



Fourth Quarter and Year-end report 2011

International telephone conference

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

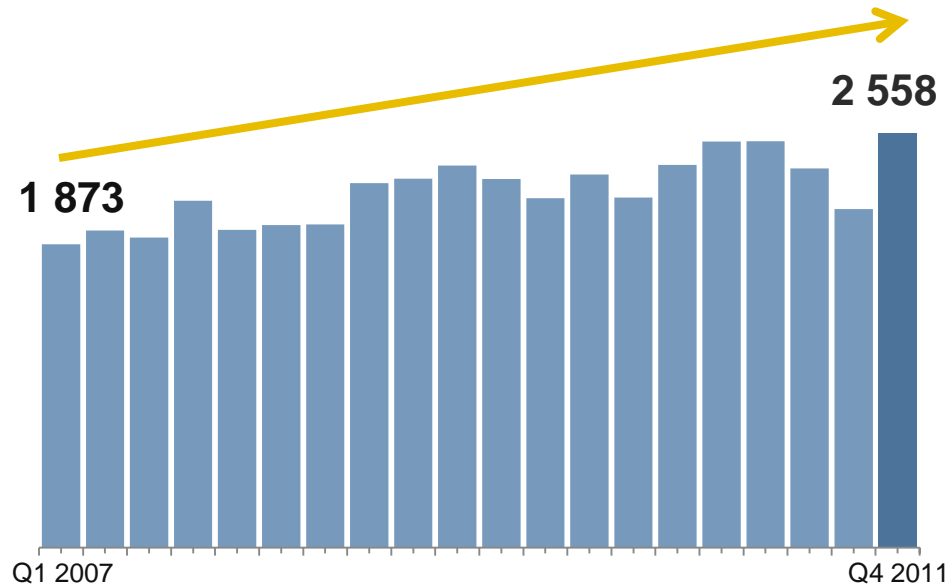
- **Nordea delivers on its New Normal plan**
 - Focused relationship strategy has delivered
 - Increased efficiency in cost, capital, liquidity and funding
 - Good business momentum
 - Solid profit development
 - Strengthened capital position to 11.2%
- **All-time high customer activity**
 - Number of Gold and Private Banking customers up 22,000
 - Corporate and household lending was up 6% to EUR 299bn
- **Ambition to mitigate the regulatory effects for the customers**
 - New regulations increases the cost for running a bank
 - Nordea develops our products, services and advice even further
 - Realise efficiency gains



- **Financial highlights**
- New Normal update

All-time high total income, despite lower central bank rates

Total income 2007-2011, EURm



- Total income up 37% since 2007
- Strengthened customer relationships
- Household relationship customers increased by ca 30%
- Clear #1 Nordic corporate bank in Prospera Large Corporates and Institutions Survey

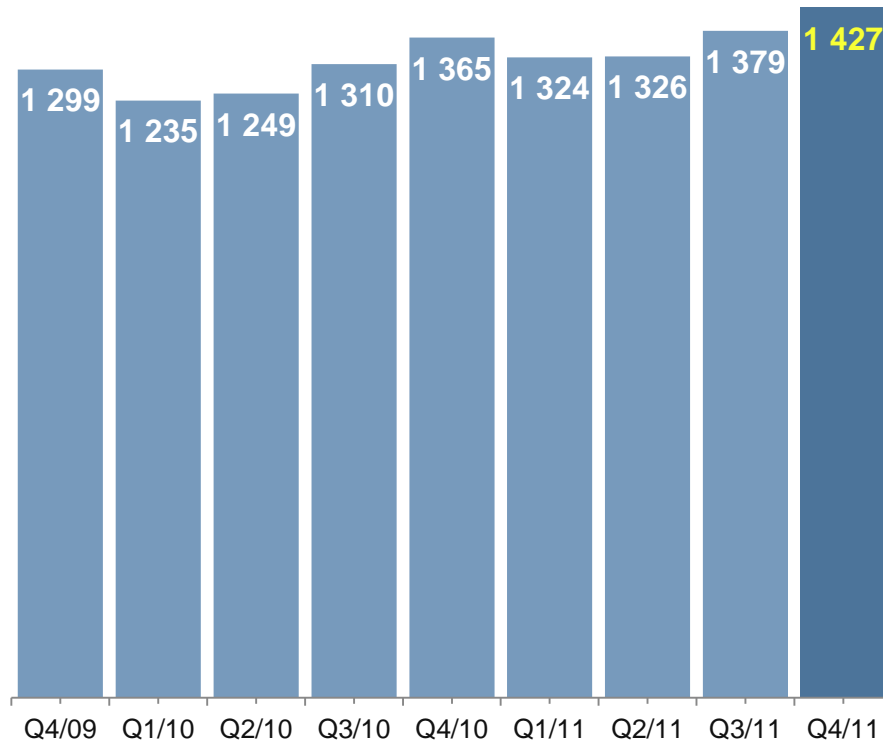
Financial result – Q4 2011

| EURm | Q4/11 | Q3/11 | Change % |
|---|---------------|---------------|------------|
| Net interest income | 1 427 | 1 379 | 3 |
| Net fee and commission income | 588 | 582 | 1 |
| Net fair value result | 506 | 111 | 357 |
| Other income | 37 | 19 | 95 |
| Total income | 2 558 | 2 091 | 22 |
| Staff costs | -714 | -887 | -20 |
| Total expenses | -1 266 | -1 413 | -10 |
| Total expenses (ex. restructuring costs) | -1 266 | -1 242 | 2 |
| Profit before loan losses | 1 292 | 678 | 91 |
| Net loan losses | -263 | -112 | 135 |
| Operating profit | 1 029 | 566 | 82 |
| Net profit | 786 | 406 | 94 |
| Risk-adjusted profit | 815 | 485 | 68 |

| FY 2011 | FY 2010 | Change % |
|---------------|---------------|------------|
| 5 456 | 5 159 | 6 |
| 2 395 | 2 156 | 11 |
| 1 517 | 1 837 | -17 |
| 133 | 182 | -27 |
| 9 501 | 9 334 | 2 |
| -3 113 | -2 784 | 12 |
| -5 219 | -4 816 | 8 |
| -5 048 | -4 816 | 4 |
| 4 282 | 4 518 | -5 |
| -735 | -879 | -16 |
| 3 547 | 3 639 | -3 |
| 2 634 | 2 663 | -1 |
| 2 714 | 2 622 | 4 |

Record-level net interest income

Total net interest income, EURm



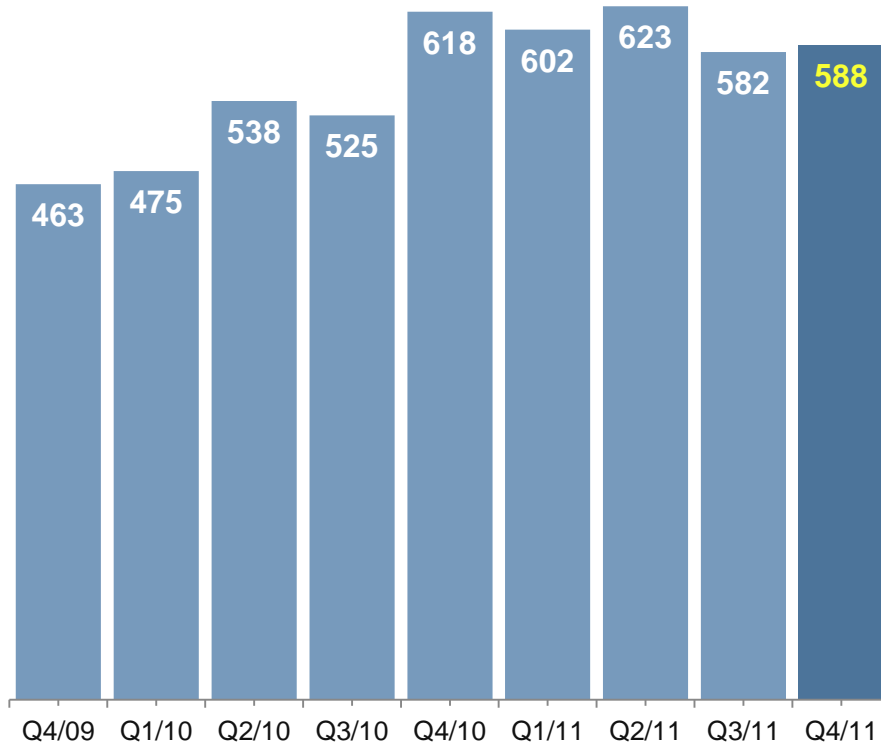
- NII increased 3% q-o-q
- Lending volumes are up by 2%
- Lending spreads are up
- Deposit spreads are down
- Largely unchanged level at Treasury

