



Second Quarter Report 2011
Press and analyst conference
19 July 2011

Christian Clausen
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, (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

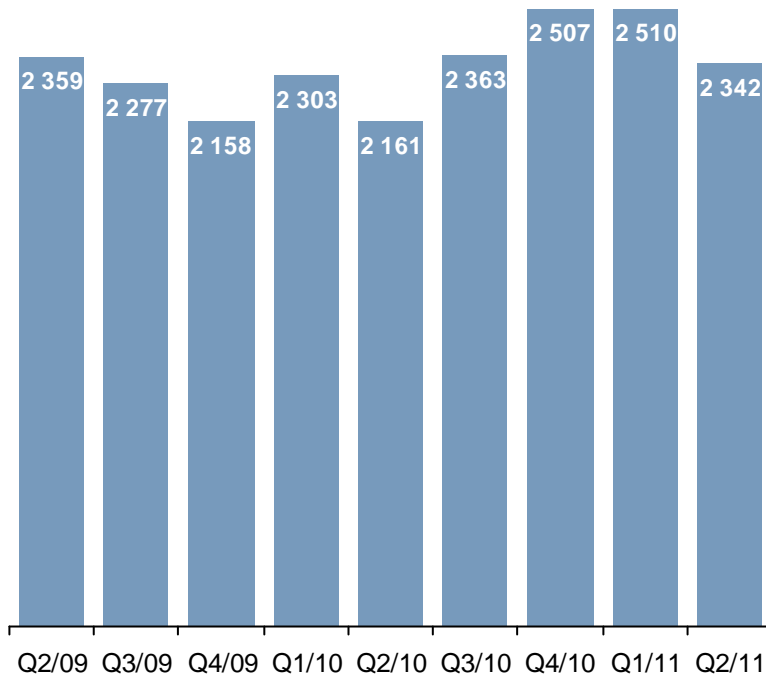
- **Solid business momentum is maintained**
 - Good revenue growth in customer areas
 - Trading result down from last quarter's high level
 - Loan losses are at the lowest level since 2008
- **A solid foundation for implementing new normal plan**
 - **Ambition:** ROE in top league of European banks ~15%
 - **Cost efficiency:** Implement plans to contain cost growth and thereafter keep costs largely unchanged for a prolonged period of time
 - **Capital efficiency:** Ensure moderate RWA increases, despite continued income growth

Result highlights

EURm	Q2/11	Q1/11	Chg %	Q2/10	Chg %
Net interest income	1,326	1,324	0	1,249	6
Net fee and commission income	623	602	3	538	16
Net result items at fair value	356	544	-35	339	5
Other income	37	40	-8	35	6
Total income	2,342	2,510	-7	2,161	8
Staff costs	-744	-768	-3	-701	6
Total expenses	-1,275	-1,265	1	-1,186	8
Profit before loan losses	1,067	1,245	-14	975	9
Net loan losses	-118	-242	-51	-245	-52
Operating profit	949	1,003	-5	730	30
Net profit	700	742	-6	539	30
Risk-adjusted profit	643	771	-17	516	25

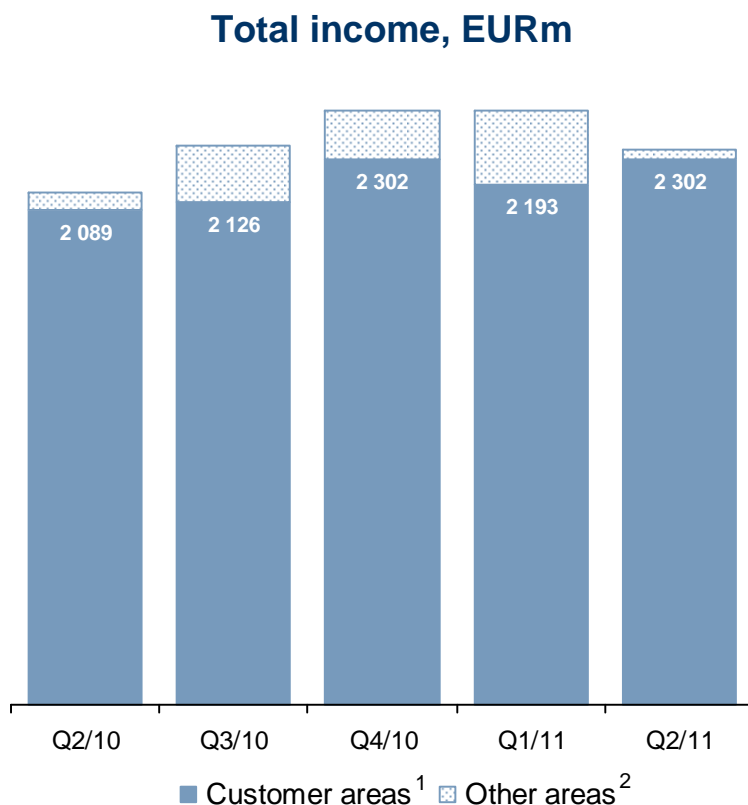
Stable total income after strong Q1

Total income, EURm



- Continued strengthening of relationships
 - Strong trend in customer areas
- Trading result has decreased from last quarter's high level

