



Fourth Quarter and Full Year Results 2014

Investor presentation

Christian Clausen, President and Group CEO

A robust result in a challenging environment

2014 vs 2013

- ✓ Revenues are up 2%*
- ✓ Costs are down 1%*
- ✓ Loan losses are down 26%*
- ✓ Operating profit is up 12%*
- ✓ Improved Common Equity Tier 1 ratio to 15.7% (13.9%)
- ✓ Proposed dividend of EUR 0.62 (EUR 0.43)
- ✓ All time high inflow in assets under management of EUR 18.6bn
- ✓ Consolidated our position as the leading bank for large corporates

*Excluding currency effects and non-recurring items 2 •

Q4 2014 financial results highlights

Financial results

EURm	Q4/14	Q3/14	Chg %
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Net interest income	1 356	1 396	-3
Net fee & commission income	763	667	14
Net fair value result	367	291	26
Total income*	2 513	2 754	-9
Total income**	2 513	2 377	6
Total expenses	-1 227	-1 516	-19
Total expenses**	-1 227	-1 172	5
Net loan losses	-129	-112	15
Operating profit	1 157	1 126	3
Operating profit**	1 157	1 093	6

2014	2013	Chg %	Local currencies Chg %
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5 482	5 525	-1	2
2 842	2 642	8	10
1 425	1 539	-7	-6
10 224	9 891	3	6
9 847	9 891	0	2
-5 366	-5 040	6	9
-4 832	-5 040	-4	-1
-534	-735	-27	-26
4 324	4 116	5	8
4 481	4 116	9	12

Return on equity (%)**	11.8	11.2	+60 bps
CET1 capital ratio (%)	15.7	15.6	+10 bps
Cost/income ratio (%)**	48.8	49.3	-50 bps

11.6	11.0	+60 bps	-
15.7	13.9***	+180 bps	-
49.1	51.0	-190 bps	-

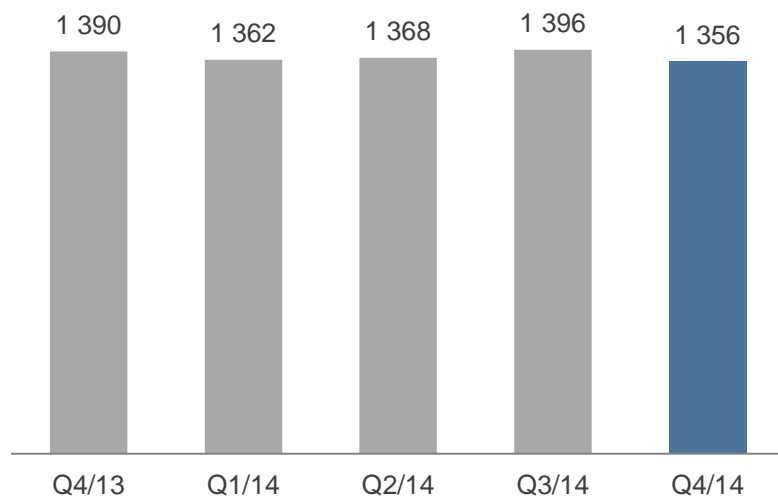
Currency impact

%- points	Q4/Q3	Q4/Q4	FY14/FY13
Income	-1	-2	-3
Costs	-1	-2	-3
Operating profit	-1	-3	-3
Loan and deposit volumes	-3	-3	-3

FX effect on CET1 ratio, bps	Q4/Q3	Q4/Q4	FY14/FY13
Capital (incl goodwill)	-26	0	0
REA	17	0	0
CET1 ratio	-10	0	0

Net interest income

NET INTEREST INCOME DEVELOPMENT, EURm



COMMENTS

- Largely unchanged Net interest margin
- Negative FX effect EUR 29m in the quarter
- Lower NII in Group Treasury

