



Third Quarter Report 2010
Telephone conference
27 October 2010



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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, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

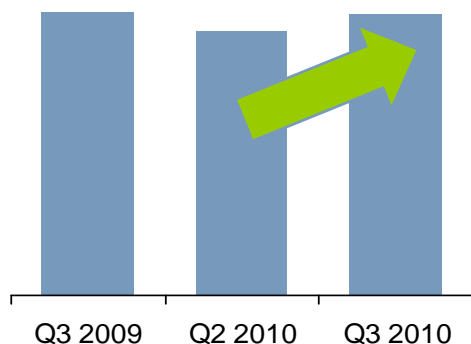
This presentation does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Key messages

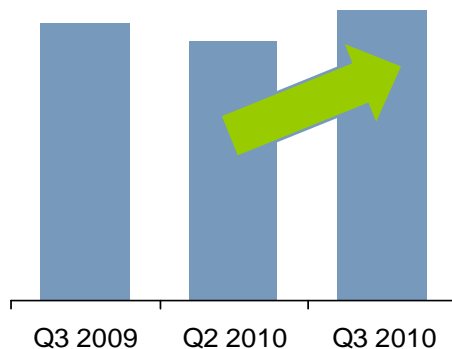
- ✓ Strong quarter
- ✓ High customer activity
- ✓ Strong customer inflow
- ✓ Successful execution of Group initiatives

Solid trends in customer business

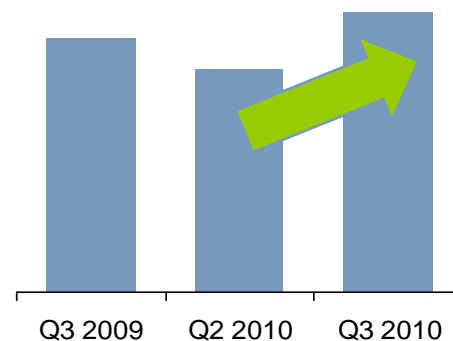
Net interest income



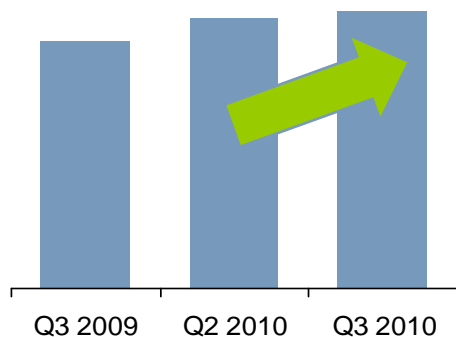
Total income



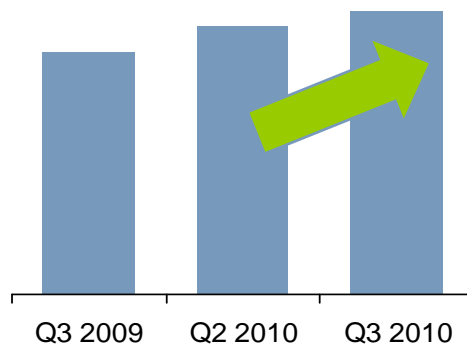
Operating profit



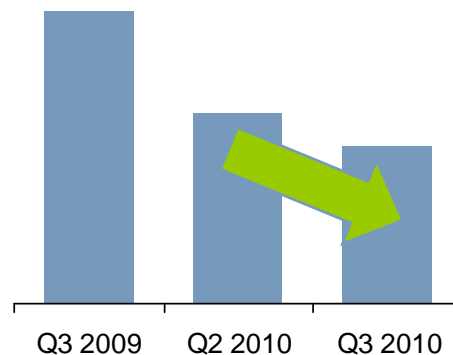
Number of Gold customers



Lending volumes



Net loan losses



Outlook 2010

- Nordea expects macroeconomic recovery to continue in 2010
- Global development is still fragile and hence uncertainty remains; the outlook for the Nordic markets has improved during the year
- Excluding currency effects in 2010, Nordea expects cost growth to be broadly in line with 2009, including the effects from growth and efficiency initiatives
- Net loan losses in 2010 are expected to be lower than in 2009. Credit quality continues to stabilise, in line with the macroeconomic recovery
- Nordea expects risk-adjusted profit to be lower in 2010 compared to 2009, due to lower income in Treasury and Markets



Third Quarter Results

Result highlights

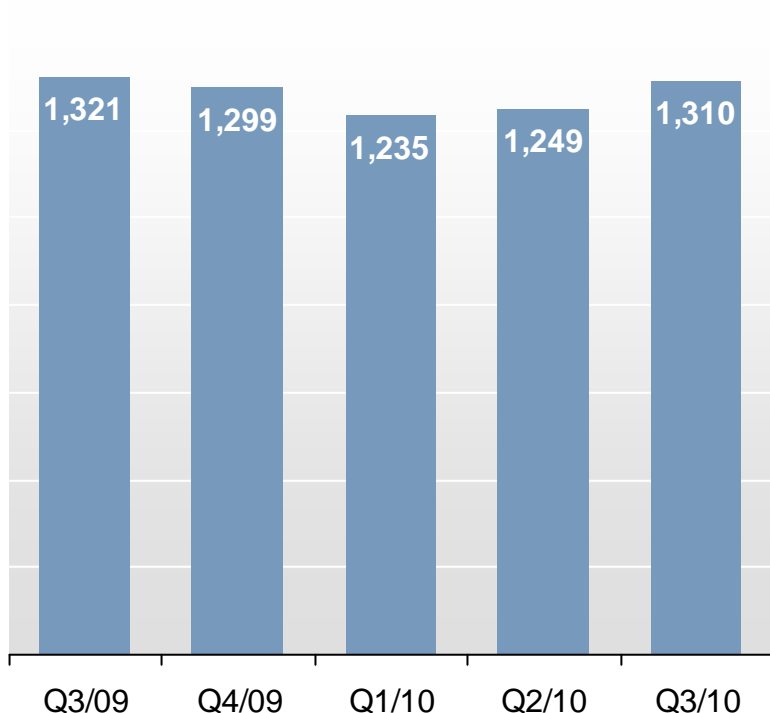
EURm	Q3/10	Q2/10	Chg %	Q3/09	Chg %
Net interest income	1,310	1,249	5	1,321	-1
Net fee and commission income	525	538	-2	437	20
Net result from items at fair value	446	339	32	486	-8
Other income	82	35		33	
Total income	2,363	2,161	9	2,277	4
Staff costs	-721	-701	3	-670	8
Total expenses	-1,196	-1,186	1	-1,087	10
Profit before loan losses	1,167	975	20	1,190	-2
Net loan losses	-207	-245	-16	-358	-42
Operating profit	960	730	32	832	15
Net profit	711	539	32	626	14
Risk-adjusted profit	707	516	37	729	-3