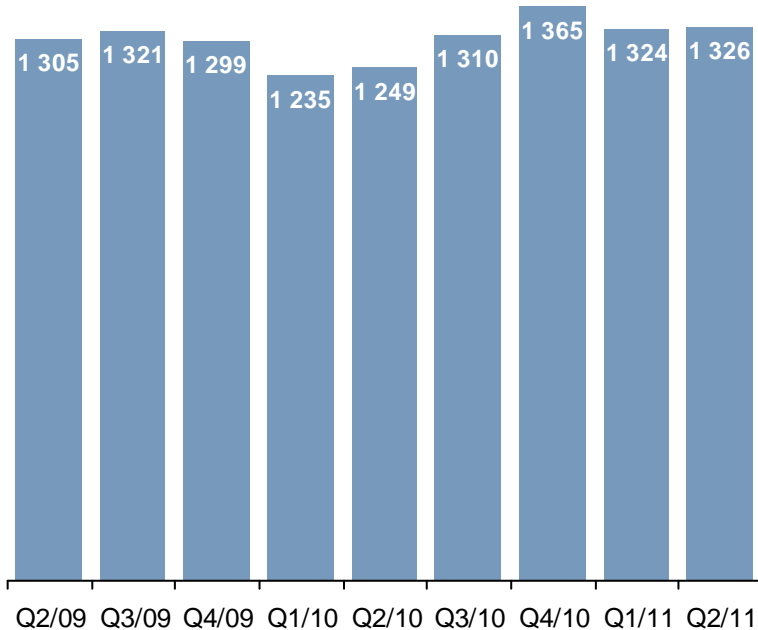
Solid growth in customer areas



- Income up 5% in customer areas q-o-q and 10% compared to Q210
- Volatility in financial markets has lowered the trading result from last quarter's high level
- Increased and prolonged funding

Net interest income – solid trend in customer areas

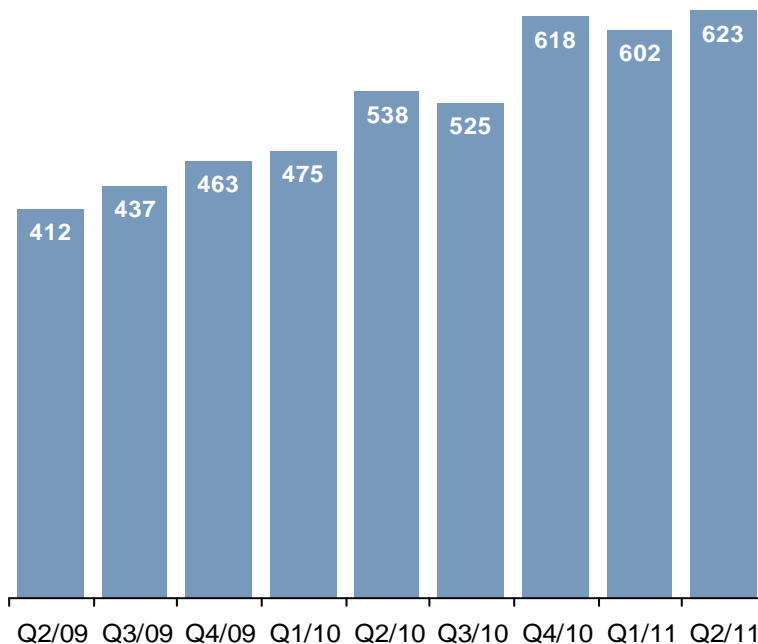
Net interest income, EURm



- Deposit volumes and margins continue to increase
- Lending volumes increases and stable lending margins
- Lower level in Treasury
 - Increased and prolonged funding
 - Reduced return on liquidity buffer

Record high net fee and commission income

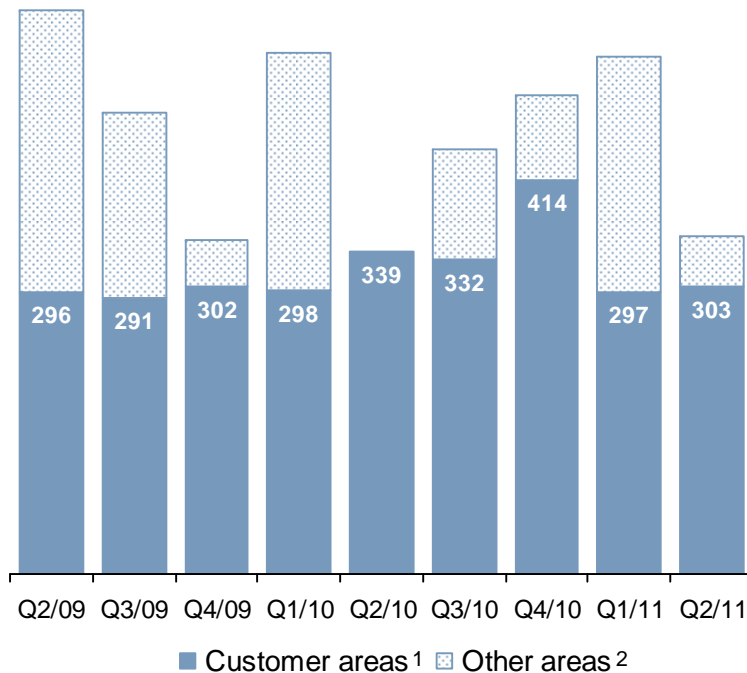
Net fee and commission income, EURm



- Increase of 3%
- Savings commissions remain on a high level
- Good trend in payment commissions