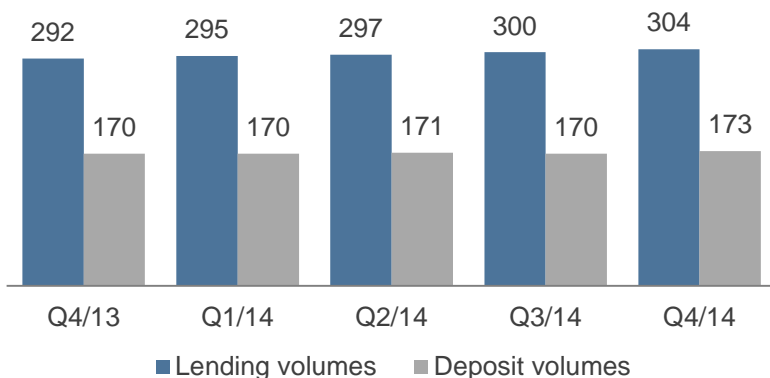
Net interest margin and volumes

BLENDED NET INTEREST MARGIN DEVELOPMENT, BPS

107 108 109 109 108

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

LENDING AND DEPOSIT VOLUMES*, EURbn



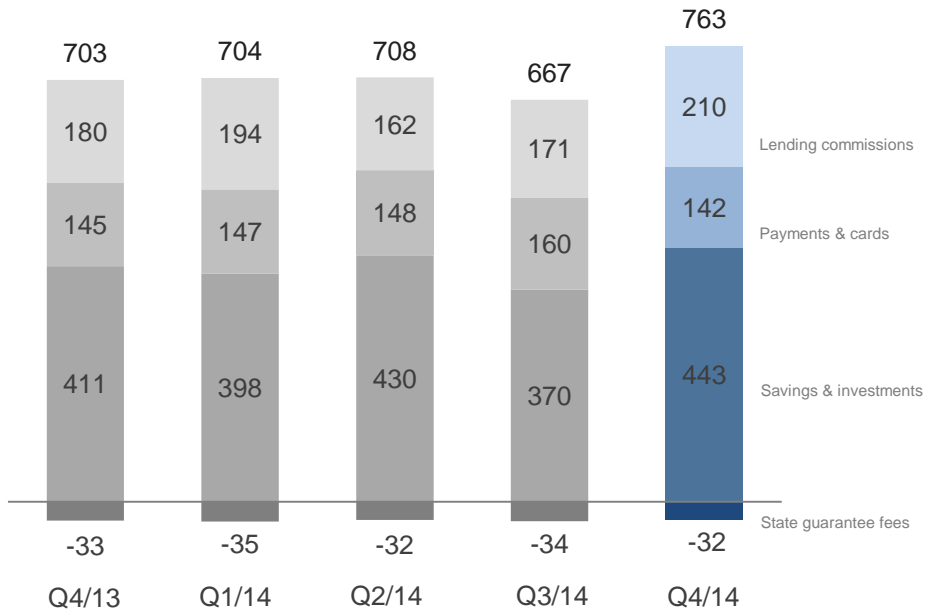
COMMENTS

- Net interest margin largely unchanged at 108bps
 - Improving lending margins
 - Lower deposit margins
 - Lower funding costs
- Lending volumes are up 1% in local currencies on Q3/14
 - Household lending up 2%
 - Corporate lending up 1%
- Lending growth 4% YoY

* Excluding repos and FX

Net fee and commission income

NET FEE AND COMMISSION DEVELOPMENT, EURm

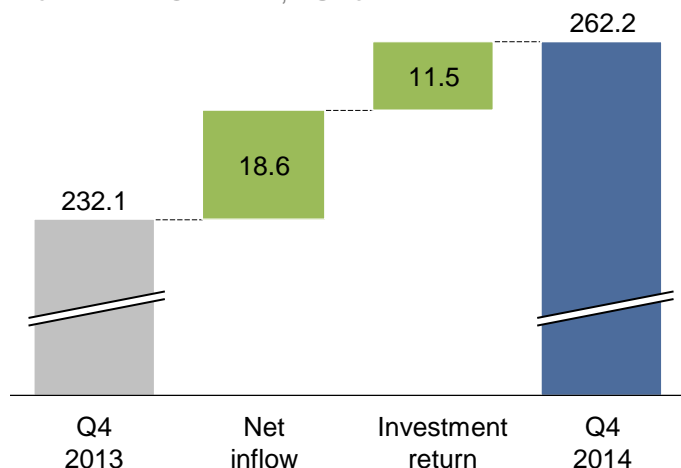


COMMENTS

- All time high level in the quarter
- Strong momentum in savings
- High capital markets activity, driven by loan syndications

Continued strong momentum in assets under management

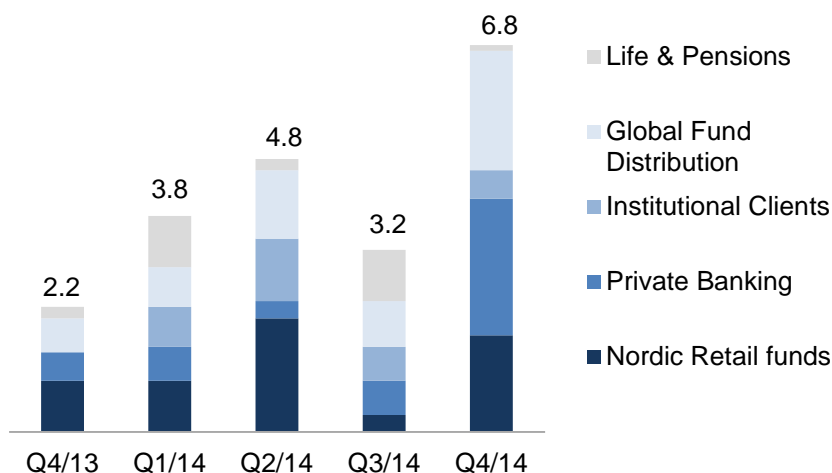
AuM DEVELOPMENT, EURbn



COMMENTS

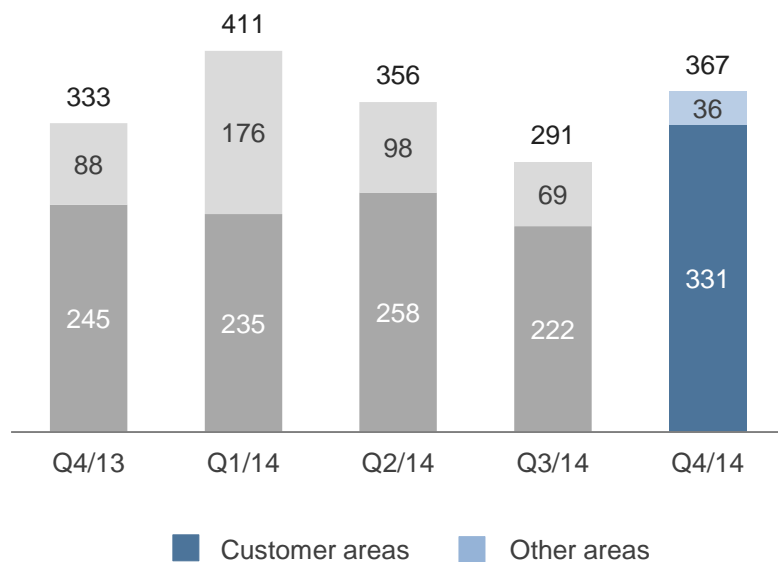
- All time high AuM at EUR 262bn
- Record high net flow, EUR 18.6bn
 - Continuous strong and well diversified flow
 - Net flow corresponds to 8% of AuM
- Strong interest among both Nordic and International customers

