



Interim Report Second Quarter 2005

Press conference



24 August 2005
Lars G Nordström
President and Group CEO

Strong results in first half of 2005

- Operating profit up to EUR 1,572m (EUR 1,481m in first half of 2004), up 33% excluding the real estate gain of EUR 300m last year
- Total income increased 8% to EUR 3,276m (EUR 3,031m) – Net interest income up 6%
- Total expenses unchanged at EUR 1,816m (EUR 1,811)
- Positive net loan losses of EUR 107m (EUR -39m)
- Net profit at EUR 1,200m (EUR 1,164m in first half 2004)
- Earnings per share EUR 0.45 (EUR 0.41)
- Return on equity 19.2% (19.3%) compared to 14.4% excl. real estate gain in 2004

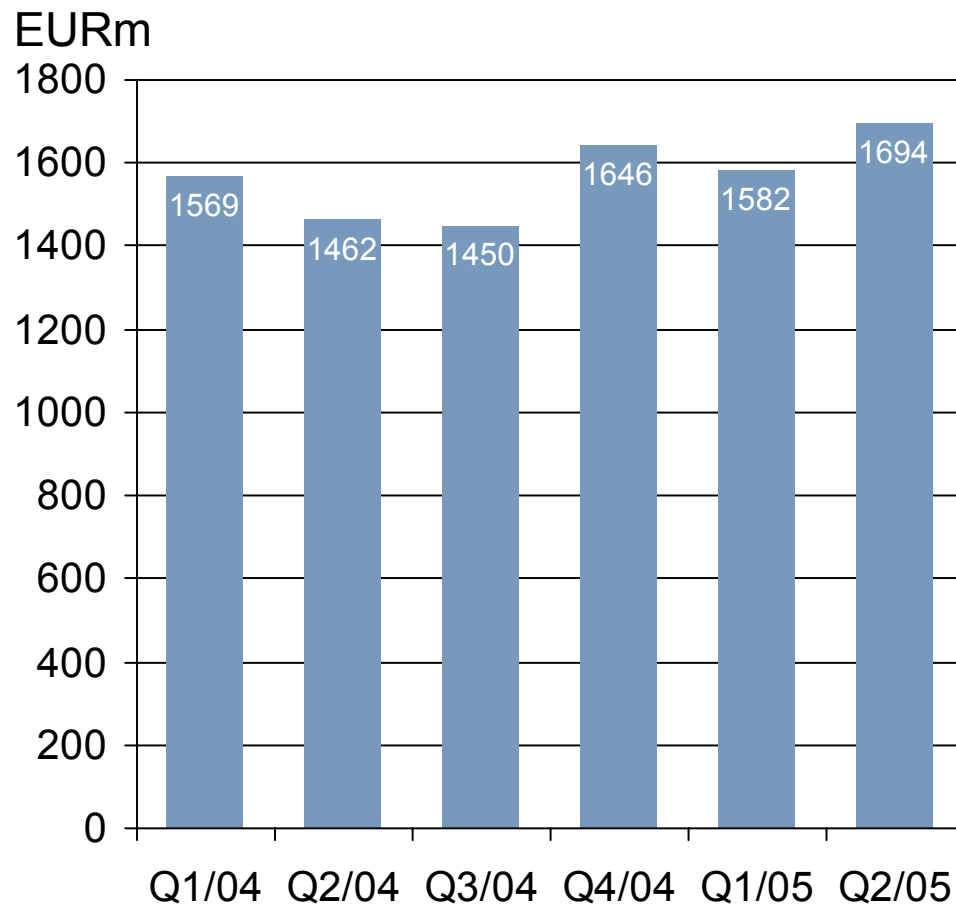
Improving performance confirmed in Q2

- Net profit up 42% to EUR 705m (EUR 495m in Q1 2005)
- Operating profit up 28% to EUR 884m (EUR 688m)
- Total income up 7%
- Total expenses largely unchanged
- Positive net loan losses for the fifth consecutive quarter

Strong volume growth continues

- Total lending up 13% year-on-year
- Mortgage lending up 15%
- Lending to small and medium-sized corporates up 12%
- Consumer credits up 14%
- Deposits up 8%
- Assets under management EUR 142bn – up 15%
- Lending in Poland and the Baltics up 39%

