



Interim Report Second Quarter 2008
Press and analyst conference
22 July

Christian Clausen
President and Group CEO



Q2 2008 in short

- ✓ High business activity and record results from customer areas
- ✓ Continued strong delivery from growth initiatives – execution continues according to plan
- ✓ Volatile and weakened financial markets
- ✓ Credit quality remains solid
- ✓ Strong capital position
- ✓ Stable and well-diversified funding base
- ✓ Maintained ambitious long-term financial targets
- ✓ Outlook 2008: Growth in risk-adjusted profit expected to be approx. 5%

Income statement summary

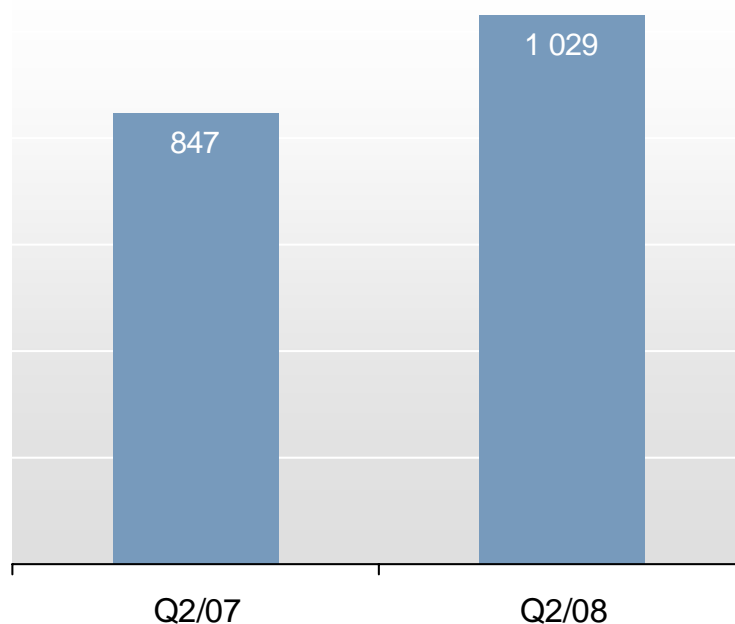
EURm	H108	H107	Chg %
Net interest income	2,411	2,047	18
Net fee and commission income	1,013	1,083	-6
Net gains/losses on items at fair value	482	629	-23
Total operating income	3,953	3,830	3
Total operating expenses	-2,128	-2,000	6
Profit before loan losses	1,825	1,830	0
Loan losses	-57	41	
Operating profit	1,768	1,873	-6
Net profit	1,380	1,517	-9

High business activity and strong results from customer operations

- Second quarter strongest ever in customer areas
 - Revenues, operating profit and risk-adjusted profit
- Revenues driven by NII – up 18% H1/H1
 - The strong volume growth continues – total lending up 16%, excl. reversed repos
 - Total deposits up 10% excl. reversed repos, of which savings accounts up 23%
- Strong development in customer-driven capital markets activities – Q2 record product result in Capital Markets Products
- Number of Gold customers up 6%, number of Private Banking customers up 12%
- Net inflow in Asset Management in Q2
- Strong contribution from New European Markets, loan losses remained at a very low level

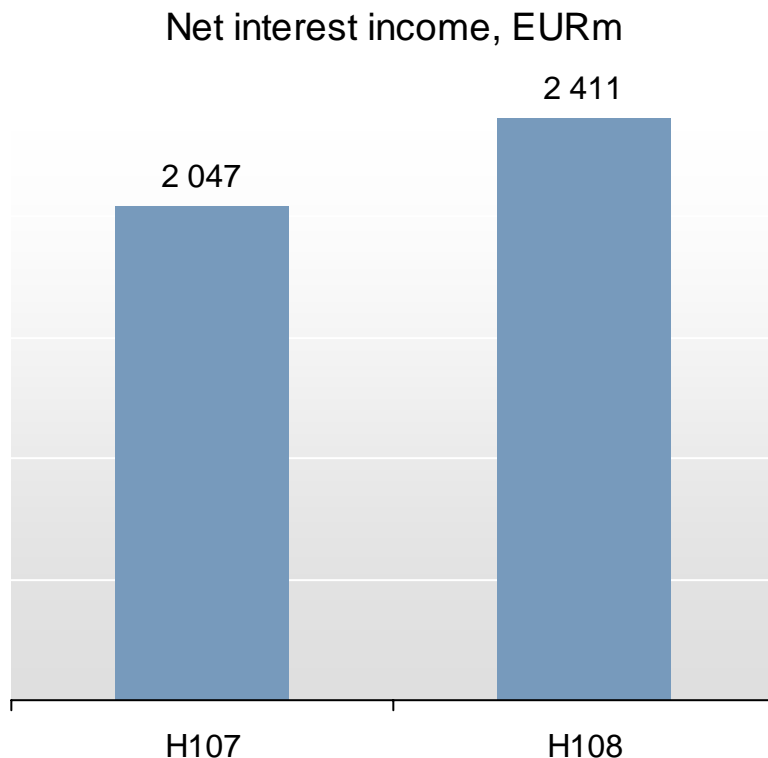
High corporate customer activity

Total income corporate customers,
EURm



- Income from corporate customers up 21% compared to Q207
 - Strong lending growth – margins are improving
- Improved market position primarily in Corporate Merchant Banking
 - Increased lending market shares especially in Sweden and Norway
 - Nordea's strong balance sheet have provided opportunities to support customers
 - Unchanged prudent risk management policy
- Strong revenue contribution from New European Markets

Net interest income up 18%



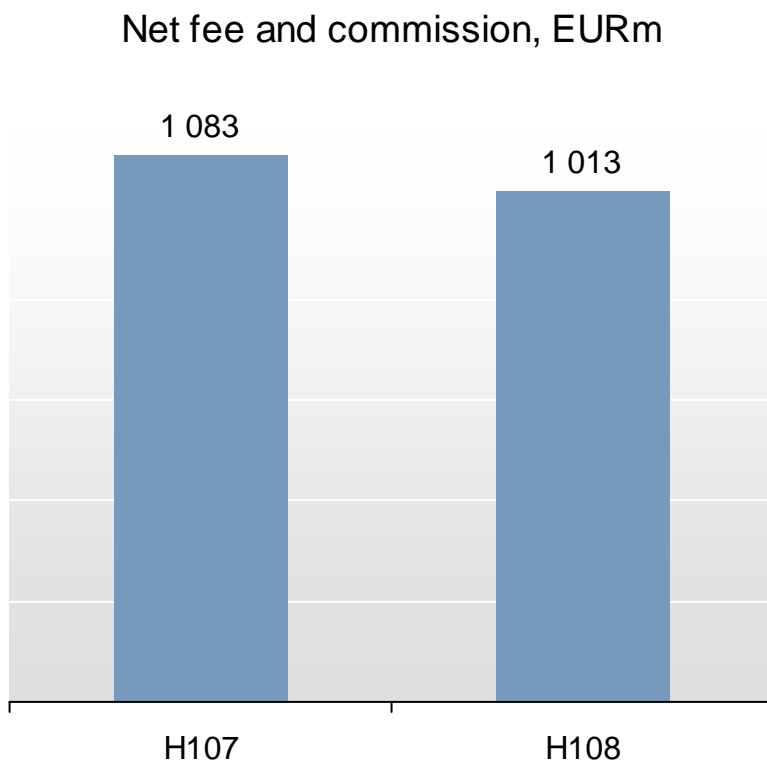
YoY

- Strong increase in lending and deposit volumes
 - Lending up 16%
 - Deposits up 10%
- Corporate lending growth across the Nordic region and from most sectors
 - Up 20%
- Stable deposit margins