NET FLOW, EURbn



Net fair value

NET FAIR VALUE DEVELOPMENT, EURm

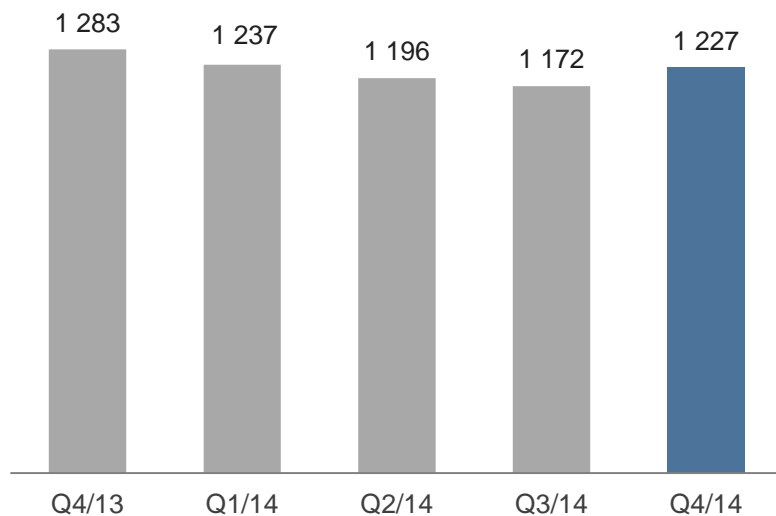


COMMENTS

- Improved trend in customer areas
 - Strong result in Life & Pensions
- Challenging market making conditions

Expenses under solid control

TOTAL EXPENSES*, EURm



COMMENTS

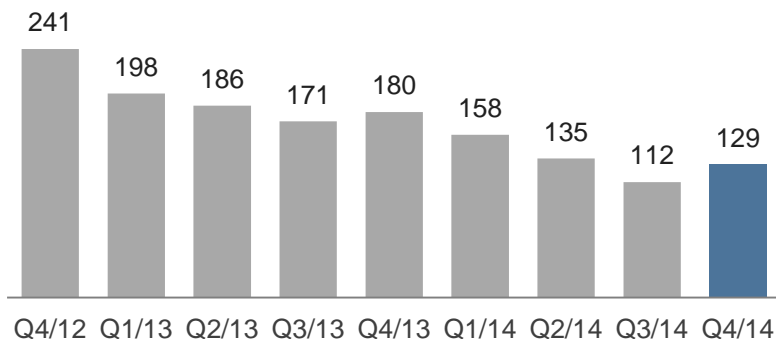
- Cost to income ratio improved 0.5% to 48.8%*
- Seasonal cost increase in the quarter
- Higher provisioning for profit sharing to all employees
- Costs are down 4% Q4/Q4**
- Costs are down 2% 2014 vs 2013**

* Excluding non-recurring items

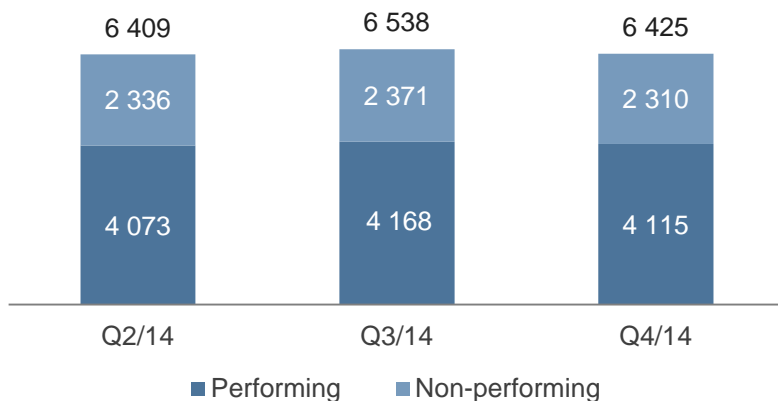
** Excluding non-recurring items, FX, variable pay and profit sharing

Stable credit quality

TOTAL NET LOAN LOSSES, EURm



IMPAIRED LOANS, EURm



COMMENTS

- Loan losses at 15bp – below 10 year average
- Slight increase in Denmark
 - Collective provision in Denmark related to agriculture sector
 - Offset by reversals in other areas
- Increase from low levels in Russia
- Impaired loans down 2%

Special attention area 1(4) - Finland

Stable underlying fundamentals

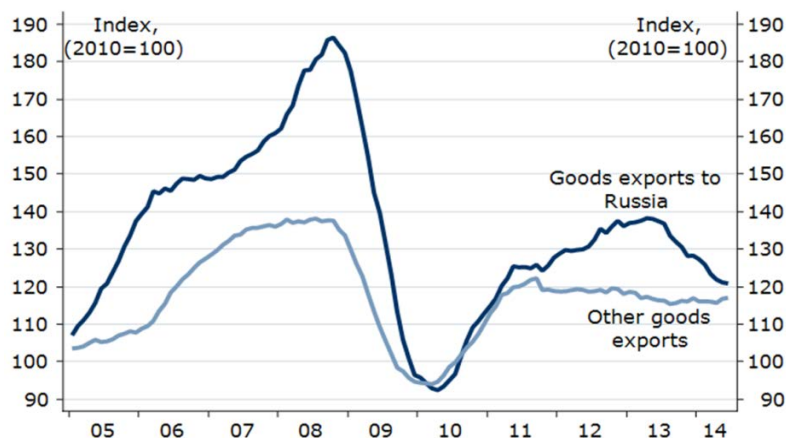
PD DEVELOPMENT, BANKING FINLAND



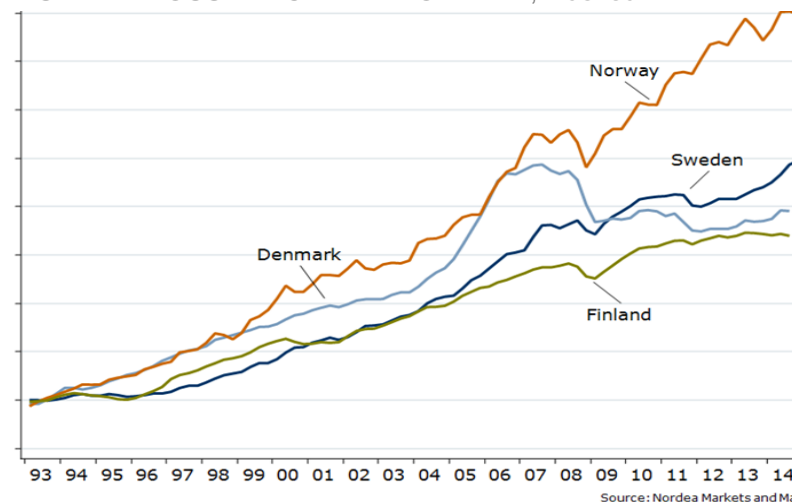
COMMENTS

- Slight improvement in household and corporate PD's
- Loan losses at moderate level of 17 bps, down from 20 bps
- Slow growth but underlying macro conditions are stable