Fair value result affected by market turmoil

Net result from items at fair value, EURm

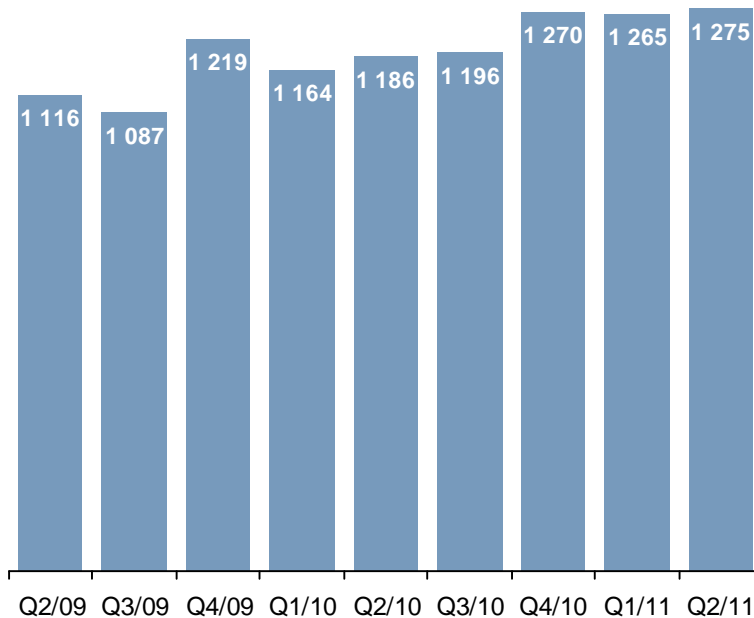


- Stable trend in customer areas
- Difficult trading conditions due to financial turmoil
- Lower risk appetite from investors

Expenses largely at the same level as in Q111

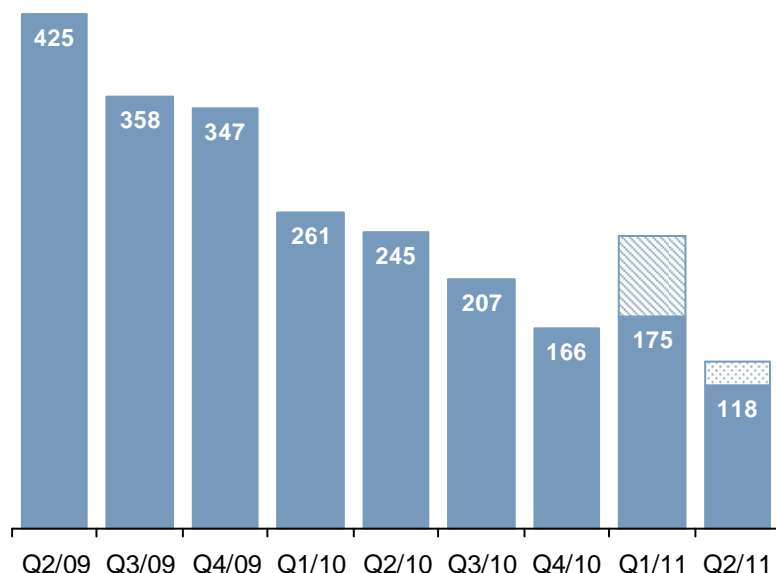
Total expenses, EURm

- Staff cost decreased by 3%



Net loan losses on low levels

Net loan losses, EURm



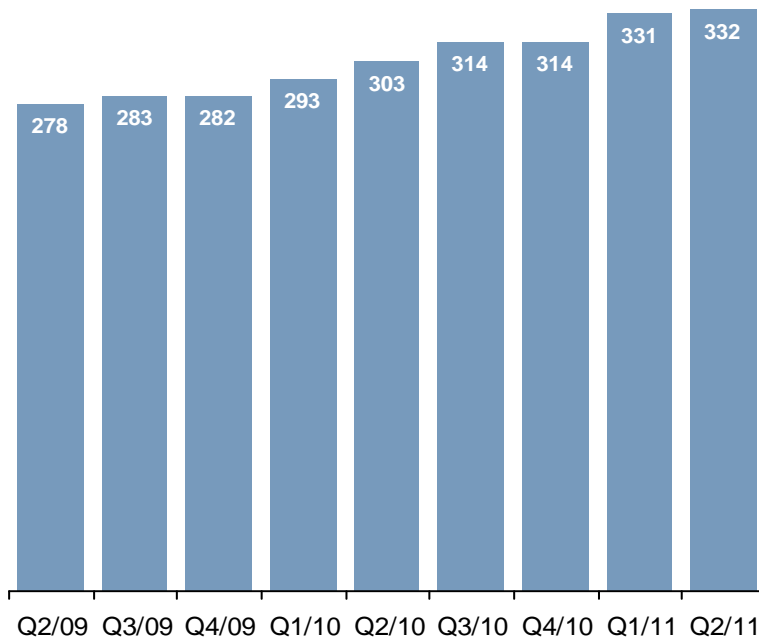
■ Provision related to Danish deposit system, EUR 20m

