

First Quarter Results 2014

Press conference

Christian Clausen, President and Group CEO



Highlights

Nordea delivers stable income and improving cost efficiency

- ✓ Continued stable but low lending demand
- ✓ Pick up in corporate advisory business
- ✓ Continued strong activity in the savings area
- ✓ Loan losses are down 12% q-o-q
- ✓ Operating profit up 6% on Q1/13
- ✓ Cost/income ratio improved to 49% compared to 51% in Q1/13
- ✓ Fully loaded Basel III CET 1 ratio is up by 70 bps to 14.6% (Total capital ratio of 18.4%)
- ✓ RoE up 30 bps y-o-y to 11.4%

Further strengthened position in all customer segments

- ✓ Nordic leader in corporate advisory and capital markets activities
- ✓ Reinforcing the position as the leading Nordic Wealth Manager
- ✓ More relationship customers choose Nordea – 94,000 the past 12 months

Q1 2014 financial results highlights



Financial result

EURm	Q1/14	Q4/13	Chg %	Local currencies Chg %	Q1/13	Chg %	Local currencies Chg %
Net interest income	1 362	1 390	-2	-1	1 358	0	5
Net fee & commission income	704	703	0	0	623	13	16
Net fair value result	411	333	23	24	444	-7	-7
Total income*	2 501	2 469	1	2	2 506	0	3
Staff costs	-756	-739	2	2	-754	0	4
Total expenses	-1 237	-1 283	-4	-3	-1 267	-2	1
Profit before loan losses	1 264	1 186	7	8	1 239	2	5
Net loan losses	-158	-180	-12	-12	-198	-20	-19
Operating profit	1 106	1 006	10	11	1 041	6	10
Net profit from continuing operations	840	760	11	12	783	7	11

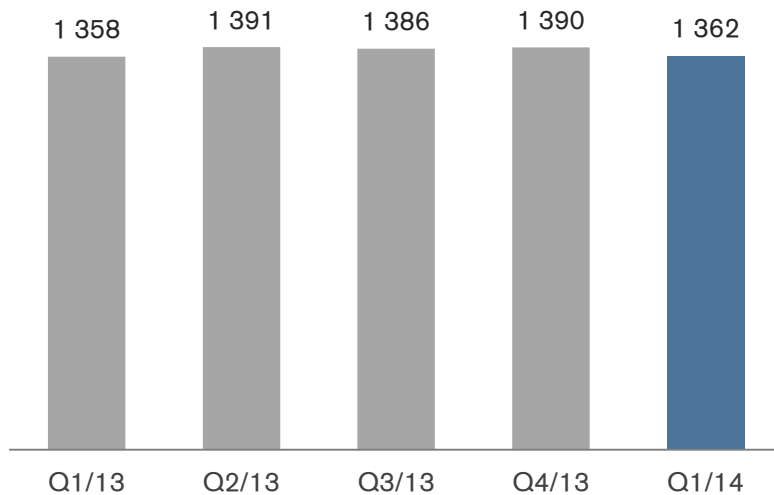
Return on equity (%)	11.4	10.5	+90 bps	-	11.1	+30 bps	-
CET1 capital ratio** (%)	14.6	13.9	+70 bps	-	12.1	+250 bps	-
Cost/income ratio (%)	49	52	-	-	51	-	-

* Includes other income

** Q4/13 and Q1/13 are estimated Basel III numbers

Net interest income

NET INTEREST INCOME DEVELOPMENT, EURm



COMMENTS

- NII unchanged vs Q1/13
 - Subdued loan demand
 - Up 5% in local currencies
 - Up 3% in customer areas in local currencies
- Two interest rate days less than Q4/13

