



A robust and sustainable business model

13 December 2013

Rodney Alfvén, Head of Investor Relations



Making it possible

Nordic ideas

Nordea was created with the vision that the Nordic region was one market and to establish a pan-Nordic platform



The Baltic region was added via green field operation.

Today, Nordea is the largest financial services group in the Nordic and Baltic Sea region.

11 million customers

- 8 home markets
- Approx. 10 million personal customers
- 500 000 corporate customers, incl. Nordic Top 500

Distribution power

- Approx. 900 locations in total
- Approx. 7 million Netbank customers

Financial strength

- EUR 10.2bn in full year income (2012)
- EUR 626bn of assets (Q3 2013)
- EUR 29.0bn in equity capital (Q3 2013)
- AA credit rating
- Core Tier 1 capital ratio of 14.4% (Q3 2013)

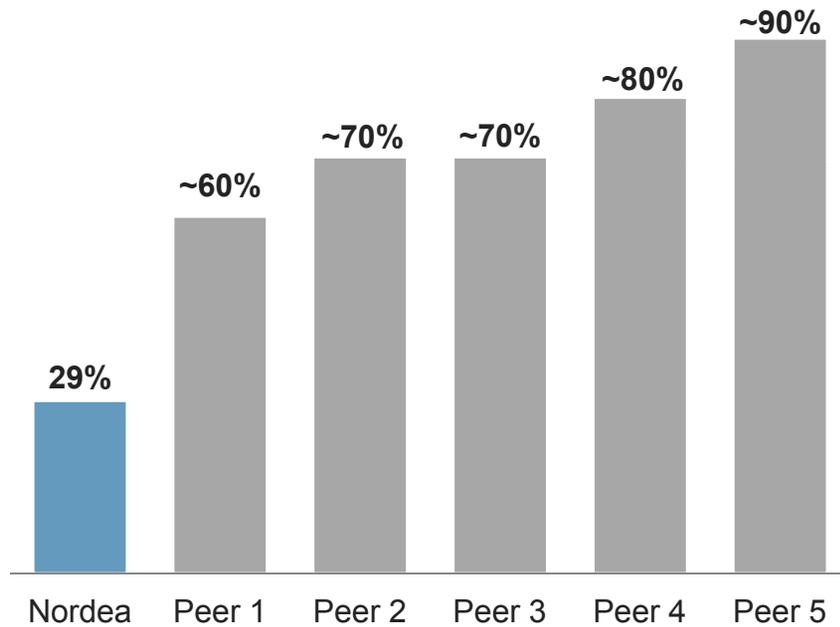
EUR ~36.1bn in market cap

- One of the largest Nordic corporations
- A top-10 European retail bank

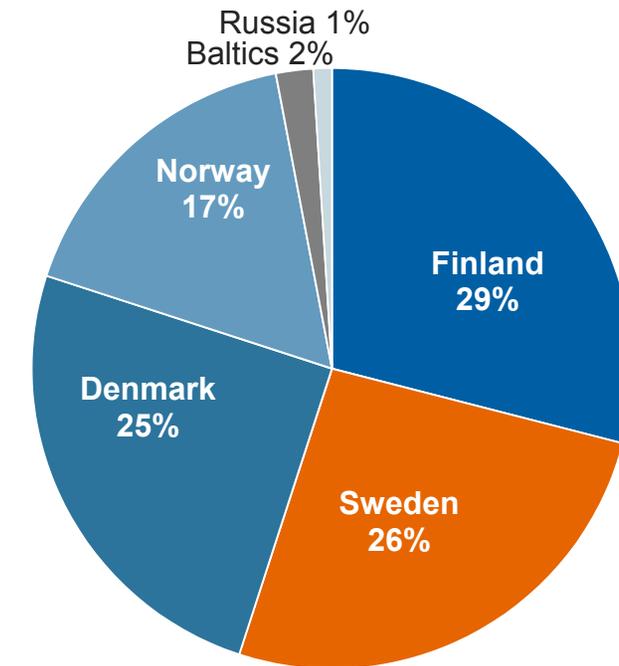
Nordea is the most diversified Nordic bank...