Change in net interest income

| Change, EURm | Q-o-Q | Y-o-Y |
|--------------------------------|-----------|-------------|
| Volume-driven NII | 24 | 207 |
| Lending | 16 | 162 |
| Deposits | 8 | 45 |
| Spread-driven NII | 18 | 280 |
| Lending | 41 | 32 |
| Deposits | -23 | 248 |
| GCC, including Treasury | -5 | -126 |
| Group Functions | 11 | -64 |
| Total | 48 | 297 |

Stable net fee and commission income

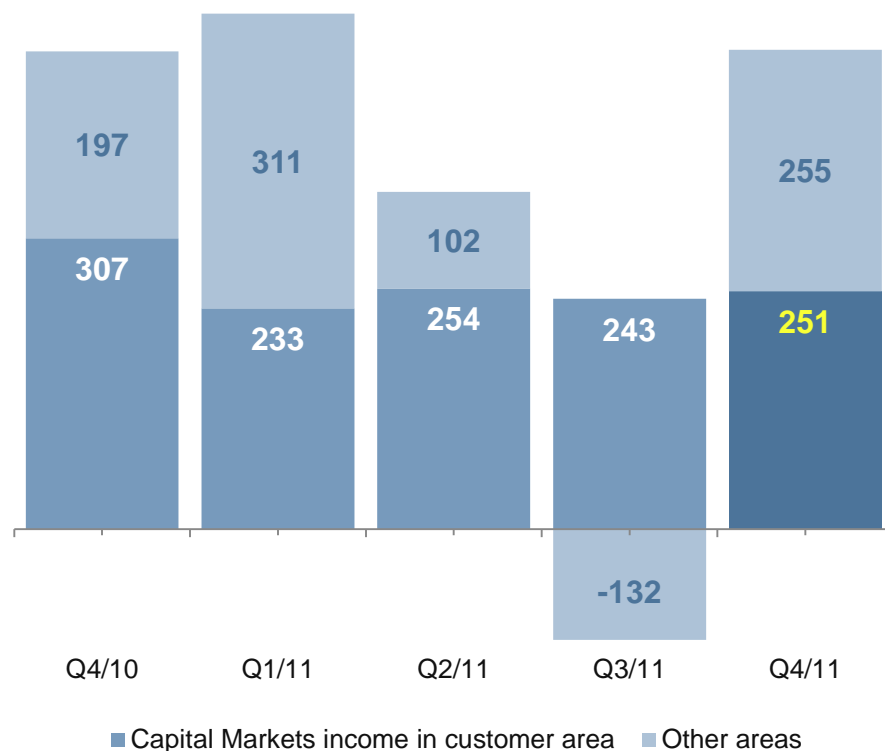
Net fee and commission income, EURm



- Net fee and commission income largely unchanged
- Assets under Management increased by 5% q-o-q (EUR 187.4bn)
- Lending commission up 4% versus Q3/11
- Higher state guarantee fees

Strong recovery for net fair value

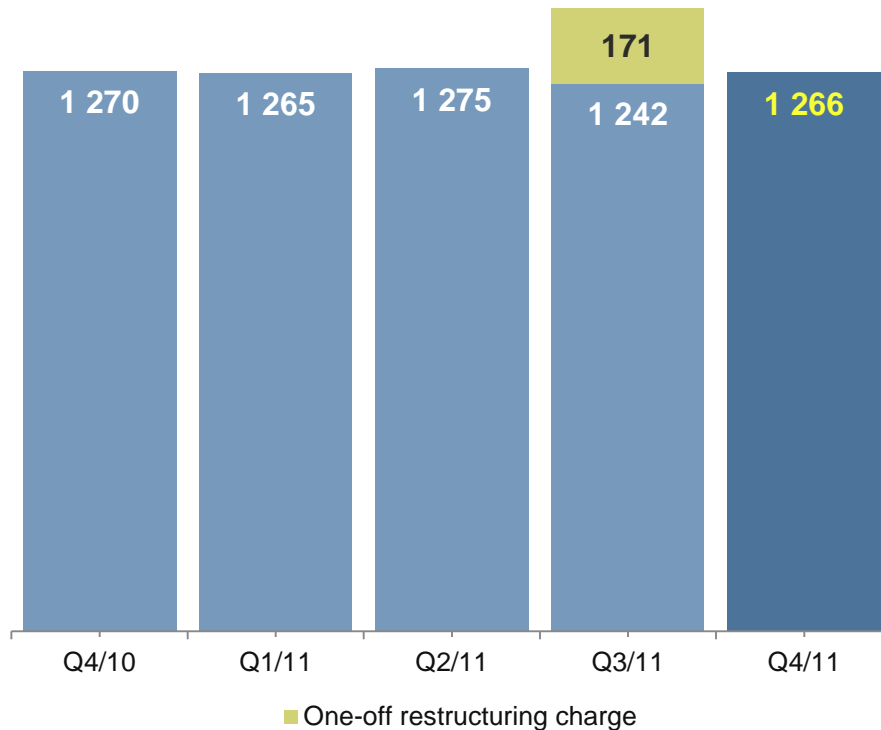
Net result from items at fair value, EURm



- Fair value improved by EUR 395m, after a difficult Q3/11
- Continued good customer demand
- Markets unallocated up EUR 221m reflecting improved trading conditions
- Fee recognition and profit-sharing in Life

Expenses under strict control

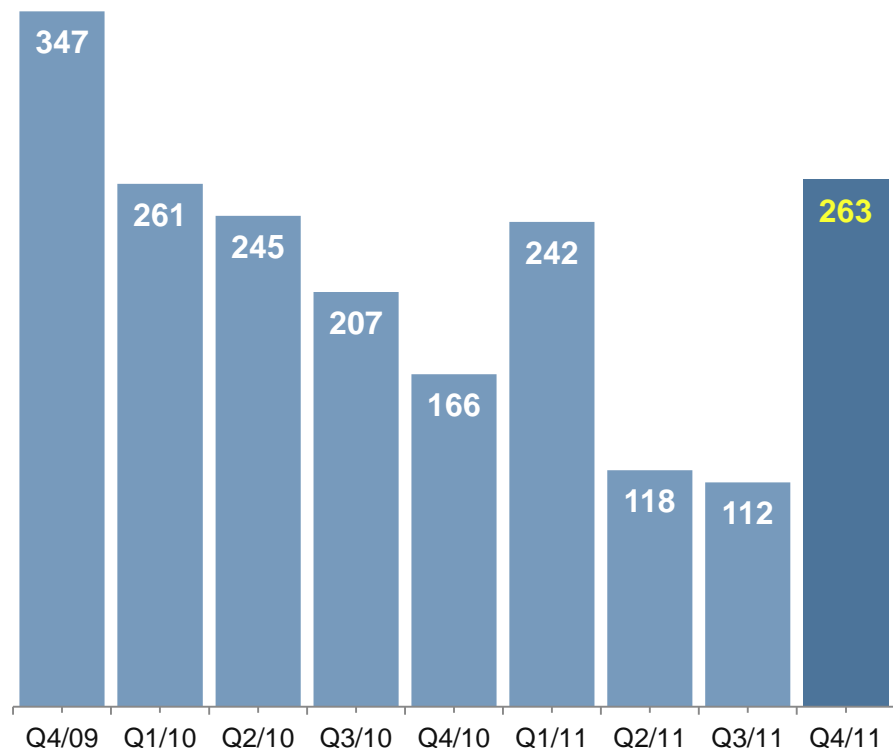
Total expenses, EURm



- Flat cost development
- Underlying expenses up 3% q-o-q due to seasonal effects
- Underlying staff expenses down 3% q-o-q
- FTE's down 776 on prior quarter (-2.3%)
- Improved C/I ratio to 49% (55% in Q3/11)

