



First Quarter Report 2011
Telephone conference
28 April 2011



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

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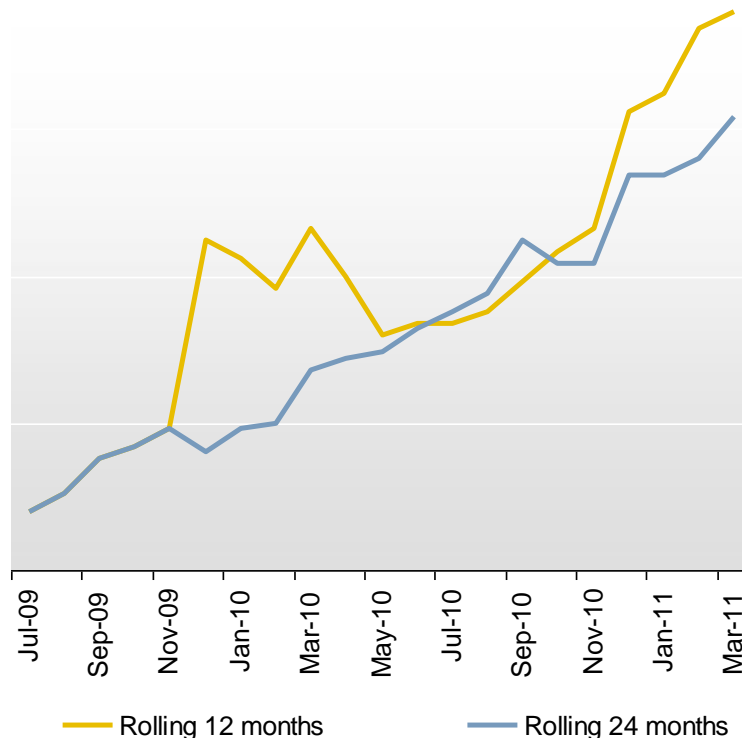
First quarter results

Result highlights

EURm	Q1/11	Q4/10	Chg %	Q1/10	Chg %
Net interest income	1,324	1,365	-3	1,235	7
Net fee and commission income	602	618	-3	475	27
Net result items at fair value	544	504	8	548	-1
Other income	40	20		45	
Total income	2,510	2,507	0	2,303	9
Staff costs	-768	-675	14	-687	12
Total expenses	-1,265	-1,270	0	-1,164	9
Profit before loan losses	1,245	1,237	1	1,139	9
Net loan losses	-242	-166		-261	-7
Operating profit	1,003	1,071	-6	878	14
Net profit	742	770	-4	643	15
Risk-adjusted profit	771	721	7	678	14

High business activity in all segments

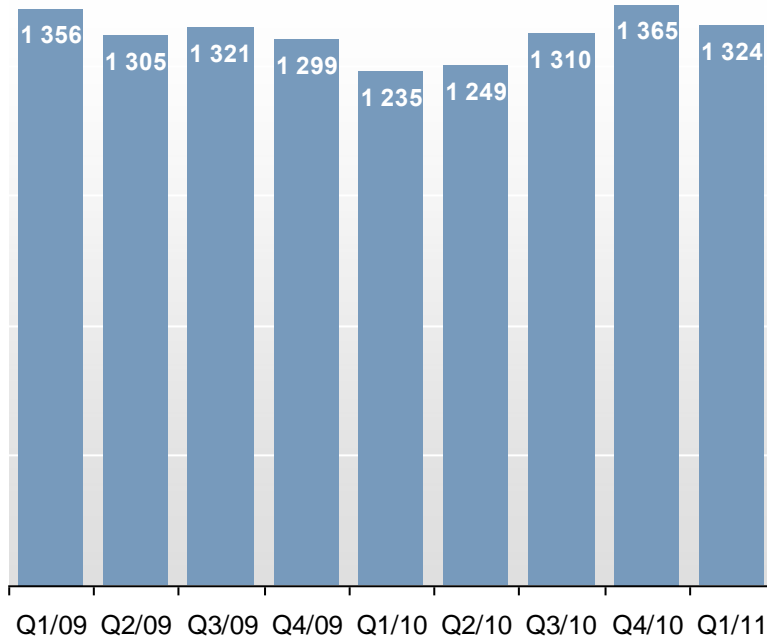
Total income monthly average



- Solid growth trends in relationship segments¹
- Strong momentum in customer business

Stable net interest income

Net interest income, EURm



- Solid trend in customer areas
- Deposit volumes and margins continue to increase
 - Limited loan demand from large corporates
 - High capital markets activity
 - Household lending up 4% annualised
- Two fewer days Q-o-Q
- Increased funding cost for liquidity buffer
 - Reduced interest rate risk in Group Funding

Change in net interest income

	Q1oQ4	YoY
Volume-driven Nordic markets in local currencies	-3	30
Corporate lending volumes	-5	8
Household lending volumes	3	21
Corporate deposit volumes	-1	-2
Household deposit volumes	0	3
Margin-driven Nordic markets in local currencies	26	61
Corporate lending margins	1	8
Household lending margins	12	-4
Corporate deposit margins	3	20
Household deposit margins	10	37
Lower return on allocated capital, FX effects and other	-2	-34
Nordic Banking	21	125
New European Markets	0	10
FID	-3	-1
Shipping	0	13
Other, incl. Group Treasury	-59	-58
Total	-41	89

Interest rate sensitivity

- 3 components

- Increased sensitivity to EUR 540m
- Structural interest income risk (SIIR)
 - Reflecting the effect on NII from re-pricing gaps¹
 - Reduced interest risk in Group Funding to prepare for higher interest rates
- Dynamic effects on net interest income
 - Changes in deposit margins – mainly transaction accounts

Increased market rates, 100bps

Q1/11

EURm

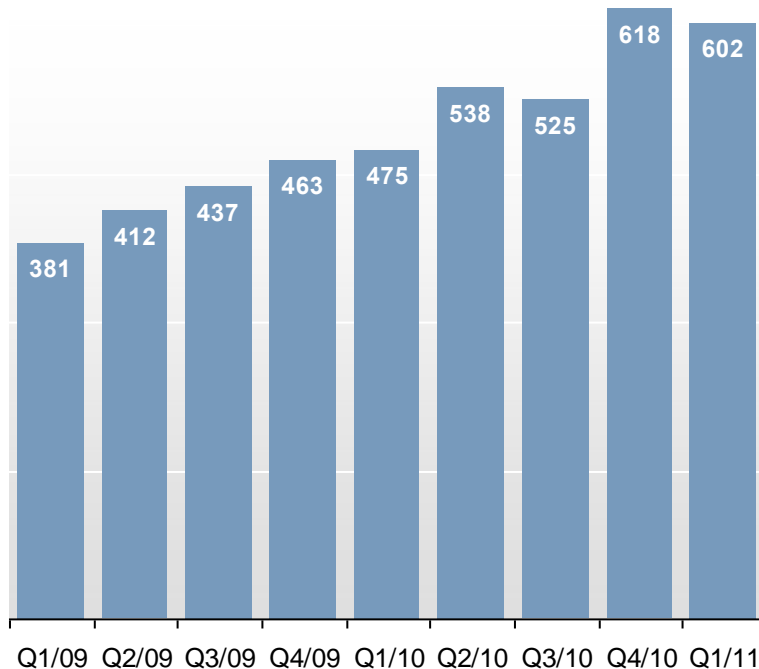
Net Interest Income, rolling 12 months annualised approx