Underlying business trends

EURm	Q3 2010	Q2 2010	Chg %	Q3 2010 with unchanged translation currencies (compared with Q2 2010)	Chg %	Q3 2010 with unchanged translation currencies (compared with Q3 2009)	Chg %	Reported change%
Total operating income	2,363	2,161	9	2,344	8	2,285	0	4
Total operating expenses	-1,196	-1,186	1	-1,181	0	-1,144	5	10
Profit before loan losses	1,167	975	20	1,163	19	1,141	-4	-2
Operating profit	960	730	32	956	31	934	12	15

Net interest income up 5%

Net interest income, EURm



- Strong trend in customer operations continues
 - Lending and deposit volumes up
 - Increased deposit margins
- Negative effect from higher average funding cost

Underlying volume trends

% change in unchanged currency	<u>Q3oQ2</u>	<u>Q3oQ3</u>
Total Lending, excl. reversed repurchase agreements	1	6
– Nordic household mortgages	2	9
– Nordic consumer lending	2	7
– Nordic corporates	0	3
– New European Markets	4	6
– FID	-7	-3
– Shipping	-1	4
Total Deposits, excl. repurchase agreements	1	3
– Nordic households	1	3
– Nordic corporates	1	4
– New European Markets	4	3
– FID	4	-11
– Shipping	0	21

Change in net interest income

	Q3oQ2	YoY
Volume-driven Nordic markets local currencies	9	56
Corporate lending volumes	1	-40
Household lending volumes	8	86
Corporate deposit volumes	0	3
Household deposit volumes	0	6
Margin-driven Nordic markets local currencies	19	-112
Corporate lending margins	3	141
Household lending margins	-3	-40
Corporate deposit margins	8	-69
Household deposit margins	11	-145
Lower return on allocated capital, FX effects and other	17	-39
Nordic Banking	45	-95
New European Markets	7	58
FID	0	-5
Shipping	4	33
Other, incl. Group Treasury	5	-179
Total	61	-188

Interest rate sensitivity

- 3 components

- Structural interest income risk (SIIR)
 - Reflecting the effect on NII from re-pricing gaps¹
- Dynamic effects on net interest income
 - Changes in deposit margins – mainly transaction accounts
- Market risk in the interest bearing investment portfolios
 - Market risk has an immediate effect on the line net result from items at fair value

Increased market rates, 100bps

Q3/10

EURm

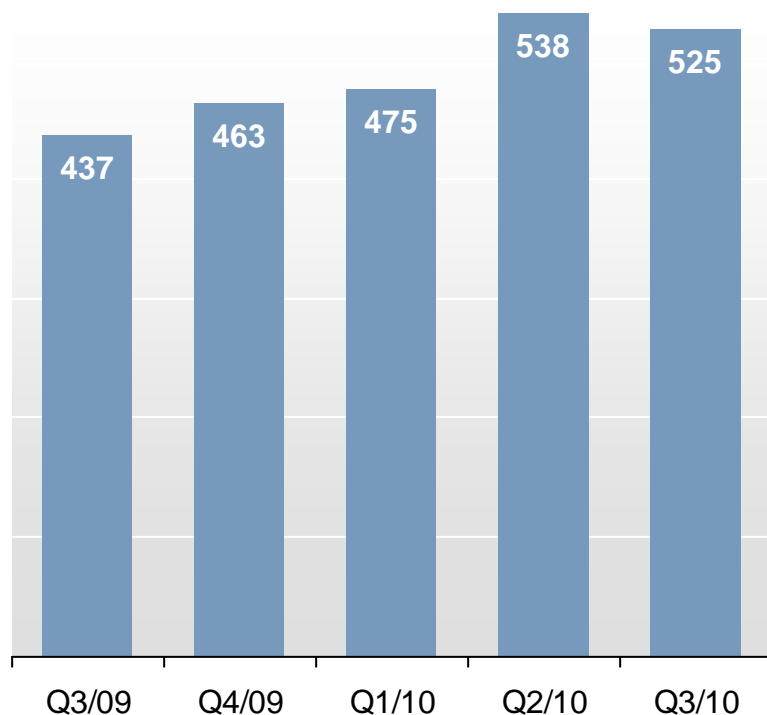
Net Interest Income, rolling 12 months annualised approx

450

¹ Accumulated mismatch between assets and liabilities with an interest rate duration of less than 12 months, with the assumptions that non-maturity accounts are re-priced immediately following a interest rate change, without effecting margins

Net fee and commission remains at a high level

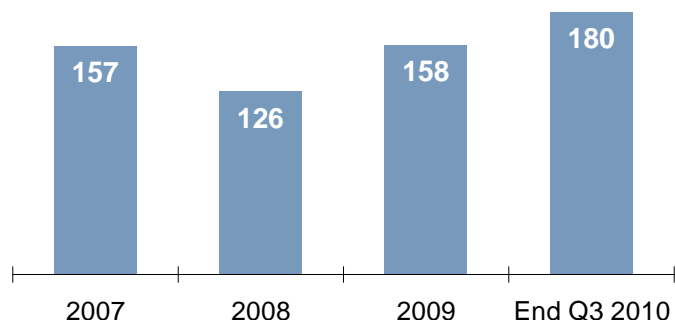
Net fee and commission income, EURm



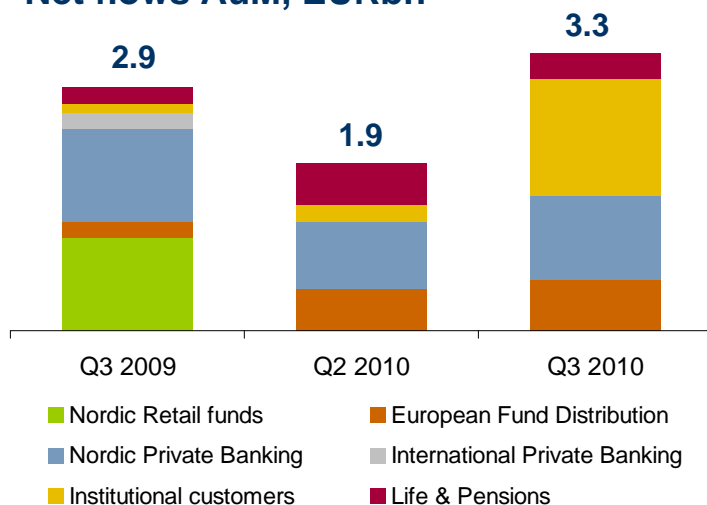
- Continued strong performance within asset management
- High activity within corporate advice
- Seasonal effects

