



Interim Report First Quarter 2007

Press Conference



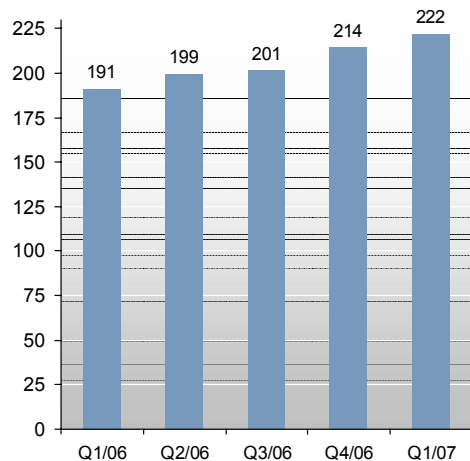
Christian Clausen  
President and Group CEO

# Key messages

- Organic growth strategy continues to pay off
  - Income EUR 1,873m, up 8% excl. contribution from International Moscow bank (IMB). (EUR 1,754 in the first quarter 2006)
  - Operating profit EUR 895m, up 6% excl. IMB last year (EUR 853m)
  - Costs up 6% - investing for future growth
- Strong performance in strategic growth areas
  - Number of Gold customers increased 8%
  - Consumer and SME lending up 16% and 14% respectively
  - Markets revenues on all-time-high in Q1
  - Net inflow of EUR 1.2bn in Nordic Private Banking.
  - Revenues up 38% and operating profit doubled in Poland & Baltics
- Performance in line with financial targets
  - Gap between revenue and cost increase of 1.2 percentage points. On track for full year target of 3-4 percentage gap
  - Risk-adjusted profit up 11% to EUR 576m in Q1
- Streamlined organisation and operating model to support growth targets
  - Separation of responsibility for customer relations, products and services
  - Will improve operational efficiency, free up time for increase sales and improve time to market of new products
  - New vision and values to support the organic growth strategy

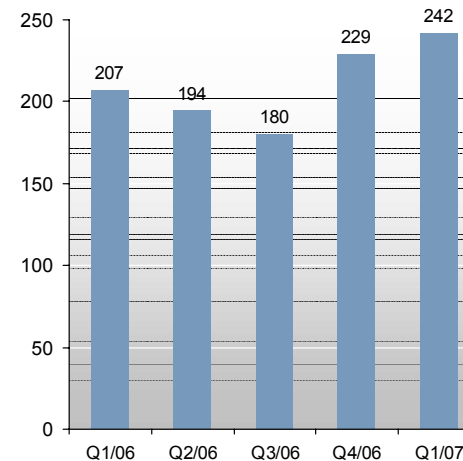
# Strong performance in strategic growth areas

## Total lending



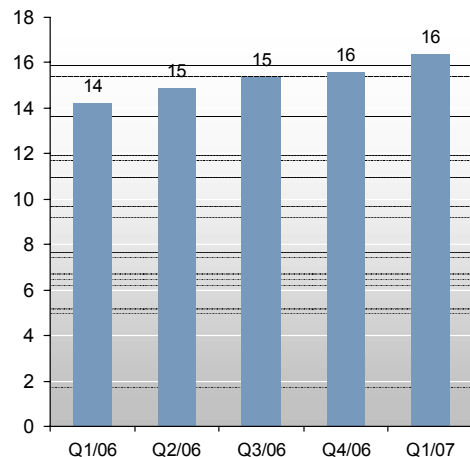
- Up 16%
- Compensating for margin pressure
- Strong growth within all prioritised areas

## Markets result



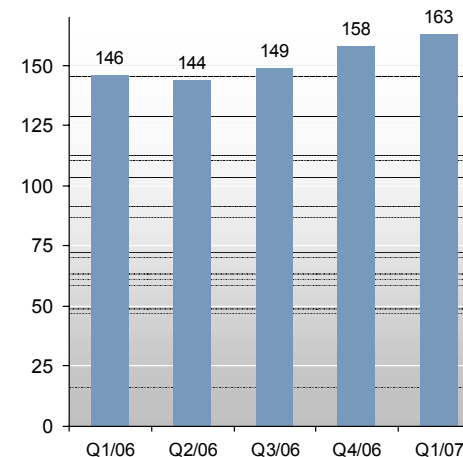
- Increased selling of Markets products to SME's
- Strong revenues with FX, fixed income and structured products

## Consumer lending



- Up 16%
- Non-collateralised consumer lending up 22%
- Increased lending to Gold customers

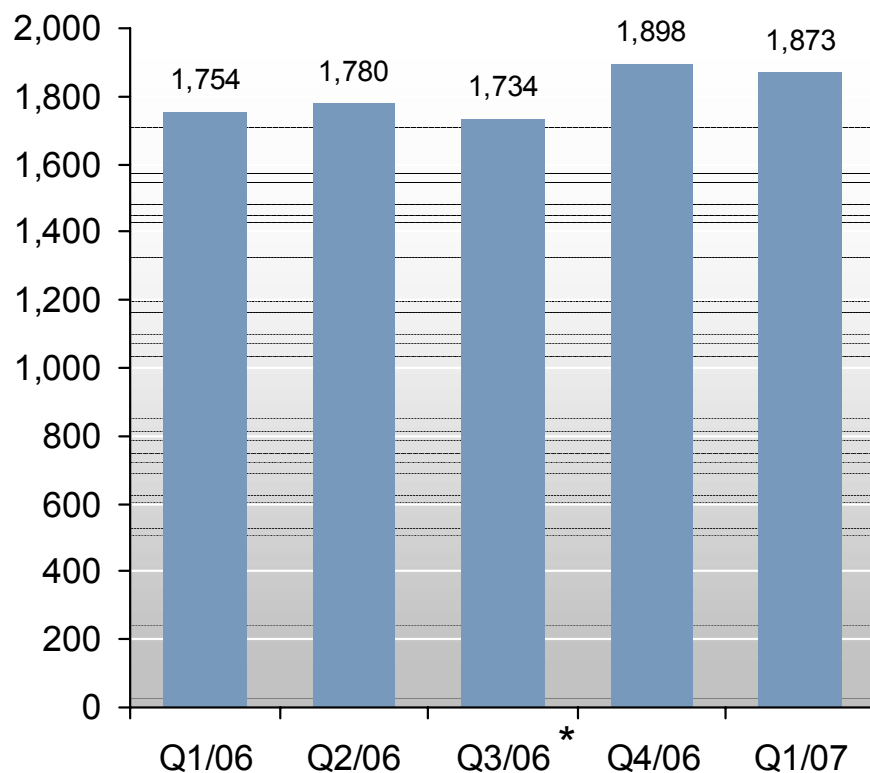
## AuM



- Strong growth mainly within Private Banking and Institutional clients

# Operating income

EURm



\* Excl. gain from sale of IMB shares

YoY

- Up 8% when excluding IMB 2006
  - Reported up 6%
- Net interest income up 8%
  - Volume growth largely compensating for pressure on lending margins
- Commission income up 6%
  - Lending related commissions up 14%
  - Card commission up 9%
  - Saving related income up 6%
- Net gains up 4% from record level in Q1 2006