Total operating income grows



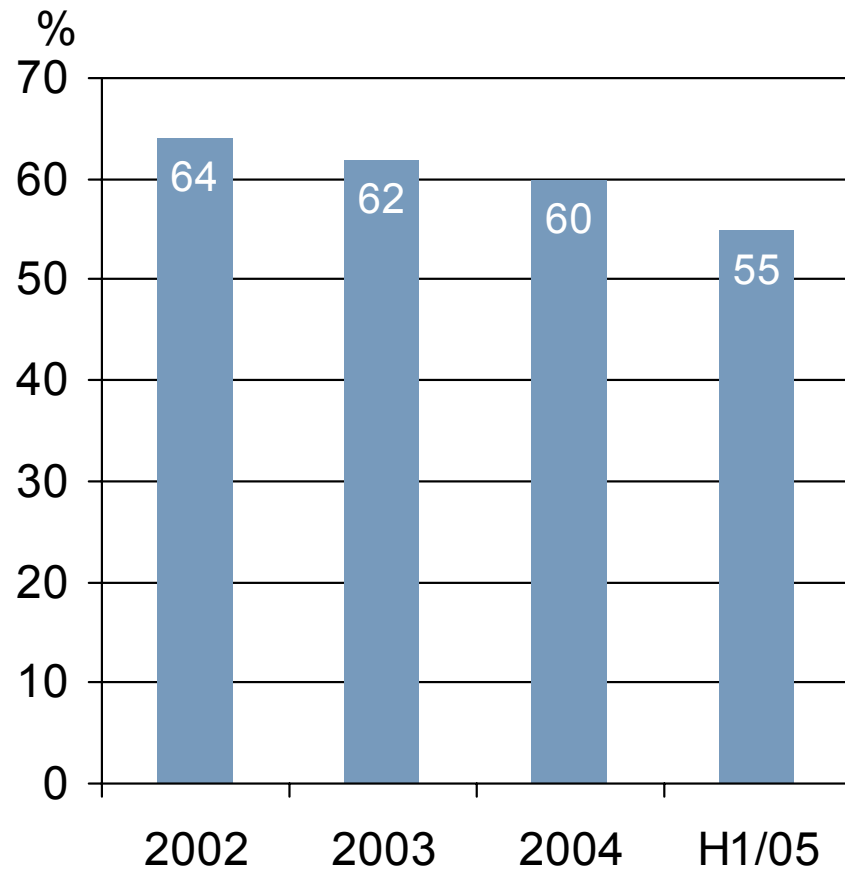
YoY:

- Up 8%
- Strong development in all business areas
- Strong volume growth more than offset margin pressure
 - total lending up 13%
 - total deposits up 8%
- Net gains/losses up 12%

QoQ:

- Up 7%
- Strong growth in volumes
- Successful market positioning in Treasury

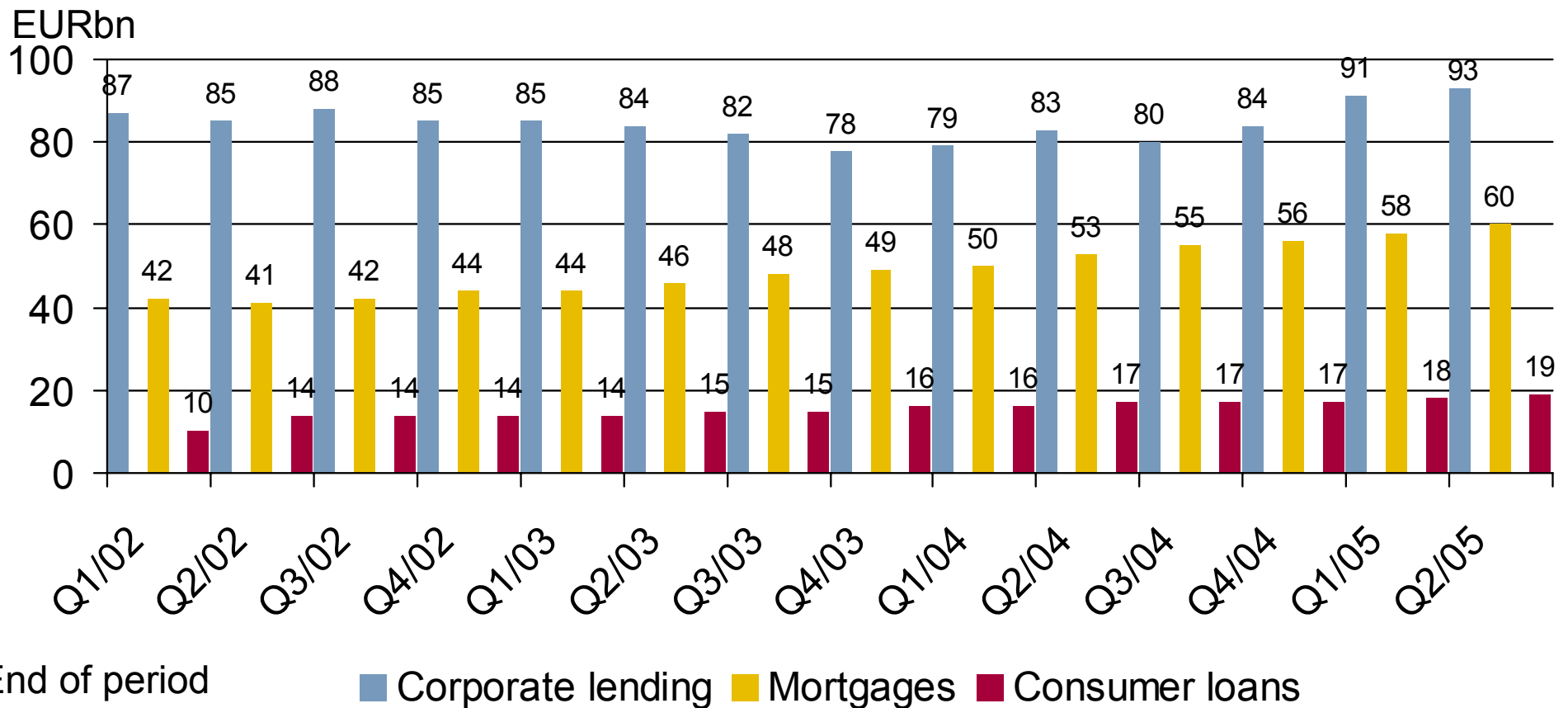
The cost/income ratio improves continuously



