Sustainable banking - what, why and how

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About Nordea

- The largest bank in the Nordic region
- Customers: 11 million (4.4 million e-customers), including some of the largest corporations in the Nordic region
- Bank branches: 1,100
- Employees (FTEs): 28,900
- Total assets: EUR 326 billion
- Market capitalisation: EUR 24 billion
- Assets under management: EUR 151 billion
- Share listed in Stockholm, Helsinki and Copenhagen
The stakeholder model: caring for our resources

Nordea

Financial
- Investors
- Customers
- Suppliers

Internal
- Management
- Employees

Non-financial
- Government
- NGOs
- General public
Why sustainable banking?

- If money is the lifeblood of capitalism, banks are the heart
- The system never becomes healthier than its components
- Healthy capitalism is a prerequisite for long-term survival and growth
  - How can the lifeblood reach the industrial muscles without a beating heart?
  - It is also an EU requirement (Lisbon Treaty and Commission Communication on CSR)
- Sustainable banking is providing financial advice, transaction mechanisms and asset management to society in the long run
  - If society breaks down, banks have no business
The essence of sustainable capitalism

- Eat the cow?
  - Slaughter the cow today. You will have meat on your table and eat well.
  - Tomorrow you will have no cow
- Breed the cow?
  - Tomorrow you will have two cows
  - Today you can still drink the milk
  - The cows will need green grass, pure water and clean air - or they will die
- What would you chose?
What capitalism and sustainable banking is about

- Capital
- Competition
- Cooperation
- Market regulation
- Long-term thinking
The most effective ways to fail in capitalism

- **Bribery and corruption**
  - It breaks the most important rule of capitalism: Fair and open competition
  - It produces sub-effective allocation and usage of capital

- **Exploitation**
  - Pollute the water or sell all the grass, and the cow will die

- **Short term thinking**
  - Meat or milk today?

- **Excessive individualism**
  - If competition turns into an economic civil war between individuals, the system will break down and everybody lose
  - David Ricardo’s theory on comparative advantages: If everyone does what they do best, and cooperate, everyone will be better off
What does it take to succeed?

- Look
- Listen
- Learn
- Cooperate
What does Nordea do?

- Well defined values
- Internal policies to operationalise our values
- Credit policies and tools
- Investment services
- Sound business relationships
- Close cooperation with our stakeholders
- Internal education
- Internal debate
- International commitments
- International network
How can UNEP FI help you to succeed?

- Look at examples
- Listen to experiences and advice
- Learn from best practices
- An arena for cooperation
Thank you!

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