Nordea

Third Quarter Results 2013

International telephone conference

Christian Clausen, Group CEO

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

- Delivering on income, costs and capital
  - Income in local currencies is up 3% vs. Q3 2012 (up 1% in reported numbers)
  - Costs are down somewhat (down 3%)
  - Loan losses are down 26% (down 28%)
  - Operating profit is up 15% (up 12%)
  - Improved Core Tier 1 ratio by 2.2 %-points to 14.4%
    - 13.4% including effects from CRD IV and new Norwegian risk weights
- Activity is picking up but we expect a low growth environment going forward
  - Strict volume discipline - focus on serving key customers
  - Cost initiatives delivering better than expected

- **Q3 2013 financial results highlights**
- **Delivering on our targets**

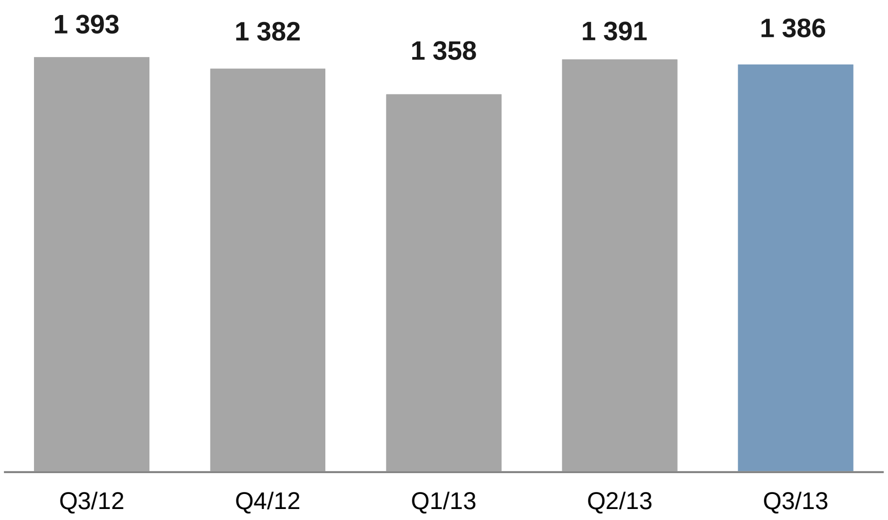
Financial results Q3/13

EURm	Q3/13	Q2/13	Change %	Q3/12	Change %	Excluding FX Change %	2013 YTD	2012 YTD	Excluding FX Change %
Net interest income	1 386	1 391	0	1 393	(1)	3	4 135	4 181	0
Net fee and commission income	652	664	(2)	595	10	12	1 939	1 786	9
Net fair value result	346	416	(17)	377	(8)	(9)	1 206	1 332	(10)
Total income*	**2 426**	**2 490**	(3)	**2 412**	1	3	**7 422**	**7 428**	0
Staff costs	(732)	(753)	(3)	(738)	(1)	1	(2 239)	(2 240)	0
Total expenses	**(1 234)**	**(1 256)**	(2)	**(1 266)**	(3)	0	**(3 757)**	**(3 769)**	0
Cost Income Ratio	*51%*	*50%*		*52%*			*51%*	*51%*	
Profit before loan losses	1 192	1 234	(3)	1 146	4	6	3 665	3 659	1
Net loan losses	**(171)**	**(186)**	(8)	**(236)**	(28)	(26)	**(555)**	**(654)**	(15)
Operating profit	1 021	1 048	(3)	910	12	15	3 110	3 005	4
Net profit from continuing operations	**764**	**800**	(5)	**684**	12	14	**2 347**	**2 250**	5
Risk-adjusted profit	823	853	(4)	768	7	n.a.	2 530	2 446	n.a.
Return on equity (%)	**10.8**	**11.5**	n.a.	**10.3**	n.a.	n.a.	**11.2**	**11.4**	n.a.
Core Tier 1 capital ratio (%)	14.4	14.0	+0.4 p.p	12.2	+2.2 p.p	n.a.	14.4	12.2	n.a.
Risk-weighted assets (EURbn)	160	162	-1	179	-11	n.a.	160	179	n.a.

*Includes Other income

Net interest income

Net interest income development, EURm

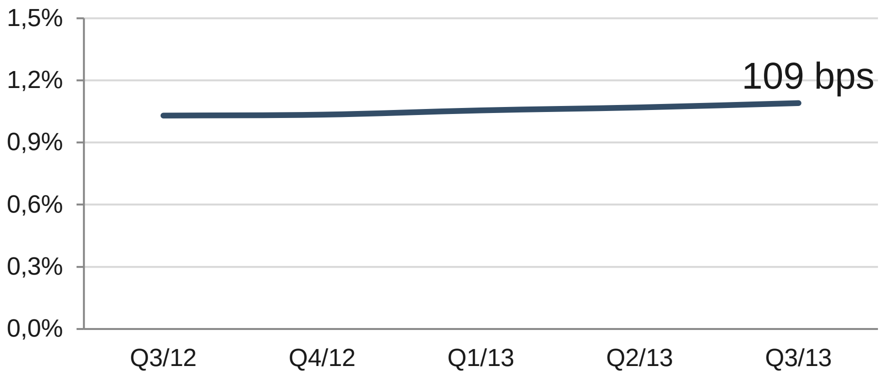


Comments

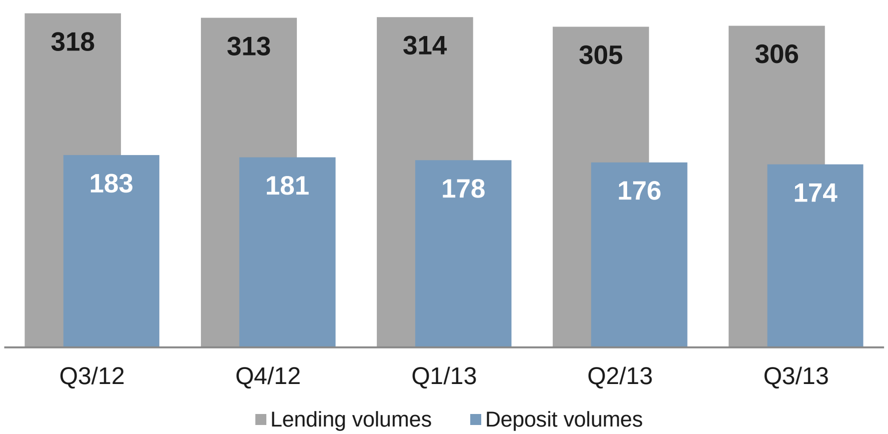
- Strict volume discipline
- Blended margin up 2 bps vs. Q2/13
- Increased NII in business areas
- Lower net interest income in Group Treasury due to effect of buy backs in Q2
- Negative impact from FX, EUR 27m

Net Interest Margin

Blended net interest margin development, %



Lending and deposit volumes, EURbn*



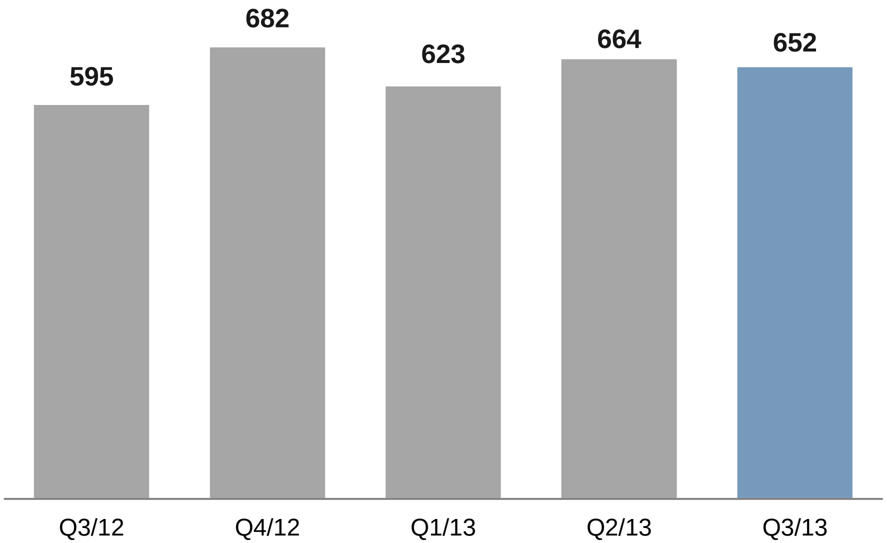
Comments

- Blended net interest margin up 2 bps in Q3/13
- Slightly lower deposit margins
- Improved lending margins in most areas
    - Lower levels in Retail Banking Sweden
- Low lending demand but volumes to SME's up 1% in the quarter
- Household lending volumes up 1% in the quarter

