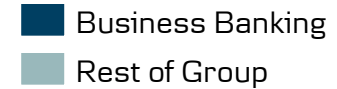




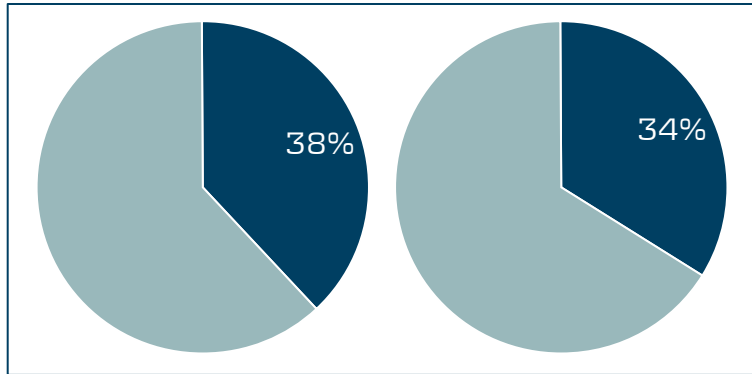
Reaching full potential in Business Banking

Lars Stensgaard Mørch, Head of Business Banking

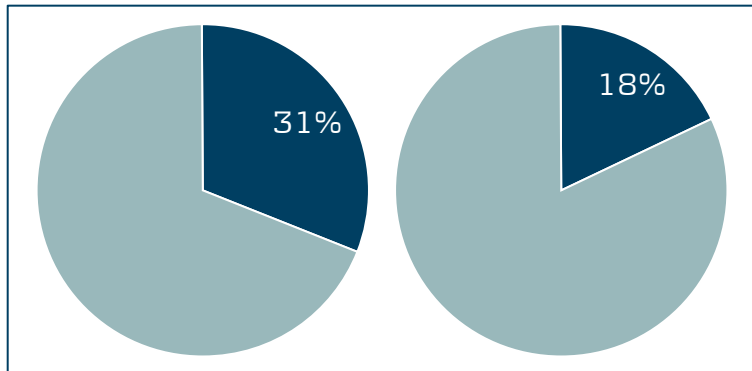
The tale of the tape for Business Banking



Lending & deposits



Total income & FTEs



Facts

- ✓ 3,800 FTEs
- ✓ 90% of income in the Nordic countries
- ✓ 154 physical locations and 5 Business Direct centres
- ✓ Co-located with Personal Banking & Private Banking

Business Banking Strategy

– reaching full potential

Unfocused “one size fits all” approach

Capability to compete

Comprehensive and accelerated change programme is set in motion

Attractive market with unexploited potential

■ SME market
■ Business Banking



680,000
Nordic companies
(customer groups)