SLIGHT INCREASE IN EXPORTS EXCL. RUSSIA



STABLE HOUSEPRICE DEVELOPMENT, indexed





Special attention area 2(4) - Russia

Strong international customer base

KEY FINANCIALS, EURm

	FY 2014	Share of Group, %
Total income	274	3
Net loan losses	-15	3
Operating profit	165	4
Total lending	6 200	2
Loan loss ratio	24 bps	15 bps*

* Loan loss ratio for the group

COMMENTS

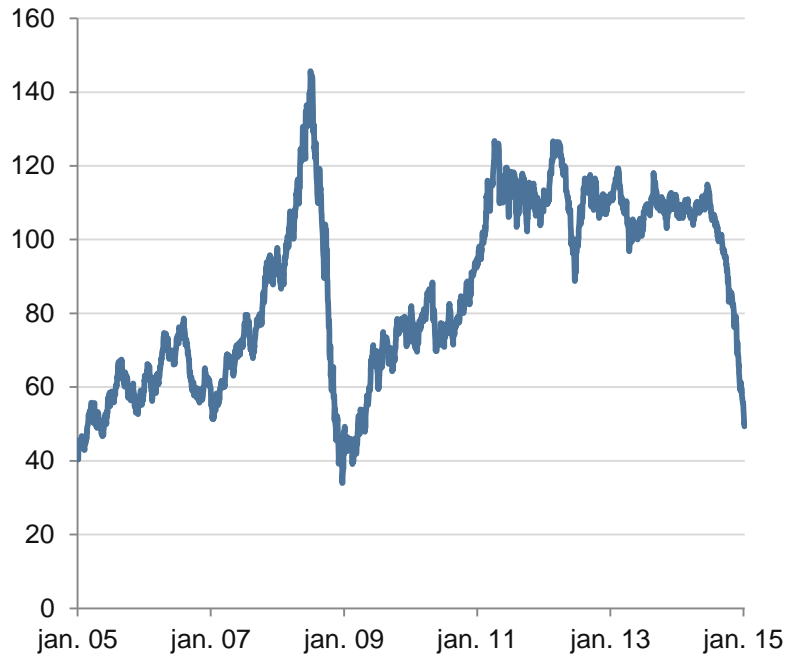
- Credit exposure mainly towards large international Russian corporates and Nordic corporates
- 86% of credit portfolio in USD or EUR- financing large Russian corporates' international operations
- Loan losses are at low levels
 - Increase in the quarter mainly relates to collective provisions and one individual exposure
- Limited risk of increased loan losses
 - Stress tests performed on customer level



Special attention area 3(4) - Oil

Oil and Gas, Oil services and Off-shore

DEVELOPMENT OF BRENT OIL PRICE



COMMENTS

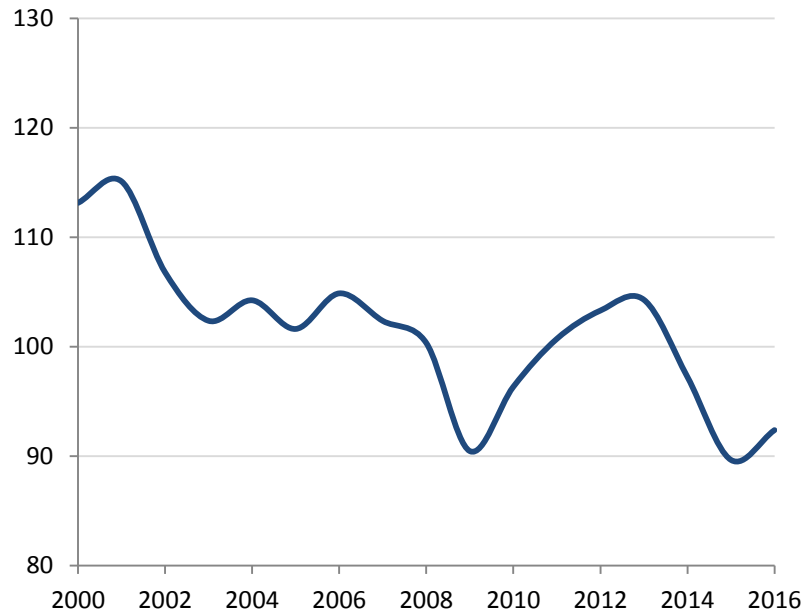
- Nordea's direct exposure is limited
 - Approx. 2% of total group exposure
- Limited risk of increased loan losses
 - Stress tests performed on customer level
- Likely negative effect on Norwegian economy
 - Mitigated by lower interest rates, weaker NOK and sovereign oil fund spending
- A lower oil price provides stimuli on Finnish and Swedish economies



Special attention area 4(4) – Danish agriculture

Sector affected by world market price pressure

GROSS MARGIN INDEX (crop, milk, pork)