Asset under Management at all-time high

Assets under Management (AuM), EURbn



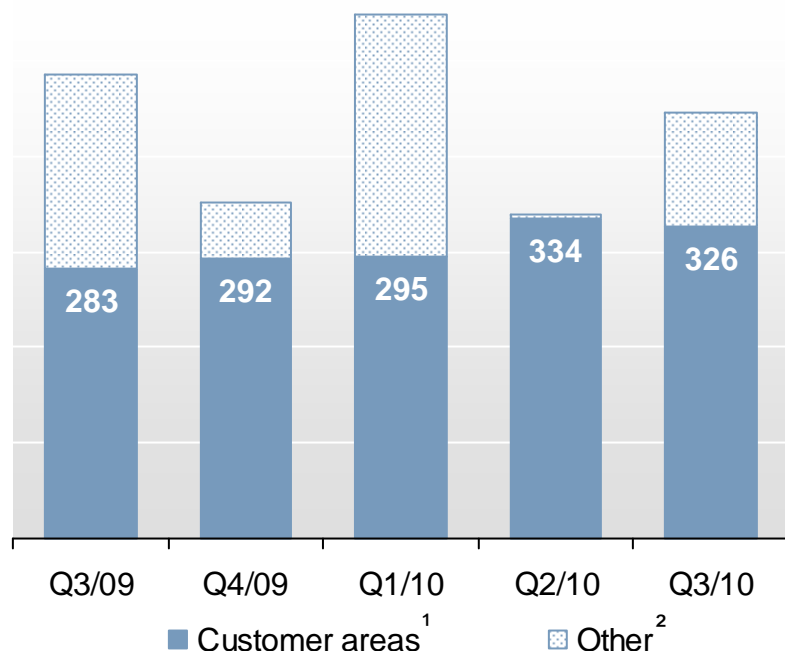
Net flows AuM, EURbn



- Up 6% or EUR 10.4bn in Q3
- Continued net inflows in most areas - EUR 3.3bn or 8% annualised
- Positive trend in the institutional asset management business accelerated in Q3

Fair value result up 32%

Net result from items at fair value,
EURm



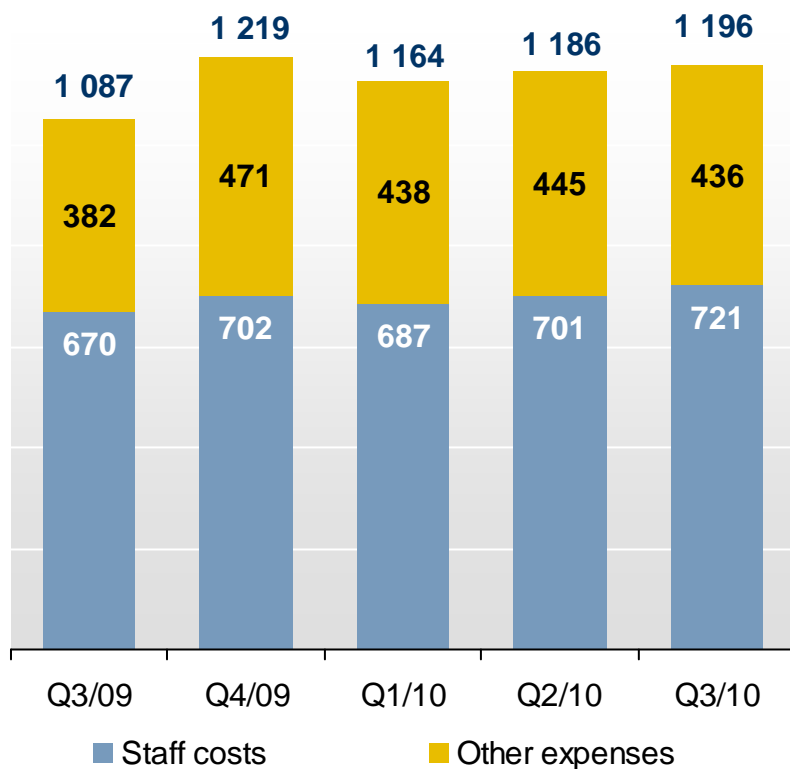
- Capital markets business in customer areas¹ continues to perform well
- Continued strong Life & Pensions results
- Higher contribution from Group Treasury and Capital Markets unallocated

¹ Nordic Banking, SOSI, NEM, FID, Life

² Group Treasury and Capital Markets unallocated

Firm cost management

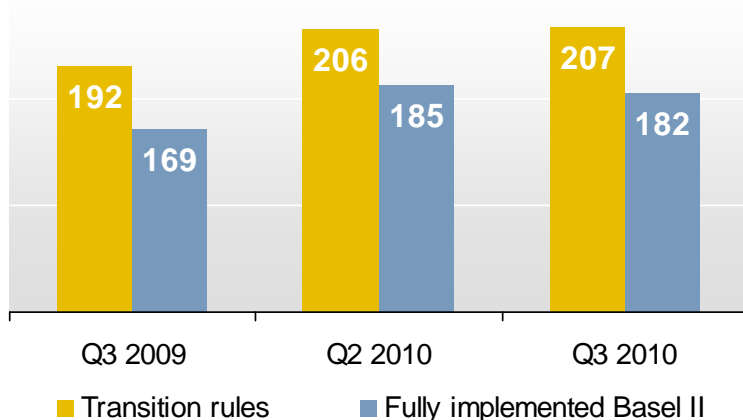
Total expenses, EURm



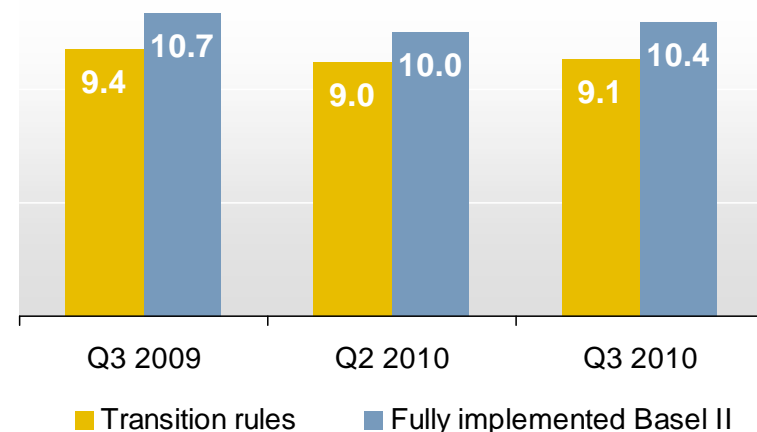
- Underlying¹ expenses down 2%
- Cost/income ratio improved to 51% (55%)