- Target: Continuous improvement
- Flat costs while business volumes continue to grow
 - productivity gains

Strong credit quality and prudent risk management

- Credit expansion with maintained prudence and collateral coverage
- Well diversified loan portfolio



Nordea strengthens market position in Poland

- In June, Nordea signed an agreement to purchase Sampo's Polish life and pension companies
- Acquisition provides enhanced platform for continued profitable growth in the Polish market
 - good cross-selling opportunities
- Nordea has a strong market position in chosen segments
- Authorised to sell mutual funds in January 2005 as first Nordic bank



Increasing contribution from emerging home markets

- Increased market shares in the fast growing housing loan markets
- Lending increased by 39% YoY
 - mortgage lending up 59%
- No. of new customers doubled in targeted segments, supported by newly launched customer programs

Operating profit, EURm	H1/05	H1/04	Chg
Poland & the Baltic countries	14	7	+100%
Russia*	11	5	+120%
Total contribution	25	12	+108%

*Nordea's share of profit in International Moscow bank

Strategic agreement with The Bank of New York regarding Securities Services

- **Nordea and The Bank of New York - a global leader in securities services - have established a strategic agreement that:**
- **Provides global custody and value-added services to Nordea's institutional clients**
- **Strengthens Nordea's position within the custody area**
- **Will ensure that Nordea is the premier provider of security services in the Nordic region**
- **Covers EUR 240bn out of the Nordea total of EUR 500bn assets under custody**

In summary

- **A transformed Nordea delivers revenue growth and strong results**
- **Volume growth in all business areas**
 - Increased business volumes more than compensated for the pressure on margins
- **Costs remain unchanged**
- **Fifth consecutive quarter with positive net loan losses**
- **Going forward**
 - Maintain strict risk and cost management
 - Continue to capture revenue growth opportunities
 - Well positioned to deliver on increased ambitions and new financial targets







Retail Banking in Nordea



24 August 2005
Peter Schütze
Head of Retail Banking

Retail Banking overview

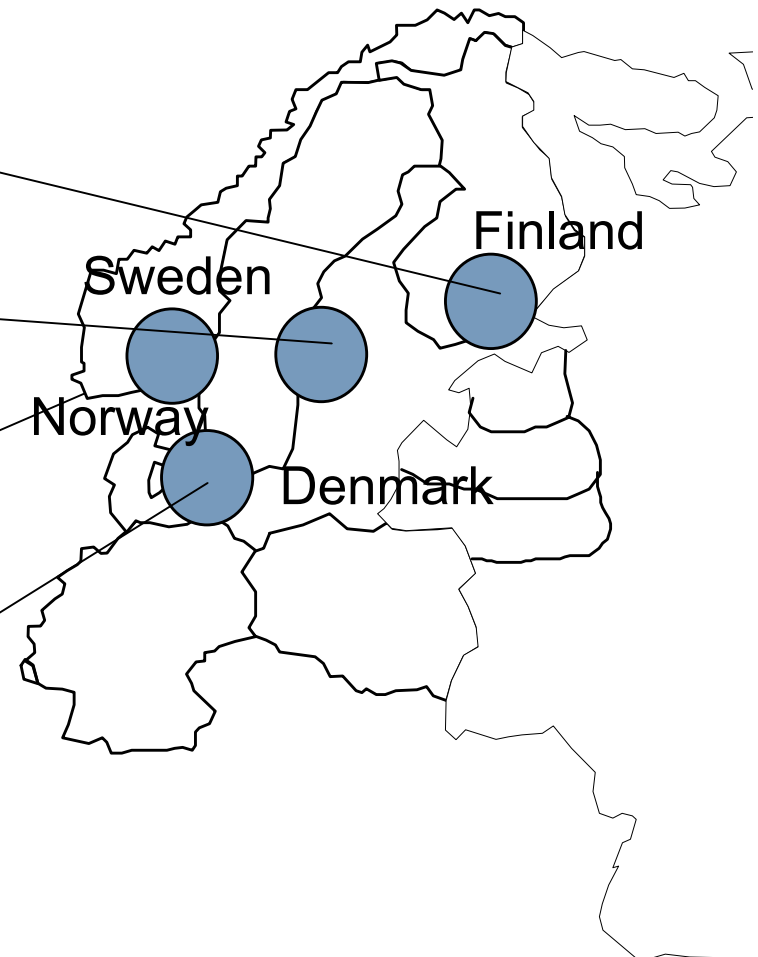
				Market position
Thousands				
	HH customers	2,980	Branch offices	376
	CO customers	333	Personnel	5,927
	HH customers	3,860	Branch offices	249
	CO customers	437	Personnel	4,255
	HH customers	620	Branch offices	125
	CO customers	72	Personnel	1,923
	HH customers	1,590	Branch offices	344
	CO customers	72	Personnel	5,173
HH customers		9,050	Number of branches	1,094
CO customers		914	Total personnel	17,278

