



## First Quarter Results 2015

Investor presentation

Christian Clausen, President and 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.

# Highlights of first quarter 2015

First quarter 2015 vs first quarter 2014\*

- ✓ Revenues are up 11%
  - ✓ Negative interest rates put pressure on Net interest income
  - ✓ Record high Assets under Management
  - ✓ Increased activity in the capital markets
- ✓ Costs are down 2%, delivering according to plan
- ✓ Loan losses are down 21% to 14 bps
- ✓ Operating profit is up 29%
- ✓ Improved common equity tier 1 ratio 100 bps to 15.6%

\*All P&L items in local currencies

# Q1 2015 financial results highlights

# Financial results

EURm	Q1/15	Q4/14	Chg %
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Net interest income	1 288	1 356	-5
Net fee & commission income	757	763	-1
Net fair value result	644	367	75
<b>Total income*</b>	2 714	2 513	8
<b>Total expenses</b>	-1 184	-1 227	-4
Profit before loan losses	1 530	1 286	19
Net loan losses	-122	-129	-5
<b>Operating profit</b>	1 408	1 157	22
<b>Net profit from cont. op</b>	1 082	877	23

Q1/14	Chg %	Local currencies Chg %
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1 362	-5	-3
704	8	9
411	57	58
2 501	9	11
-1 237	-4	-2
1 264	21	23
-158	-23	-21
1 106	27	29
840	29	31

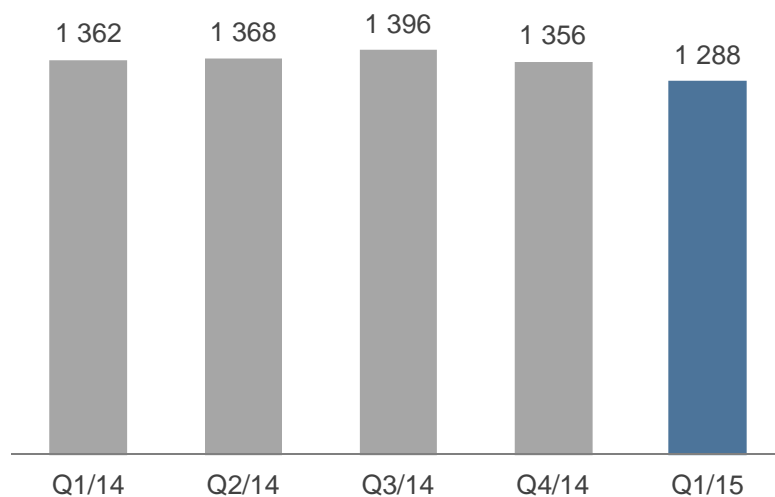
Return on equity (%)	14.3	11.8	250 bps
CET1 capital ratio (%)	15.6	15.7	-10 bps
Cost/income ratio (%)	43.6	48.8	-520 bps

11.4	290 bps	-
14.6	100 bps	-
49.5	-590 bps	-

\*Includes other income 5 •

# Net interest income

NET INTEREST INCOME DEVELOPMENT, EURm



COMMENTS

- NII affected by pressure on deposit rates
  - Negative interest rates in Denmark and Sweden
- Two fewer interest days and negative FX, reduces NII by EUR 43m
- Deposit margin reduces NII by EUR 39m