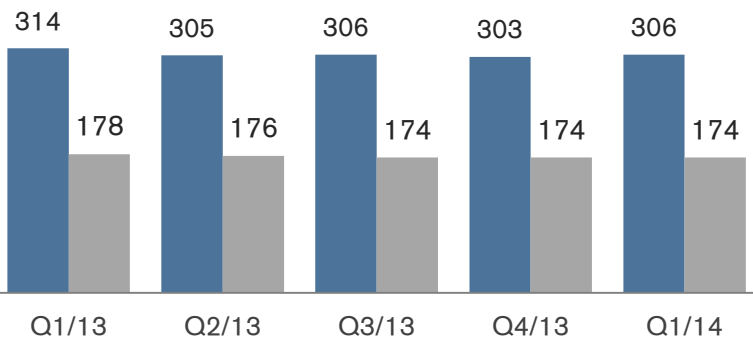
Net interest margin and volumes

BLENDNET NET INTEREST MARGIN DEVELOPMENT

1.06% 1.07% 1.08% 1.07% 1.08%

Q1/13 Q2/13 Q3/13 Q4/13 Q1/14

LENDING AND DEPOSIT VOLUMES*, EURbn



■ Lending volumes ■ Deposit volumes

COMMENTS**

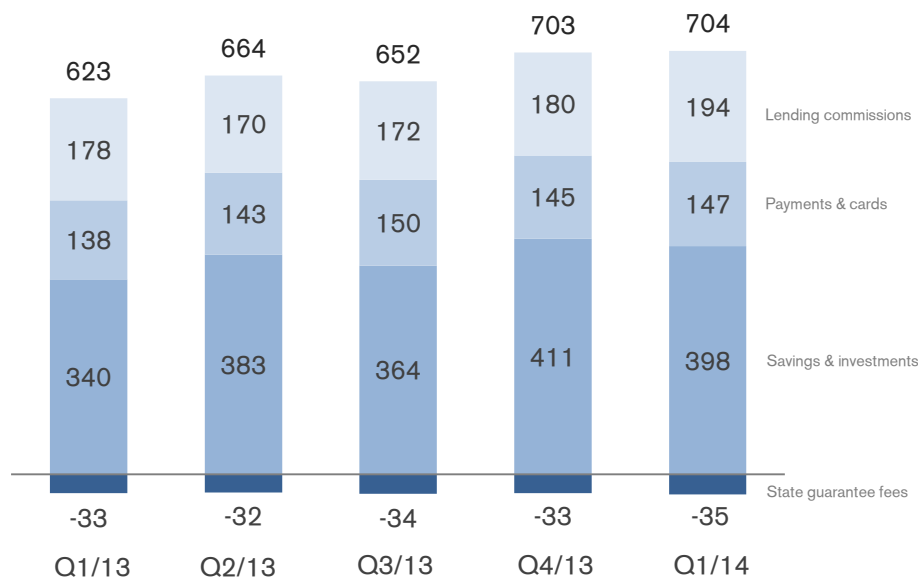
- Blended net interest margin up 1 bps
- Lending margins up
- Deposit margins down
- Both corporate and household lending volumes largely unchanged in local currencies
- Deposit volumes largely unchanged in local currencies

* Reported numbers and continuing operations

** Compared to Q4/13

Net fee and commission income

NET FEE AND COMMISSION DEVELOPMENT, EURm

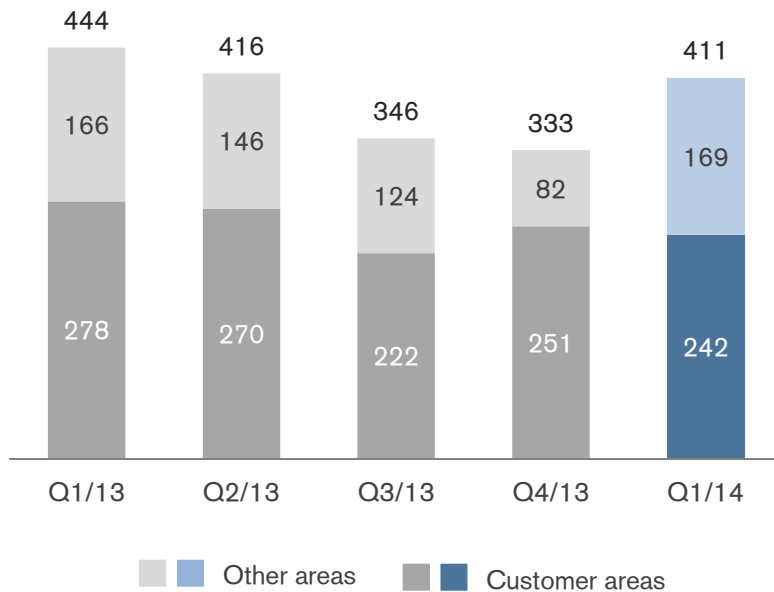


COMMENTS

- Up 13% y-o-y
- Pick up in corporate advisory business
 - Leading bank in Debt Capital Markets and Equity Capital Markets
- Continued strong activity in the savings area

Net fair value

NET FAIR VALUE DEVELOPMENT, EURm

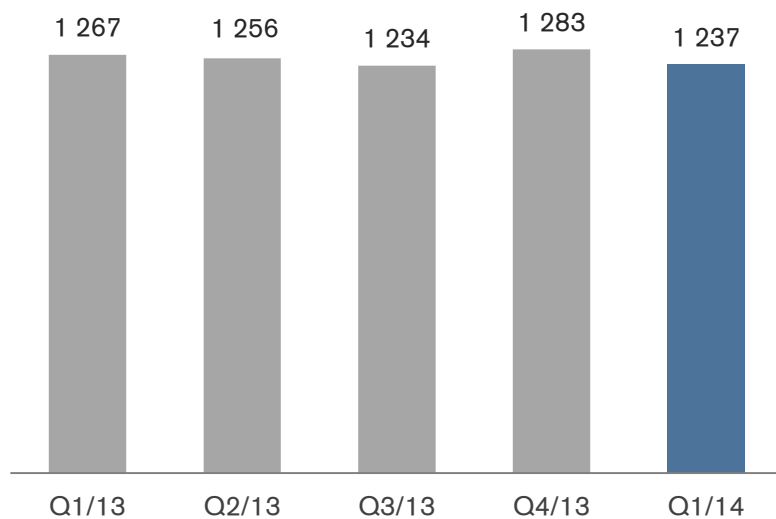


COMMENTS

- Corporate customer activity still subdued
- Largely unchanged in other areas vs. Q1/13