Credit quality

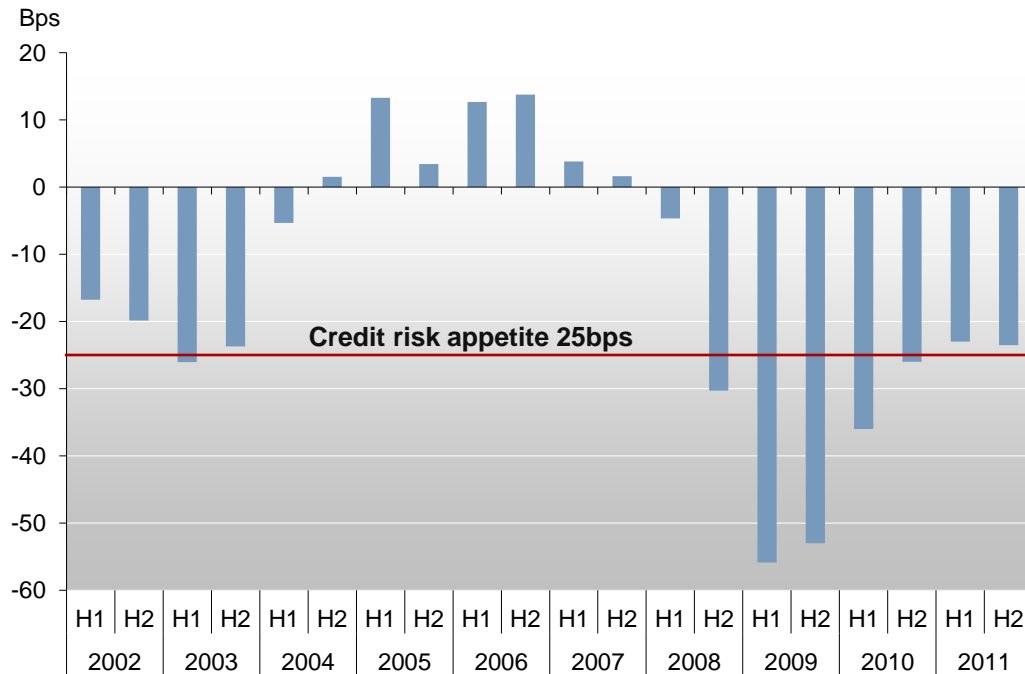
Total net loan losses, EURm



- Loan losses 33bp – slightly higher than expected level over the cycle
- Increase in Denmark and Shipping
- Problem areas well identified
 - We know how to deal with these
- Overall credit quality solid

General solid credit situation

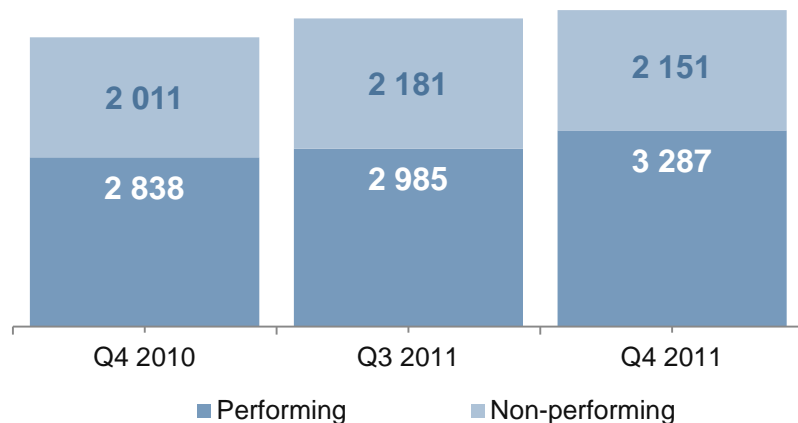
Loan loss ratios, 2002-2011



- Stable situation H2/H1
- Loan losses are well in line with Nordea's risk appetite over the cycle

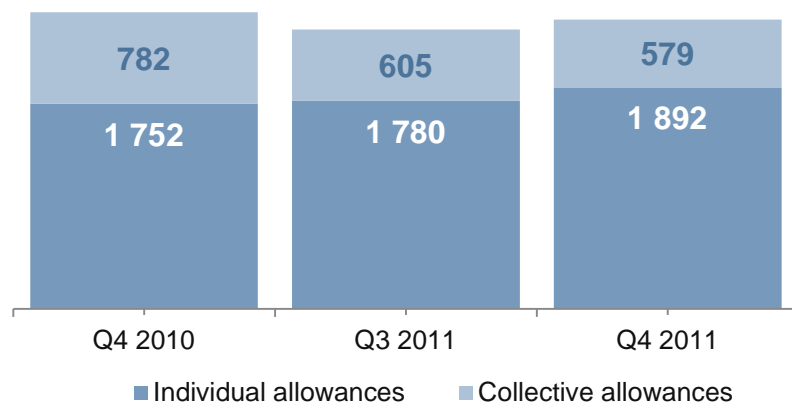
Impaired loans

Impaired loans, EURm



- Impaired loans decreased to 139bps (141bps) of loans
- Performing impaired loans represents 60% (58%) of total

Total allowances, EURm

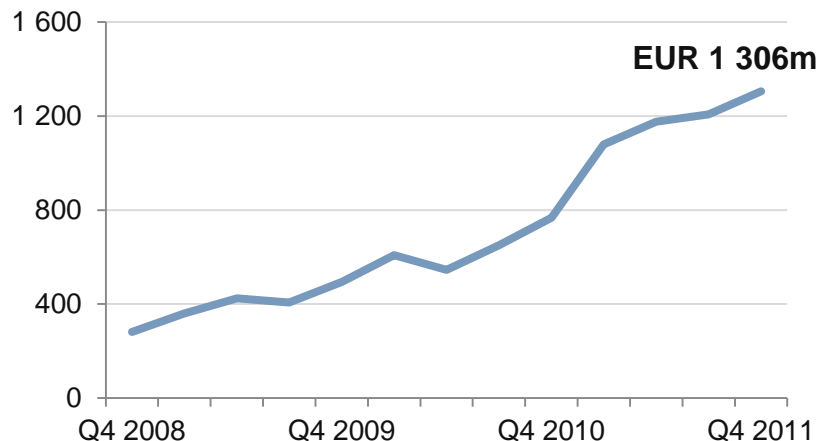


Performing: Allowance established, payments made
Non-performing: Allowance established, full payments not made on due date

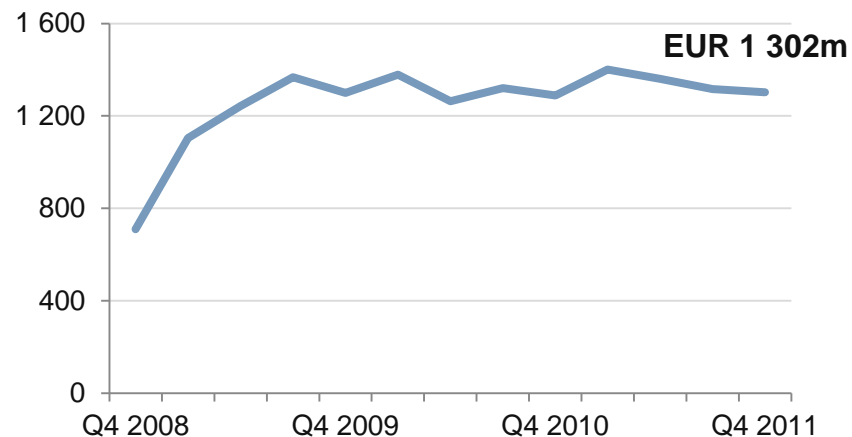
Net impaired loans by country – excluding Shipping