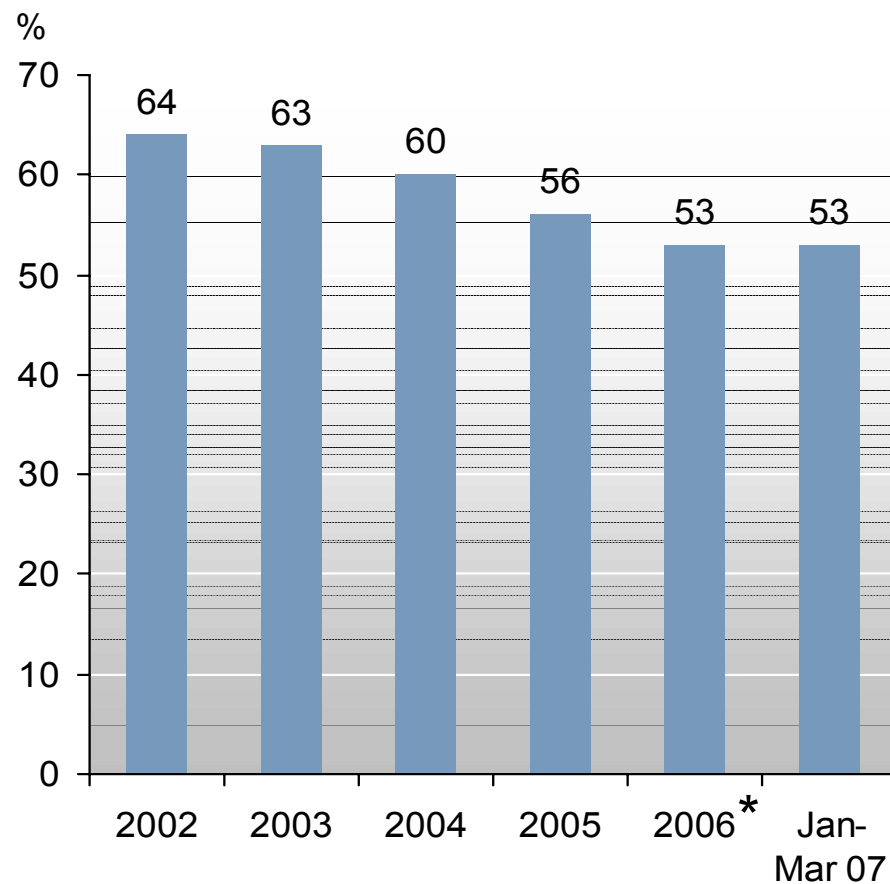
Q1oQ4

- Stable revenues
- Commission and net gains losses down mainly for seasonal reasons

## Robust volume growth continues

	<u>YoY</u>	<u>Q1oQ4</u>
Lending, total	16%	4%
– Mortgage lending	14%	2%
– Consumer lending*	16%	5%
– of which non collateralised lending	22%	7%
– SME lending	14%	4%
– CIB lending excl. Markets	8%	4%
Deposits, total	12%	0%
– Household deposits	9%	1%
– SME deposits	14%	0%
– CIB deposits excl. Markets	28%	8%

