

Annual General Meeting, 3 April 2008 Christian Clausen

Dear Shareholders, Ladies and Gentlemen. Last year, when I gave the presentation here, I was just about to take over the position as CEO.

Then, I talked about the strong position that Nordea holds and our huge potential.

Today, I can be much more specific about how and what we will do to achieve our goal, to create a Great Nordea.

I feel greatly privileged to lead the Nordea team.

It is a team that has already brought us a long way towards our goal, and I take great pleasure in presenting to you the results of our efforts in 2007.

And where exactly are we then heading?

We want to form a Nordea where people, customers and shareholders are always in focus.

During the past year, we have painted a much clearer picture of what a Great Nordea will look like, and we know much more about what is actually required in the form of:

profit orientation

vision and targets

values and culture and

a clear growth strategy including concrete strategic initiatives.

We have already taken several important steps towards this goal – and I'll say more about this later.

But let's first look at what we actually achieved in 2007.

2007 was a more turbulent year than any of us could have imagined one year ago.

The market turmoil hit the banking sector hard.

Many big banks have been forced to make significant write-downs due to losses related to the American sub-prime market as well as off-balance-sheet exposure to structured investment vehicles.

And the turbulence is still not over.

The risk and uncertainty continue – and the effect this will have on the macroeconomic development remains unclear.

In Nordea we have over the last 5 to 6 years built a foundation of strong profit orientation which is characterised by strict management of cost, prudent risk control and capital efficiency.

The value of this foundation has really been tested in recent months. Thanks to the prudent risk management, we have had limited direct and indirect exposure to the sub-prime market, and the same applies to our exposure to credit-linked structured investment vehicles – where the underlying assets are difficult to evaluate.

Our liquidity has remained strong - despite the contraction of funding markets.

This is due to our stable deposit funding base and diversified market funding. We always keep a sound buffer of long-term funding.

We have definitely benefited from being one of the strongest funding names in Europe.

In the fourth quarter of 2007 Nordea reported positive net loan losses for the 15th quarter in a row.

This means we reversed more of previous loss provisions than what is required for new or future losses.

Even in 2007 the quality of our loan portfolio has improved.

We therefore so far have come through the financial market turbulence in a reasonable way.

In 2007 we reported an operating profit of 3,883 million euro – up 4% from 2006 on a comparable basis.

Income grew by 8%, and the Board now proposes a dividend per share of 50 cent, corresponding to a payout ratio of 42%.

We met all our short-term financial targets.

In addition we had a good start towards realising our long-term targets:

Firstly, with a total shareholder return of 6.4%, we came in third in our European peer group.

We are therefore in the top quartile which is our goal when it comes to total shareholder return .

Secondly, our target is to have a return on equity in line with the top Nordic peers.

With 19.7% we have achieved that by being ahead of most Nordic peers. .

Thirdly, our risk-adjusted profit went up by 15% - in 2006 we said we wanted to double it in seven years.

To do this we need to increase risk-adjusted profit by on average 10% a year.

With 15% we came in well above target.

We have chosen a strategy based on organic growth, while other banks pursue an acquisition strategy.

Growing through acquisitions means having to use capital here and now and that a goodwill item appears in the balance sheet and of course that the cost base increases.

Return on equity in the short run will therefore often be lower.

Growing organically means investing in growth initiatives that over time will deliver income growth.

Costs will then of course in the short run be higher.

As we go, we will evaluate opportunities for supplementing our organic growth with suitable acquisitions within prioritised growth areas.

In 2007 we invested heavily in our growth strategy and still we delivered a record result and maintained a gap of 2%-points between income and cost growth, which was within our forecast for 2007.

If we take a closer look at our strategy for organic growth, it rests on four pillars:

1. In the Nordic region we grow by increasing business with existing customers and by attracting new customers, especially to the premium segments.

2. In the New European Markets we grow by pursuing a selective growth strategy to maximise return on investments with a well controlled risk exposure

3. In certain European and Global business lines we grow by utilising unique competences and being competitive
4. In addition the growth strategy pursues the goal of bringing Nordea to a higher level of operational efficiency to create the best conditions for sustainable growth also in the longer term.

The growth strategy constitutes nine specific strategic initiatives.

1. Growth Plan Sweden is about harvesting the untapped potential in the Swedish market.

We do so by strengthening our distribution capacity by adding close to 400 advisers.

To this should be added the 76 new branches we will open from 1 July according to the agreement made with Svensk Kassaservice.

2. Risk management products to Corporates is about making capital market products a natural part of the core offering to large and medium-sized companies.
3. A new Equities strategy will strengthen our equity and corporate finance offering by combining the two areas into one and a new and larger Nordic unit
4. The Private Banking initiative will ensure further growth in this segment through adding more advisers and further developed value propositions and processes that will ensure an inflow of new private banking customers.
5. The so-called Turbo Plan Poland will capture Polish growth opportunities by the opening of 150 new branches over a span of three years. In 2007 we on average opened one new branch every week.

We also see similar organic growth in the number of branches in the Baltic countries.

6. Orgresbank which is our acquired bank in Russia – continues to build a full-service operation and is expanding the branch network in Russia
7. The Future Branch initiative is about developing sales processes and is making it possible to free up more customer contact time in branches - focusing on, among other things, increased proactivity, generally increased efficiency and improving sales support tools
8. Nordea Transformation Programme will through harmonising business

processes and IT-solutions across the bank, support the growth, increase efficiency and create a modern IT infrastructure

9. And finally the People Strategy will ensure a preferred employer position for Nordea.

The strategy includes areas such as employer branding, recruitment, competence development and talent management.

It is important to underline that all of these initiatives already started to deliver visible results in 2007.

