



Nordea full year result 2006

Press Conference



Lars G Nordström
President and Group CEO

Record results following reinforced organic growth strategy – RoE at all time high 22.9%

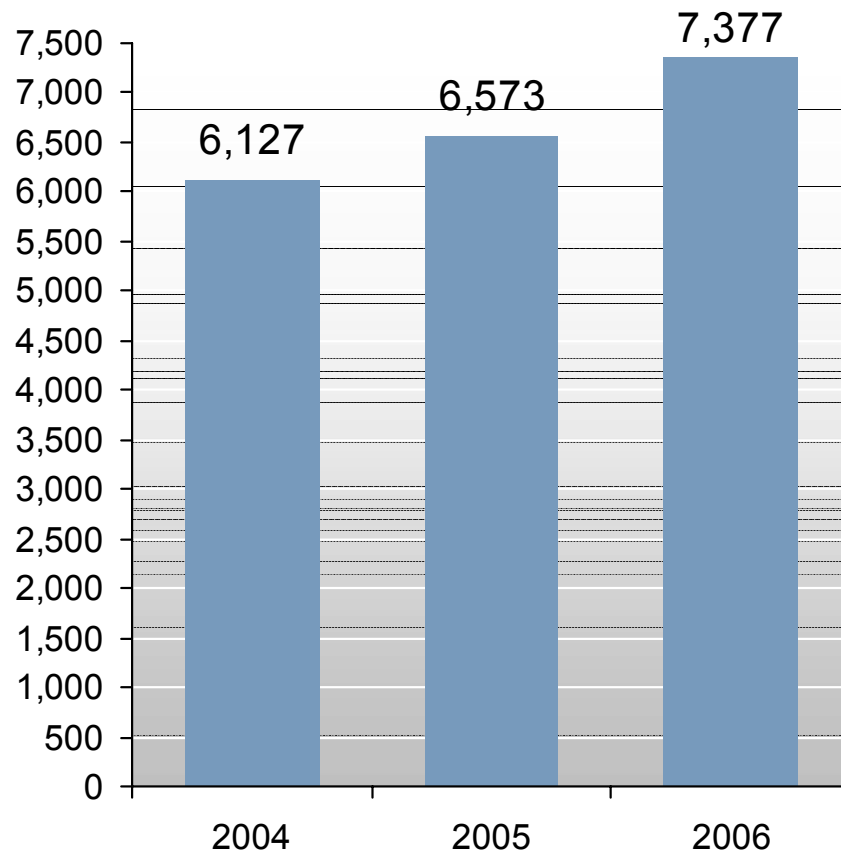
- Operating profit up 25% to EUR 3,820m (EUR 3,048m)
- Net profit up 39% to EUR 3,153m (EUR 2,269m)
- Earnings per share EUR 1.21 (EUR 0.86) up 41%
- Total dividend per share EUR 0.49, up 40% corresponding to total dividend payment of EUR 1,271m.
- Income up 12% to EUR 7,377m (EUR 6,573m in 2005)
- Costs up 4% - reflecting higher business activity
- Gap between revenue and cost growth 5.4%-points, excl. full impact of IMB sale
- Cost/income ratio continued down to 52%
- Positive net loan losses of EUR 257m (EUR 137m) – 11th consecutive quarter with net recoveries
- Return on equity 22.9% (18.0%)

Strong momentum in all business areas

- Total lending up 14%
- Mortgage lending up 15%
- SME lending up 12%
- Consumer lending up 12% - non collateralised up 17%
- Number of credit cards increased by 25%
- Strong growth in Private Banking
- Increased cross-selling of Markets' products to SMEs
- Strong increase in capital markets transactions with large corporates
- Net written premiums in Life up 22%

Continued growth in operating income

EURm



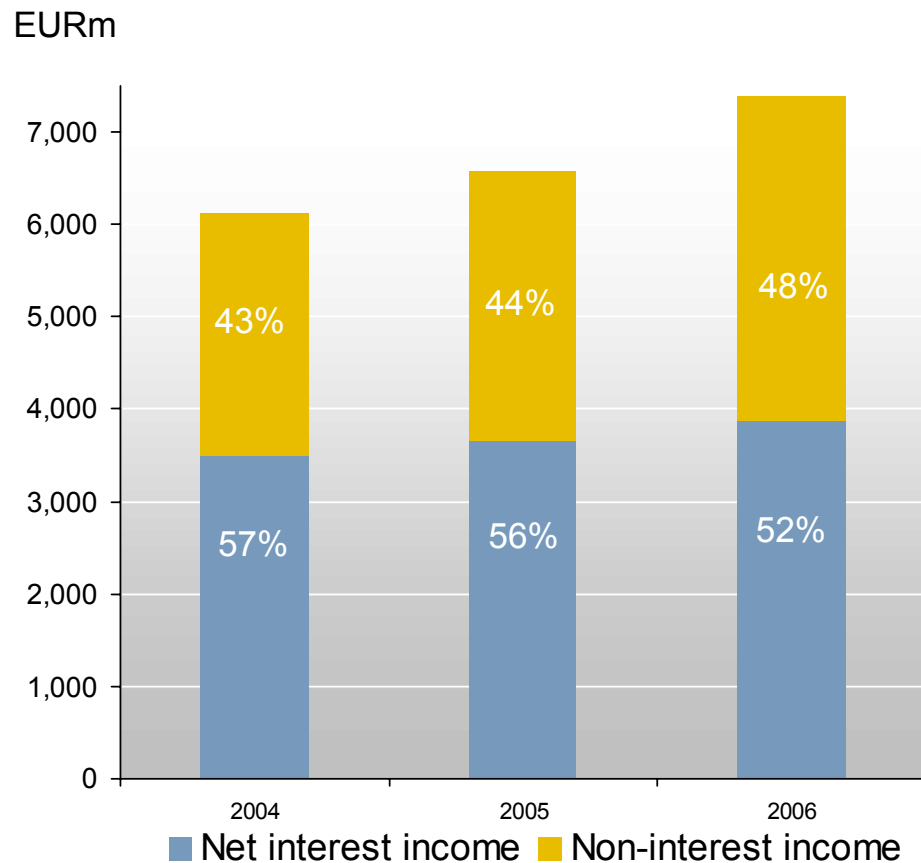
YoY

- Up 12%
 - Up 9% excl. sale of IMB shares
- Steady increase in net interest income
 - Volume growth more than compensating for lending margin pressure.
 - Improved deposit margins
- Higher commission income – fuelled by savings products
- Net/gains losses – strong increase in customer driven financial transactions

