



Second quarterly report 2009
Press and analyst conference
21 July 2009

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President and Group CEO



Disclaimer

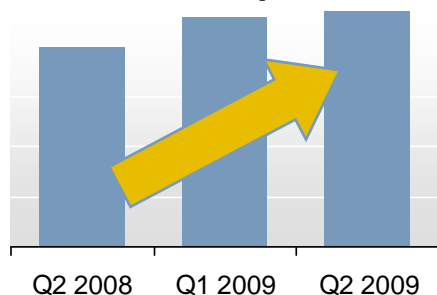
This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate and (iii) change in interest rate and foreign exchange rate levels.

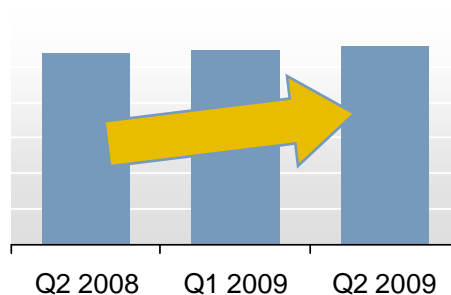
This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Strong performance continues

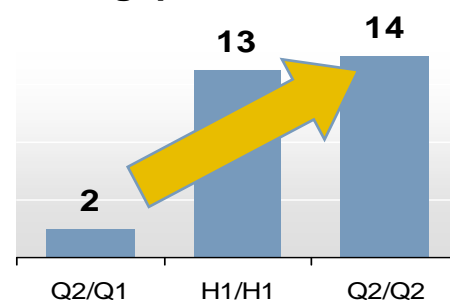
Income up 4%



Expenses up 2%

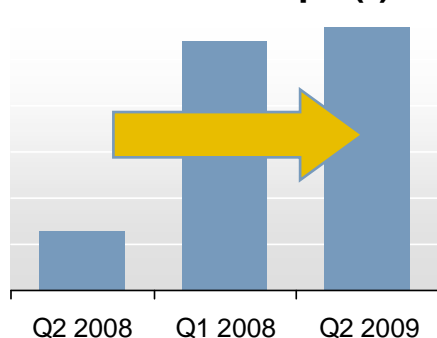


Solid gap income and cost growth

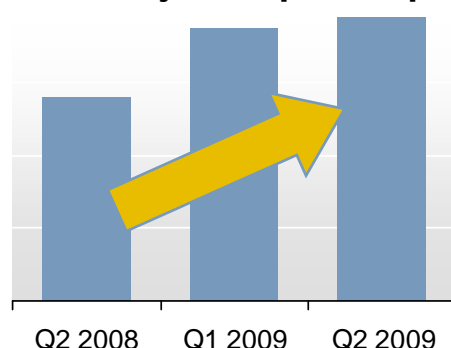


Strong capital base

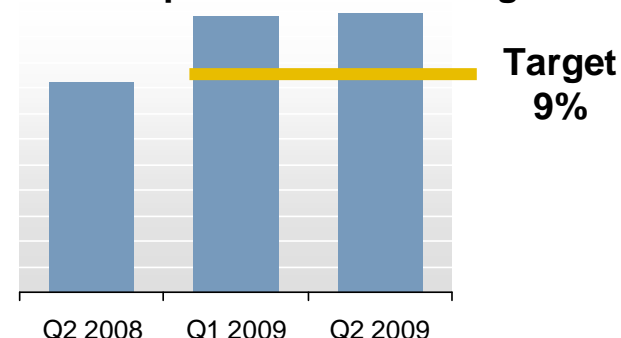
Loan losses 57 bps (*)



Risk adjusted profit up 4%



Tier 1 Capital well above target

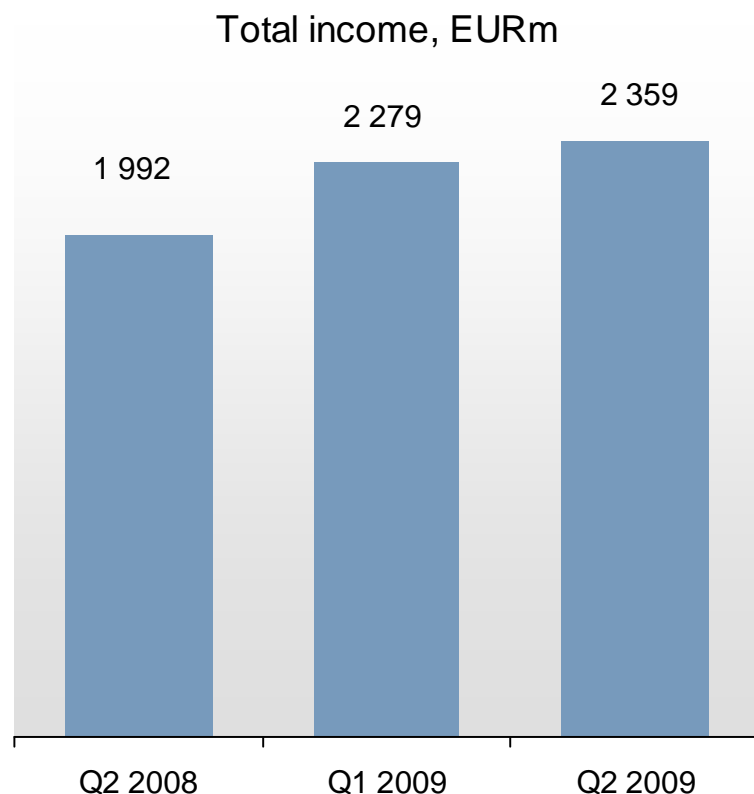


³ (*) Excluding the one-off provision in relation to the legal claim, contested by Nordea, related to the debt restructuring liquidation of Swiss Air Group in 2001

Result highlights

EURm	Q2/09	Q1/09	Chg %	Q2/08	Chg %	H1/09	H1/08	Chg %
Net interest income	1,305	1,356	-4	1,230	6	2,661	2,411	10
Net fee and commission	412	381	8	518	-20	793	1,013	-22
Net gains/losses	594	515	15	198	200	1,109	482	130
Other income	48	27	78	46	0	75	47	60
Total income	2,359	2,279	4	1,992	18	4,638	3,953	17
Staff costs	-687	-665	3	-634	8	-1,352	1,278	6
Total expenses	-1,116	-1,090	2	-1,073	4	-2,206	-2,128	4
Profit before loan losses	1,243	1,189	5	919	35	2,432	1,825	33
Loan losses	-425	-356	19	-36		-781	-57	
Operating profit	818	833	-2	883	-7	1,651	1,768	-7
Net profit	618	627	-1	693	-11	1,245	1,380	-10
Risk-adjusted profit	777	747	4	556	40	1,524	1,097	39