Geographic exposure vs. Nordic peers¹, %

Largest market contribution



Total loans to public by geography, %

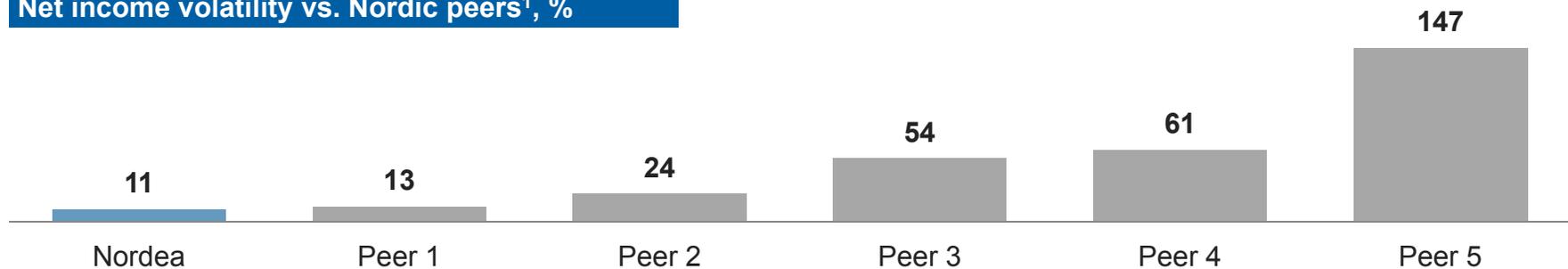


Total: EUR 343bn

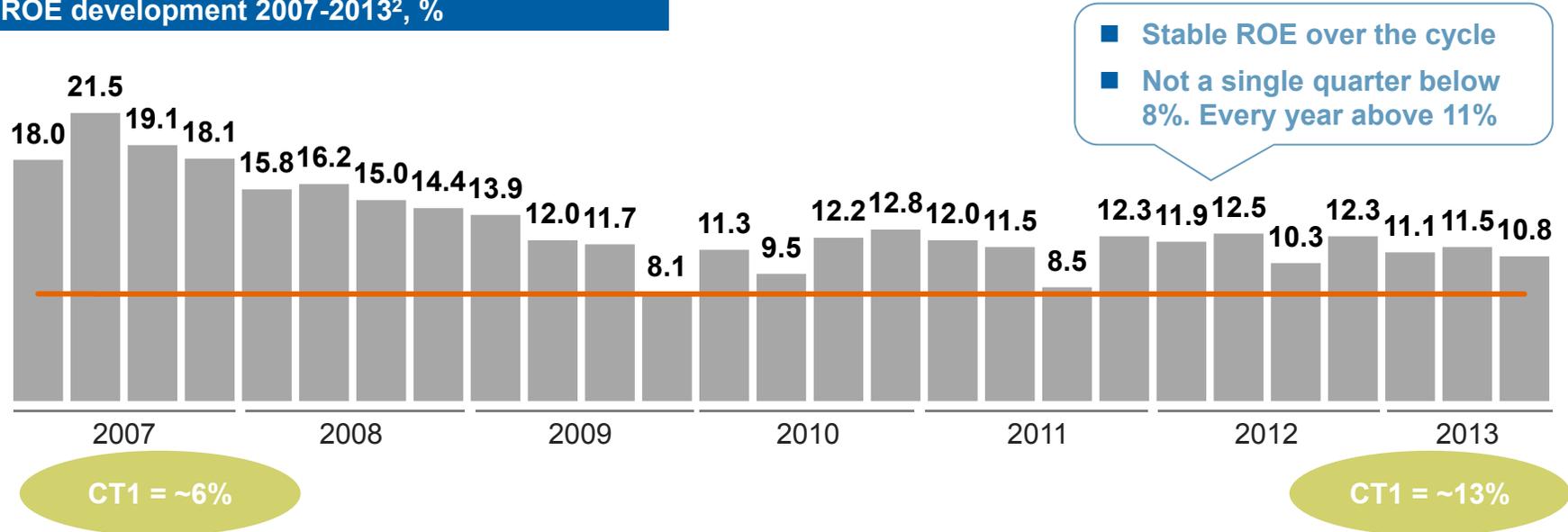
¹ Comparison based on reported geographical breakdown of loans to the public; latest available financials.

...with lower earnings volatility and stable ROE over the cycle

Net income volatility vs. Nordic peers¹, %



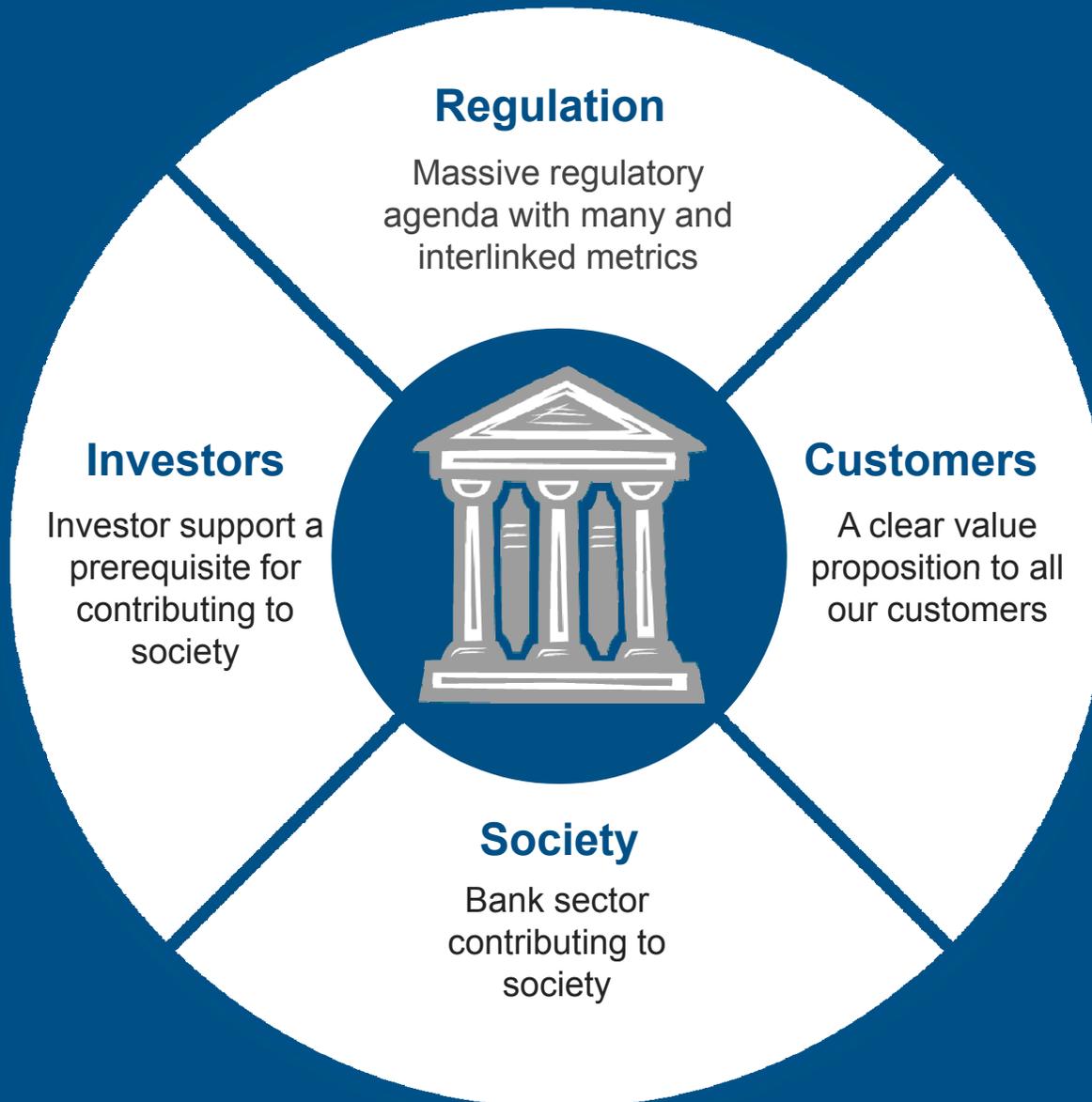
ROE development 2007-2013², %



¹ Annual net income volatility over last 5 years.
² ROE adjusted for restructuring costs 2011.