- 12bps¹ – the lowest level since Q208
- Denmark shows clear signs of improvement
- EUR 20m from Danish deposit system provision

12bps¹

Total lending is up 10% vs. Q210

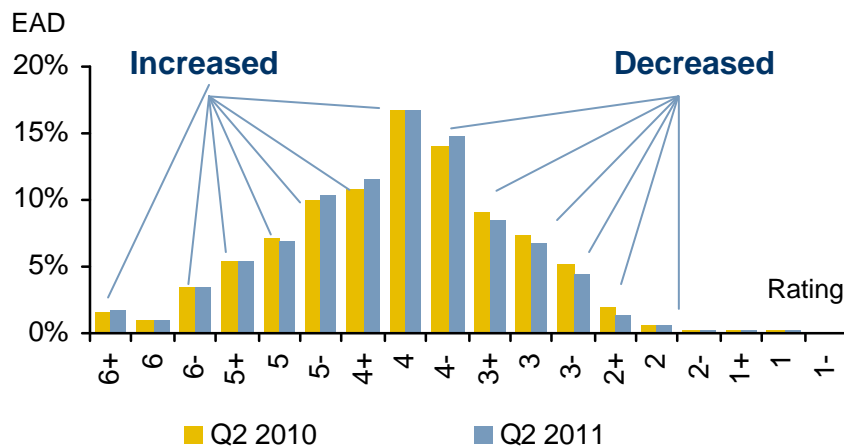
Total lending, EURbn



- Corporate and household lending is up 2% q-o-q in local currencies
 - Increased demand from largest corporate

