



Year-end Report 2004

Press conference

23 February 2005
Lars G Nordström
President and Group CEO

Strong results in 2004

- Net profit 2004 up 28% to all-time high EUR 1,914m (EUR 1,490m in 2003)
- Operating profit up 26% to EUR 2,284m (EUR 1,812m)
- Total income up 1% to EUR 5,720m (EUR 5,639m), up 3% on a comparable basis, despite falling interest rates and competitive market environment
- Total costs down 5%
- Earnings per share at all-time-high EUR 0.69 (EUR 0.51)
- Return on equity (excl. goodwill) 20.2% (16.7%)
- Proposed dividend EUR 0.28 per share, an increase of 12%
- Proposed share buy-back mandate of 10%

Strong income growth in fourth quarter

- Operating profit up 16% to EUR 636m (EUR 548m in Q3)
 - best quarter since Q2 2001
- Total income up 8% to EUR 1,504m (EUR 1,391m in Q3)
- Operating profit improved through:
 - Net interest income up 3%
 - Net commission income up 8%
 - commissions from payments up 5%
 - commissions from Asset Management up 15%
 - Trading income up 57%
 - Improved investment earnings, banking
 - Positive loan losses

Income supported by strong volume growth

	<u>2004/03</u>	<u>Q4/Q3</u>
● Lending, total	+11%	+4%
– Mortgage lending	+15%	+3%
– Consumer lending	+8%	+1%
– SME lending	+8%	+3%
– CIB lending (excl. Markets)	+2%	-2%
● Deposits, total	+9%	+7%
– Household deposits	+4%	+ -0%
– SME deposits	+4%	+4%
– CIB deposits (excl. Markets)	+39%	+16%

Income supported by strong volume growth

	<u>2004/03</u>	<u>Q4/Q3</u>
● AuM, total	+16%	+4%
– Nordic retail funds	+27%	+4%
– Nordic private banking	+16%	+6%
– Int. wealth mgmt & funds	+32%	+10%
– Institutional clients	-5%	-3%
– Life & Pension	+10%	+4%