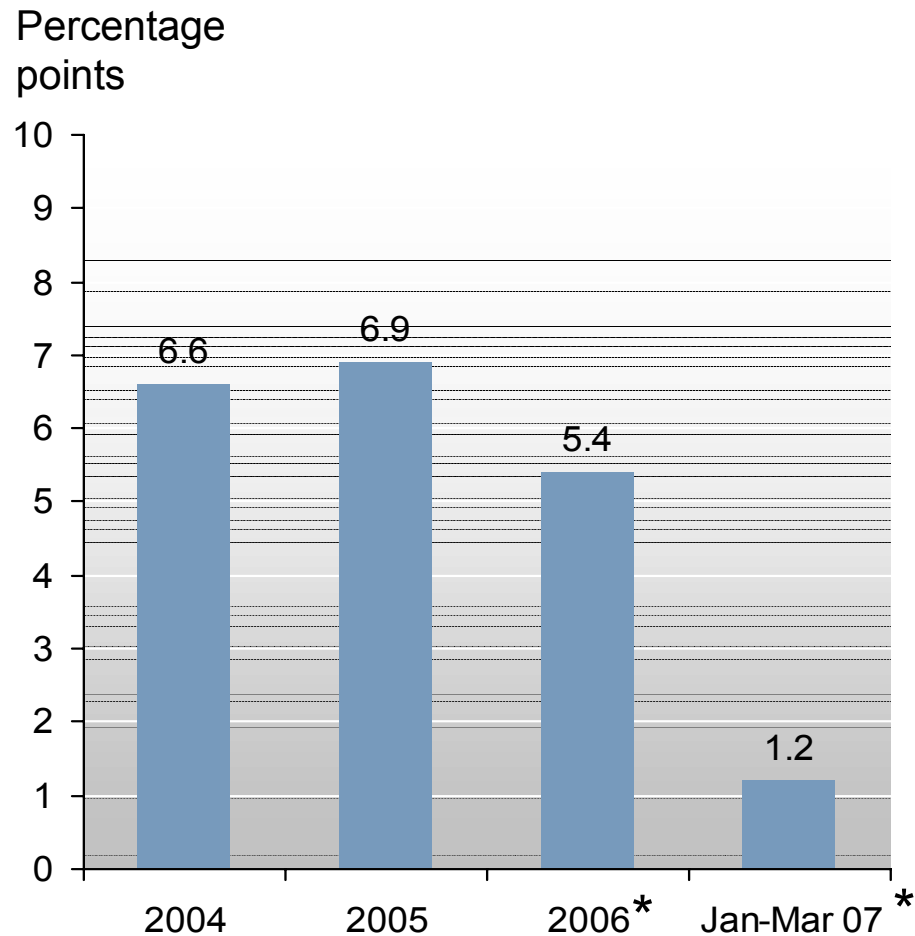
## Cost/income ratio



- Unchanged at 53%
- Strong growth in revenues
- Investments for future growth

\* Excl. gain from sale of IMB shares

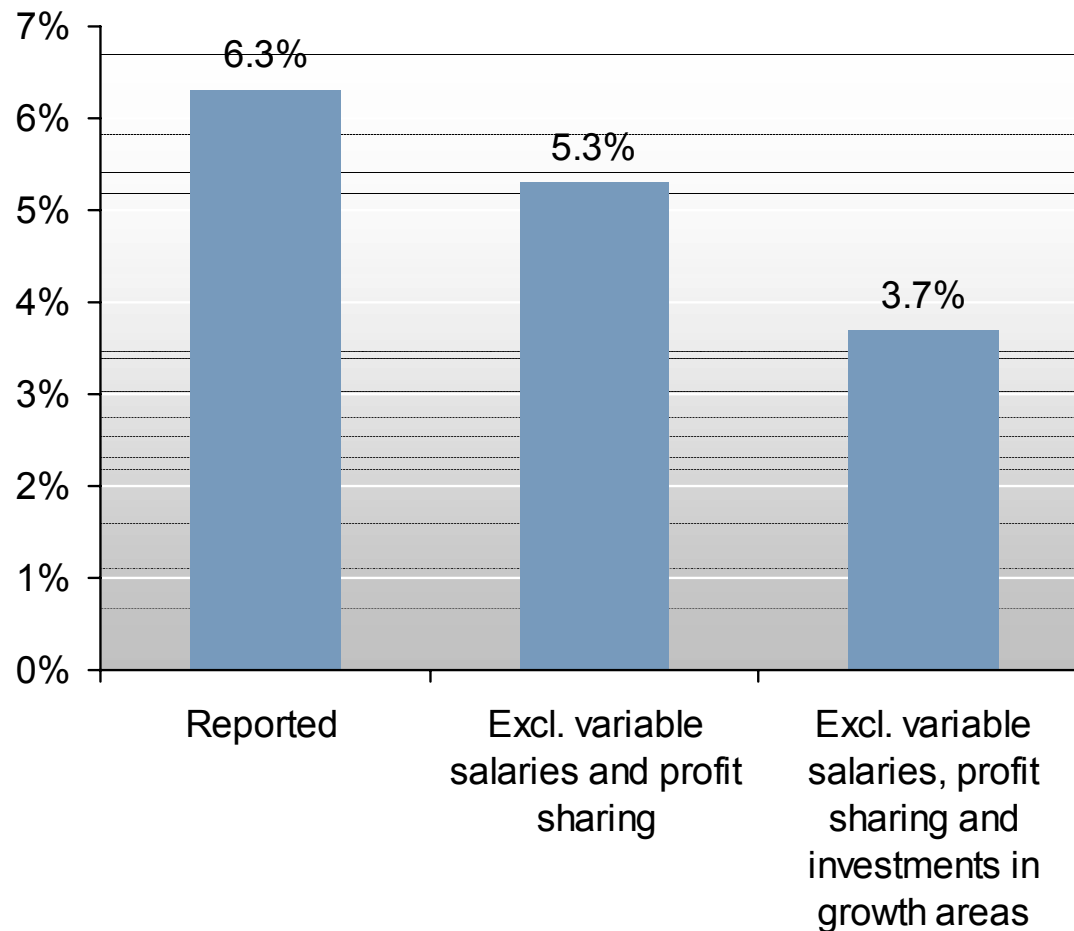
## Gap between income and cost growth



\* Excl. full impact from sale of IMB

- Gap of 1.2 percentage points in Q1 – on track with financial planning
  - Income up 7.5%
  - Expenses up 6.3%
- Strong top line growth driven by growth initiatives
- Cost increase reflects investments in future growth
- Unchanged target of 3-4 percentage points for the full year

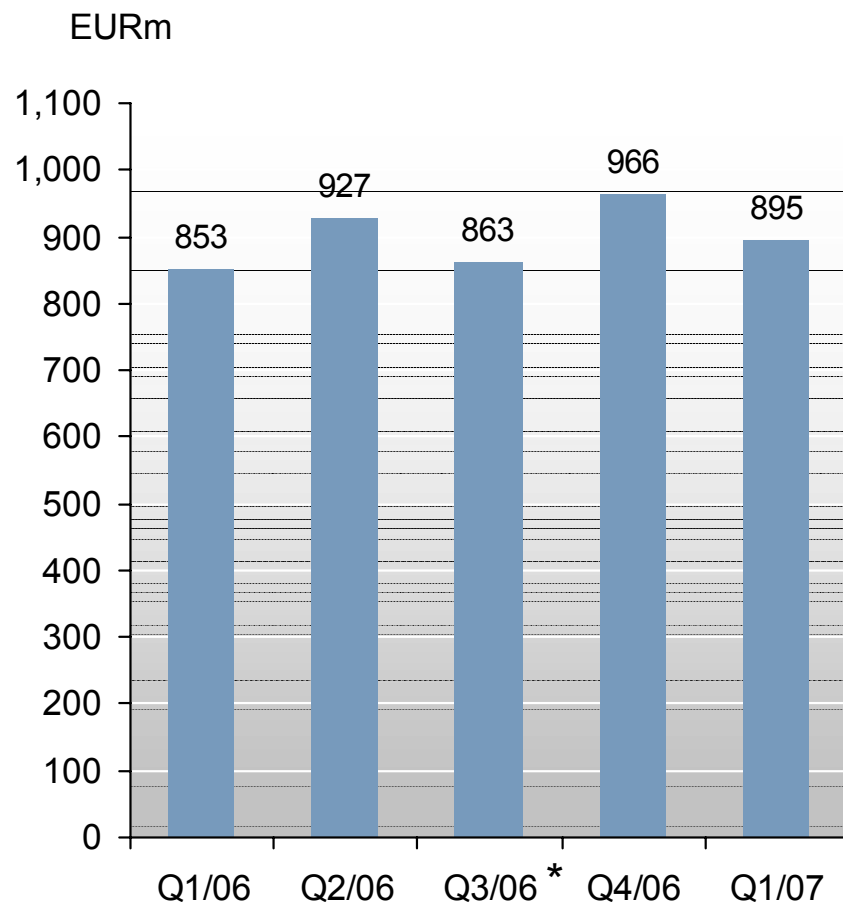
## Well controlled expense growth



- Investments in prioritized growth areas
- Increase in variable salaries
- Unchanged cost management alongside growth strategy
- On track with full year outlook of cost increase of 4-5%