So to conclude on the 2007 result:

- We have a strategy that has delivered right across the board
- We are making sizeable investments in areas where the growth potential is especially high
- We have a strong foundation in our cost, risk and capital management as well as in our continuous improvements

Looking at what we can expect for 2008 the macroeconomic picture is somewhat uncertain due to the turmoil in financial markets.

We expect that the Nordic economies will remain strong, albeit on a somewhat lower level.

The real economic growth is expected to stay above 2%, and we don't expect that we on average in the Nordic countries will see significant changes in the level of interest rates.

With Nordea's strong customer base and distribution power we still have plenty of business opportunities to capture and customers to advise and do more business with.

We do in fact see a continuation of the high level of activity and increasing business volumes so far in 2008. We will therefore continue our investments in our growth areas – but of course we will keep a close eye on the development in the markets and the economies... and review our investments and activities if need be.

With these assumptions in mind we still expect to be able to deliver an increase in risk-adjusted profit in 2008 of 5 – 10% following the very strong 15% in 2007.

For 2008 on the whole we expect net credit losses, since recoveries on loans previously written down are expected to decline. We have come a long way in creating a good bank with a strong base and at the same time we have a very

clear vision of creating “a Great Nordea”.

But when it comes to culture – we can improve.

And this is something we have been working on. Our roadmap towards “a Great Nordea” now looks like this:

We want to preserve and consolidate the foundation which consists of strong profit orientation involving cost, risk and capital management.

Let me elaborate on this:

By cost management we mean resource prioritisation – getting our priorities right and above all in the best and most cost efficient way secure customer satisfaction and income growth.

This is not just cost management – but rather managing our total resources in the best possible way.

Risk management is of course crucial in banking.

Good risk management is not about minimising risk taking but about having high risk awareness, only taking risk you understand and at the same time having tools and processes to manage and control risks.

Capital management is of course of special interest to you – after all it is in the end your money!

I can assure you that we take good care of the money – we use what is needed to support our growth strategy – but not more than that.

Today Nordea uses economic capital that is on the same level as 5 years ago, even though we have grown our business measured by more than 50% in the same period.

This clearly demonstrates our focus on capital efficiency.

However, to take us the next steps we need stronger and more customer-oriented values – and last spring we introduced three new values which focus on customers, people and our way of cooperating internally in the bank.

Our first and core value is “Great customer experiences”.

The thinking around this value is: Everything everyone does in Nordea has only one purpose.....to deliver “Great customer experiences”.

No matter where in the organisation we are, our purpose is to contribute to creating “Great customer experiences”.

Bank relations, like all relations are about people.

How good our products and services are is of no fundamental significance if the person who our customer has contact with doesn't understand the specific needs of that customer.

It is in reality a question of mindset: Great customer experiences are about attitudes and behaviour.

This leads me to our second new value “It's all about people, customers and employees - and how we work together.

Nordea can only grow if our people grow.

And we can in fact only succeed if we all live our values in daily life!

That is the simple truth! But the complex challenge is to ensure that we have: The **right people**, with the **right competence and attitudes**, serving the **right customers**, with the **right value proposition**, through the **right channel** and at the **right point in time – in the right way!**

But this value also stresses that all employees have a personal responsibility to act upon the opportunities present in their job.

To further support the value “It's all about people”, we have changed our People strategy and increased focus on coaching, giving positive and negative feedback on performance and celebrating successes.

We have also changed the leadership competencies on which all managers are measured.

And we have launched a new marketing concept which puts our employees in focus.

We are thus showing our customers that our people strive to give them great customer experiences and what distinguishes Nordea from other banks – that's our employees.

The third value is One Nordea team.

We should see ourselves as one team and we will strive to ensure that this is also precisely the experience that our customers get: One Nordea team.

To support the One Nordea team feeling and cooperation we have fine-tuned our organisation and operating model.

This means a stronger customer orientation and a more simple, transparent and efficient product and service delivery chain.

We have created focused customer areas with full responsibility for all personal and corporate customer relations.

And all products and related processing have been organised into product areas with responsibility for the full delivery chain.

At the same time a more simplified structure has been established for the interface between customer and product units.

The new organisation will enable us to improve the quality of our customer relations and to devote more time to direct contact with customers.

We will also be able to reduce the time-to-market of our products... and make the product and service delivery chain more efficient and better equipped to handle growing business volumes.

Sure, it is not without problems but we can already see the first positive results:

- We have become better at team-building and looking beyond our own role in the value chain and seeing things from the bigger perspective
- The prioritisation of development tasks has already become more efficient in co-operation between customer and product units

We are serious about our new values and we have already taken several concrete initiatives to make our organisation and the way we work reflect each of the values.

To measure how well we have succeeded towards creating “a Great Nordea” we have set two goals which everyone in Nordea has to work towards in 2008: one is to increase income growth and the other is to improve customer satisfaction.

The two goals are also part of the success criteria for the profit-sharing programme which all employees are part of and of the performance criteria for executive variable salary schemes.

I am sure this will be a further incentive for all employees to live up to the values.

When we in the end live our values in all that we do, we will be able to fulfil our new vision:

“The leading Nordic Bank, acknowledged for its people, creating superior values for customers and shareholders”.

This vision emphasises that we know that people are our most important asset and that superior value creation for customers and shareholders are evident in the Nordea we want to create.

This is the roadmap towards “a Great Nordea”.

We will not, however, reach a Great Nordea in one day, one month or even one year.

It will take some years, and it will take investments in growth to be able to get there.

But, I assure you that we **will** succeed and we will make progress every day.

I and my more than 35,000 colleagues will do all we can to realise “a Great Nordea” and create superior value for our customers and thereby for you, our shareholders.

With that promising perspective in mind I would like to thank you for your attention.

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