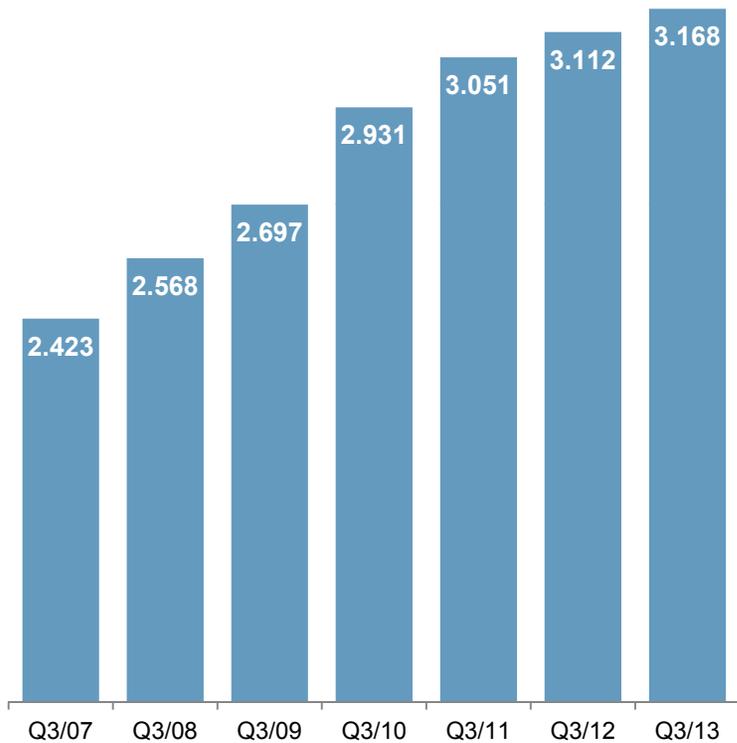
Boring is beautiful

One offering to all our stakeholders



A clear value proposition to our customers

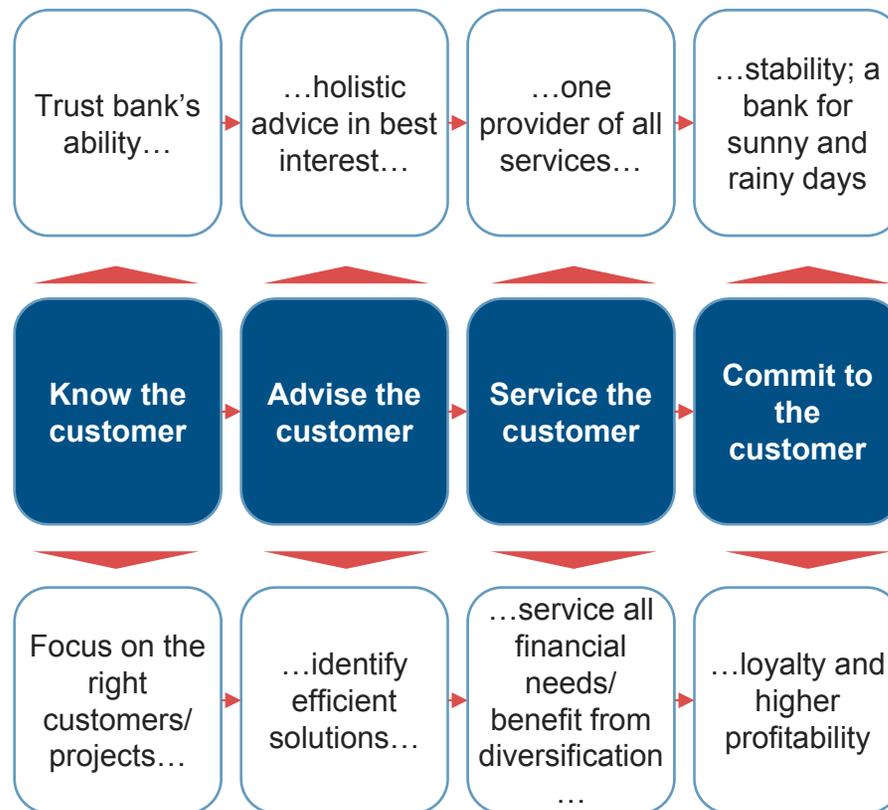
Continuous inflow of Gold and Private Banking customers



Number of Gold and Private Banking customers, m

Clear value proposition to relationship customers

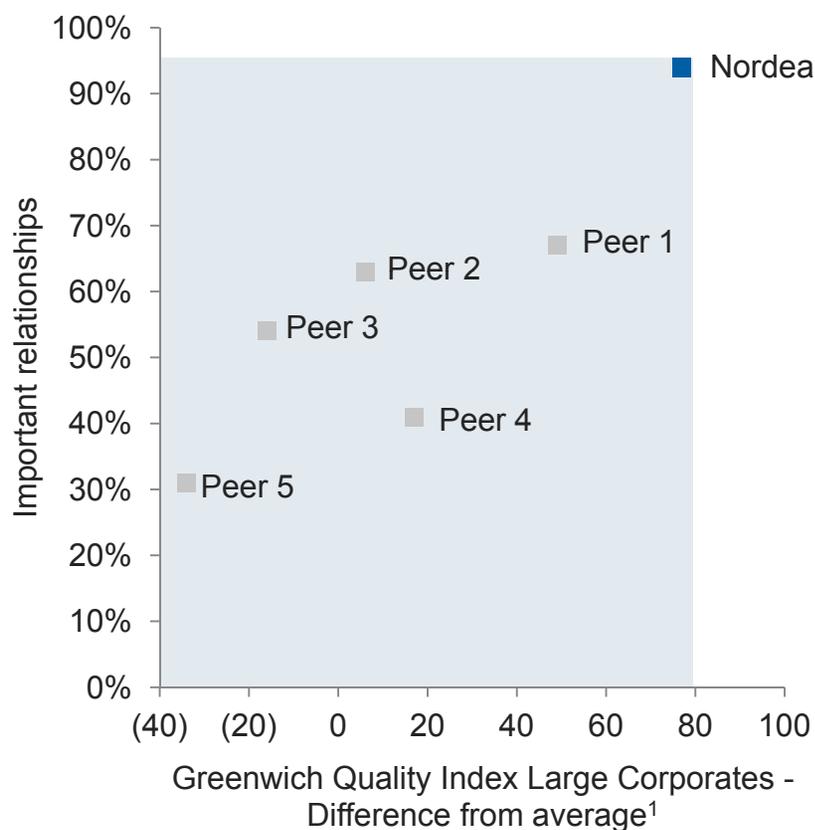
Customer's benefits



Bank's benefits

Superior Corporate and institutions franchise

Nordea top ranked for relationship and quality



Multi-local presence

- Only bank with a substantial lead bank footprint in all markets
- Deep and intimate local presence
- Interaction on all levels with many touch-points
- Coordination of effort in customer teams
- Proactivity on all levels