# Operating profit



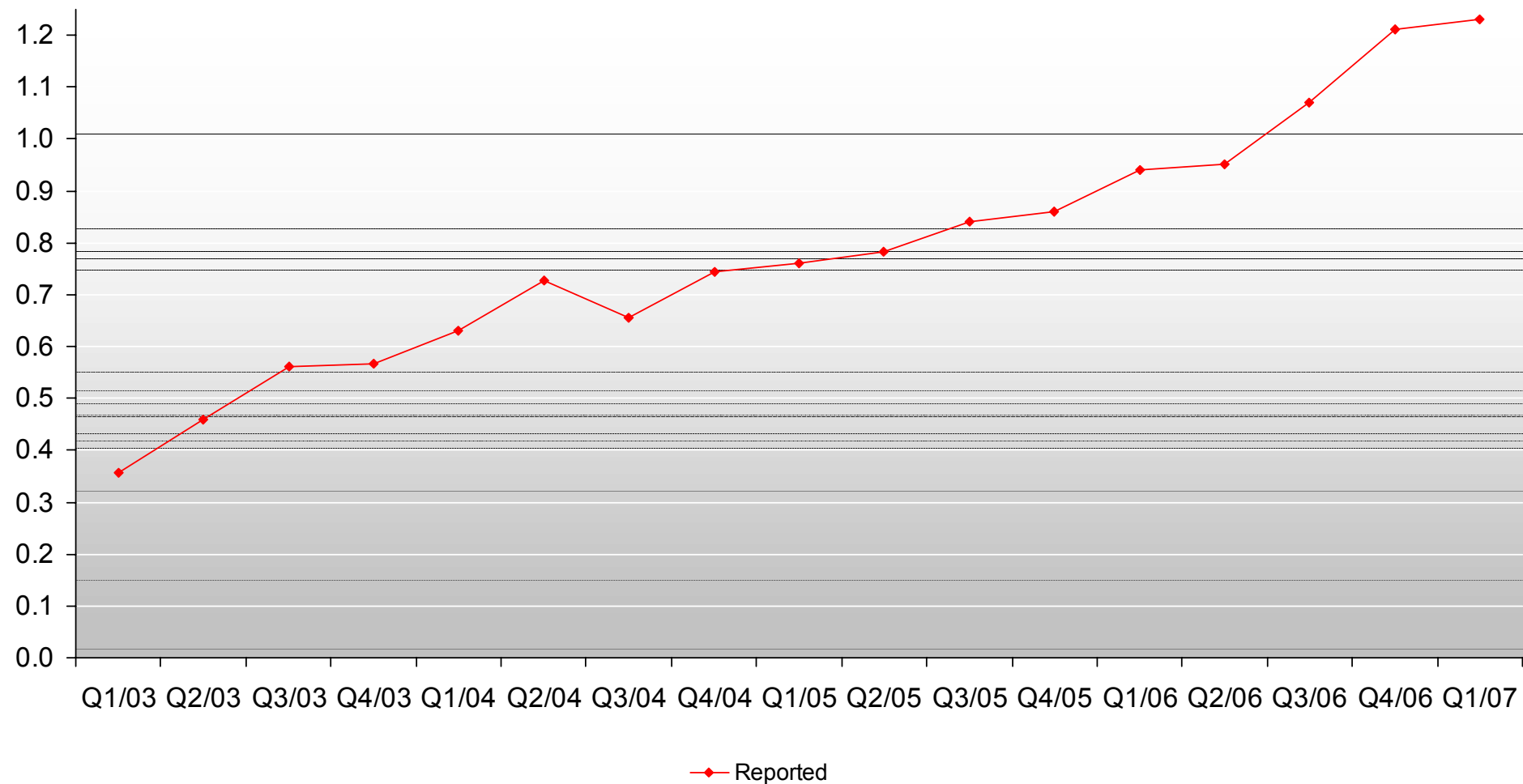
\* Excl. full impact from sale of IMB

YoY

- Up 6% excluding contribution from IMB in 2006
  - Reported up 5%
- Strong profit trend continued in all business areas
- Lower loan loss recoveries in 2007

# Continuous increase in earnings per share - rolling 12 months

EUR



# Clearly identified strategic initiatives – to support the organic growth strategy

## Product areas in focus

- Long term savings
- Consumer credits and Cards
- Life insurance
- Capital markets products