Q2oQ1

- Maintained strong growth also in Q2 – NII up 4% - annualised 18%
 - Total lending up 4%
 - Nordic corporate margins up 5bps
 - Deposit margins up slightly

Net fee and commission income down 6%



YoY

- Savings-related commission down 16%
 - AuM down 12% - weak equity markets and lower risk appetite among customers
 - Lower transaction activity
 - Margin decrease - shift from equity-related to fixed income-related funds
- Continued increase in lending-related commission - up 8%
 - Strong increase in Merchant Banking and Shipping
- Payment commissions up 2% - increase in cards

Q2oQ1

- Up 5%
 - Lending commission up 18%
 - Savings- and payment commissions largely flat

Continued strong delivery from growth initiatives

Existing Nordic customers and new customers

Household strategy

- Migration to premium segments
- Attract new customers to premium segments
- Focus on Sweden

Private Banking

- Added advisory capacity
- Capture internal pool of potential customers

Corporate strategy

- New Corporate Merchant Banking concept
- Cash equity and corporate finance
- Growth in sale of value-added capital markets products

Selected global and European business lines

Based on strong competencies

- Reinforced #1 position in shipping
- Reinforced strong international position in Private Banking and Fund Distribution

New European Markets

Selective growth strategy

- Expanded distribution capacity in Poland
- Russia – broaden focus to include all segments
- Selective growth in the Baltic countries

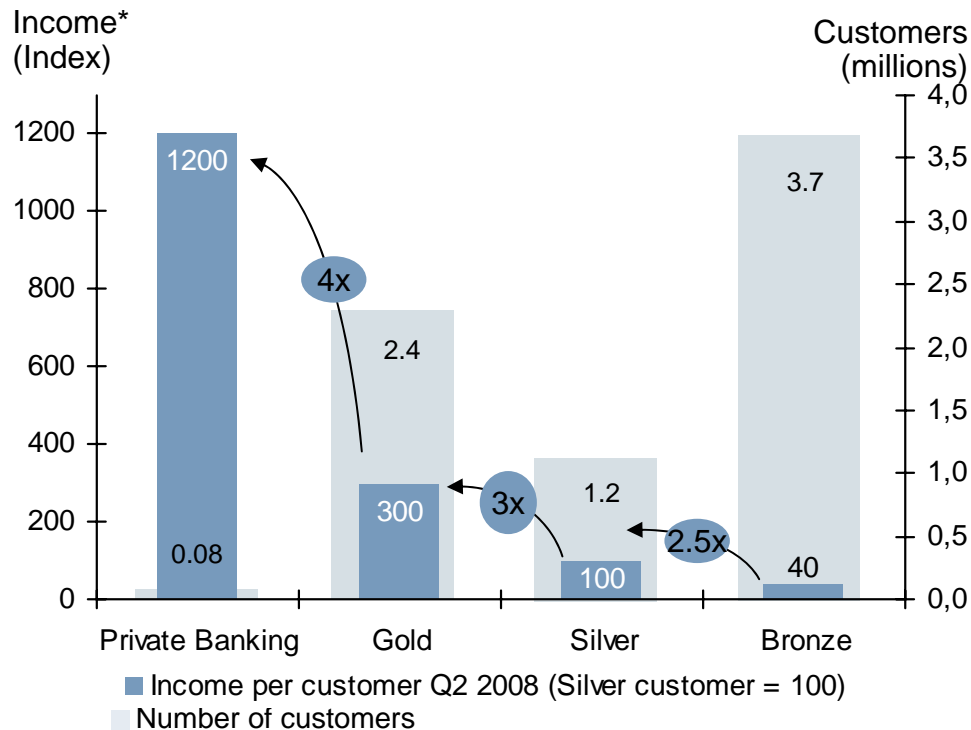


Next level of efficiency to support sustainable growth



- Free up time for sales
- Unify customer processes
- Employer branding and recruitment, talent management and leadership competencies
- Unify product delivery processes
- Next phase of improvements cross units

Significant potential in migrating household customers to higher segments

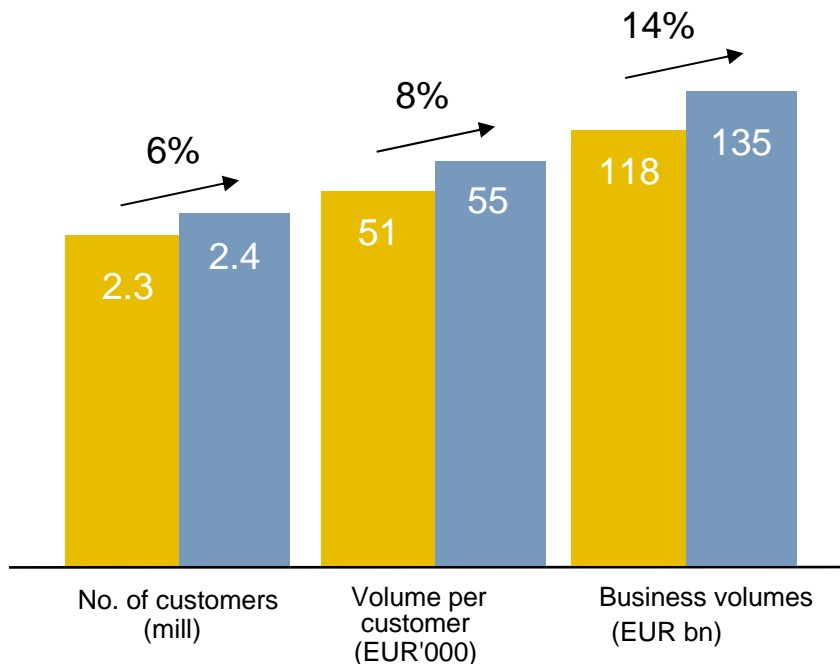


- Gold and Private Banking customers are the engines for revenue growth
- Approx. 1 million potential Gold customers in the customer base – strong source for further growth

