



Third Quarter Results 2013

Press conference

Christian Clausen, Group CEO

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

■ Welcomed 23,600 new relationship customers in Q3

- 87,000 new relationship customers the past year

■ 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

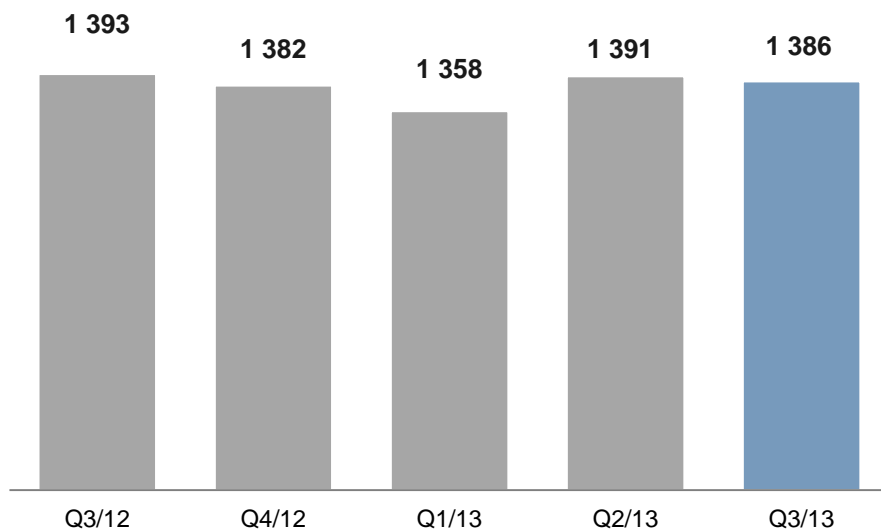
| EURm | Q3/13 | Q2/13 | Change % |
|--|----------------|----------------|-------------|
| Net interest income | 1 386 | 1 391 | 0 |
| Net fee and commission income | 652 | 664 | (2) |
| Net fair value result | 346 | 416 | (17) |
| Total income* | 2 426 | 2 490 | (3) |
| Staff costs | (732) | (753) | (3) |
| Total expenses | (1 234) | (1 256) | (2) |
| <i>Cost Income Ratio</i> | 51% | 50% | |
| Profit before loan losses | 1 192 | 1 234 | (3) |
| Net loan losses | (171) | (186) | (8) |
| Operating profit | 1 021 | 1 048 | (3) |
| Net profit from continuing operations | 764 | 800 | (5) |
| Risk-adjusted profit | 823 | 853 | (4) |
| Return on equity (%) | 10.8 | 11.5 | n.a. |
| Core Tier 1 capital ratio (%) | 14.4 | 14.0 | +0.4 p.p |
| Risk-weighted assets (EURbn) | 160 | 162 | -1 |

| Q3/12 | Change % | Excluding FX Change % |
|----------------|-------------|-----------------------|
| 1 393 | (1) | 3 |
| 595 | 10 | 12 |
| 377 | (8) | (9) |
| 2 412 | 1 | 3 |
| (738) | (1) | 1 |
| (1 266) | (3) | 0 |
| 52% | | |
| 1 146 | 4 | 6 |
| (236) | (28) | (26) |
| 910 | 12 | 15 |
| 684 | 12 | 14 |
| 768 | 7 | n.a. |
| 10.3 | n.a. | n.a. |
| 12.2 | +2.2 p.p | n.a. |
| 179 | -11 | n.a. |

| 2013 YTD | 2012 YTD | Excluding FX Change % |
|----------------|----------------|-----------------------|
| 4 135 | 4 181 | 0 |
| 1 939 | 1 786 | 9 |
| 1 206 | 1 332 | (10) |
| 7 422 | 7 428 | 0 |
| (2 239) | (2 240) | 0 |
| (3 757) | (3 769) | 0 |
| 51% | 51% | |
| 3 665 | 3 659 | 1 |
| (555) | (654) | (15) |
| 3 110 | 3 005 | 4 |
| 2 347 | 2 250 | 5 |
| 2 530 | 2 446 | n.a. |
| 11.2 | 11.4 | n.a. |
| 14.4 | 12.2 | n.a. |
| 160 | 179 | n.a. |

Net interest income

Net interest income development, EURm

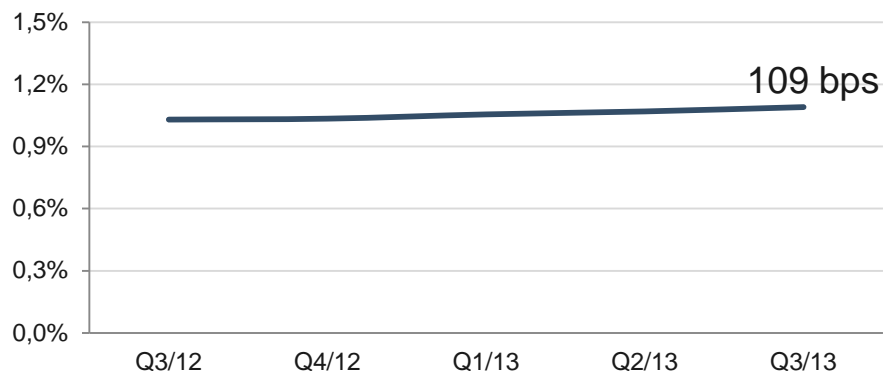


Comments

- 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

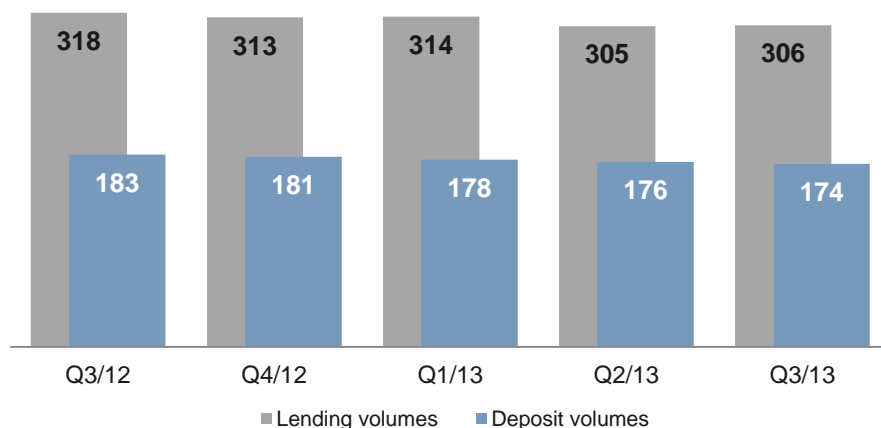
Blended net interest margin development, %



Comments

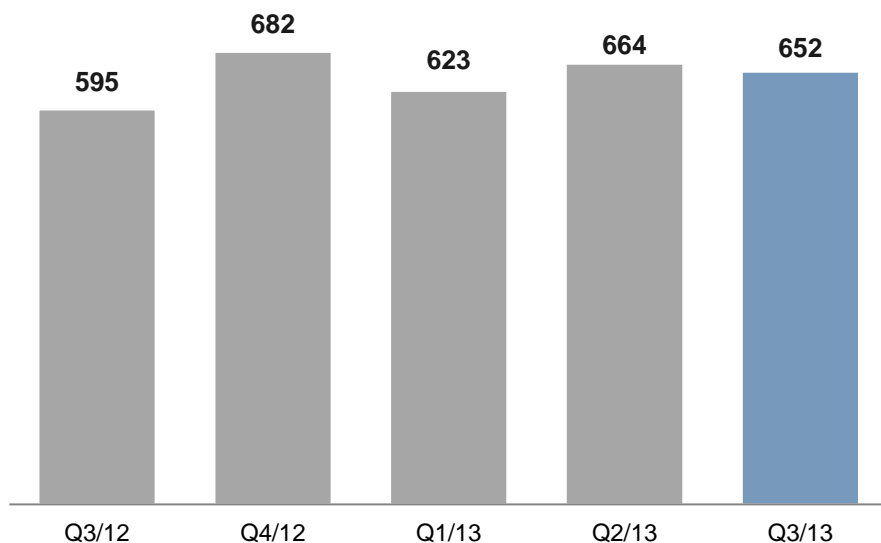
- Blended net interest margin up 2 bps in Q3/13
- Slightly lower deposit margins
- Improved lending margins in most areas
 - Lower levels in Retail Banking Sweden
- Low lending demand but volumes to SMEs up 1% in the quarter
- Household lending volumes up 1% in the quarter