Nordea's great delivery to customers and society

First 3 quarters of 2013

Households



We have issued 200,000 new mortgages making it possible for families to buy their homes



Advised 1,2 million customers, and ran 0.5 million financial plans



1,2 million active mobile bank users did 11.6 million transactions on the mobile, banking where they wanted

SME Corporates



Conducted 240,000 corporate customer meetings, ensuring we are close to our customers



Issued 12 billion euros of new or refinanced loans, being active with core customers to help them reach their goals

Society



Entrepreneurship: Developing young peoples entrepreneurial skills, as well as creativity and self-belief

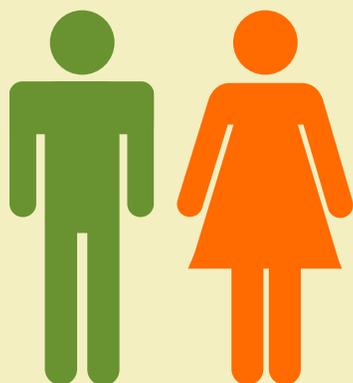


Financial education: Increasing the financial literacy among youth and other groups, leveraging our skilled staff

Swedish bank sector contributing to society

Direct
employment *

85 000



Direct
Contribution to GDP

144 bn **

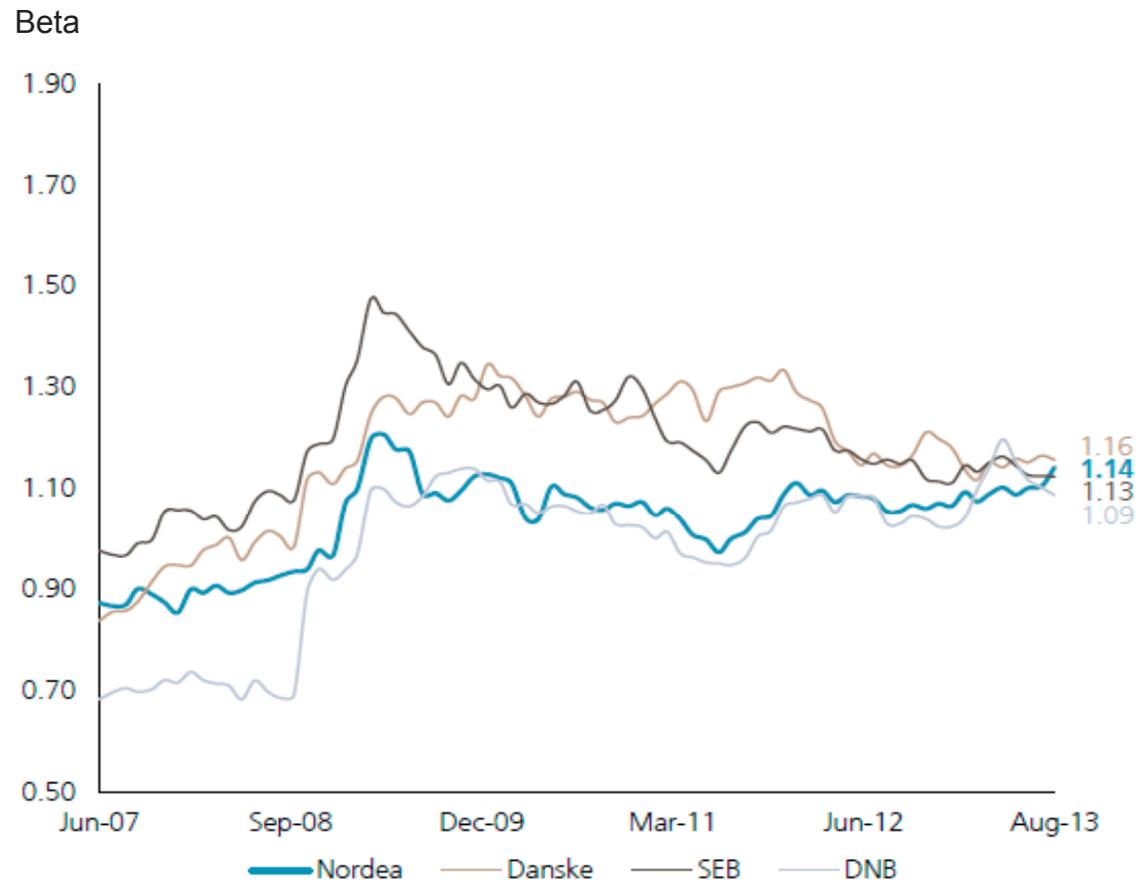


Share of
total corporate tax***

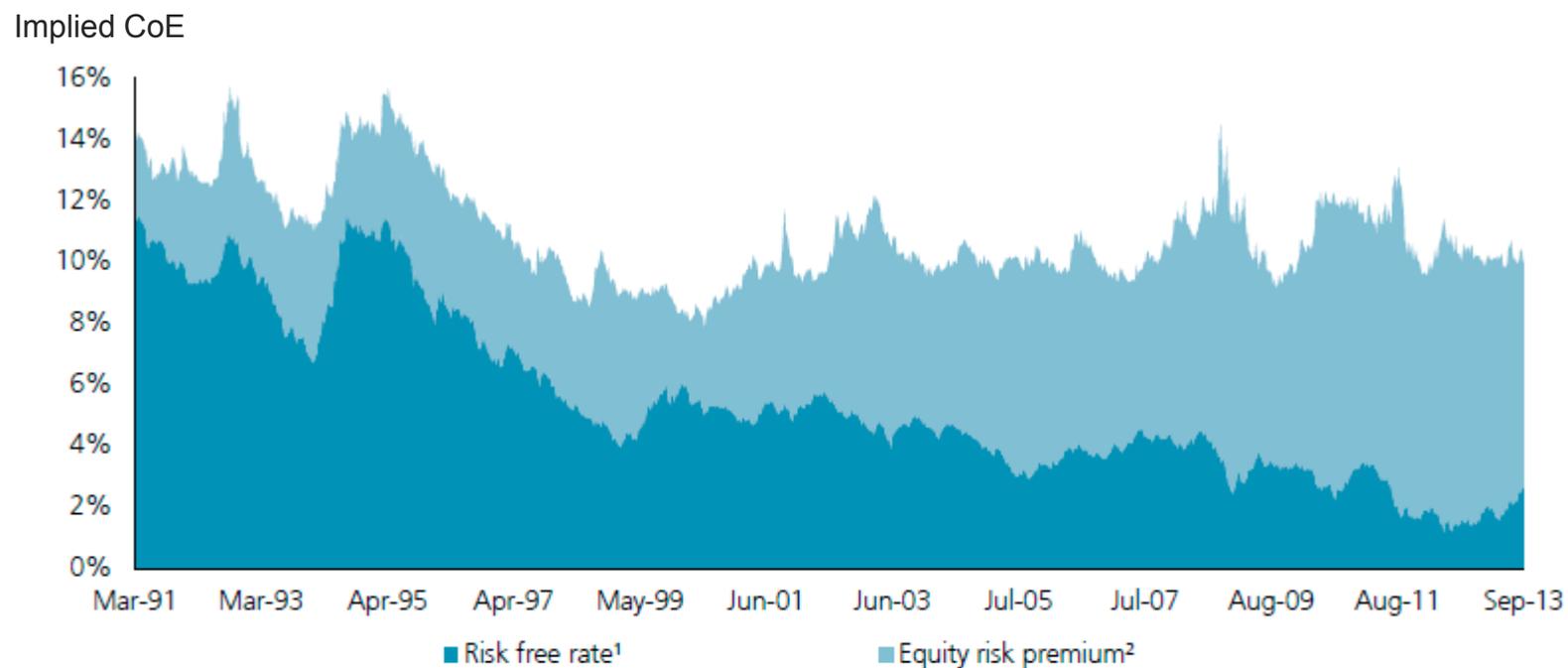
11%



Increased costs of risk...



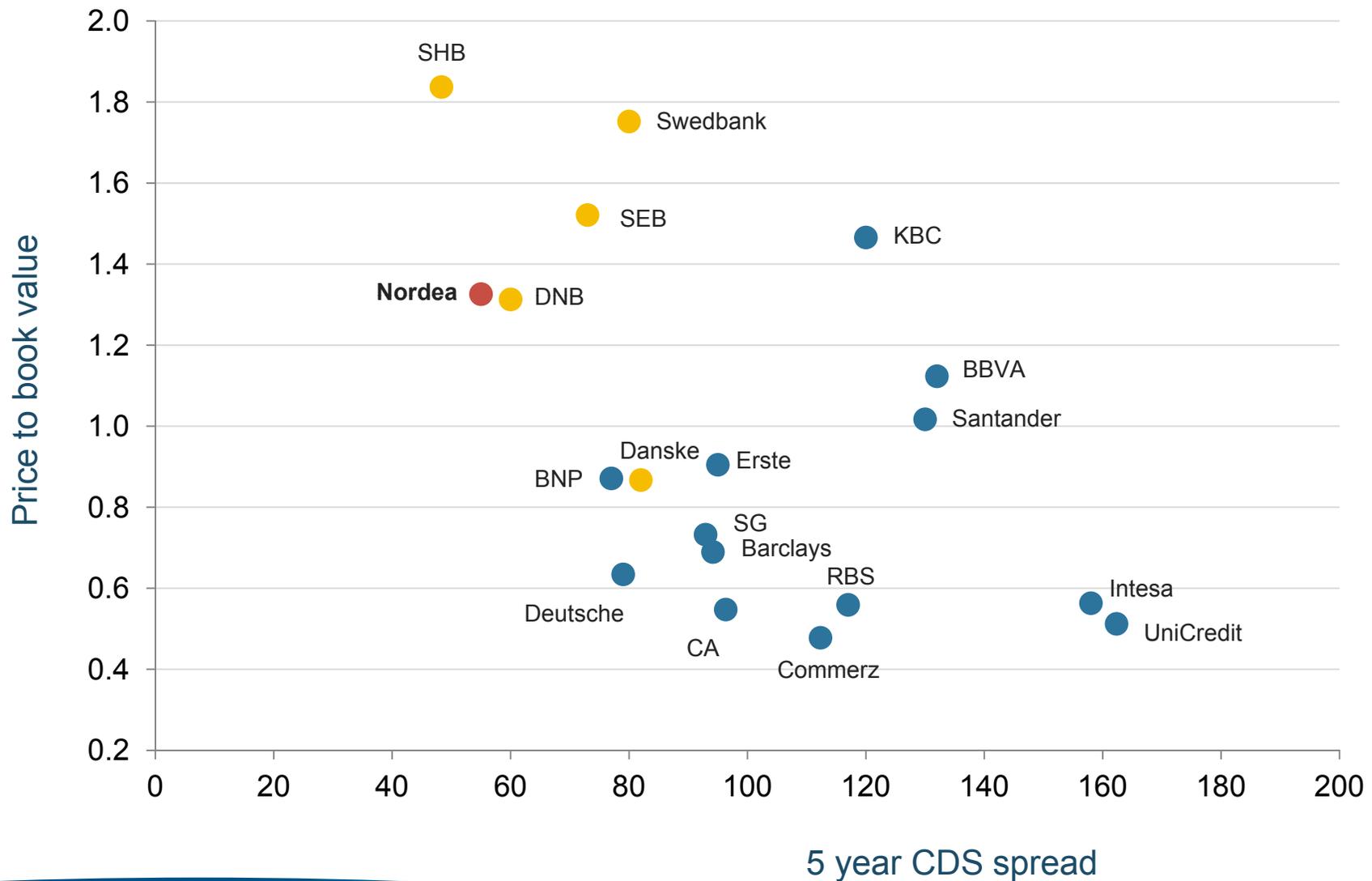
...lead to high cost of equity despite a low risk free rate



1. 10 year Swedish government bond yield
2. Implied equity risk premium (Europe ex-UK)