Expenses under solid control

TOTAL EXPENSES, EURm

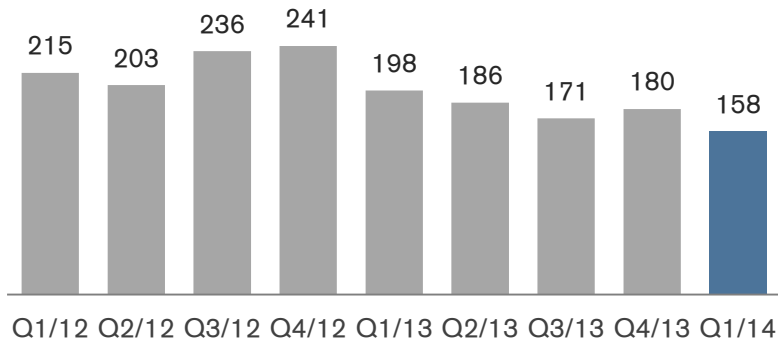


COMMENTS

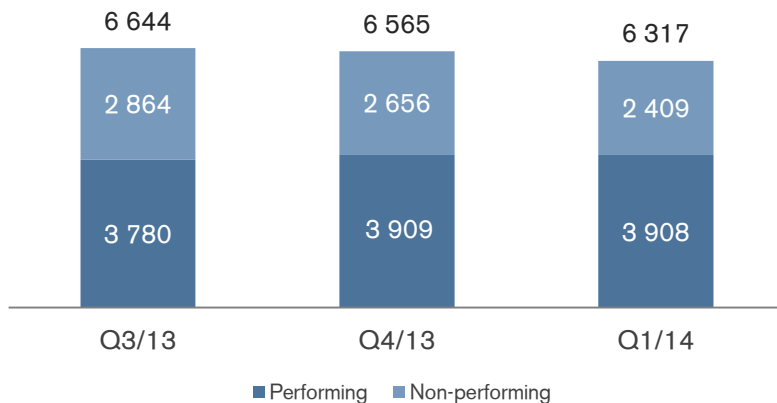
- Improved cost/income ratio to 49% from 51% in Q1/13

Improved credit quality

TOTAL NET LOAN LOSSES*, EURm



IMPAIRED LOANS, EURm



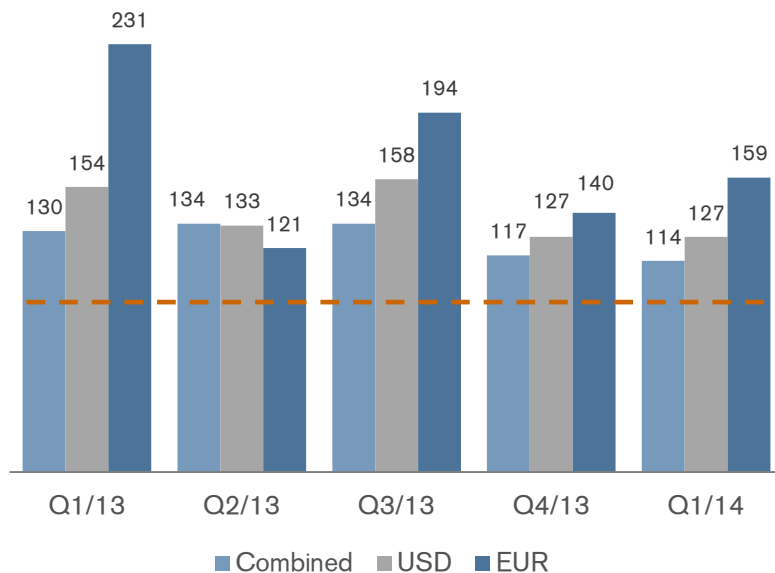
COMMENTS

- Loan losses down 12% q-o-q
- Impaired loans down 4% q-o-q
 - Non-performing loans down 9%
- Provisioning ratio increased from 43% to 45%
- Continued stable improvement in Denmark
- Increased loan losses in the Baltic countries
 - Mainly related to one Latvian real estate company
- Low loan loss levels in other areas

* Poland reported as discontinued operations, loan losses restated from Q2/12

High Liquidity Coverage Ratio

LCR DEVELOPMENTS, %

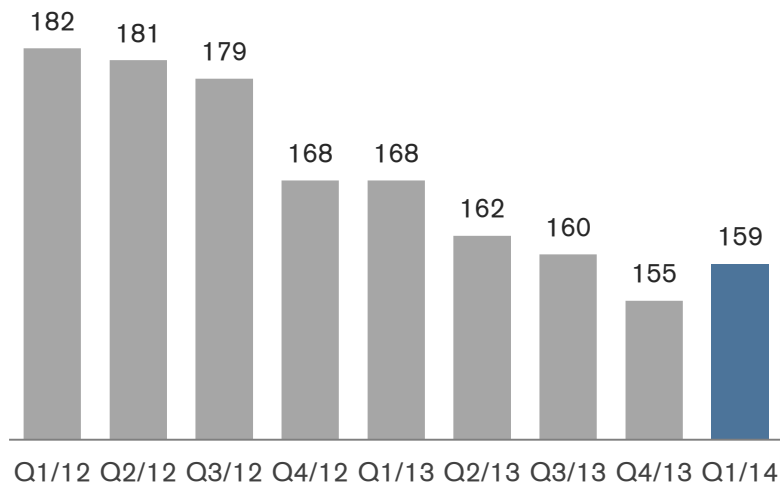


COMMENTS

- Issuance of EUR 9bn during Q1
- Conservative liquidity management
 - LCR compliant
 - Liquidity buffer EUR 61bn
- 76% of the wholesale funding is long-term funded