540

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 strong

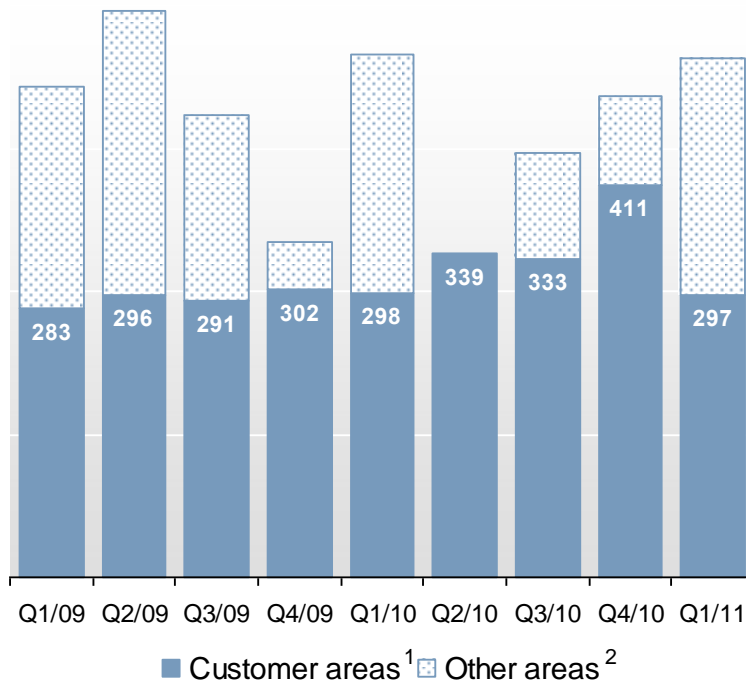
Net fee and commission income, EURm



- Down 3% from high level
 - Seasonal effects
- Asset management commissions continue to increase
 - 89% of all composite index outperform index over the past 36 months
- Record high level of premium income in Life & Pensions
- Higher lending commissions

Fair value result up 8%

Net result from items at fair value, EURm



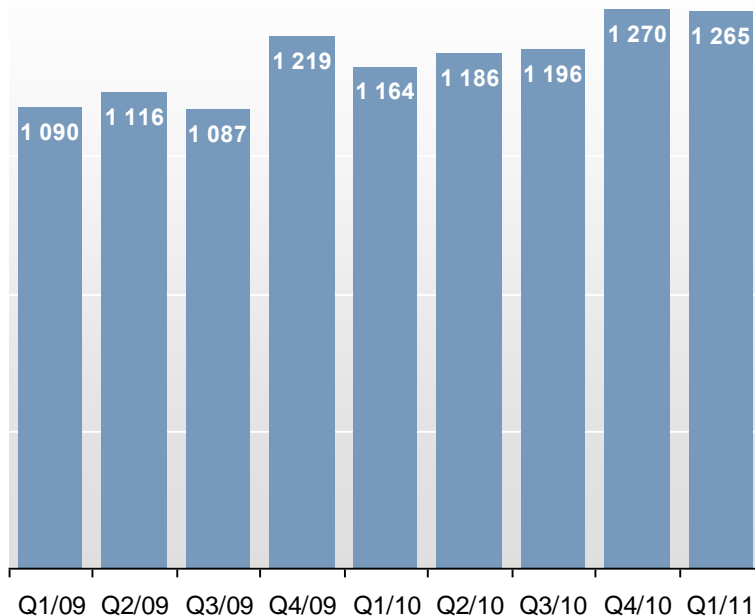
- Customer areas continue to perform well
- Good trading environment
- Strong results in Group Corporate Centre

¹ Nordic Banking, SOSI, NEM, FID, Life and Int'l PB

² Group Treasury and Capital Markets unallocated

Expenses down Q-o-Q

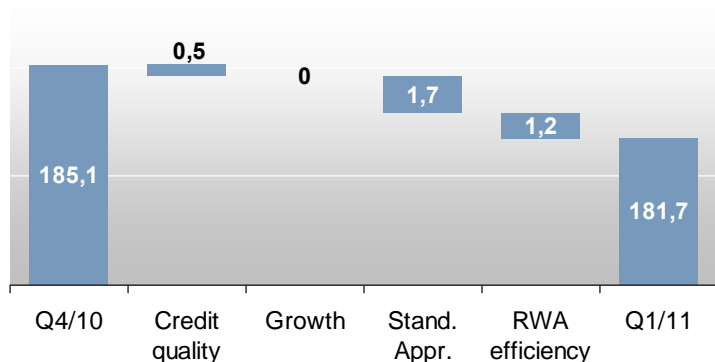
Total expenses, EURm



- Expenses down 6%, adjusted for FX and one-off gain in 4Q10
- Currency effect of 4% y-o-y
- Number of staff up 2% y-o-y

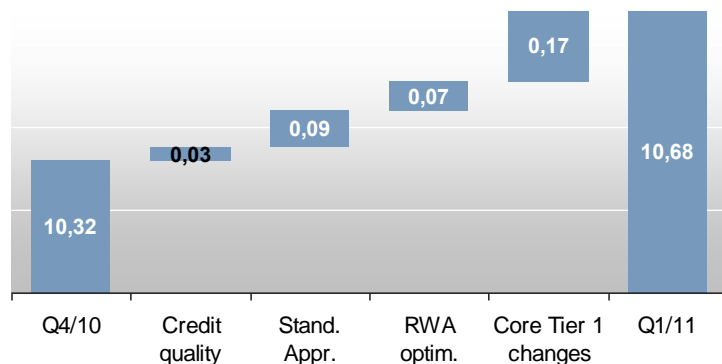
Risk-Weighted Assets and Core Tier 1 ratio

RWA Q1 change, EURbn



- RWA excl transition rules down 1.8% driven by
 - RWA optimisation activities
 - Improved credit quality
 - Lower volumes in international network