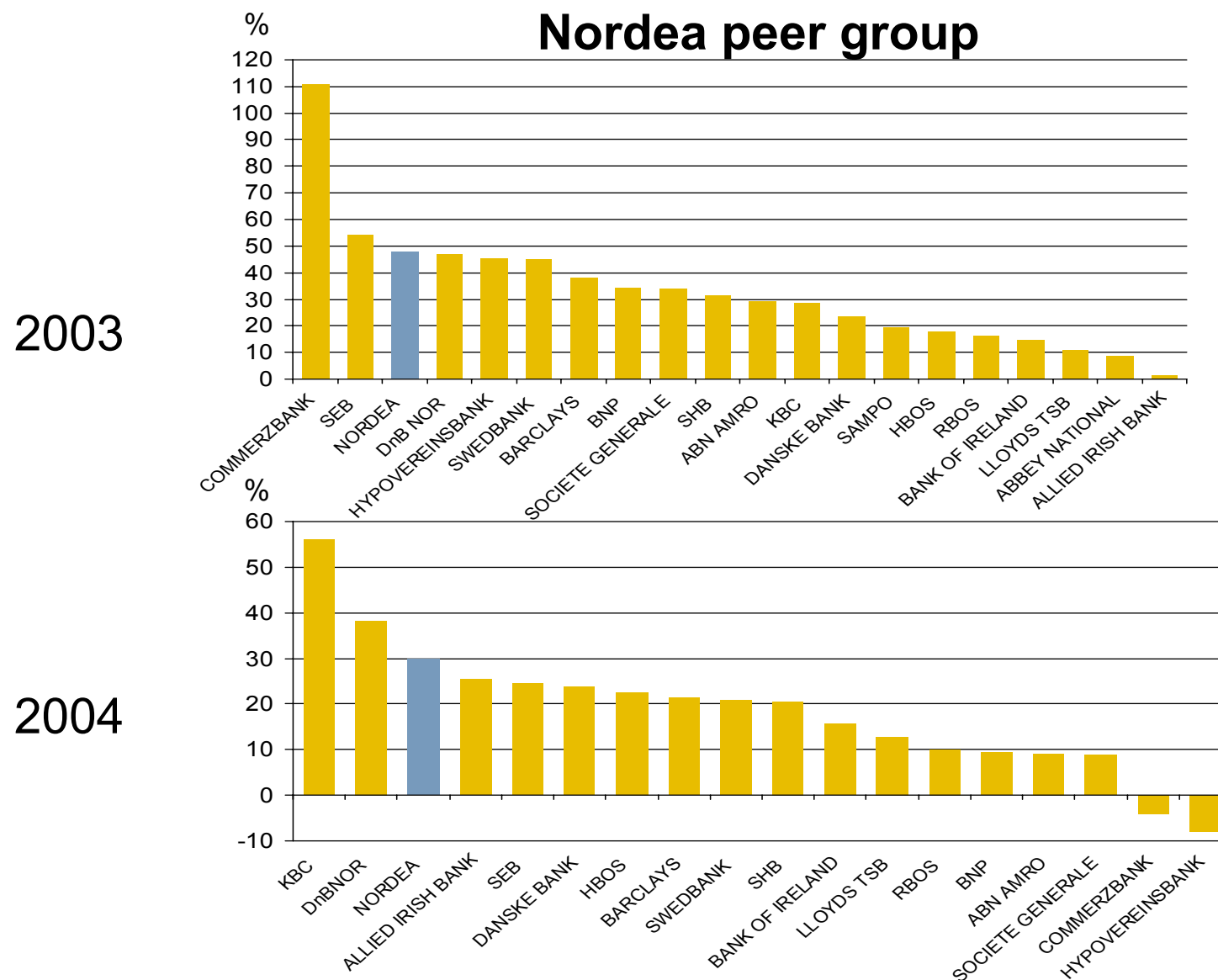
Strict cost management

- Expenses in 2004 down 5% to EUR 3,484m (EUR 3,673m in 2003)
 - Staff costs down 10%
 - Number of FTEs down 6%
- Expenses in Q4 up to EUR 925m (EUR 837m in Q3)
 - Restructuring charges
 - Variable salaries
 - Seasonal factors
- Expenses lower in Q4 2004 than in Q4 2003
- Cost target: same cost level through 2007 as in 2004

Strong performance in all business areas

- Retail Banking operating profit up 10% to EUR 520m (EUR 473m in Q3)
 - Operating profit in Q4 2004 50% above level of Q4 2002
 - Seventh consecutive quarter with increase in operating profit
 - Lending volumes up 3.4% in Q4; Deposit volumes up 3.8% in Q4
- CIB operating profit up 7% to EUR 137m (EUR 128m in Q3)
 - Total revenues up 6% to EUR 268m (EUR 252m in Q3)
 - Improvement across the board; Corporate, Financial Institutions, International & Shipping
 - Strong recovery for Markets
- Assets under management up to all-time-high EUR 131bn; Asset Management result up 12%
 - Continued robust growth in European Fund Distribution
- Product result for Life & Pensions up 4% in Q4 and 28% full year

Total shareholder return (TSR) 2003 and 2004



Nordea's new financial targets

Key performance indicator	2003	2004	Target
Total shareholder return, %	# 3	# 3	In the top quartile of European peer group
RoE, %	12.2*	14.5*	> 15% in 2005 and > 17% or in line with level of top Nordic peers from 2007
Costs, EURm	3,673	3,484	Same cost level through 2007 as in 2004
Supporting performance indicator			
Cost/income ratio, %	63	60	Continuous improvement

RoE target raised by 3 percentage points
Flat cost target extended by three years
Ambition is to be in the top quartile in Europe on TSR

* Excluding tax asset Q3 2003 and adjusted for the year-end real estate write-down 2003 and the real estate gain in 2004.

Well positioned to capture growth

- Increased focus on customers and products
 - After delivery on cost and capital efficiency
 - Track record on organic market share growth in certain product segments, e.g. mortgages
 - Consumer credits next challenge
- Large customer base and multi-channel distribution network main assets when gearing up for growth
- Product innovation increasingly important
 - Nordea Prioritet
 - Structured products within CIB
 - New funds and life products within Asset Management & Life

Well positioned to capture growth

- Uniform customer programmes a tool to reach client satisfaction and economies of scale
- Improved customer satisfaction within most markets and segments
- New organisational structure with fewer management layers to improve speed and time to market
- Structural growth as a complementary strategy

Continued strict cost management and further leverage on advantages from size, scale and scope