**Robust
Nordic
economies**

85%
of income generated
by the biggest 20%
companies



2/3
of income is from
lending

Customer
satisfaction
& loyalty has fallen
during the crisis

Substantial
impairments
in 2008 and since



Market-
leading
solutions

Attractive
channel platform

Strong footprint in
**attractive
markets**

Setting

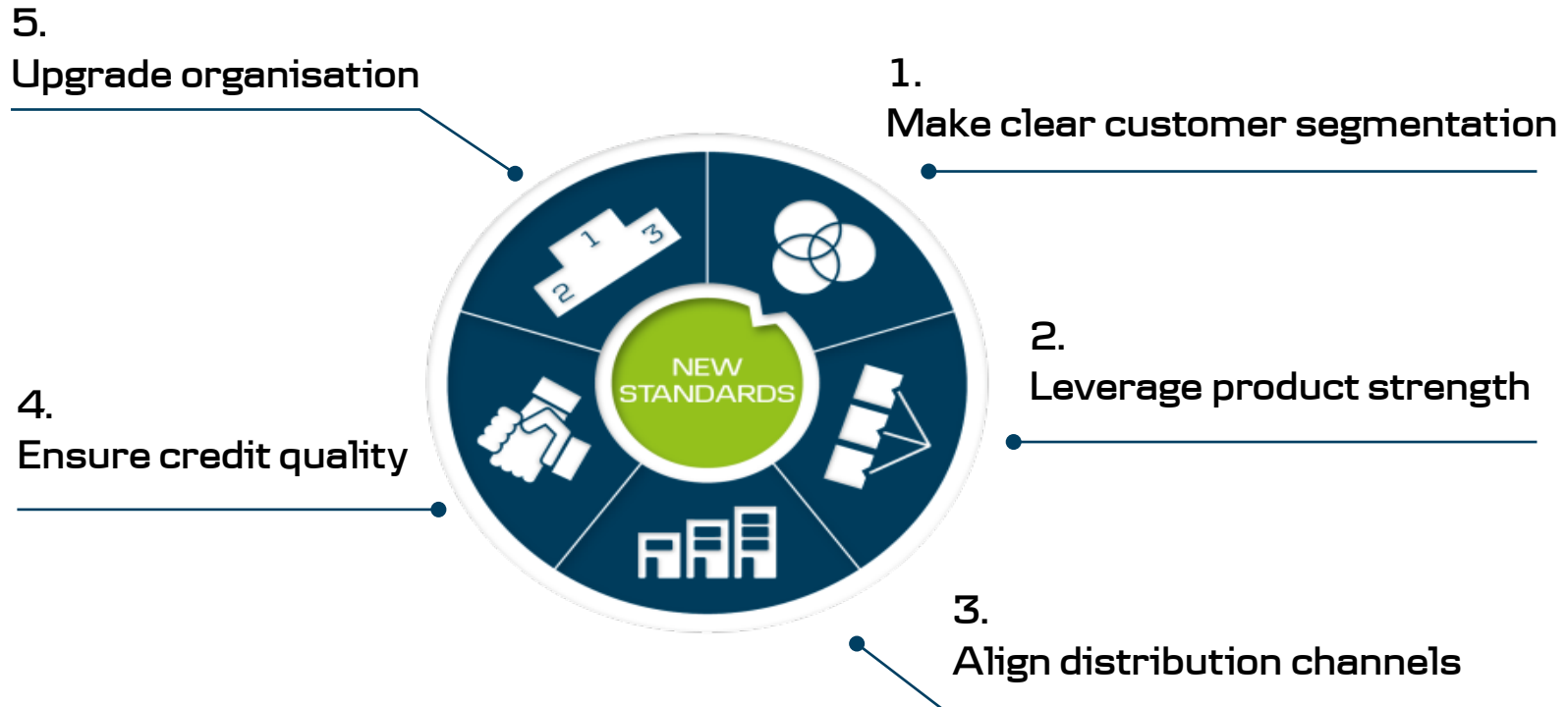
New Standards

building on Business Banking's core strength

– being the **reliable, preferred** bank for SMEs with advanced needs



Five strategic actions will set New Standards



Differentiated approach supports sharper focus and prioritisation — and alignment of sales and credits



	Core	Selective	Optimise	Efficiency	Restrictive
Total income	44%	28%	11%	5%	12%
Resources	Invest				Reduce
Lending & credit	↑	↑	—	↓	↓