Strong capital position maintained

Risk-Weighted Assets (RWA), EURbn



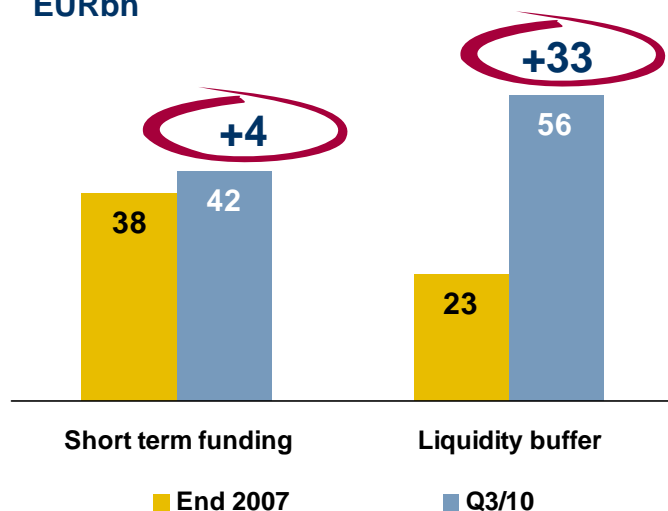
Core Tier 1 capital ratio (excl. Hybrids)



- RWA up 8% YoY
 - Increase due to corporate and retail volume growth (11%)
- Core tier 1 ratio 10.4%
 - Largely unchanged YoY
- Solid profit generation enables high dividend ratio and high customer activity
- Nordea fully compliant with Basel III
 - RWA effect approx. 10%

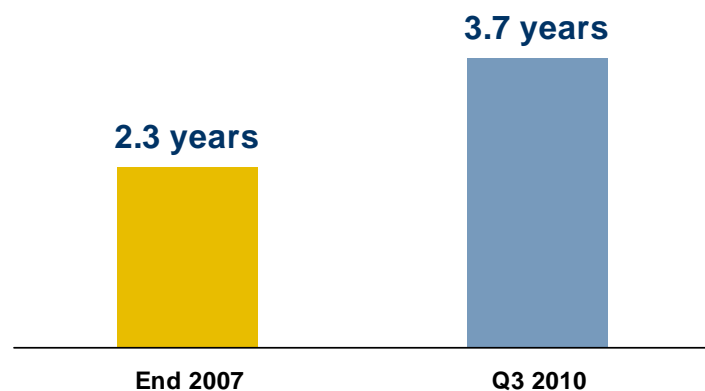
Prudent liquidity management

EURbn



- AA rating maintained
- High long-term funding issuance
- Increased liquidity buffer
- Increased average maturity

Average bond maturities



Strong funding position

Total long-term funding issued, EURbn



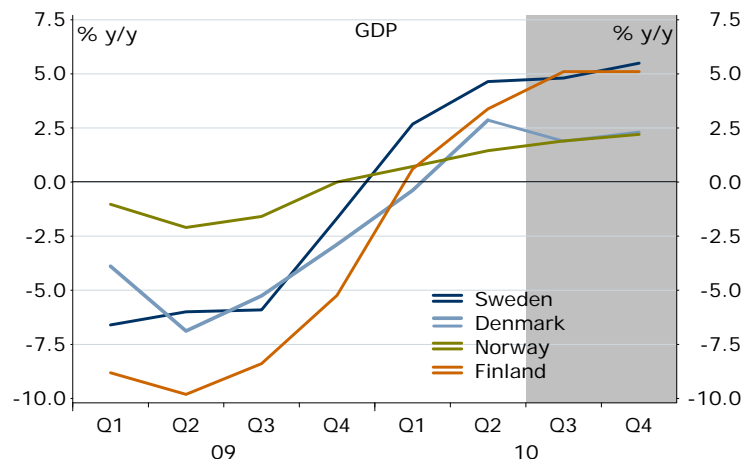
- Very good reception of the Nordea name in all funding markets
- Record EUR 30bn long-term funding issued with an average maturity of 5.6 years
- Norwegian and Finnish covered bond platforms launched



Credit quality is improving

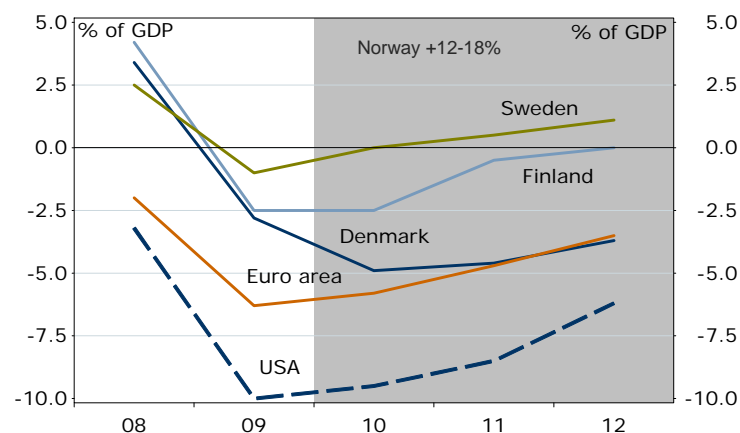
Macroeconomic recovery in the Nordic countries

GDP growth, %, y/y



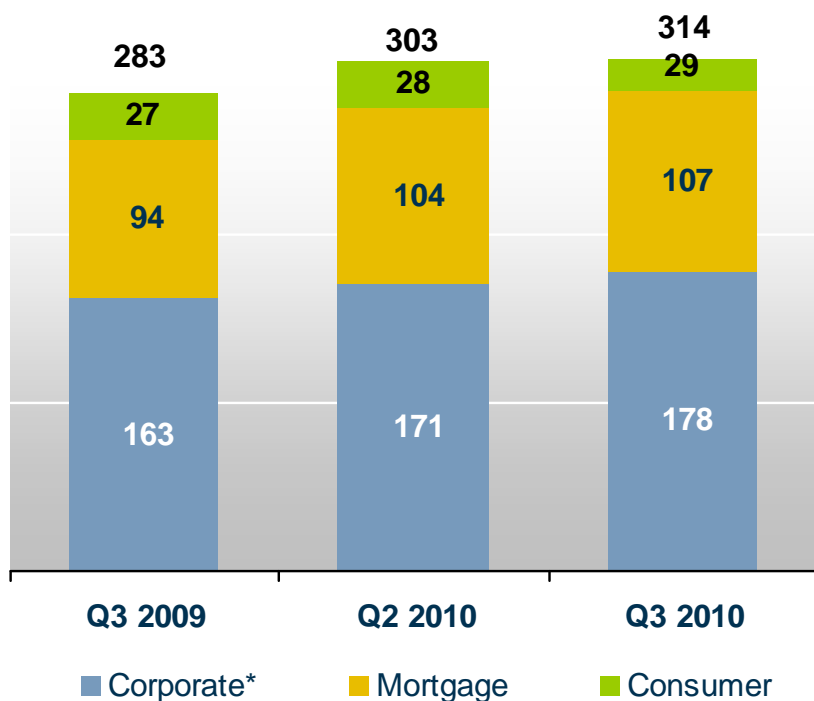
- Solid growth rates
- Modest inflation
- Relatively strong public finances
- Improvements in labour markets