Lending and deposit volumes, EURbn*



Net fee and commission income

Net fee and commission income development, EURm

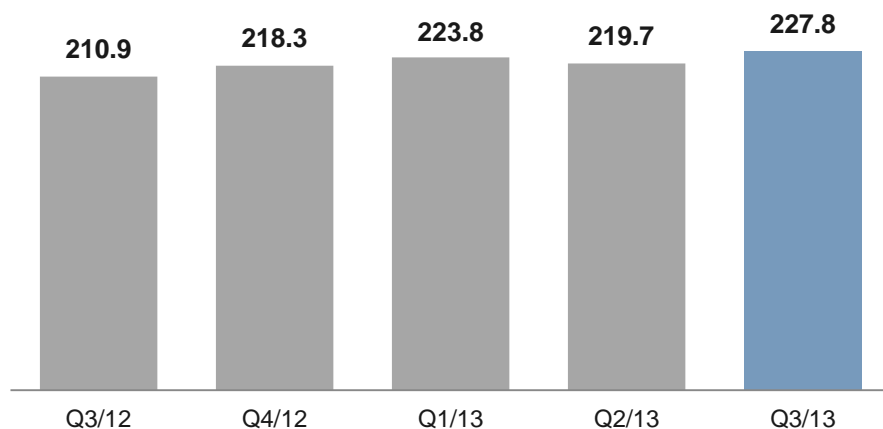


Comments

- 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

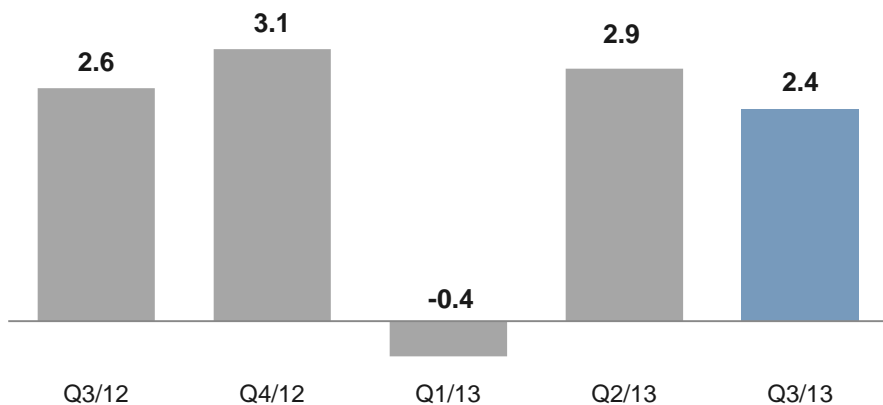
Assets under Management development*, EURbn



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

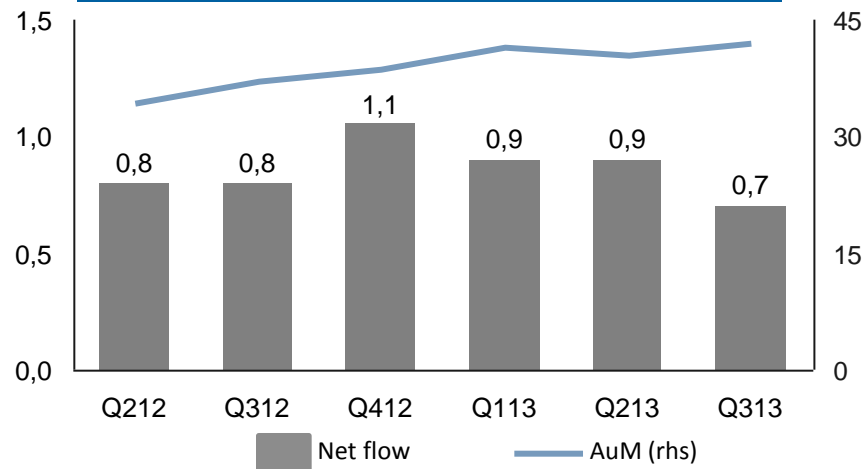
Net inflow*, EURbn



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

Savings trend supports growing Assets under Management

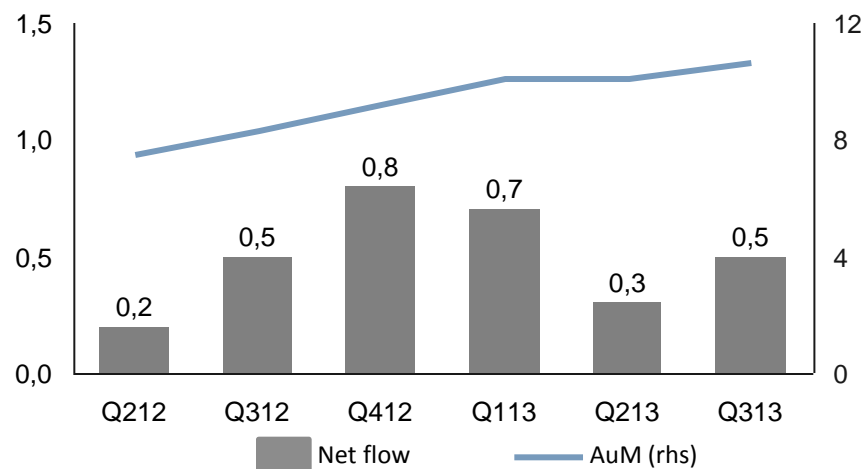
AuM and Net flow Retail funds, EURbn



Comments

- Growing interest in savings and pension products
- Close to 800,000 advisory sessions on savings the past year, all-time high, up 11% y-o-y
- Positive net flow in retail funds for seventh consecutive quarter

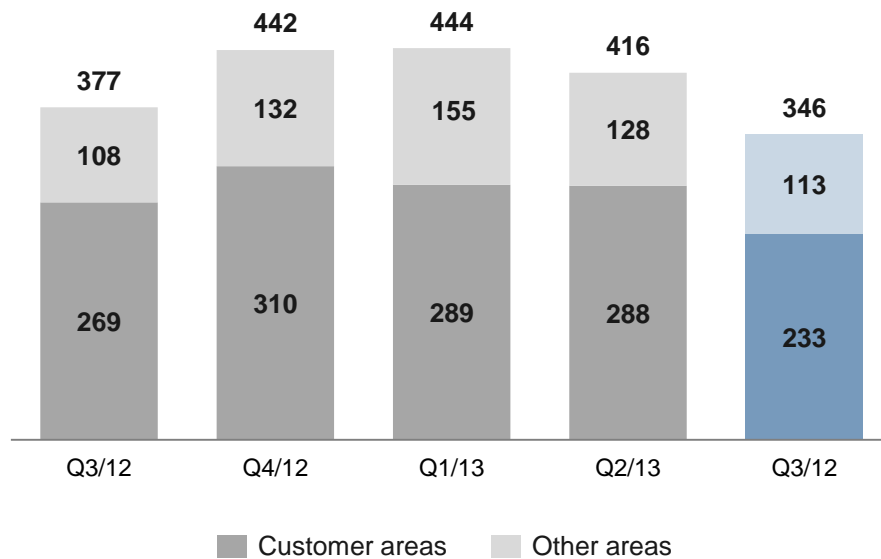
AuM and Net flow Global Fund Distribution, EURbn



- High interest in Nordea funds also outside the Nordics
- Global Fund Distribution increased assets under management by 15% YTD and 28% y-o-y

Net fair value

Net fair value development, EURm

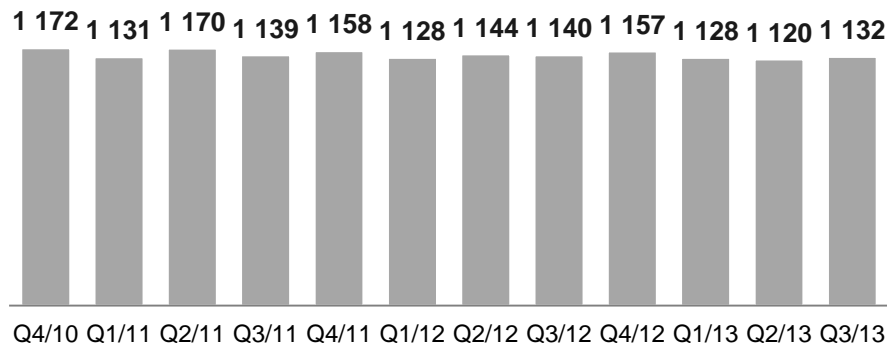


Comments

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

Flat costs for twelve consecutive quarters

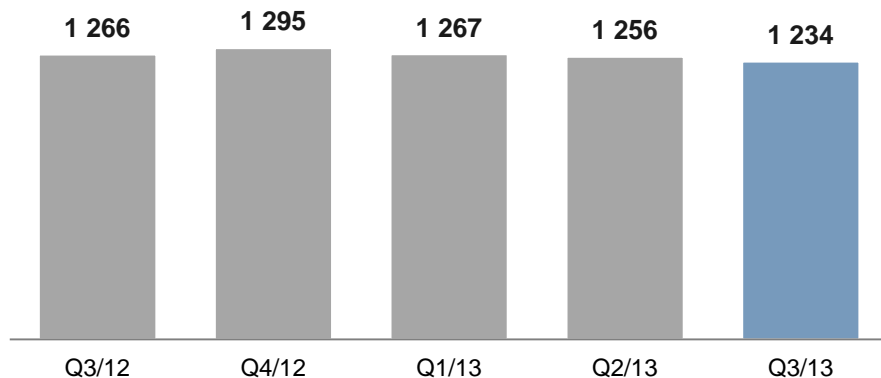
Total expenses (excl. FX and variable pay)*, EURm