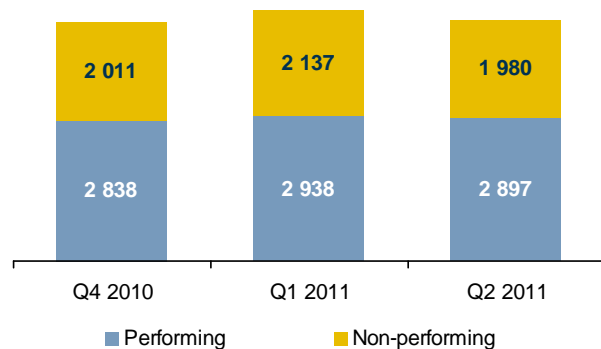
Improved credit quality

Corporate rating distribution



- In Q211 72% (70% in Q1) of the exposure is a high rating of 4- or higher

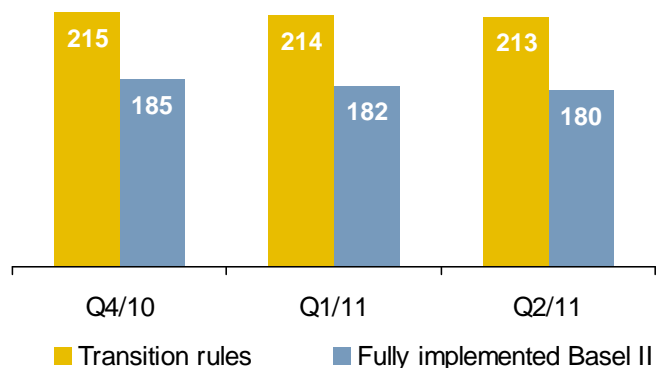
Impaired loans, EURm



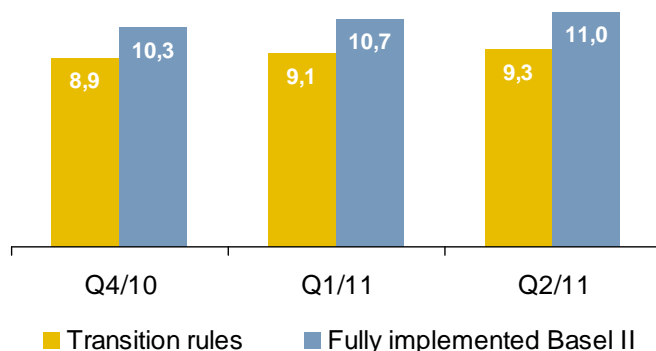
- Impaired loans down by 4%

Solid capital position

Risk-weighted Assets (RWA), EURbn



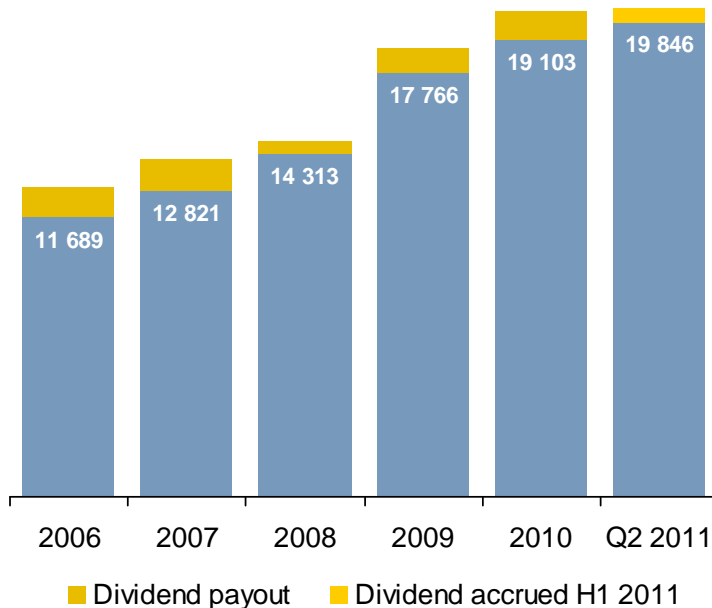
Core Tier 1 capital ratio (excl. Hybrids)



- Core Tier 1 ratio increased 70 bps in H1 2011
- Reduction in Risk Weighted Assets
 - Continued positive rating migration in corporate portfolio (2,4% vs 0,7% in Q1)
 - Optimization lowered RWA by EUR 1.7bn
- Improved Core Tier 1 supported by strong profit generation

Strong capital generation

Core Tier 1 capital, EURm



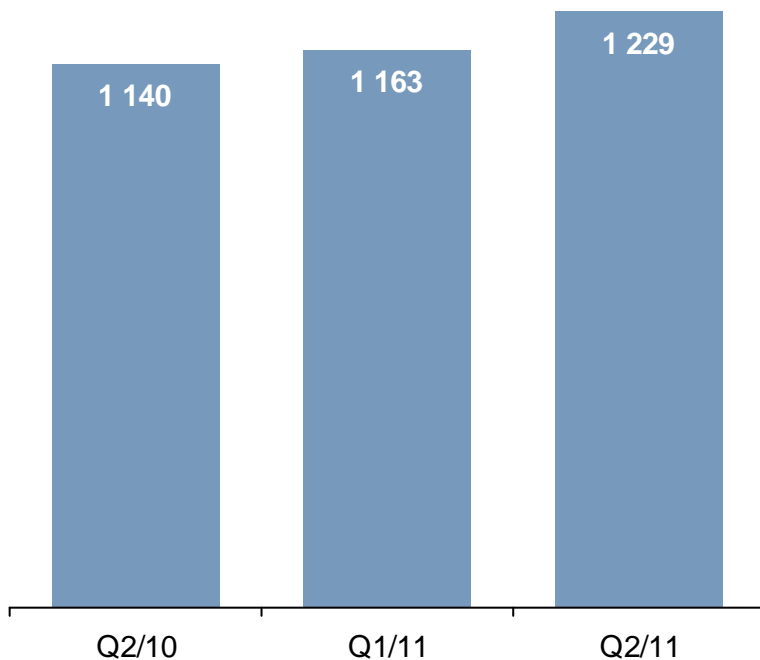
- CAGR in core equity of 9.1% since 2006
- High profitability in our capital position
- A key to maintaining high rating and low funding costs



Development per customer segment

Corporate customers

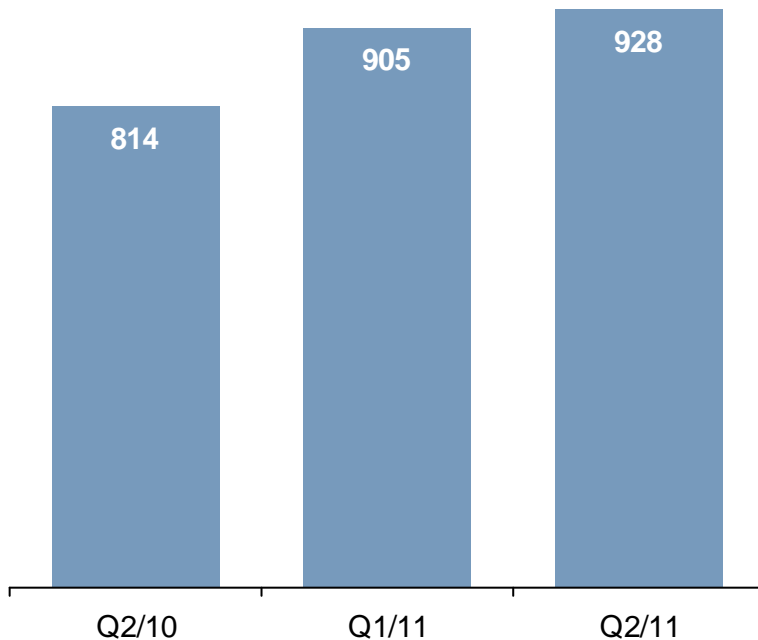
Corporate customer income, EURm



- Up 6% vs. Q111 and 8% vs. Q210
- Improved relationships in CMB segment – driver for ancillary income