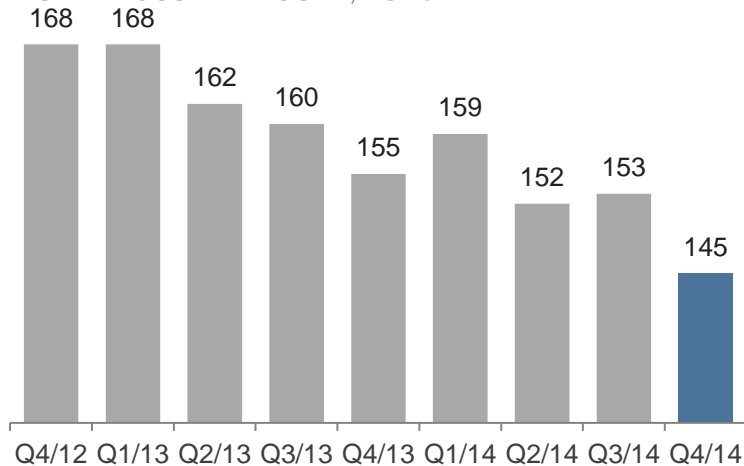


COMMENTS

- Agriculture sector affected by world market price pressure
 - Negative effect on crop, milk and pork prices
- Exposure towards agriculture 2% of total group lending portfolio
 - Polarisation between strong and weak farmers
 - Collective provision of EUR 23m in the quarter

Risk exposure amount

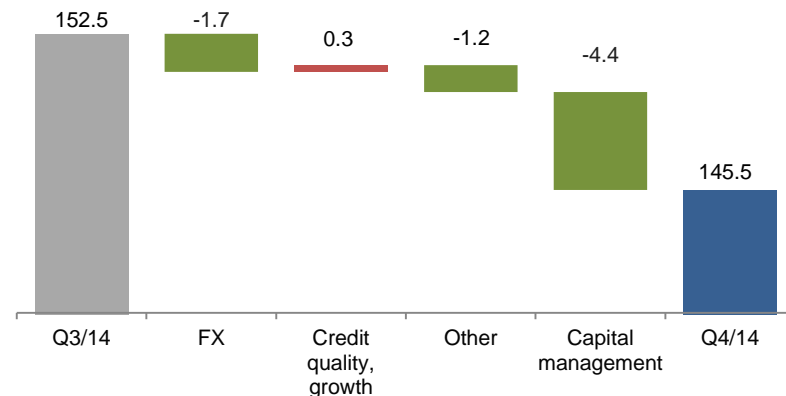
RISK EXPOSURE AMOUNT, EURbn*



COMMENTS

- REA down EUR 7bn in the quarter
 - Impact from capital management EUR 4.4bn
 - Stable credit quality
- FX effect mainly related to NOK