Risk exposure amount

RISK EXPOSURE AMOUNT, EURbn*



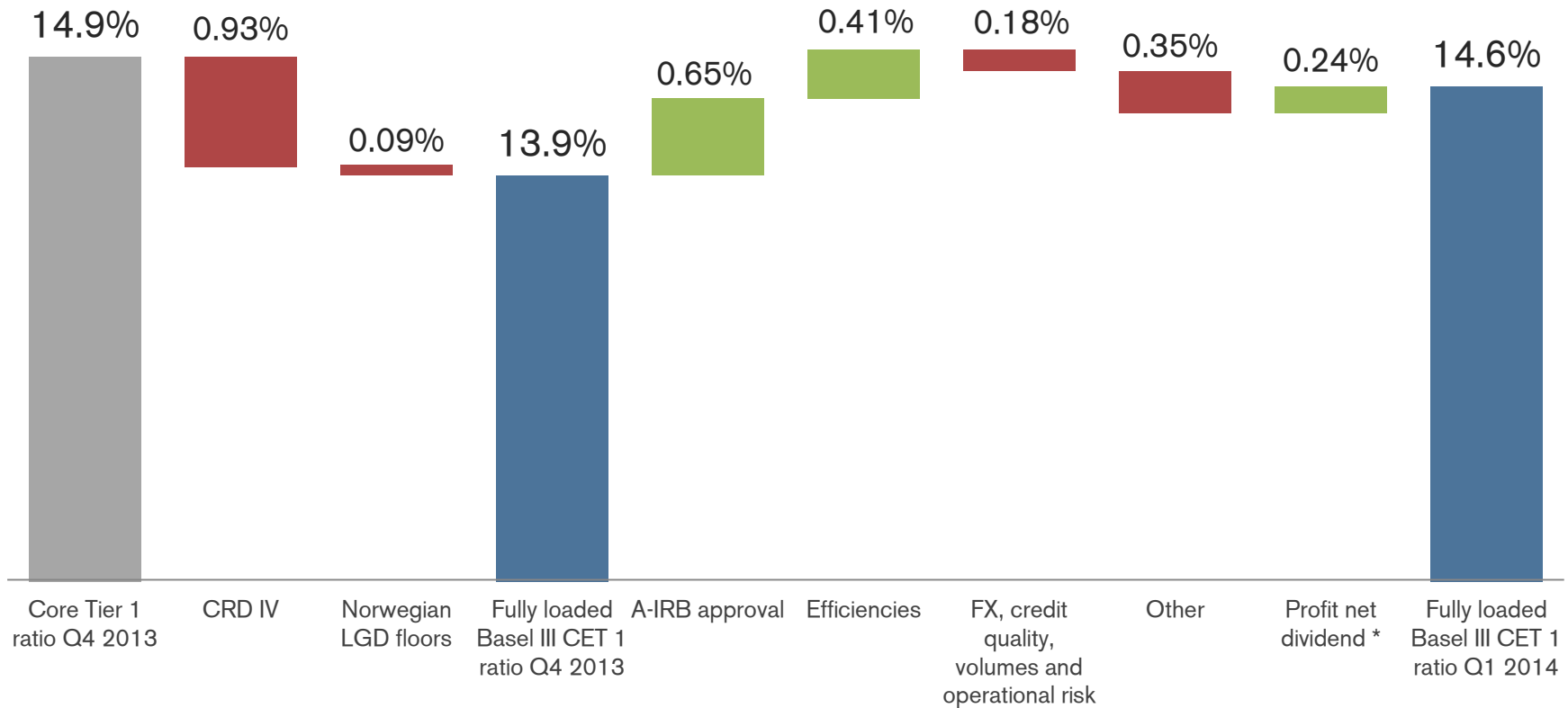
COMMENTS

- CRD IV increases REA by EUR 9bn
- REA efficiencies EUR 10bn in the quarter of which EUR 6bn from A-IRB
- Norwegian LGD-floors impact EUR 1bn
- REA up following market- and operational risk
- No impact from credit quality