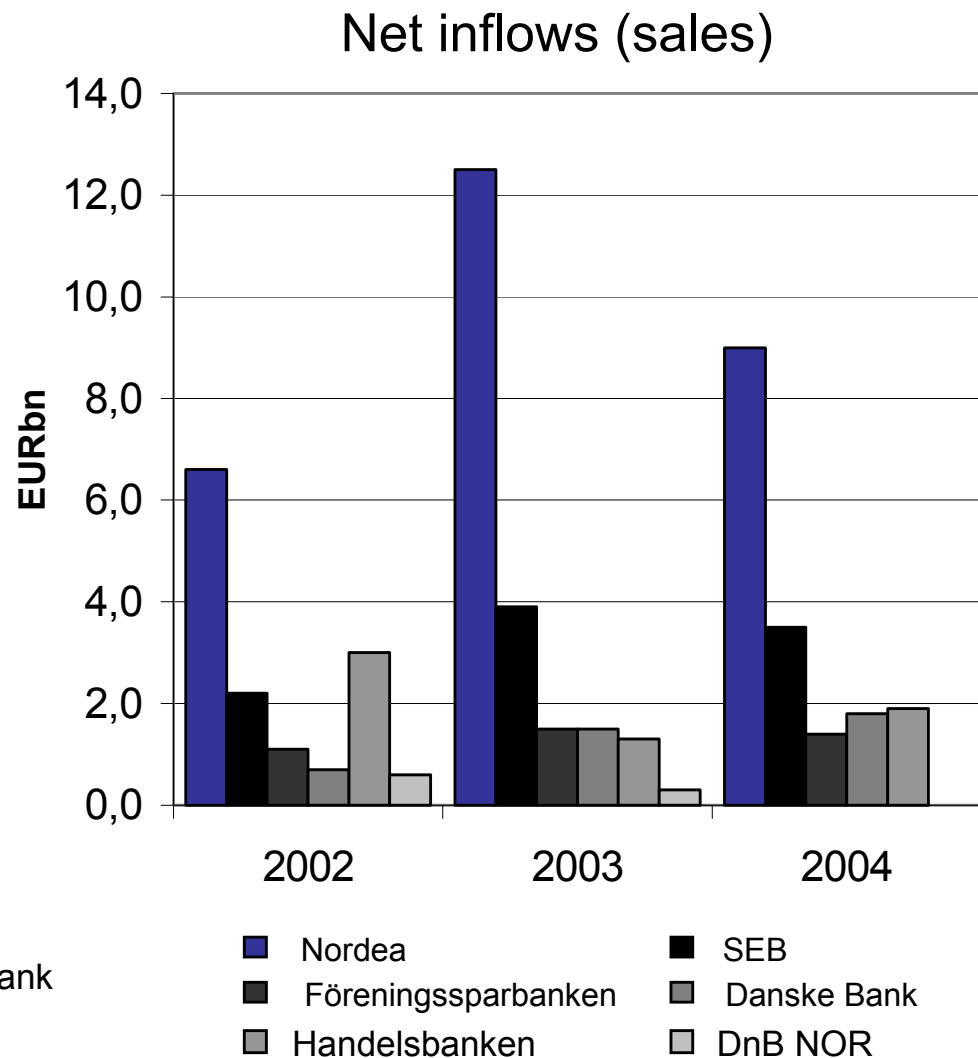
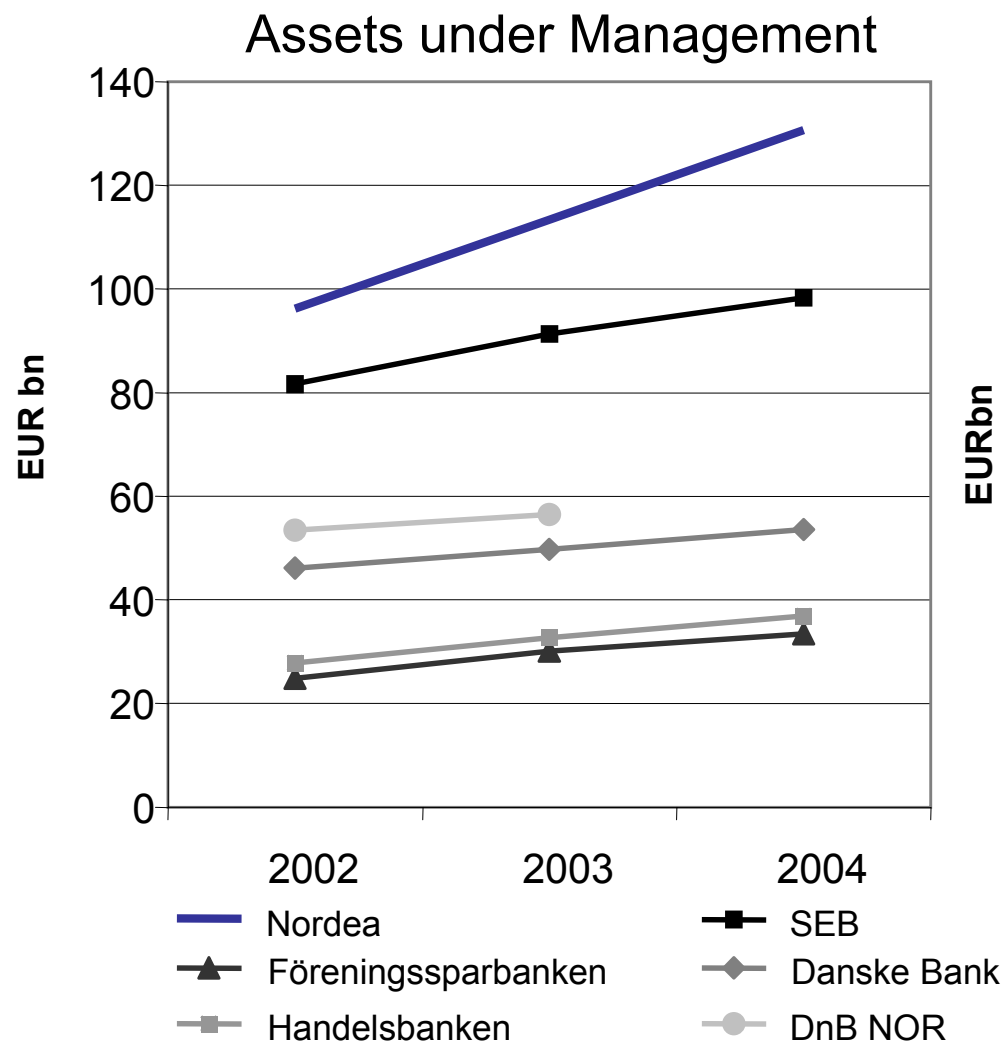
Nordea Asset Management & Life – delivering growth