Segmentation effect

Increased capital efficiency and reduced risk

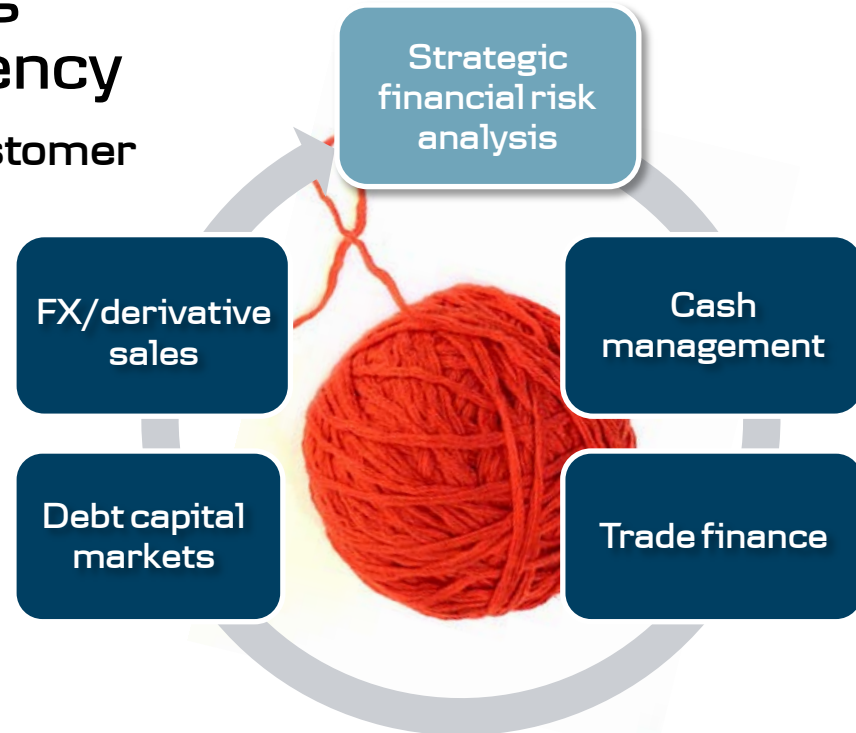
From unexploited pool of products
to targeted customer advisory and tailored solutions



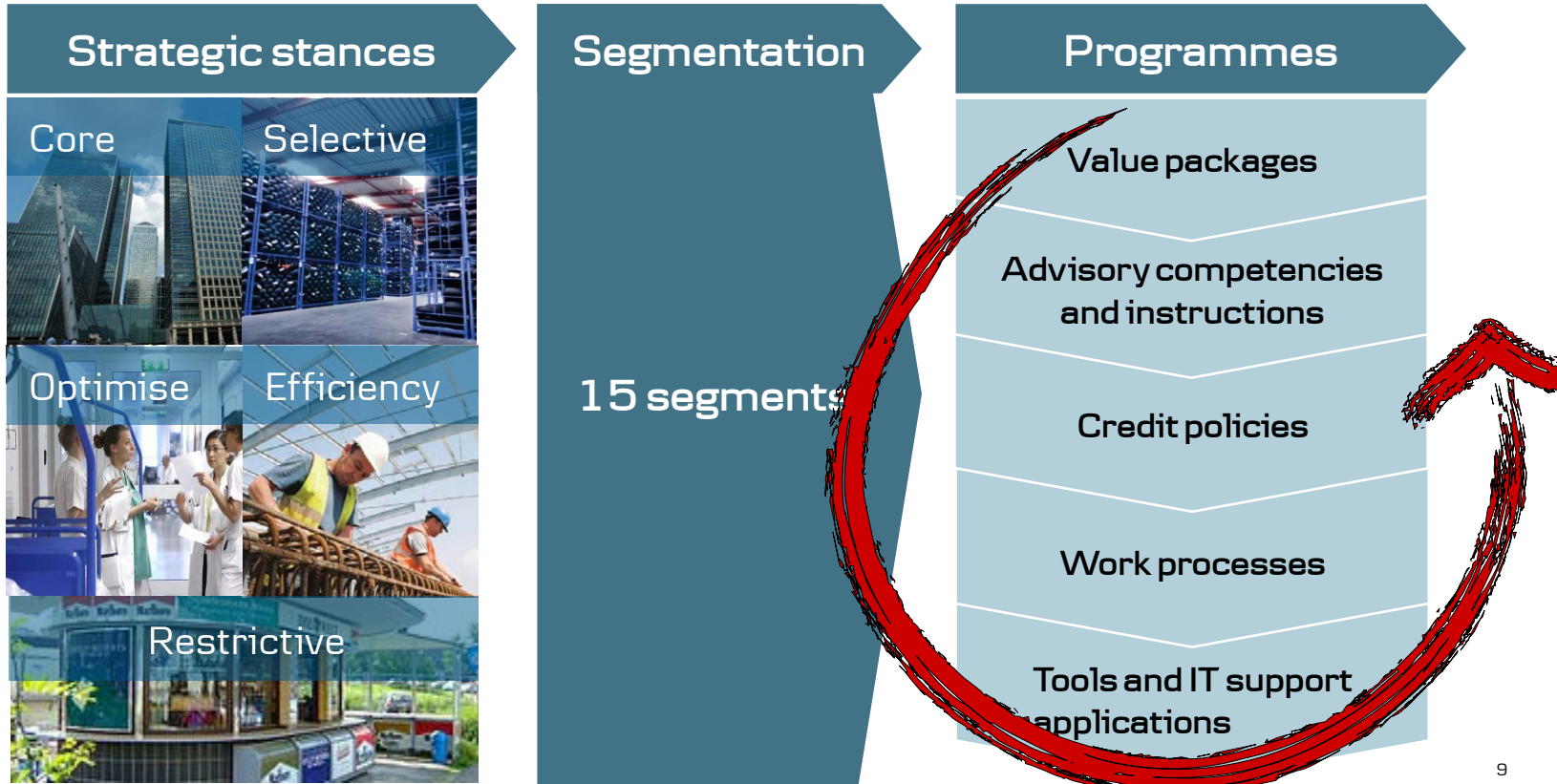
A bundle of offers, but
**no clear red
thread...**