* All quarters excluding Repos and divested Polish operations

Net fee and commission income

Net fee and commission income development, EURm

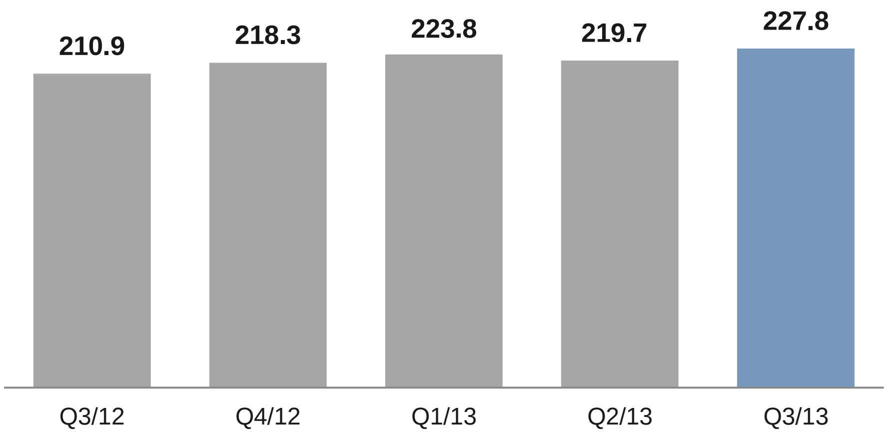


Comments

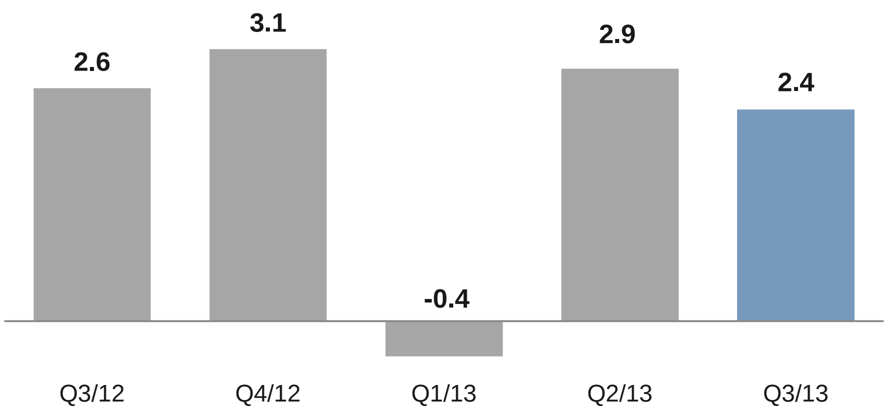
- Continued good trend in savings operations
  - Increase by 18% y-o-y
  - Assets under Management at record high
- Seasonally lower transaction fees
  - Brokerage, securities issues and custody
- Cross selling continues to benefit ancillary income

Assets under Management

Assets under Management development*, EURbn



Net inflow*, EURbn



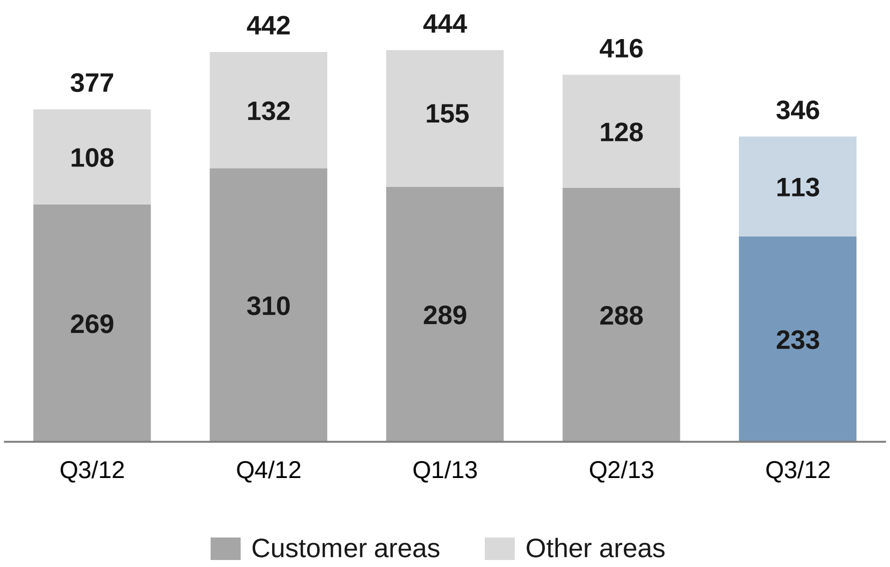
Comments

- All time high level of EUR 228bn
- High net inflow of EUR 2.4bn
- Good momentum in the financial markets
    - Return generates EUR 5.7bn vs. Q2/13

*AuM and Net flow for Q2/13 and Q3/13 regard continuing operations. Older quarters are not restated

Net Fair Value

Net fair value development, EURm

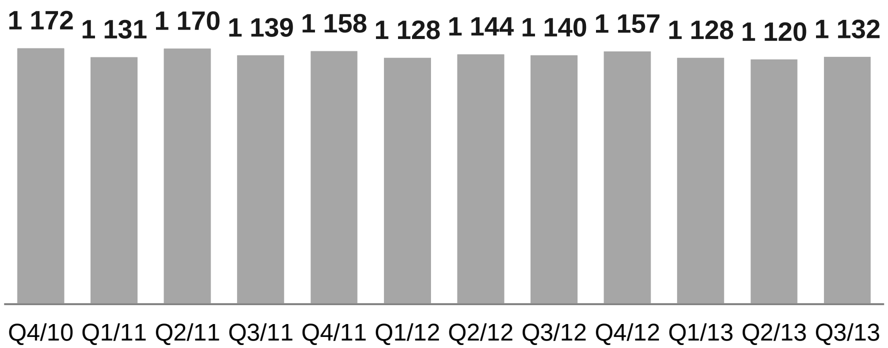


Comments

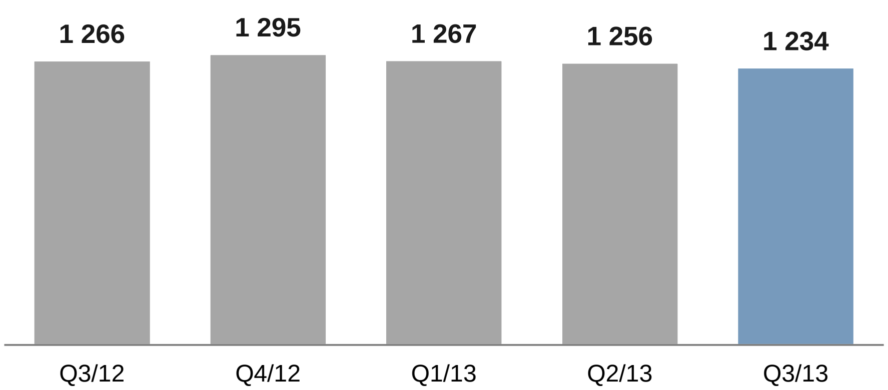
- Low volatility generated low activity levels
- Very slow activity in July and August – more normal levels in September

Flat costs for twelve consecutive quarters

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



Total expenses, EURm



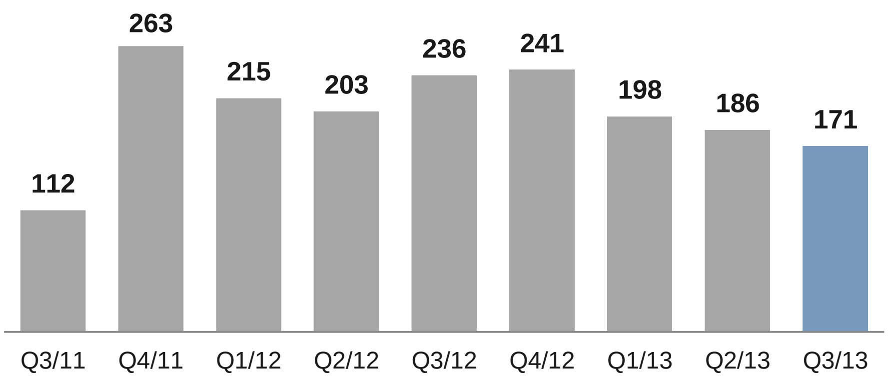
Comments

- Expenses under solid control
- Flat costs for twelve quarters
  - Flat costs for an additional five quarters
- Cost initiatives are delivering better than expected

