	Enhance digitisation	<ul style="list-style-type: none">• Digitisation of statements etc.
	Streamline IT	<ul style="list-style-type: none">• IT Service Entity (centralised IT contract management)
	Optimise external spend	<ul style="list-style-type: none">• Active cost management, changed mindset

Appr. EUR 40m

Loan losses development in Q1 – decreasing in line with plan

Actual loan losses, bps



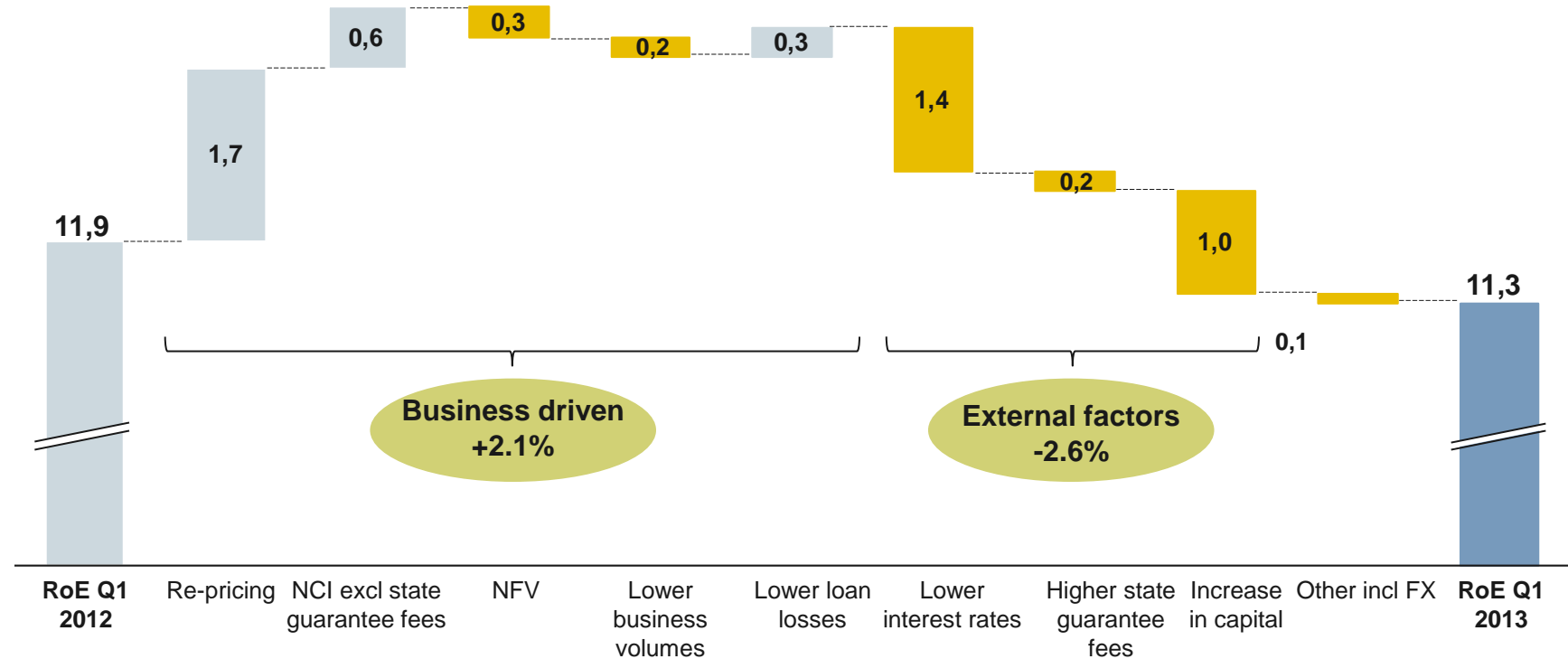
Comments

- Credit quality remains robust
- Loan losses still concentrated to Denmark and Shipping

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



Return on Equity, %, Q1 2012 – Q1 2013



Progress in summary



Progress on Nordea financial plan 2013-2015

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 by income generating activities
- Increased share-of-wallet, re-pricing and ancillary income contributing

Costs

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

Loan losses

- Decreasing in line with plan, credit quality continues to be robust
- 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



Thank you!

First quarter results 2013

Making it possible