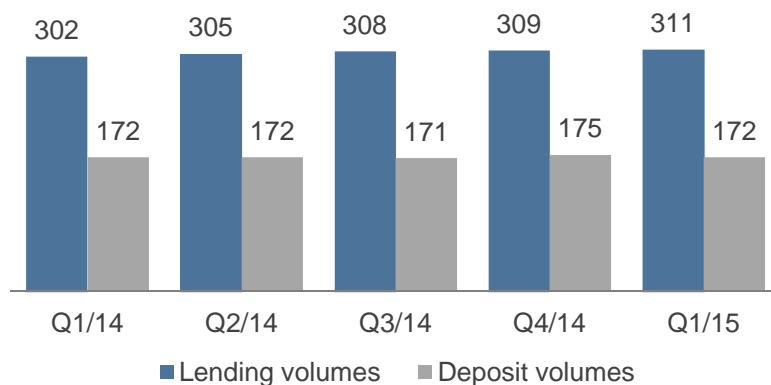
# Net interest margin and volumes

BLENDNET NET INTEREST MARGIN DEVELOPMENT, BPS



Q1/14 Q2/14 Q3/14 Q4/14 Q1/15

LENDING AND DEPOSIT VOLUMES\*, EURbn



COMMENTS

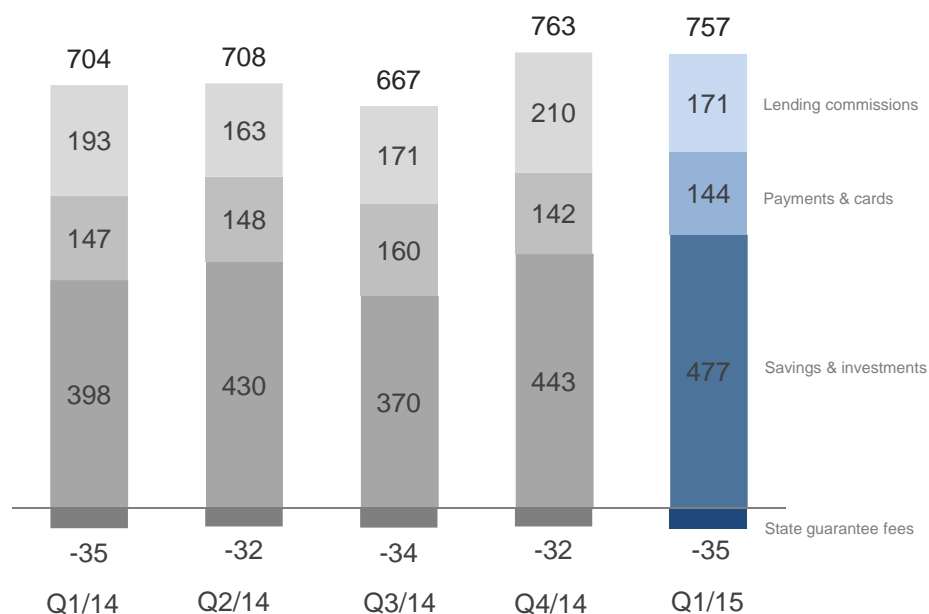
- Blended margin down 5 bps to 103 bps
  - Slightly improving lending margins
  - Pressure on deposit margins
- Lending volumes up 3% y-o-y\*

\* Excluding repos and FX

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# Net fee and commission income

NET FEE AND COMMISSION DEVELOPMENT, EURm



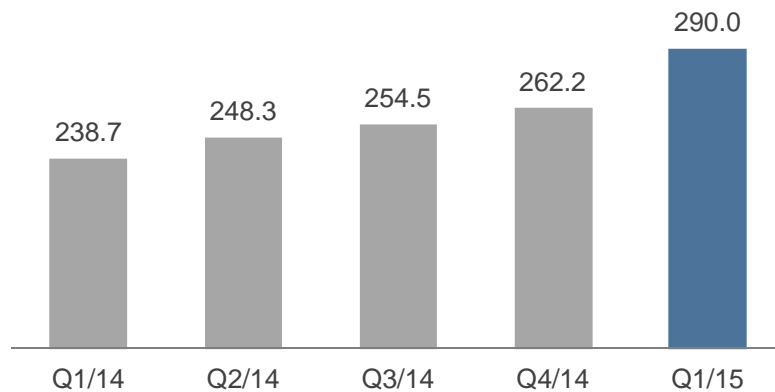
COMMENTS

- High net inflow and good performance in asset management
- High activity in corporate finance and brokerage
- Lending commission down from strong level in previous quarter