* All quarters excluding divested Polish operations

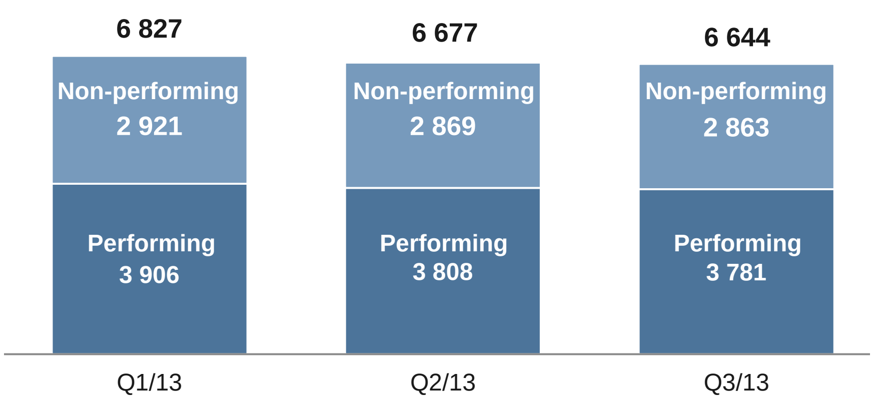
Improved credit quality

Total net loan losses*, EURm



*Poland reported as discontinued operations, loan losses restated from Q1/12

Impaired loans**, EURm



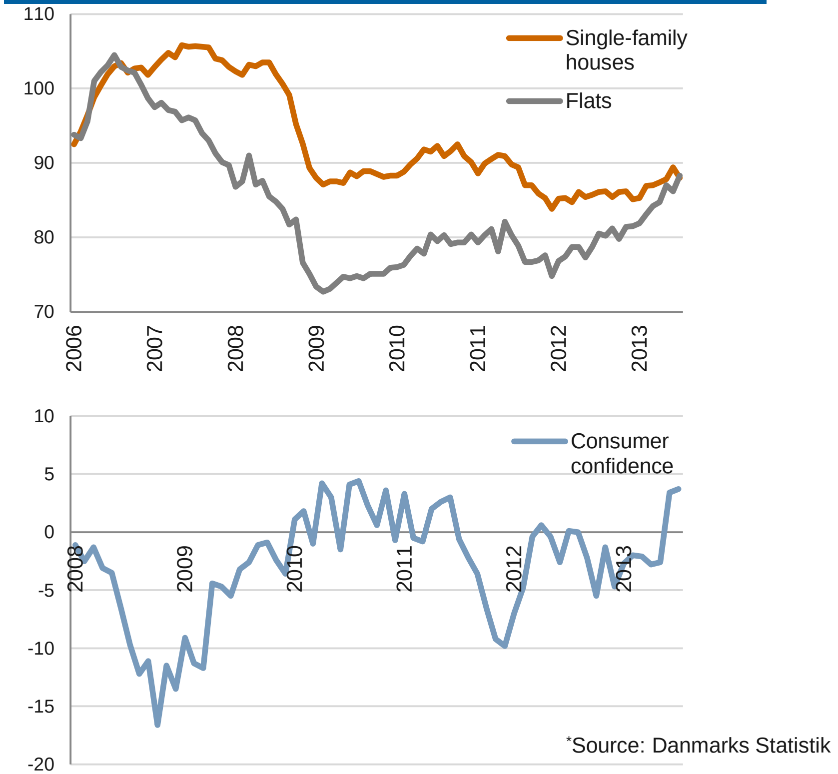
** Impaired loans not restated for Poland

Comments

- Credit quality improving to 20 bps (22 bps)
- Losses stable in Denmark and down in Shipping
- Credit quality remains solid in Finland, Norway, Sweden and the Baltics
- Solid credit quality in CIB but affected by a few exposures
- Stable level of impaired loans
- Provisioning ratio remained stable at 43%

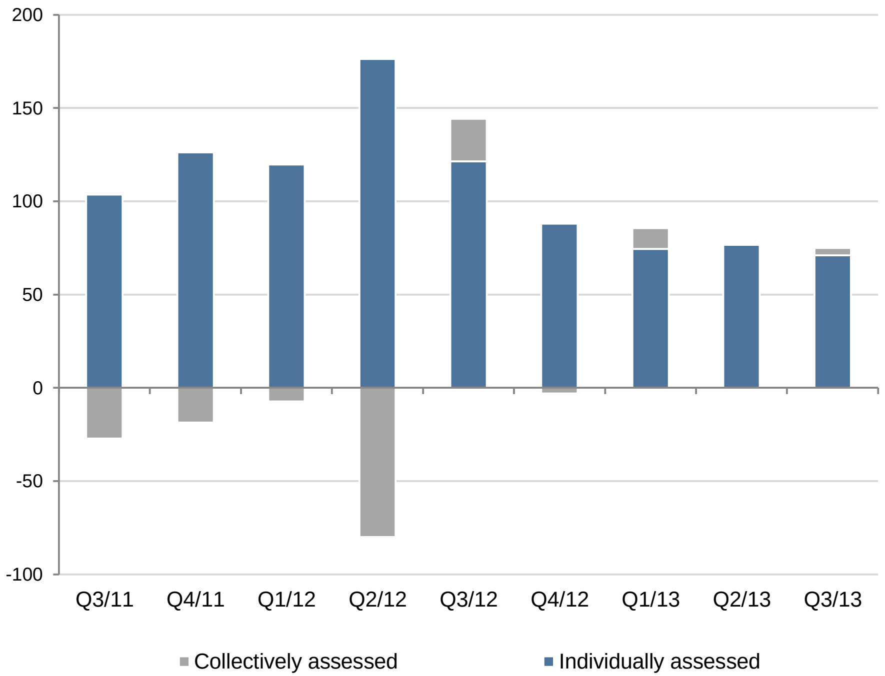
Stable situation in Denmark

House price index and Consumer confidence*



*Source: Danmarks Statistik

Loan losses net, EURm, Retail Banking Denmark



Comments

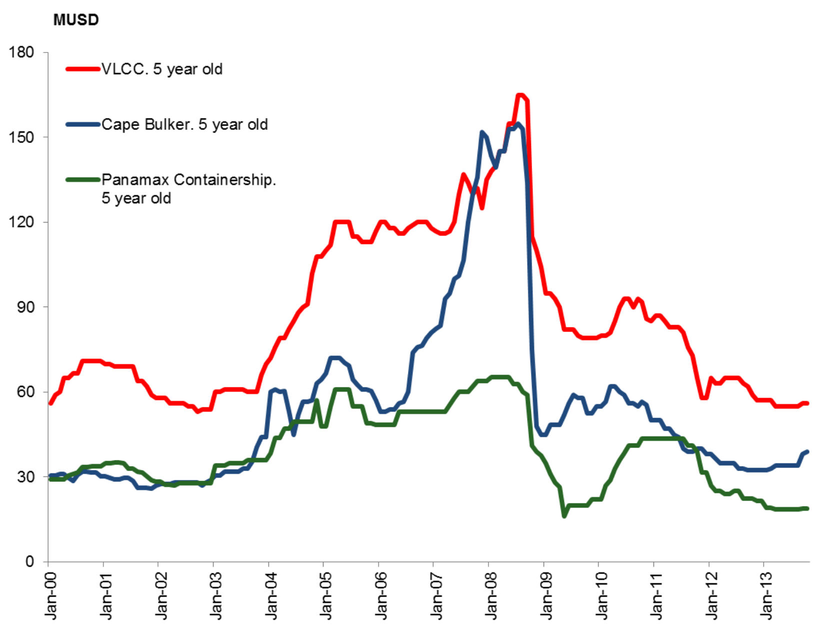
- House prices in Denmark shows improvement
- Consumer confidence improving

