



Interim Report First Quarter 2006 - Press Conference

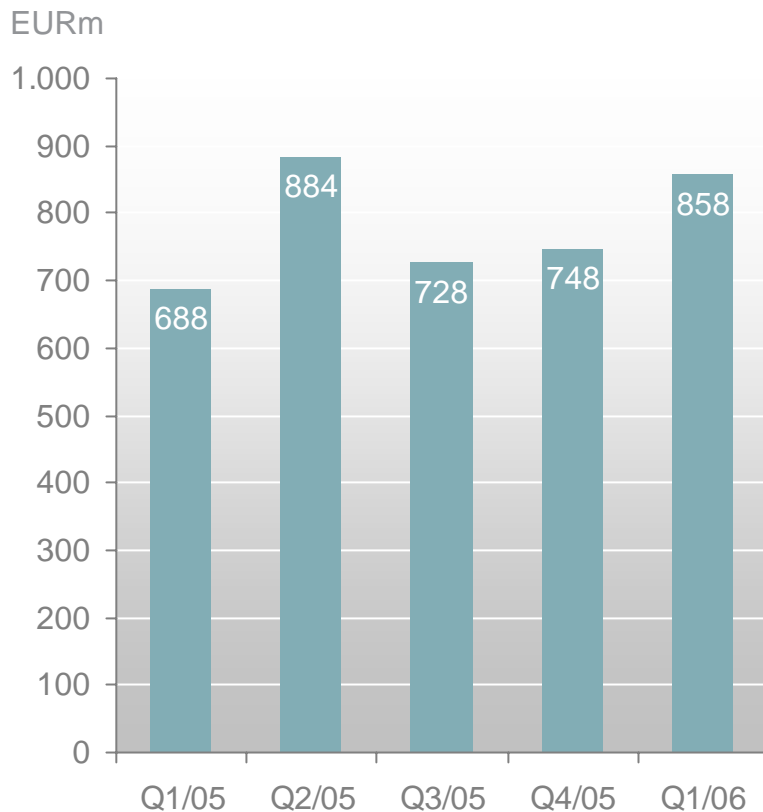


Lars G Nordström
President and Group CEO

Keeping the momentum - delivering ahead of financial targets

- Operating profit in Q1 2006 increased by 25% compared to Q1 2005 to EUR 858m
- Gap between revenue and cost growth 8 percentage points
- Revenues increased by 11% to EUR 1,759m
- Costs increased by 3% to EUR 933m
- Cost/Income ratio continued to improve and reached 53% (57%)
- Net profit increased by 34% to EUR 665m
- Return on equity 20.0% (15.8%)

Operating profit – very strong business momentum



YoY

- Up 25%
- Strong revenue growth in all business areas
- Firm cost management
- Focus on profitable growth
 - RoE 20%
 - Net profit up 34%