Comments

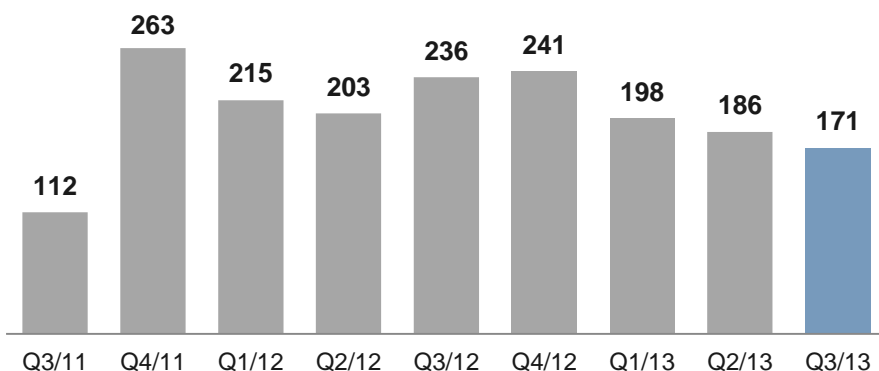
- Expenses under solid control
- Flat costs for twelve quarters
 - Flat costs for an additional five quarters
- Cost initiatives are delivering better than expected

Total expenses, EURm



Improved credit quality

Total net loan losses*, EURm

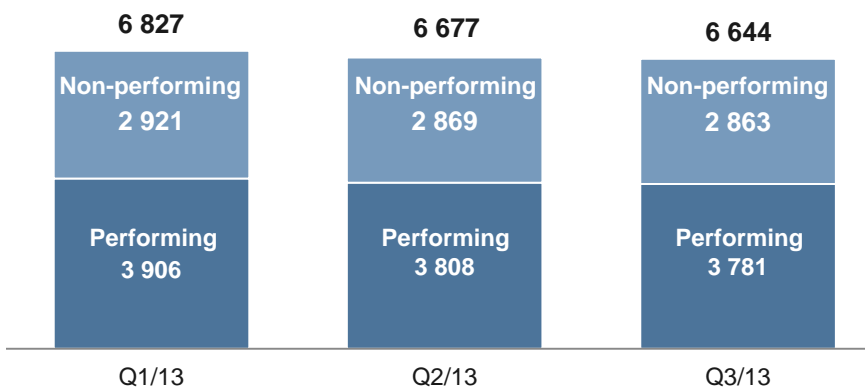


*Poland reported as discontinued operations, loan losses restated from Q1/12

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%

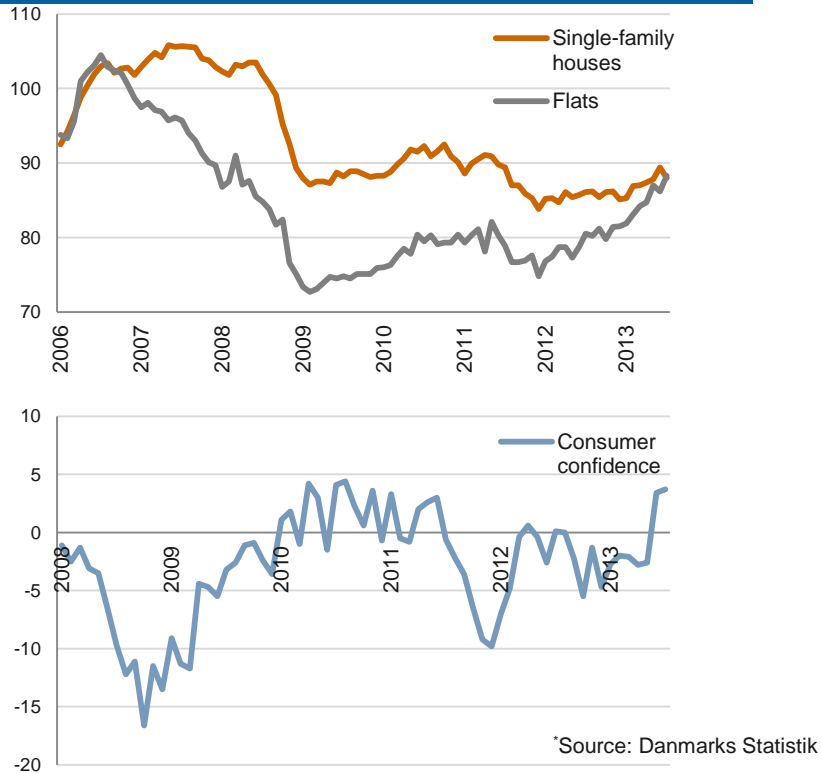
Impaired loans**, EURm



** Impaired loans not restated for Poland

Stable situation in Denmark

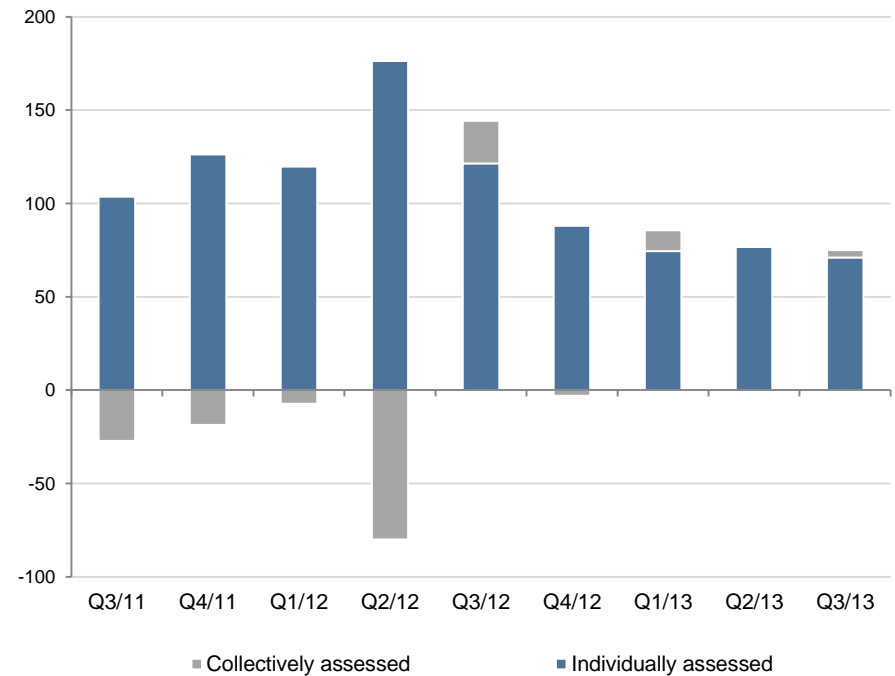
House price index and Consumer confidence*