Comments

- Loan loss ratio in Banking Denmark remained stable, whilst elevated at 45 bps

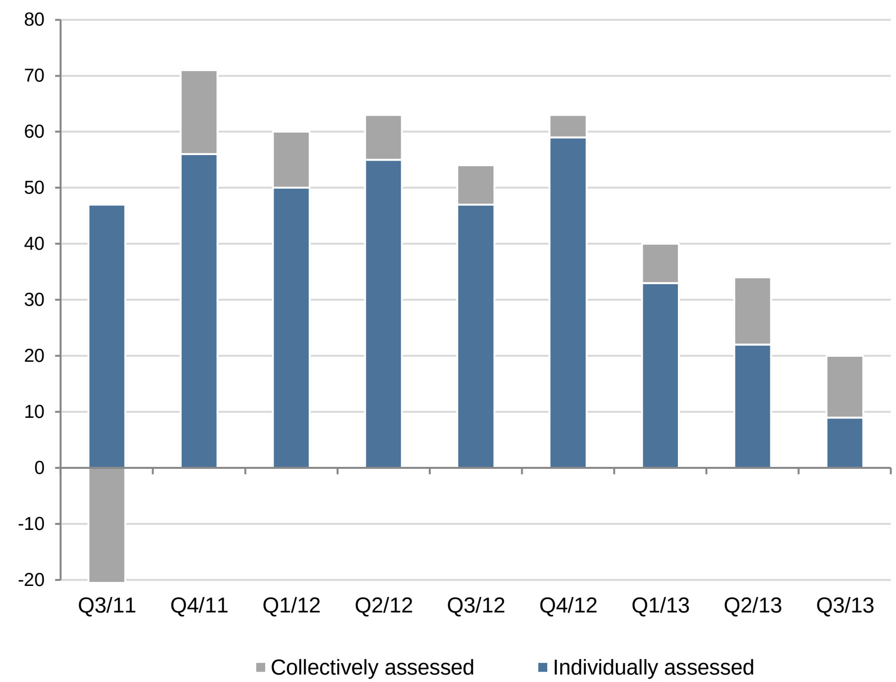
Improved market conditions in Shipping

Ship values*



*Source: Clarkson

Loan losses net, EURm, Shipping



Comments

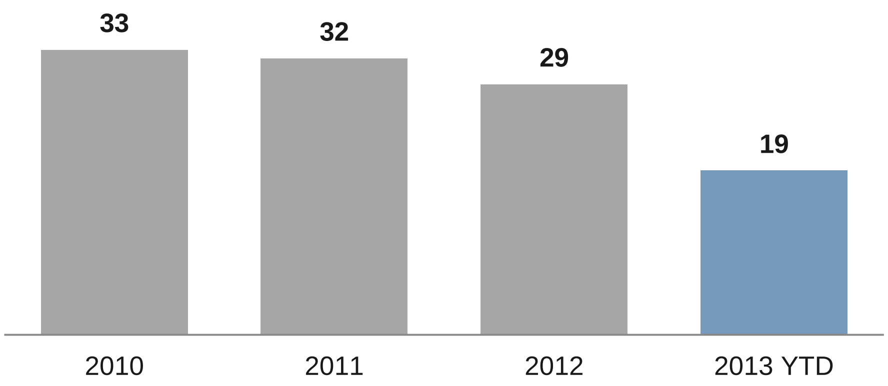
- Ship values seem to be bottoming out
- Higher investment appetite for shipping assets

Comments

- Provisions in shipping were down for the third consecutive quarter
- Collective provisions have increased in recent years

Strong access to funding

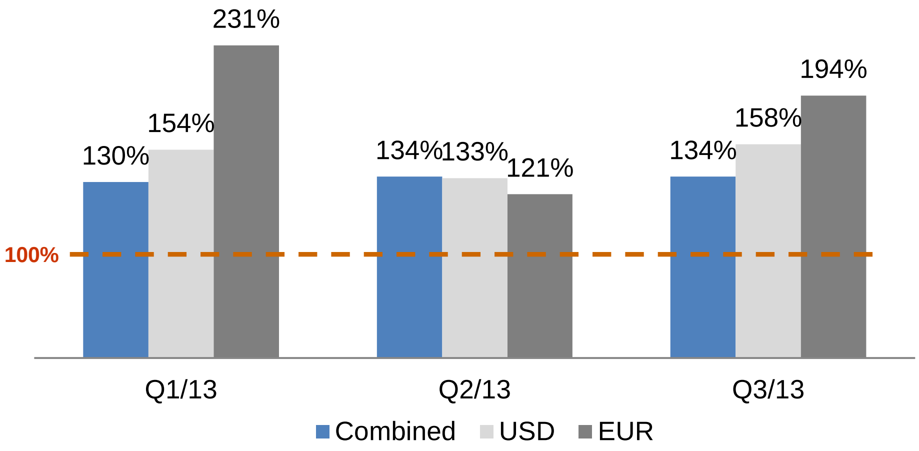
Long term funding, EURbn



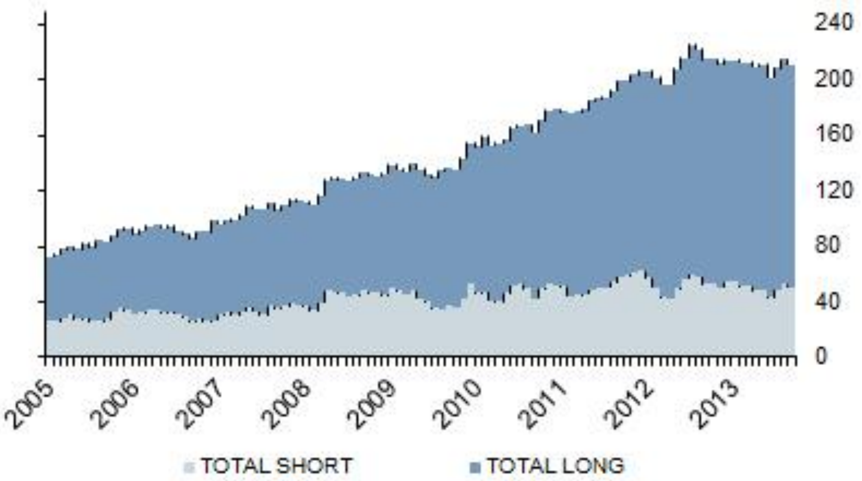
Comments

- 73% long-term funded
- Issuance of EUR 19bn which is more than the redemptions for 2013
- Conservative liquidity management
  - LCR compliant
  - Liquidity buffer EUR 66bn
- One of the lowest funding costs of any bank in Europe
- Funding cost is expected to decline somewhat from 2014