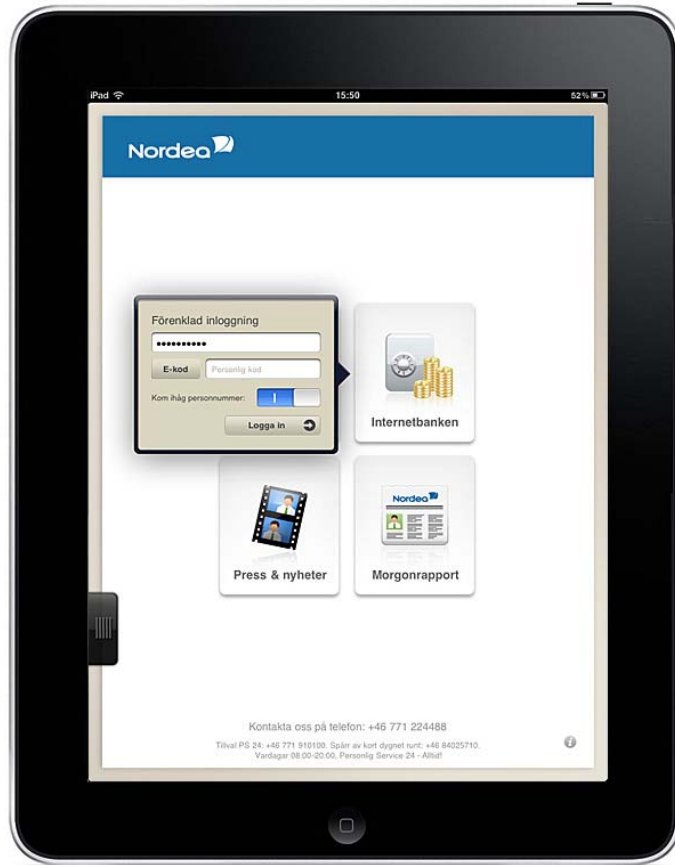
Household customers

Household customer income, EURm



- Up 2.5% vs. Q111 and 14% vs. Q210
- Increase in Gold customers by 41,000 in Q211 and by 183,000 since Q210
- Improved deposit margins

Increase in relationship channels



- New applications for smart phones and tablets
- 6.4 million e-banking customers
- 250,000 mobile banking customers
- Growing presence on Facebook