* Basel 2.5 excluding transition rules until Q4/13. Basel 3 in Q1/14

Fully loaded Basel III CET 1 ratio up 70 bps

COMMON EQUITY TIER 1 RATIO DEVELOPMENT, %



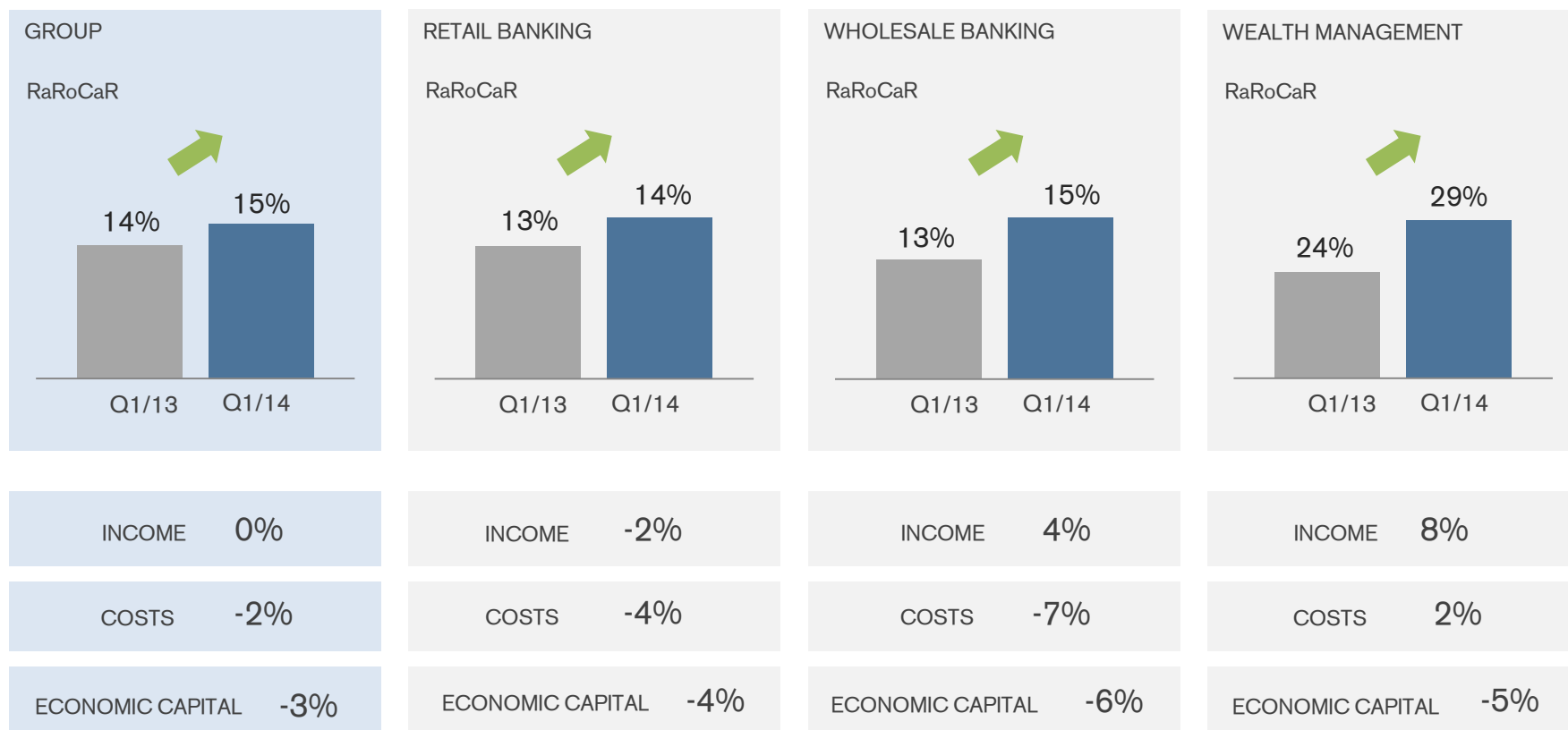
* Assuming a payout ratio of 56%

Business area development



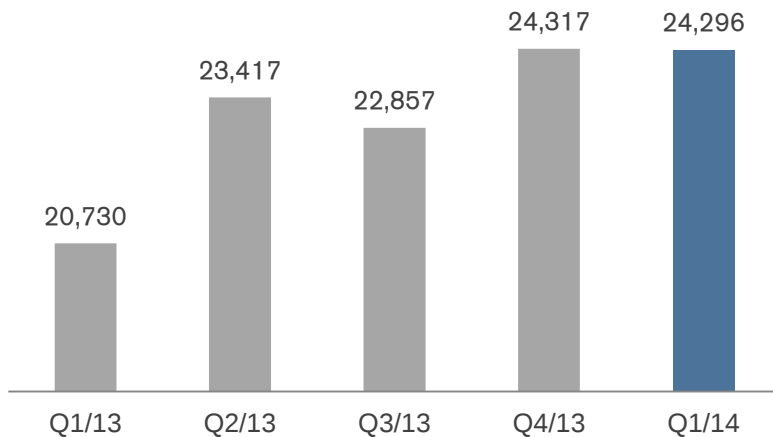
Improved return

RETURN DEVELOPMENT, GROUP AND BUSINESS AREAS



More relationship customers and continued transformation

ACQUIRED GOLD, PREMIUM AND PB CUSTOMERS

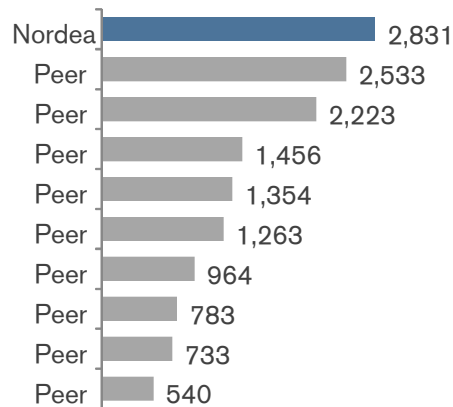


COMMENTS

- 94,000 new relationship customers welcomed the past year
- Continued transformation towards new convenient services
 - Customers welcome remote advisory meetings in our contact centres
 - Easy access to cash handling outside opening hours, 500+ Automated Deposit Machines by end 2014
 - Mobile logins up 70% from Q1/ 13

Leading advisor and provider for large corporates

NORDIC ECM Q1 2014, EURm

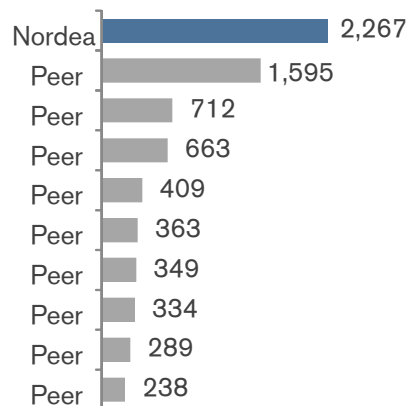


Dealogic, volumes by global co-ordinator or bookrunner

COMMENTS

- Leading provider in increased capital markets activity
 - No. 1 in Nordic equity capital markets, with key role in major transactions in Q1
 - No. 1 in Nordic debt capital markets
- No. 1 Nordic broker on NasdaqOMX
- No. 1 arranger of syndicated loans
 - Nordea no. 1 global arranger of shipping loans