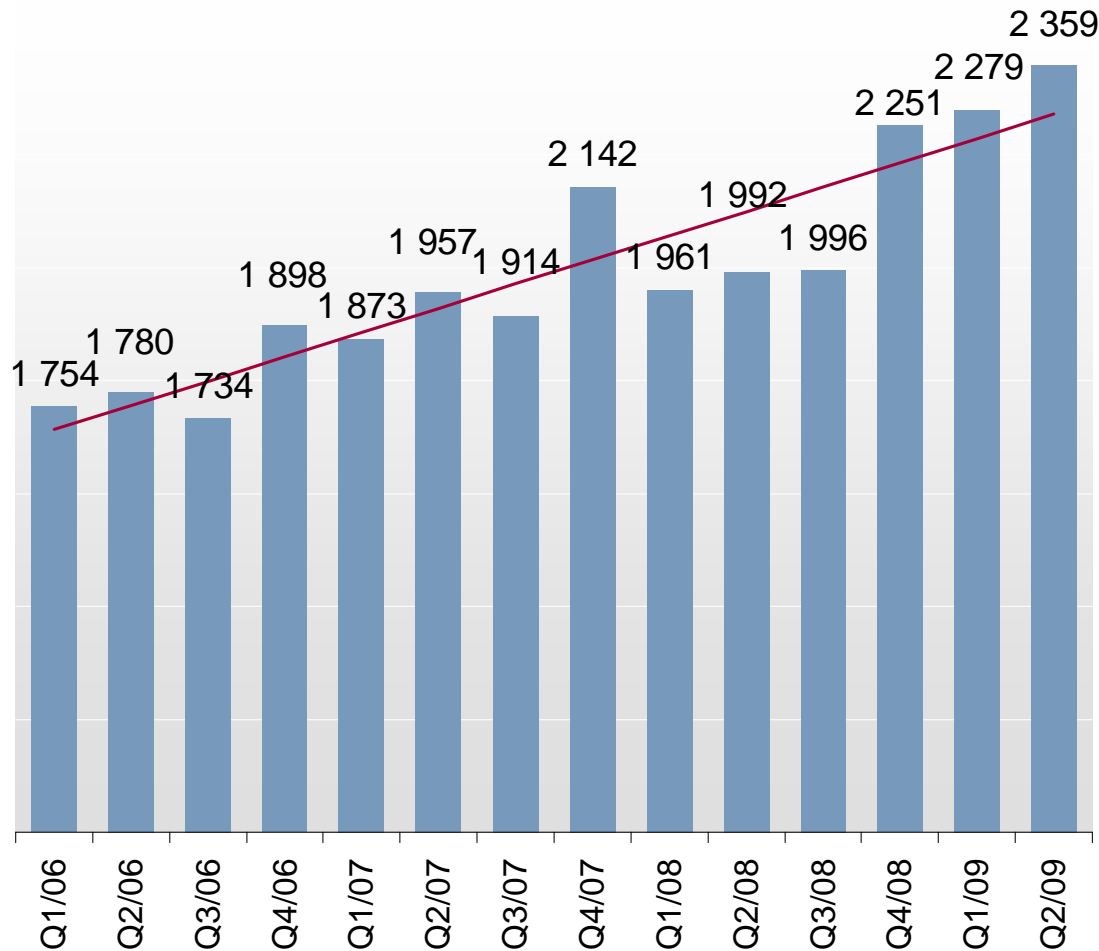
Total operating income up 4% Q2/Q1 and 18% Q2/Q2



- A new record income level
- Performance in accordance with strategic plans
- Continued strong momentum in customer areas
- Income from corporate customers up 1% - strong trend in customer-driven capital markets operations, incl debt capital markets
- Income from household customers down 2% – explained by lower deposit margins
- Contribution from Group Treasury remained at high level

Sustainable income growth

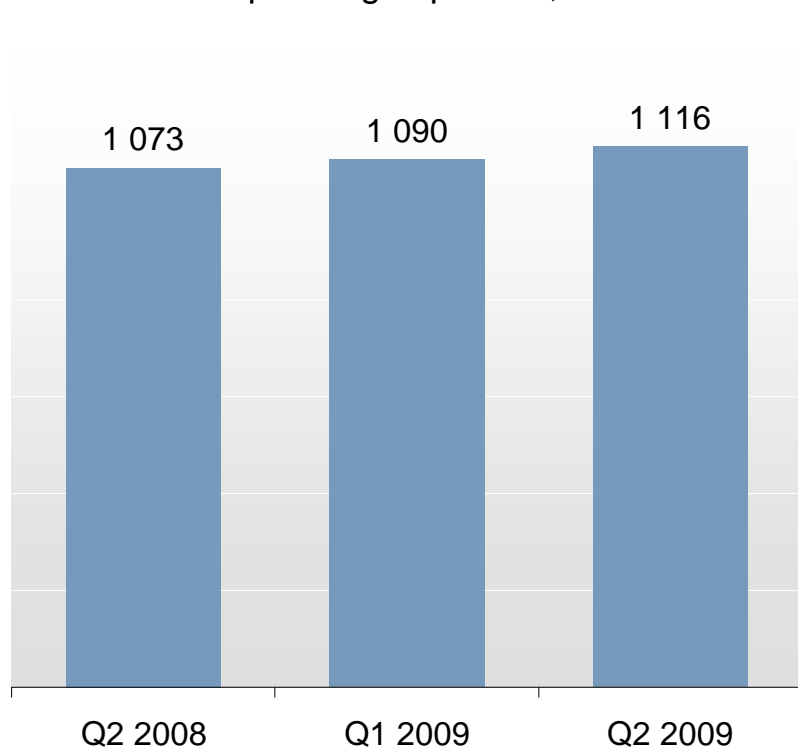
Total income, EURm



- Strong execution of the organic growth strategy
- Robust business model
- Capturing the potential in Nordea's customer base
- Growth initiatives have delivered
- CAGR of approx. 10% - above own expectations

Continued focus on cost management – expenses in line with outlook

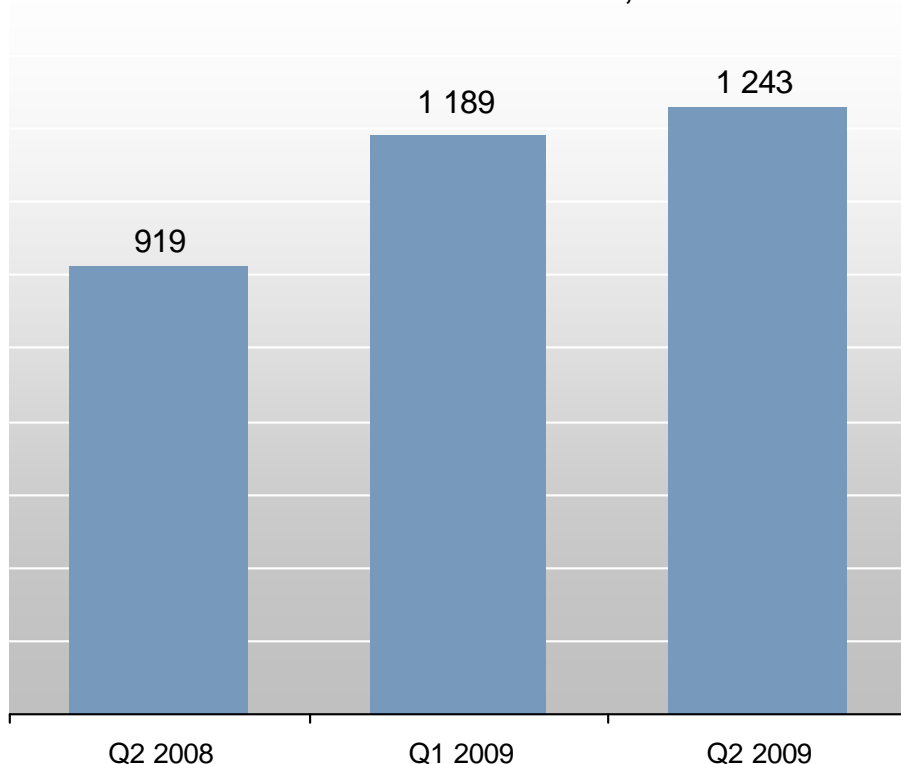
Total operating expenses, EURm



- Total expenses up 2% compared to previous quarter
- Underlying cost growth 6% in local currencies
- Cost/income ratio 47% - 54% one year ago
 - 50% in Nordic Banking
- Continued execution of efficiency programmes
- Number of employees down 500 in 2009 corresponding to a decrease of 1.5%

Profit before loan losses up 5% Q2/Q1 and 35% Q2/Q2

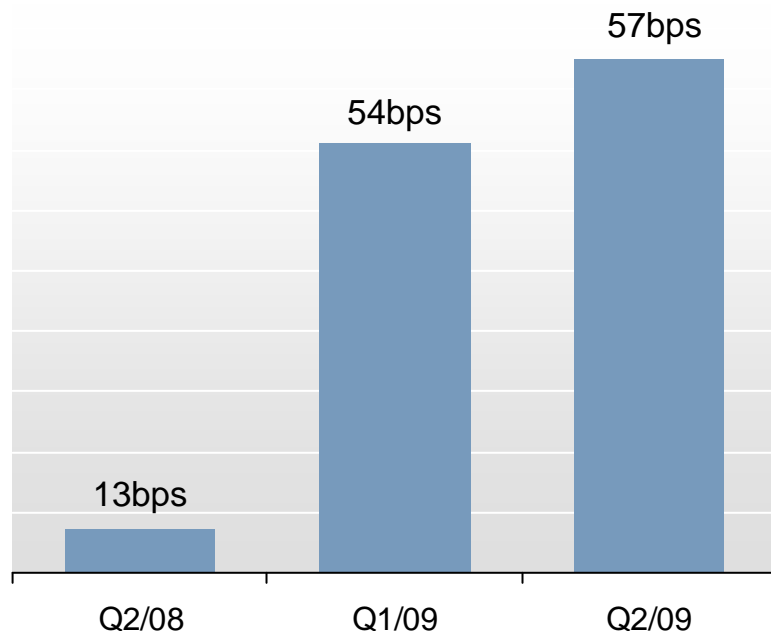
Profit before loan losses, EURm



- New record level
- Strong income generation provides ability to absorb loan losses even in a stressed scenario
- In the middle of the worst recession in modern times Nordea over delivers compared to plans set in 2006