Q4oQ3

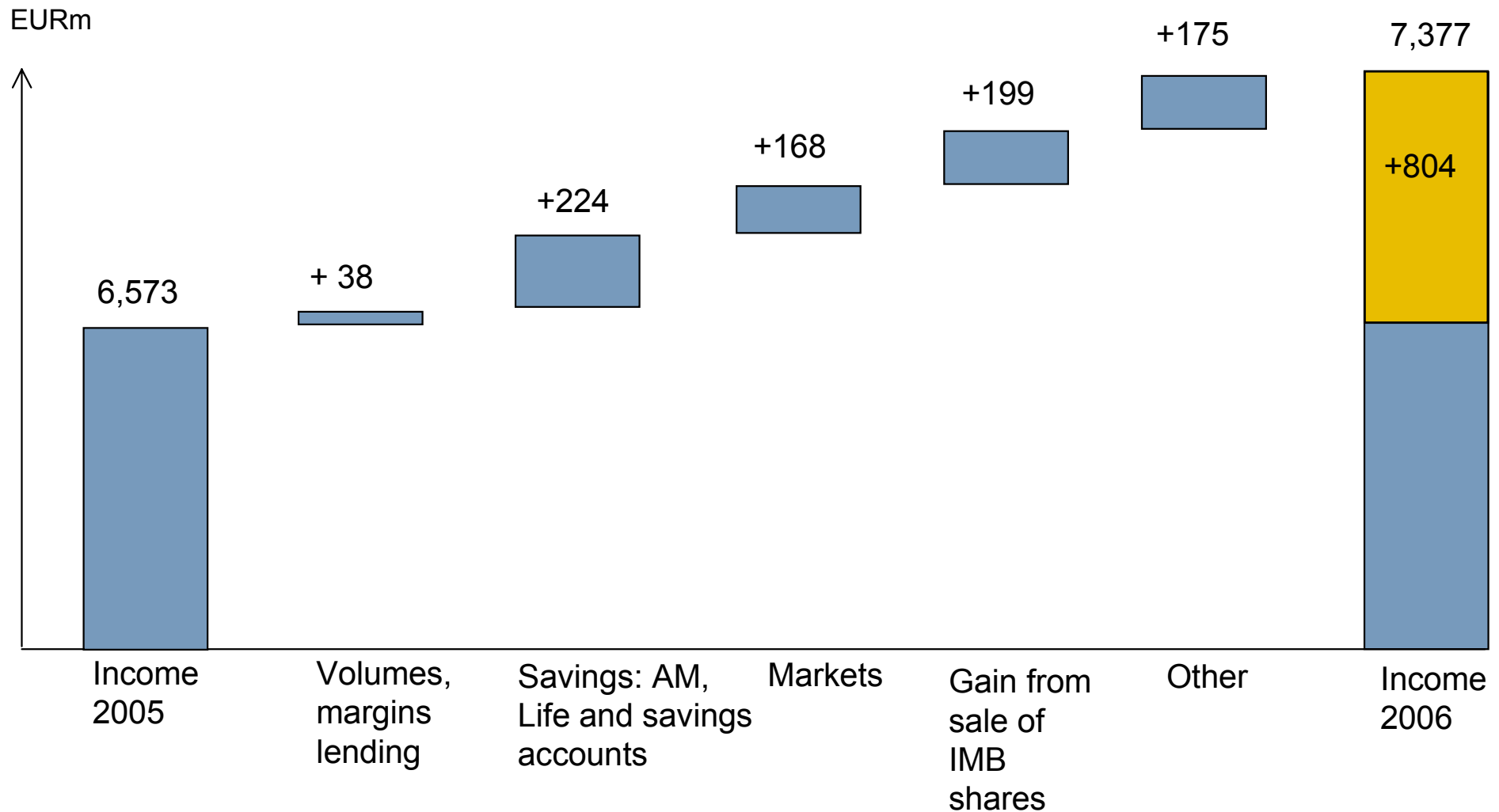
- Strong increase when adjusting for IMB
- Accelerating business momentum in all Business Areas

Higher share of income being non-interest income



- Increased proportion of non-interest income 48%
 - Excl. IMB sale 46%
- Individual client focused advice and product offering increasingly important
- A more capital efficient way to finance growth in earnings
- Risk diverse revenue streams