NORDIC CORPORATE BONDS Q1 2014, EURm



Dealogic, volumes by bookrunner

Selected capital markets transactions in Q1

EQUITY CAPITAL MARKETS

PANDORA

Vestas

SAMPO GROUP

Bunker

DONG
energy

SAS

ISS

DEBT CAPITAL MARKETS

outokumpu PHARMAQ DSV

TVO

Vestas

telenor

Humana

LM WIND
POWER

MetsäBoard

VOLVO



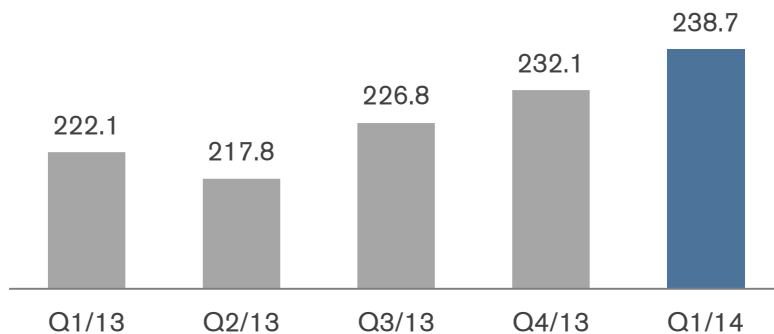
Kingdom of
Denmark



Kingdom of
Sweden

Largest and fastest growing Asset Manager in the Nordics

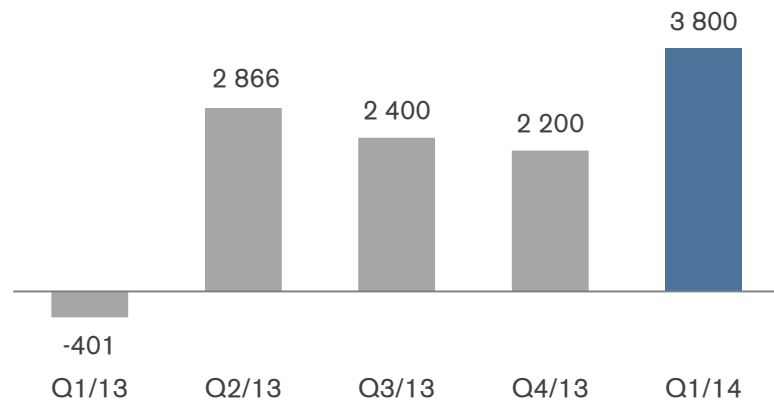
AUM DEVELOPMENT, EURbn



COMMENTS

- All time high level AuM of EUR 239bn
- Highest quarterly net inflow in 10 years with all segments contributing positively
- Nordea funds awarded throughout Europe
 - 17 awards in 10 countries by Morningstar and Lipper in Q1

NET INFLOW, EURm



2015 plan update



The 2015 plan – an update

Nordea market commitments

Strong capital generation and increased payout ratio in 2014 and 2015

while maintaining a strong capital base

To reach a ROE of 13% at the required CET1 ratio taking prevailing low interest rates into account