## Segments in focus

- Private Banking
- Gold customers
- SME

## Geographical markets in focus

- Growth Plan Sweden
- Poland, Baltics and Russia

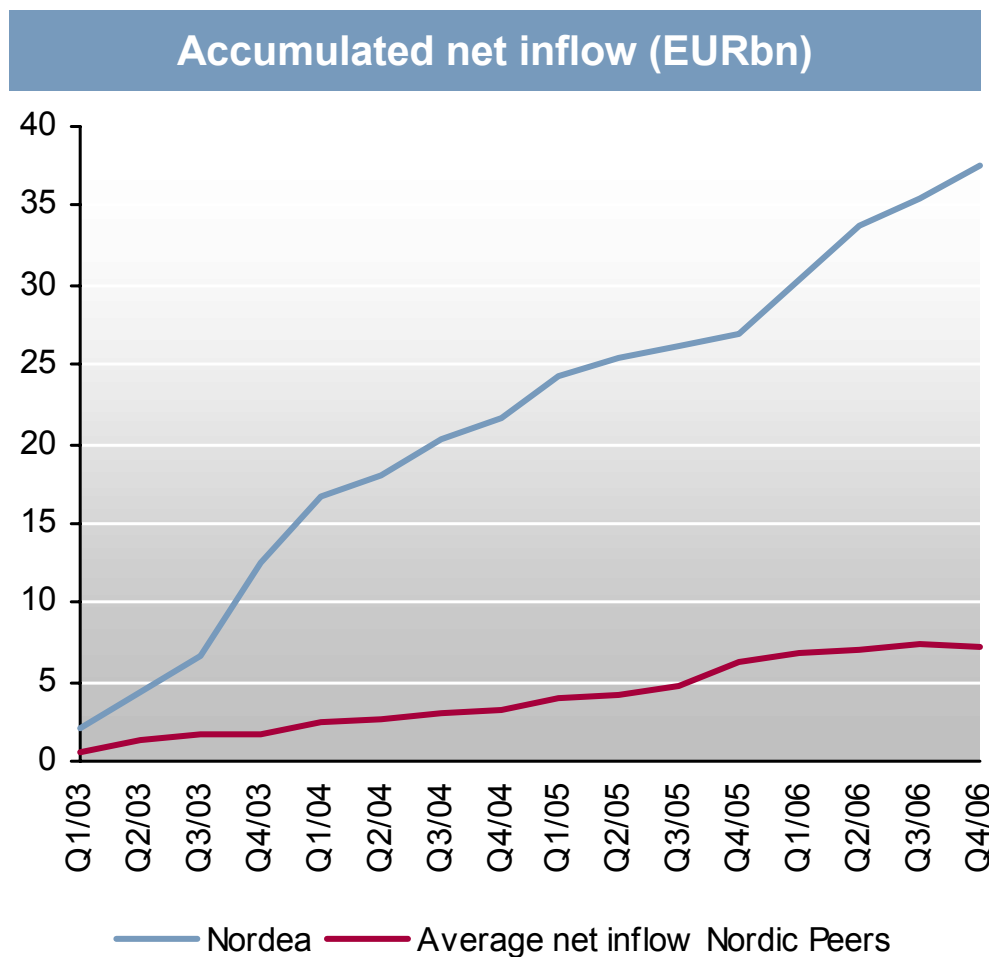
## Improved efficiency

- Future branch: Increase PBA:s and RM:s time spent with customers
- Nordea Transformation Programme
- New operating model separating responsibilities for Customers, Products and Services

## Stronger focus on common group values

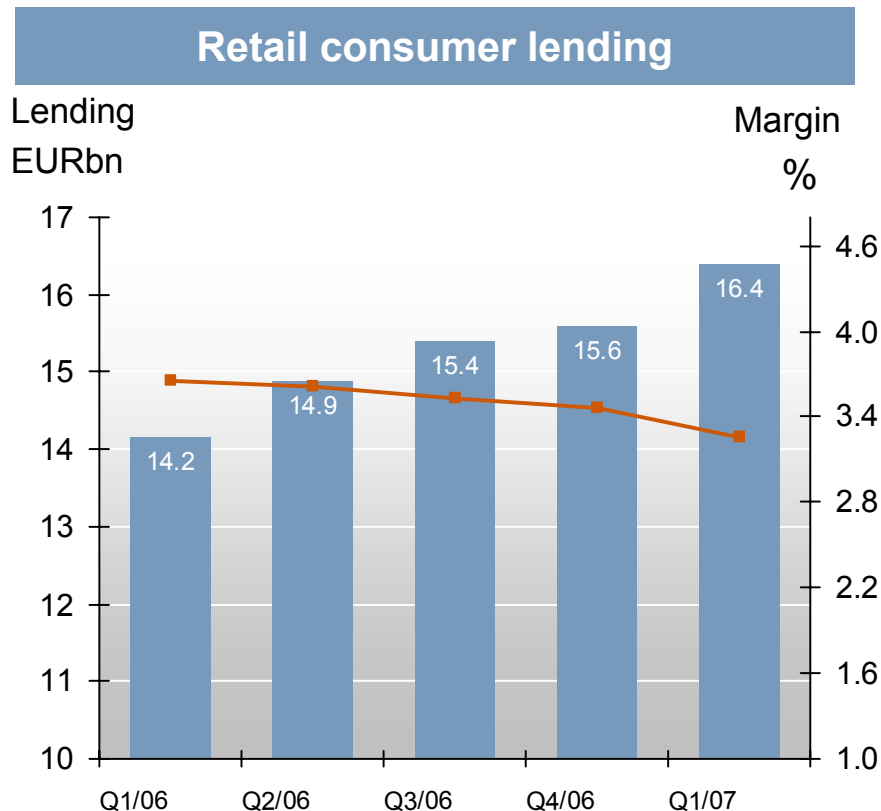
- Values to leverage the organic growth strategy:
  - Customer focus
  - People orientation
  - Teamwork

# Strengthened leadership within long term savings



- Net inflow EUR 35bn 2003-2006
  - Private Banking EUR 14bn
  - Retail funds EUR 13bn
  - European Fund Distribution EUR 1bn
  - Other EUR 7bn
- Net inflow in Q1 2007 EUR 2.6bn
- Majority of sales within innovative products like All Equity, Dynamic fixed income and Stable return
- Improved income and net result margin
- In total EUR 163bn in AuM

# Improved market position within consumer lending and cards



YoY

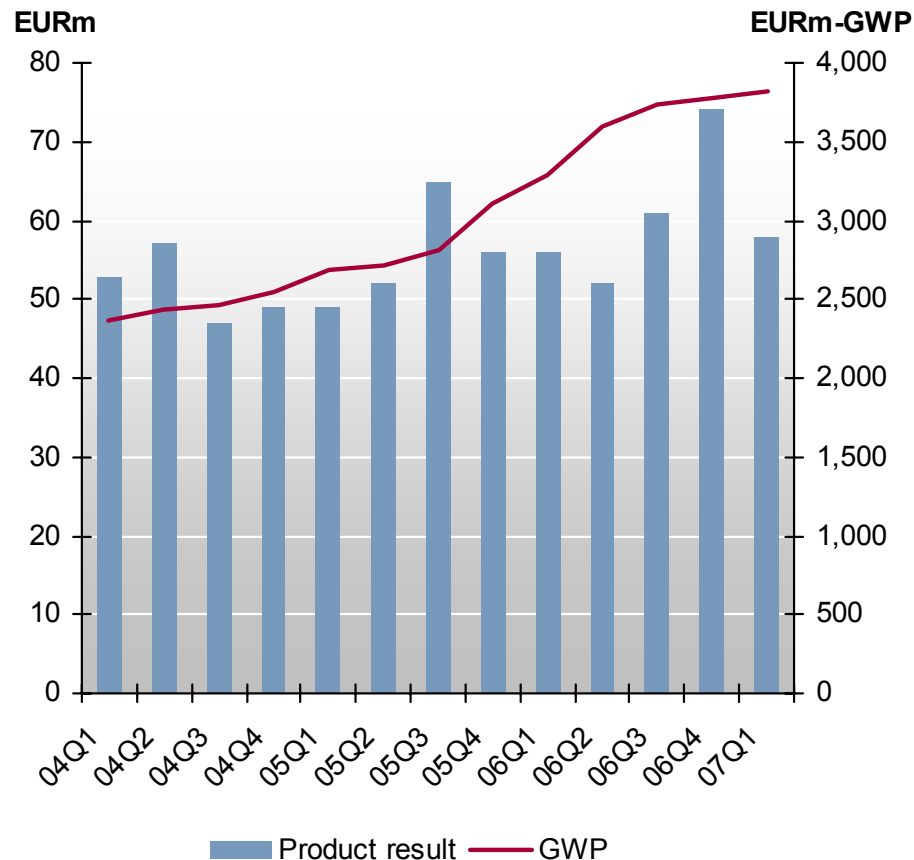
- Consumer lending up 16%
  - Non-collateralised up 22%
- Approx. 540,000 new cards issued
- In total 5.8 million cards issued
  - Of which approx. 16% credit cards
  - Number of credit cards up 39%