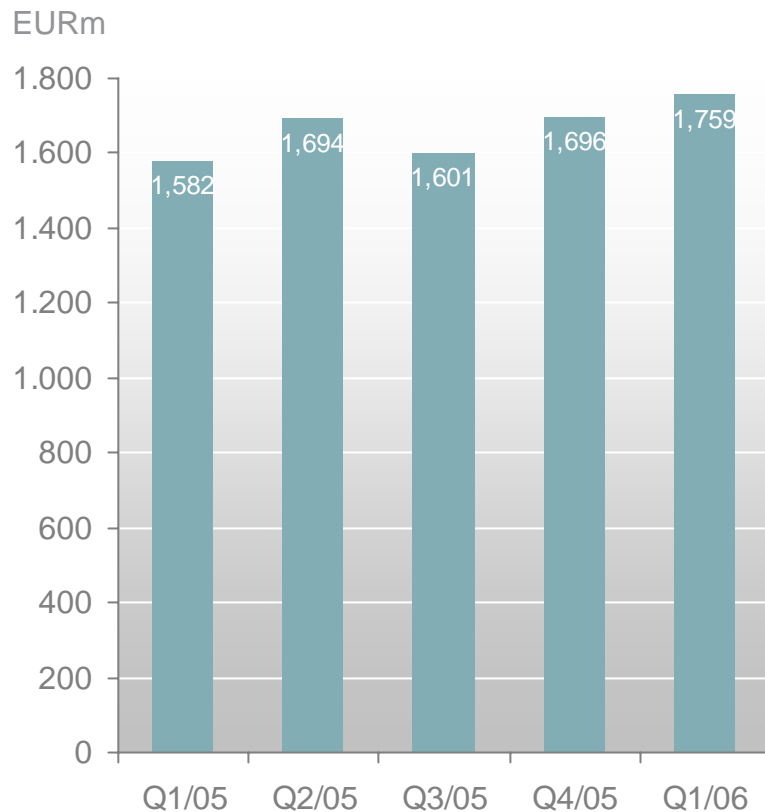
QoQ

- Up 15%

Growth strategy and business model pay off – profitable growth in business volumes

- Strong sales to both corporate and personal customers – lending up 12%
- Strategic focus on the savings area increasingly visible – Assets under management up 18% and deposits up 8%
- New written premiums in Life up 23%
- Strong growth in sale of Markets' products – targeted activities towards small and medium-sized Nordic corporates

Continued growth in operating income



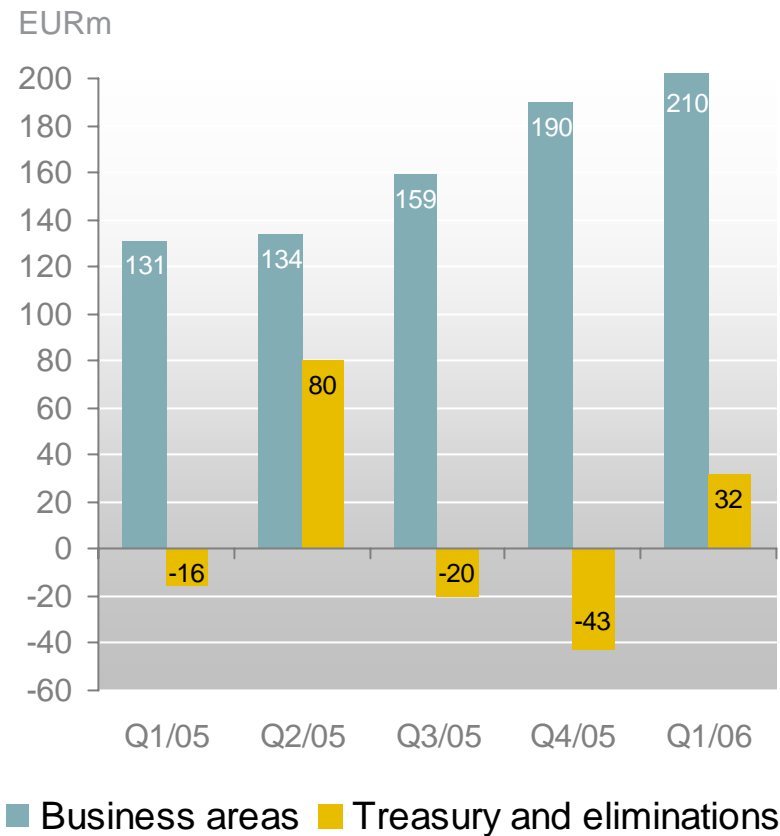
YoY

- Up 11%
- Increased focus on top line growth
 - strong volume growth continues
- Increased income from advisory services
 - Long-term savings
 - Markets-related products
- Strong increase in commission income and net/gains losses