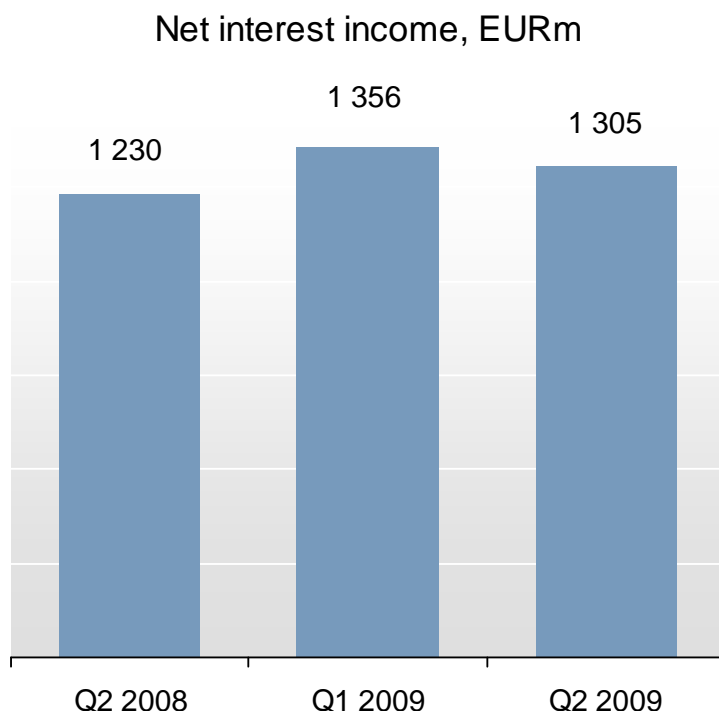
Net loan losses – in line with outlook statement

Net loan losses, EURm



- Net loan losses EUR 425m and EUR 378m excluding the one-off provision in relation to a legal claim, contested by Nordea
- 57bps in Q2 (excl the legal claim) - broadly in line with the level in Q1
 - 50 bps excl Danish guarantee scheme (52 bps in Q1)
 - 17 bps refers to collective provisions (11 bps in Q1)
- Loan losses continue to steam from a large number of smaller and medium sized exposures rather than a few large
 - Approx. 10% of loan losses in Q2 are actual write offs – close to 90% provisions for expected losses

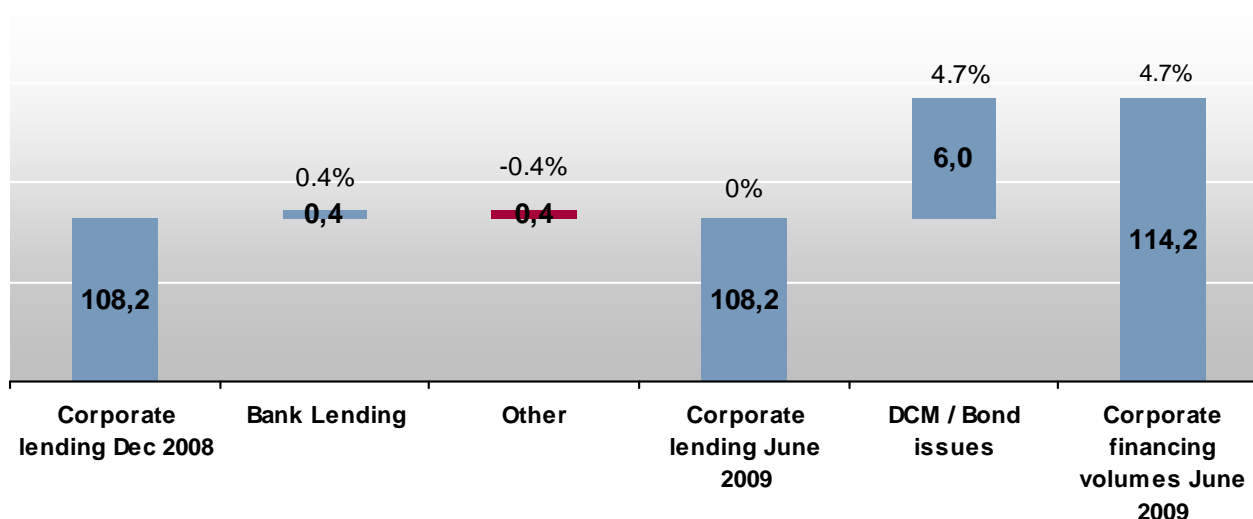
Net interest income – holding up well despite pressure on deposit margins



- Minus 4% in Q2/Q1 and up 6% Q2/Q2
- Pressure on deposit margins from lower interest rates – the negative impact is levelling off – minus EUR 60m in Q2 vs minus EUR 180m in Q1
- Continued increase in corporate margins
 - Re-pricing of the lending book still ongoing - mainly in Finland and Sweden
- Nordea maintains or improves market shares on both household and corporate deposits