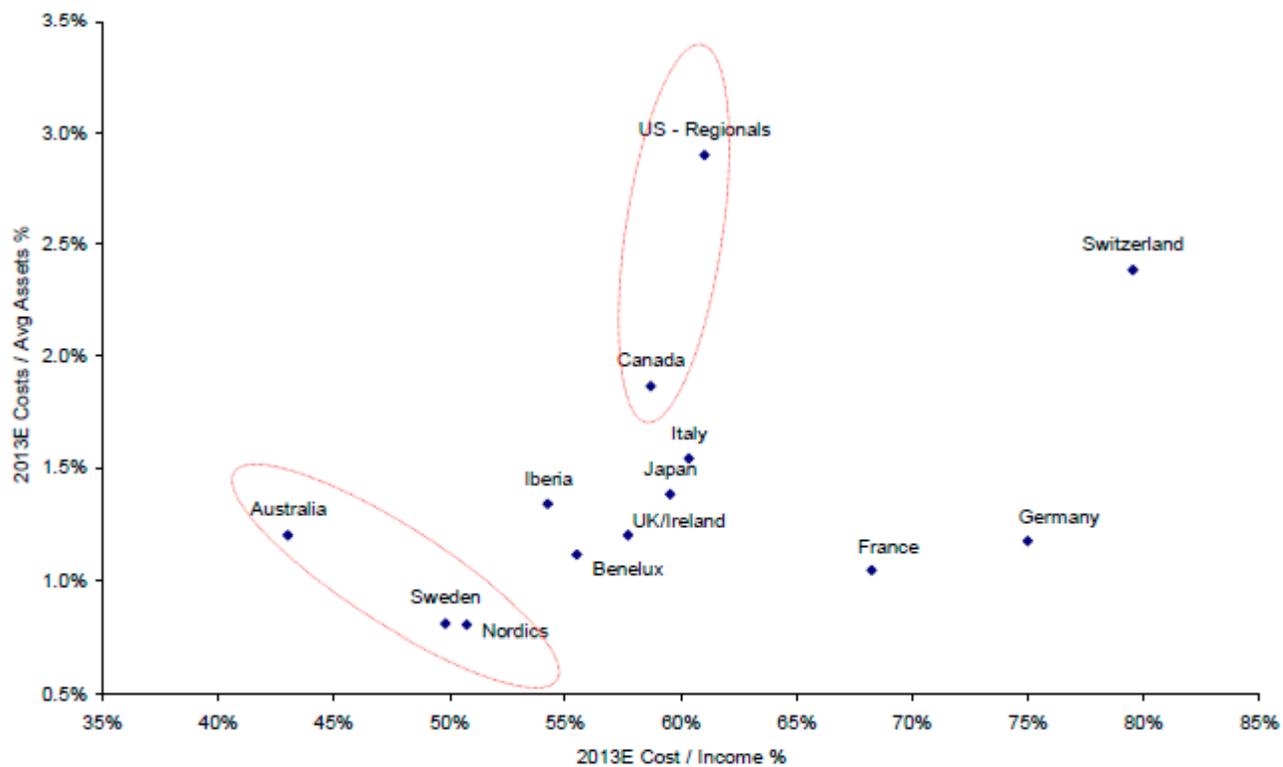
Source: UBS

A sound valuation of equity gives positive effect on funding costs and customer offerings



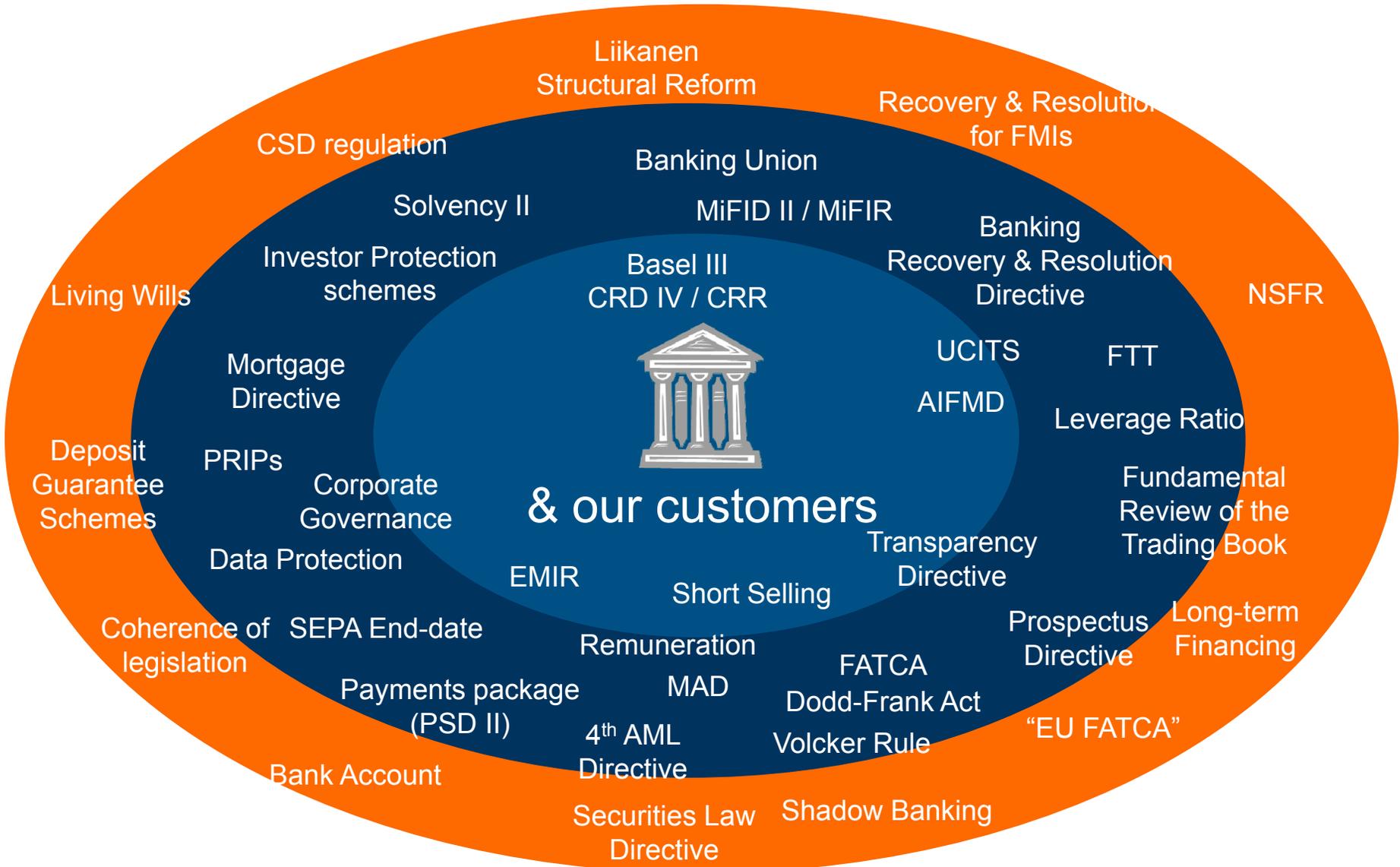
Efficiency amongst the best in the world