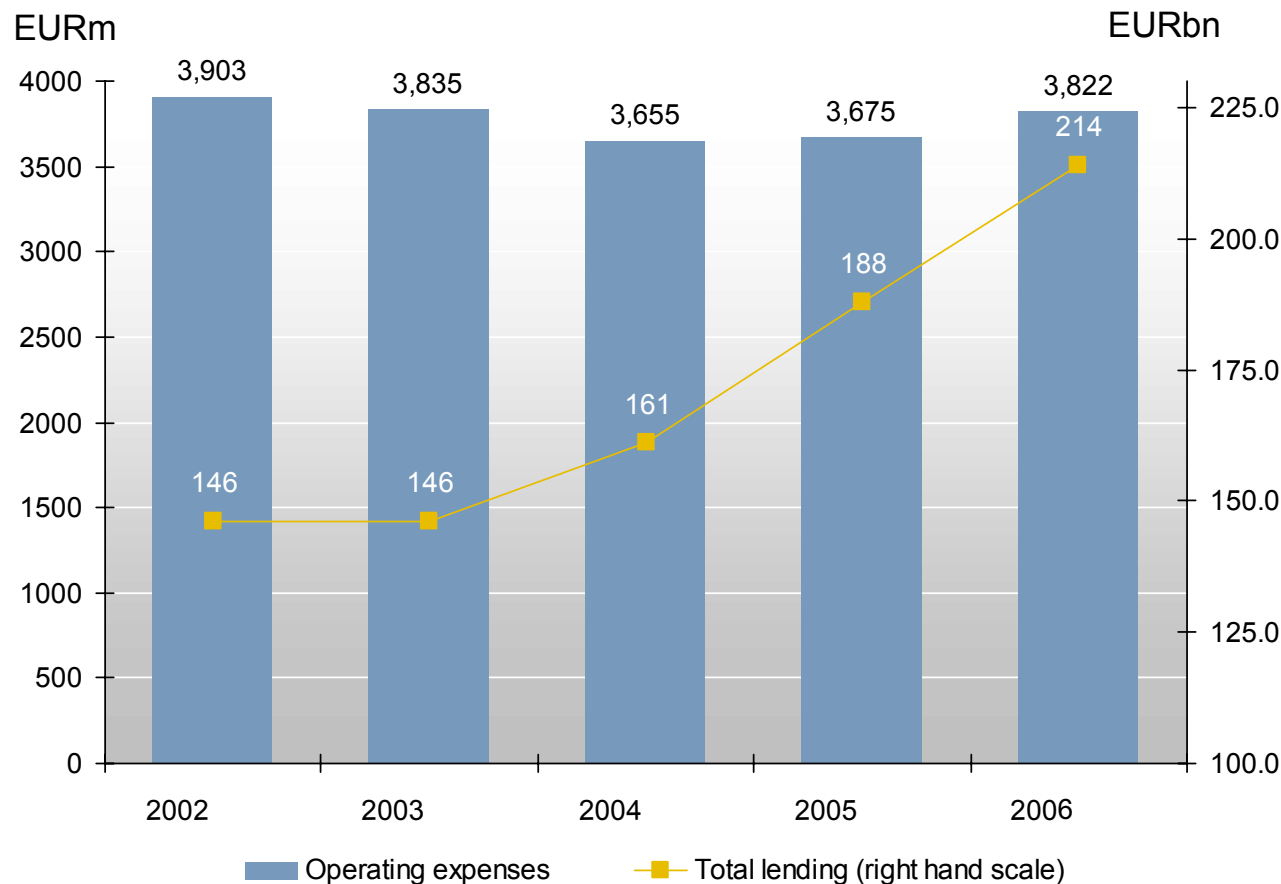
Revenue growth in Nordea



Robust volume growth continues

	<u>YoY</u>	<u>Q4oQ3</u>
Lending, total	14%	6%
– Mortgage lending	15%	5%
– Consumer lending*	12%	2%
– of which non collateralised lending	17%	4%
– SME lending	12%	7%
– CIB lending excl. Markets	15%	16%
Deposits, total	9%	6%
– Household deposits	8%	1%
– SME deposits	12%	8%
– CIB deposits excl. Markets	14%	16%

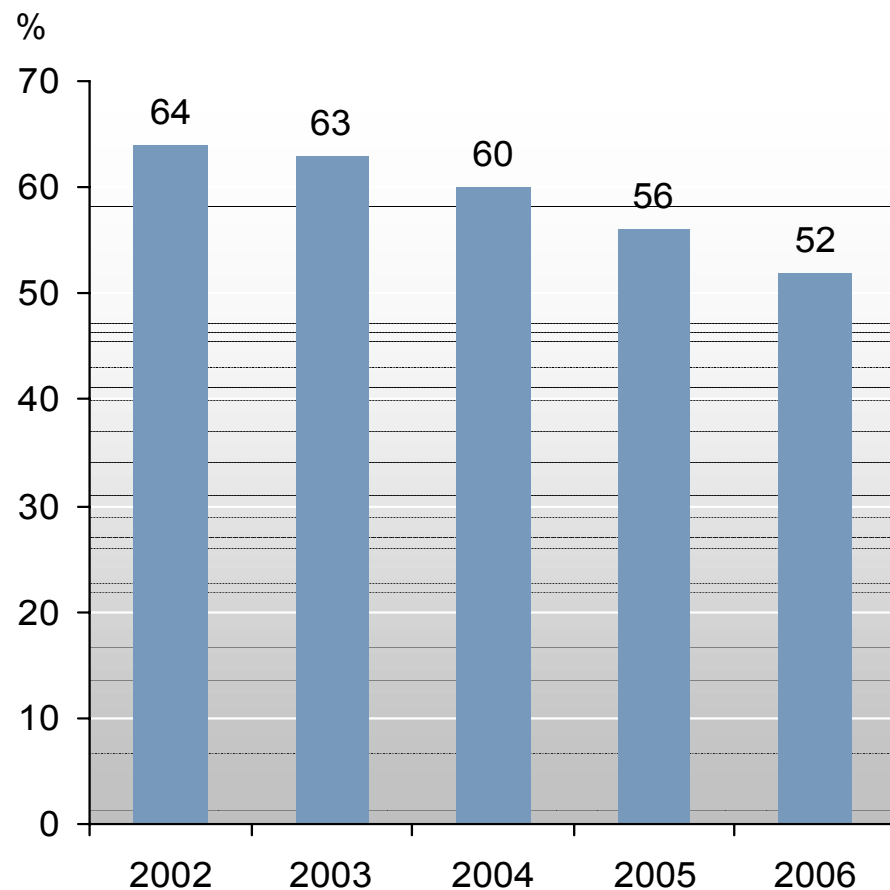
Reduced cost base since 2002* – despite strong increase in business volumes



- Cost unchanged despite lending growth of 50% and accumulated inflation of 13% in the period
- European average is annual cost increase of 8%

*Baseline adjusted for IFRS and net of acquisitions and divestments over the years. PostGiro included in 2002 figures