Comments

- House prices in Denmark show improvement
- Consumer confidence improving

Loan losses net, EURm, Retail Banking Denmark

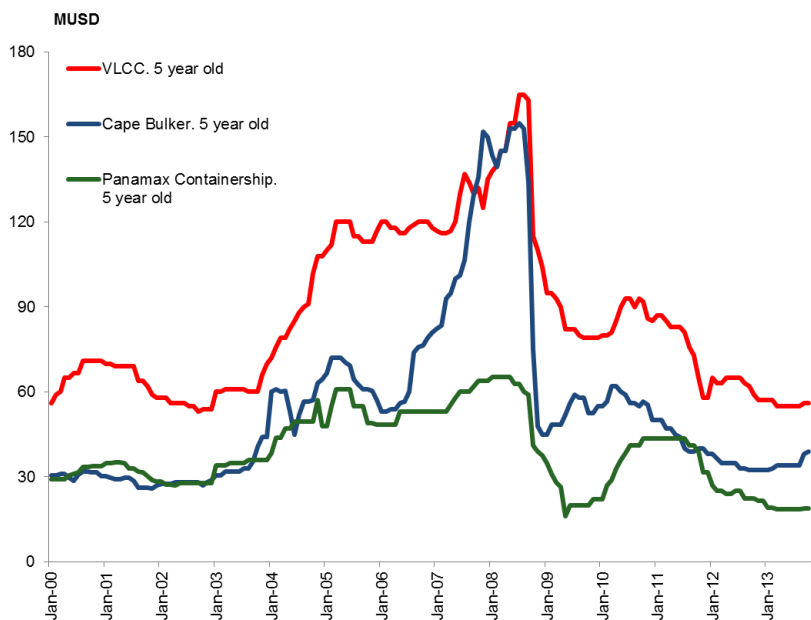


Comments

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

Improved market conditions in Shipping

Ship values*

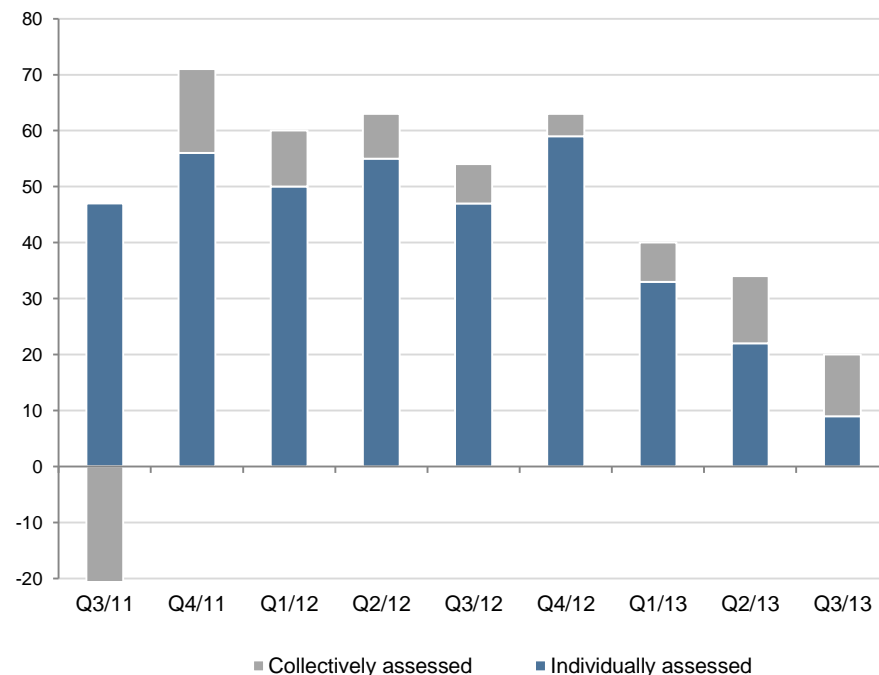


*Source: Clarkson

Comments

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

Loan losses net, EURm, Shipping

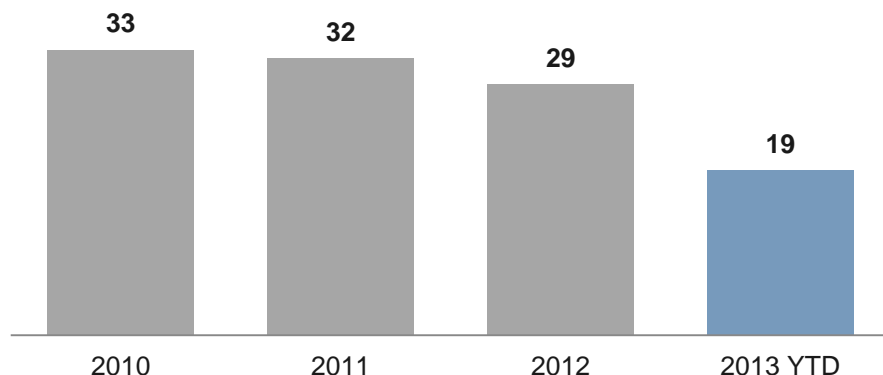


Comments

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

Strong access to funding

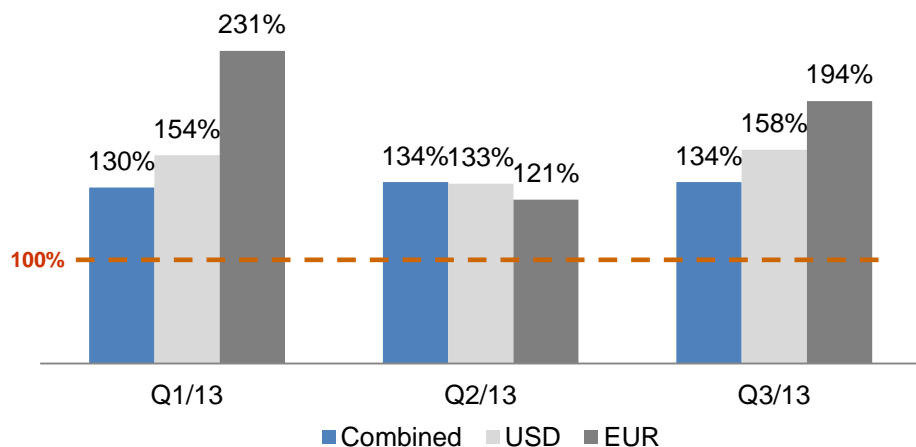
Long term funding, EURbn



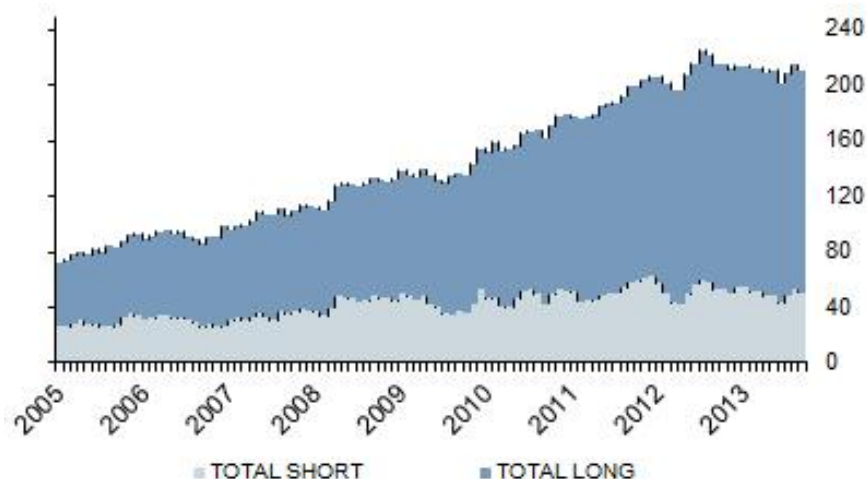
Comments

- 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

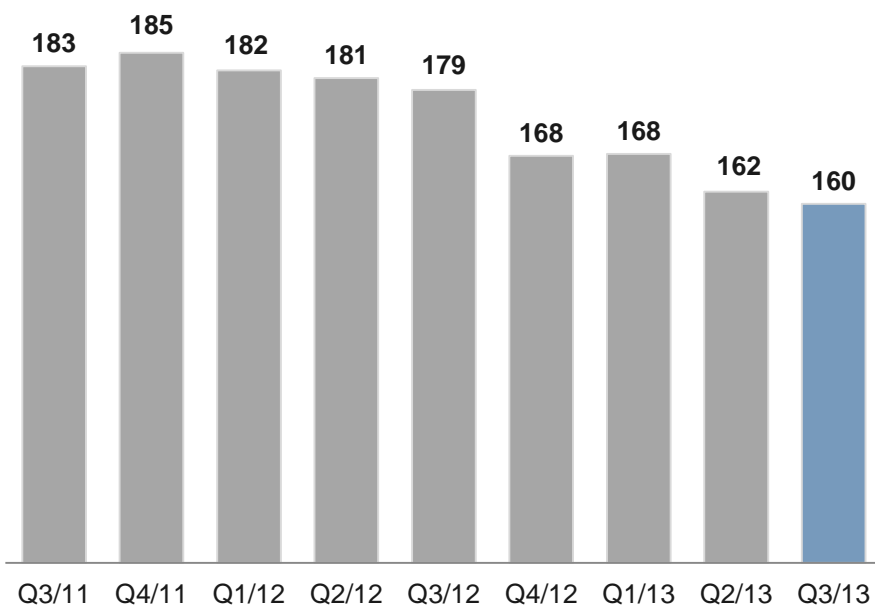


Distribution of long vs. short funding, EURbn



Risk weighted assets

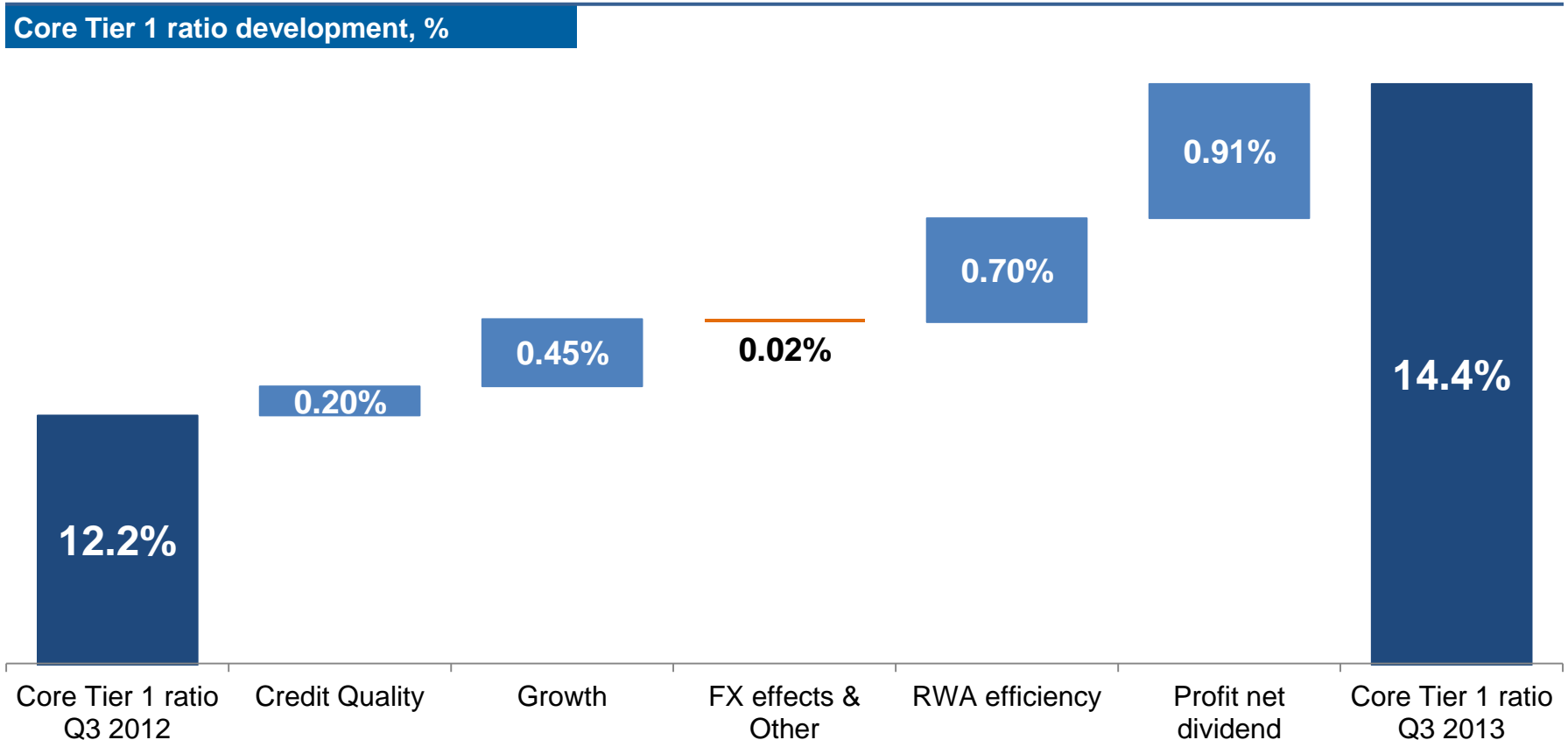
Risk-weighted assets, EURbn*



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

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

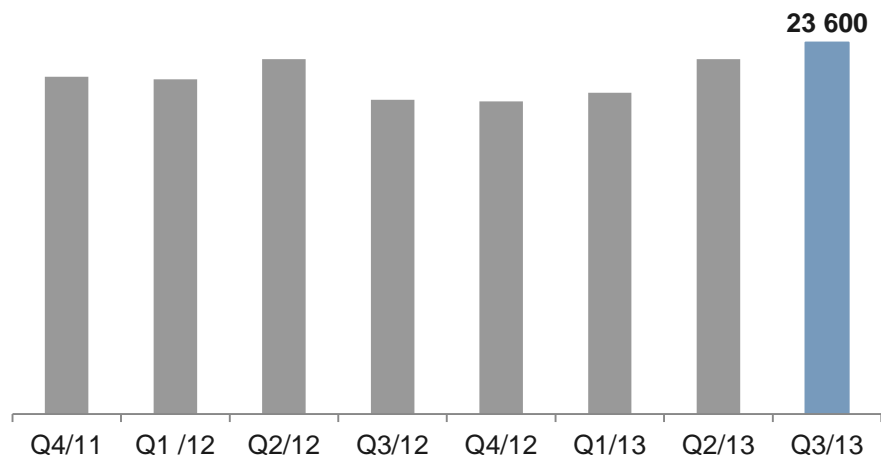


Business areas deliver on our targets

| Retail Banking | Key results, EURm | Q3/13 | Q2/13 | Chg % | Excl. FX Change % | Q3/12 | Chg % | Excl. FX Change % | <ul style="list-style-type: none"> ■ Positive trend on lending margins ■ Strong trend in savings-related income |