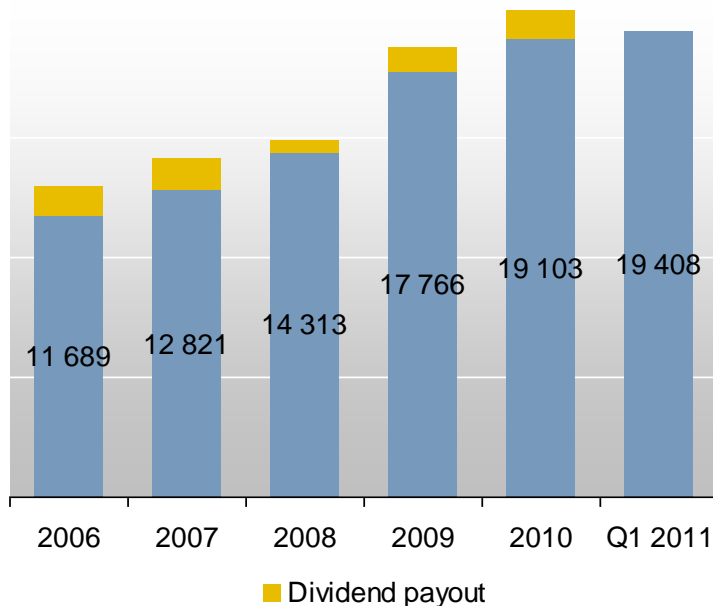
Core Tier 1 change Q1, %



- Strengthened core tier 1 ratio – up 36bps

Strong capital generation

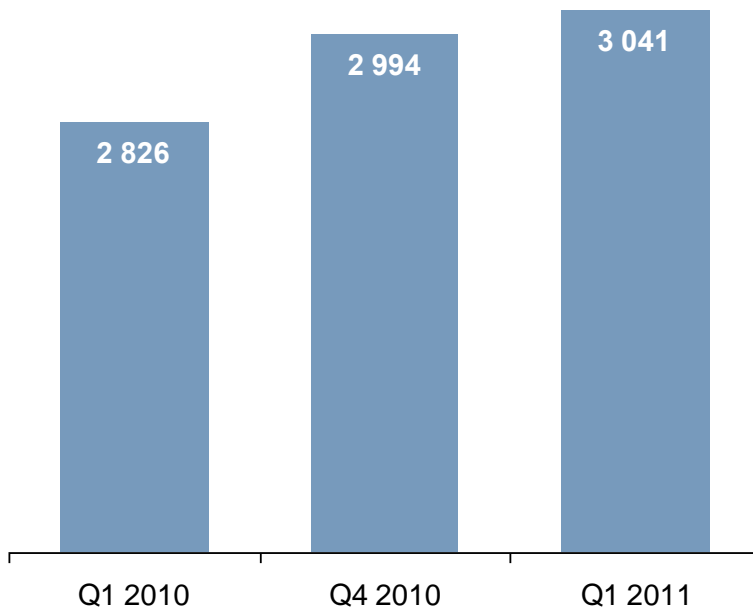
Core tier 1 capital, EURm



- Ability to adjust asset growth without jeopardising returns
 - CAGR in core equity of 9.1% after dividend and rights issue

Customer acquisition trend continues

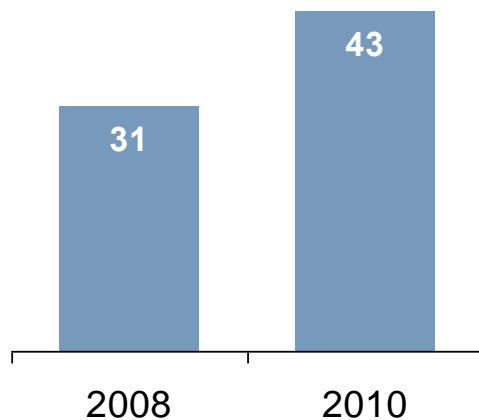
Number of Gold and Private Banking customers¹, 000



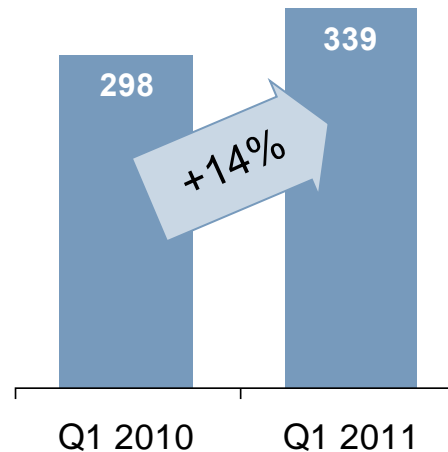
- Award-winning value proposition continue to attracts customers in relationship segments
 - Gold and Private Banking customers increased by 47,000 in Q1
 - Increase by 6% p.a since 2007

Growth in CMB mainly driven by ancillary business

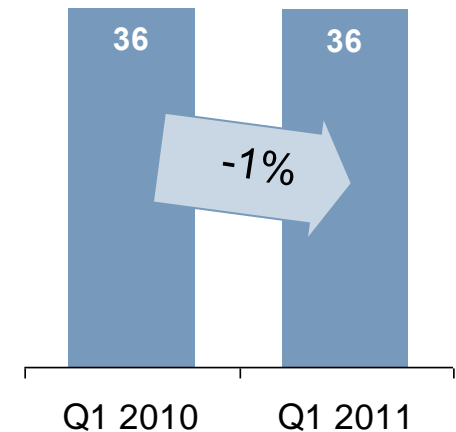
CMB Sweden "lead relationships" %¹



Revenues, EURm



Lending, EURbn



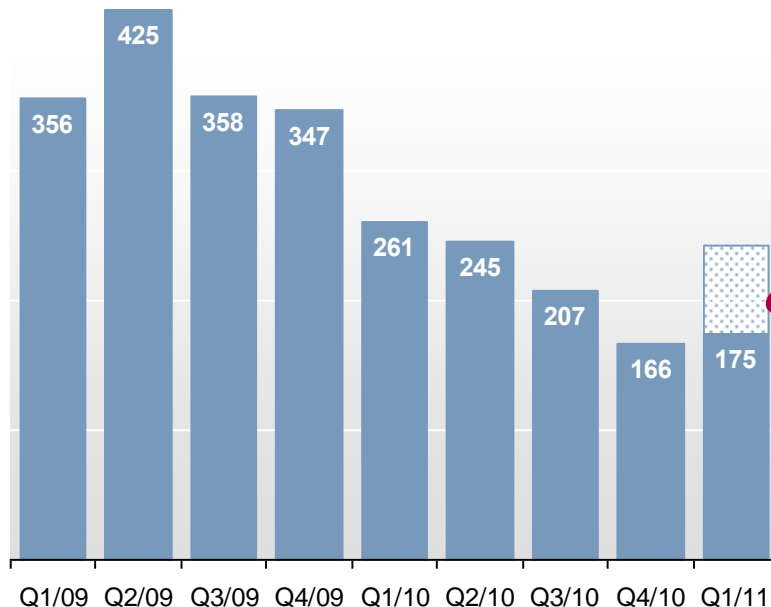
- ✓ Leading corporate relationship bank in 3 of the 4 Nordic markets