Cost / income ratio vs Cost to avg assets

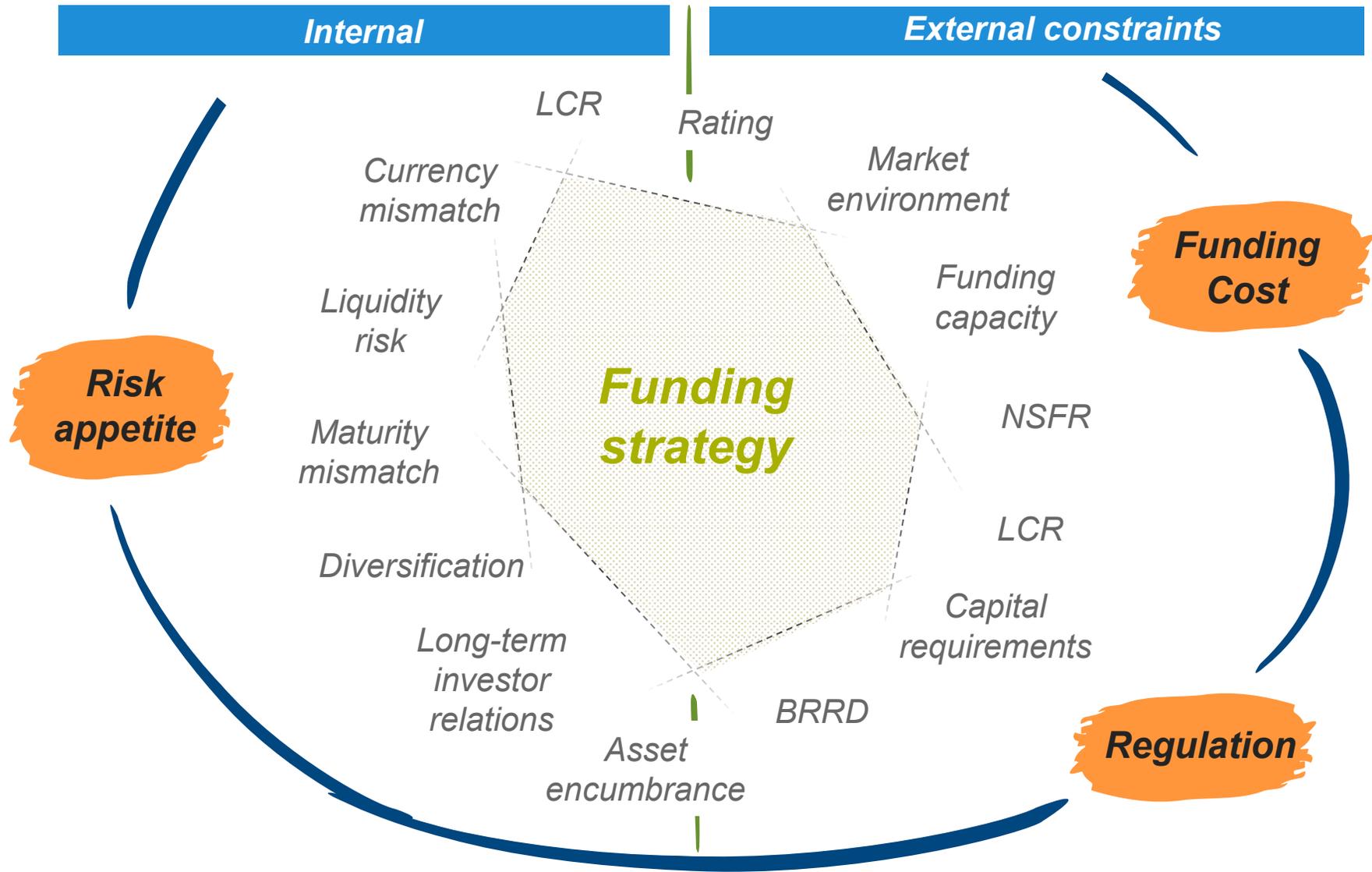


Source: Citi

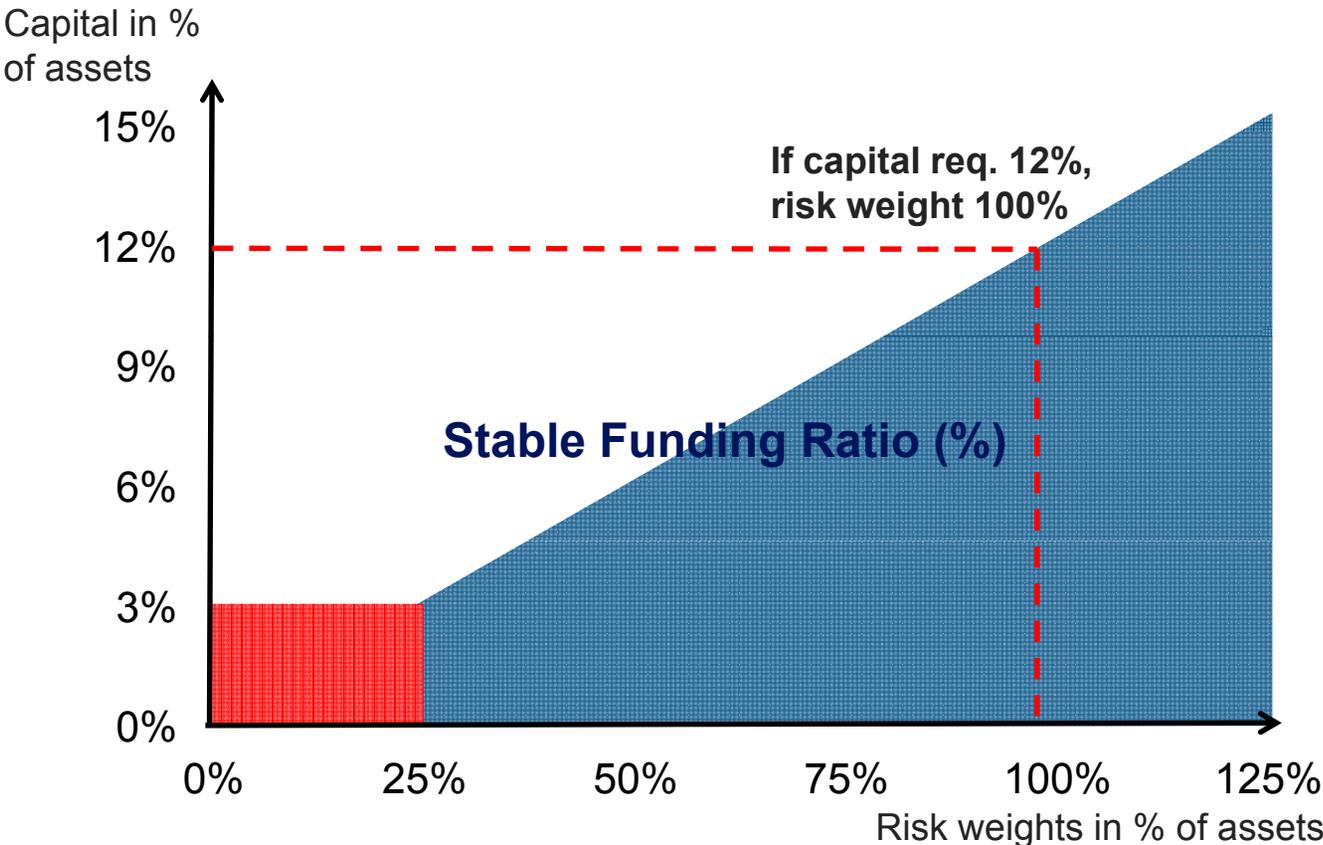
5 years since the Lehman collapse we face a massive regulatory agenda of interlinked metrics