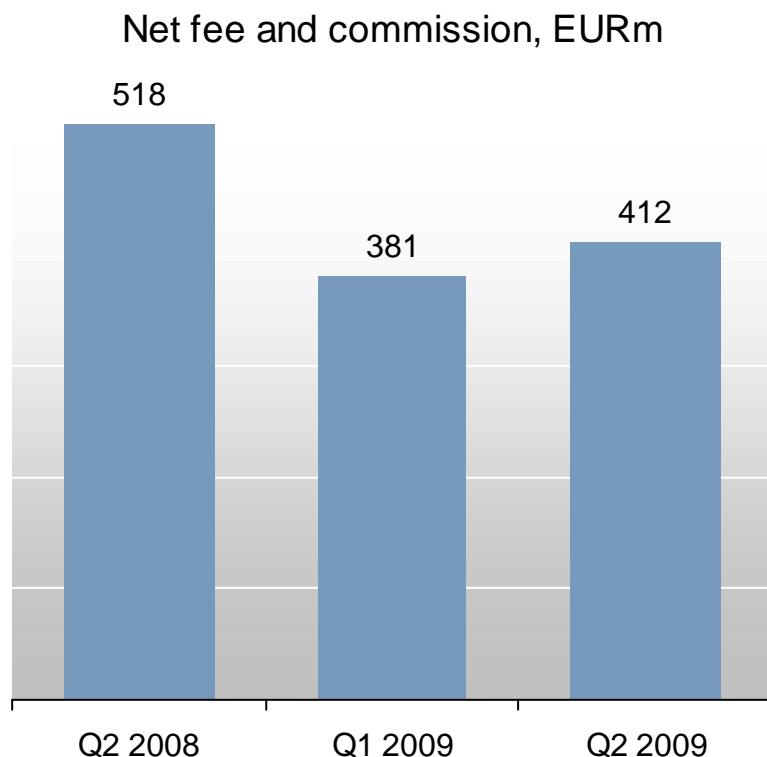
Strong servicing of corporate customers

Corporate lending growth - Nordic markets



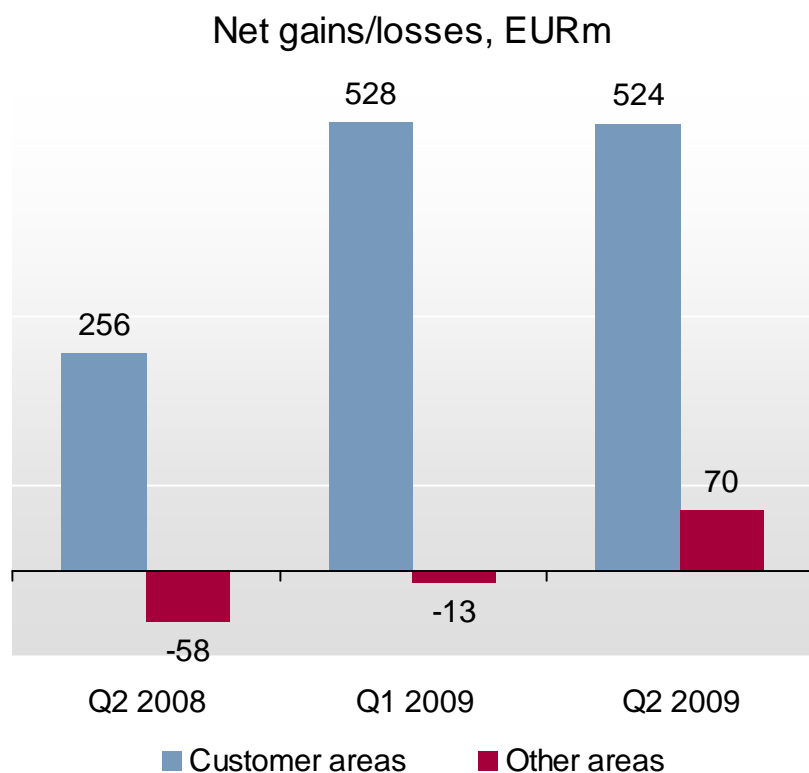
- Continued high business activity with corporate customers - overall financing volumes have increased in H1
- An increasing part of new financing is taking place through the corporate bond market – where Nordea has been a large and active player during H1

Net fee and commission income up 8% - breaking the negative trend from last year



- A clear rebound of savings-related commissions - up 7%
 - AuM up 9% - gradual recovery of equity market and changed savings pattern of household customers
 - Net inflow of EUR 2.8bn, corresponding to an annualised increase of 9%
- Payment and card commissions up 4%
 - Recovery in volumes and prices – market share gains in corporate segment
- Commission expenses for State programmes EUR 50m
 - EUR 44m related to the Danish guarantee scheme and EUR 6m to the Swedish stability fund

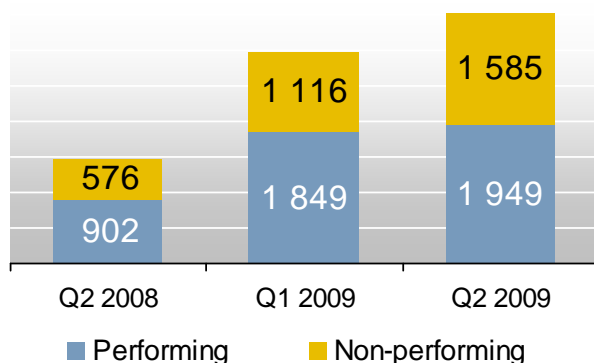
Net gains/losses up 15% from record level



- Explained by execution on corporate strategy – further penetration of the customer base and strengthened relations have led to more customer business
- High demand within risk management services – both fixed income, FX and equities
- Strong result in Capital Markets benefitting from high transaction volumes, favourable market trends and solid risk management
- Result in Group Treasury remained at high level

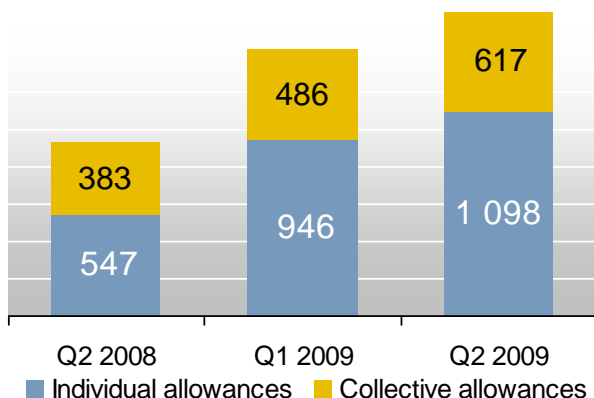
Contracting economies affecting the loan portfolio

Impaired loans and recivables, EURm



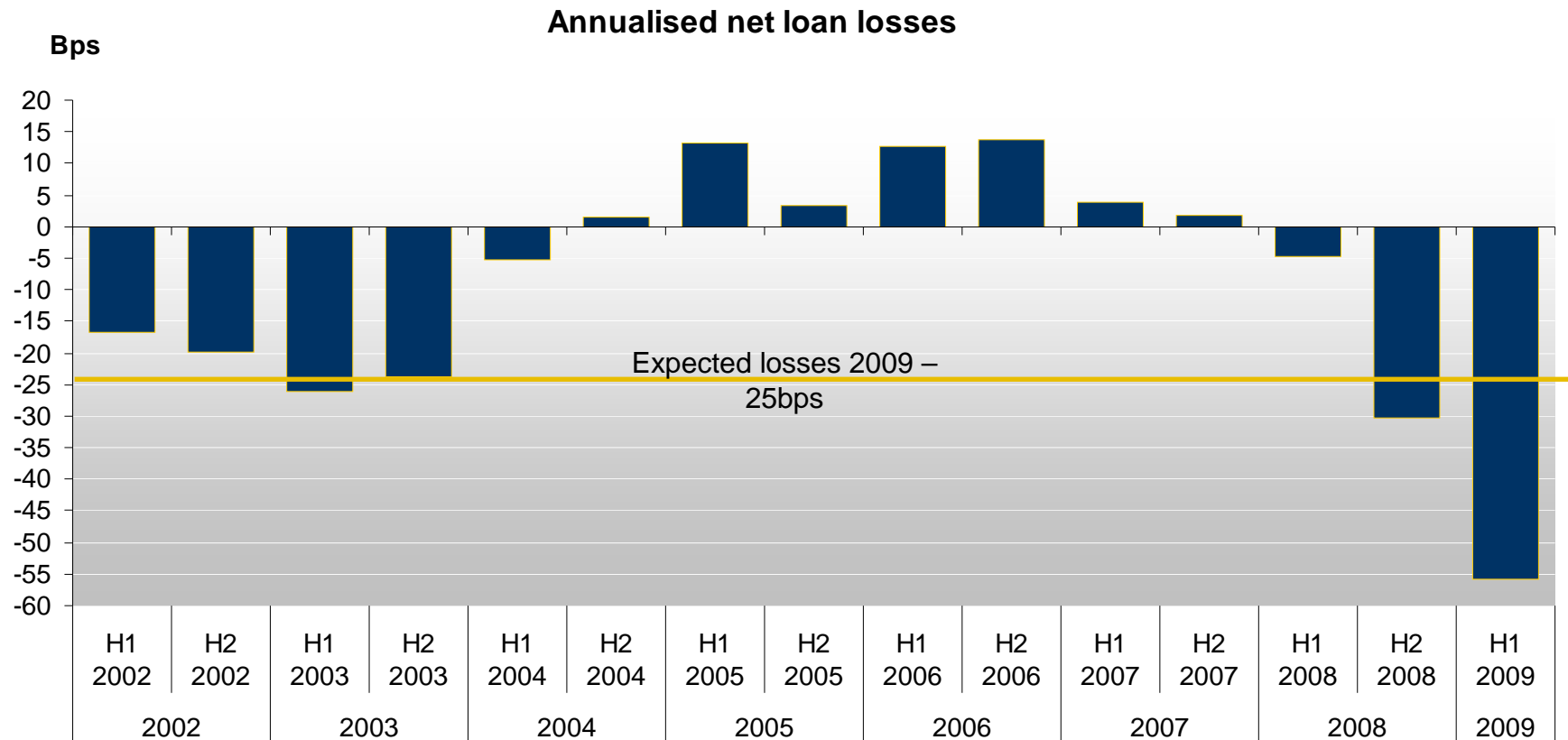
Performing: Allowance established, payments made
Non-performing: Allowance established, full payments not made on due date