|-------------------|-------------------|-------|-------|-------|-------------------|-------|-------|-------------------|--|
| | 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. | |
| Wholesale Banking | Key results, EURm | Q3/13 | Q2/13 | Chg % | Excl. FX Change % | Q3/12 | Chg % | Excl. FX Change % | <ul style="list-style-type: none"> ■ Largest arranger of Nordic corporate bonds YTD ■ 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 |
| | 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. | |
| Wealth Mgmt | Key results, EURm | Q3/13 | Q2/13 | Chg % | Excl. FX Change % | Q3/12 | Chg % | Excl. FX Change % | <ul style="list-style-type: none"> ■ 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% |
| | 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. | |

More customers and strengthened customer relations

New external Gold, Premium and PB customers



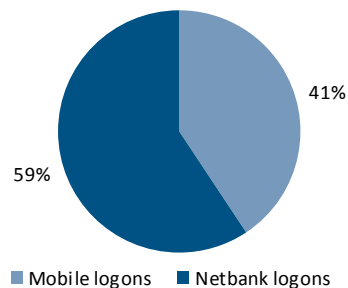
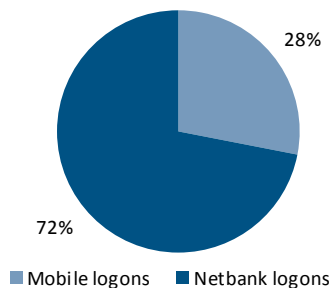
Comments

- Continued high inflow of relationship customers
 - 87,000 new customers welcomed during the past year
 - 23,600 in Q3 – highest inflow in two years
- 500 new active mobile customers every day
 - 1.2 million customers now use Nordea's mobile offerings (up close to 80% y-o-y)
- Mobile logons' share of total online logons increased from 28% to 41% y-o-y
- In Sweden mobile logons have exceeded Netbank logons since Q1 2013