* In addition Nordea services approx 2 million customers outside customer programmes

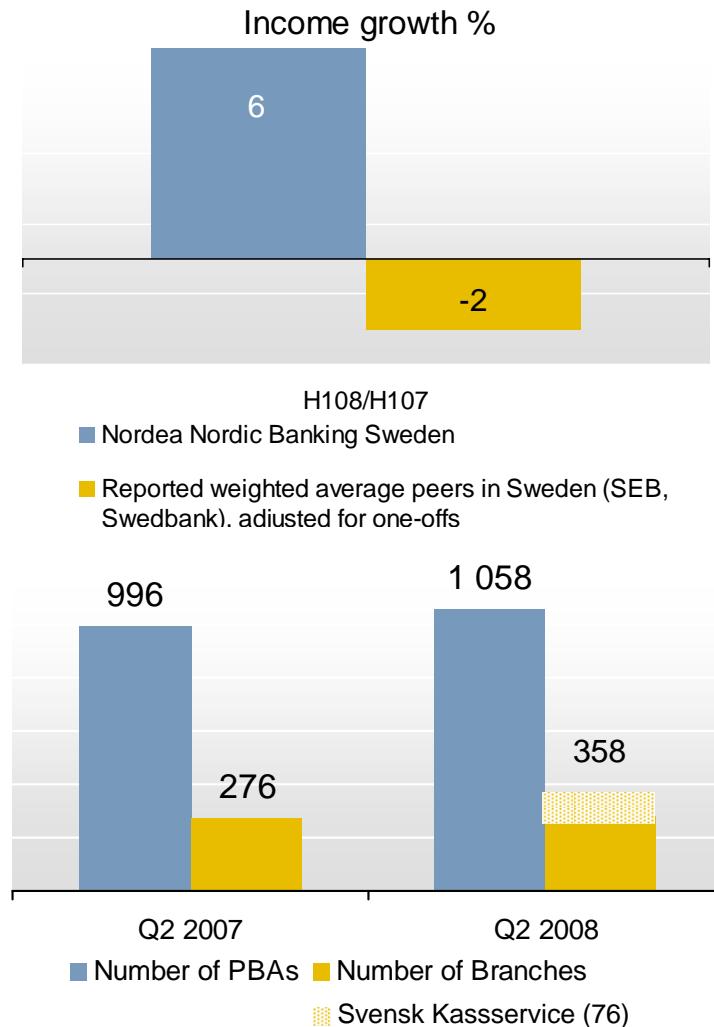
Proactive sales drives growth in premium segments

Nordic Gold segment YoY



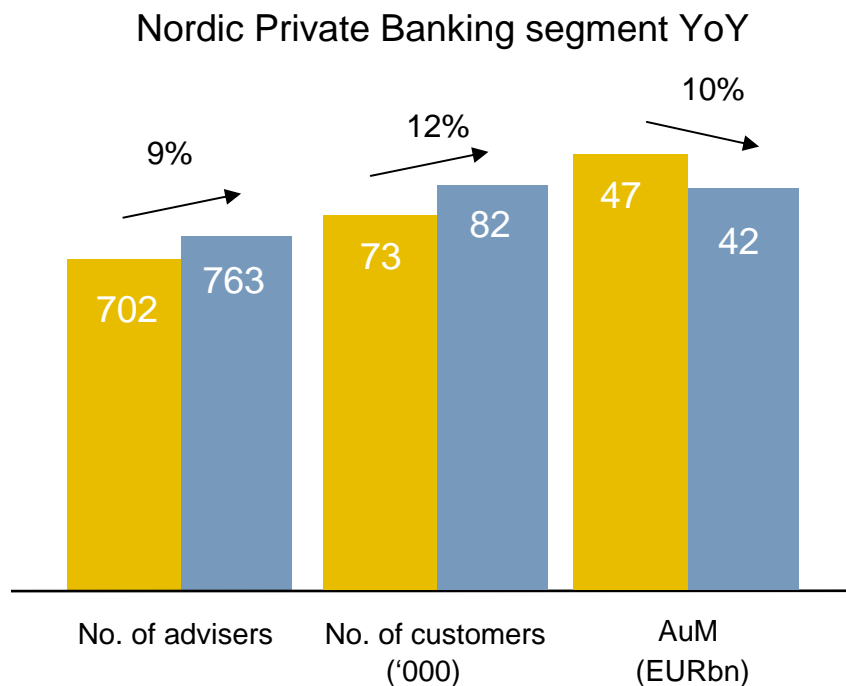
- Gold segment continues to be the main engine for profitable growth
- Successful penetration of the customer base
 - 6% increase in number of Gold customers
 - 20% are new customers in Nordea

Growth Plan Sweden on track



- Income in Nordic Banking Sweden 6%
 - Improved market position
- Focus on long term savings, consumer loans and capital market products
- Initiative continues in 2008
 - Focus on advisory capacity – 100 advisors to be recruited
- Executing on the deal with Svensk Kasservice
 - Converting 76 branches

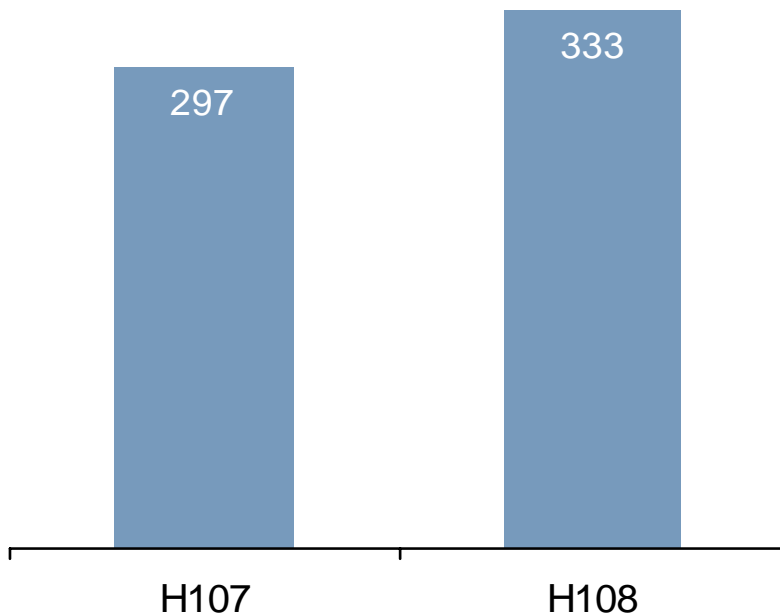
Continued strong growth in Nordic Private Banking



- Growth success in Nordic Private Banking continues
 - Number of customers up 12% YoY
- Income down 9% compared to same quarter last year - negative effect from weakened equity markets