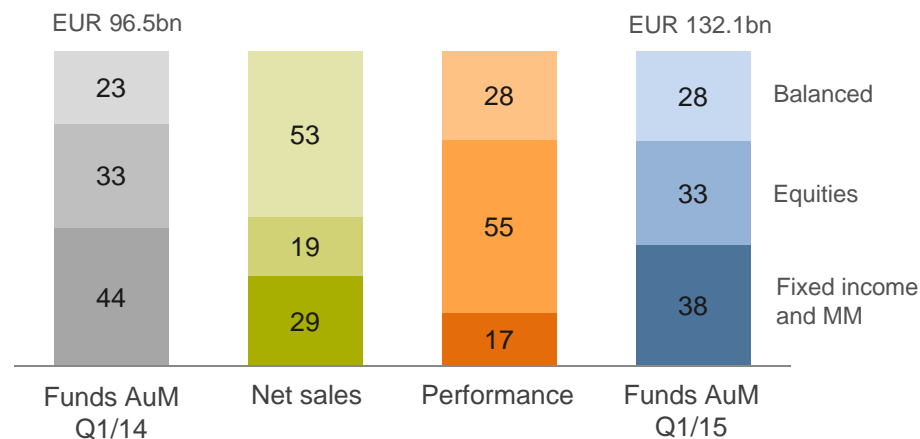


# Strong growth with balanced risk levels in customer savings

AUM DEVELOPMENT, EURbn



AUM FUNDS SPLIT, %

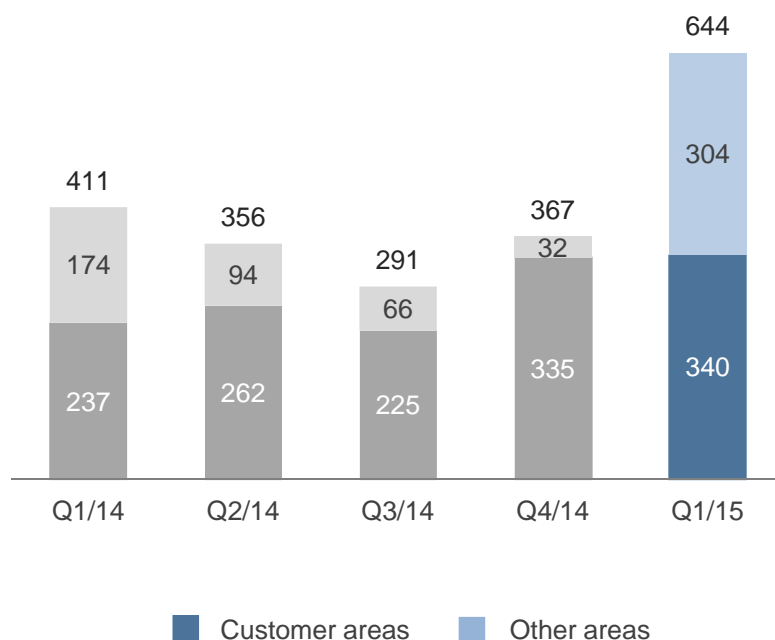


COMMENTS

- All time high AuM at EUR 290bn
- Record high net inflow of EUR 7.2bn
  - Continuous strong and well diversified inflow
- High customer interest in balanced funds – 53% of net sales
- Nordea Stable Return Fund has been the best-selling fund in Europe in the beginning of 2015
- 72% of composites outperformed benchmark over a 3-year period