Improved sales focus increases business volumes across business areas

- Strong lending growth adding approx. EUR 60m in revenues (YoY)
 - lending up 12% to EUR 191bn
 - driven by mortgages, SME lending, consumer finance, Shipping, Poland & Baltics
- Strong growth in long-term savings, adding approx. EUR 65m in revenues (YoY)
 - AuM increased 18% to EUR 154bn
 - AuM in Private Banking +24%, Nordic retail funds +23%, Life +15%
 - revenues in Asset Management up 27%, premiums in Life up 23%
 - Deposits up 8%
- Strong pick-up in customer-driven revenues in Markets - adding approx. EUR 55m in revenues (YoY)
 - total revenues in Markets up 35% to EUR 207m
 - strongest increase in structured products
 - stable increase also for bread and butter capital markets business, eg. F/X, MM

Customer business drives increase in net/gains losses



YoY

- Net gains/losses in BA's increased by 60% to EUR 210m
- Strong success in selling Markets products in Retail and CIB
- Strong growth in customer driven business
 - structured products
 - strong and stable core business in F/X and fixed income trading
- Significant result contribution from Treasury

QoQ

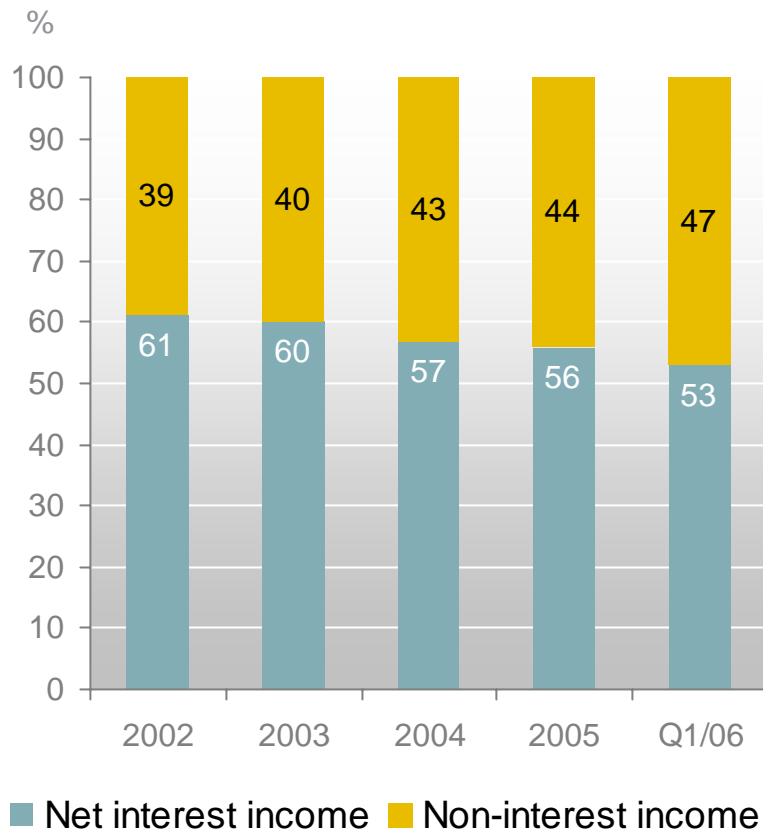
- Increase in Treasury and Markets
- Stable contribution from Life

Volume growth more than compensates margin pressure

	<u>YoY</u>	<u>QoQ</u>
Lending, total	12%	1%
– Mortgage lending	14%	2%
– Consumer lending*	8%	2%
– SME lending	11%	1%
– CIB lending	4%	-1%
Deposits, total	8%	-2%
– Household deposits	7%	0%
– SME deposits	11%	-2%
– CIB deposits	-4%	-4%