Public finances, % of GDP



Stable and well diversified lending portfolio

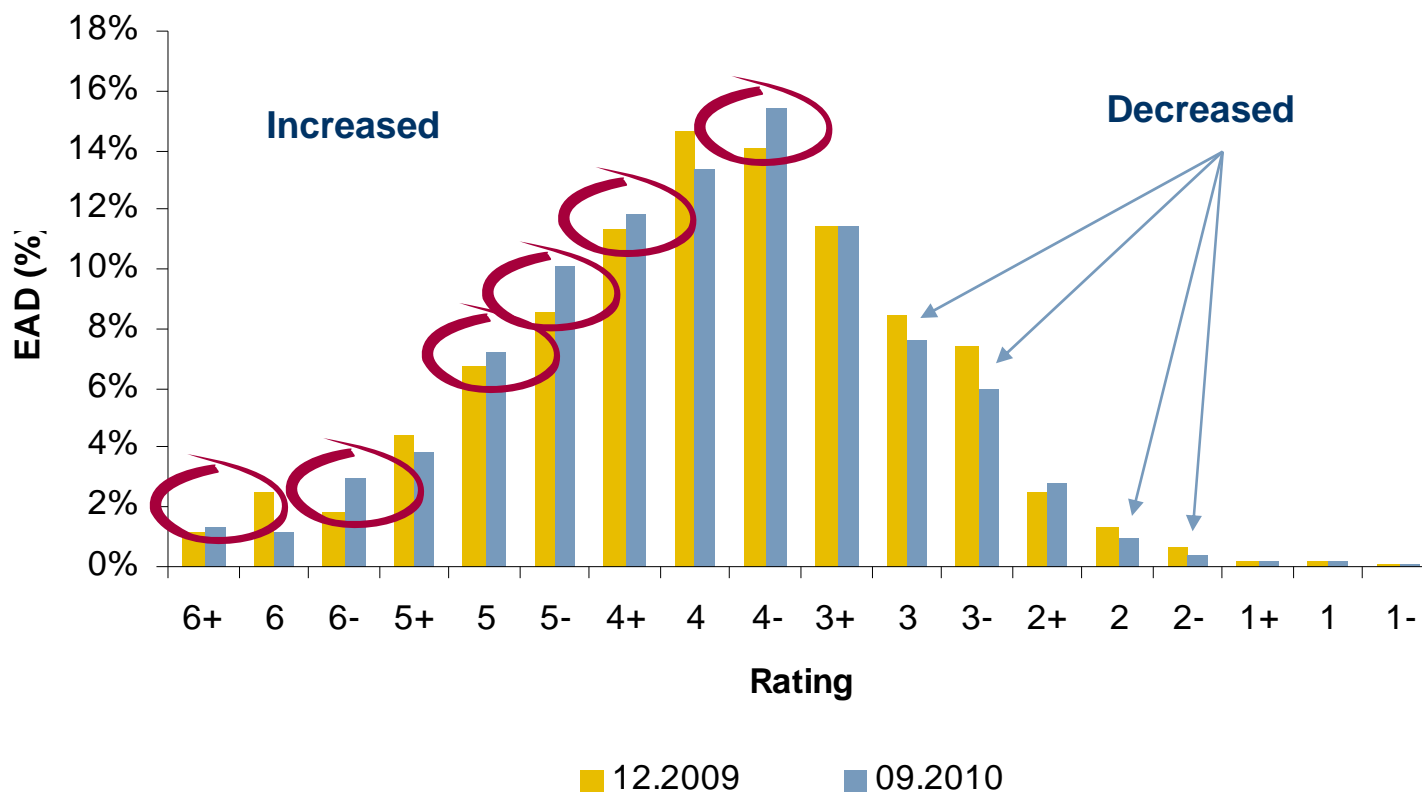
Total lending to public, EURbn



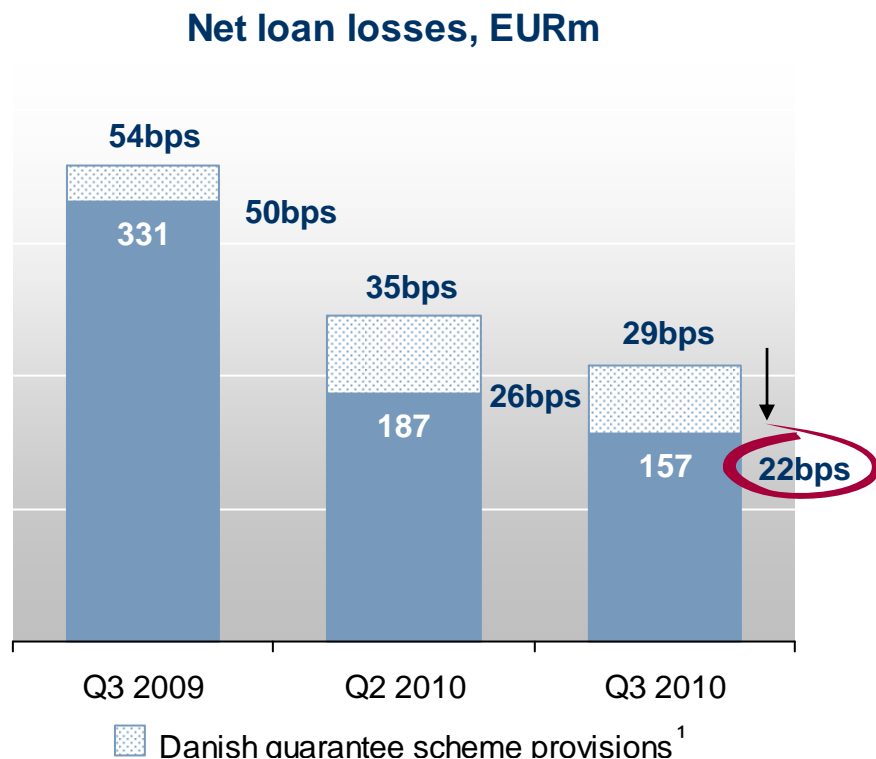
- Total lending up 4% in Q3 and 11% YoY
- 57% corporate lending – no sector accounting for more than 13%
- Limited changes between sectors – no new areas of concern