# Net fair value

NET FAIR VALUE DEVELOPMENT, EURm

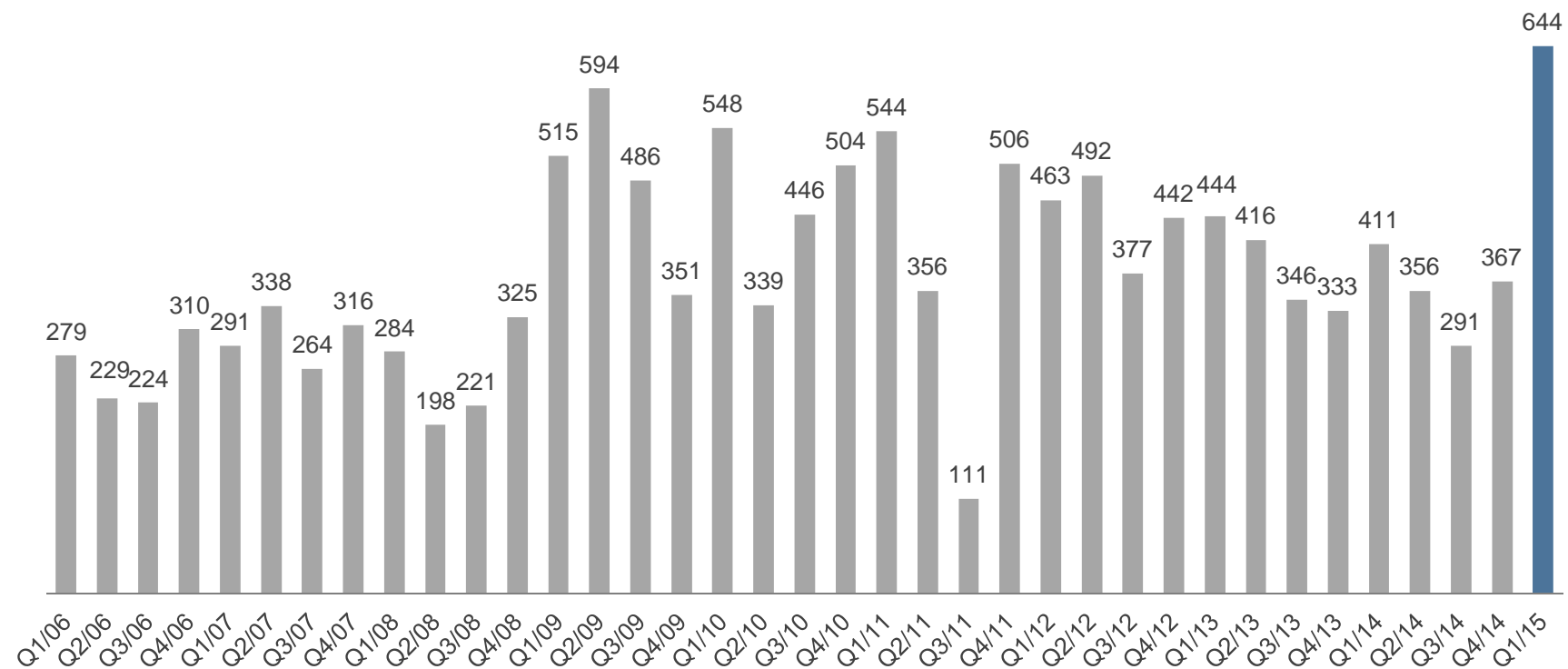


## COMMENTS

- Supporting corporate and institutional customers to manage their risks
  - Customer areas up from strong previous quarter
- High activity in capital markets

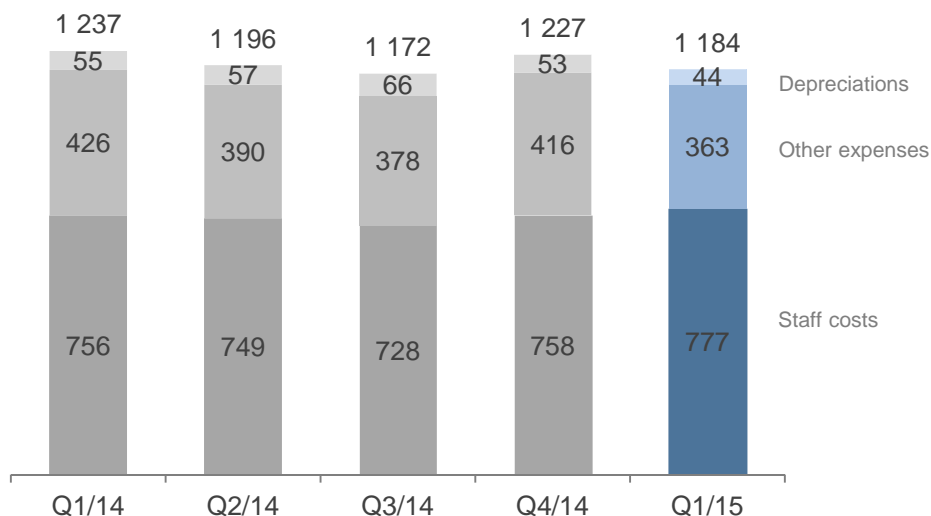
# Market events drive customers' need for risk management products