LCR developments

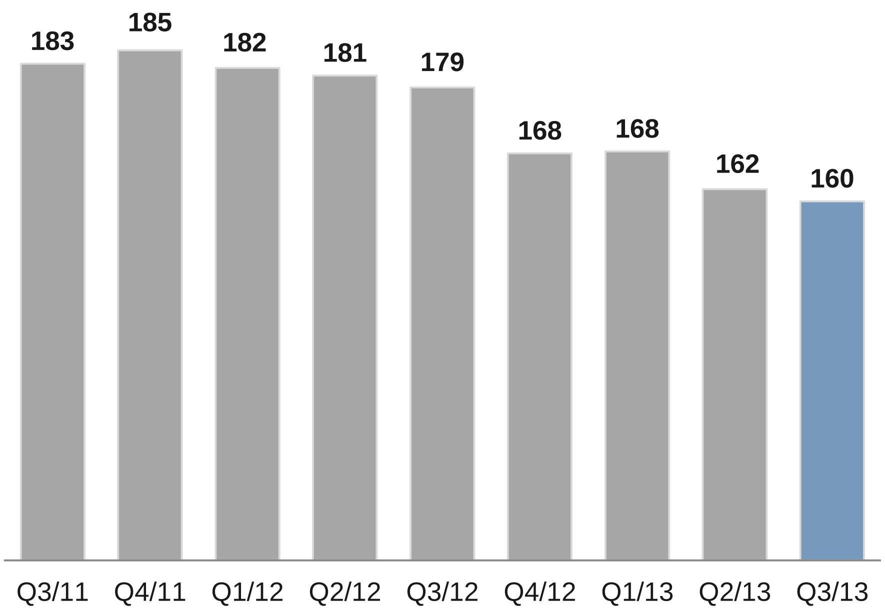


Distribution of long vs. short funding, EURbn



Risk weighted assets

Risk-weighted assets , EURbn*



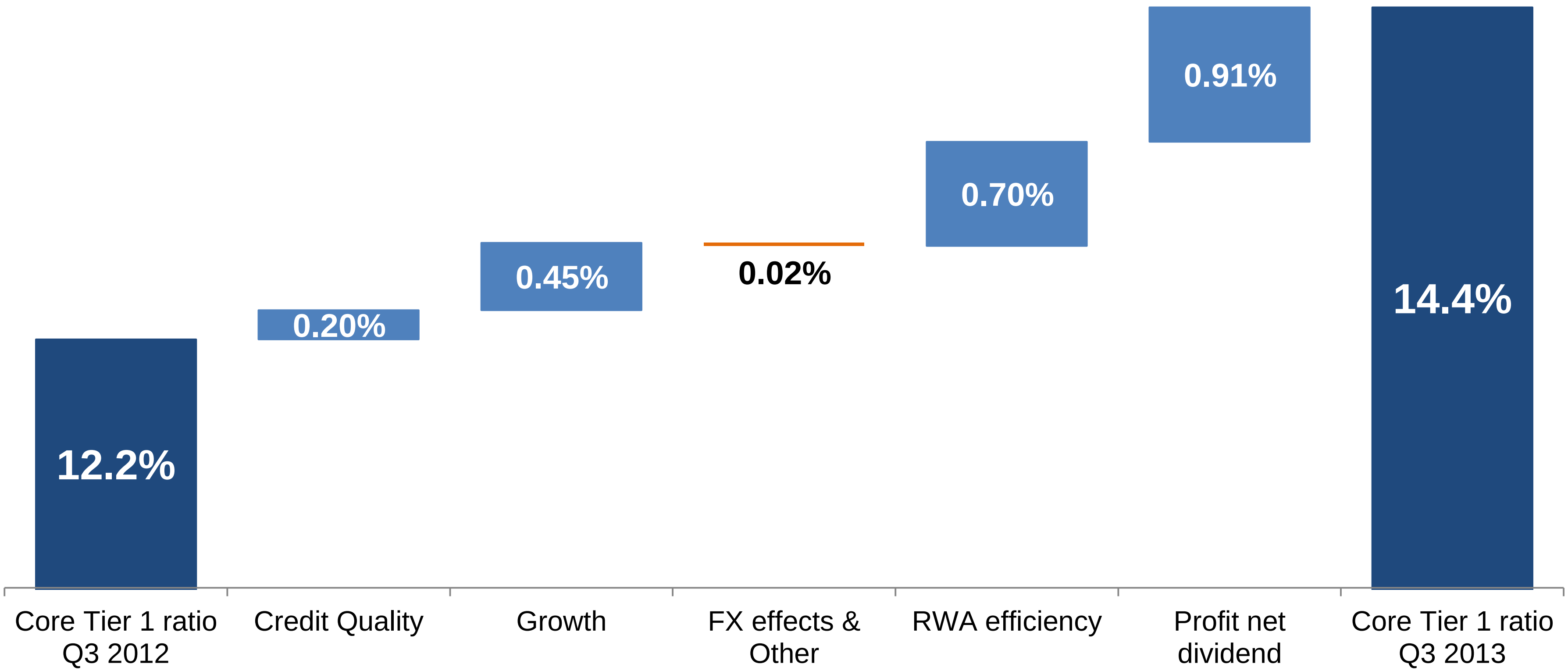
Comments

- RWA decreased EUR 2.0bn
  - RWA efficiency initiatives
  - FX effect of EUR 0.6bn
  - Decreased derivative exposures
- Strict volume discipline
- Largely unchanged credit quality

* Basel 2.5 excluding transition rules

Core Tier 1 ratio + 220bps due to profit generation and strict volume discipline

Core Tier 1 ratio development, %



Business areas deliver on our targets

Retail Banking

Key results, EURm	Q3/13	Q2/13	Chg %	Excl. FX Change %	Q3/12	Chg %	Excl. FX Change %
Total income	1 318	1 329	(1)	0	1 331	(1)	2
Total expenses	(724)	(747)	(3)	(2)	(755)	(4)	(2)
Net loan losses	(107)	(95)	13	13	(184)	(42)	(41)
Operating profit	487	487	0	2	392	24	29
RWA	77623	78468	(1)	n.a.	88292	(12)	n.a.

- Positive trend on lending margins
- Strong trend in savings-related income

Wholesale Banking

Key results, EURm	Q3/13	Q2/13	Chg %	Excl. FX Change %	Q3/12	Chg %	Excl. FX Change %
Total income	660	675	(2)	(1)	685	(4)	(1)
Total expenses	(207)	(226)	(8)	(7)	(223)	(7)	(2)
Net loan losses	(62)	(86)	(28)	(26)	(48)	29	37
Operating profit	391	363	8	9	414	(6)	(5)
RWA	61303	62633	(2)	n.a.	69385	(12)	n.a.

- Number one ranking in cash management in the Nordics and in the Baltics
- Leverage unique customer base to drive cross-sell and improve fee and commission income

Wealth Mgmt

Key results, EURm	Q3/13	Q2/13	Chg %	Excl. FX Change %	Q3/12	Chg %	Excl. FX Change %
Total income	373	385	(3)	(4)	316	18	17
Total expenses	(187)	(193)	(3)	(5)	(187)	0	(2)
Net loan losses	0	(4)	n.m.	n.m.	0	n.m.	n.m.
Operating profit	186	188	(1)	(1)	129	44	45
RWA	2 818	2 812	0	n.a.	3 512	(20)	n.a.

- Income up 17% and profit up 45%, while AuM is up 8%
- GWP up 23% from last year
Traditional life down 30% while market return up 36%