Increased demand for Capital market products in corporate segment

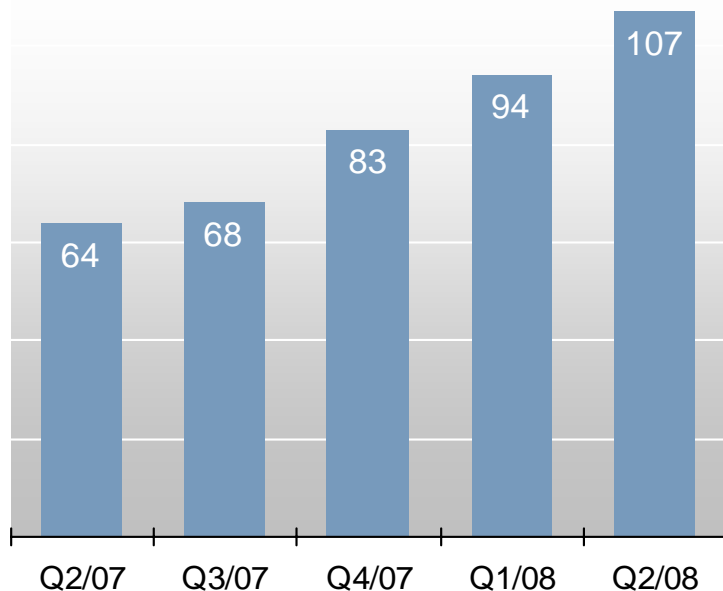
Total revenues in Capital Markets
related to Nordic Banking
customers, EURm



- Customer driven demand for Capital markets products
- Continued success in advising corporate customers to hedge their market risk
- Volatile markets provide good business opportunities
- Significant potential remains
 - Increase penetration of risk management products in corporate customer base
 - Increased customer awareness
- Strengthening of the corporate finance and cash equity offering

Continued high activity in New European Markets

New European Markets total income, EURm

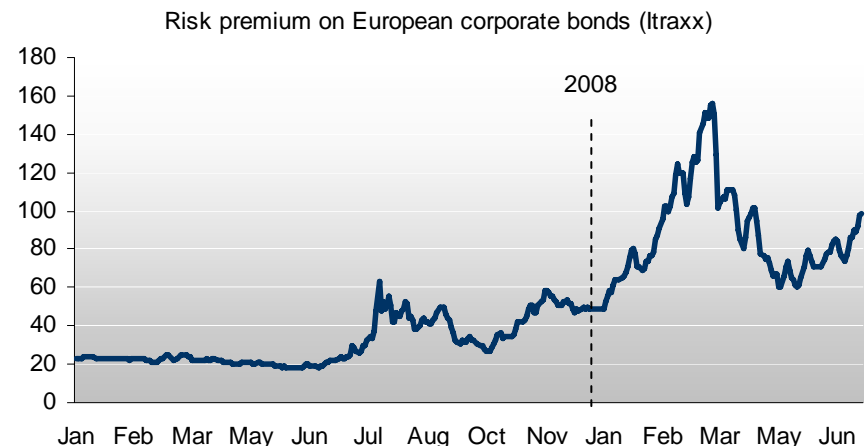


An increasingly important component in the long-term growth strategy

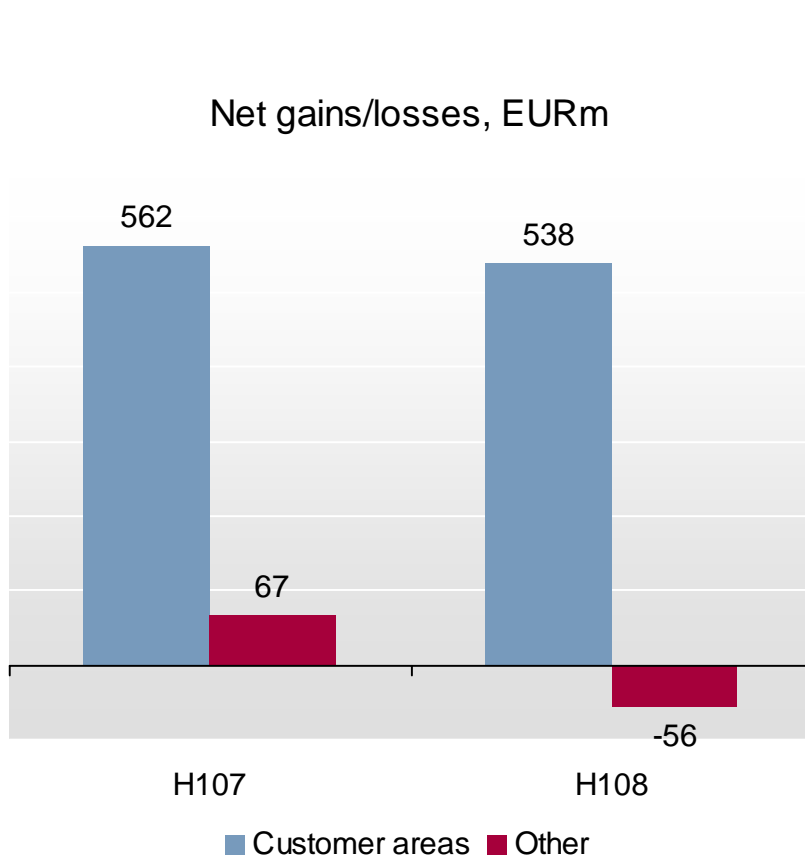
- Selective growth strategy on track
- Total lending up 85% - strongest growth in Russia
- Total income up 67%
 - More than 5% of Group income
- Operating profit doubled to EUR 51m
- Total number of customers increased with 27%
 - Number of gold customers up 59%
- Cost/Income ratio continues to improve (from 59% to 51%) despite investments in branch network

Volatile and weakened financial markets

- Rising interest rates following increased inflation expectations
- Continued weakening of equity markets
- Volatile corporate credit spreads