Credit quality

Net loan losses on low levels

Net loan losses, EURm



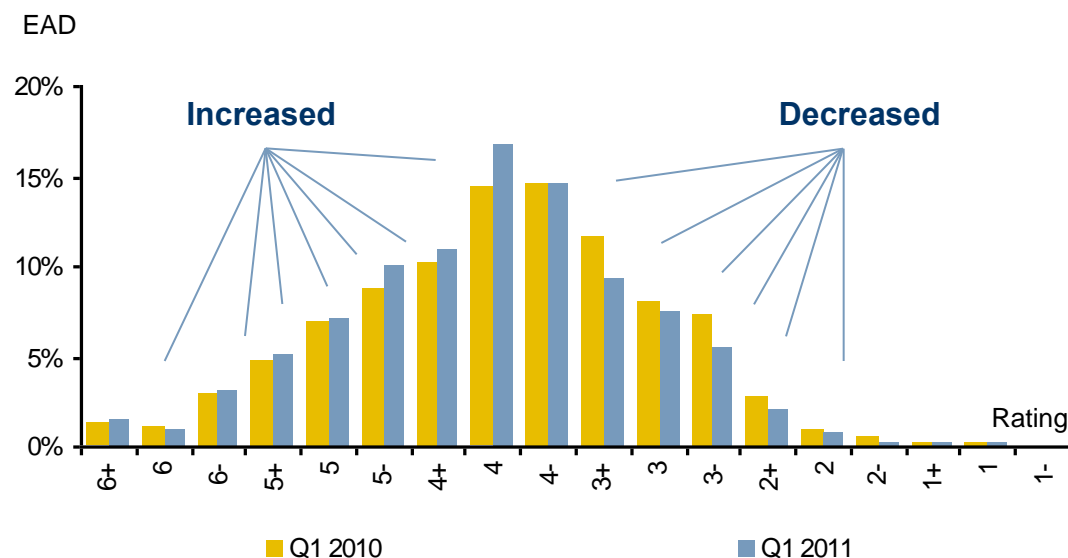
■ Provision related to Amagerbanken default EUR 67m

- 22bps¹ – in line with expected losses over a business cycle
- EUR 67m from Amagerbanken – Danish deposit system provision
- Write-backs in the Baltics

22bps¹

Improved credit quality

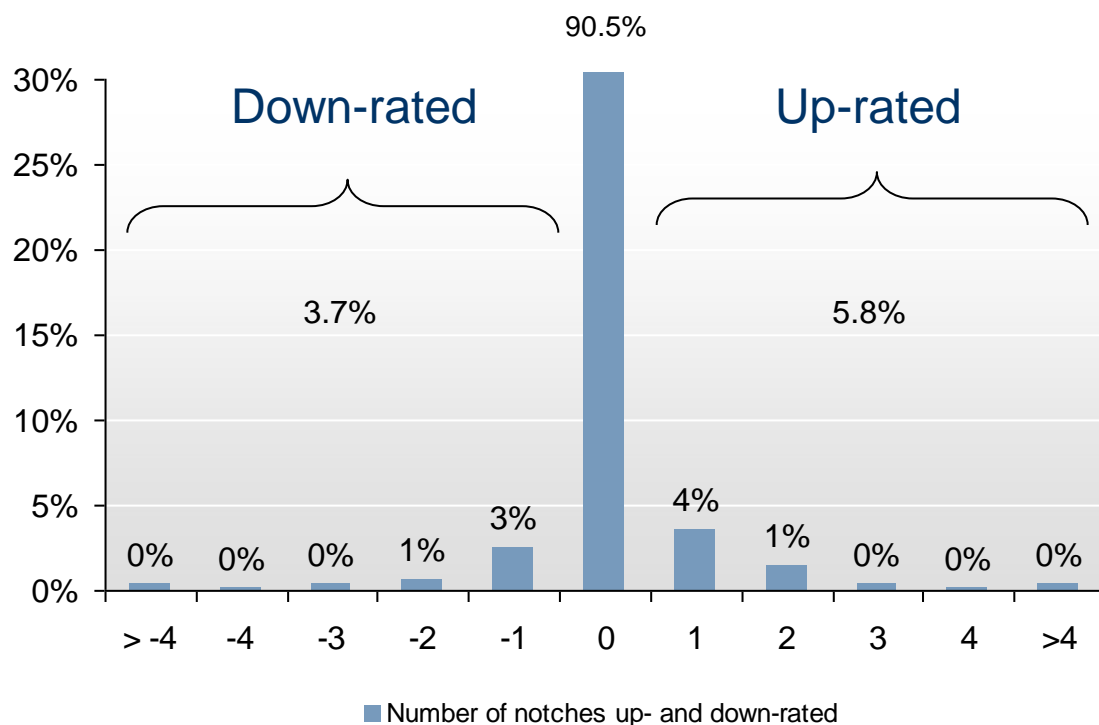
Corporate rating distribution



- Positive rating migration continues
- Reducing RWA by EUR 0.5bn

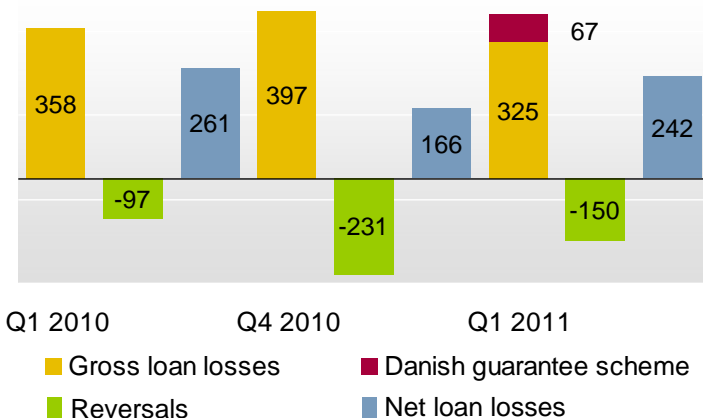
Continuous improvements in net migration