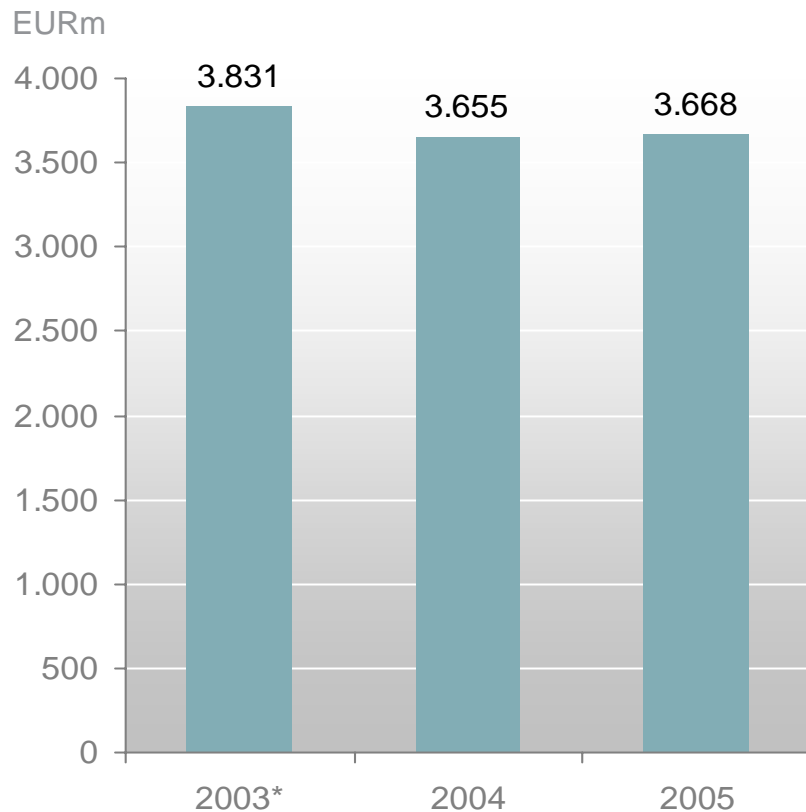
* Retail consumer lending (collateralised + non-collateralised consumer lending)

Increased focus on advisory services – higher share of income being non-interest income



- Increasing proportion of non-interest income
 - still net interest income up 3% YoY
- In line with strategy
- Individual customer focused advice and product offering increasingly important
- A more capital efficient way to finance growth in earnings
- Risk diversification

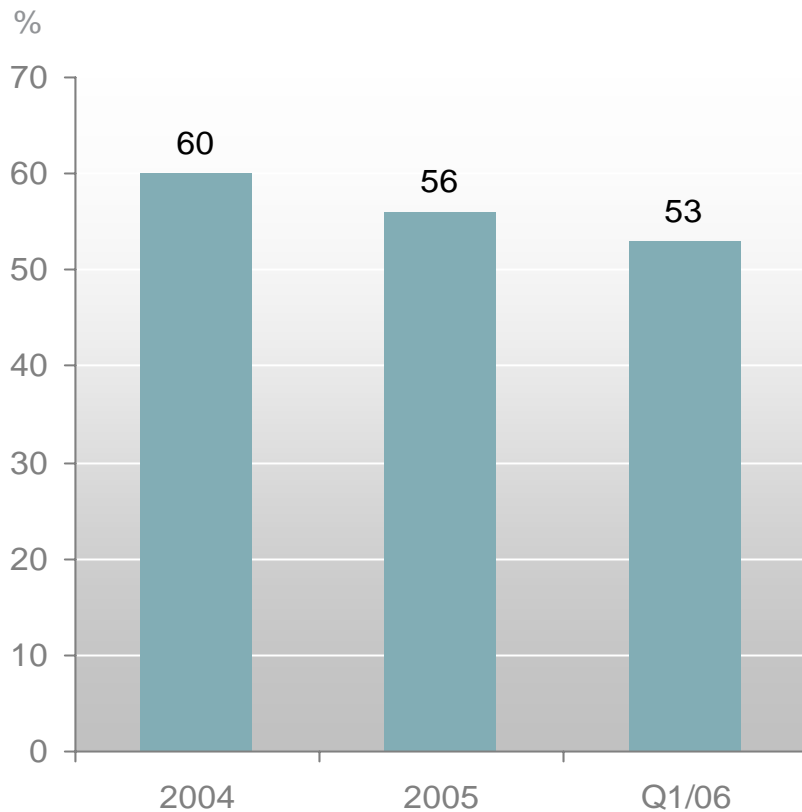
Cost management culture firmly established