Total allowances, EURm



- Impaired loans gross – up 19% to EUR 3,534m or 118bps of total lending
 - 55% of the impaired loans are still performing
- Largest increases in consumer durables, shipping and offshore, real estate and industrial commercial services
- Total allowances increased 20% to EUR 1,715m - collective provisions increased 27% in Q2. Corresponding to 57 bps of total lending
- Collective provisions accounting for 37% of total allowances – up from 34% in Q1
- Provisioning ratio 49% (48% in Q1)

Expected losses – 25bps over the cycle



Approximately half of the credit portfolio is low risk – no new areas of concern

Total lending to public Q2 2009, EUR 278bn

Commercial real estate

Construction

Dry bulk/Container

PE companies

Baltic countries

Russia

Industrial

Telecom/IT

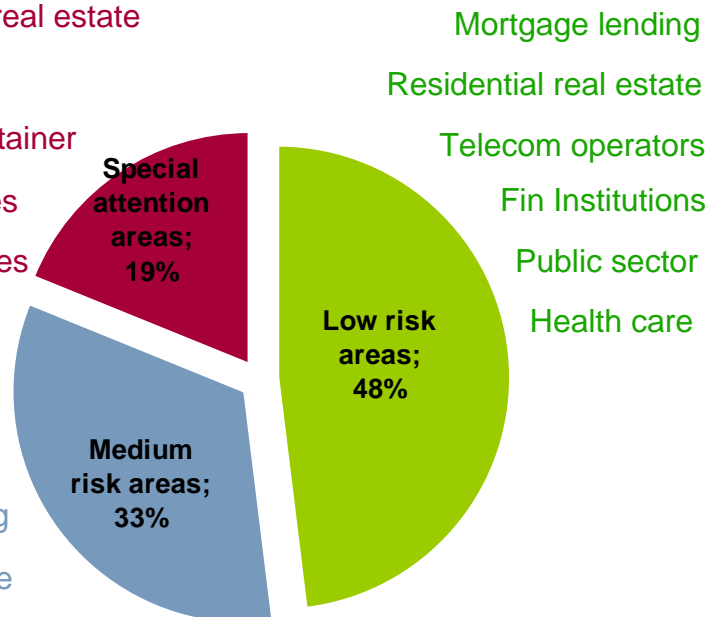
Metals/Mining

Media/Leisure

Transportation

Tankers/Offshore

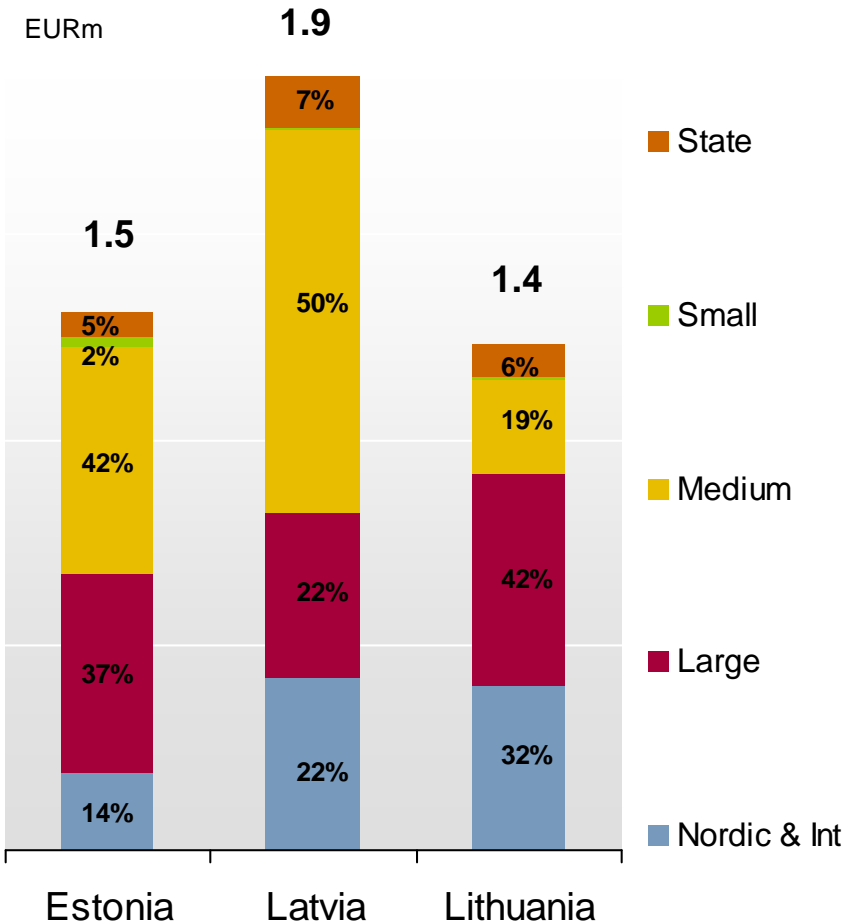
Pulp and paper



- Companies owned by Private Equity funds – 3% of total lending
 - Well diversified between industries
 - Insignificant exposure to junior debt
 - Modest loan loss provisions in Q2
- Shipping and offshore – 4% of lending
 - Well collateralised and diversified portfolio
 - Bulk segment has stabilised but tanker shows sign of weakness – few problem cases
 - Impaired loans 184 bps
- Commercial real estate – 7% of lending
 - Highly collateralised – impaired loans 100 bps
- Baltic exposure – 3% of total lending
 - Increased loan losses and impaired loans – in line with expectations

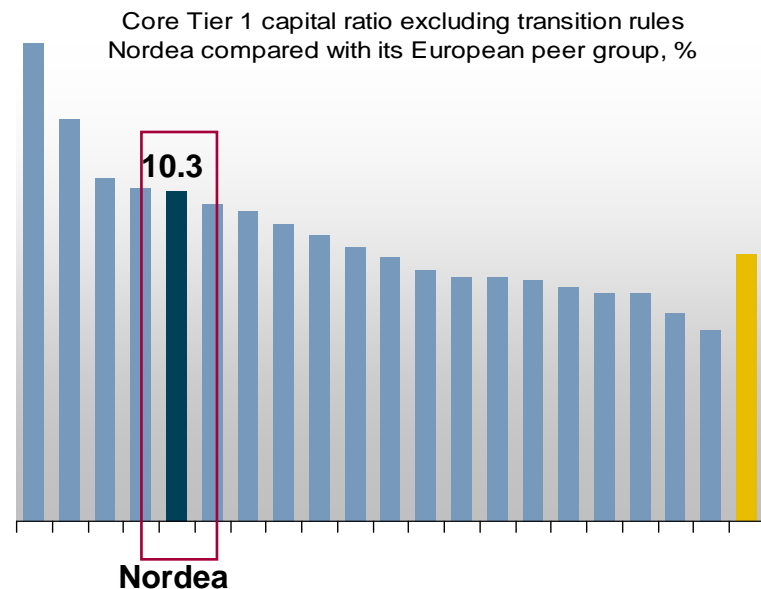
Well diversified Baltic portfolio - 3% of total lending

Corporate segment exposure Baltic countries

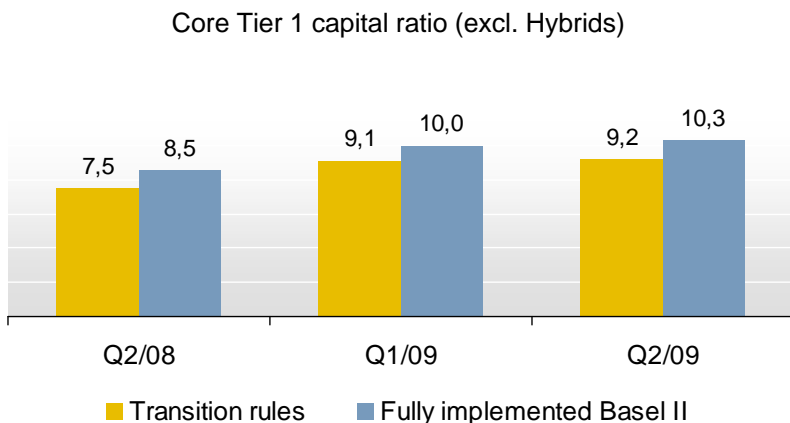


- Annualised Q2 loan losses 214bps of which 44% collective
- Gross impaired loans in the Baltic countries increased 63% to EUR 418m - corresponding to 550 bps of total lending
- Total allowances EUR 202m – 266 bps
- Coverage ratio 48% (62% in Q1) – solid collateral position covering the non-provisioned exposure
- More than half of the Baltic corporate exposure towards the more solid segments, Local Large and Nordic and International customers – low loan losses in Q2
- Higher risk in the Medium-segment with a total exposure of EUR 1.7bn, equivalent to 0.6% of total lending in the Group