NET FAIR VALUE DEVELOPMENT, EURm



# Expenses under solid control

TOTAL EXPENSES\*, EURm



## COMMENTS

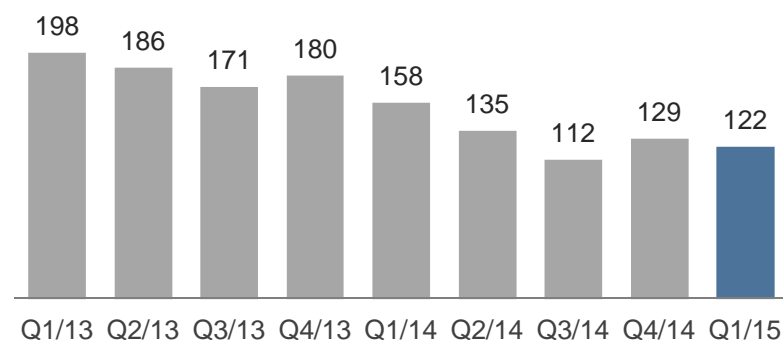
- Cost/income ratio improved 520 bps to 43.6%
- Costs are down 3.4% in local currencies and excluding variable pay
- Staff costs up 3% in local currencies
  - Higher variable pay and pension expenses
- Other expenses down 12%
- Cost programme delivering according to plan

\* Excluding non-recurring items

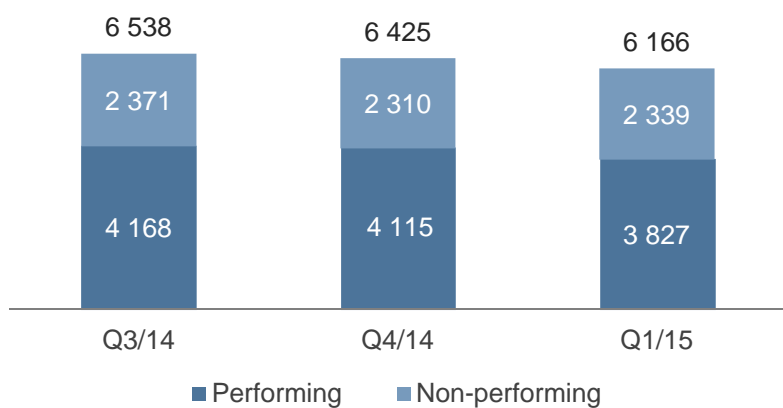
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# Solid credit quality

TOTAL NET LOAN LOSSES, EURm



IMPAIRED LOANS, EURm

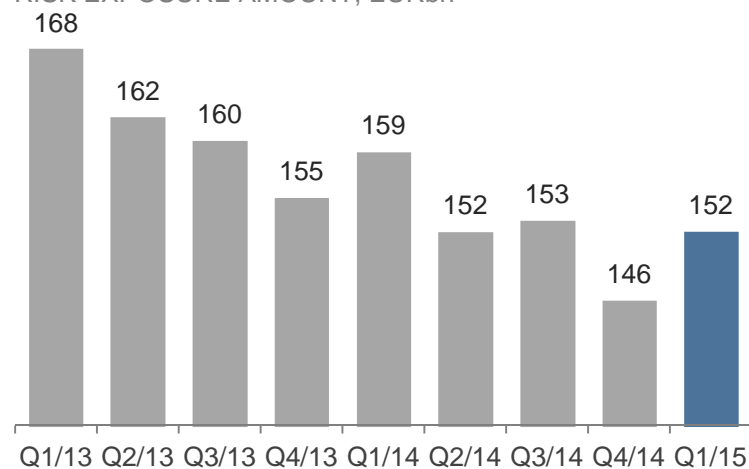


COMMENTS

- Loan losses at 14 bps
- Stable or improving credit quality in all areas
- Impaired loans ratio down from 174bps to 159bps
- Provisioning ratio increased to 45% (43%)