Corporate rating migration Q410 / Q110



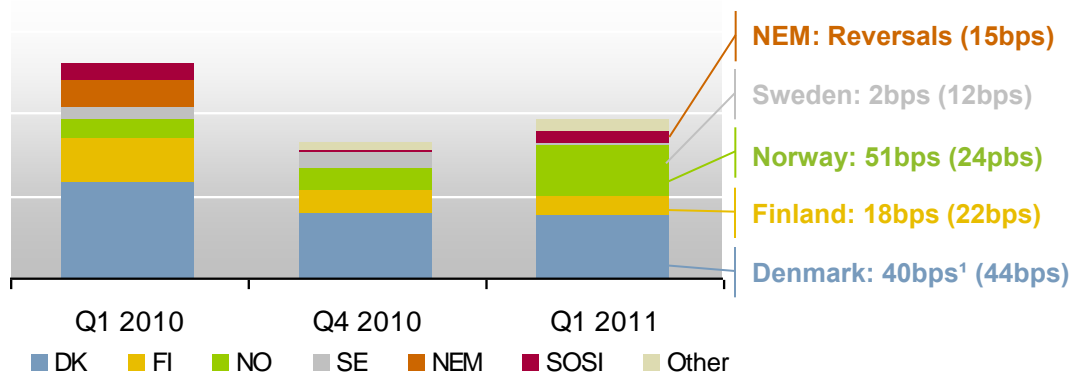
Stable net loan losses

Loan losses, EURm



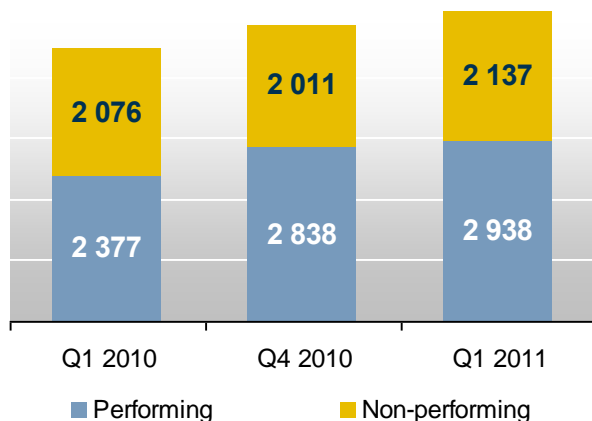
- Provisions up from low levels in Norway
 - Large provisions in corporate segment
- Write-backs in the Baltic countries

Net loan losses per area, EURm



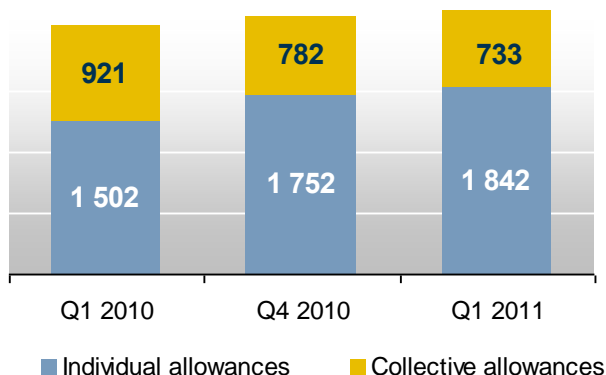
Impaired loans

Impaired loans, EURm



- Impaired loans ratio down to 141bps (146bps)
- Impaired loans gross up 5%
 - 58% performing
- Provisioning ratio down to 51% (52%)

Total allowances, EURm



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



The Nordea platform – strong starting point

Relationship strategy delivers

Household

- ✓ Move existing customers up to relationship segments
- ✓ Attract new customers to relationship segments
- ✓ More adviser time freed up and lower cost by multichannel

Corporate

- ✓ Increase market share with largest customers
- ✓ Proactive advice on risk management 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

The platform is being upgraded

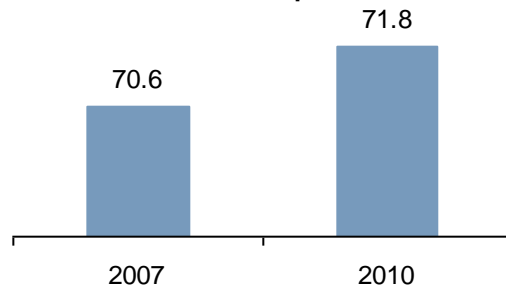
	Infrastructure	Product platforms	Distribution & capabilities	
PB	<div>IT infrastructure<ul style="list-style-type: none">NTPNew IBM contractFinance processes</div> <div>Admin processes<ul style="list-style-type: none">Operations centre in Poland</div>	Integrated savings offering	New customer acquisition (PB, Gold)	
Household		Multi-channel offering	Branch network focus on advice not manual service transactions	
Corporate				
CMB		Scale in product solutions	Market products to Corp.	Corporate Finance & Equities
Shipping	New markets platform – straight through processes	<ul style="list-style-type: none">CardsPayments		
Markets				
NEM	New IT platform Russia	Growth Plan Poland		

What the platform delivers

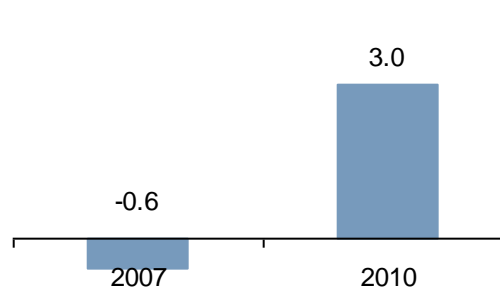
- Increased customer acknowledgement
- Improved market positions
- Productivity and efficiency
- Low risk
- Strong financials

Increased customer acknowledgement and improved market positions

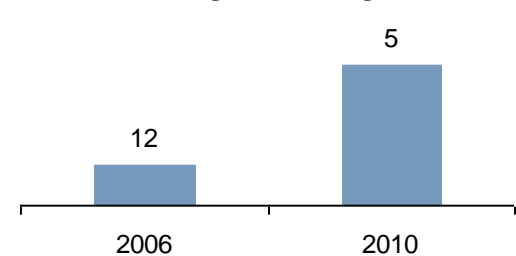
Total Group CSI



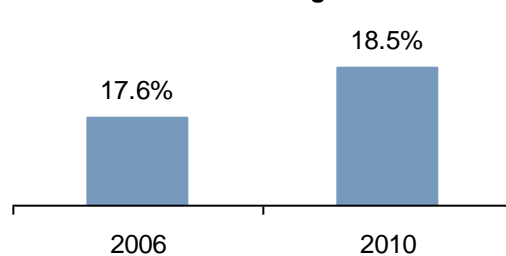
CSI gap to peers



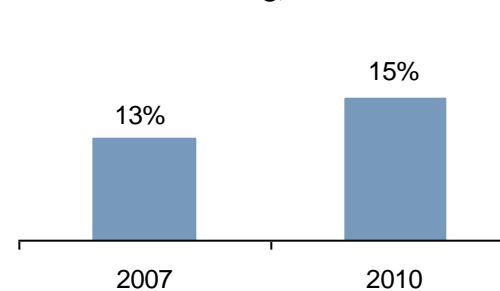
Position in Prospera equity ranking, Nordic avg.