Focus on stronger corporate customers

Rating distribution



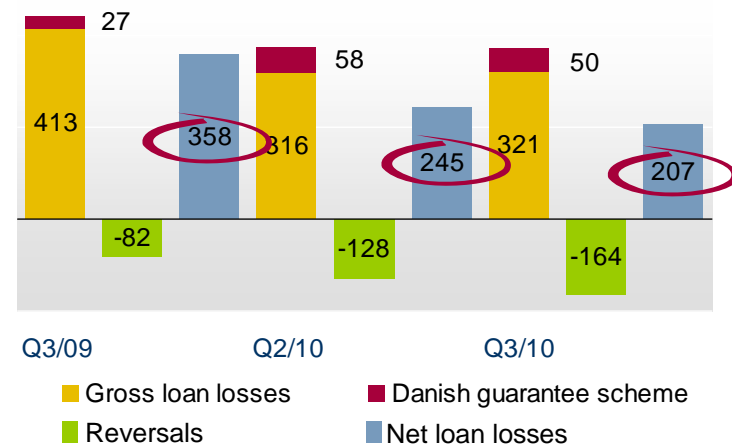
Credit quality improving



- Net loan losses down to 29bps (35bps)
- Excluding guarantee scheme provisions¹ net loan loss ratio down to 22bps (26bps)
- Two-year Danish guarantee scheme expired in September

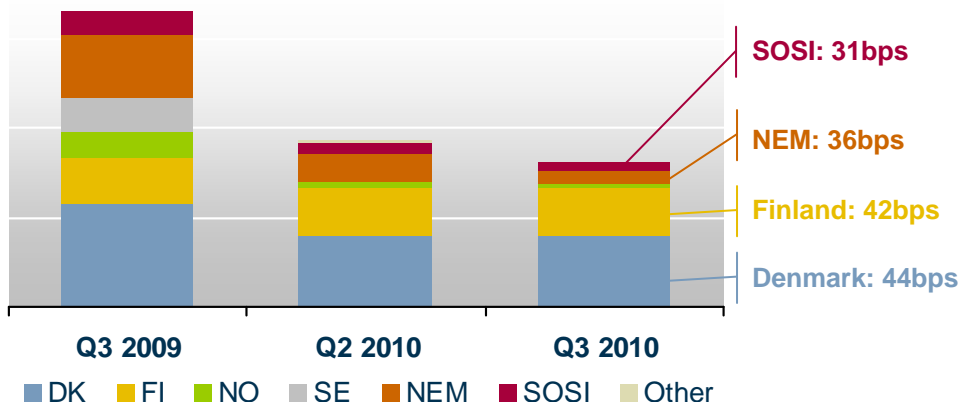
Decreased net loan losses in most areas

Loan losses, EURm



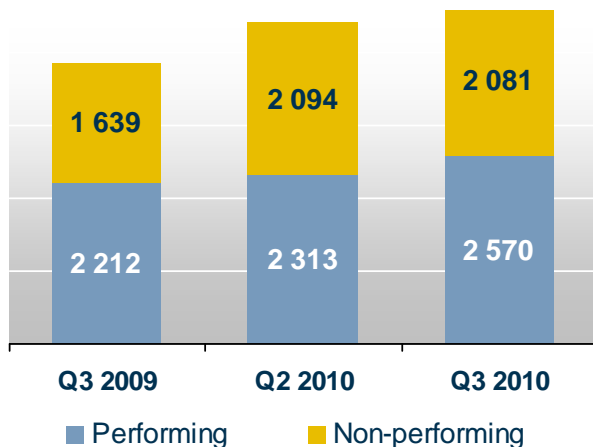
- Loan losses remain close to zero in Norway and Sweden

Net loan losses per area¹, EURm

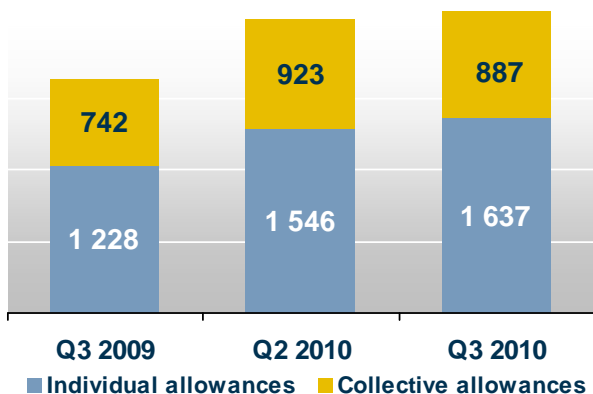


Impaired loans continue to stabilise

Impaired loans, EURm



Total allowances, EURm



- Impaired loans gross up 6% - mainly performing loans in FI and DK
 - EUR 4,651m or 139bps (135bps)
- 55% of impaired loans performing
- Net decrease in collective allowances due to positive rating migration
 - -1.0% (+0.3% in Q2)
- Provisioning ratio down to 54% (56%)

Performing: Allowance established, payments made

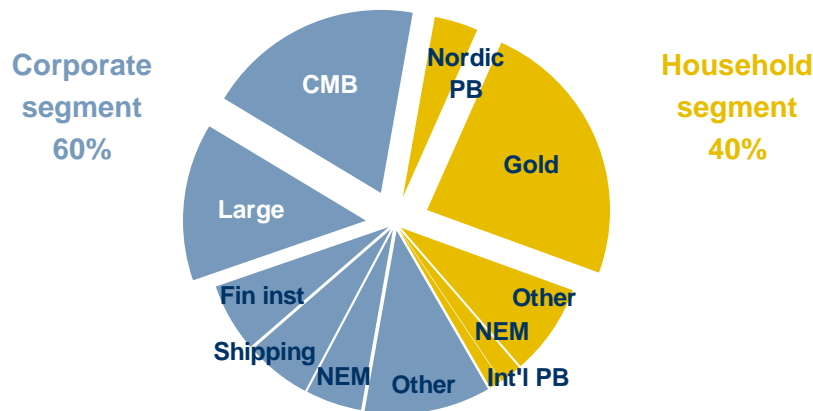
Non-performing: Allowance established, full payments not made on due date