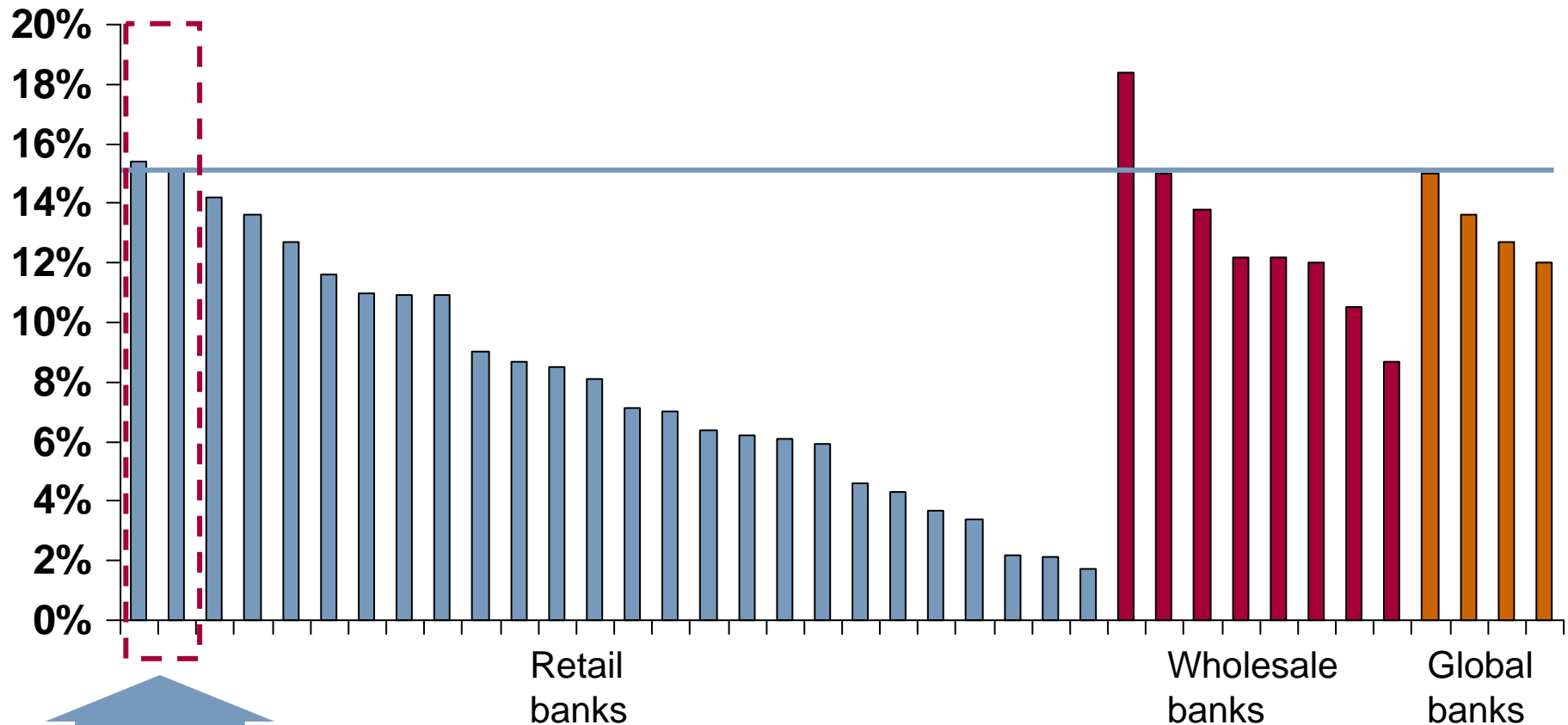
Adapting to the New Normal

New organisation from 1st June - focusing on momentum and efficiency

- Three main Business Areas:
 - Retail Banking
 - Wholesale Banking
 - Wealth Management
- Builds on the value chain thinking
- Objective to improve efficiency, increase RoE and deepen customer relationship
- Financial reporting will be changed in accordance with the new organisation from Q3 2011.

Nordea's ambition is to be top-league

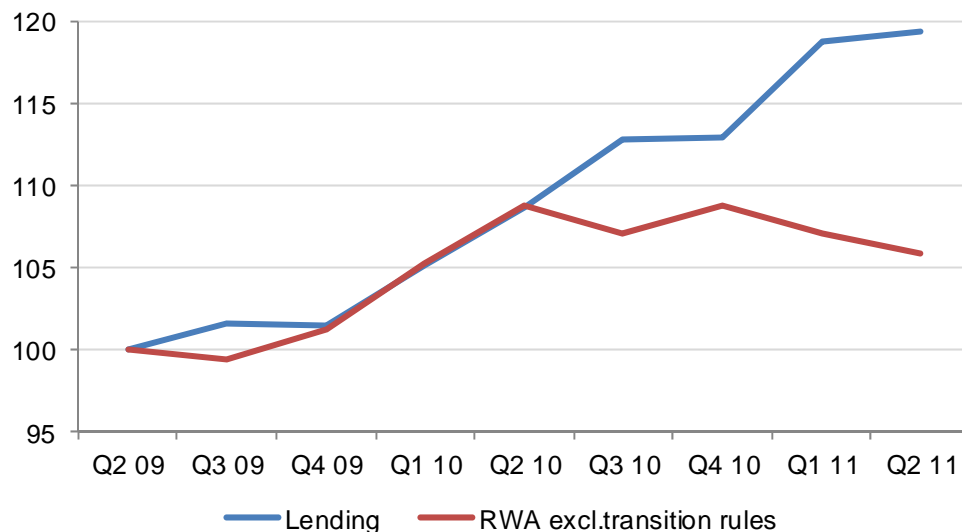
European banks ROE 2013



15% is
top-
league

Efficiency initiatives: Asset efficiency

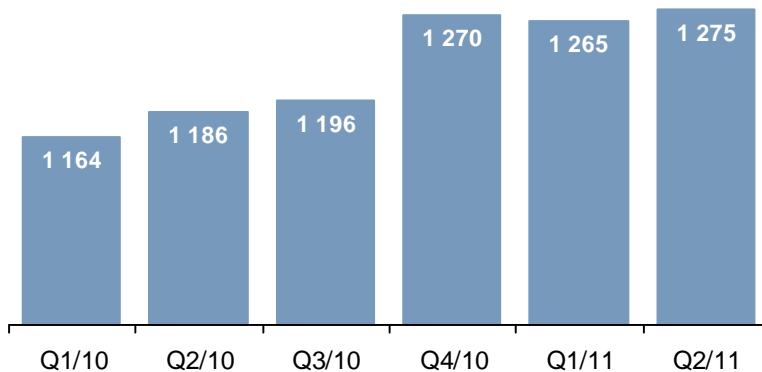
Risk-weighted assets excl. transition rules vs. total lending



- Low growth of risk-weighted assets
 - A decrease of 1% q-o-q
- RWA optimization and improved credit quality

Efficiency initiatives: Cost efficiency

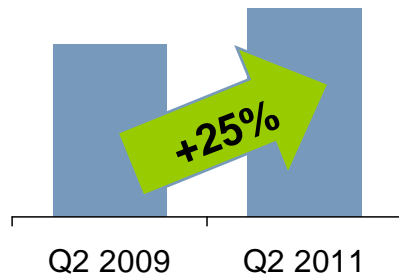
Total operating expenses. EURm



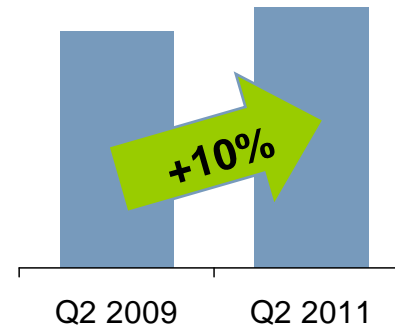
- Implement plans to contain cost growth
- Thereafter keep costs largely unchanged for a prolonged period of time