Share of total online logons

Q3 2012

Q3 2013



- 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

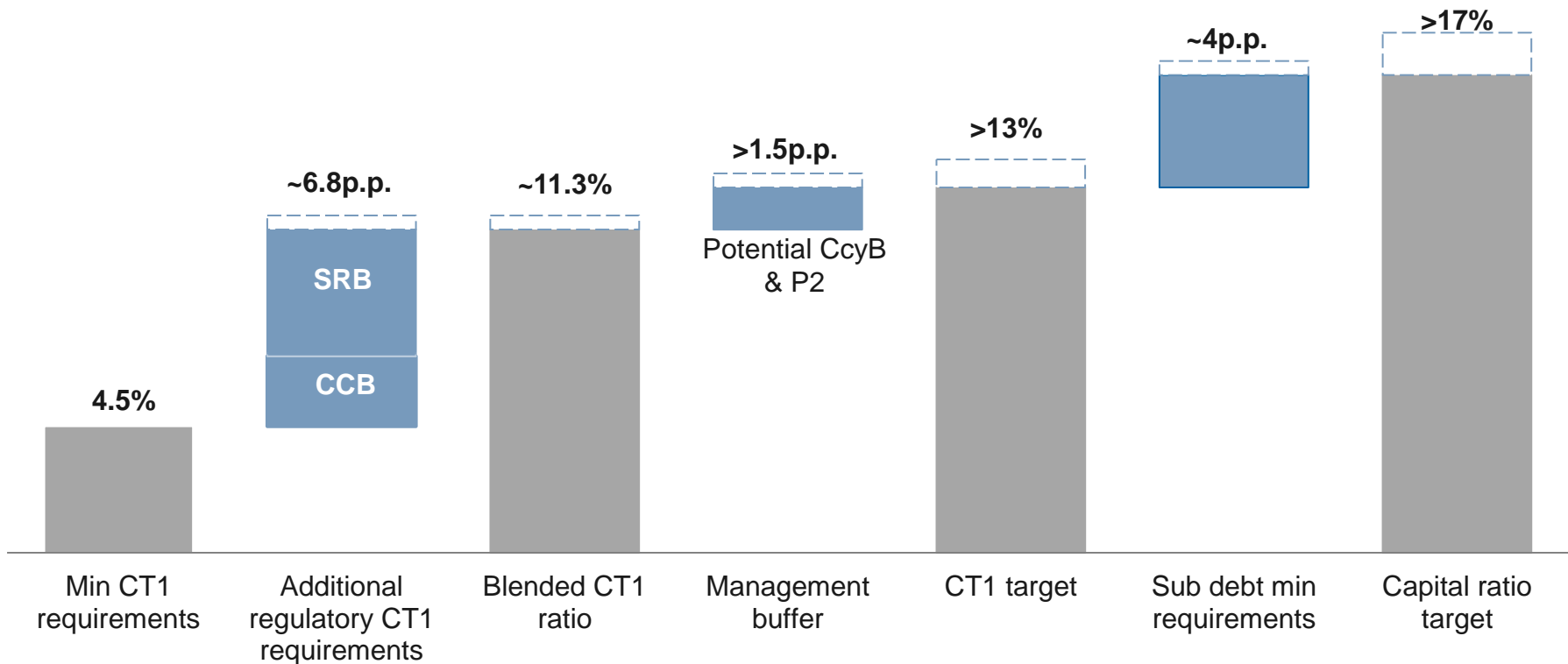
Low risk profile and low volatility

CT1 requirements/Capital policy building blocks

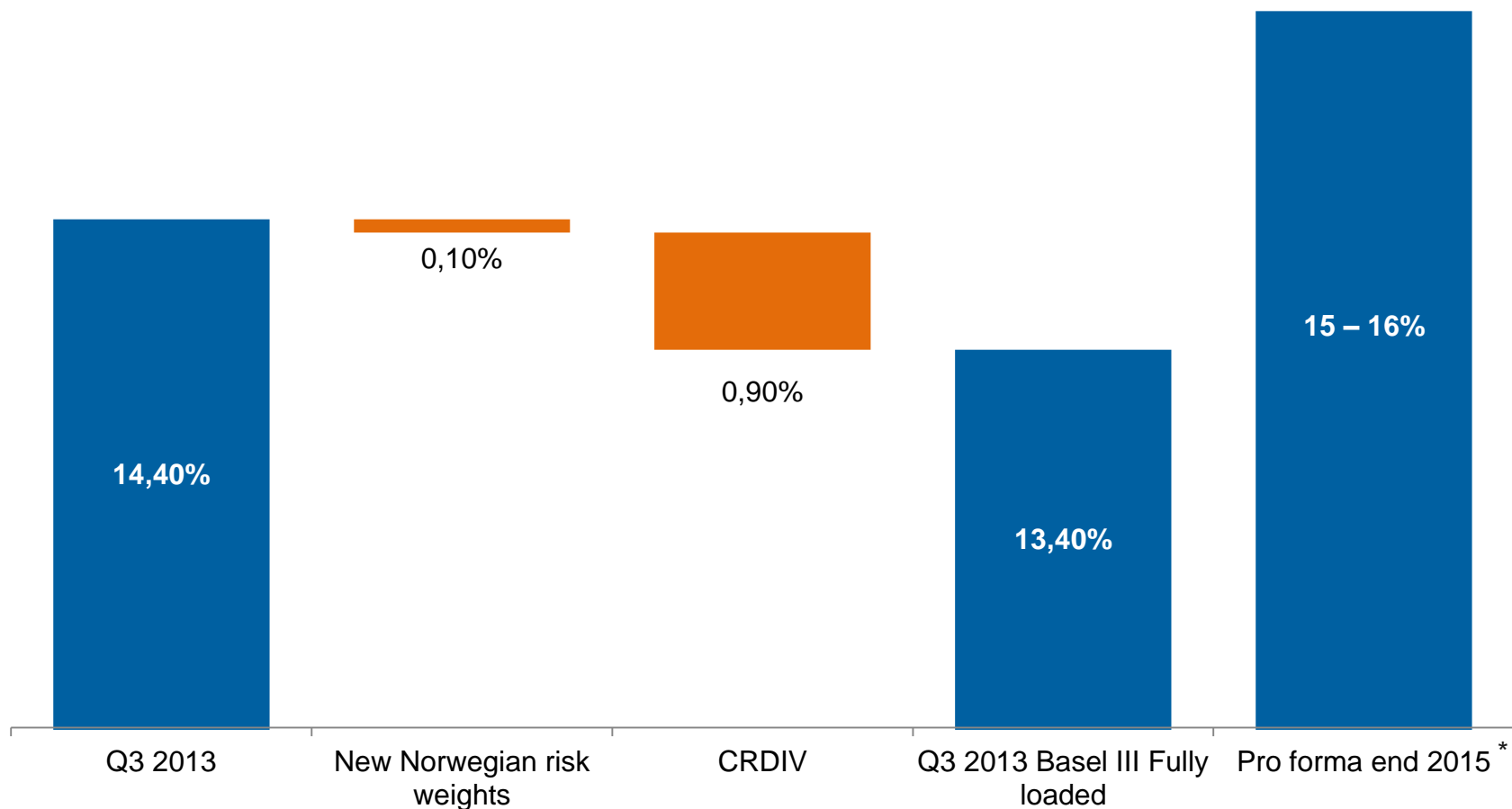
Basel III Capital Ratio Targets

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



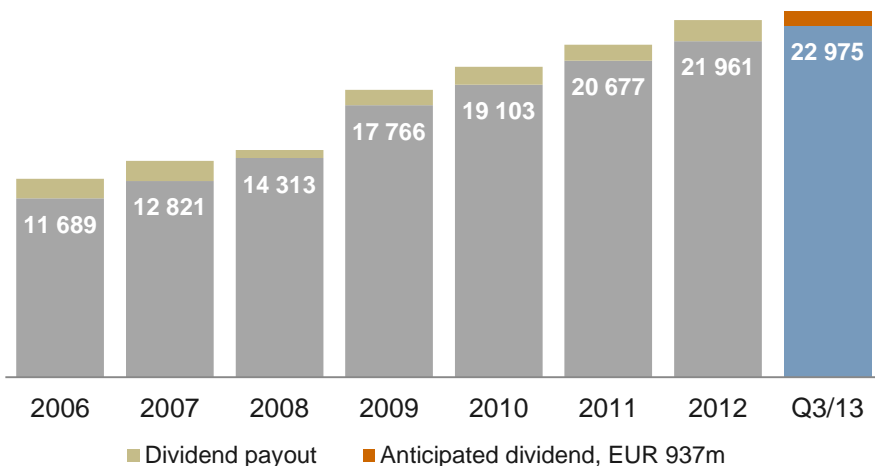
CT1 ratio 13.4% with CRD IV and new Norwegian risk weights



* Does not include future earnings and growth

Strong capability to generate capital

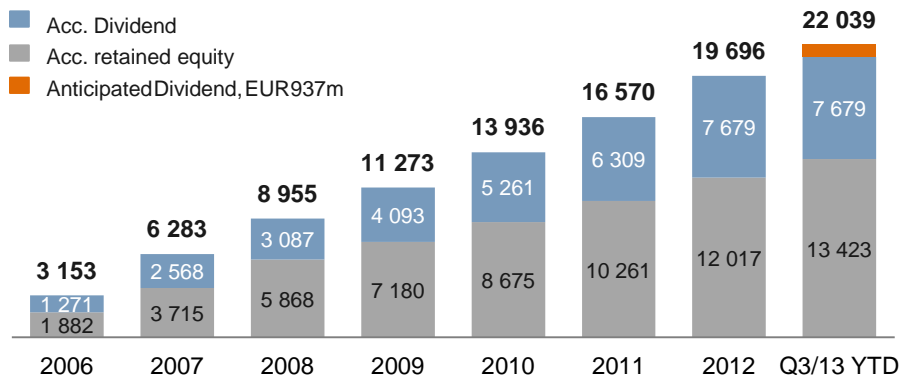
Core Tier 1 capital, EURm



Comments

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

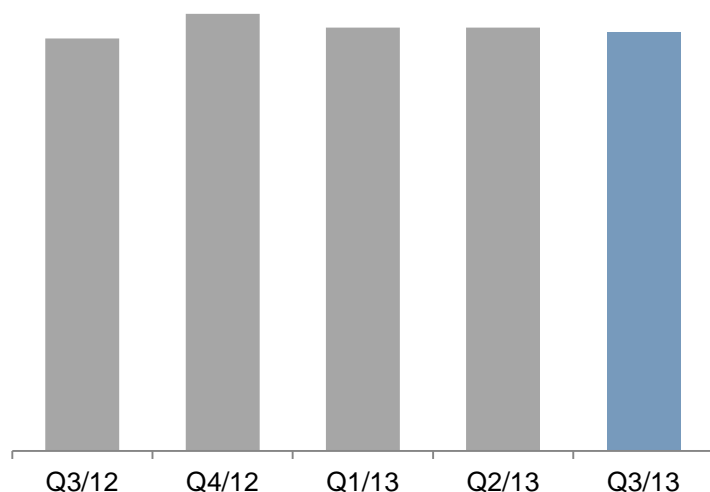
Capital generation*, EURm



* 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)