The funding strategy is a balance multiple constraints



Leverage ratio creates a bottom level on risk-weights on all assets – example w. 3% leverage ratio and 12% capital requirement



Leverage ratio

Loan amount x Leverage ratio
⇒ Capital in % of loan

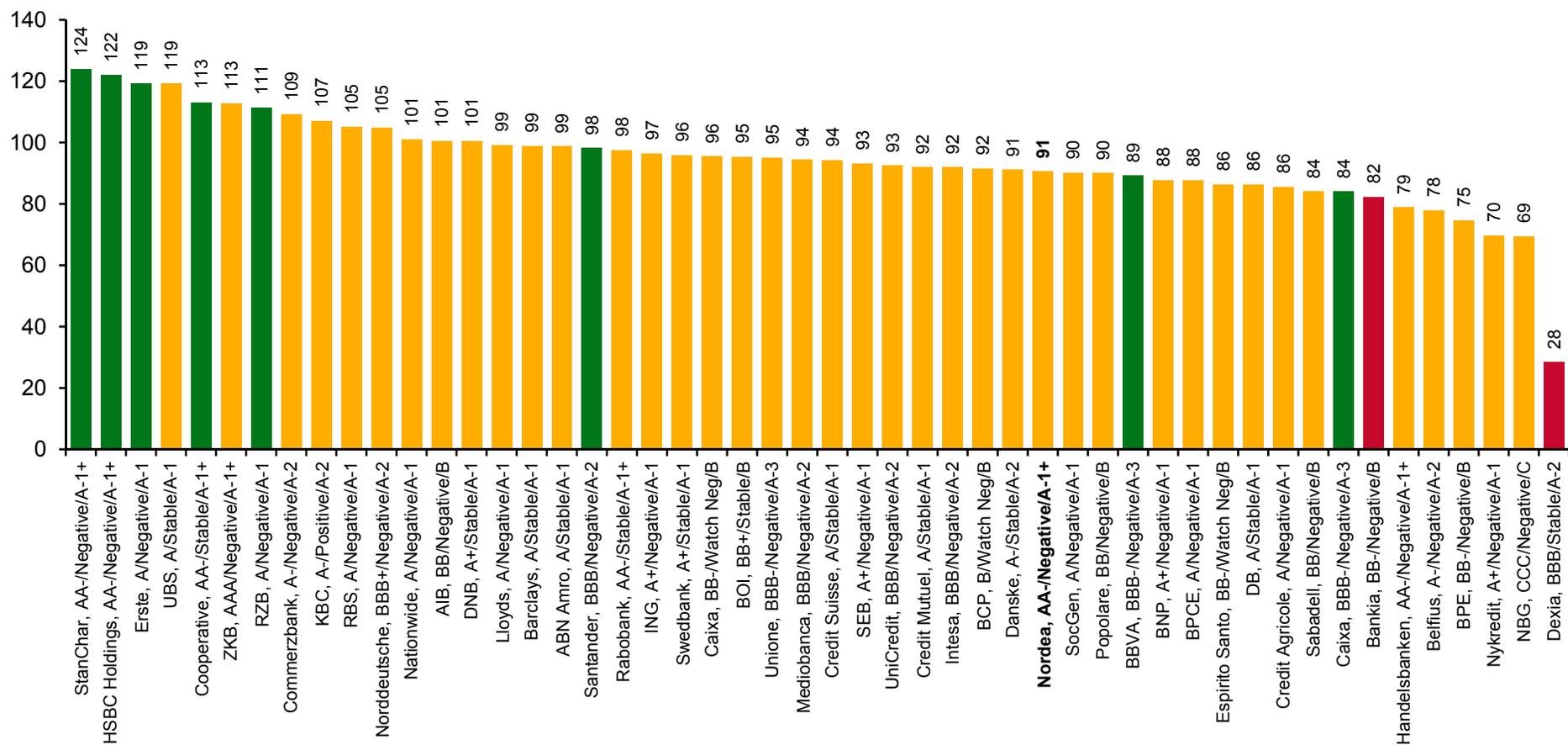
Capital requirement

Loan amount x Risk x Capital requirement
⇒ Capital in % of loan

The Nordic-Baltic regions reliance on wholesale funding

- Advance saving markets and good knowledge on the customer side
- High savings ratios – but not in deposits
- Reformed pension systems - less deposits
- But stable and reliable funding through covered bonds instead of deposits –
 - Liquid markets
 - Functioned well during the financial crisis
 - Domestic markets in Denmark, Finland, Norway and Sweden

Structural liquidity- Stable funding ratio by S&P



-Source: Standard & Poor's based on YE 2012

-Highlighting in; Green = Above Average; Orange = Average; Red = Below Average

The value of a common Nordic-Baltic approach

- The Nordic-Baltic region – One market!
- Good cooperation with the various authorities in the region
- But cooperation and harmonization could be improved – would be beneficial for growth and further developments in the Nordic-Baltic region
- We have well developed and advanced banking markets in the Nordic-Baltic region – in some areas a coordinated approach with the authorities to support the distinctiveness of the Nordic-Baltic region would be welcomed



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