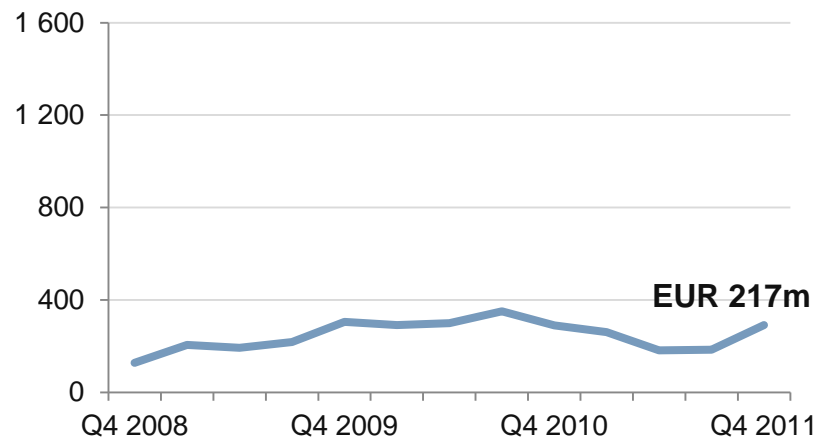
Denmark



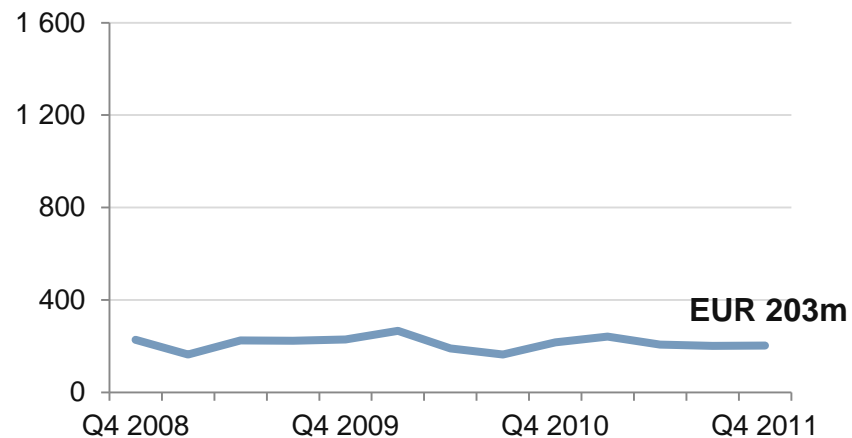
Finland



Norway



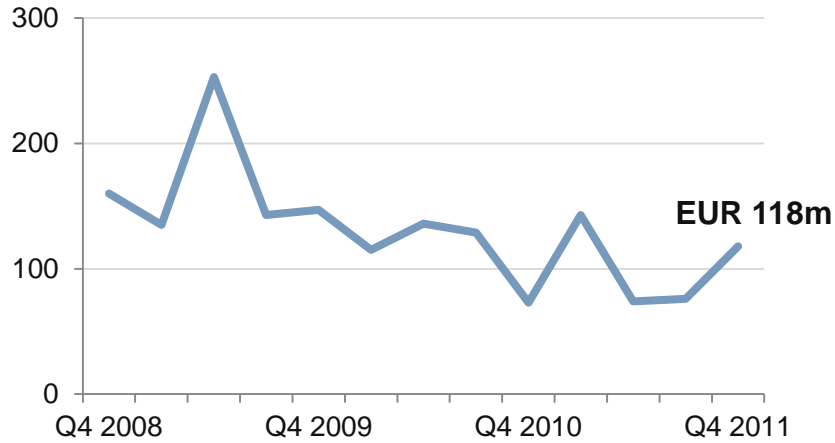
Sweden



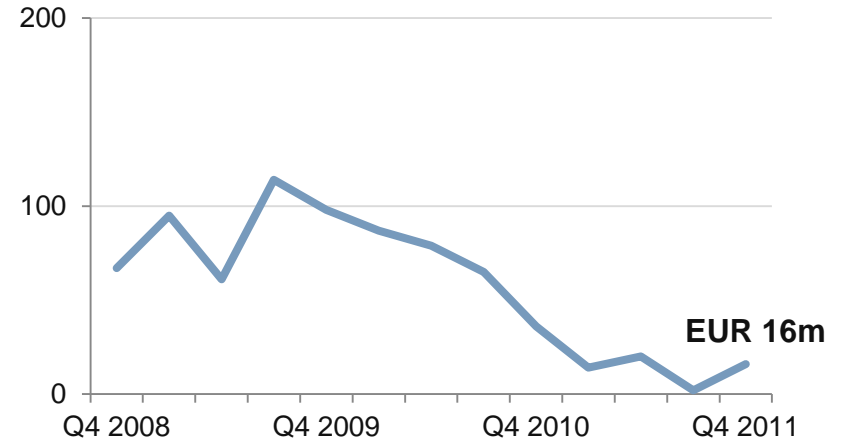
Net loan losses quarterly by country – excluding Shipping