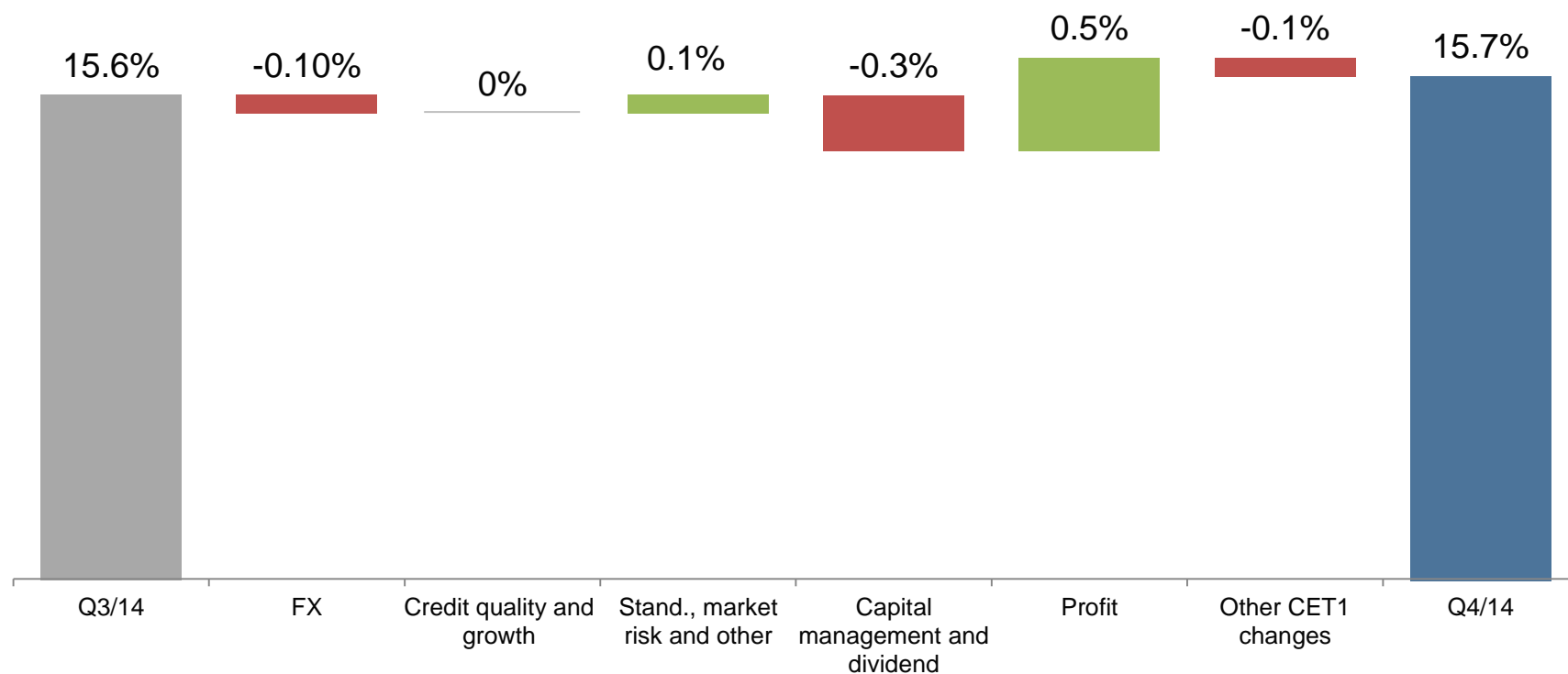
RISK EXPOSURE AMOUNT DEVELOPMENT, EURbn



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

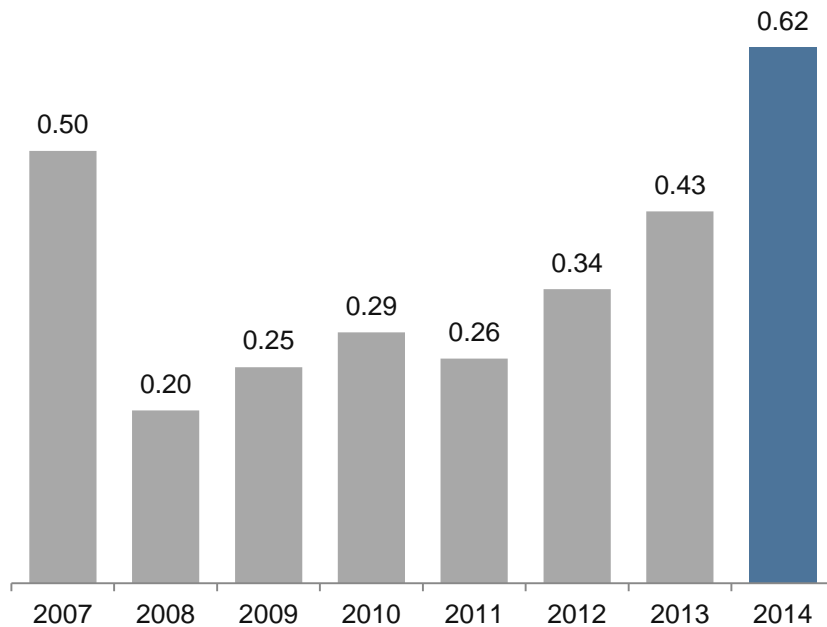
CET 1 ratio up 10 bps

COMMON EQUITY TIER 1 RATIO DEVELOPMENT, %



Proposed dividend

DIVIDENDS, EUR/SHARE



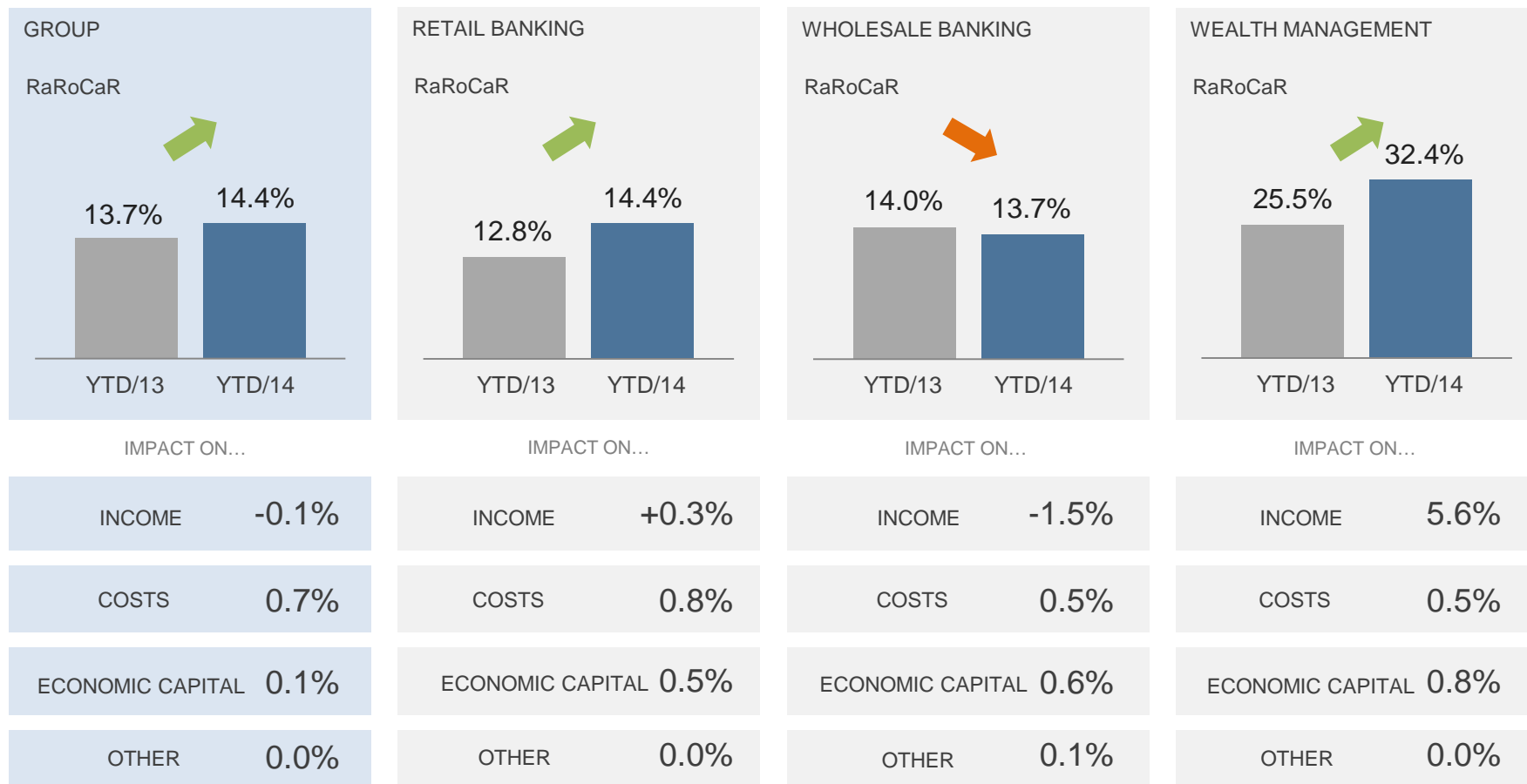
COMMENTS

- Proposed dividend per share of EUR 0.62
- Representing a payout ratio of 70% of net profit*

* Adjusted for impairment charge in Q3/14 19 •

Return coming from improved efficiency

RETURN DEVELOPMENT YTD, GROUP AND BUSINESS AREAS



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 initiatives to improve the CET1 ratio