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

Key initiatives and levers

Capital initiative to improve the CET1 ratio

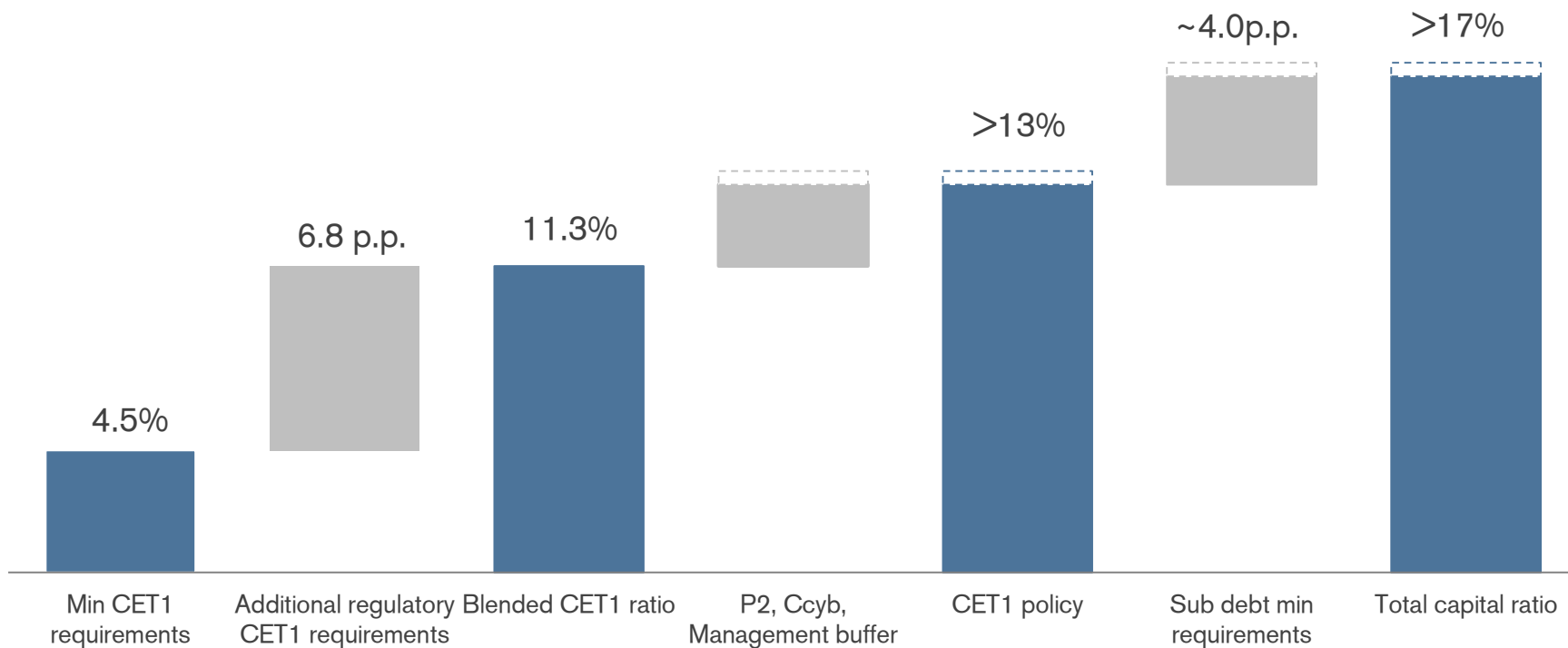
Initiatives for income generation

Efficiency initiatives of ~EUR 900m
5% lower cost base 2015 vs. 2013

Low-risk profile and low volatility

Nordea capital policy

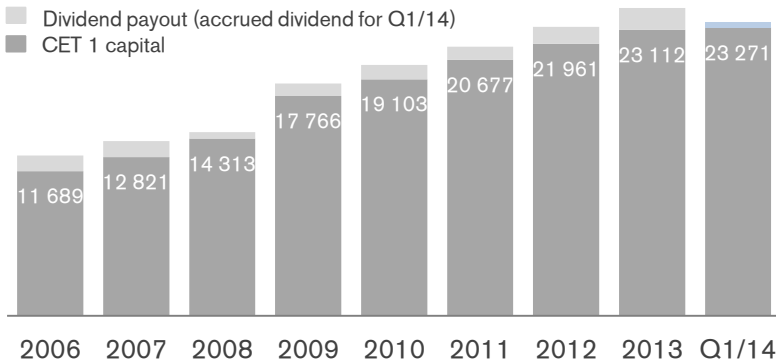
BASEL III CAPITAL RATIO TARGETS*



* Fully phased in

Strong capability to generate capital

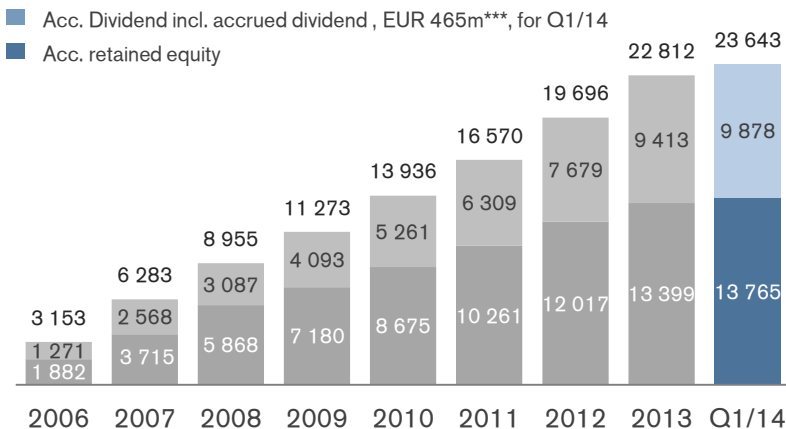
COMMON EQUITY TIER 1 CAPITAL*, EURm



COMMENTS

- Doubled the capital base in 7 years
- Increased CET 1 capital ratio from 6.8% to 14.6%

CAPITAL GENERATION**, EURm



* Basel 2.5 until FY 2013. Q1/14 is Basel 3.

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

*** Assumes a 56% payout ratio

Income holding up

Re-pricing

- Lending margins up 11 bps y-o-y (RB)
- Lending margins up 15 bps y-o-y (WB)

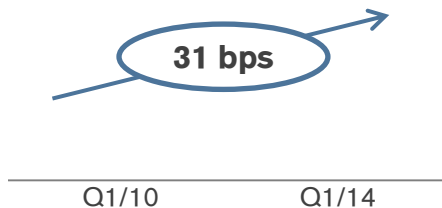
New customers

- Continued strong inflow of household customers ~ 24,000 new (externally recruited) Gold and Premium customers (RB)
- Further strengthened customer service model with enhanced focus on business potential, cross-selling and ancillary income (WB)

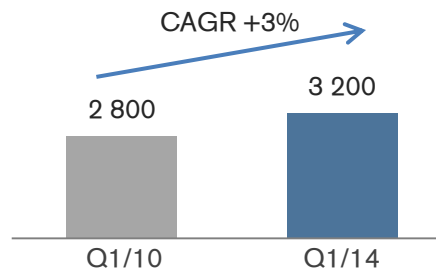
Ancillary income

- Strengthened capital markets position
- High volumes in ECM & DCM
- Participated in two IPOs and a number of capital raisings
- Continued growth in AuM, CAGR 9% from Q1/10

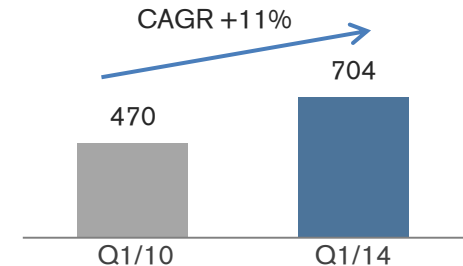
LENDING RE-PRICING DEVELOPMENT



PB AND GOLD CUSTOMERS, thousands



NCI DEVELOPMENT, EURm



The accelerated cost efficiency programme on track

Total deliveries amounting to EUR 255m* of which EUR 45m in Q1/14

Reducing activity-related expenses
(e.g. travelling and consultants)