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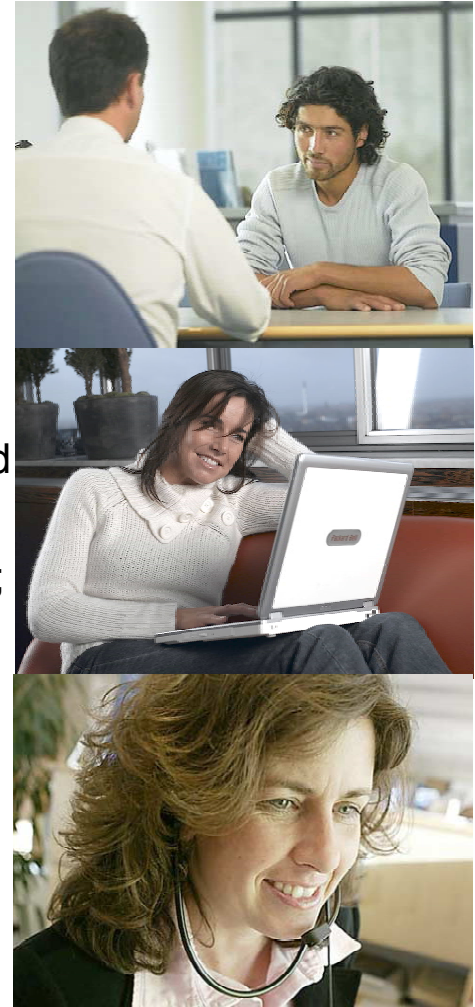
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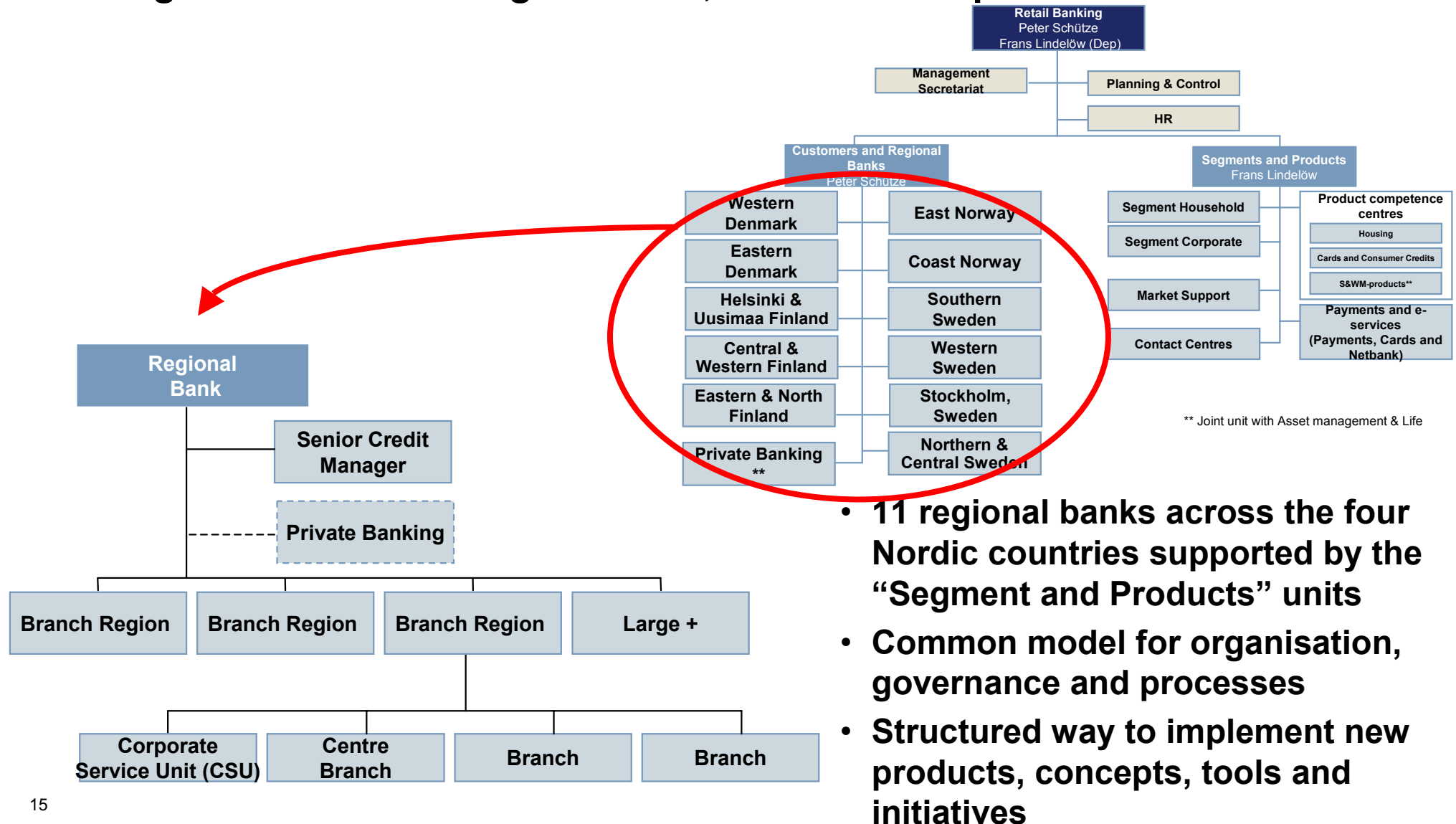
Customised multi-channel availability