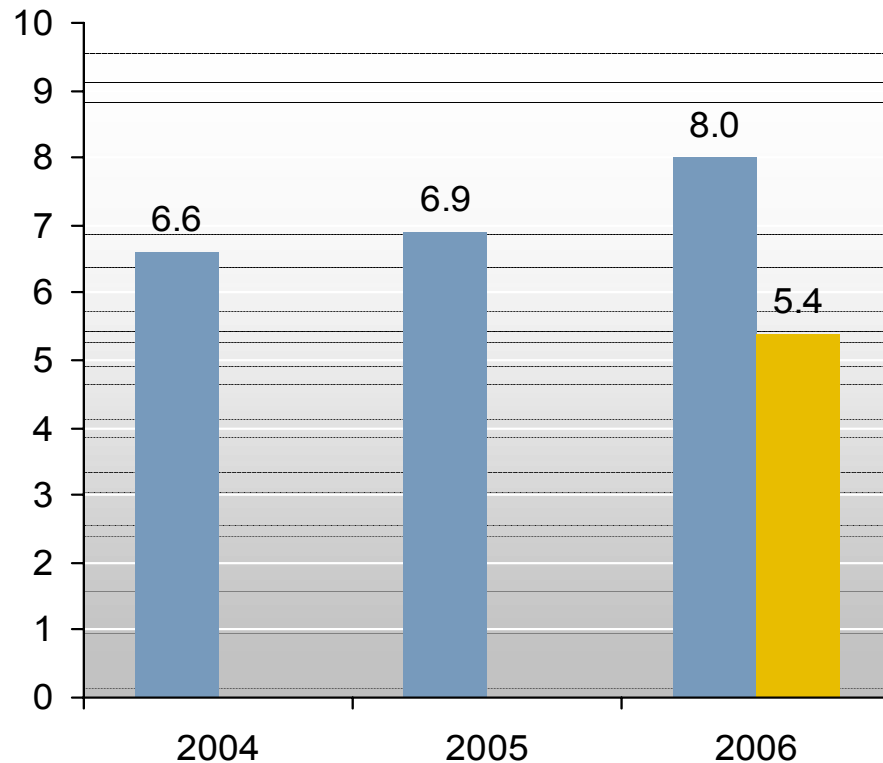
Cost/income ratio continues downwards



- Continued down to 52% in 2006
 - Income up 12%
 - Costs up 4%
 - Excl. gain from sale of IMB shares C/I 53%
- Strong growth in revenues combined with continuous focus on firm cost management
- Profitable organic growth in focus

Gap between income and cost development

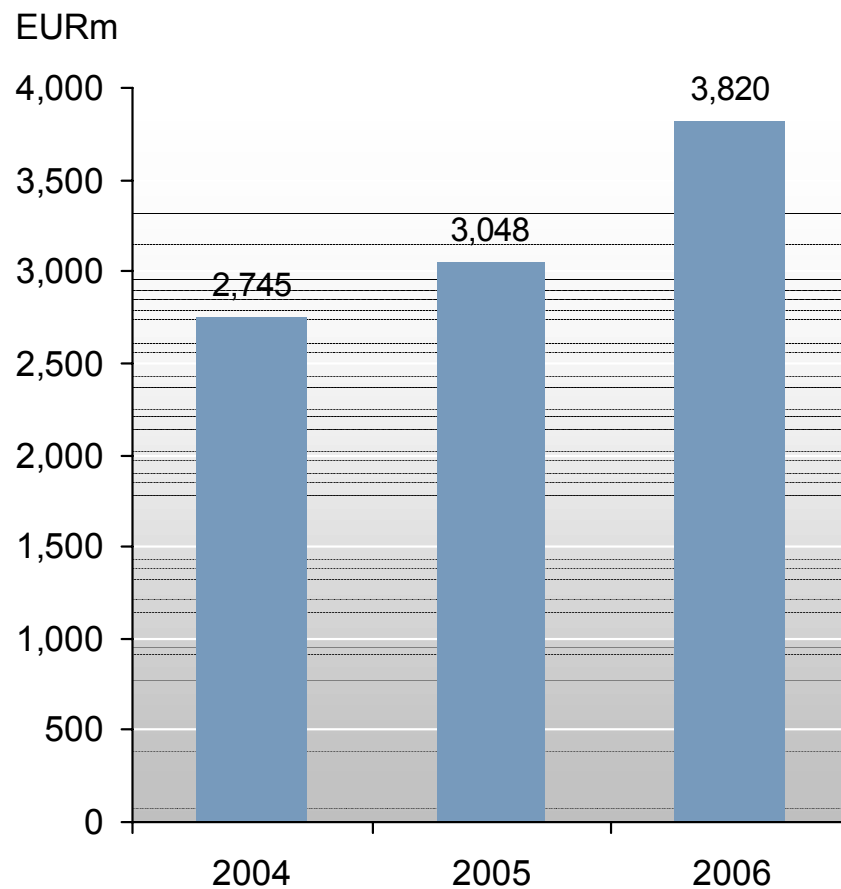
Percentage points



■ Gap excl. full impact from sale of IMB shares

- Reported gap of 8.0 percentage points, excl. full impact from sale of IMB 5.4 percentage points
 - Revenues up 12.2%
 - Expenses up 4.2%
- Three years track record of managing attractive gap between revenue and cost growth