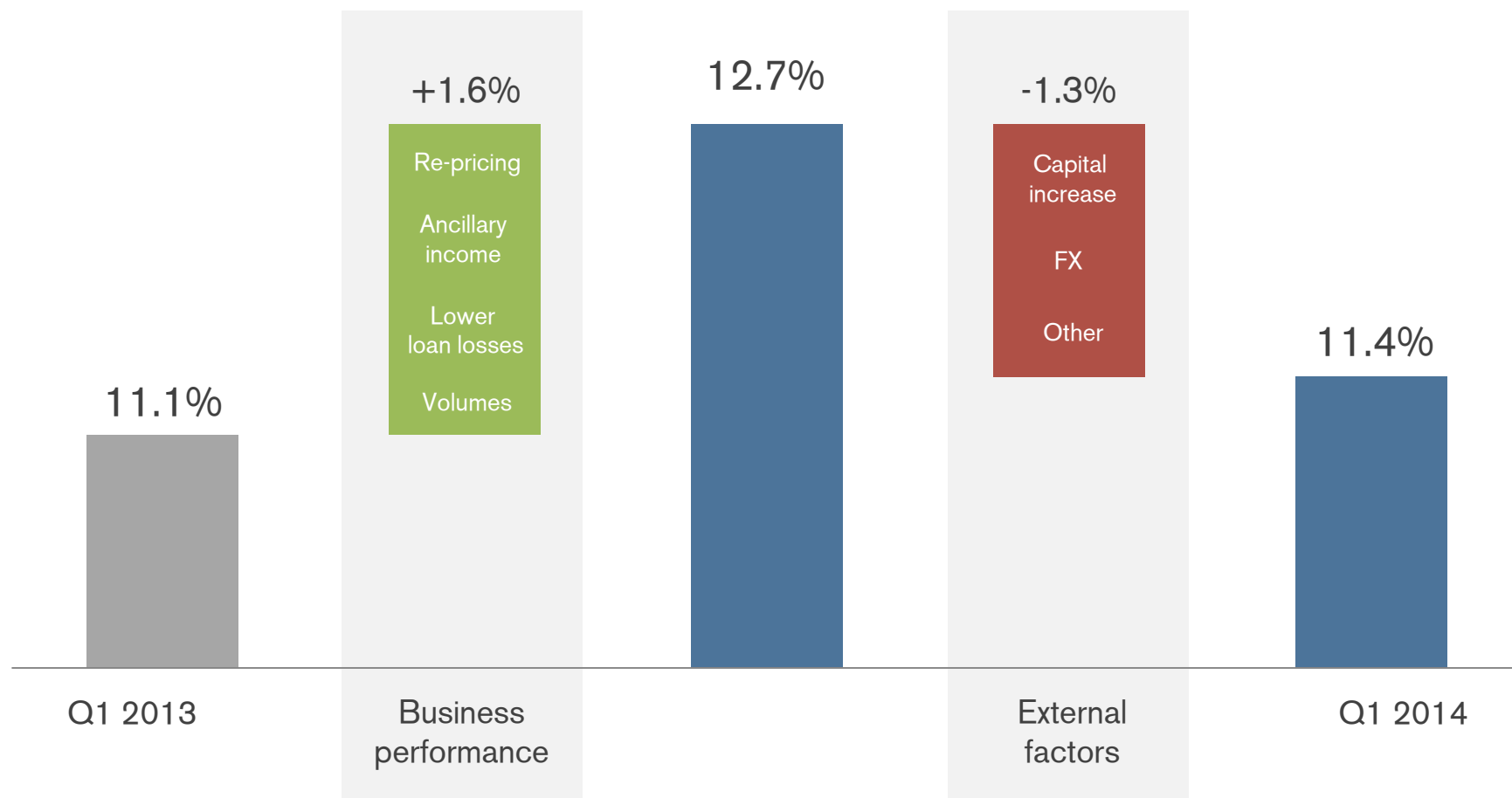
Adjusting the distribution to meet
changed customer behaviour

Increasing efficiency within IT,
products and services

Reducing internal service level
and Group function costs

* Since the beginning of 2013

RoE – strong underlying business performance



Embarking on the process of simplification

- ✓ Banking sector and customer demands are changing
 - ✓ Digitalisation a key driver
- ✓ Nordea to become more agile and responsive to changing customer needs
- ✓ Simplification process is ongoing in all parts of the bank
 - ✓ Reviewing processes, products and IT-systems
 - ✓ Reducing complexity
 - ✓ Innovating our business model to the benefit of our customers
- ✓ A status of the review will be presented in the Q2/14 results

Progress in summary

PROGRESS ON NORDEA FINANCIAL PLAN 2015 IN Q1/14

CET1 capital ratio	Fully loaded Basel III CET1 capital ratio up 70 bps to 14.6%	✓
Risk Exposure Amount	Total efficiencies of EUR 18bn of which 10bn in the quarter	✓
Income growth	Income holding up	(✓)
Costs	Improved cost efficiency	✓
Loan losses	Loan losses down 12%	✓
RoE	RoE 11.4%, up 30 bps y-o-y	(✓)

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