Strong capital position gives room to maneuver



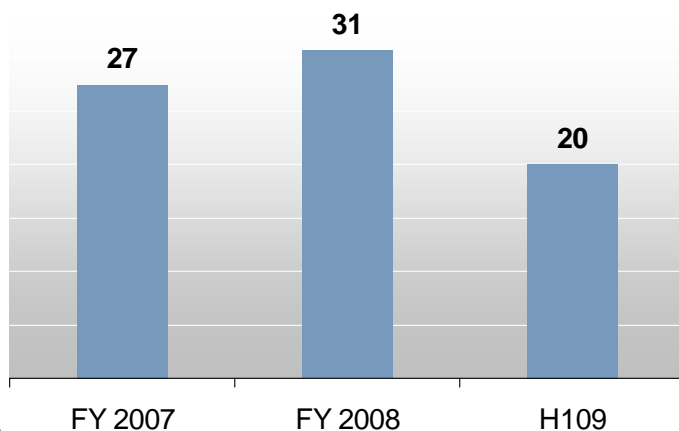
- One of the strongest core capital positions in Europe
- Strong capital position defined as one of the cornerstones in the Middle of the road strategy
 - Provides operational flexibility
- Core Tier 1 capital ratio 10.3%, up 30bps
- Tier 1 capital ratio 11.2% - up 30 bps and well above target



Competitive funding position

	S & P Long	S & P Short
BBVA	AA	A-1+
Santander	AA	A-1+
BNP Paribas	AA	A-1+
Nordea	AA-	A-1+
SHB	AA-	A-1+
Intesa Sanpaolo	AA-	A-1+
DnB NOR	AA-	A-1
Danske	A+	A-1
Barclays	A+	A-1
Societe Generale	A+	A-1
SEB	A	A-1
Swedbank	A	A-1
Allied Irish Banks	A	A-1
Bank of Ireland	A	A-1
Commerzbank	A	A-1
Erste Bank	A	A-1
Lloyds	A	A-1
RBS	A	A-1
Unicredit	A	A-1
KBC	A-	A-2

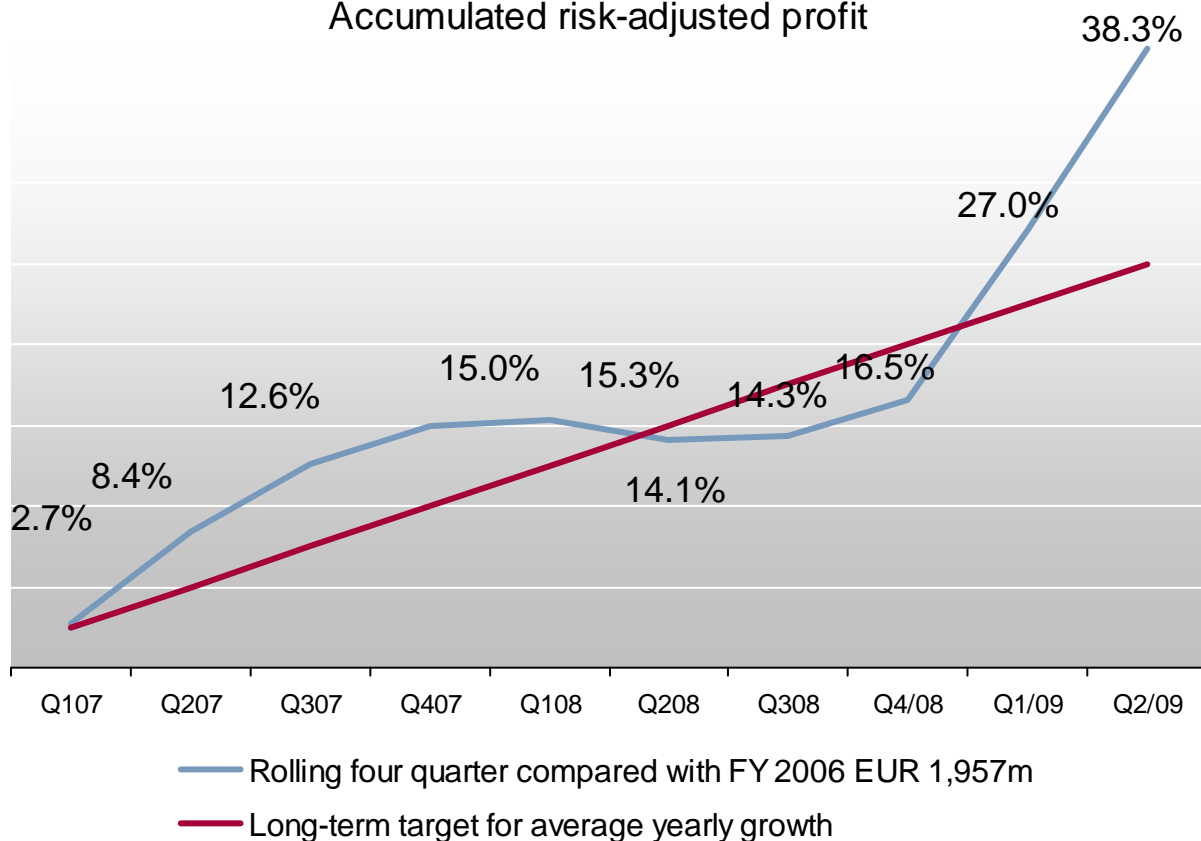
Total long-term funding issued
(EURbn)



- Stable rating – low CDS-spread
- Liquidity buffer of EUR 48bn as of end Q2 (EUR 42bn Q1)
- Continued good demand for Nordea issuance during first half of 2009 - EUR 20bn long-term funding of which EUR 13bn in Q2
 - Successful issue of EUR 2bn senior unsecured 5yr bond
 - Covered bonds EUR 13bn
 - Funding markets gradually continue to improve
- Competitive funding prices give relative strength in customer business
- Higher prices on long-term funding is still impacting average cost of funds