Q1oQ4

- Consumer lending up 5%

# Continued stable result and increased premium income within Life

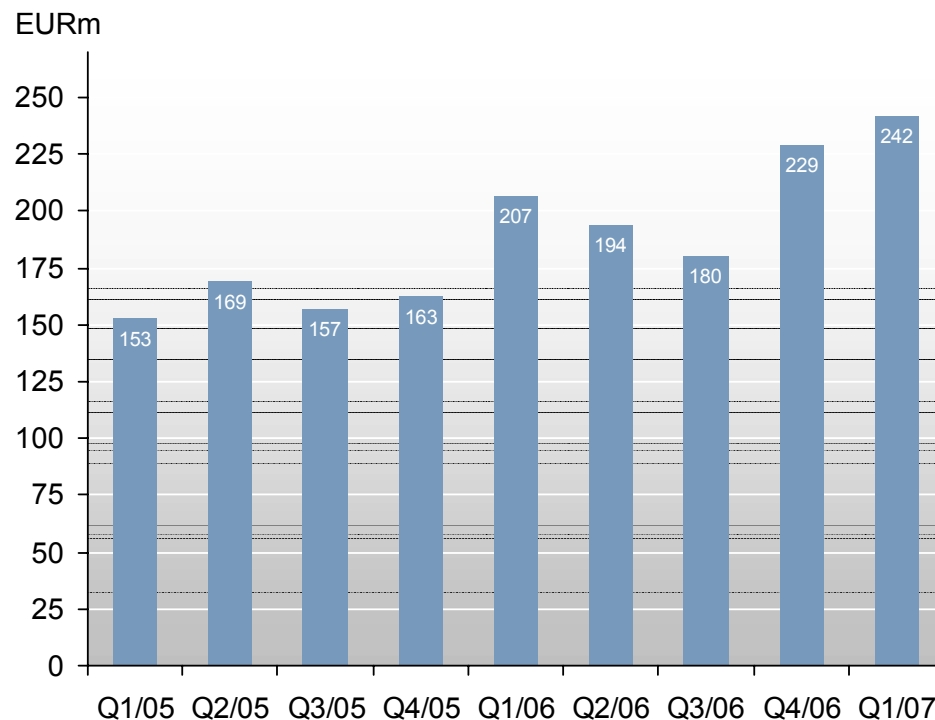
Life product result and 12-month rolling Gross Written Premiums (GWP)



- Nordea Life & Pensions the largest company on the Nordic market with a market share of 10.8%
- Net written premiums up 5%
  - Despite of the removal of the popular product “Kapitalpension”
  - Compensated by strong growth in Denmark, Norway and Poland
- Nordea chosen provider of the traditional product within the new Swedish ITP scheme
  - Nordea qualified with the new traditional product “Ålderspension med Premiegaranti”
- Business model continues to deliver stable profit growth

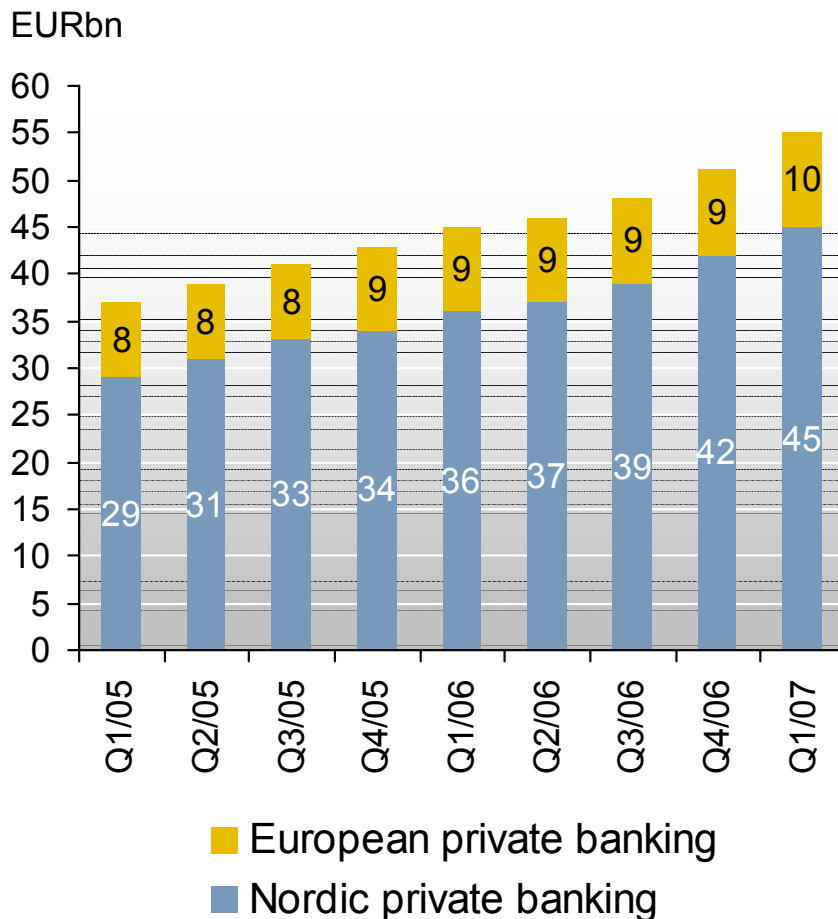
# Strong revenue growth in Nordea Markets