# Risk exposure amount

RISK EXPOSURE AMOUNT, EURbn\*



RISK EXPOSURE AMOUNT DEVELOPMENT, EURbn



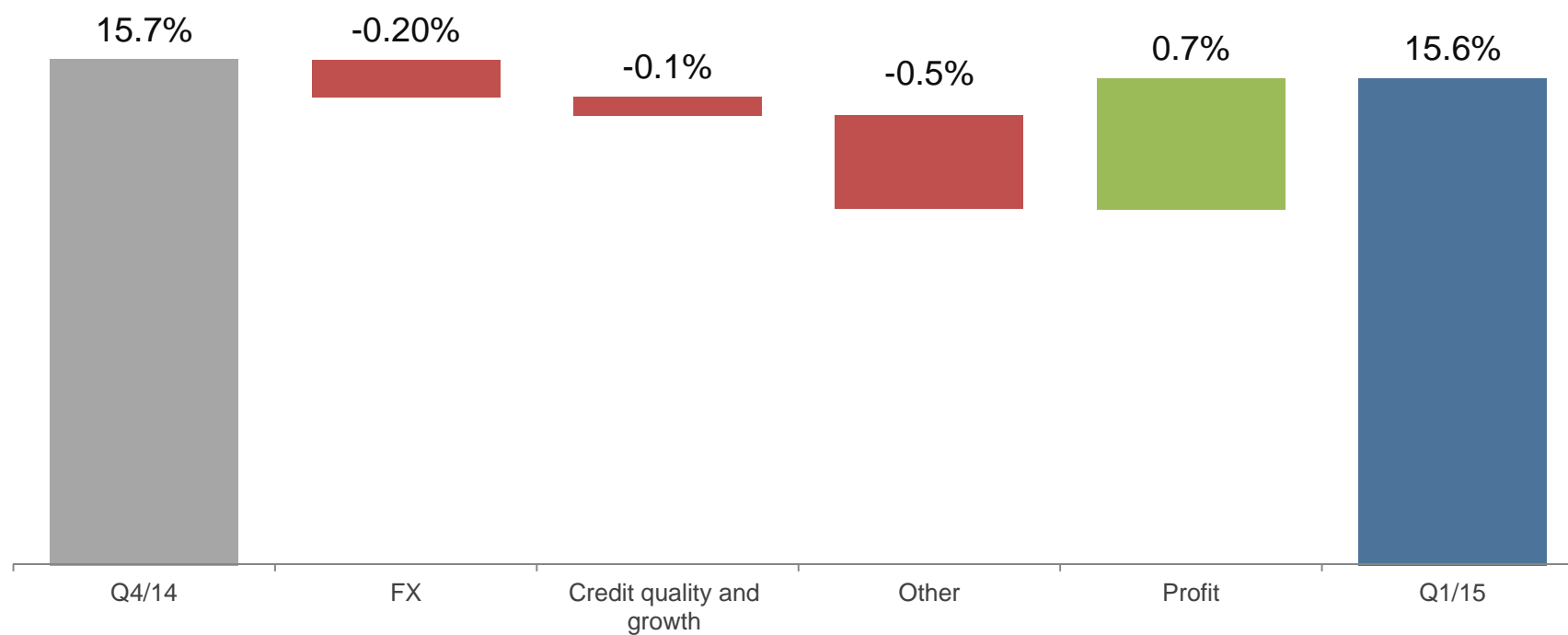
## COMMENTS

- REA up EUR 6bn in the quarter
  - Positive impact from capital management EUR 1bn
  - Stable credit quality
- FX effect mainly related to USD, NOK and Swiss franc