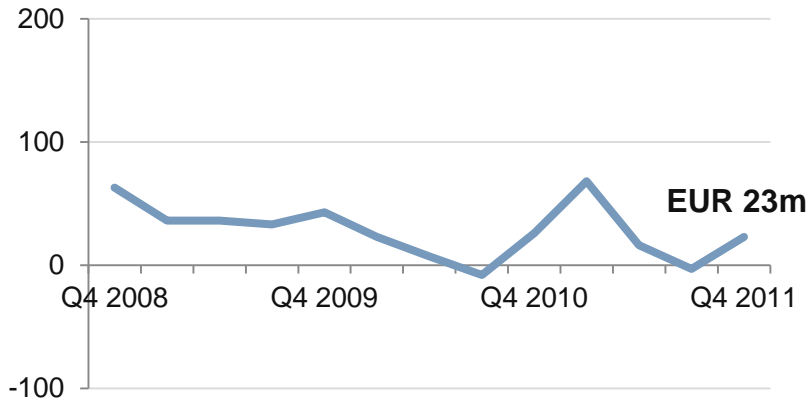
Denmark



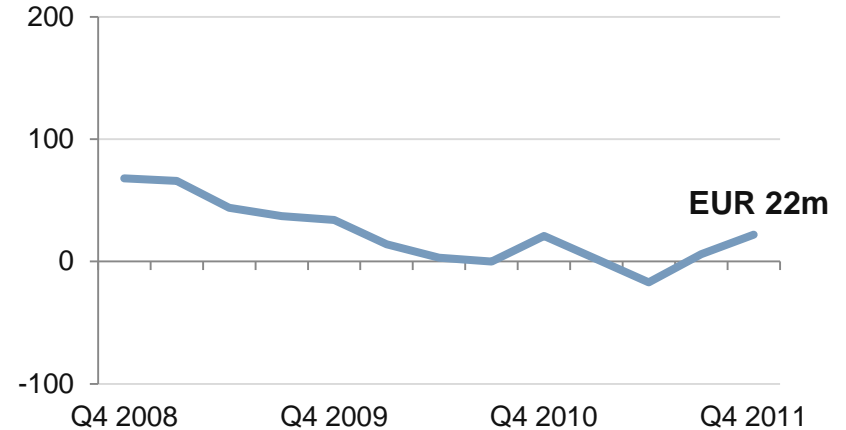
Finland



Norway

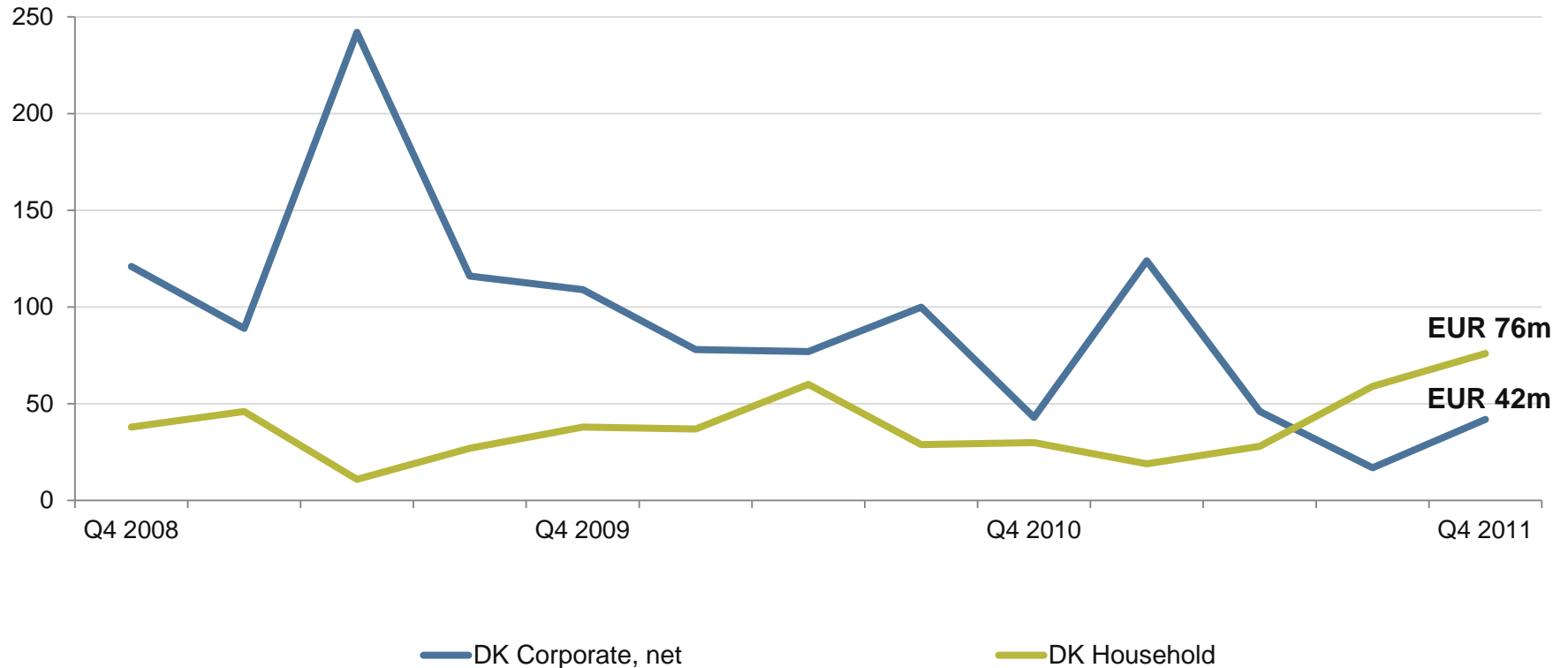


Sweden



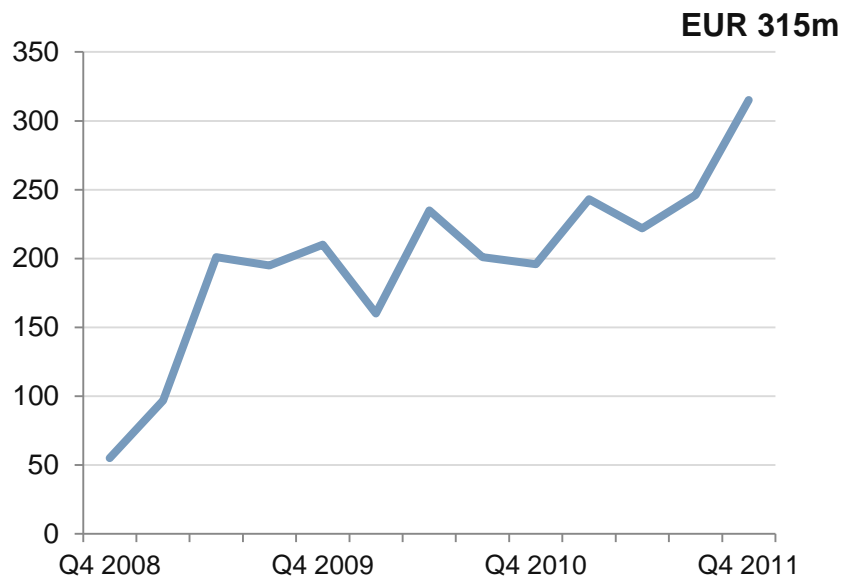
Denmark – excluding Shipping

Net loan loss, EURm

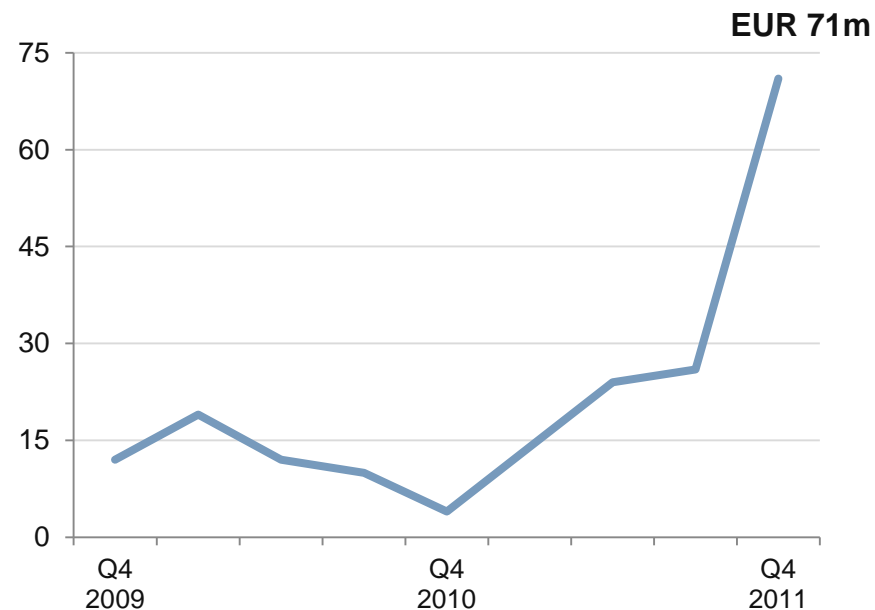


Shipping

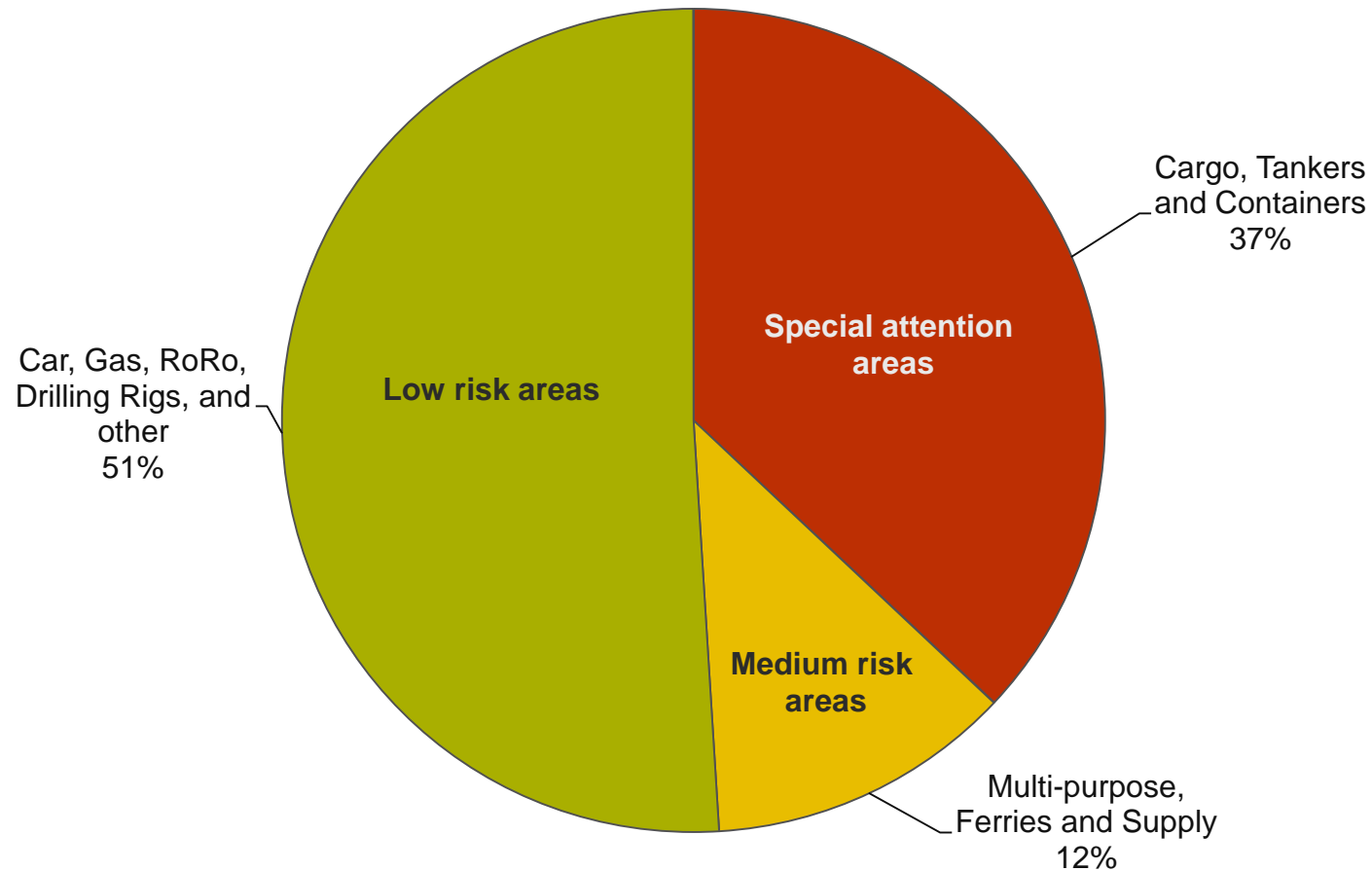
Net impaired loans, EURm



Net loan losses, EURm

