



Sustainable banking - what, why and how

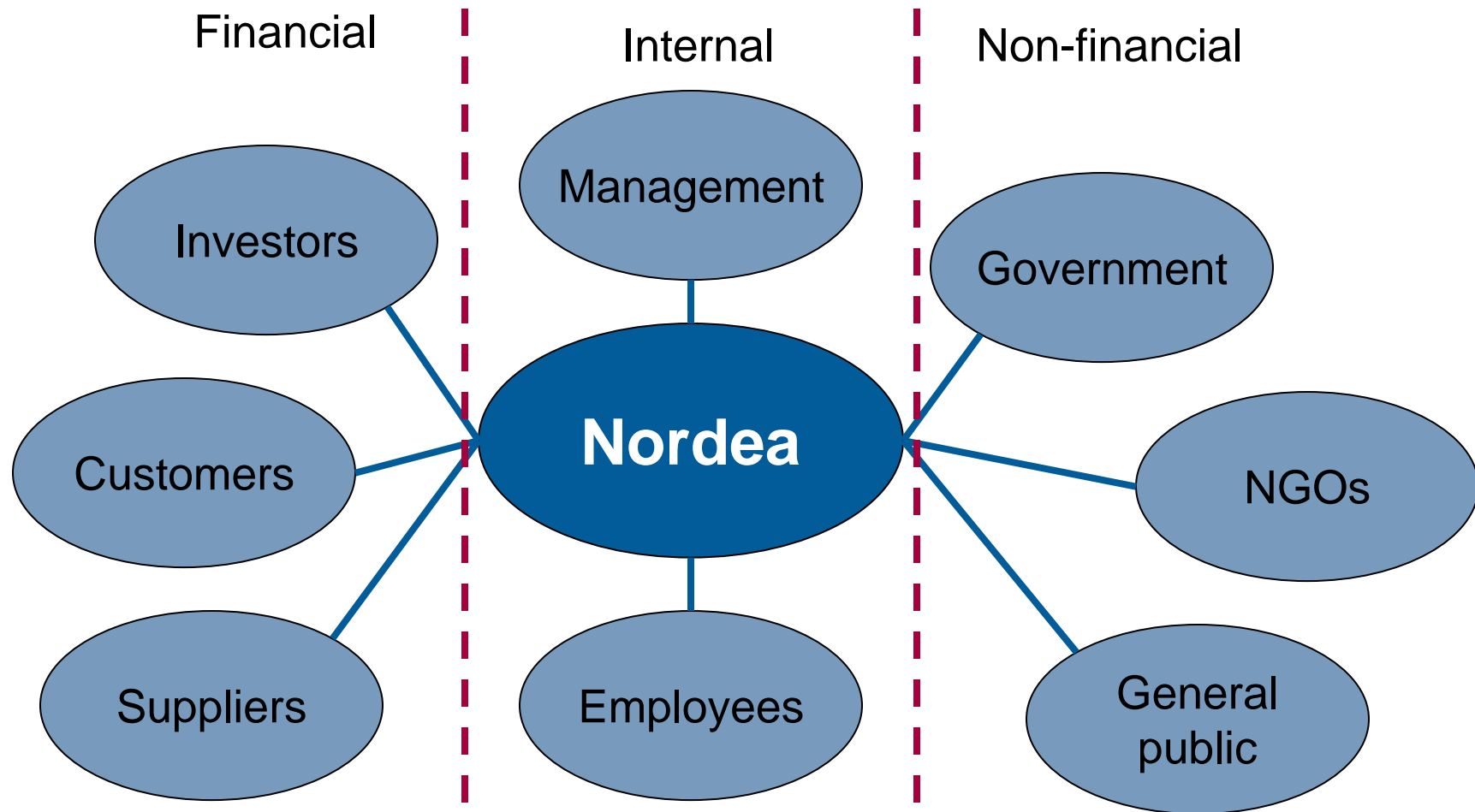
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About Nordea

- **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



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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