23 February 2005

Christian Clausen

Head of Asset Management & Life

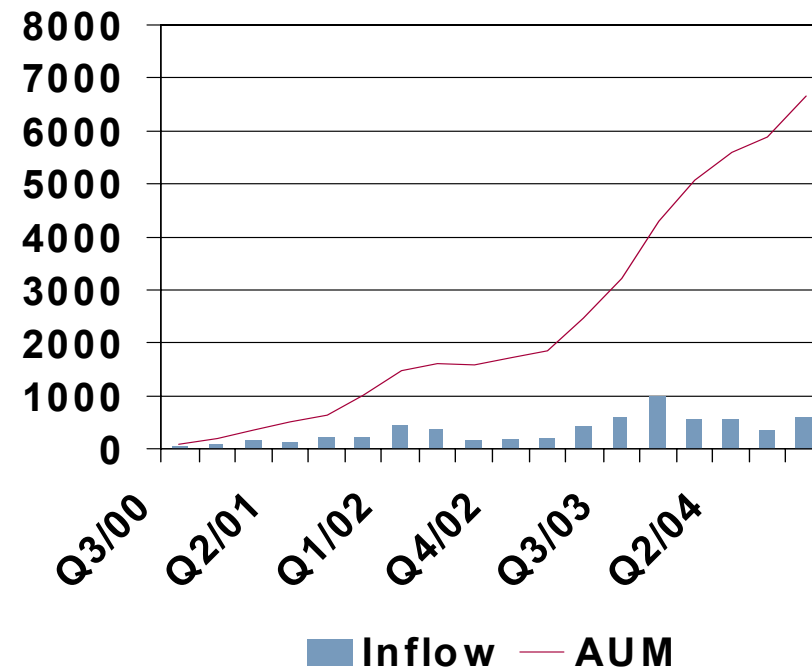
Delivering growth in assets under management