- Costs down 7% 2002-2005
- Nordea accepts a moderate increase in costs in the present strong market environment
 - to capture profitable growth opportunities
 - Nordea has flexibility and ability to adjust accordingly if macro environment changes

* Not restated to IFRS

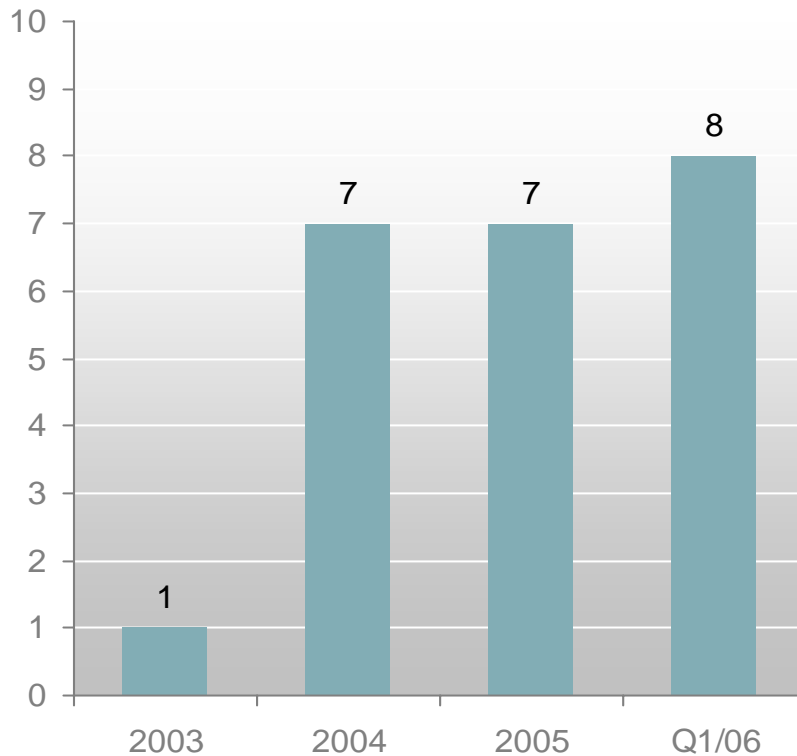
Cost/income ratio continues downwards



- Continued down to 53% in Q1
 - income up 11%
 - costs up 3%
- Continuous efficiency improvements
- Delivery in line with financial targets

Widened gap between income and cost development

Percentage points



- Increased efficiency when delivering top line growth
- Capture profitable revenue opportunities
- Cost reductions were the main driver for bottom line growth 2003-2004
- Top line increasingly contributing
- Maintaining a gap secures delivery of net profit and RoE

Margin pressure continues – in a limited part of the business

- Competition continues to put pressure on margins in certain parts of the business
 - Mortgage lending – approx. 9% of Nordea's revenues in Q1
 - YoY margins on average down 17bp
 - margins on new lending below average book margins
 - QoQ largely unchanged average margins
 - Nordea benefitting from geographical diversification
 - Corporate lending – approx. 16% of Nordea's revenues in Q1
 - continuous pressure on margins following competition as well as improved corporate ratings
- Nordea's strategy is not being price leader on specific products but rather providing attractive customer programmes – based on cross-selling