Nordea

- Q3 2013 financial results highlights
- **Delivering on our targets**

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

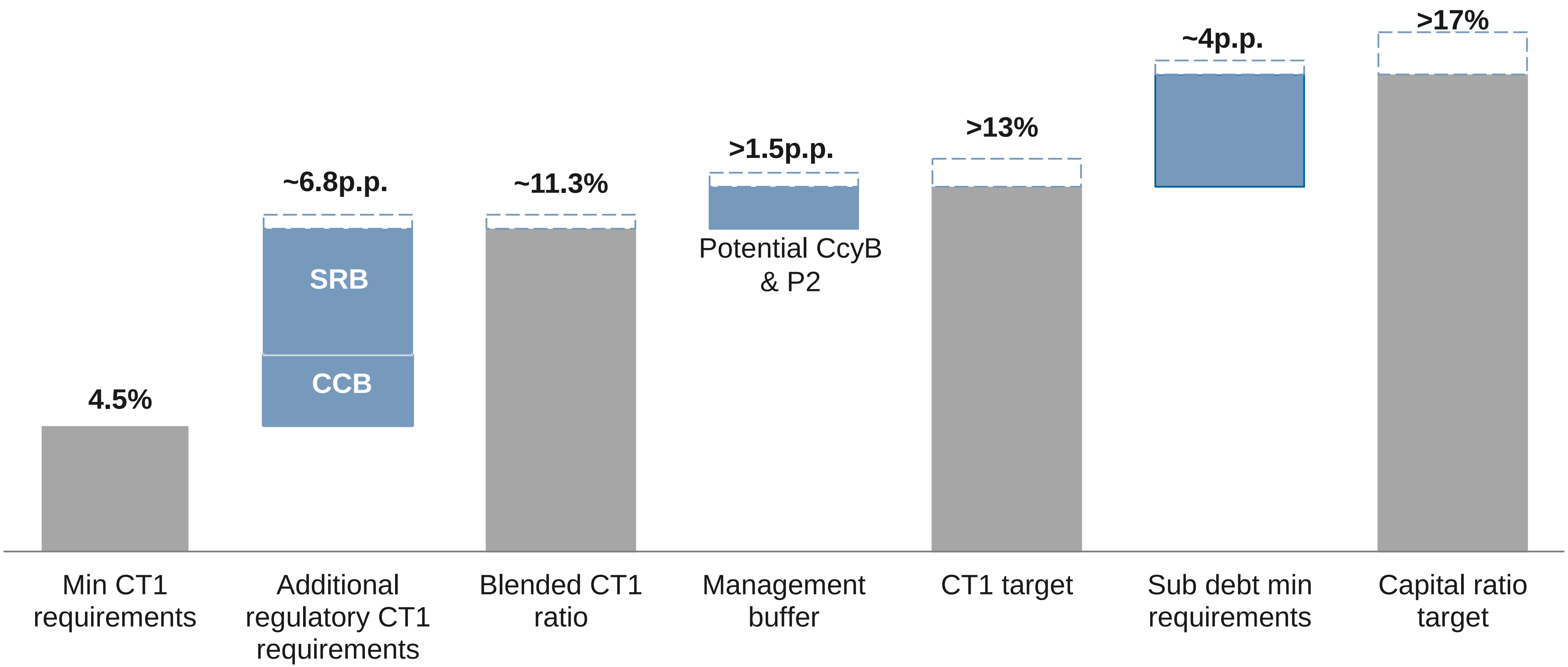
Low risk profile and low volatility

CT1 requirements/Capital policy building blocks

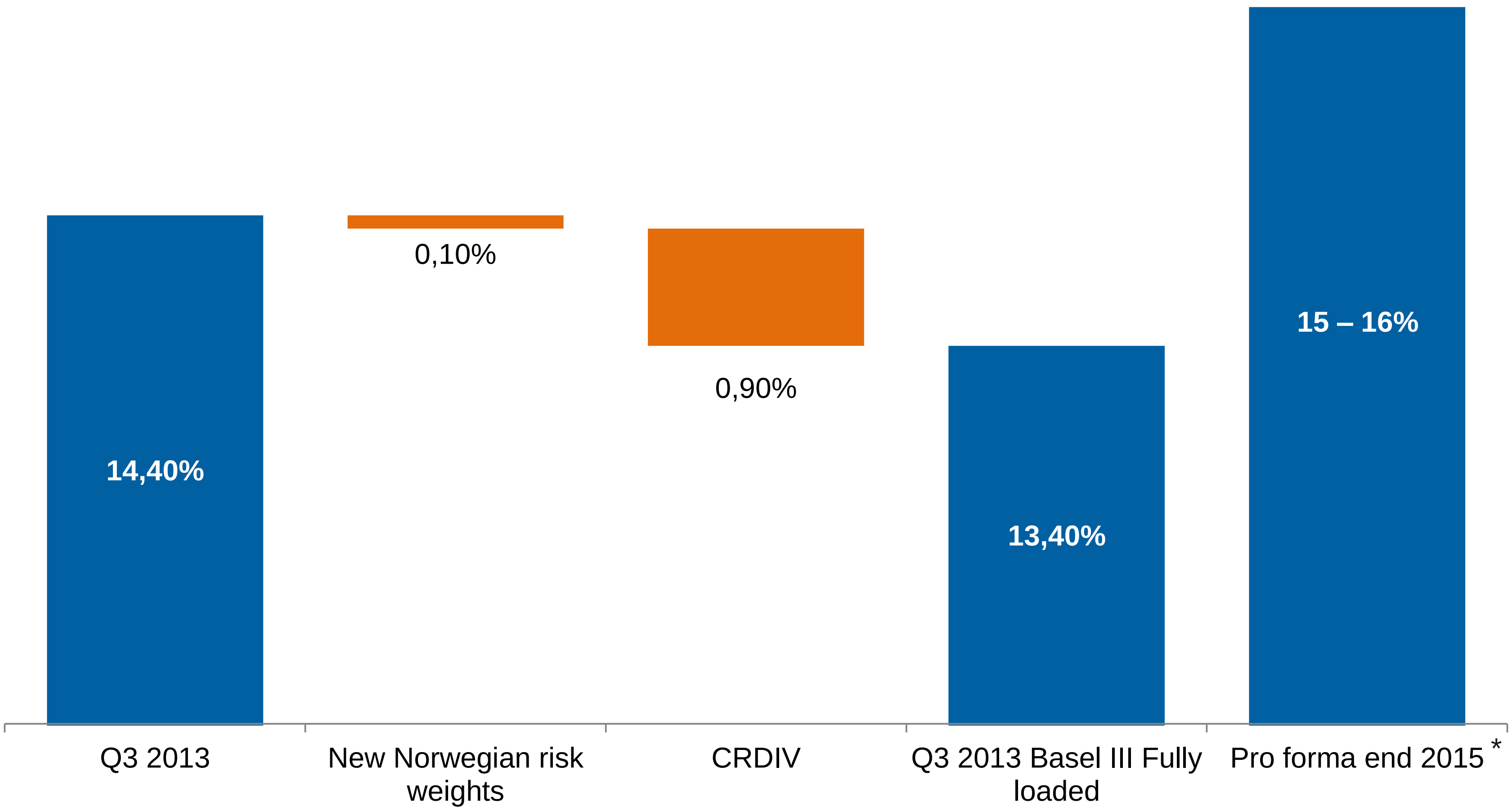
Basel III Capital Ratio Targets

Capital Ratio Targets

- The regulatory implementation of the Countercyclical buffer has increased somewhat
  - However, too early to draw any conclusions on level and timing
- The details on Pillar 2 and SRB should still be provided in national implementations



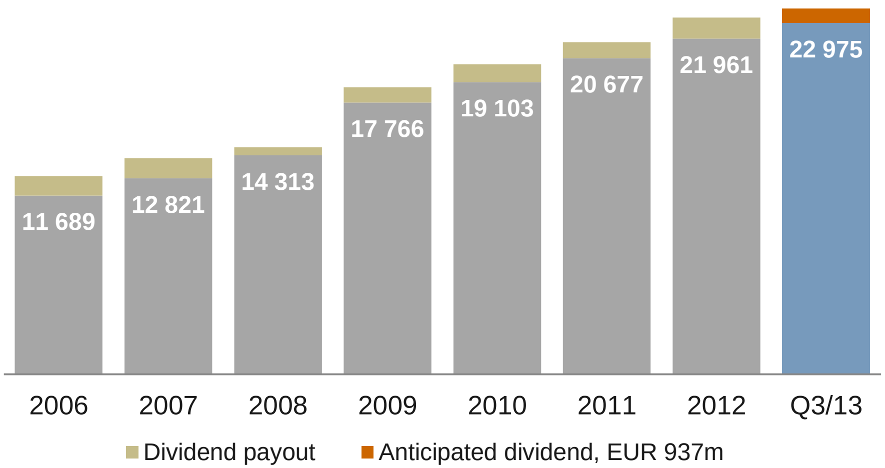
CT1 ratio 13.4% with CRD IV and new Norwegian risk weights



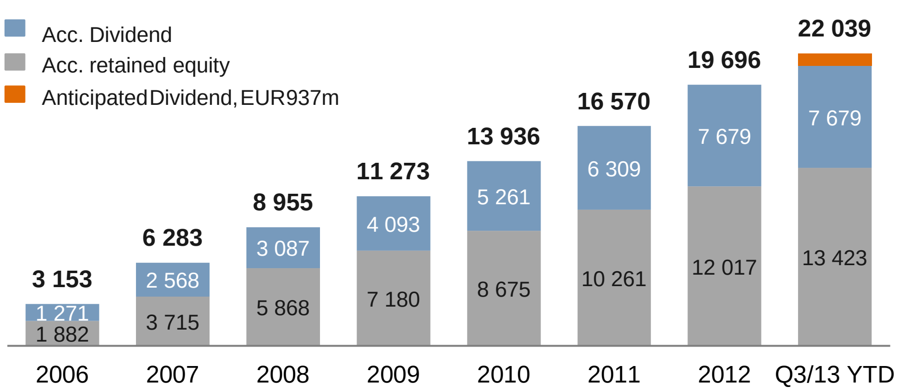
* Does not include future earnings and growth

Strong capability to generate capital

Core Tier 1 capital , EURm



Capital generation*, EURm



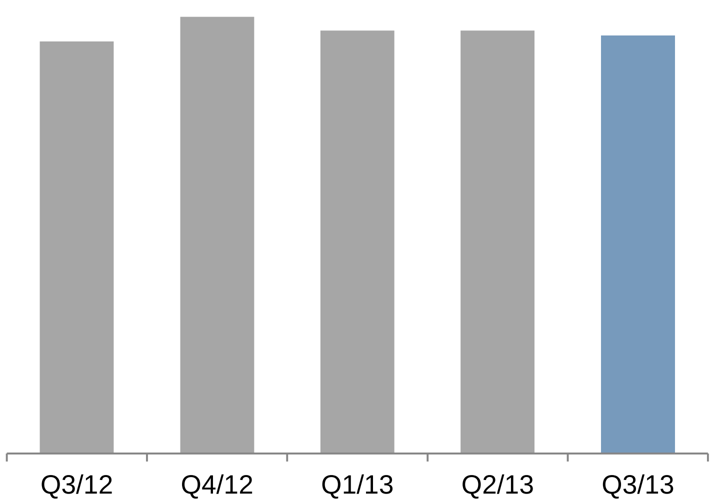
Comments

- Doubled the capital base in 7 years
- Increased core tier 1 ratio from 6.8% to 14.4%