- **Convenient and easy access**
- **Branches to ensure local presence of advisory services**
 - Continuous adaptation to local development, competitive situation and potential efficiency gains
- **E-solutions to enable self-service as well as “day and night” access to the bank**
 - Continuous increase in netbank penetration - 4.149.000 users by the end of Q2
 - 49% of household payments were paid through netbank and direct debit; 68% of equity trades was executed through netbank
- **Contact Centres offering self-service as well as “day and night” personal service from the bank**
 - 45,000 calls per day
 - Main tasks are service, general information transfers and sales
- **Customers decide themselves the most convenient mix of channels**



Redefined Retail franchise

- taking home the advantages of size, scale and scope

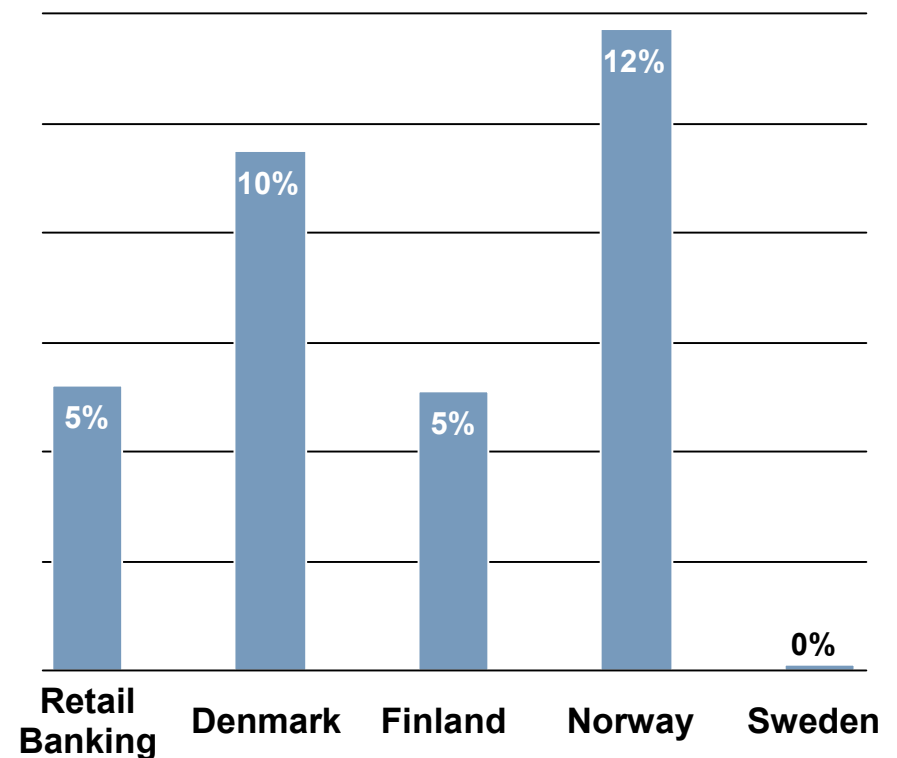


- 11 regional banks across the four Nordic countries supported by the “Segment and Products” units
- Common model for organisation, governance and processes
- Structured way to implement new products, concepts, tools and initiatives

Strong growth of income in H1 2005

EURm	1H 05	1H 04	Change
Net interest income	1,489	1,432	4.0%
Net commission and other inc.	763	709	7.6%
Total income	2,252	2,141	5.2%
Expenses	(1,266)	(1,261)	0.5%
Loan losses	63	(11)	
Operating profit	1,049	869	20.6%
Cost/income ratio %	56%	59%	-2.6%
Return on economic capital %	29%	26%	2.9%
Other information, EURbn			
Lending	141.1	125.2	12.7%
Deposits	75.6	69.4	9.0%