## Strong revenue growth in Nordea Markets



- All time high revenues in Q1
- Customer activity continued at high levels - increase in capital markets transactions with large corporates
- Increased cross-selling of Markets related products to SMEs
- Potential to increase penetration of Nordea's customer base

## Continue to leverage on strong position within long-term savings – Private Banking



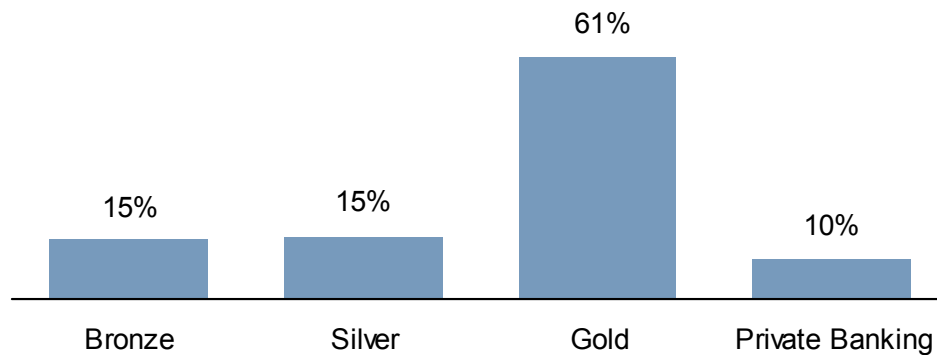
- Strong asset growth in Nordic Private Banking
  - Net inflow in Q1 21% annualised
  - Result of roll-out of new common advisory concepts, particularly in Norway and Sweden
- Inflow mainly from external sources, approx. 2/3 of total
- AuM up 20% YoY



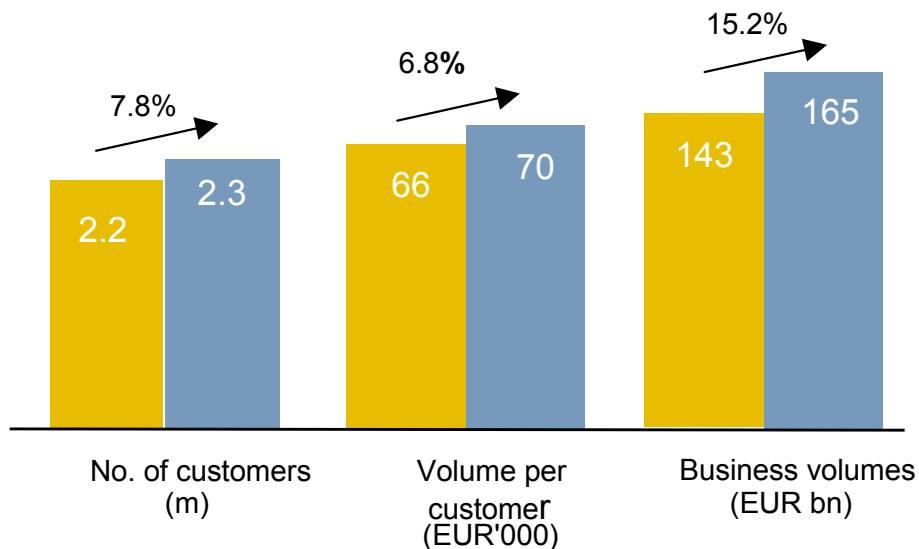
# Strong growth in revenues with existing customers

- segmentation strategy pays off

Share of Retail Household income in Q1 2007



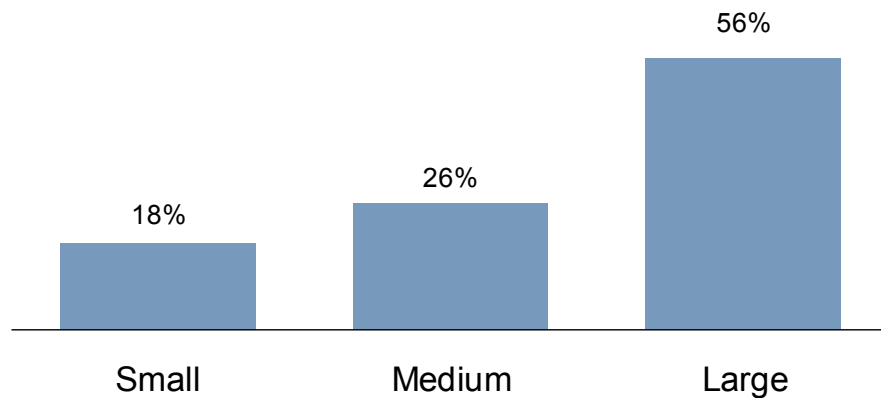
Gold segment Mar 06 to Mar 07



- Private Banking reached 10% share of Retail Household revenues for the first time
- Increased deposit revenues benefits all segments
- Increased business with Gold customers

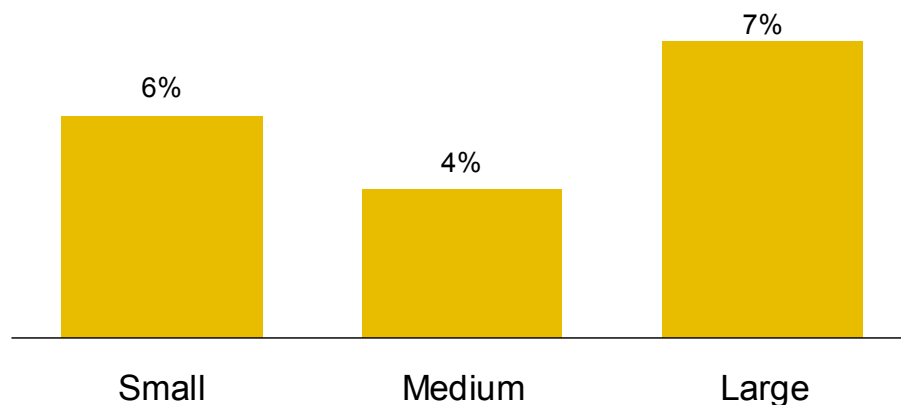
# Continued revenue growth in all Retail corporate segments

Share of Retail Corporate income Q1 2007



- Large companies accounts for more than 50% of new growth potential in all segments
- Solid revenue growth in all segments across markets
- One Nordic customer area
  - Gather the corporate relationship management competencies