Operating profit

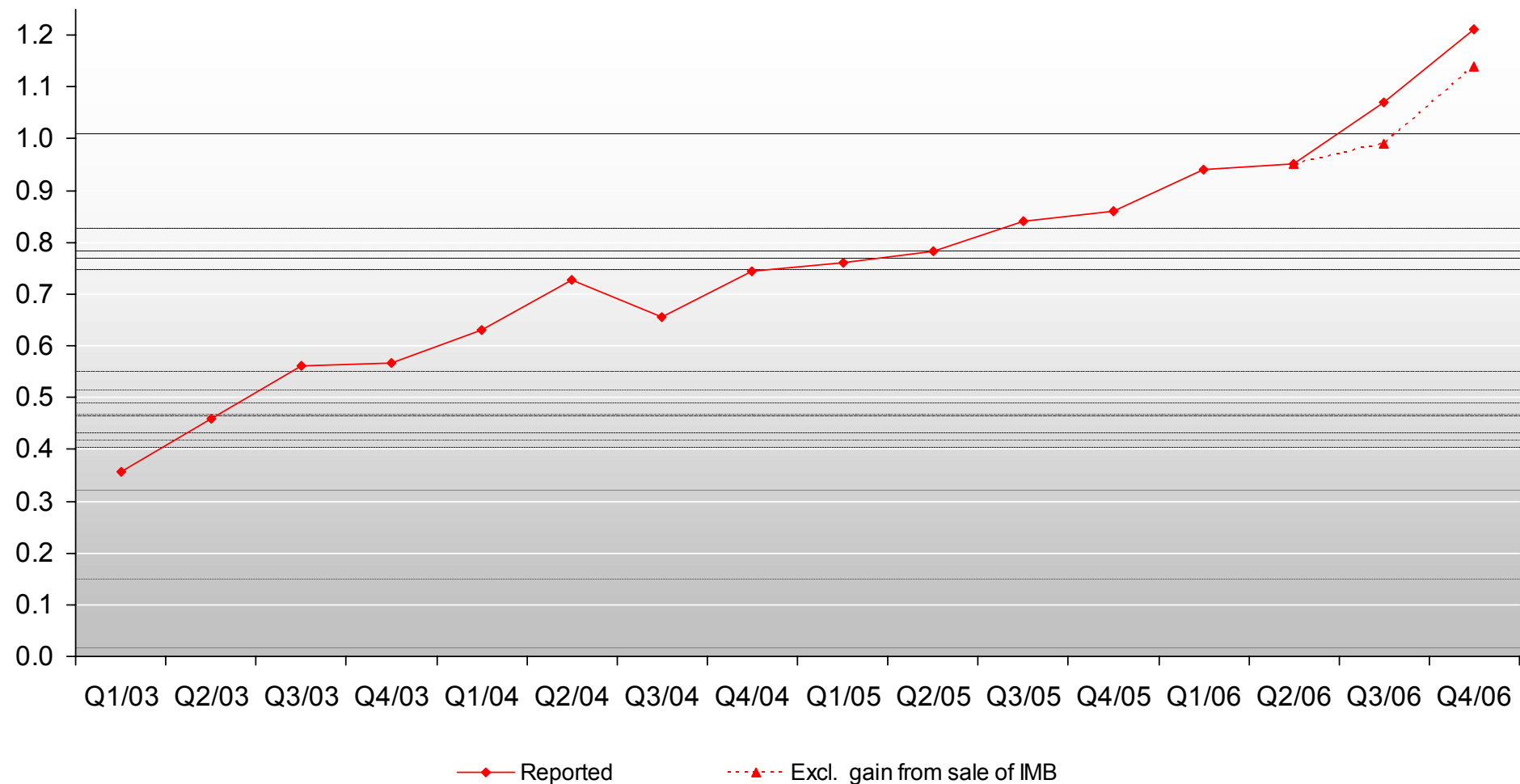


YoY

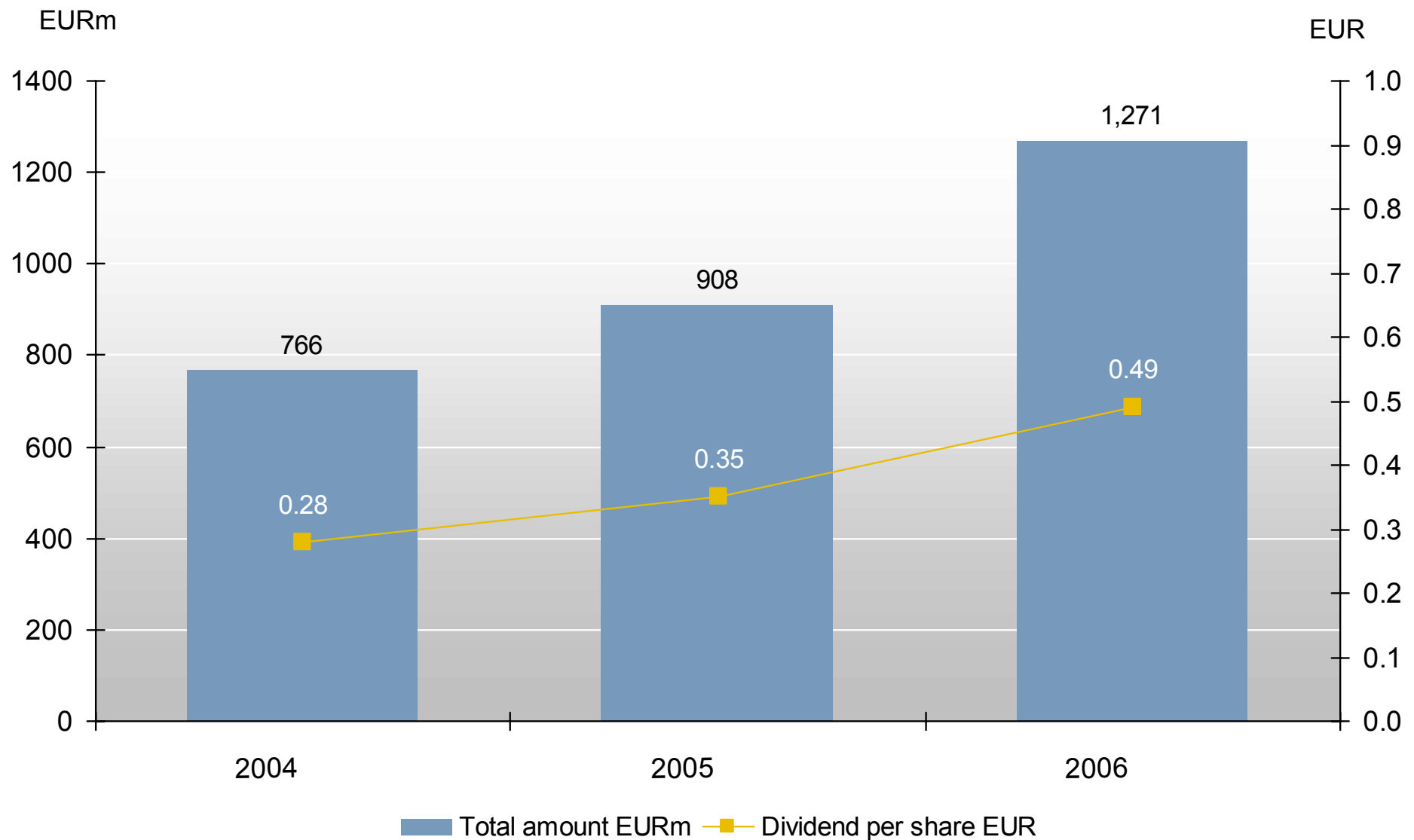
- Up 25%
- Up 19% excl. gain from sale of IMB shares
- Increased focus on profitable organic growth and cross-selling
- Operating profit in Business Areas up 17% excl. gain from sale of IMB shares
- Strong performance in all Business Areas
 - Retail up 18%
 - CIB up 18%
 - AM up 24%