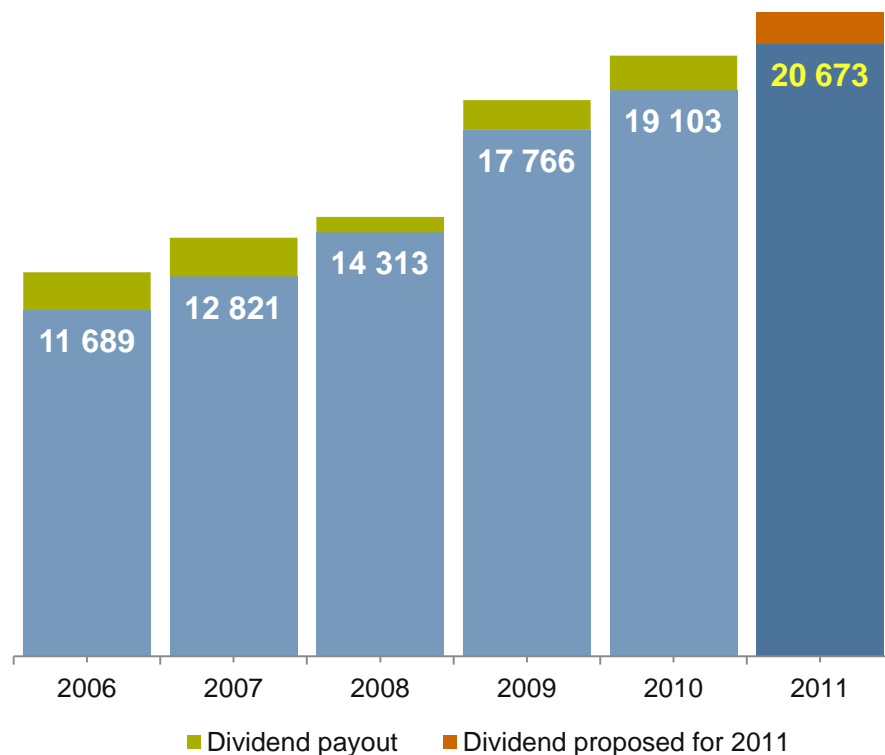


Risk situation in Shipping segment (total lending of EUR 13.6bn)



Strong capital generation

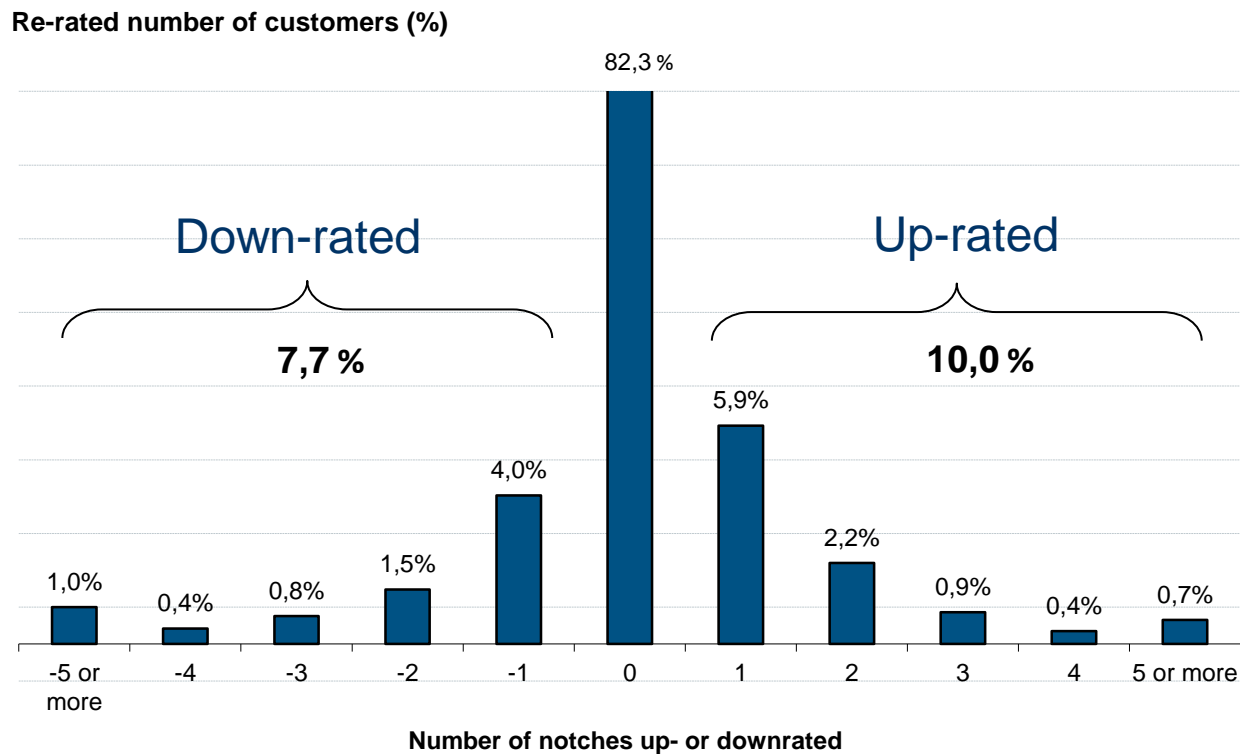
Core Tier 1 capital, EURm



- Growth of 9.2% annually since 2006
 - Adjusted for rights issue and after dividend
- Will enable us to increase our Core Tier 1

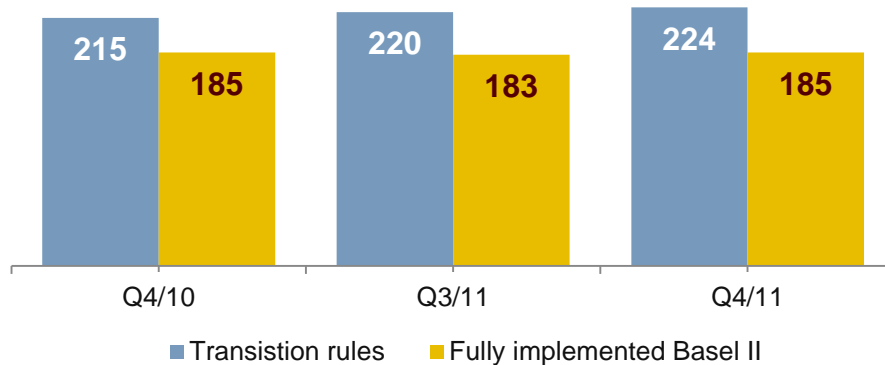
Continuous improvements in net migration