Net gains/losses – limited impact from volatile and weakened financial markets



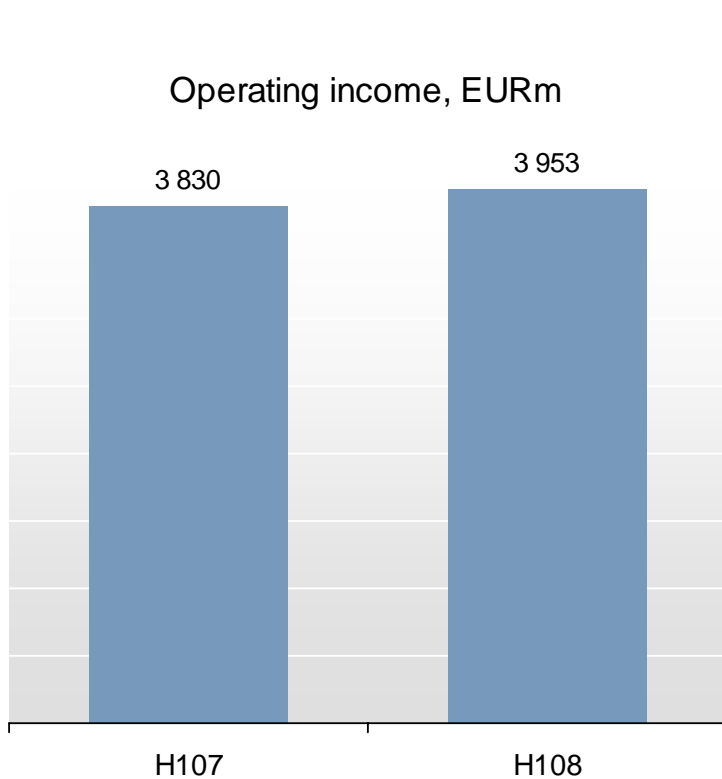
YoY

- Almost unchanged in Customer operations
- Still limited valuation effects related to the credit market turmoil
 - Approx. EUR 50m in H1 (EUR 20m in Q2)
- Revenues in treasury operations negatively affected by a position towards lower interest rates – approx. EUR 40m
- Lower revenues from listed (OMX) and non-listed equities compared to first half year 2007 – effect approx. EUR 80m

Q2oQ1

- Down 30%
 - Treasury operations negatively affected by increased interest rates – negative result impact in Q2 approx. EUR 50m

Higher operating income

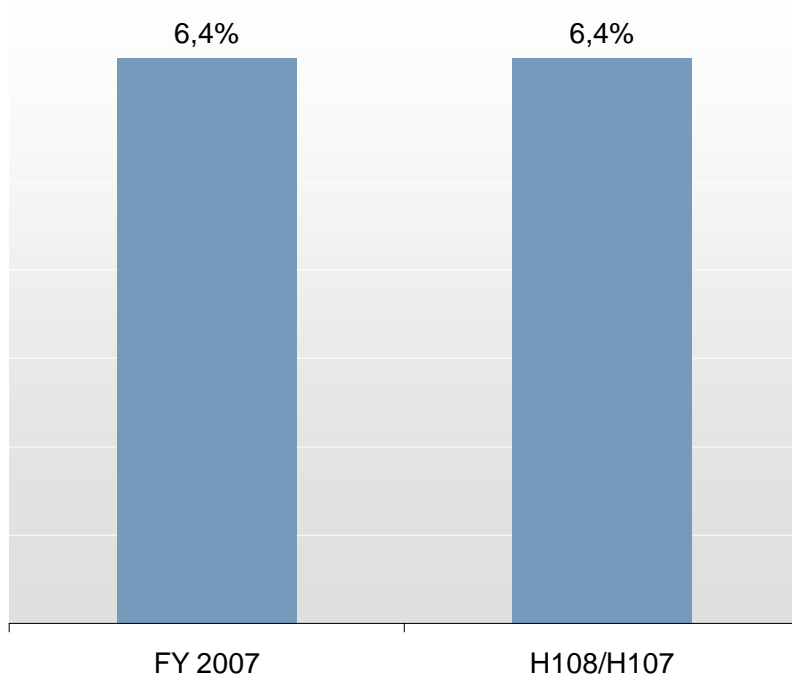


YoY

- Total income up 3%
- Net interest income up 18%
- Net commission income down 6%
- Net gains/losses down 23%

Cost growth maintained at same level as in 2007

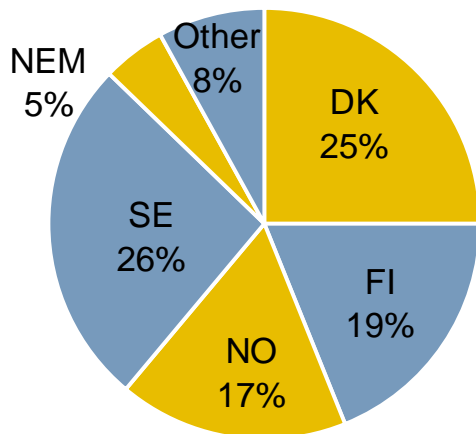
Cost increase YoY



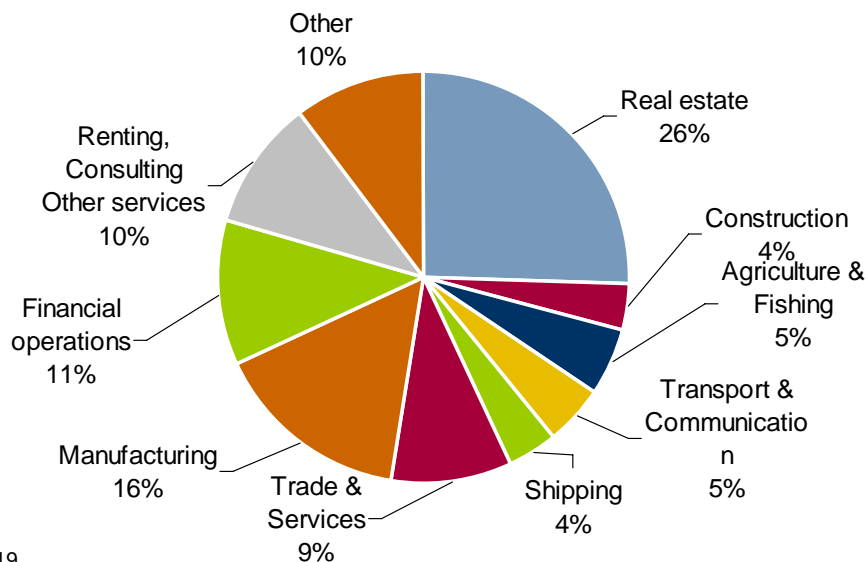
- Up 6.4% - unchanged level compared to last year
- Close to half of the cost increase related to investments in growth areas
- Staff costs up 9%
 - Number of employees up 7%

Strong and well diversified credit portfolio

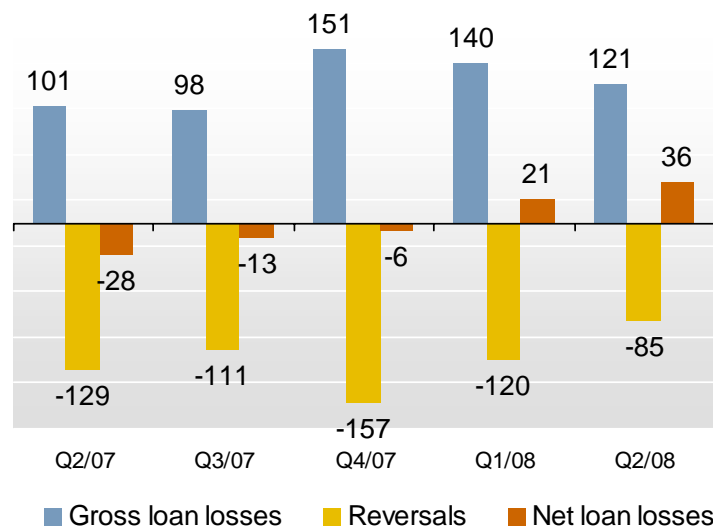
Share of total lending, EUR 270bn



- Net loan losses EUR 57m recorded in the first half year
 - Loan loss ratio of 5 basis points
- Both reversals and new provisions lower than last quarters