Continuous increase in earnings per share - rolling 12 months

EUR



Dividend up 40%



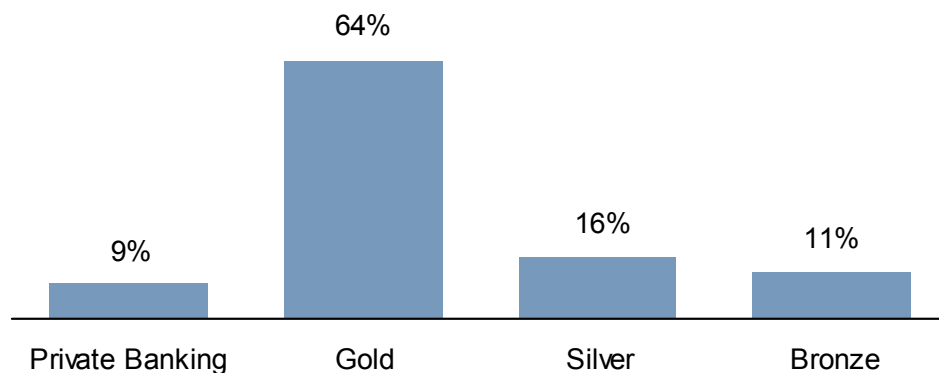
Key growth areas – organic growth strategy continues to pay off

- Continue to leverage on strong position within long-term savings, eg Nordic Private Banking and Life insurance
 - Increase in AuM - total net inflow 2006 EUR 4.1bn
 - Recruitment of personal bank advisors, private bank advisors and financial specialists
- Strengthening market position within consumer credits incl. cards
 - Consumer lending up 17% (non collateralised), number of credit cards up 25%
- Harness Nordea's leading position in capital markets – leveraging Nordea's customer base. Sale of Nordea Markets products to Business Areas up 38%
- Further position Nordea successfully in the Baltics, Poland and Russia
 - Lending up 40% in the Baltics and Poland

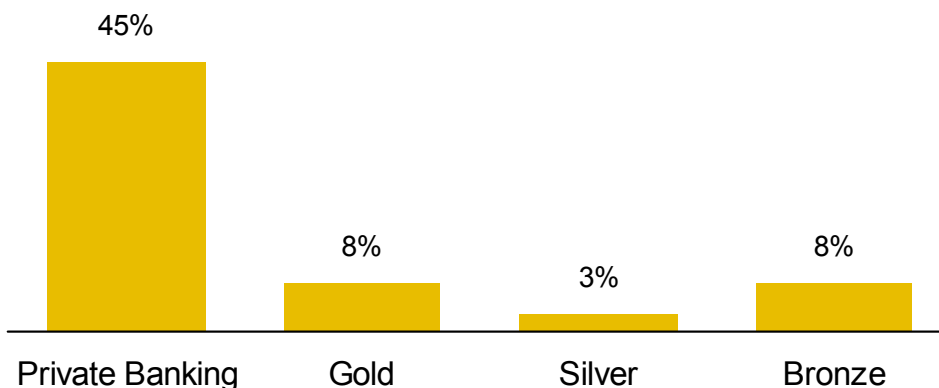
Attract new and move existing customers into the most profitable segments