Growth in total income from
H1 2004 to H1 2005



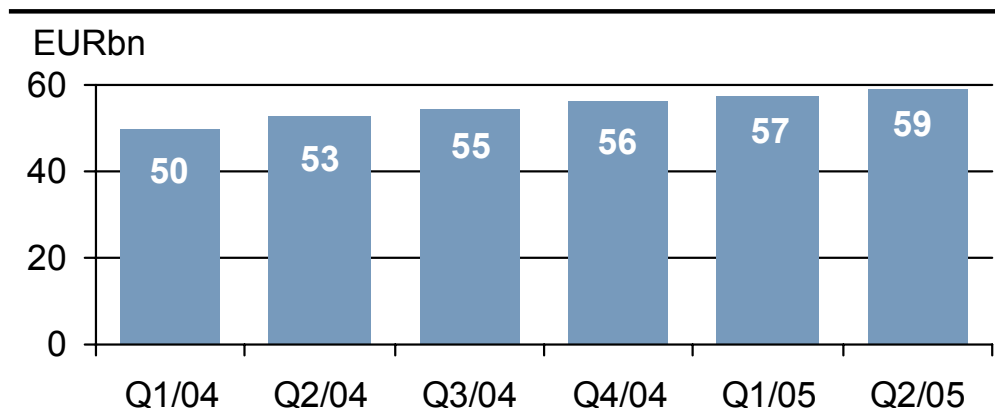
Housing - an important driver of growth

Nordea mortgage lending market shares

	H1 03	H1 04	H1 05
Denmark	13.0	14.0	14.6
Finland	32.8	32.5	32.0
Norway	10.4	11.0	11.4
Sweden	15.6	15.9	15.9

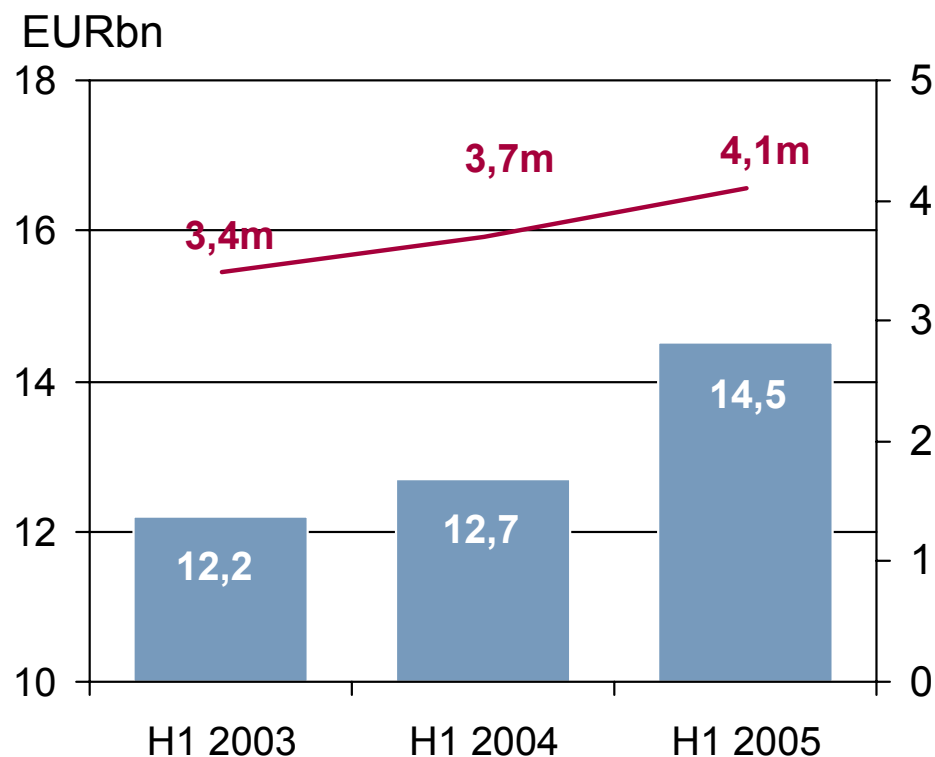
- **Nordea has in general been taking market share steadily since mid-90s**
 - Market shares increased in Denmark, Norway and Sweden whereas the market share in Finland has been maintained at a high level
- **Margin pressure remains**
- **Still highly attractive product given**
 - Risk/capital-weighted profitability
 - Cross-selling potential
- **Pan-Nordic product fertilisation**
 - Focus on speed-to-market of new products
 - Transfer of best practice