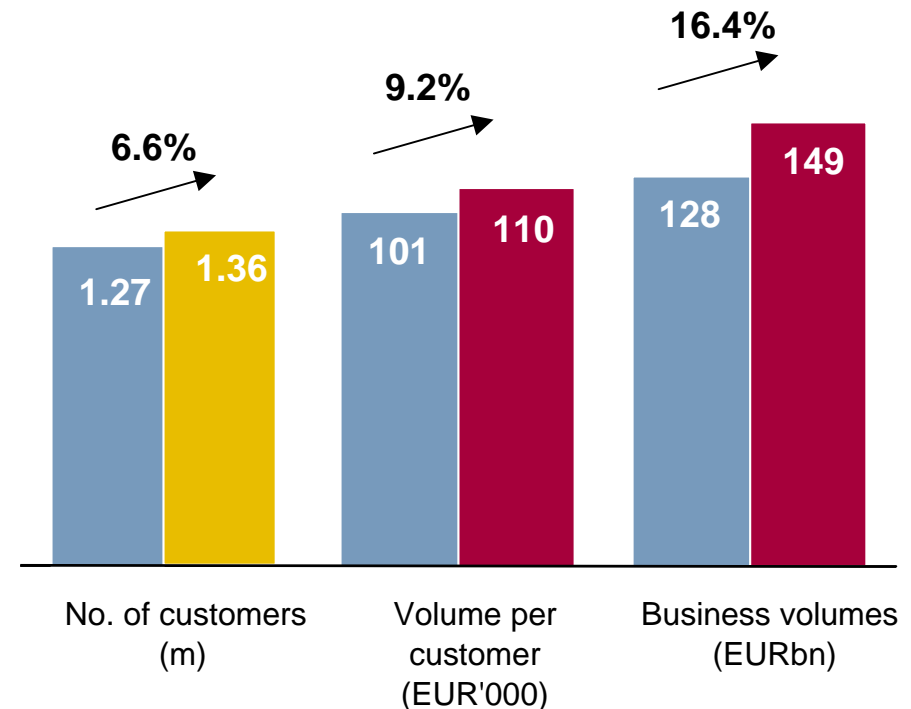
Key growth areas

- Accelerate market position within consumer credits
 - including cards
- Continue to leverage on strong position within long-term savings
- Harness Nordea's leading position in capital markets – leveraging Nordea's customer base
- SME banking provides opportunity
- Use the mortgage product as a connecting point with the client
- Further position Nordea successfully in the Baltics, Poland and Russia

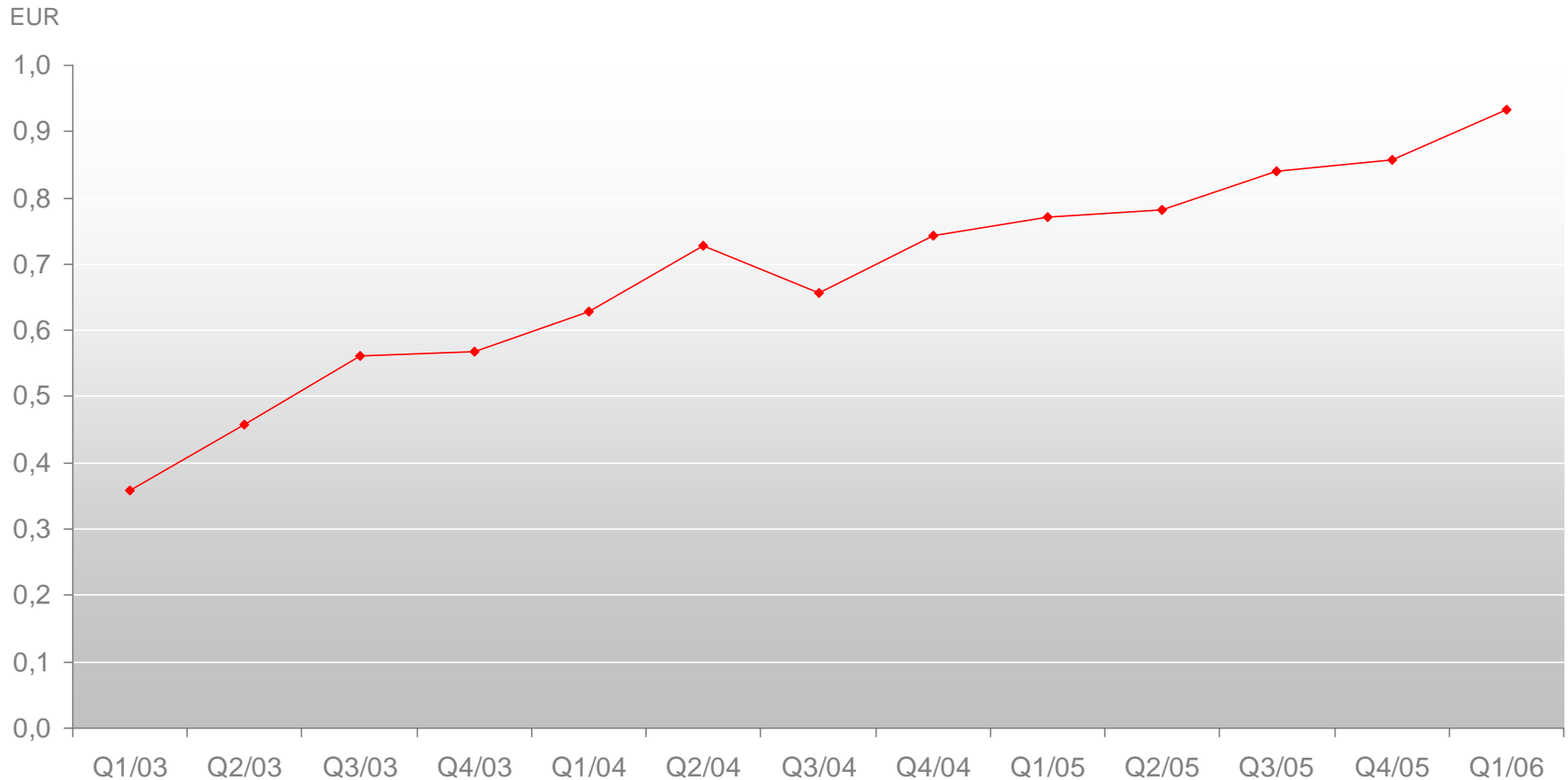
Increasing business through customer programmes rewards both customers & Nordea