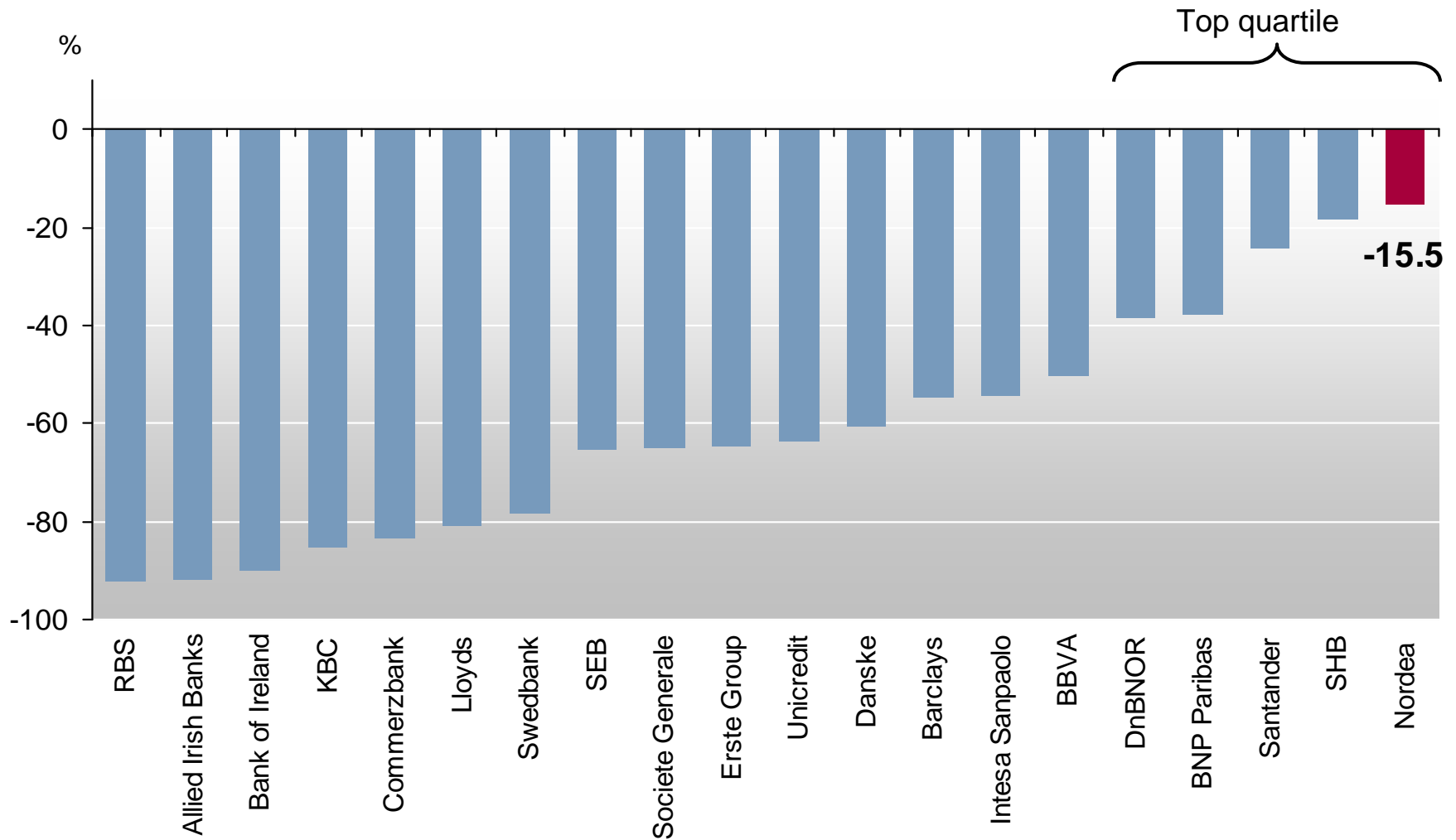
Over delivery on long-term targets

Accumulated risk-adjusted profit

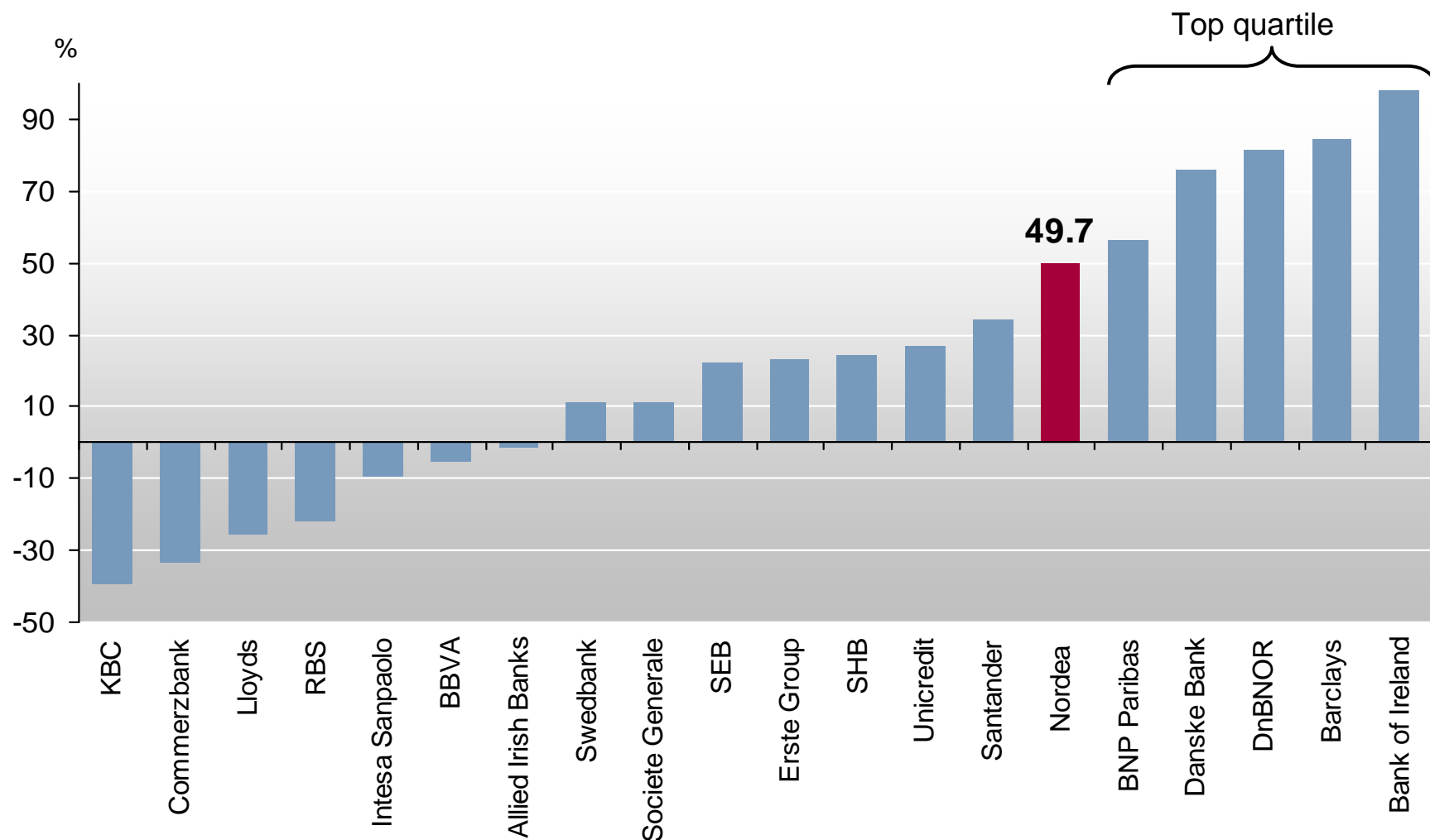


- Risk-adjusted profit up 40% in Q2 – Nordea's key financial target
- Middle of the road strategy has delivered in 2009
- Diversified income streams