Mortgage lending to households



Consumer loans & cards provide additional growth opportunities

Nordea consumer loans and debit/credit cards



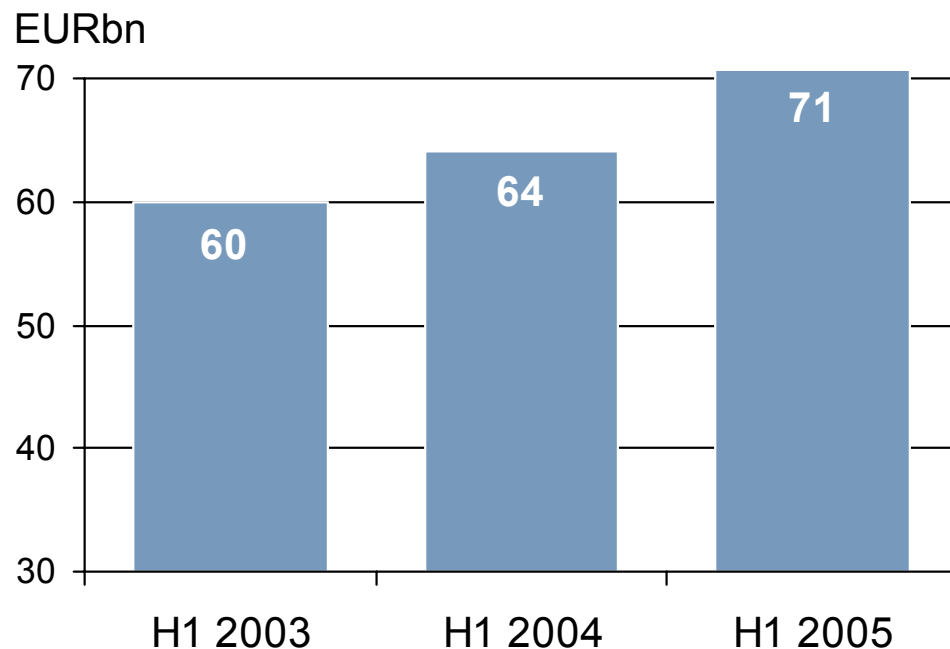
■ Consumer loans (Nordea Prioritet net), lhs
 — No. of credit cards (rhs)

- **Currently only one-third of Nordea's customers have a consumer loan or debit/credit card**
- **Significant potential exists to grow consumer loan volumes and credit cards**
 - Nordic countries traditionally under-penetrated market

Savings & wealth management area is also an area of additional growth opportunities

Savings assets*

AuM	Den	Fin	Nor	Swe
EURbn	17	20	7	26



- **Financial planning tool rolled out**

- Cutting-edge advisory concept
- Trained advisers within branches

- **Private banking key focus areas**

- Affluent concept under implementation in Norway
- Common Nordic concept for high net-worth individuals under development
- Focus on increasing business volume per existing client

- **Specialist organisation strengthened**

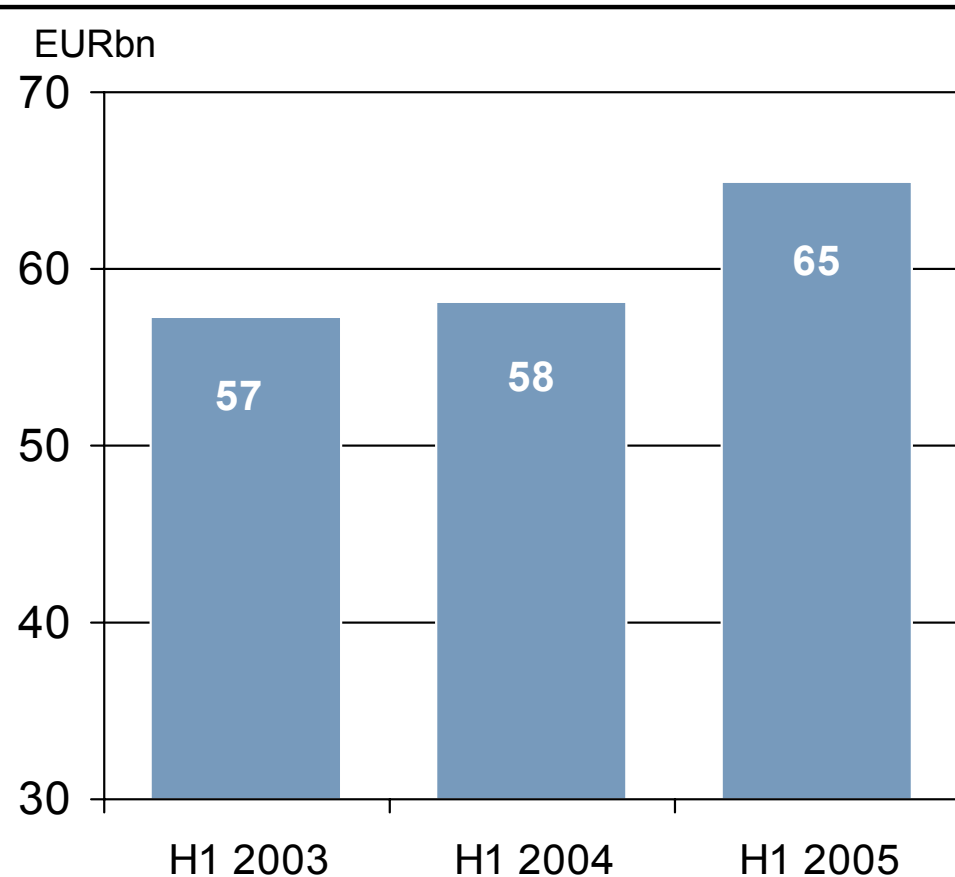
- Strong savings & wealth management support to customer advisers