Improved productivity and efficiency ratios

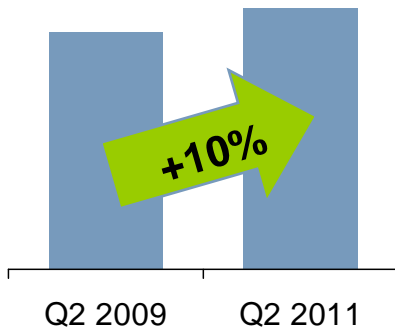
Business volumes / FTE



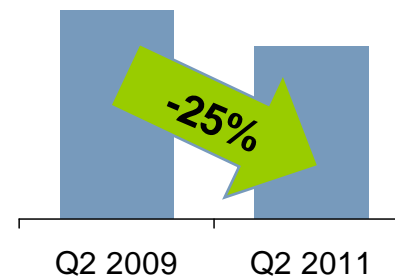
Netbank transactions



Income per customer

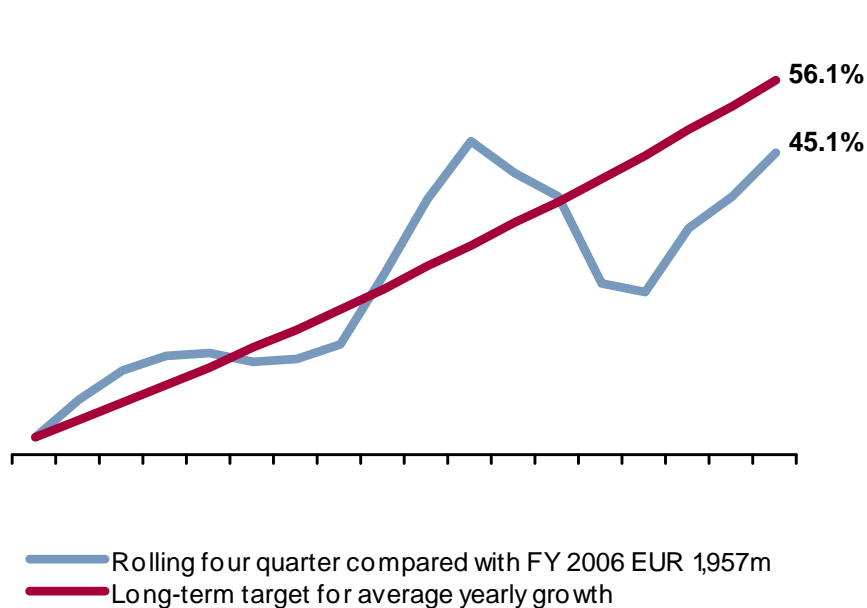


Manual branch transactions

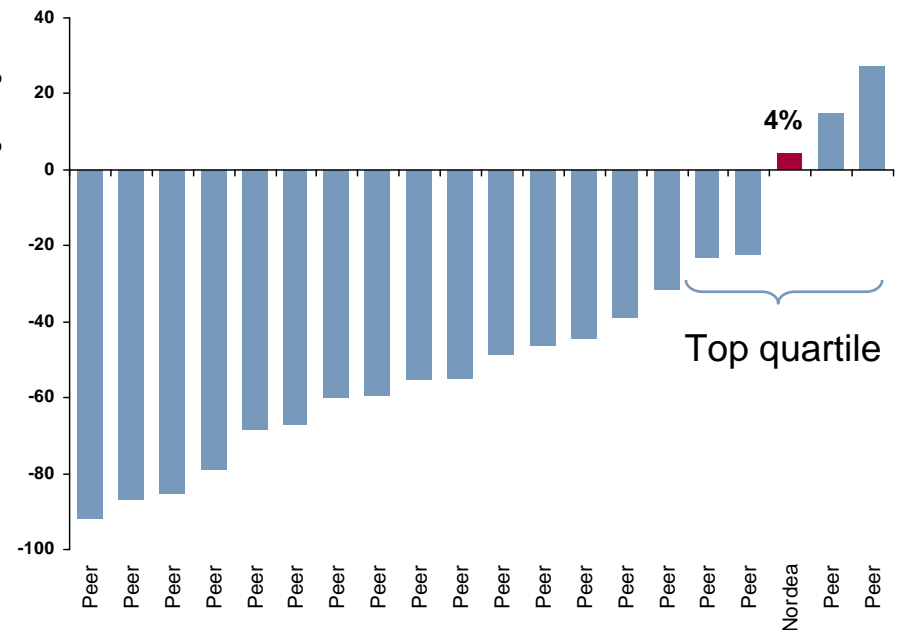


Top-league risk-adjusted profit and shareholder return

Risk-adjusted profit, 2007- 2011
Ytd



Total shareholder return, 2007 - 2011
Ytd



Key messages

- **Solid business momentum is maintained**
 - Good revenue growth in customer areas
 - Trading result down from last quarter's high level
 - Loan losses are at the lowest level since 2008
- **A solid foundation for implementing new normal plan**
 - **Ambition:** ROE in top league of European banks ~15%
 - **Cost efficiency:** Implement plans to contain cost growth and thereafter keep costs largely unchanged for a prolonged period of time
 - **Capital efficiency:** Ensure moderate RWA increases, despite continued income growth



Second Quarter Report 2011
Press and analyst conference
19 July 2011

Christian Clausen
President and Group CEO