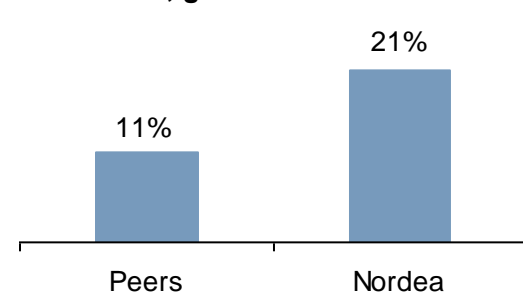
Household lending market share Nordic avg.



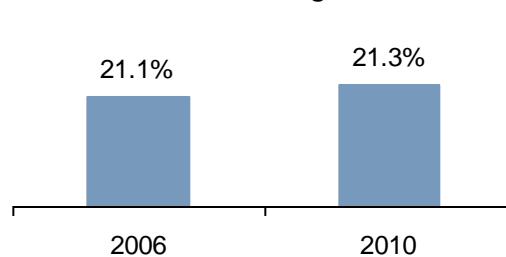
Private Banking, market share



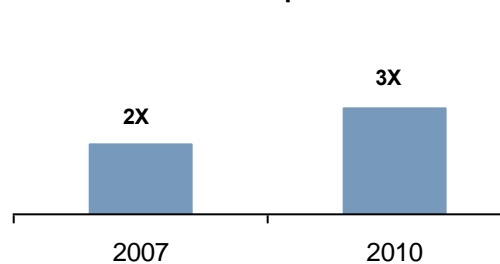
AuM, growth 2007-2010*



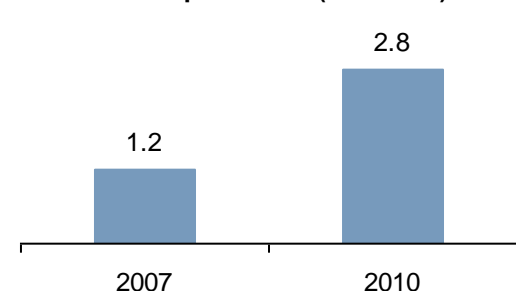
Corporate lending market share Nordic avg.



Capital Markets income relative to best peer

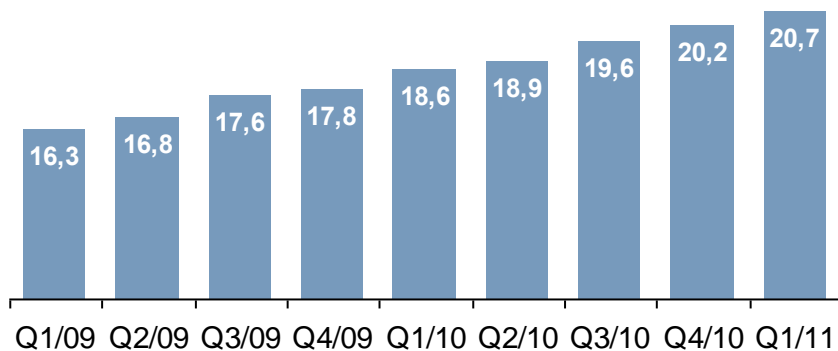


Unit Link premiums (EURbn***)