- **Further penetration possible in bancassurance**

* Pensions, mutual funds and deposits excluding current deposits

The strong development is also reflected on the corporate side

Corporate lending



- Lending volume increasing by 12 % under persisting margin pressure
- Increasing focus on advice and sales of derivatives has resulted in income growth of 61% (YoY) in this respect
- Corporate business established with dedicated relationship and senior relationship managers
- Increased focus on small and medium-sized corporates with refined value proposition

Customer programmes - Increasing business rewarding both customers & Nordea

- **Key elements in the programmes offered to the customers:**

- More favourable prices the more business you do - and for the core customers a named personal banking adviser at their service
- Transparent pricing
- Three levels: Basic, intermediate and core

- **Key focus on increasing:**

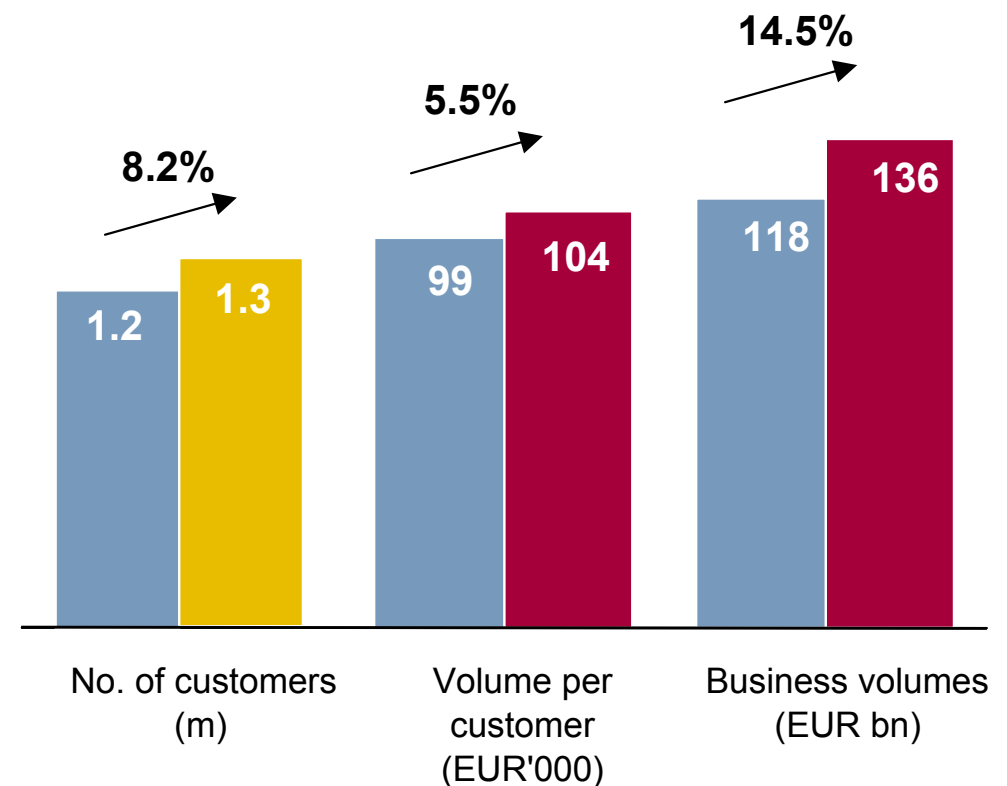
- Customer satisfaction and loyalty
- Business volume per customer

- **Strong success to date**

- Number of customers and business volume per customer increased in core segment

- **A common framework for customer programmes will be finalised and implemented during 2005.**

Strong growth in core segment
June 04 to June 05





**Du kanske har råd med
mer än du tror**

Gör det möjligt

Nordea 

*Making it
possible*



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Income statement summary

EURm	H1/05	H1/04	Chg %
Net interest income	1,810	1,700	6
Net fee and commission income	937	884	6
Net gains/losses on items at fair value	329	293	12
Equity method	35	25	40
Other income	165	129	28
Total operating income	3,276	3,031	8
Staff costs	-1,030	-1,006	2
Other expenses	-717	-719	0
Depreciation	-69	-86	-20
Total operating expenses	-1,816	-1,811	0
Loan losses	107	-39	
Operating profit	1,572	1,181*	33
Net profit	1,200	1,164	3

Income statement summary

EURm	Q2/05	Q1/05	Chg %
Net interest income	913	897	2
Net fee and commission income	484	453	7
Net gains/losses on items at fair value	214	115	86
Equity method	22	13	69
Other income	61	104	-41
Total operating income	1,694	1,582	7
Staff costs	-515	-515	0
Other expenses	-364	-353	3
Depreciation	-35	-34	3
Total operating expenses	-914	-902	1
Loan losses	101	6	
Operating profit	884	688	28
Net profit	705	495	42