Gold and Private Banking customers are the engine for profitable growth

Share of Retail Household income in 2006



Income growth during 2006

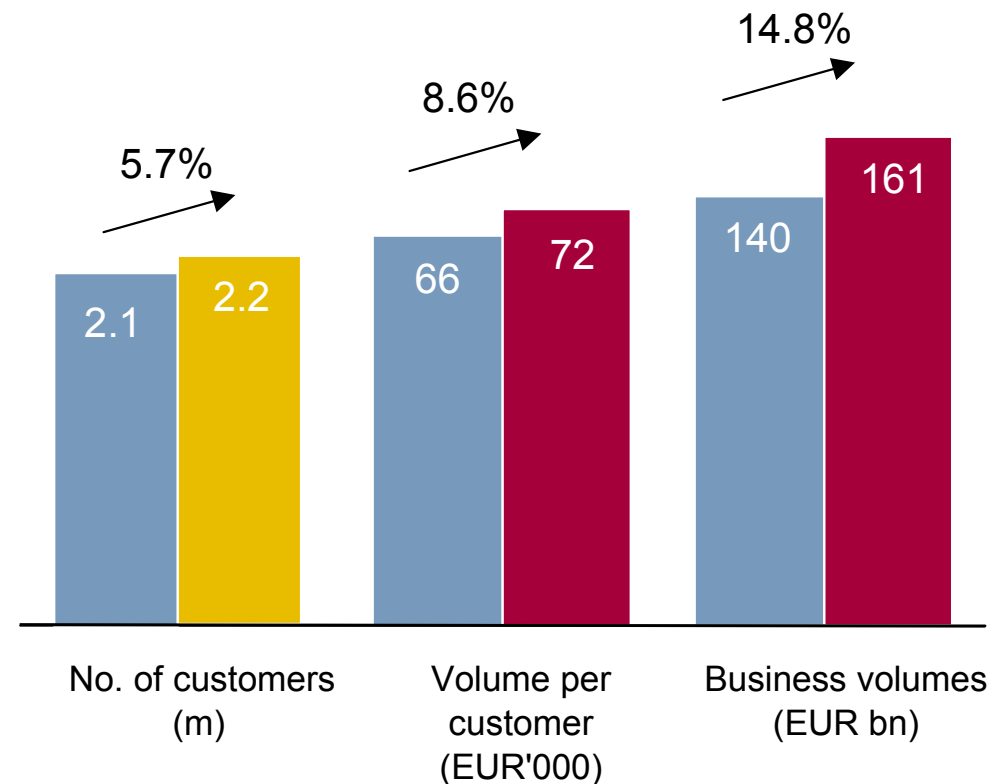


- Approx. EUR 3.0bn of Retail Banking's income is generated from household customers
- Gold customers generate two-thirds of the income
- Total revenues from household customers increased by 9% during 2006
- Private Banking shows very strong growth in income

Strong success to date

- Strong growth in business with Gold customers generated by
 - Increase in number of customers
 - Increase in volume per customer
- Growth in number of customers is a combined effect of
 - Existing customers moving upward in the segments
 - New Nordea customers

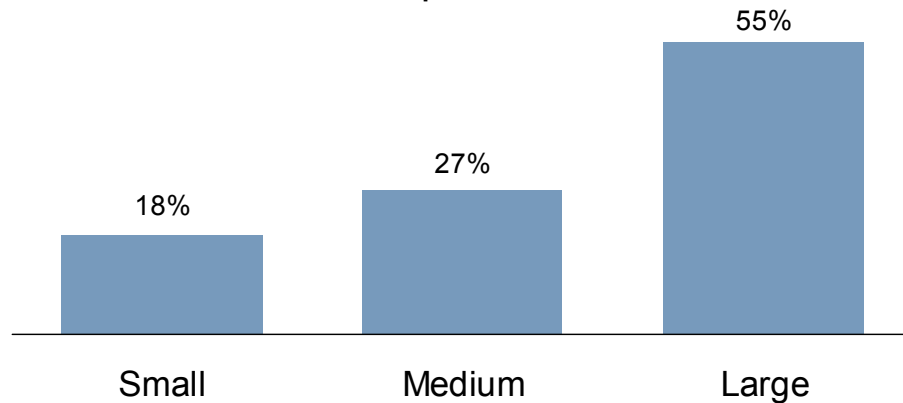
Strong growth in Gold segment Dec 2005 to Dec 2006



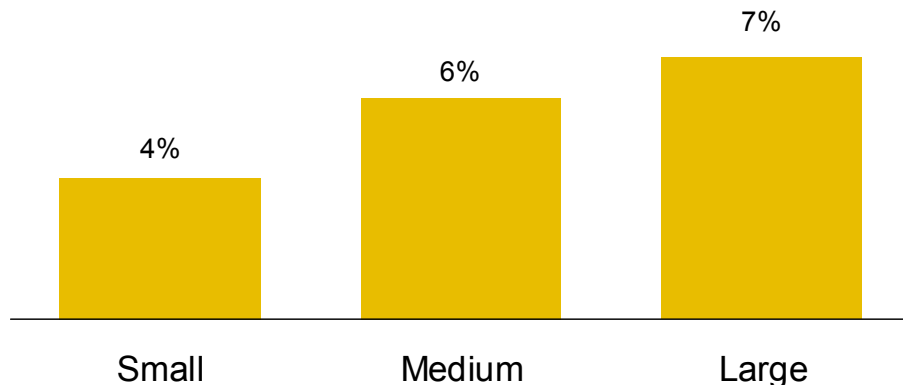
Volumes measured as the sum of total lending and savings

Strong revenue growth in all Retail corporate segments

Share of Retail Corporate income in 2006

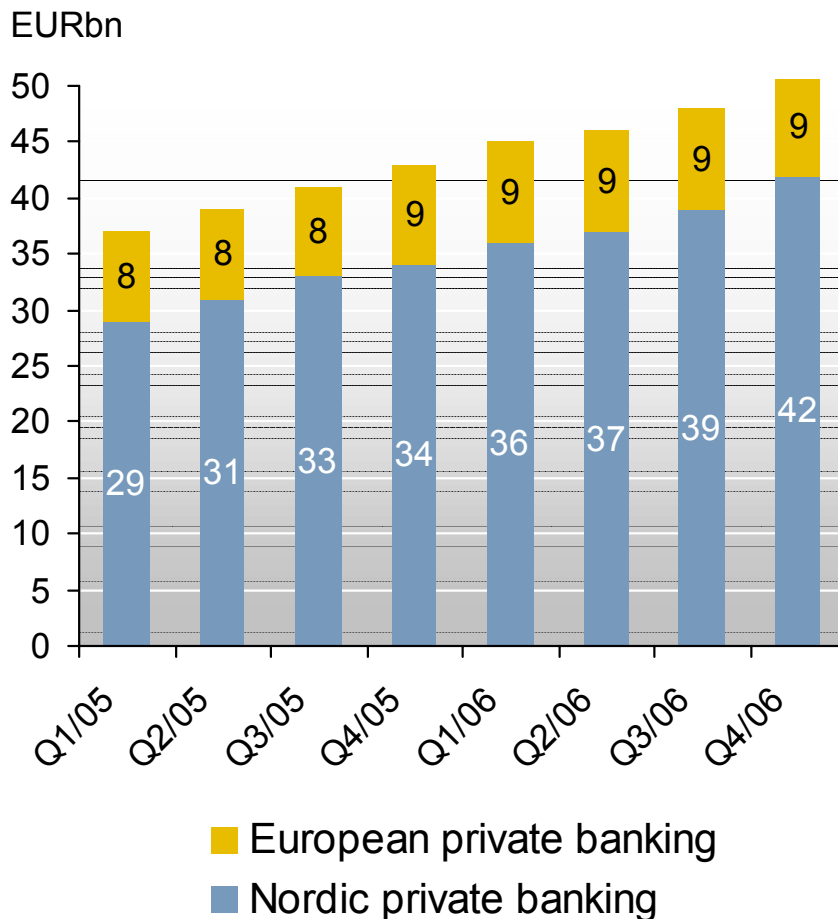


Income growth during 2006



- Approx. EUR 2.0bn of Retail Banking income is derived from corporate customers
- The customers in segment Large account for half of the revenue
- In total revenues from corporate customers increased by 6% 2006