Income growth YoY



# Geographical markets in focus

- Growth plan Sweden
  - Accelerated growth plan in Nordic markets, in particular Sweden
  - Focus on advisory services and product segments with growth potential
  - 200 advisors recruited and trained in Retail banking last 12 months
- Poland and Baltic countries
  - Continued high activity in Poland and the Baltics – revenues up 38%
    - Total lending up 53% YoY
    - Number of Gold customers doubled YoY
  - Increased growth ambitions in Poland with up to 150 new branches in 2-3 years.
    - 7 new banking units opened during first quarter in Poland and the Baltic countries
    - Preparations for more rapid expansion of the network are ongoing and the result will gradually seen during the latter part of 2007

# Orgresbank

- Acquisition finalised in Q1 2007
  - Balance sheet consolidated in Nordea Group accounts per 31 March 2007
- Strong financial performance in Q1
  - Total income EUR 18m (EUR 55m full year 2006)
  - Total expenses EUR 10m (EUR 31m full year 2006)
- Orgresbank will capture growth in the Russian market
  - Russian corporate customers
  - Nordic corporate customers
  - Personal customers in high end segment

# The next step towards improved operational efficiency

## Unified customer processes

- Future branch:
  - Straighten out work processes
  - Reduce administrative burden
  - Continuous improvement

## Free up time for sales

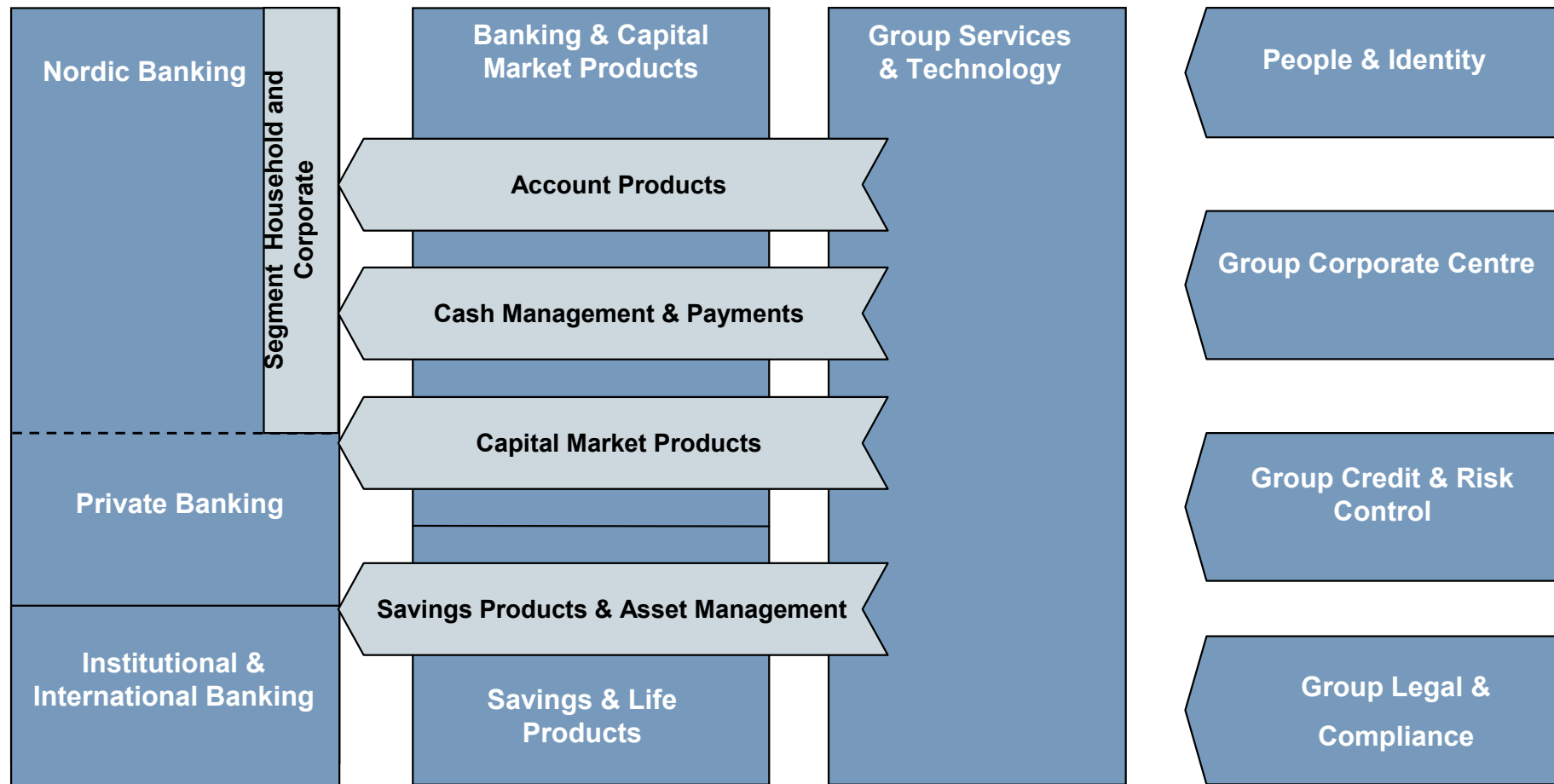
- Increase the time Personal bank advisors and relationship managers spend with customers
- Target to increase time spend with customers 50-100%
- Efficiency gains to handle growth

## Unified product delivery processes

- Product and delivery chain to reduce time-to-market of our products
- Strengthen the team approach
- Group perspective on the product delivery chain
- Nordea Transformation programme 3-5 years perspective
- Requires investments in IT-platform
- Gradually replacing old systems

Next phase of efficiency improvements goes cross units

# New operating model to support growth



## Outlook

- Nordeas' growth strategy continues to pay off and Nordea will continue to deliver on its financial targets
- Nordea believes that strong revenue growth will continue in 2007
- As previously stated the cost increase for the full-year 2007 is expected to be of the same magnitude as in 2006, ie 4-5%
- The gap between revenue and cost growth is for the full year 2007 expected to be 3-4%-points\*

\* Excl. the impact of the consolidation Orgresbank

# Summary

- Organic growth strategy continues to pay off
  - Revenues up 8%
  - Total lending up 16%
  - AuM up 12 %
- Strong performance in all business areas
- Cost management unchanged alongside growth plans
- Clearly identified strategic initiatives to improve performance further
- New organisation and operating model to support growth strategy
- On track with financial targets
  - Risk adjusted profit up 11%
  - Gap 1.2 percentage points
  - Outlook unchanged