**Creating
consistency**
for each customer
segment



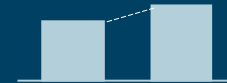
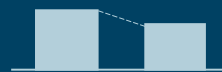
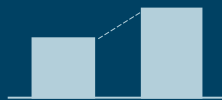
Value propositions, programmes and product offerings developed for each customer segment



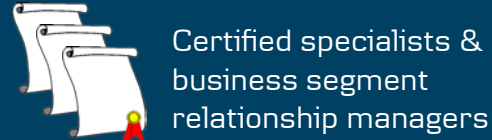
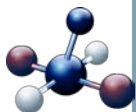
Distribution platform will be re-aligned with customer needs and segment priorities



Resources



Skills



IT & self-service



Expand and upgrade

Extensive credit transformation to further improve credit quality and customer experience



Establish clear credit policies and guidelines

“Lean” credit processes

Prioritise and specialise

Rebuild credit accountability and competencies

...a step-by-step change



Upgrade organisation



Strengthen capabilities and customer-centric culture

Certification programme for all customer segments

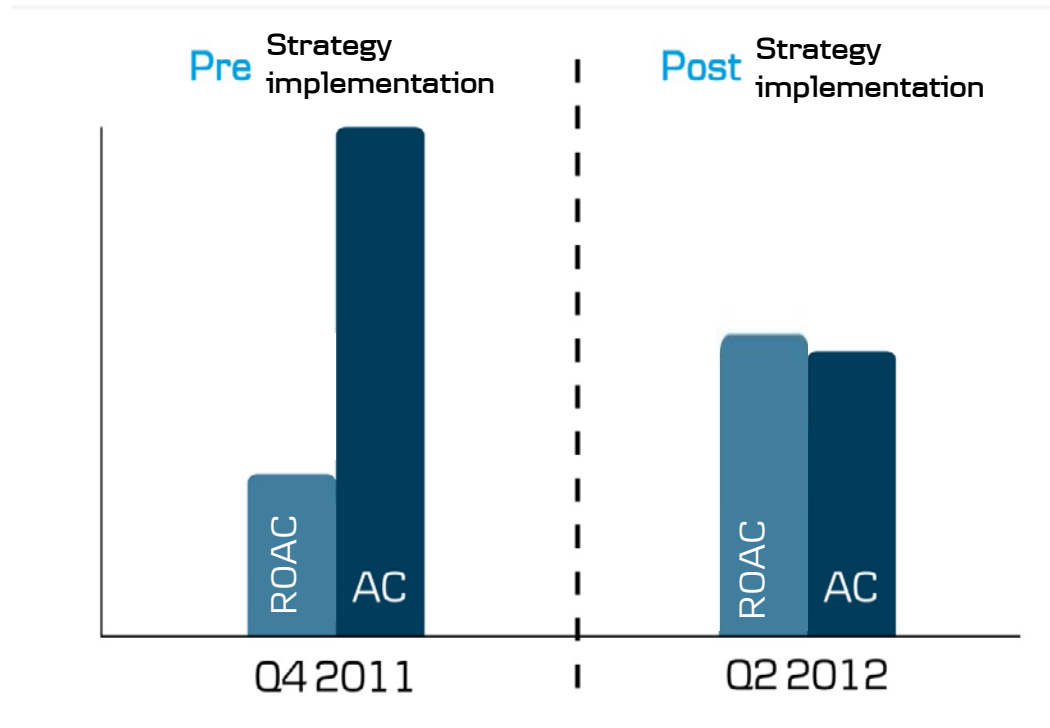
- AML, MiFID
- Credit & risk
- Specialist segment advisory