Business development

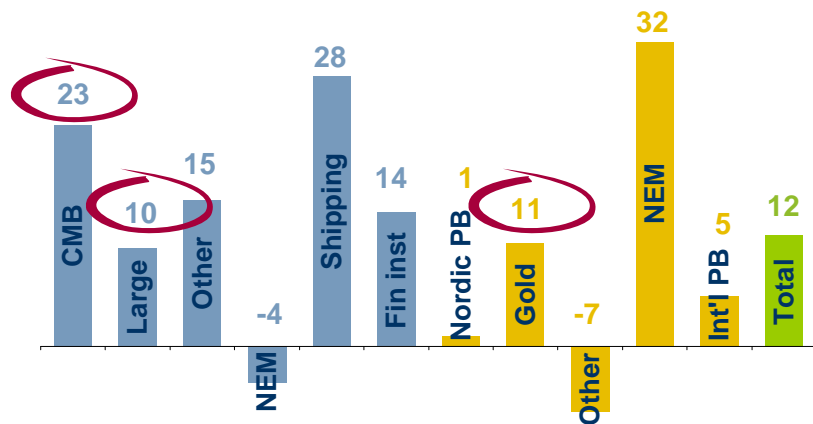
Diversified and fast-growing customer business...

Income split per customer segment, Q310



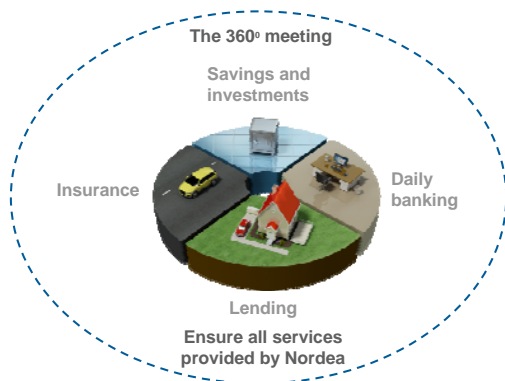
- Income well diversified between customer segments
- Solid growth trends in relationship segments¹

Income growth YoY Q310/Q309, %

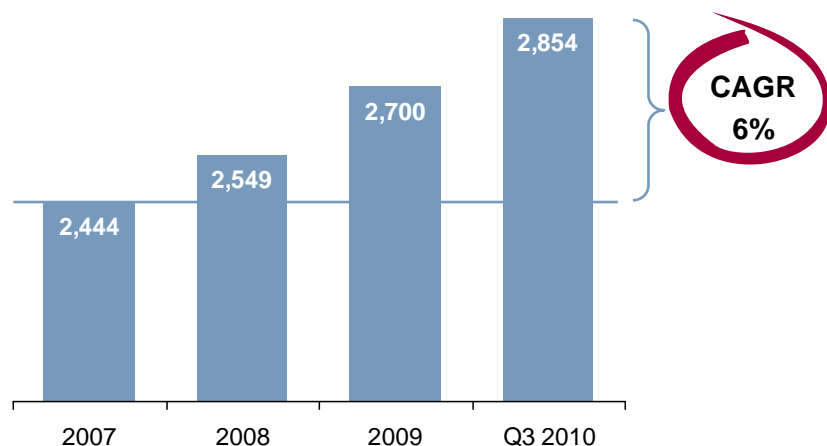


...with a strict focus on relationship banking

The 360-degree meeting



Number of Gold customers, 000



- Pro-active 360-degree meetings to meet customers' needs
- Strong value proposition attracts customers to premium segments
 - Steady growth of 6% per year or 12,000 new customers a month
- Solid trend has accelerated in 2010
 - 150,000 new Gold and Private Banking customers of whom 100,000 come from outside the bank YTD
- Customer satisfaction improving compared to competitors

Clear growth strategy

Household

- ✓ Migrate existing customers to relationship segments
- ✓ Attract new customers to relationship segments
- ✓ Increase advisory capacity
- ✓ Reduce cost by multichannel

Corporate

- ✓ Increase market share with largest customers
- ✓ Proactive advice on ancillary products to Medium customers

New European Markets

- ✓ Continue successful organic growth path in Poland

Efficiency initiatives

- ✓ Efficient value chain delivery to customer segments
- ✓ Upgrade IT infrastructure and processes and back office operations
- ✓ Replacing multiple old stand-alone platforms (cards and payments) with one uniform platform per product area

Household relationship strategy

Growth strategy

Household

- ✓ Migrate existing customers to relationship segments
- ✓ Attract new customers to relationship segments
- ✓ Increase advisory capacity
- ✓ Reduce cost by multichannel

Rationale

Higher income and growth potential

More loyal

Efficient to serve

Low risk

Group initiative

Future distribution

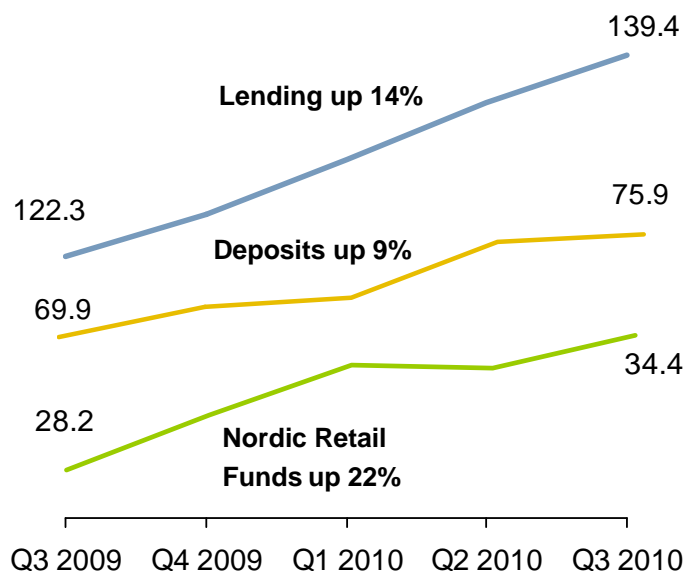
New customer acquisition

Growth plan Finland

Customer benefits: Relationship-based and prioritised access to named adviser, long-term view on relationships, attractive prices

Deliveries on household strategy

HH volumes increase YoY, EURbn



- Continued strong customer demand in household segment
- Improved market position
- 39 Nordic branches operating in new format
- Improved Private Netbank
- 100 new advisers and specialists recruited in Finland

Corporate relationship strategy

Growth strategy

Rationale

Group initiative

Corporate

- ✓ Increase market share with largest customers
- ✓ Proactive advise on ancillary products to Medium customers