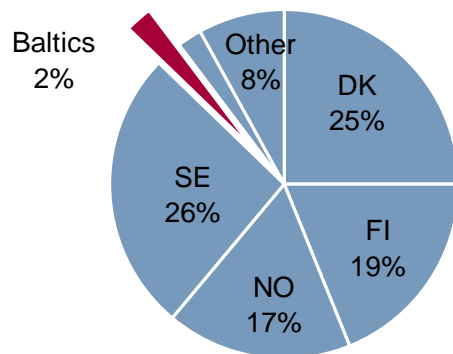


Loan losses, EURm



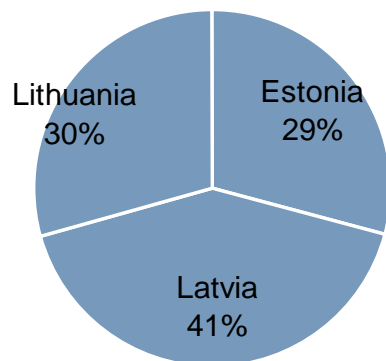
..well diversified credit exposure also in the Baltic's

Share of total lending, EUR 270bn

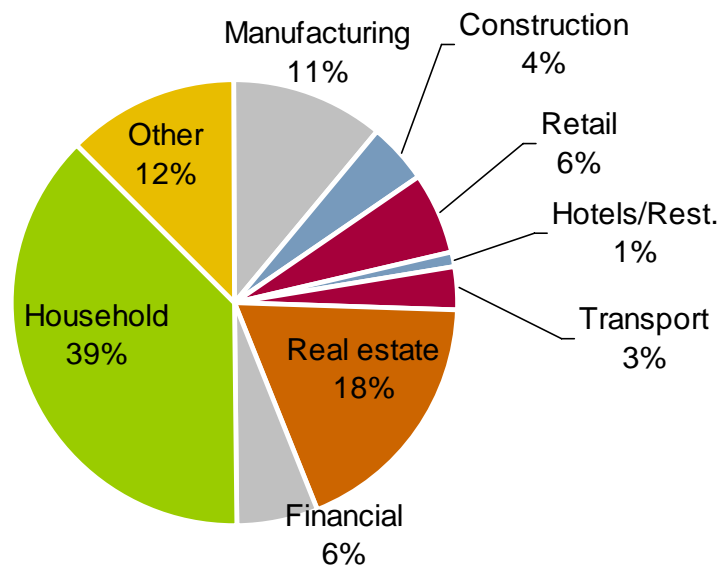


- Total lending in the Baltic countries accounts for 2.5% of Nordea's loan portfolio
- Nordic related lending accounts for approx. 25% of corporate portfolio

Total lending in the Baltic countries, EUR 6.7bn

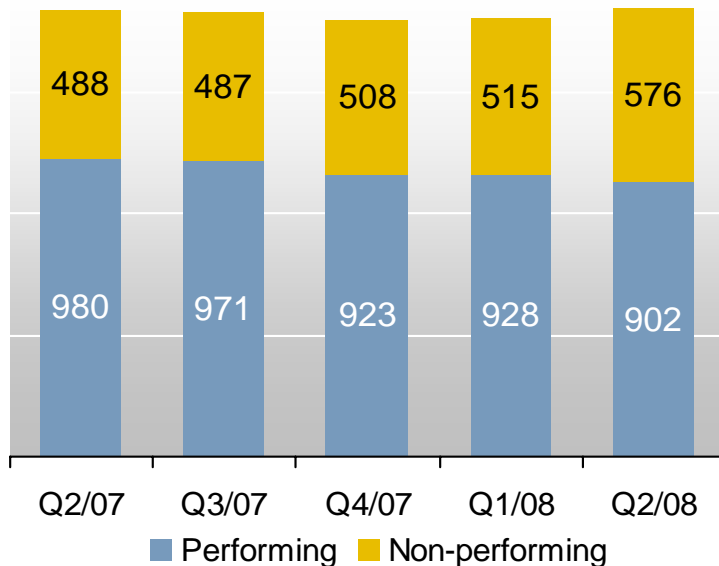


Well diversified Baltic lending portfolio



Largely stable impaired loans

Impaired loans and recivables,
EURm

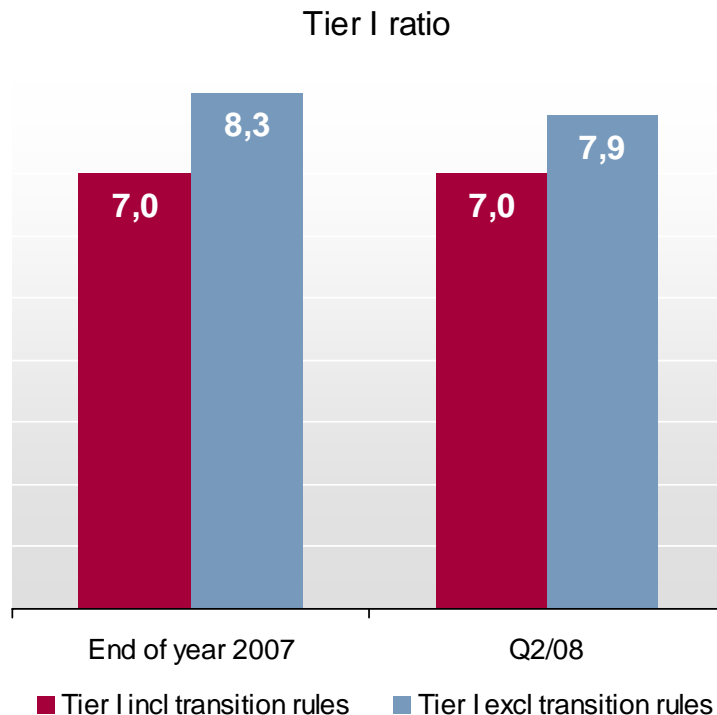


- The overall credit quality remains strong
- Modest increase in impaired loans
 - Increase in impaired loans explained by increases in in the Baltic countries – from very low levels
 - Majority of impaired loans are performing
- Unchanged impaired loans net in relation to total lending for the Group amounted to 0.31% (0.31% end Dec) – 1.0% in the Baltic countries