Corporate rating migration, Q3/11 – Q4/11

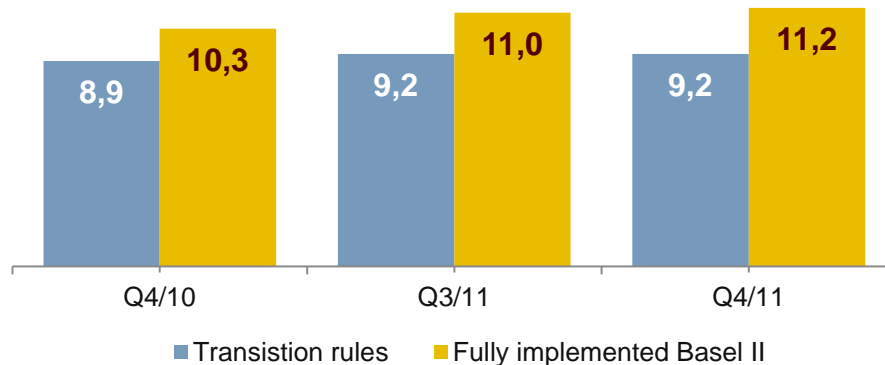


Strengthened capital position

Risk-weighted assets (RWA), EURbn



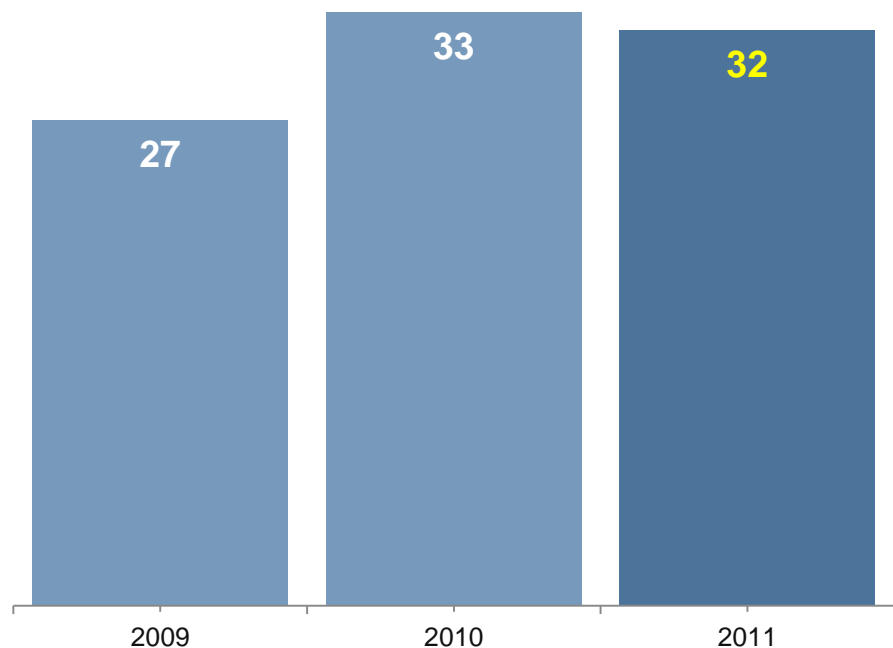
Core Tier 1 capital ratio, % (excl. Hybrids)



- Core Tier 1 ratio has increased by 90 bps over the last year
- Stable level of RWA despite adoption to Basel 2.5 and growth
- Continued positive rating migration in corporate portfolio in Q4/11
- Reduced RWA from high focus on capital efficiencies
- Basel 2.5 increased RWA by EUR 3.9bn in Q4/11

Strong access to funding

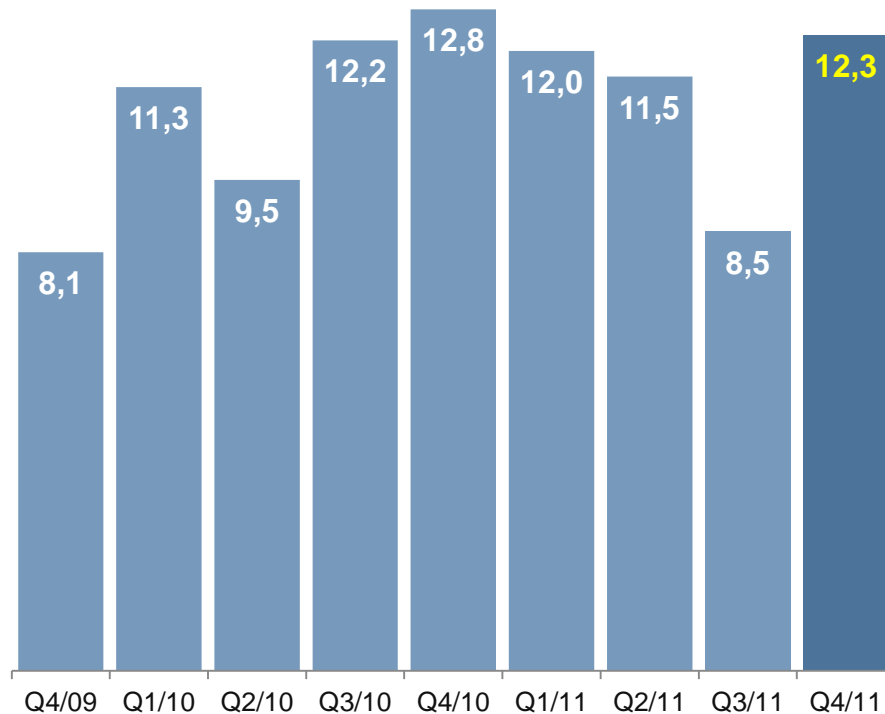
Funding, EURbn



- EUR 32bn has been issued of long term funding in 2011
 - Of which EUR 4bn in Q4/11
- Good access to all funding instruments
- One of the lowest funding costs among European banks

High focus on Return on Equity

Quarterly ROE, %



- Strong focus on ROE
- 15% ROE target remains under normalised conditions and a Core Tier 1 ratio of 11%

Dividend in line with policy

| EUR | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------------------|------|------|------|------|-------|
| Dividends per share | 0.50 | 0.20 | 0.25 | 0.29 | 0.26* |
| Earnings per share | 0.93 | 0.79 | 0.60 | 0.66 | 0.65 |
| Payout ratio | 54% | 25% | 42% | 44% | 40%* |

* as proposed by the Board of Directors



- Financial highlights
- **New Normal update**

New Normal is execution of a “Focused relationship strategy”