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

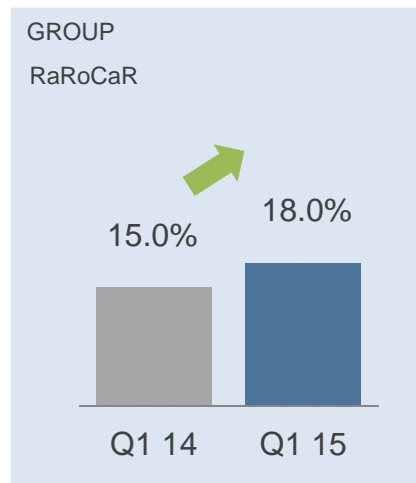
# CET 1 ratio down 10 bps

COMMON EQUITY TIER 1 RATIO DEVELOPMENT, %



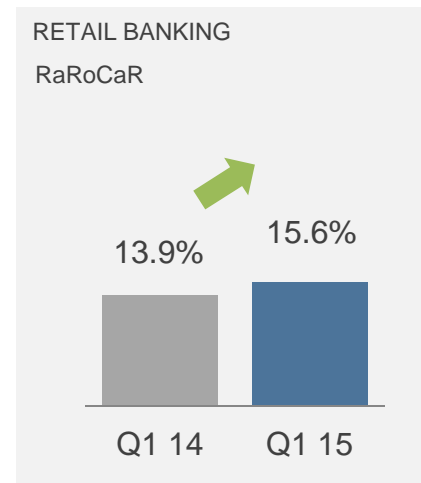
# Higher income lifts return

## RETURN DEVELOPMENT YTD, GROUP AND BUSINESS AREAS



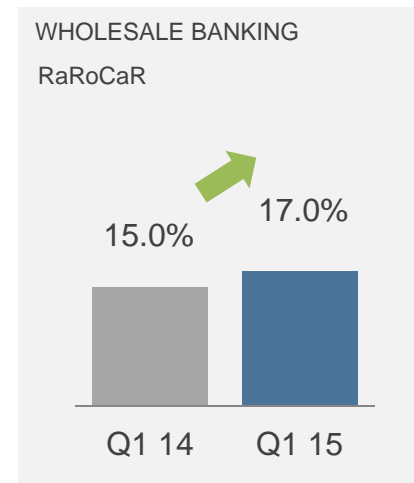
IMPACT FROM

INCOME	2.8%
COSTS	0.7%
ECONOMIC CAPITAL	-0.5%
OTHER	0.0%



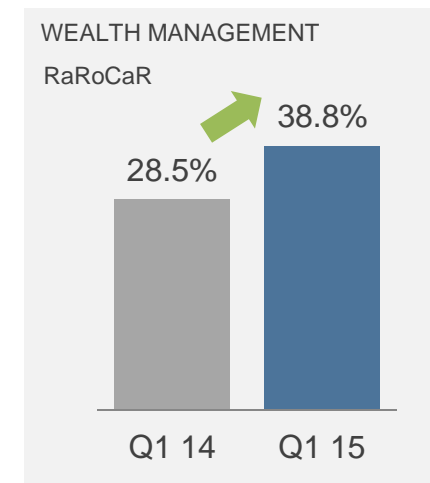
IMPACT FROM

INCOME	0.8%
COSTS	1.3%
ECONOMIC CAPITAL	-0.8%
OTHER	0.4%



IMPACT FROM

INCOME	1.8%
COSTS	0.1%
ECONOMIC CAPITAL	0.3%
OTHER	-0.2%



IMPACT FROM

INCOME	10.9%
COSTS	0.9%
ECONOMIC CAPITAL	-1.9%
OTHER	0.3%



2015 plan update



# Delivering on the 2015 plan - Progress in summary

PROGRESS ON NORDEA FINANCIAL PLAN 2015 IN Q1/15 VS Q1/14

CET1 capital ratio	<ul style="list-style-type: none"><li>CET 1 capital ratio up 100 bps to 15.6%</li></ul>	✓
Risk exposure amount	<ul style="list-style-type: none"><li>Impact from capital management of EUR 31bn since 2013 of which 1bn in the quarter</li></ul>	✓
Income growth	<ul style="list-style-type: none"><li>Income up 11%</li></ul>	✓
Costs	<ul style="list-style-type: none"><li>Cost programme delivering according to plan</li></ul>	✓
Loan losses	<ul style="list-style-type: none"><li>Loan loss ratio 14 bps</li></ul>	✓
RoE	<ul style="list-style-type: none"><li>RoE up 290 bps to 14.3%</li></ul>	✓
Simplification	<ul style="list-style-type: none"><li>Progressing according to plan</li></ul>	✓

# Nordea 2015 capital markets day

London, 27 May 2015, 9-12 local time

Presentation	Presenter
Taking Nordea forward	Christian Clausen
Financial initiatives and targets	Torsten Hagen Jørgensen
Credit risk management	Ari Kaperi
Retail Banking	Lennart Jacobsen
Wholesale Banking	Casper von Koskull
Wealth Management	Gunn Wærsted



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