Performing: Allowance established, payments made

21 Non-performing: Allowance established, full payments not made

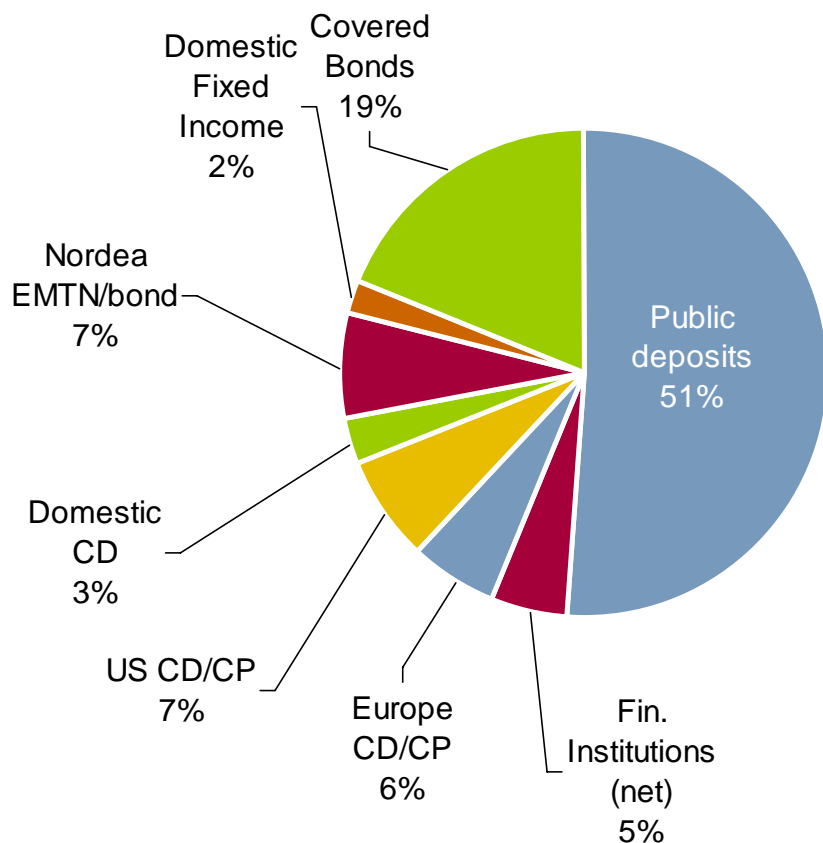
Strong capital position



- Reported Tier I ratio 7.0%
- Tier I ratio excl. transition rules 7.9%
- Strong capital position based on stable profit generation and expected approval of the IRB Retail portfolio as well as considering Pillar II regulations
- New capital targets will be decided later this year

Strong and broad funding base in Nordea

Total external funding EUR 275bn



- Competitive edge from leading Nordic market position and strong and broad deposit base
- Nordea operates in 2nd and 4th largest covered bond markets in Europe (Denmark and Sweden)
- Nordea actively operating in each Nordic money and fixed income market in the respective Nordic currency
- A high rated bank (Aa1/AA-/AA-/AA)
- Total wholesale funding approx. EUR 128bn – approx. EUR 60bn covered bonds
 - 65% long term financed

Ambitious targets

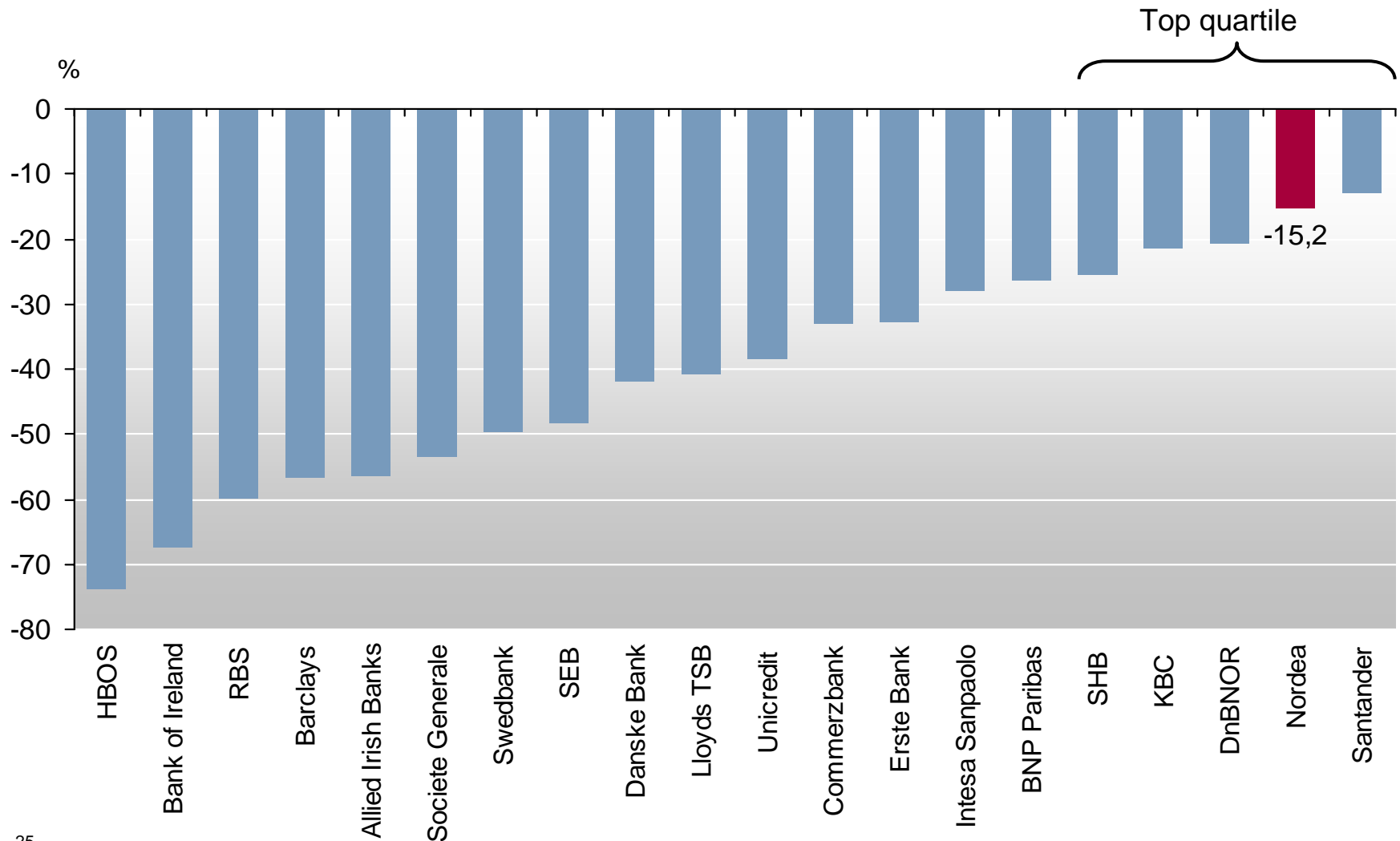
Long term financial targets		Target	2007	H108
TSR (%)	▶	In the top quartile of European peer group	# 3 of 20	# 5 of 20
Risk adjusted profit (EUR m) ¹	▶	Double in 7 years ²	15%	14.1% ³
RoE (%)	▶	In line with top Nordic peers	19.7%	16.0%
Capital structure policy		Policy		
Dividend payout-ratio	▶	> 40% of net profit	42%	
Tier 1 capital ratio	▶	> 6.5%	7.0%	7.0%

1. Risk-adjusted profit is defined as total income less total expenses, less expected losses and standard tax. In addition, risk-adjusted profit excludes major non-recurring items.