Initiatives for income generation



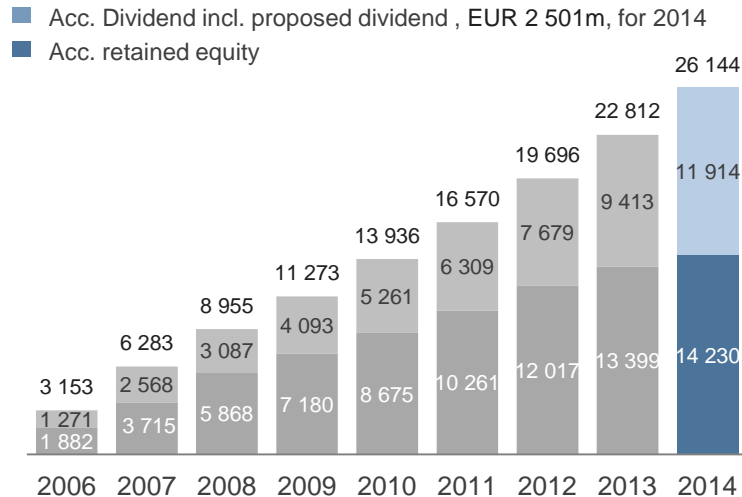
Efficiency initiatives of ~EUR 900m
5% lower cost base in local currencies 2015 vs. 2013



Low-risk profile and low volatility

Strong capability to generate capital

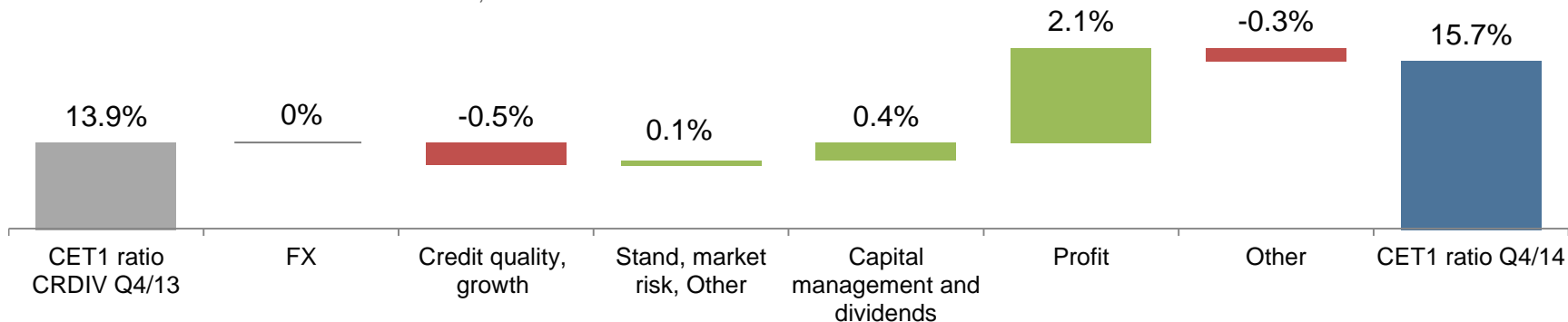
CAPITAL GENERATION*, EURm



COMMENTS

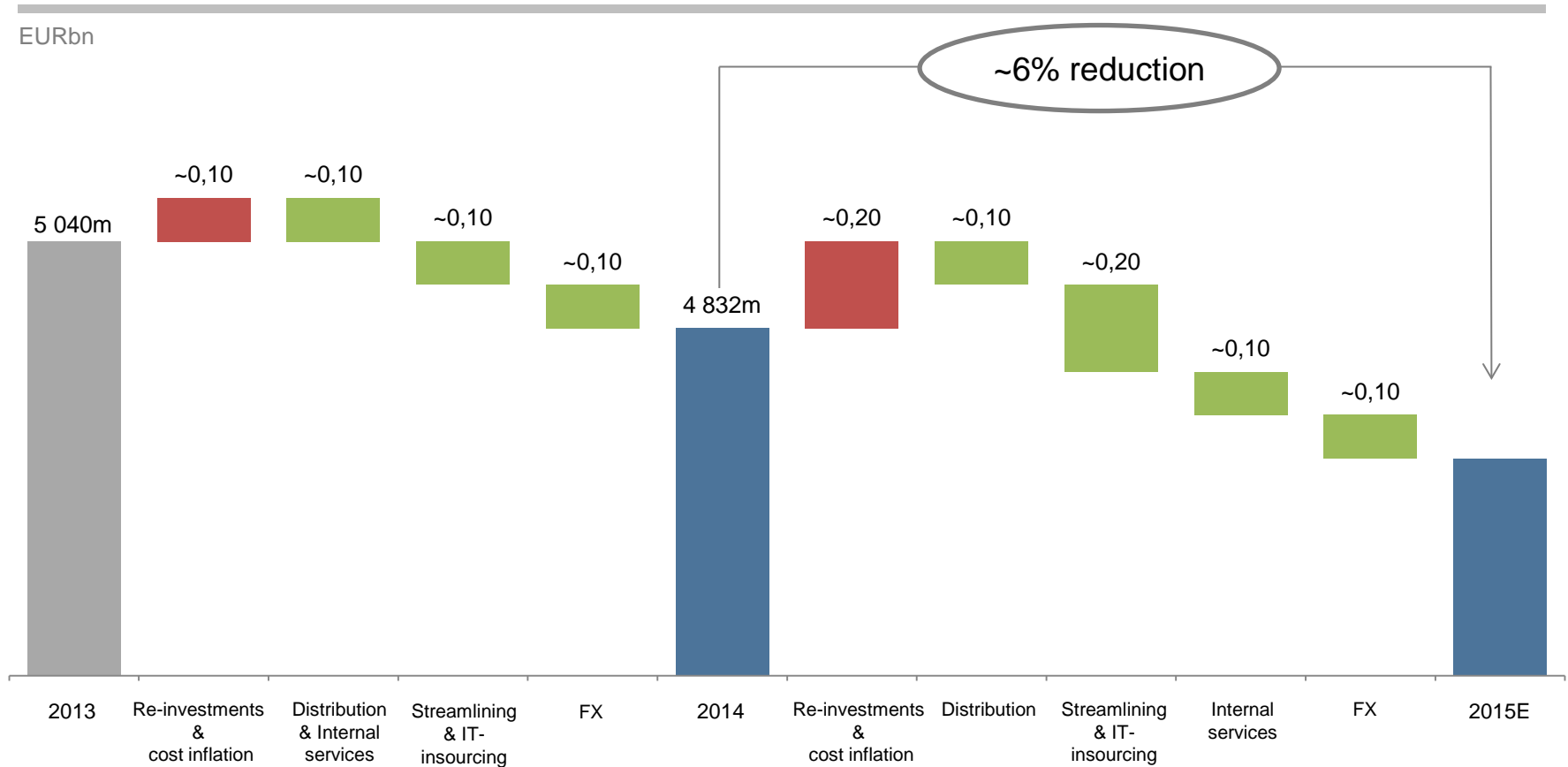
- Tier 1 ratio improved from 6.8% to 17.6%
- CET1 ratio up 180 bps in 2014