Total shareholder return (TSR) 1/1 2007 – 30/6 2009



Total shareholder return (TSR) 1/1 2009 – 30/6 2009



Despite turbulent times - the journey towards Great Nordea continues

Great Nordea: Long-term strategy



Challenging market conditions



Currently, Middle of the Road: Short-term strategy

Profit orientation –
cost risk and capital

Ambitious vision
and targets

Clear growth
strategy

Strong customer-oriented
values and culture

Weak economic activity and
low interest rate levels

Despite signs of recovery –
economic development
highly uncertain

Rating migration and
increased risk for loan losses

Increased funding costs

Higher capital requirements

Keep the positive
momentum

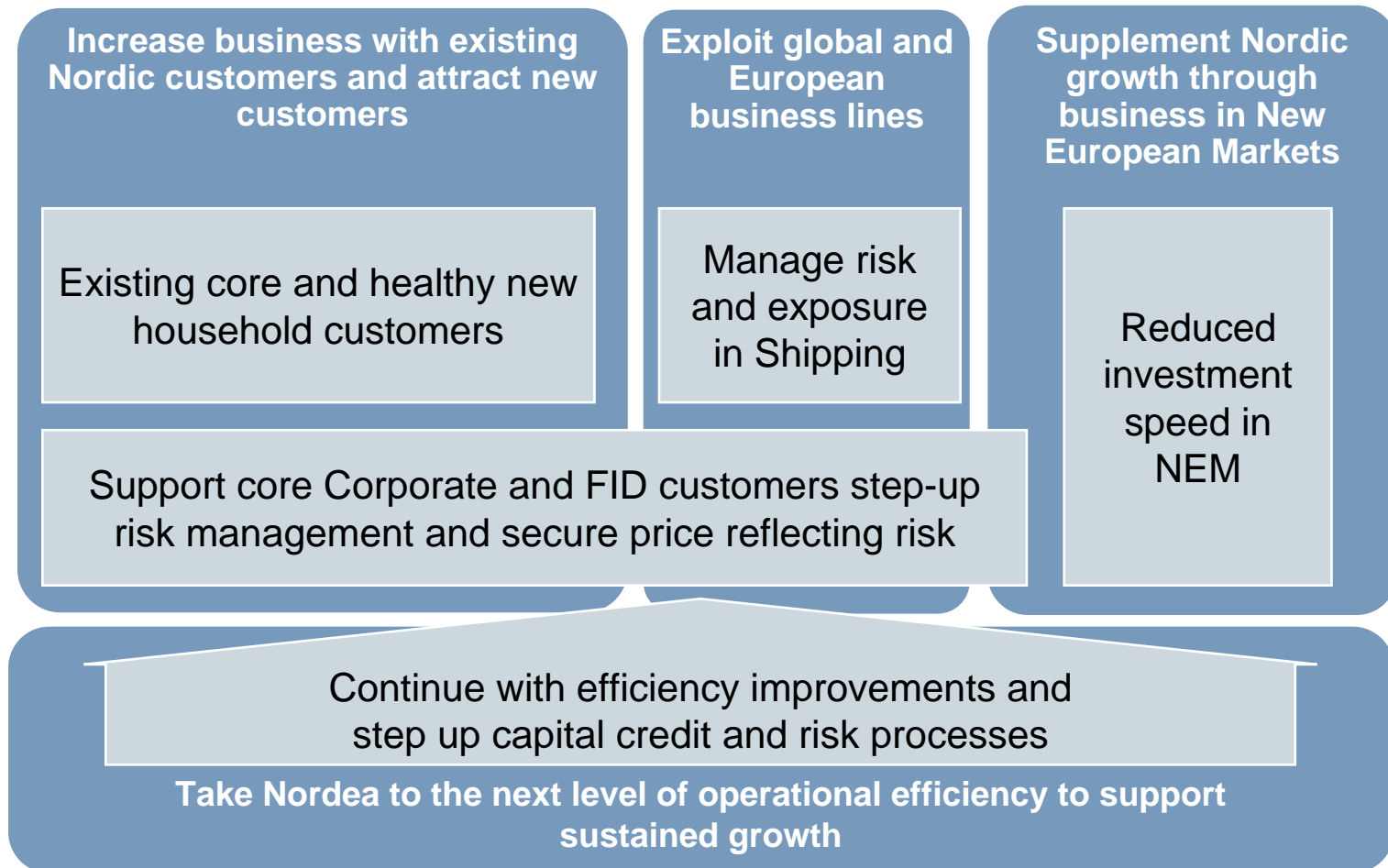
Be loyal to the long term
strategy – reduce
customer uncertainty

Focus on cost, risk and
capital

Continue with prudent
banking and firm credit
policies

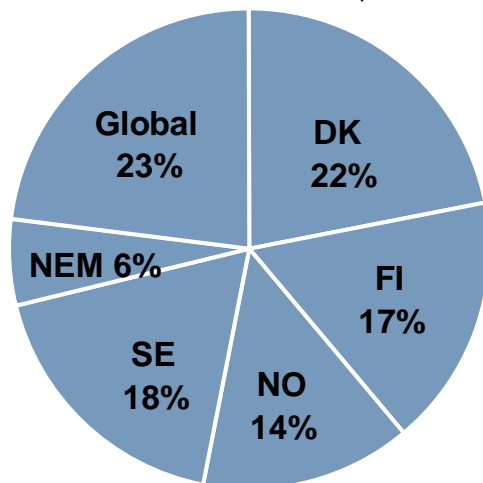
Be ready to accelerate
out of the crises

Long term strategy unchanged – Middle of the Road



Strong performance on back of the robustness of the Nordea business model

Geographical split of total income in customer areas H1 2009, EUR 4,638m



- Customer centric business model - proven resilient to market turbulence
 - Strategy is based on the large Customer base
 - Focus on corporate and retail banking in the Nordic countries
- Low earnings volatility
 - Well diversified income streams from four largely equally sized markets
- Solid asset quality
 - Prudent credit policies and processes established in 2002
 - Well diversified lending mix measured by geography and customer segments
- The Nordea business model is viable long-term

Focus on building business relations with customers

Nordic Banking

Nordea's credibility and stability have positive impact on customer loyalty and customer acquisition

✓ 115,000 new Gold customers during 12 months, up 5%

Record high level of 360-degree customer meetings

✓ 100% more customer meetings per advisor compared to one year ago

✓ Increased number of advisors

Private Banking

High activity in Private Banking segment

✓ Strong inflow of new assets, 9% annualised in Q2

✓ 2,000 new customers during 12 months, up 3%

Corporate

Improved position by increased penetration of the customer base and selective customer acquisition

✓ In particular in Denmark, Norway and Sweden

New European Markets

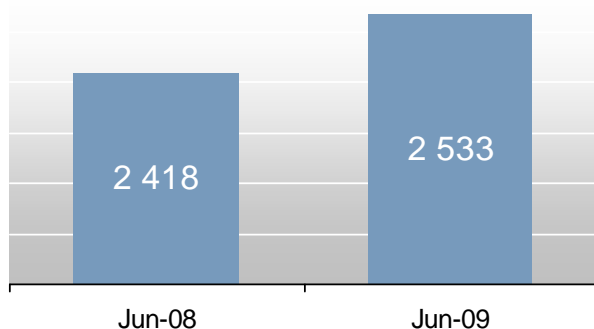
The strong Nordea name attracts customers in target segments

✓ New customers

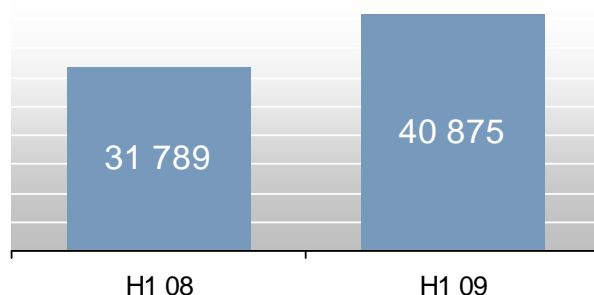
✓ 11,000 new Gold customers during 2009, up 14%

Increase in inflow of new Nordic customers

Total number of gold customers, thousands



Inflow of earlier non-Nordea customer to gold customer



- Focus on qualified customer meetings, attractive products and strong capital situation has led to continued growth in number of customers
- Total increase in number of gold customers is on average almost 10 000 per month during last twelve months
- Inflow of non-Nordea customers directly to gold segment increased by 25% to 41 000 customers over first half year
- 1 500 new customers to segment Corporate Merchant Banking and Large corporates in twelve months within Nordic Banking

With this foundation we can hold a steady course

Continue to support existing customers

Grow share of wallet through strengthening the customer relations
- Gold, Private Banking and high quality corporate customers

Selectively capture new business opportunities

Secure corporate credit margins that reflect risk and increased liquidity premiums

Prudent cost, risk and capital management

Outlook

- Risk-adjusted profit expected to be higher than in 2008 – previous outlook risk-adjusted profit was expected to be unchanged
- Cost growth is expected to be slightly lower than in 2008 – unchanged from previous outlook
- Since global and Nordic economies have contracted clearly beyond general expectations at the beginning of the year, uncertainty concerning how the economic recession will affect customers' cash flow and filter through into Nordea's lending book has increased. Therefore the risk has increased for somewhat higher loan loss ratio for the full year compared to the annualised level in the first half of the year
- The effective tax rate is expected to be approx. 25% – unchanged

Concluding remarks

- Record performance in second quarter 2009
 - Total income
 - Profit before loan losses and risk-adjusted profit
- Key financial targets even above long-term targets
- Strengthening of customer relations – both on household and corporate
- High operational efficiency – wide gap between income and cost growth
- Credit situation remains solid – loan loss ratio broadly in line with the outlook from the beginning of the year
- Risk-adjusted profit up 40% in Q2

***The leading Nordic bank,
acknowledged for its people, creating superior
value for customers and shareholders.***