Leading in Nordic region ...and in 3rd party sales in Europe



EURm Sales and AuM through 3rd parties in Europe



- Chosen as the leading Nordic asset manager by *Financial News*
- Chosen as “Best Nordic Private Bank” by *Euromoney*
- From 0 to EUR 7 bn in AuM over 4 years
- #6 in Europe on cross-border fund sales
- Approx. 1,000 active distributors
- New licenses in Poland and Netherlands – now present in 10 non-Nordic markets

#5 Fund group in Europe by total sales 2004



FERI Fund Market Information Ltd

Top 20 Master Groups in Europe ranked by est net sales in latest year - ALL FUNDS

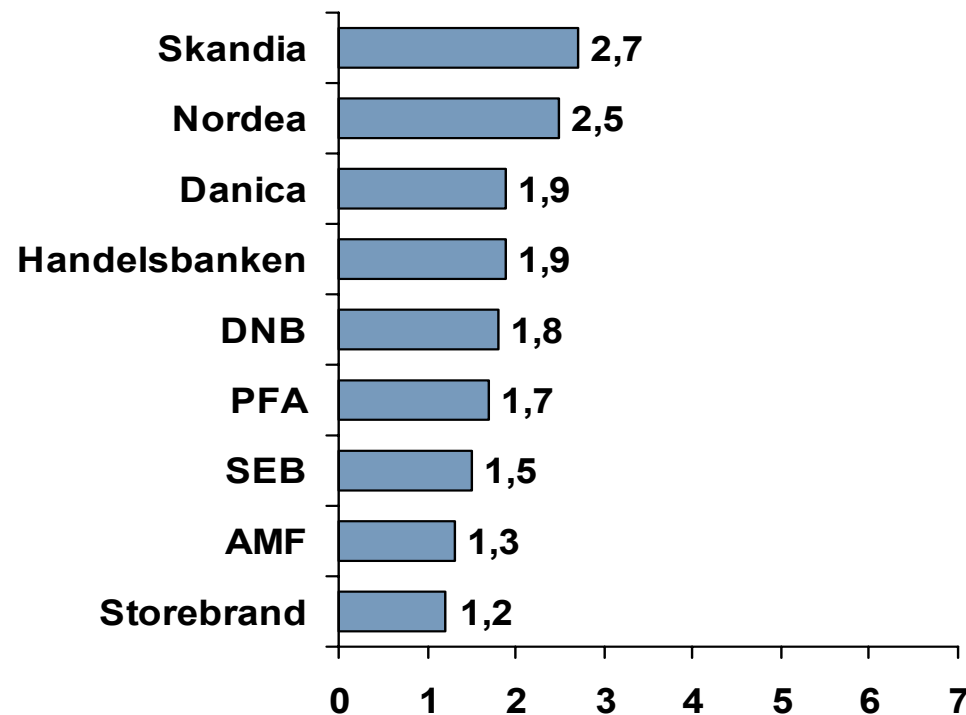
EURm

Rank	Master group	Total	Rank	Master group	Equity only
1	JP Morgan Fleming	10,176	1	Schroders	5,390
2	Schroders	7,696	2	Franklin Templeton Group	5,324
3	Fortis Group	6,725	3	JP Morgan Fleming	3,717
4	HSBC Group	6,489	4	Société Générale	3,617
5	Nordea AB	5,931	5	Nordea AB	3,238
6	HypoVereinsbank Group (HVB)	5,923	6	Fidelity Investments	2,835
7	Franklin Templeton Group	5,521	7	HSBC Group	2,083
8	BNP Paribas	5,408	8	Russell Group	1,953
9	Caisse d' Epargne Group	4,105	9	Capital International Group	1,930
10	Société Générale	4,104	10	HypoVereinsbank Group (HVB)	1,892
11	BBVA Group	3,587	11	Pictet & Cie	1,778
12	AXA Group	3,535	12	Merrill Lynch Group	1,644
13	Goldman Sachs Group	3,518	13	State Street Corporation	1,479
14	WestLB AG	3,232	14	The Vanguard Group	1,343
15	KBC Bank and Insurance Holding Cor	2,985	15	Aberdeen Asset Management	1,293
16	Banco Desio Group	2,899	16	UBS AG	1,275
17	Fidelity Investments	2,754	17	Unicredit Group	1,195
18	Nomura Securities	2,738	18	Sampo Bank Plc	1,129
19	Dexia Group	2,506	19	Morgan Stanley	1,033
20	Russell Group	2,475	20	Banco Desio Group	940

Source: FERI Fund Market Monitor, data as of December 2004.