- Key elements in the programmes offered to the customers:
 - more favourable prices the more business customers do - and for the core customers a named personal banking adviser at their service
 - transparent pricing
 - three levels: Basic, intermediate and core
- Key focus on increasing:
 - customer satisfaction and loyalty
 - business volume per customer
- Strong success to date
 - no. of customers and business volume per customer increased in core segment drive the improved earnings

Strong growth in core segment
Q1/05 to Q1/06



Continuous increase in earnings per share



In summary

- Growth strategy and business model pay off – profitable growth in business volumes
- Business model is delivering
 - increased cross selling to existing customers – business volumes by core clients up 16%
 - converting more customers to become core customers – no of core customers increased by 7 %
 - improved value propositions in re-launched customer programmes – attractive prices for core customers no price leadership
 - interaction between different distribution channels
 - increased focus on advisory-related services – non-net interest income 47% in Q1
- Ambition to continue to capture profitable growth opportunities without compromising strict risk and cost management
- The Nordea engine is speeding ahead



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President and Group CEO

Income statement summary

EURm	Q1/06	Q1/05	Chg %
Net interest income	927	897	3
Net fee and commission income	507	453	12
Net gains/losses on items at fair value	242	115	110
Equity method	25	13	92
Other income	58	104	-44
Total operating income	1,759	1,582	11
Staff costs	-543	-515	5
Other expenses	-367	-353	4
Depreciation	-23	-34	-32
Total operating expenses	-933	-902	3
Loan losses	31	6	
Operating profit	858	688	25
Net profit	665	495	34

Income statement summary

EURm	Q1/06	Q4/05	Chg %
Net interest income	927	933	-1
Net fee and commission income	507	529	-4
Net gains/losses on items at fair value	242	147	65
Equity method	25	21	19
Other income	58	66	-12
Total operating income	1,759	1,696	4
Staff costs	-543	-532	2
Other expenses	-367	-393	-7
Depreciation	-23	-31	-26
Total operating expenses	-933	-956	-2
Loan losses	31	7	
Operating profit	858	748	15
Net profit	665	506	31