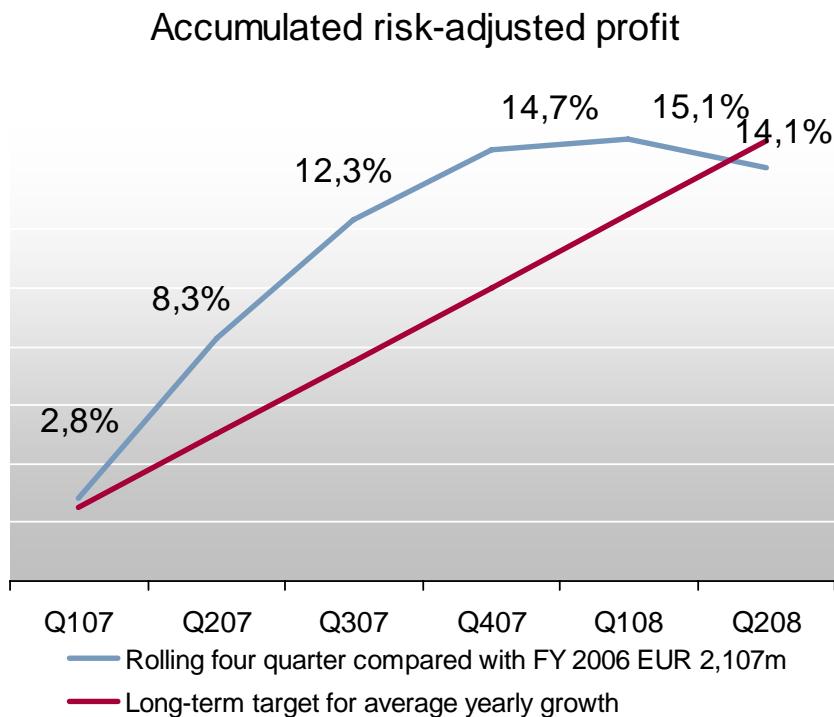
2. Baseline 2006 EUR 2,107m

3. Rolling 4 quarters compared with baseline

Total shareholder return (TSR) 1/1 2007 – 30/6 2008

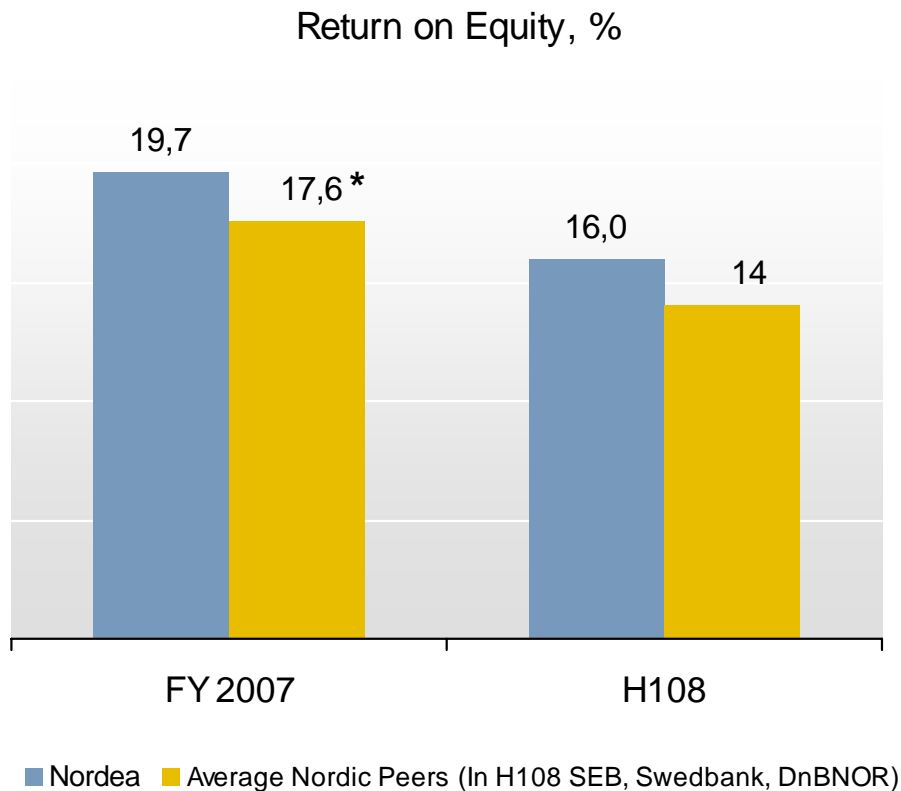


Risk-adjusted profit



- Accumulated risk-adjusted profit 14.1% since target was introduced 1 January 2007
 - Growth in risk-adjusted H108/H107 down 1%
 - Growth in risk-adjusted profit in customer areas up 5% H108/H107
- Target to double the risk-adjusted profit in 7 years
 - Corresponding to an annual growth rate of 10%

Return on Equity (RoE)



- Return on equity of 16% (19.5%)
 - Loan losses of EUR 57m compared to net recoveries of EUR 41m the same quarter last year
 - Higher tax
 - Higher equity

* Adjusted for one-off

Outlook for 2008

- Uncertainty has increased
- Nordea expect lending growth to be lower in the remaining part of the year, but still at a high level. Corporate lending margins are expected to increase further
- Nordea still expects customer operations to deliver according to plan
- Nordea expects to deliver a growth in risk-adjusted profit of approx. 5% excluding the gain from the sale of Nordic Central Securities Depository (NCSD)
- However, development in the financial market will effect the outcome and determine whether the growth will be somewhat above or below 5%
- Cost growth for 2008 is expected to be somewhat higher than the growth rate in 2007
- The overall quality of the credit portfolio remains strong, only the Baltic countries show increasing impaired loans although from a very low level
- For the second half of 2008, Nordea expects somewhat higher net loan loss charges than in the first half of the year

Q2 2008 in short

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- ✓ Outlook 2008: Growth in risk-adjusted profit expected to be approx. 5%



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