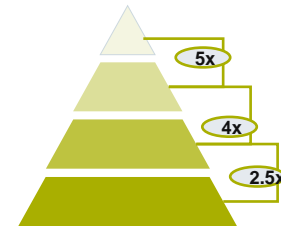
Themes

1. Disciplined ROE focus
2. Cost efficiency
3. Capital efficiency

Units



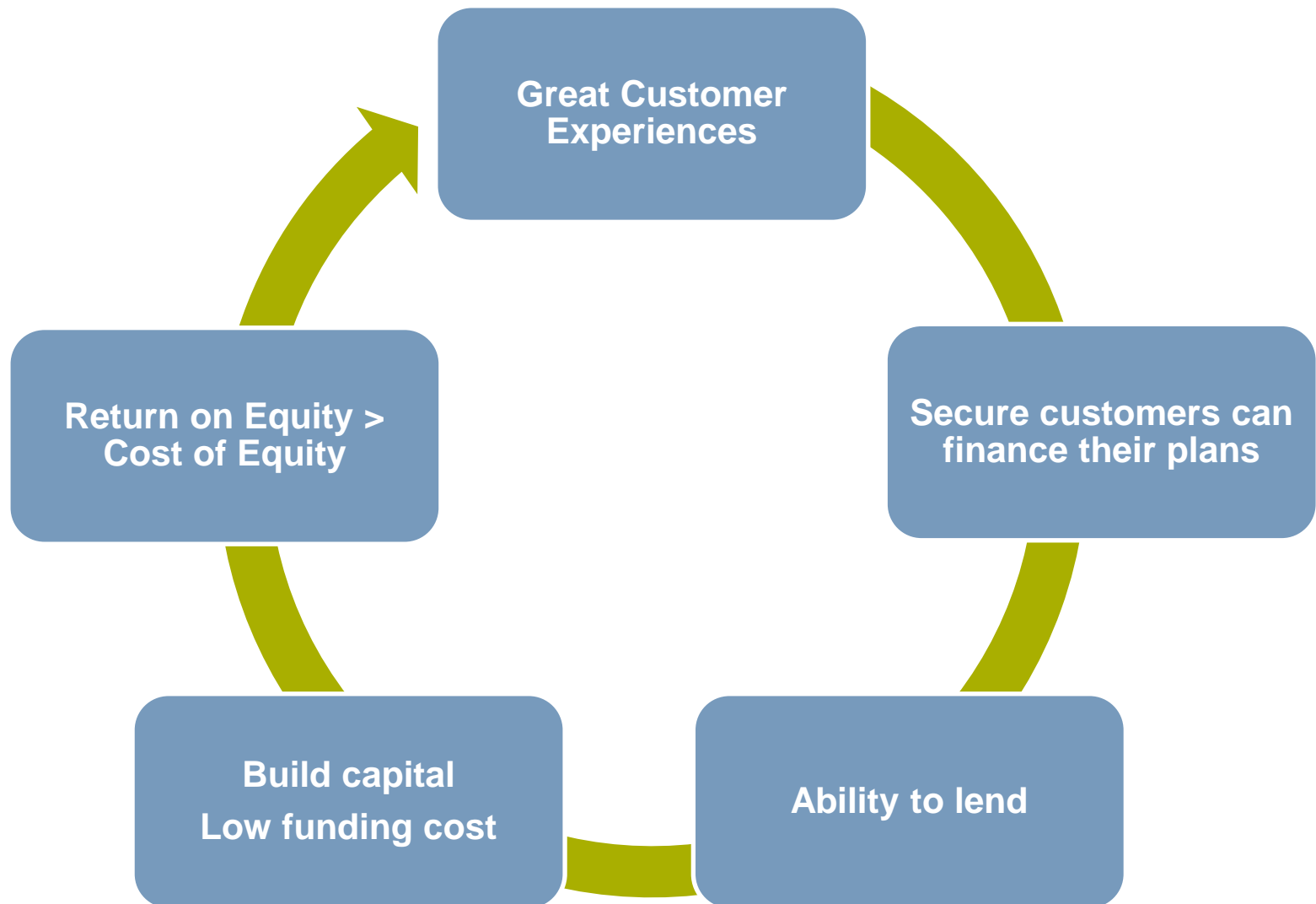
Segments



Customers

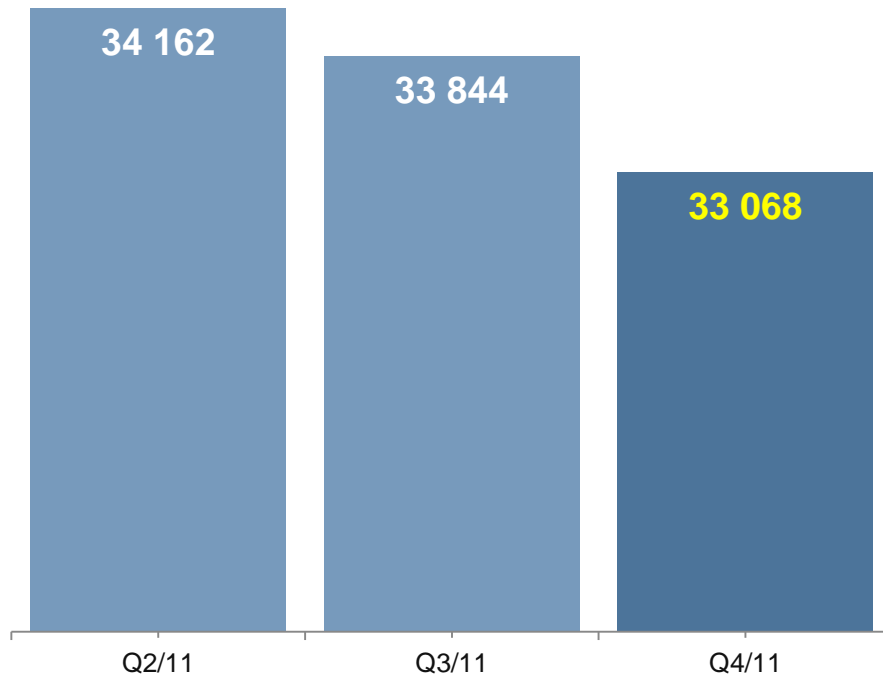


Positive spiral for customers, investors and society



New Normal has delivered on cost efficiency

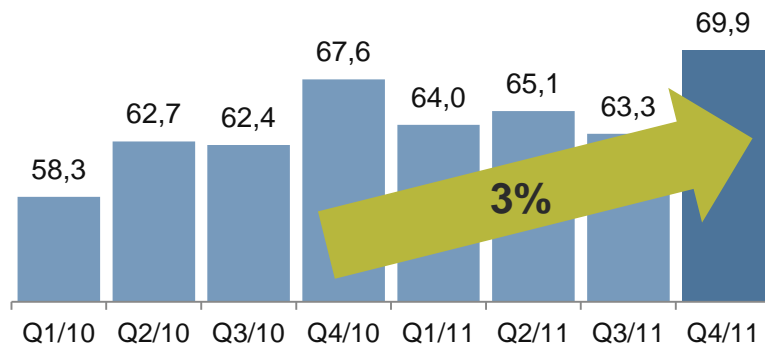
Total Group FTE's



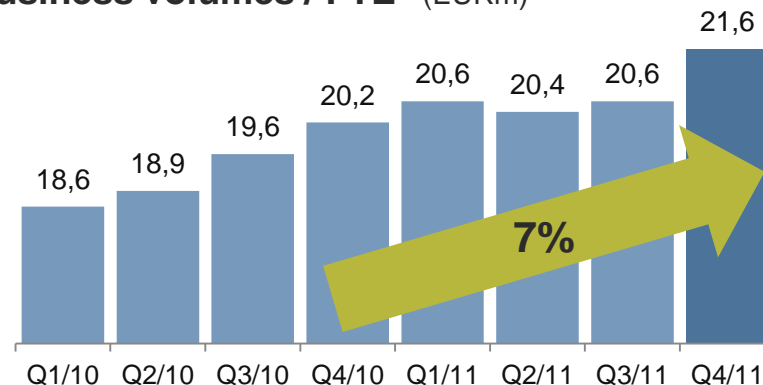
- Number of staff down by ca 1,100 since Q2/11
- Total reduction of ca 2,000 by 2012 – we are ahead of plan
- Staff cost down by ca EUR 80m annualised
- In addition, IT costs are down by ca EUR 20m
- Flat costs for a prolonged period of time

New Normal has improved our productivity

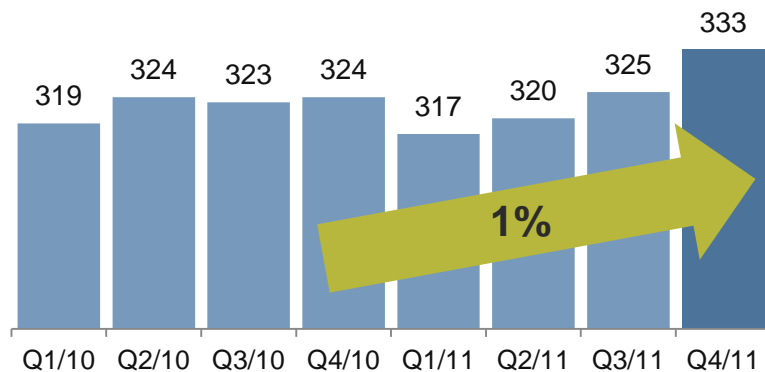
Total income / FTE (EURt)



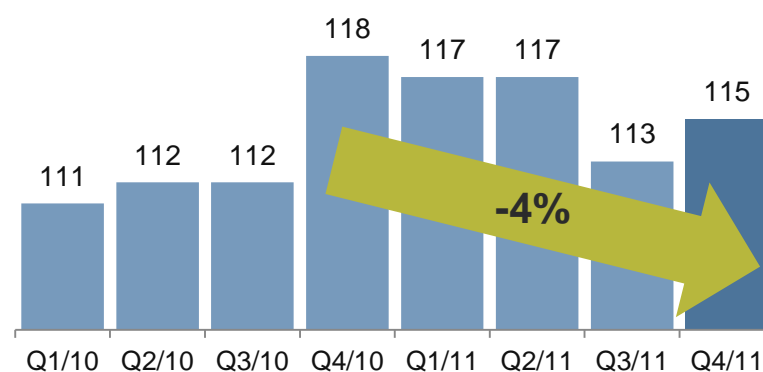
Business volumes / FTE (EURm)



customers per FTE (Nordea Group)

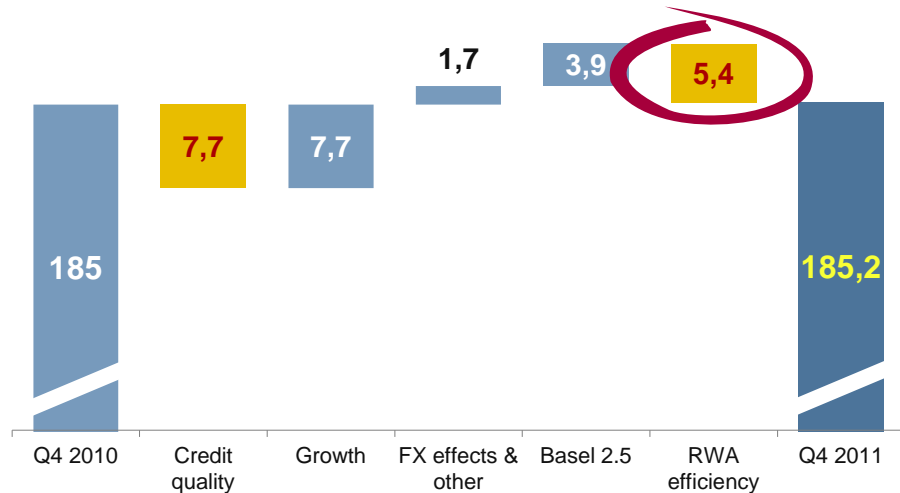


Cost to serve a customer (cost / customer) (EUR)



New Normal has delivered on capital efficiency

RWA development during 2011



- Review of asset class and product segmentation leading to improved data quality
- Collateral agreements
- Registration
- Data sourcing
- Developed capital light products

Key messages

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