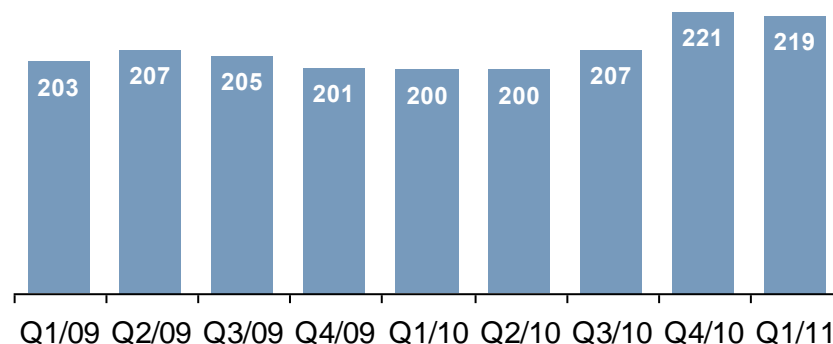


Improved productivity and efficiency ratios

Business volumes¹/FTE, EURm

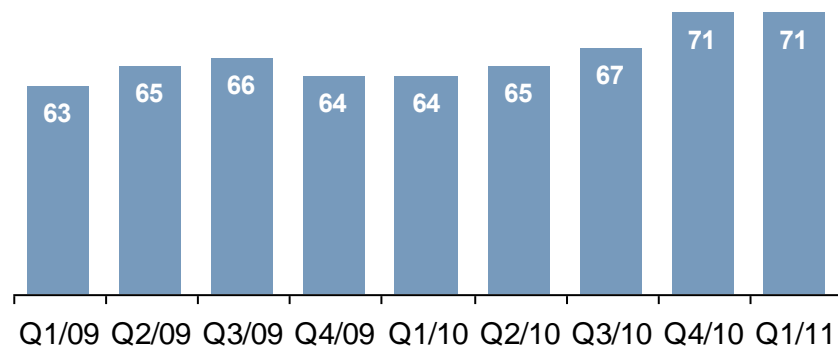


Income/customer, EURt

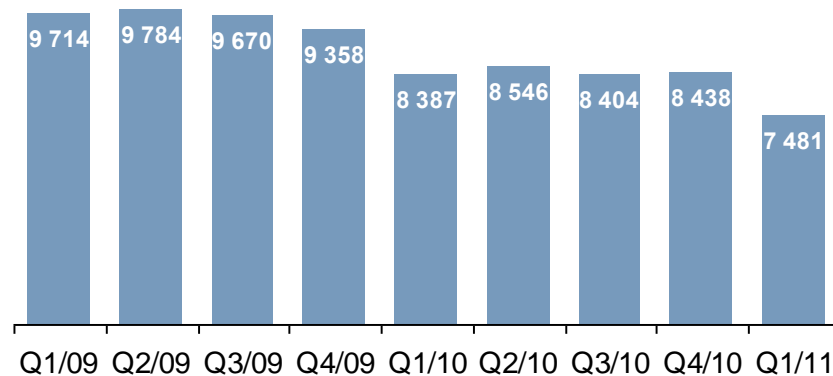


¹Lending, deposits & AuM

Income/FTE, EURt

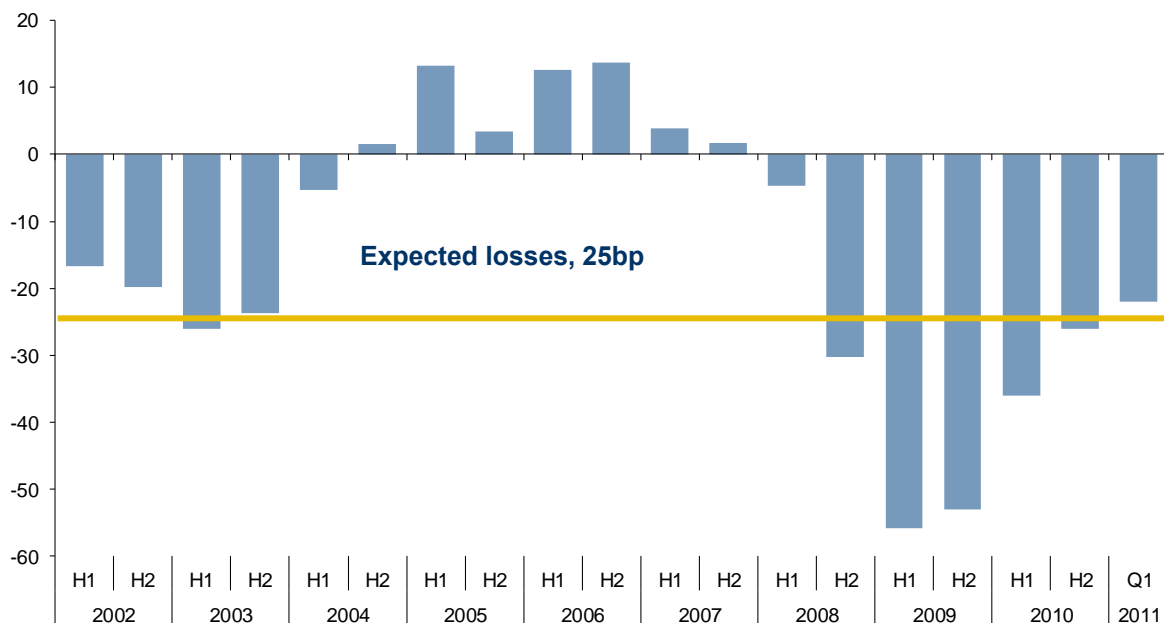


Manual transactions in branch network, '000



Loan losses in line with expected losses over a business cycle

Loan losses, bps

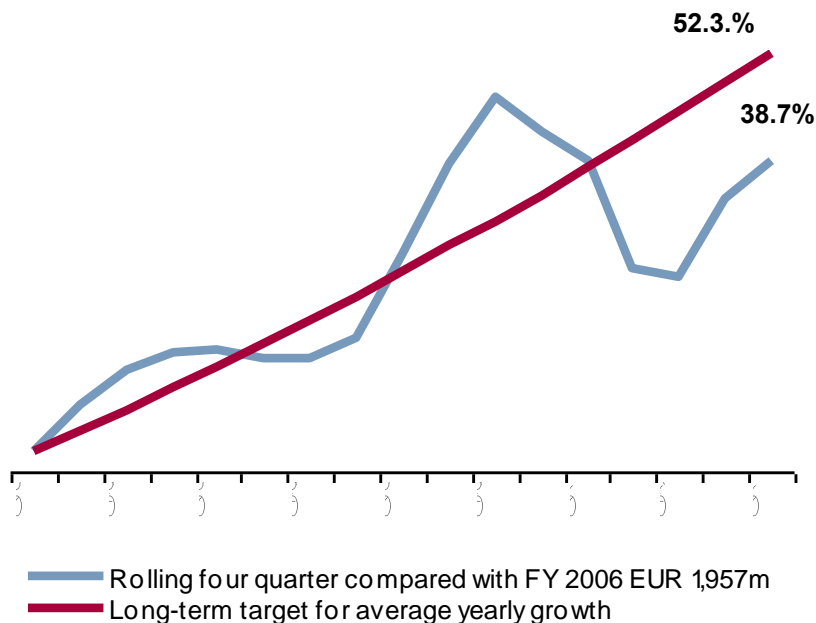


Income statement 2010, EURm

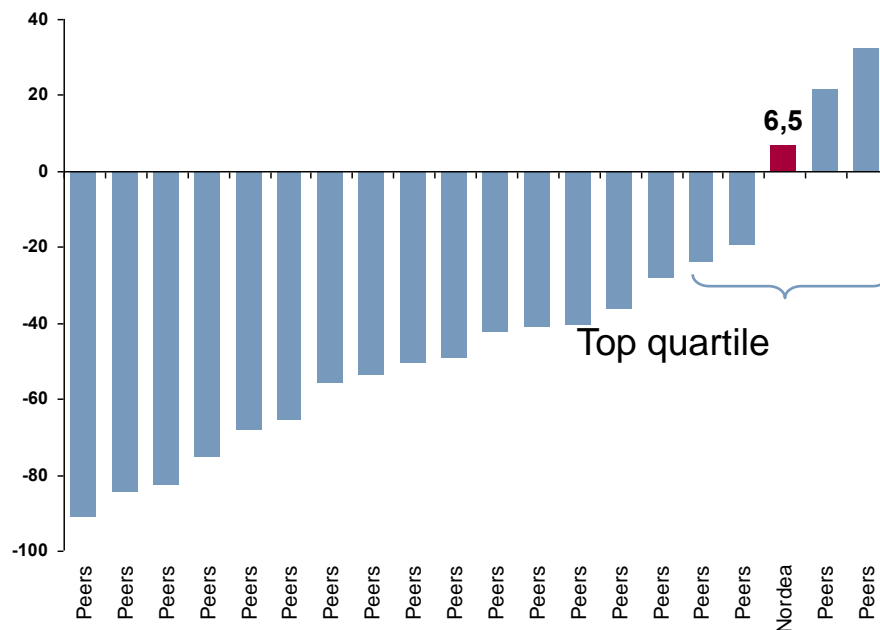
Total operating income	9,334
Total operating expenses	-4,816
Profit before loan losses	4,518
Net loan losses	-879

Top-league risk-adjusted profit and shareholder return

Risk-adjusted profit, 2007 - 2011 Ytd



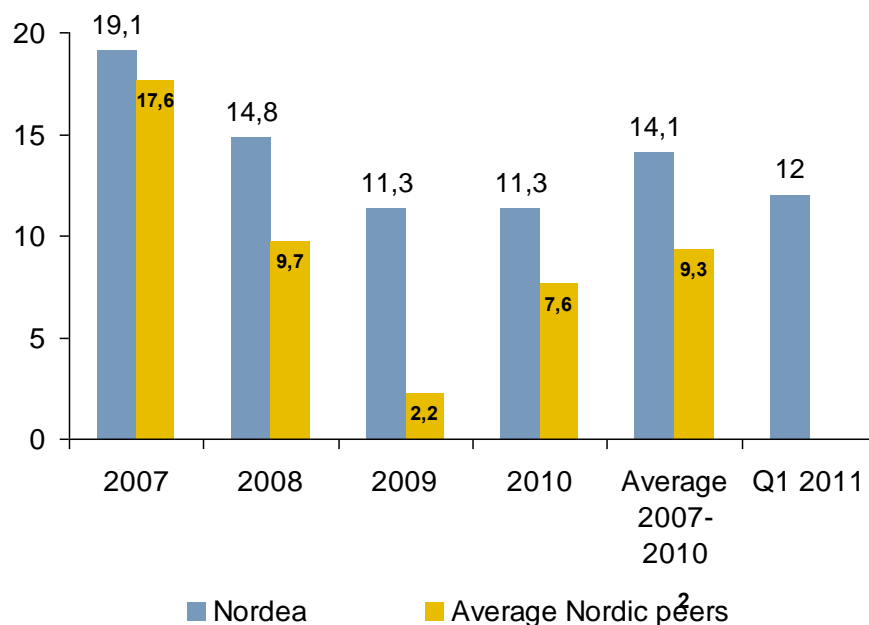
Total shareholder return, 2007 - 2011 Ytd