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

Income holding up – challenging environment mitigated

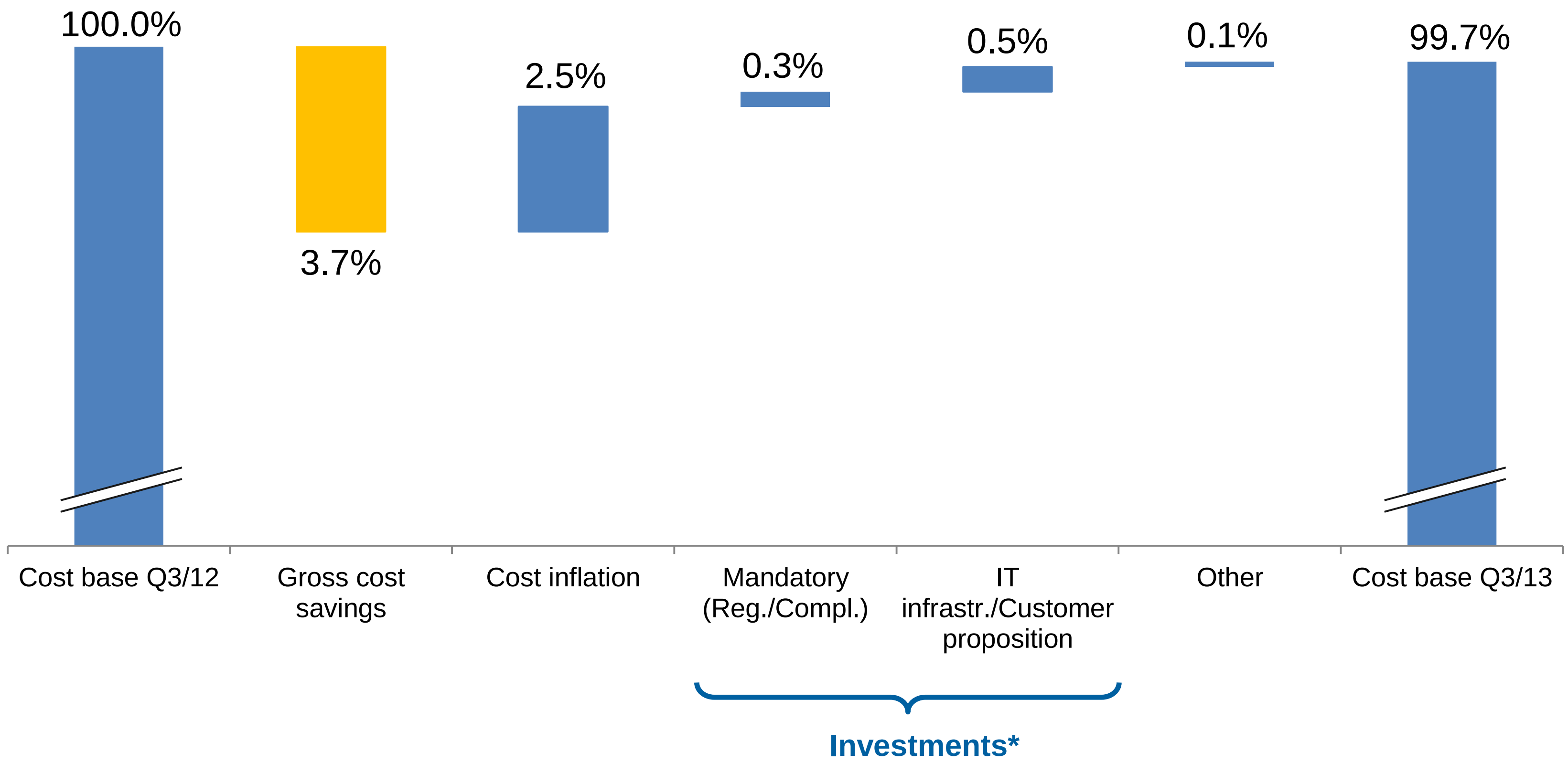
Total income (excl. FX), EURm



Comments to key income related activities in Q3

- Re-pricing
  - Total lending margins +18 bps y/y (RB)
  - CIB/SOO/NBR lending margins up approx. 25 bps y/y (WB)
- New customers
  - Continued strong inflow of household customers – over 23,000 new (externally recruited) Gold and Premium customers, total >65,000 in 9 months (RB)
  - Approx. 2% increase in Private Banking's customer base (WM)
- Ancillary income
  - Cross-selling activities on track, particular success in the savings area (RB)
  - Investment Banking organisation strengthened – increased focus on large transactions with high advisory content and event-driven business (WB)
  - Continued strong sales of capital-light products – 84% of Q3 premiums in L&P

Cost reduction allows us to invest



* Assuming 50% capitalisation rate

Cost initiatives – approx. 140m of gross savings realised YTD

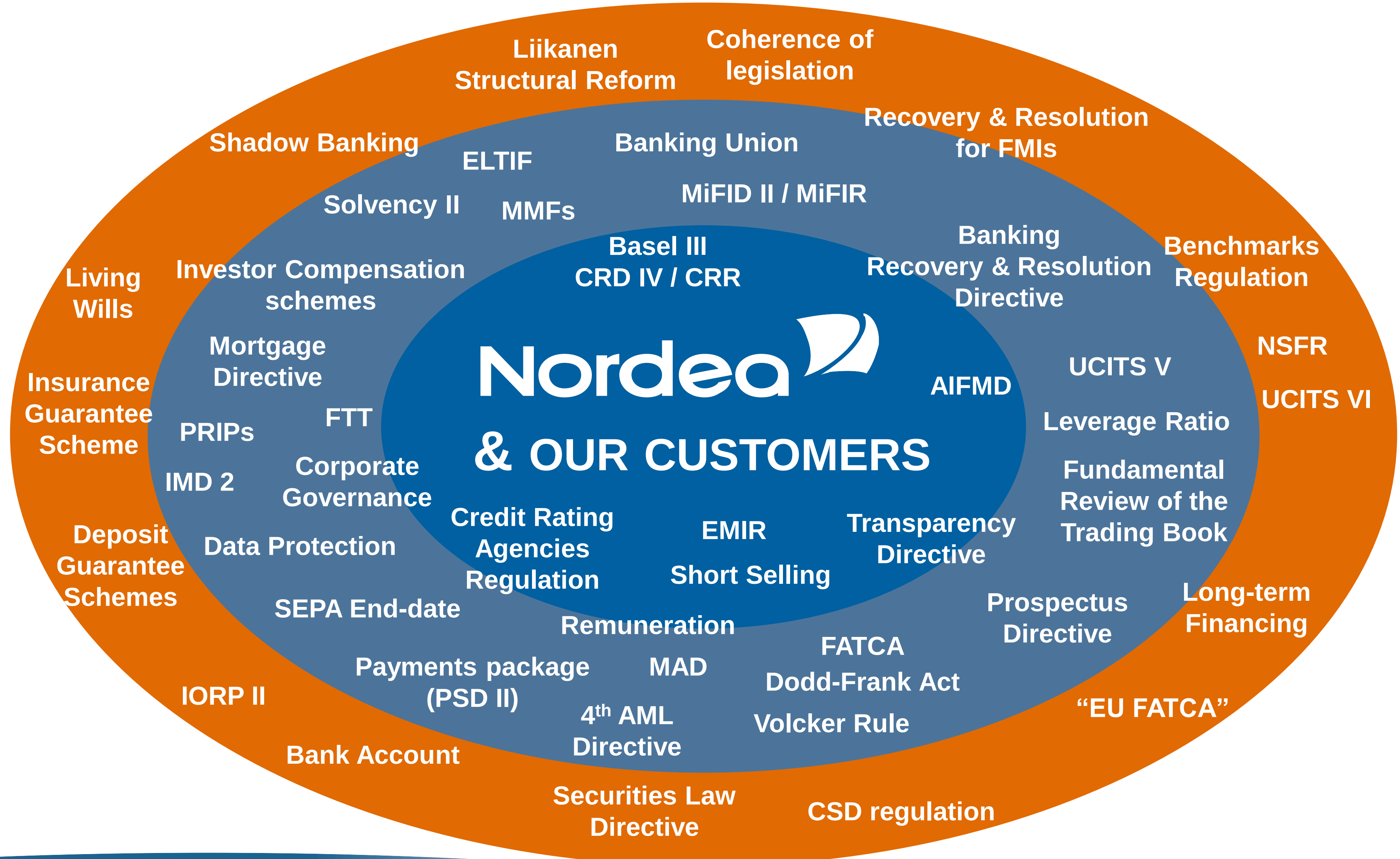
Many initiatives to deliver better than expected in the future