Strong position in Life & Pensions

Nordic players ranked by 2003 premiums (EURbn)



- Investment return in Life 8.4% for 2004 - 8% return directly to clients in new Swedish product
- Premiums up 12% from Q4 2003 to Q4 2004
- Buffers up from 4.7% of liabilities at end-2003 to 5.9% at end-2004
- Aiming to grow in all Nordic markets

Source: Annual reports 2003. Skandia numbers excluding non-Nordic business

A broad product range creating value

- Value equity funds
 - cornerstone of Nordea's success in European fund markets
- Stratega balanced funds
 - new high-performing range of balanced funds
- Dynamic Fixed Income fund
 - leveraging Nordea's broad fixed income competence to create added value
- European Equity hedge fund
 - medium-risk hedge product building strong track record since 2002
- Life products based on market return
 - better long-term returns for customers



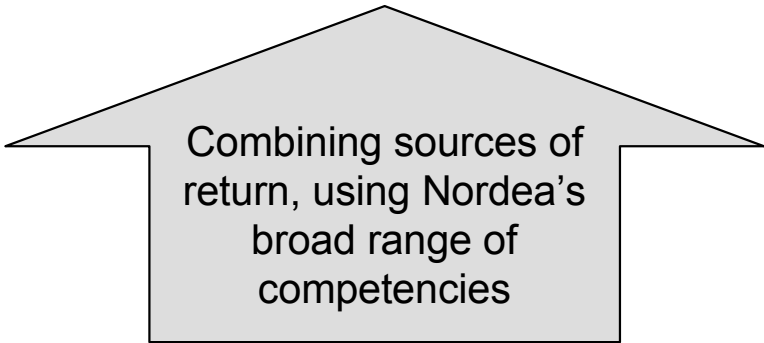
This 2004 Luxembourg fund citation brings the total of fund-related awards to 51 for Nordea 1, SICAV and its sub-funds in the past five years.



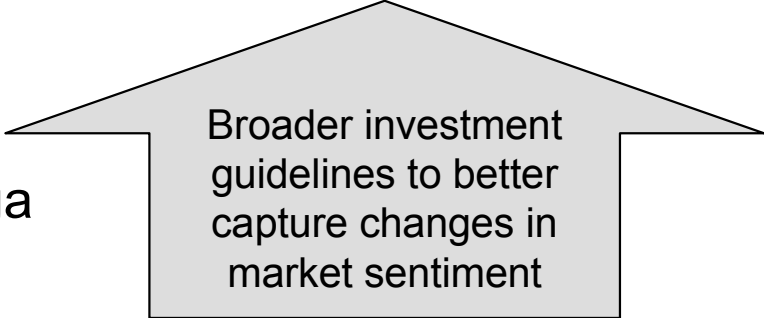
Chosen as best Nordic in both equity and fixed income portfolio management in Euromoney Private banking survey 2004

Performance challenges being addressed

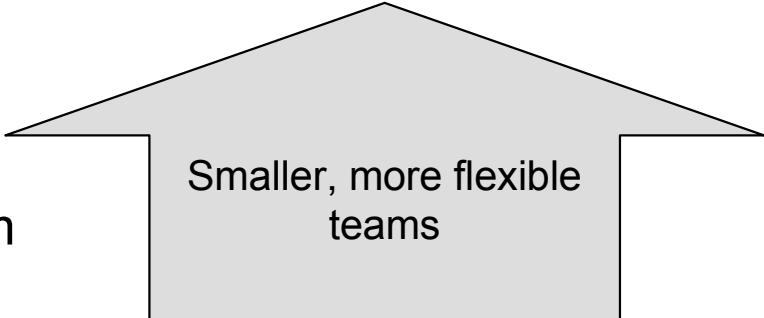
- **European & Global equity funds**
 - Broader investment policies for mainstream products and sharper profile for specific "growth"-style products
- **Traditional balanced funds**
 - Reengineering towards broader investment policy and more active asset allocation. Stratega as the example
- **Swedish equity funds**
 - Clearer split of portfolios according to risk profile. New Head of Swedish Investment Team