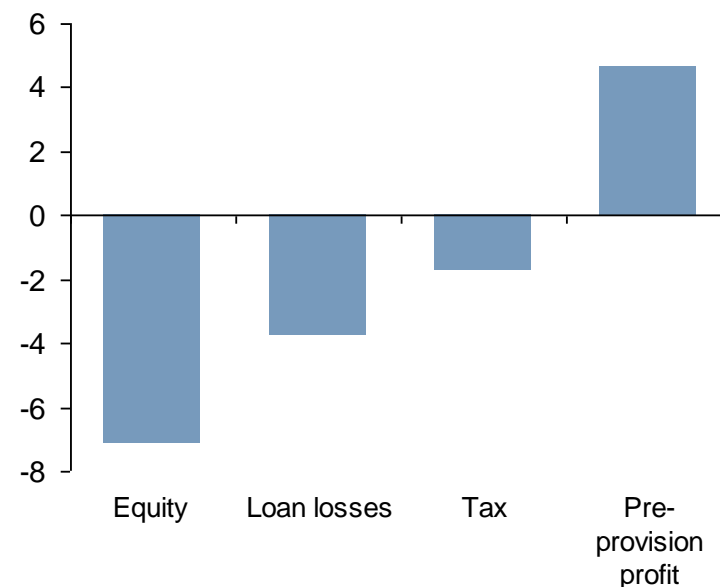
Best in class profitability

- Positive impact from operational performance

Adjusted¹ Return on Equity 2007- 2011 Ytd



2010 RoE impact from different variables compared to 2007, %



¹ To be comparable RoE is adjusted for one-offs

² Nordic peers as per Q3: Danske Bank, DnB NOR, SEB, SHB, Swedbank

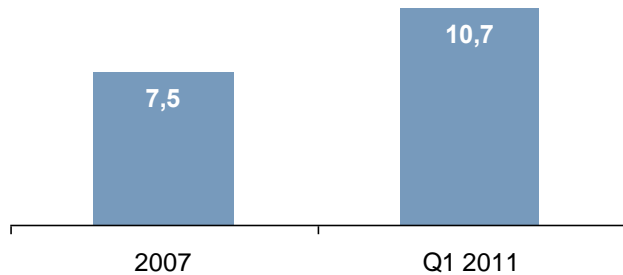


Adapting to New Normal

Changed environment – higher raw material costs

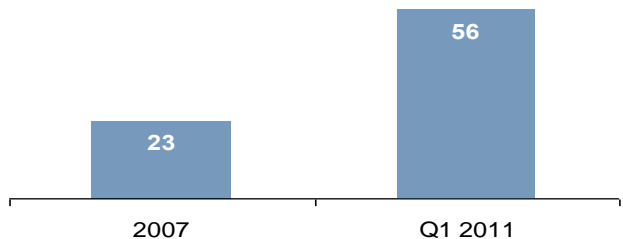
Core Tier 1 capital ratio (excl. Hybrids), %

Increased capital requirements...



Liquidity buffer, EURbn

...as well as liquidity buffer



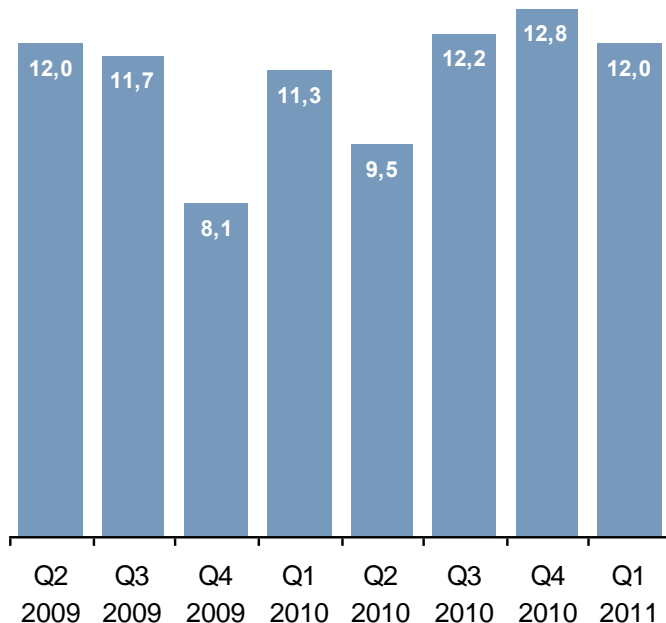
Average bond maturity, years

...and prolonged long-term funding



Committed to continue deliver RoE in the top league

Return on Equity (RoE)



- Best performing European banks will probably reach ROE levels of around 15%
- Nordea is committed to take necessary steps to maintain position in the top league

Increase capital efficiency

- Negative effect from new regulations is expected to be offset by:
 - Advanced IRB
 - Efficiency gains - optimise use of RWA
 - Mitigation actions – less capital intensive solutions
 - RWA efficiency initiatives covering processes, data and methodologies
- Focus on capital light products

Increase focus on cost efficiency

- Adjust group initiatives to mainly support efficiency and profitability
- Level of cost increase will be reduced during 2H2011¹
 - Continuing into 2012

New organisation - focus on momentum and efficiency

- Three main Business Areas
 - Retail Banking
 - Wholesale Banking
 - Wealth Management
- All parts of value chains to be incorporated
- Objective to improve efficiency, increase RoE and deepen customer relationship

Changes in the Group Executive Management

- Peter Schütze to retire from Nordea

Two new members:

- Torsten Hagen Jørgensen

Head of Group Operations and Other Lines of Business



- Peter Nyegaard

Chief Operating Officer of Wholesale Banking



Key messages

- ✓ Strong business momentum continues
- ✓ Strong platform and relationship strategy delivers
- ✓ Taking Nordea into New Normal
- ✓ Maintain business momentum and focus on returns
 - ✓ Capital efficiency
 - ✓ Cost efficiency
 - ✓ RoE



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