Responsibility back at the frontline (incl. P/L)

Scorecards to support and measure execution of strategy

Segmentation model tested:

Significant effect on customer satisfaction & profit



Customer benefits

- Specialised segment advisory & tools
- Clear segment distribution channels
- Reduced risk & interest rates

Our benefits

- Lower risk
- Lower allocated capital
- Higher economic profit

New segmentation will improve capital efficiency and lower risk



Superior product range and great cross sale opportunities prioritised by segment

Product quality

- Above market
- At market
- Below market

→ Cross sale potential

Trade finance

Cash management

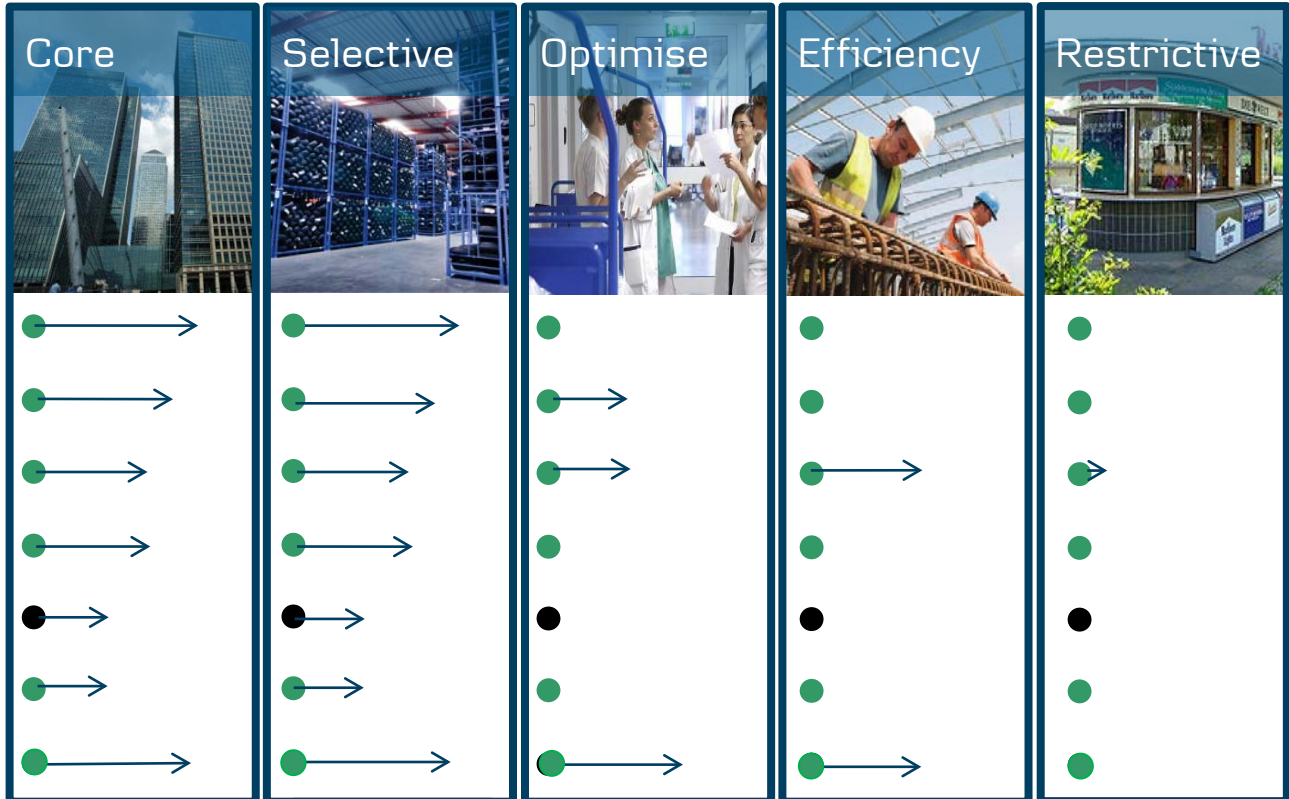
FX & derivatives

Debt capital market

Asset finance

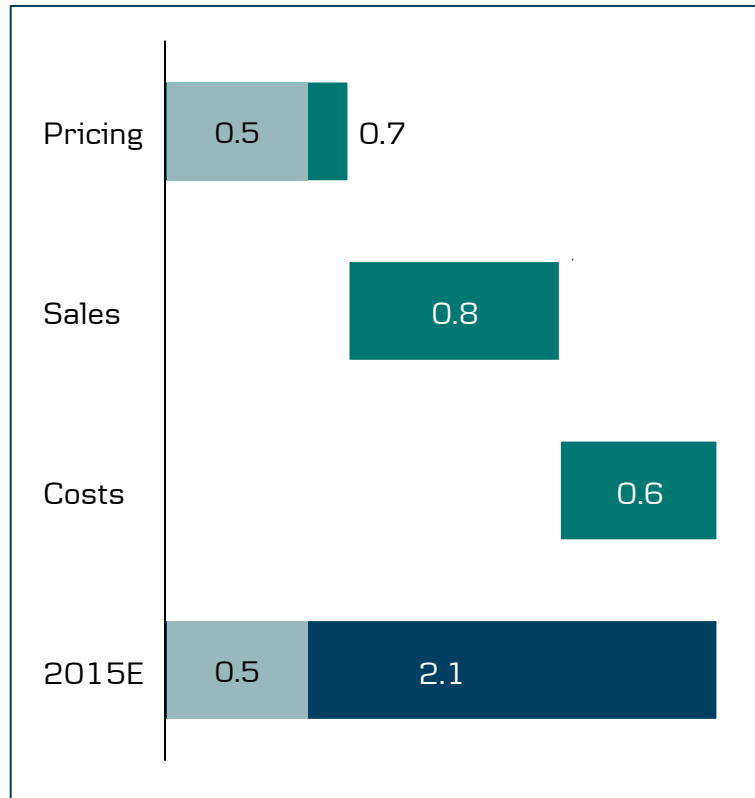
Business Online

Investment



Business Banking management actions

P&L effect, pre-tax (DKK bn)



Management actions

Pricing

- Additional effects of implemented pricing measures
- Continue pricing measures selectively, e.g. customers with low ROAC

Sales

- Segmented product offerings aimed at increasing business with prioritised segments
- Fees – selectively raise list prices and reduces fee leakage

Costs

- FTE reductions and back-office automation planned
- Procurement optimisation
- Lower cost of IT operations
- Investments in IT & employee skills

Key take-aways

Protecting and developing core business

New segmentation supports de-risking and capital efficiency

Pricing and increased sales have already improved PTP

More profitable, competent and efficient Business Banking unit