Combining sources of return, using Nordea's broad range of competencies



Broader investment guidelines to better capture changes in market sentiment

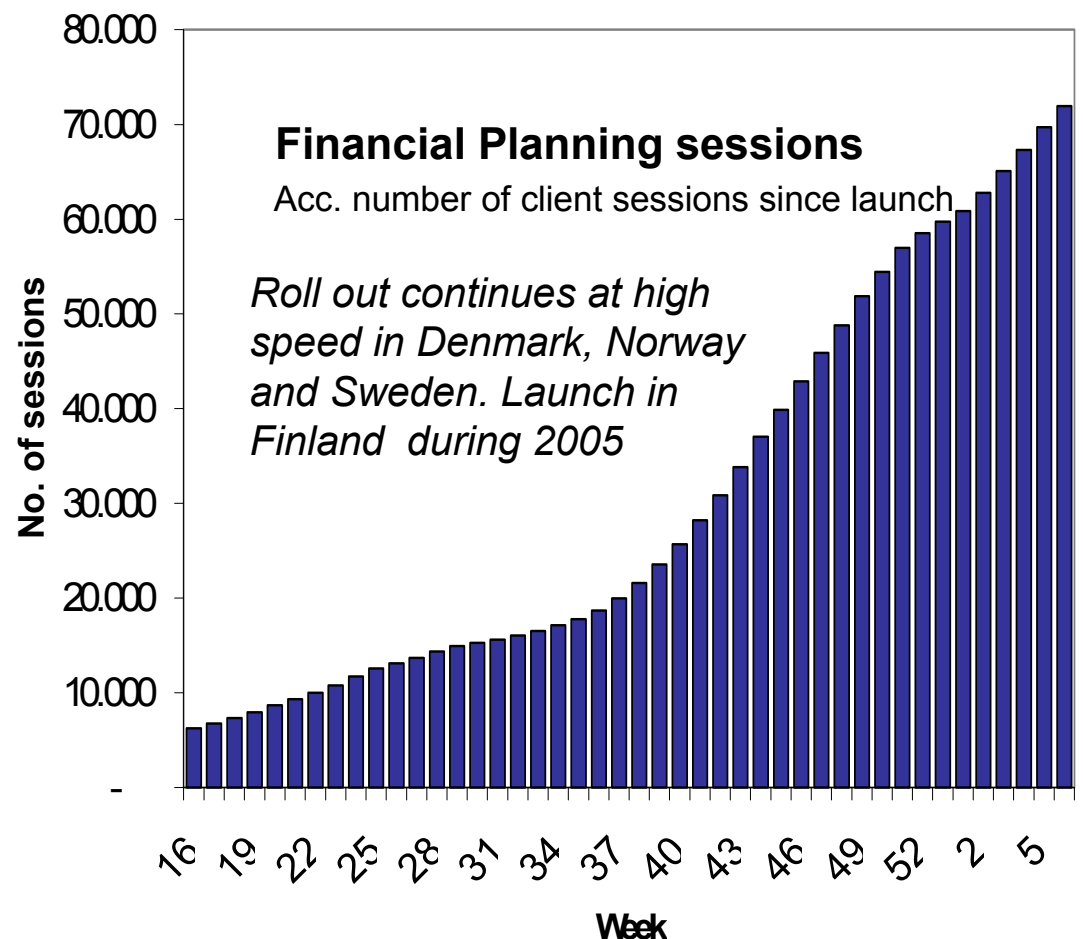


Smaller, more flexible teams

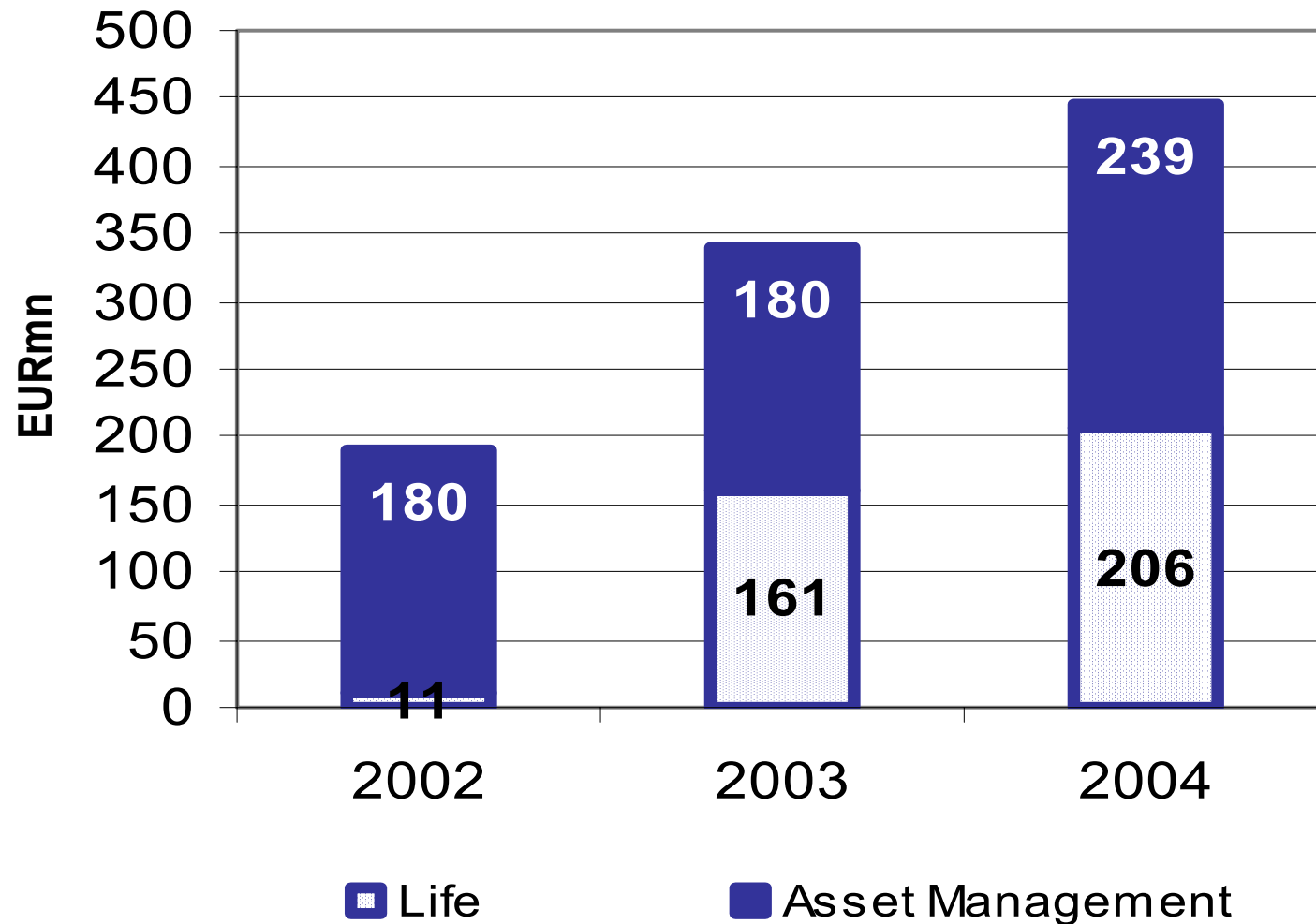
Ambition: Continued growth

Financial Planning Tool is at the core of the strategy for retail savings

- Cutting edge advisory concept
- Integrated with Retail Banking
- Trained advisers in branches
- Increases savings revenue per client
- Exceeds regulatory demands in regard to act in the best interest of clients



Delivering growth - Product result





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In summary

- **Record result in 2004**
 - Strong performance in all business areas
 - Total shareholder return ranking among top three in European peer group for two consecutive years
- **Costs down 5% in 2004**
- **Strong revenue growth in fourth quarter**
 - Income supported by strong volume growth
- **Increased ambition level**
 - Return on equity target raised by 3 percentage points
 - Flat cost target extended by three years
- **Well positioned to capture growth opportunities**
- **Proposed increased dividend and new share buy-backs**



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Income statement summary

EURm,	2004	2003	Chg %
Total income	5,720	5,639	1
Total expenses	-3,484	-3,673	-5
Loan losses, net	-27	-363	
Equity method	48	57	
Profit before inv. earnings and insurance	2,257	1,660	36
Investment earnings, banking	8	170	
Operating profit, life insurance	180	149	21
Goodwill amortisation and write-downs	-161	-167	
Operating profit	2,284	1,812	26
Net profit	1,914	1,490	28

Income statement summary

EURm	Q4/04	Q3/04	Chg %
Total income	1,504	1,391	8
Total expenses	-925	-837	11
Loan losses, net	10	2	
Equity method	15	15	
Profit before inv. earnings and insurance	604	571	6
Investment earnings, banking	33	-26	
Operating profit, life insurance	40	42	-5
Goodwill amortisation and write-downs	-41	-39	
Operating profit	636	548	16
Net profit	434	398	9