Gross savings

Streamline physical distribution	• Optimisation of distribution mix – incl. reduction in number of branches and reduced cash-handling (RB) • Right-sizing of Russian branch network, resulting in FTE reductions (WB)
Reengineer processes	• Automating transaction and reporting processes (WB) • Transfer of staff to NOC, Nordea's near-shoring centre in Poland (RB/WB/GCC) • Life & Pension cost efficiency (WM) • Increasing straight-through-processing, reducing manual processes, lean process design
Enhance digitisation	• Digitisation of statements, identifications etc. (RB/GCC)
Streamline IT	• IT Service Entity (GCC) • All IT resources (for the Nordea Banks) in the Nordic countries transferred to one legal entity, centralised IT contract management • Efficiency improvements in IT production systems (GCC)
Optimise external spend	• Active cost management, changed mindset (GCC)

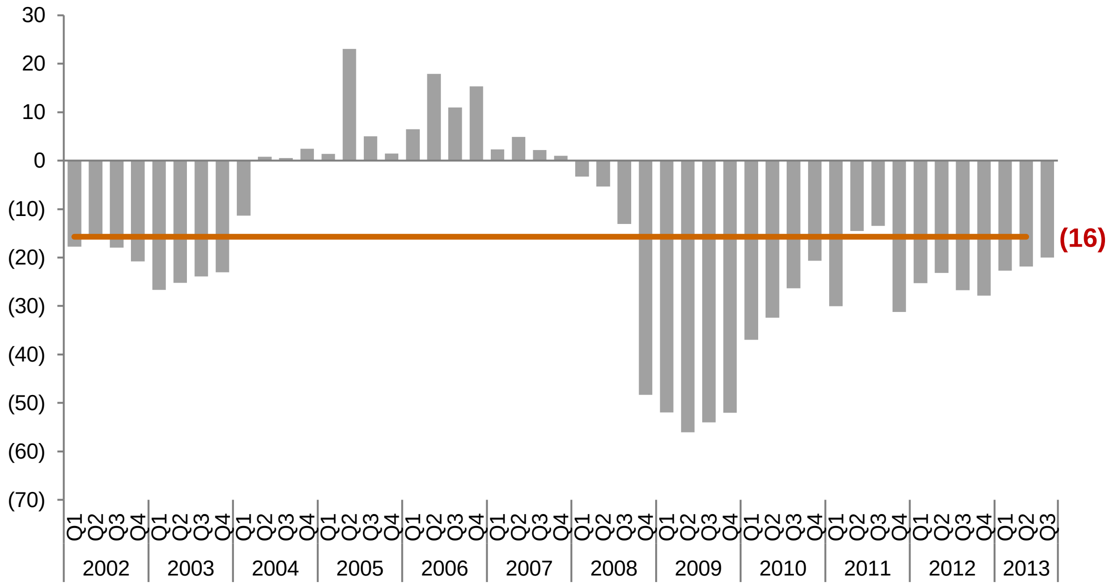
Approx. EUR 50m in Q3/13

Regulations a key cost driver



Loan losses development in Q3 – decreasing as expected

Actual loan losses, bps



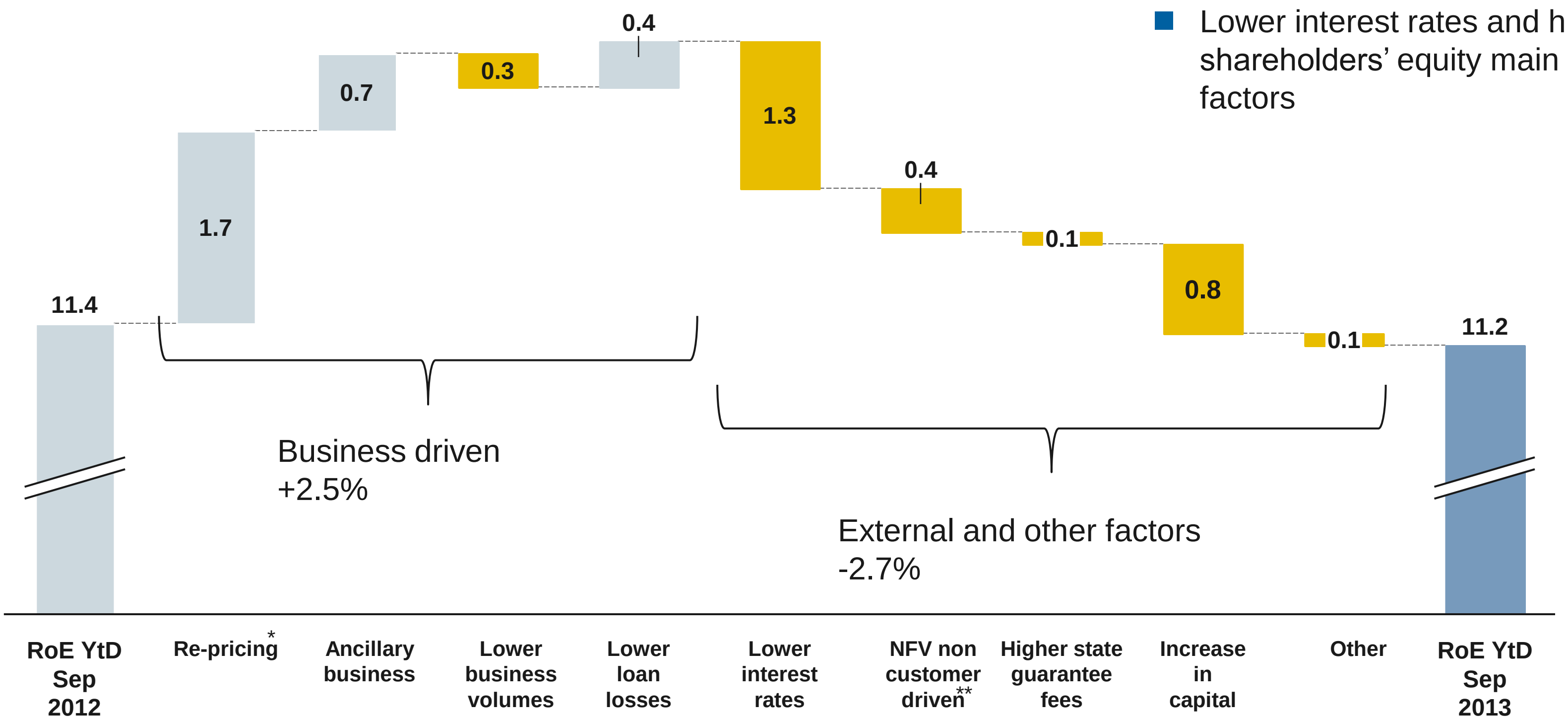
Comments

- The credit quality is improving
- Loan losses still concentrated to two specific areas, Denmark and Shipping – but credit quality stabilised and improvements expected during 2014
- Losses stable and low in other areas, except for a few individual exposures in CIB

RoE – strong underlying business performance not fully compensating for challenging macro environment and regulation

RoE, per cent

Q3 2012 – Q3 2013



* Incl. LP.

** Mainly Markets unallocated, Life unallocated, Treasury and Other Retail Banking

Comments

- Strong re-pricing of lending margins
- Increased ancillary business
- Lower interest rates and higher shareholders' equity main offsetting factors

Progress in summary

Progress on Nordea financial plan 2013-2015, in Q3 2013

CT1 ratio	Core Tier 1 ratio 14.4%	✓
RWA	RWA down EUR 2bn in quarter	✓
Income growth	Income holding up	(✓)
Costs	Underlying costs flat for 12th consecutive quarter	✓
Loan losses	Decreasing in line with plan	✓
RoE	RoE somewhat down y/y (-0.2 %-points) but on track towards the target	(✓)

Nordea

Third Quarter Results 2013

International telephone conference

Christian Clausen, Group CEO