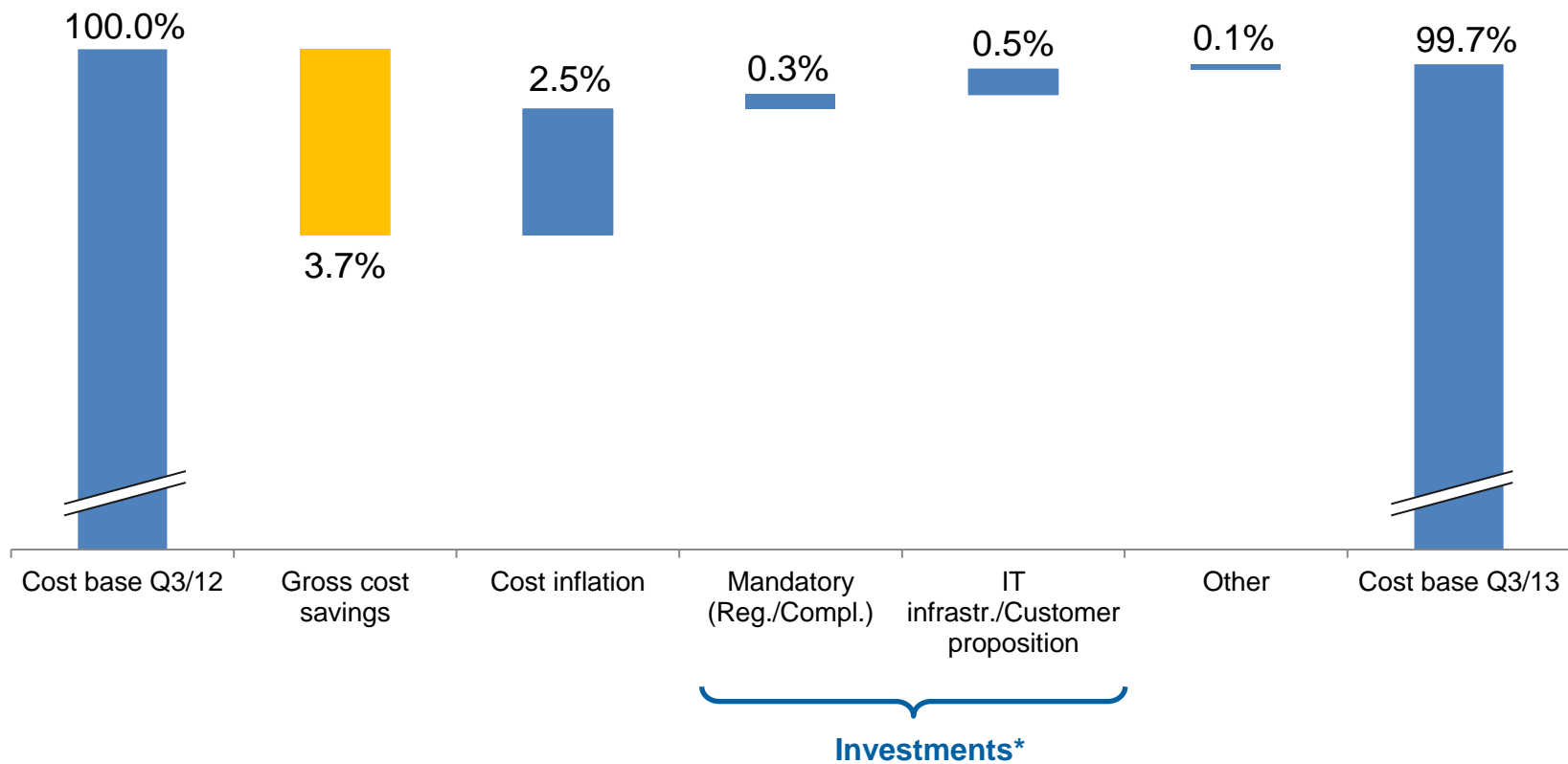
■ New customers

- 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

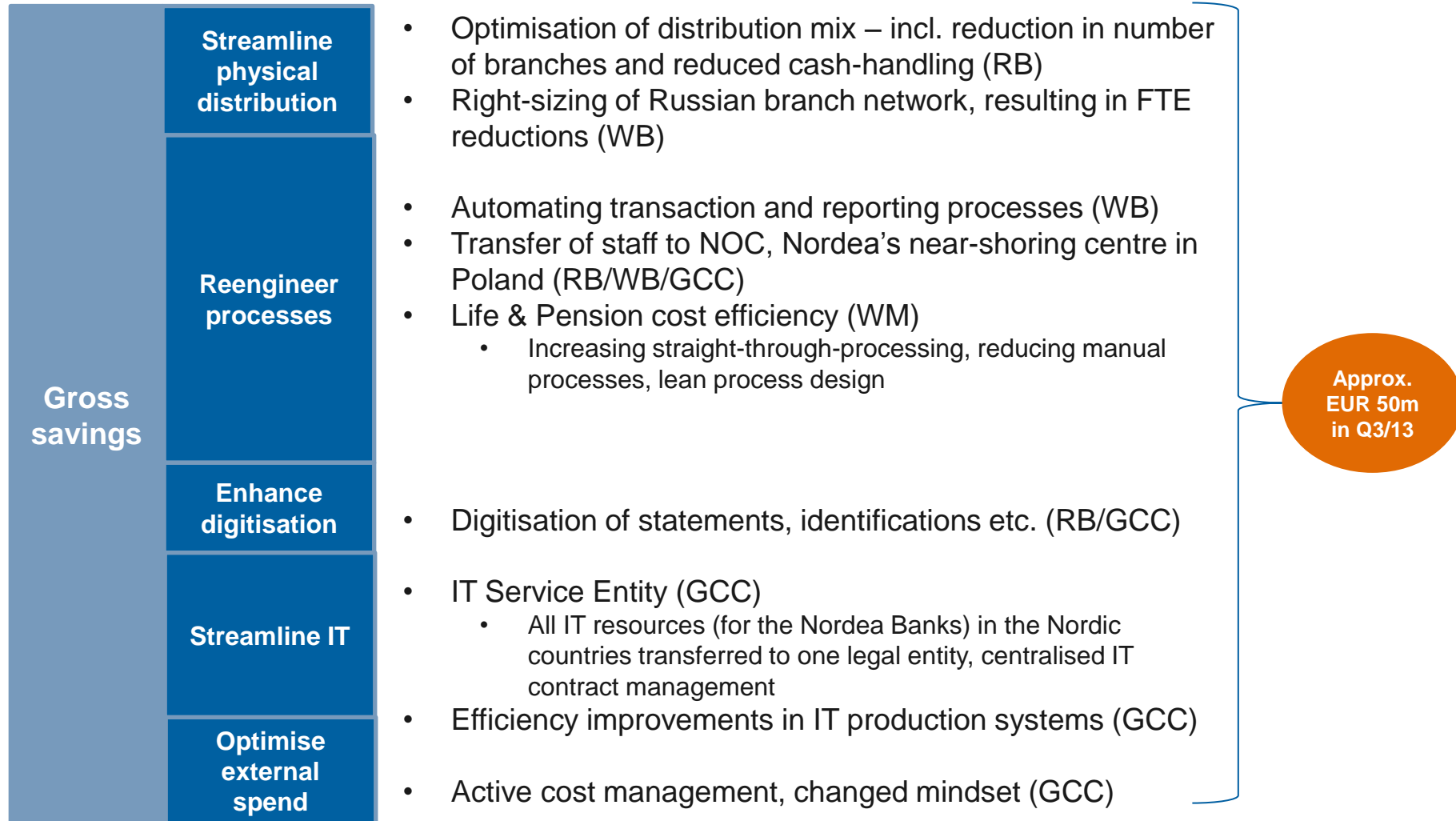
Cost reduction allows us to invest



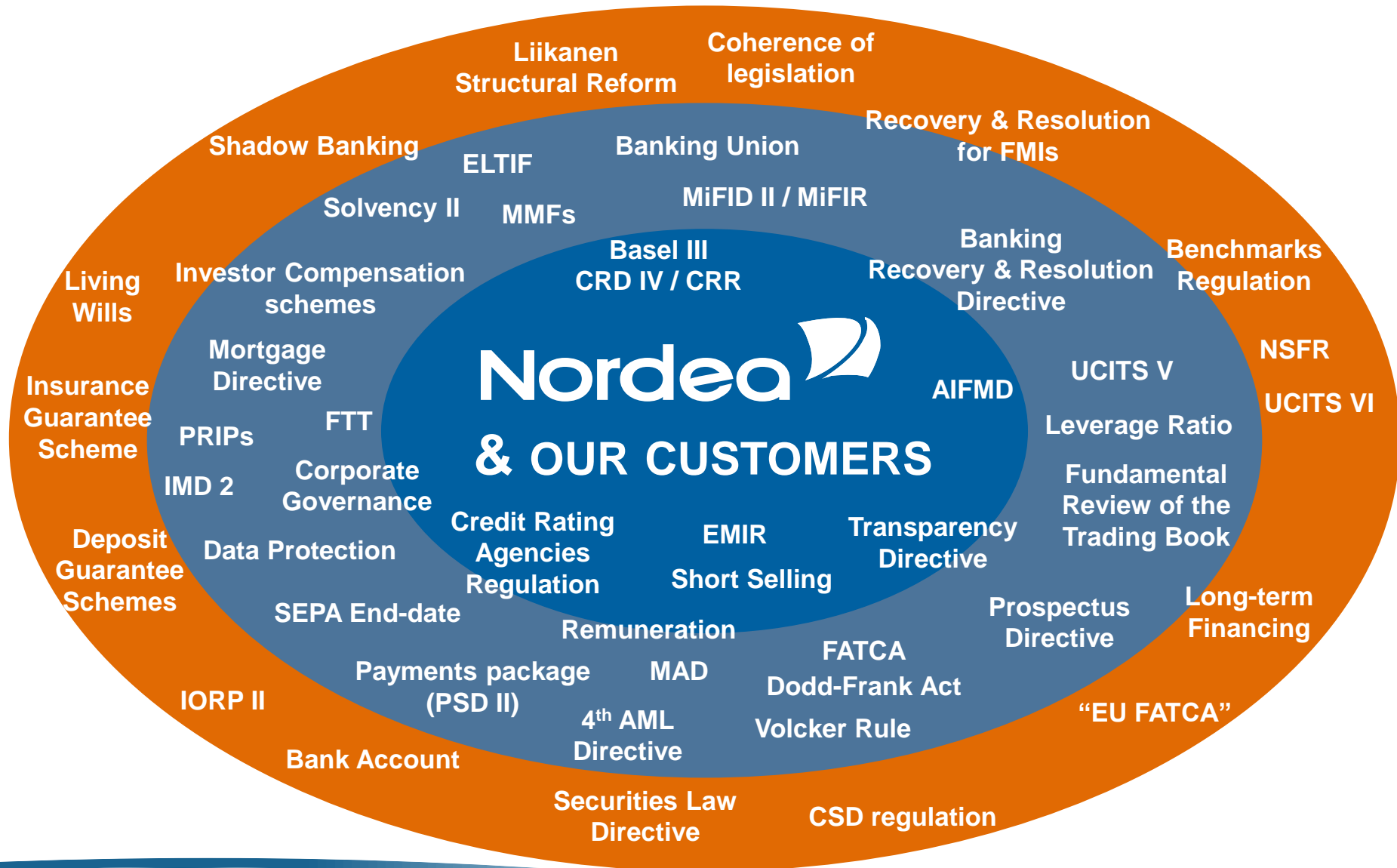
* Assuming 50% capitalisation rate

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

Many initiatives to deliver better than expected in the future

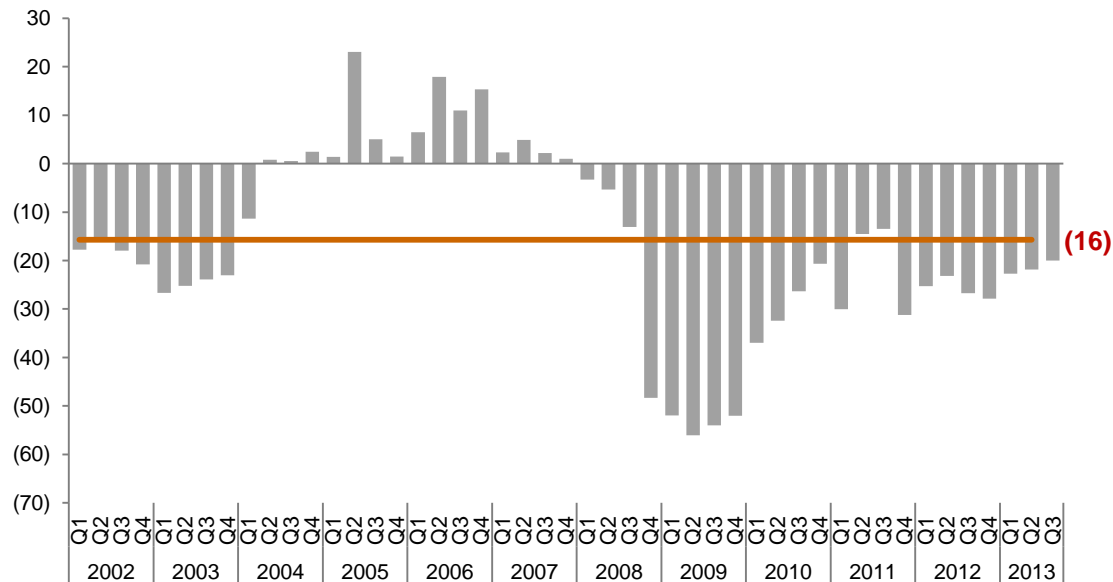


Regulations a key cost driver



Loan losses development in Q3 – decreasing as expected

Actual loan losses, bps



Comments

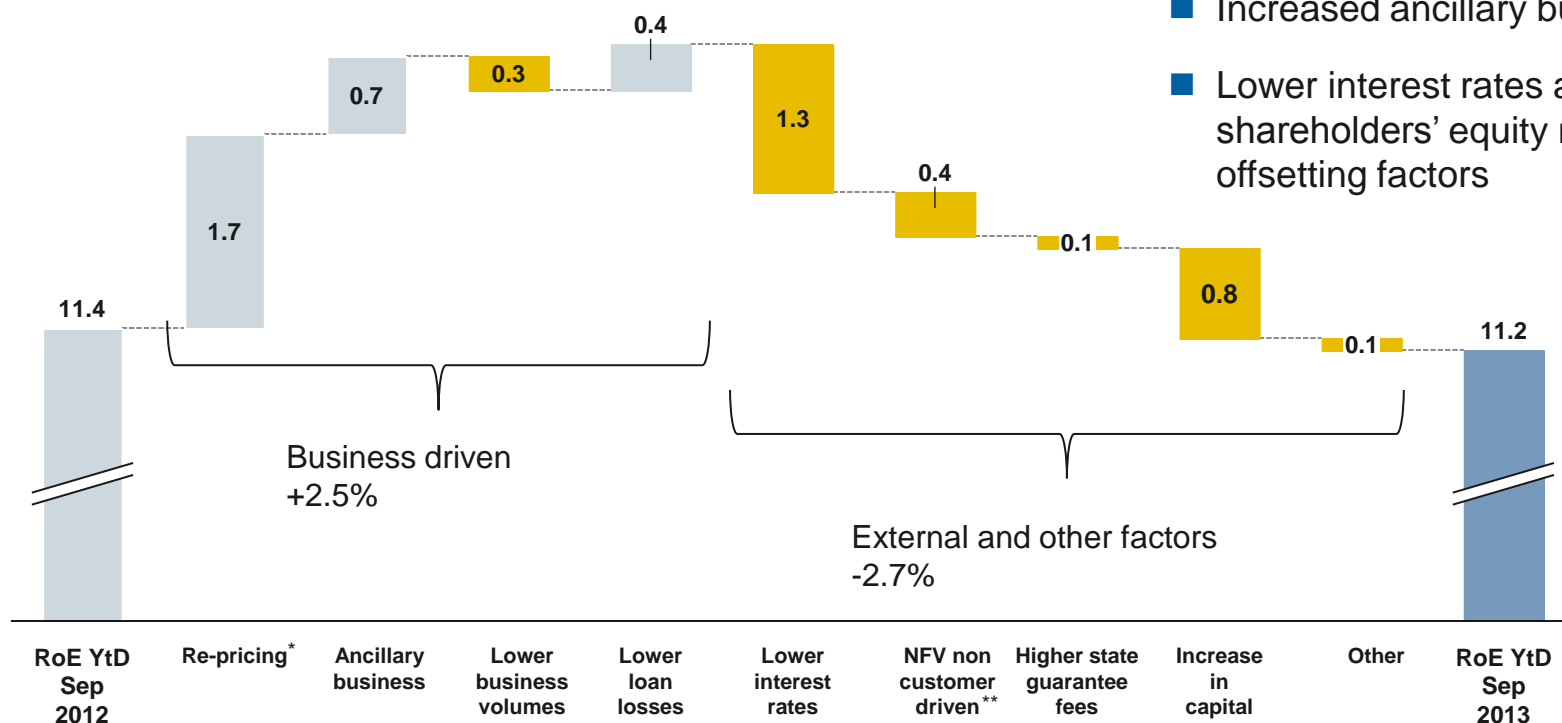
- The credit quality is improving
- Loan losses still concentrated to two specific areas, Denmark and Shipping – but credit quality stabilised and improvements expected during 2014
- Losses stable and low in other areas, except for a few individual exposures in CIB

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

RoE, per cent

Comments

Q3 2012 – Q3 2013



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

* Incl. LP.

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

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 12 th consecutive quarter | ✓ |
| Loan losses | ■ Decreasing in line with plan | ✓ |
| RoE | ■ RoE somewhat down y/y (-0.2 %-points) but on track towards the target | (✓) |



Third Quarter Results 2013

Press conference

Christian Clausen, Group CEO