CET1 RATIO DEVELOPMENT FULL YEAR, %

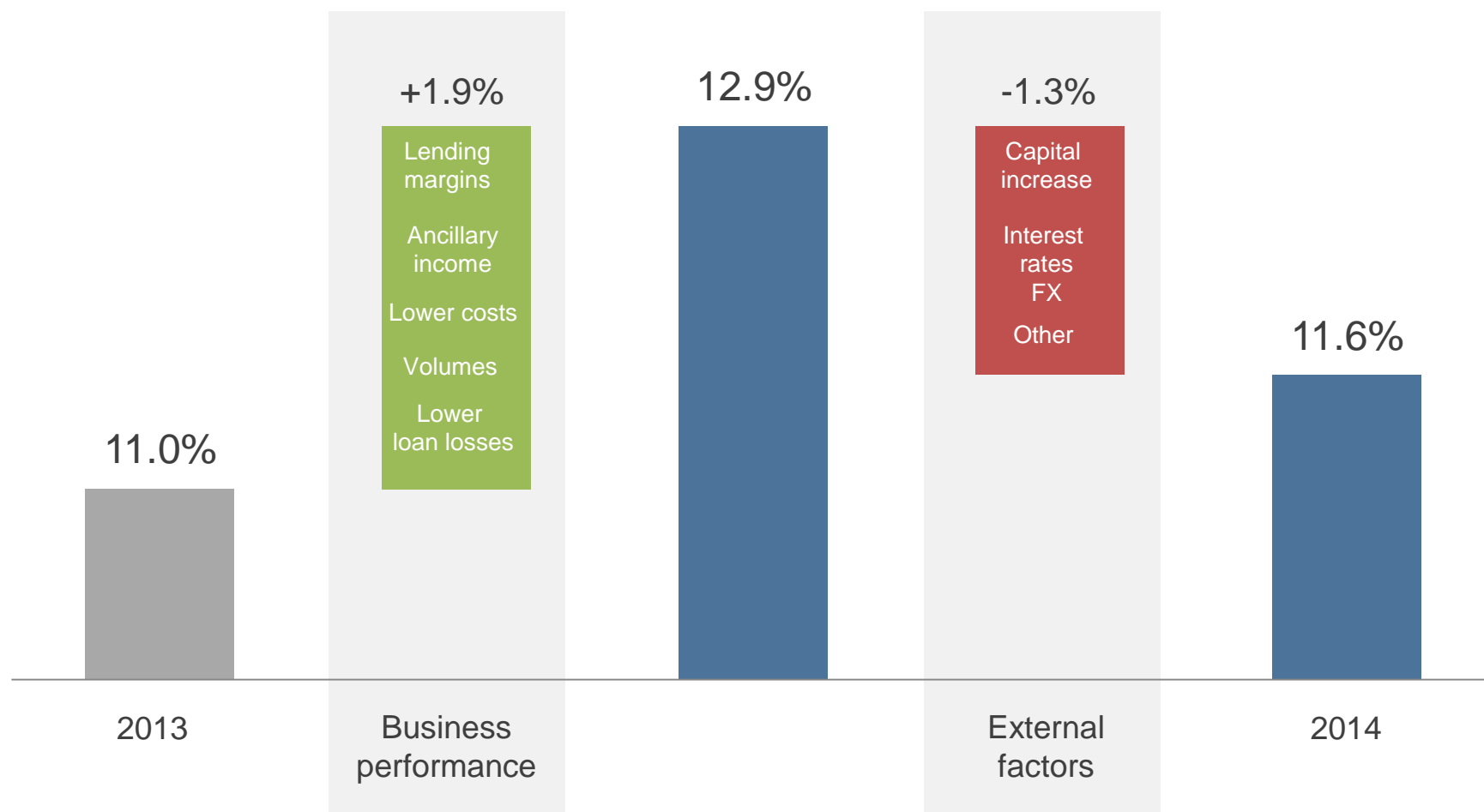


* Dividend included in the year profit was generated. Excluding rights issue (EUR 2 495m in 2009).

Cost development is driven by initiatives across the board



RoE – strong underlying business performance



Excluding restructuring charge in Q2/14 and IT impairment in Q3/14 and gain from divestment of Nets in Q3/14

Progress in summary

PROGRESS ON NORDEA FINANCIAL PLAN 2015 IN 2014

CET1 capital ratio	• CET 1 capital ratio up 180 bps to 15.7%	✓
Risk Exposure Amount	• Impact from capital management of EUR 30bn of which 22bn in the year	✓
Income growth	• Income holding up	✓
Costs	• Cost programme delivering according to plan	✓
Loan losses	• Loan loss ratio 15 bps	✓
RoE	• RoE up 60 bps to 11.6%*	✓
Simplification	• Progressing according to plan	✓

*Excluding non-recurring items in Q3/14

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Fourth Quarter and Full Year Results 2014

Investor presentation

Christian Clausen, President and Group CEO