Higher income and potential

All products

Close, partnership-based relationship

Prudent risk-taking

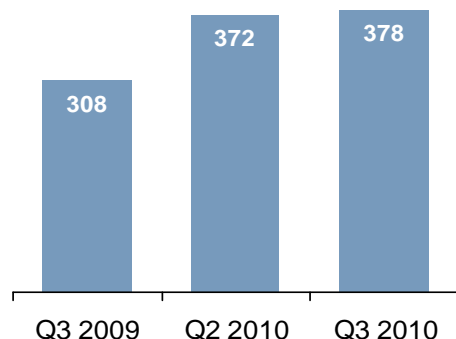
Growth plan CMB

Customer-driven Markets business

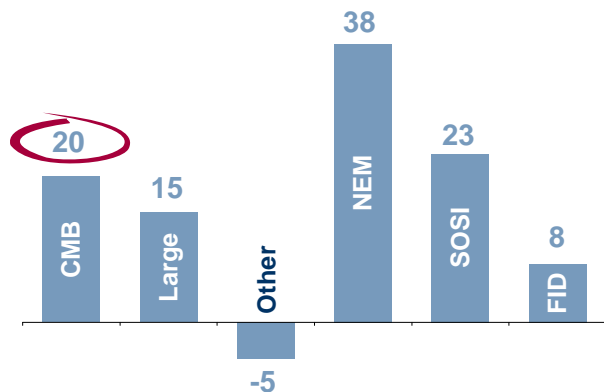
Customer benefits: Relationship-based advice, access to Nordea's products and balance sheet capacity, competitive prices, and a partner for a rainy day

Corporate strategy delivery

Total income CMB, EURm



Income growth 2007-YTD, CAGR %



- Strong income growth within CMB
 - 2% Q/Q and 23% YoY
- Growth plan CMB Sweden proceeds as planned
 - Strong business momentum with several new mandates won
- Strategy to build house-bank relations proven successful
 - Solid income growth – especially in the higher segments
 - Strengthened market position – increased share of wallet

New European Markets strategy

Growth strategy

New European Markets

- ✓ Continue successful organic growth path in Poland

Rationale

High potential

Proven track record

Nordic model

Low risk

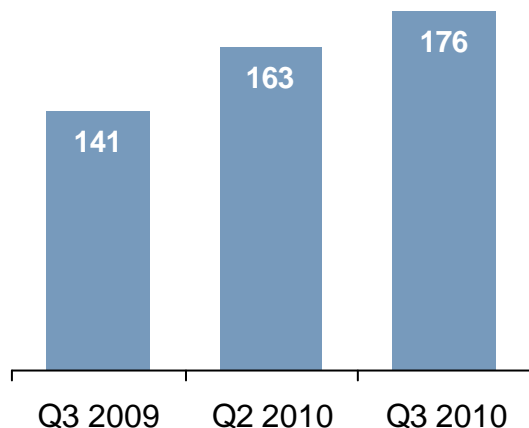
Group initiative

Growth plan Poland

Customer benefits: Nordic business model and concepts. Relationships and advice in focus. Prudent banking

New European Markets – a growth area

Total income NEM, EURm

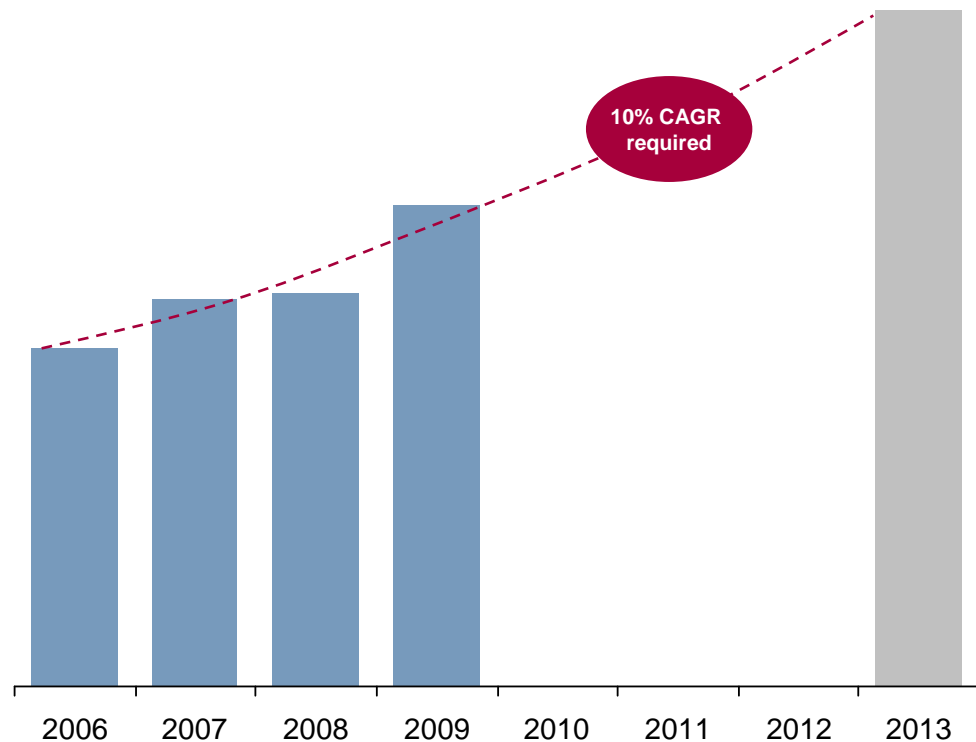


- Solid income development remains
 - 38% CAGR since 2007
- Firm cost management – C/I down to 39%
- Focus on low risk segments
- Growth plan Poland on track – 4 branches opened in Q3

Strong foundation for reaching long-term target



Risk-adjusted profit, EURm



Financial impact from Group initiatives

- Income benefits and efficiency gains well in line with full-year expectations
 - Income generation Jan-Sep, approx. EUR 200m
 - Efficiency gains Jan-Sep, approx. EUR 50m
- Investment costs lower than planned for 2010 – expected to be higher 2011
 - Prolonged execution period for some of the initiatives – unchanged long-term plans
 - Total investment cost in Q3 approx. EUR 66m of which EUR 26m accounted for as expenses in income statement

Key messages

- Strong quarter
 - Record income and one of the highest ever operating profits reported
- High customer activity
 - Customer business continues to grow
 - Increased income within all corporate segments
 - Strong trend in AuM remains – net inflow 8% annualised
- Strong customer inflow
 - More than 150,000 new Gold and Private Banking customers in 2010
- Successful execution of our growth initiatives



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