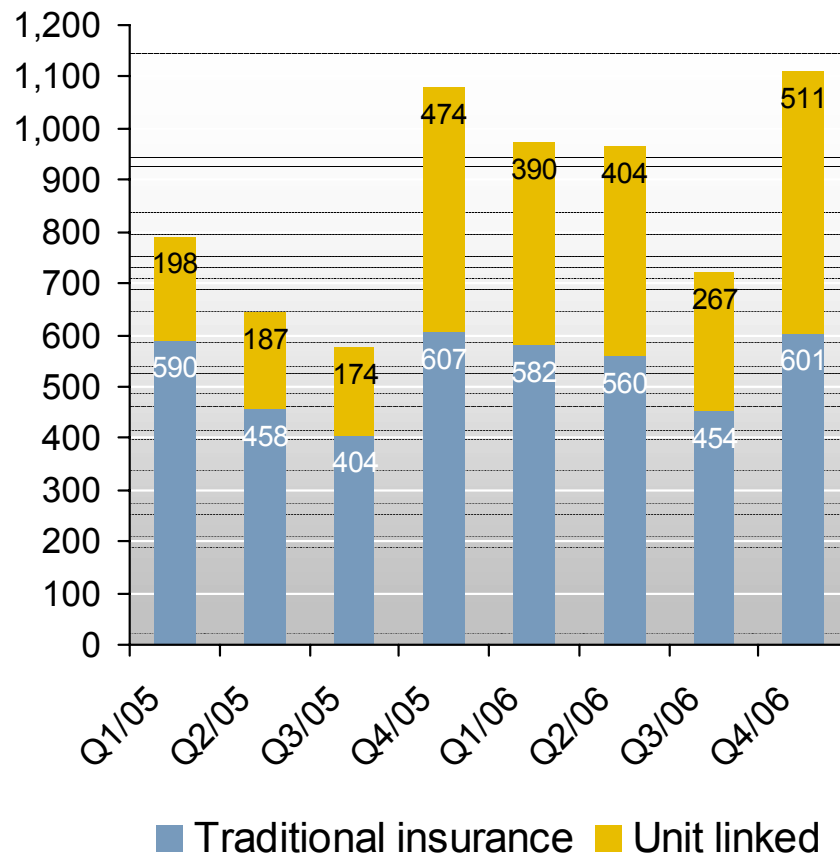
Continue to leverage on strong position within long-term savings – Private Banking



- Strong asset growth in Nordic Private Banking
 - Net inflow in Q4 13% annualised
 - Result of roll-out of new common advisory concepts, particularly in Norway and Sweden
- AuM up 20% YoY

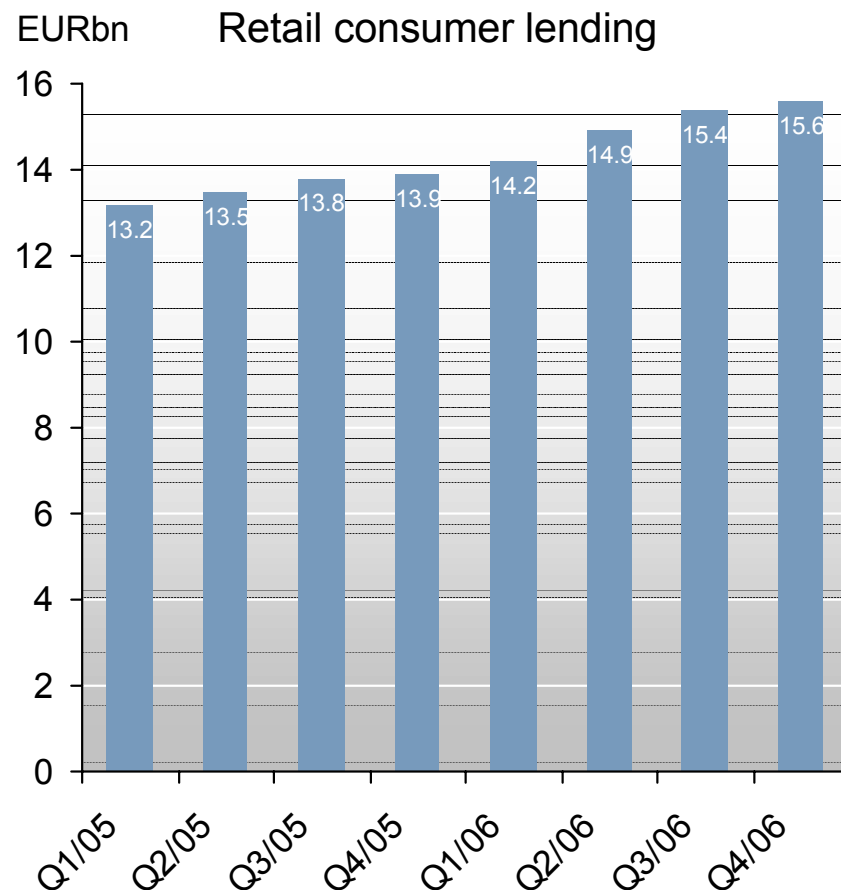
Continue to leverage on strong position within long term savings – stepwise increase of premiums in Life

EURm



- Net written premiums up 22%
- Unit linked share of premiums 42%
- Increased penetration in the customer base – successful cooperation between Life and Retail
- Nordea's share of signed agreements in Mandatory Company Pension (MCP) Norway approx 16%
- Market share of new written premiums on private market 8.4% in Sweden end December

Accelerated market position within consumer lending and cards



YoY

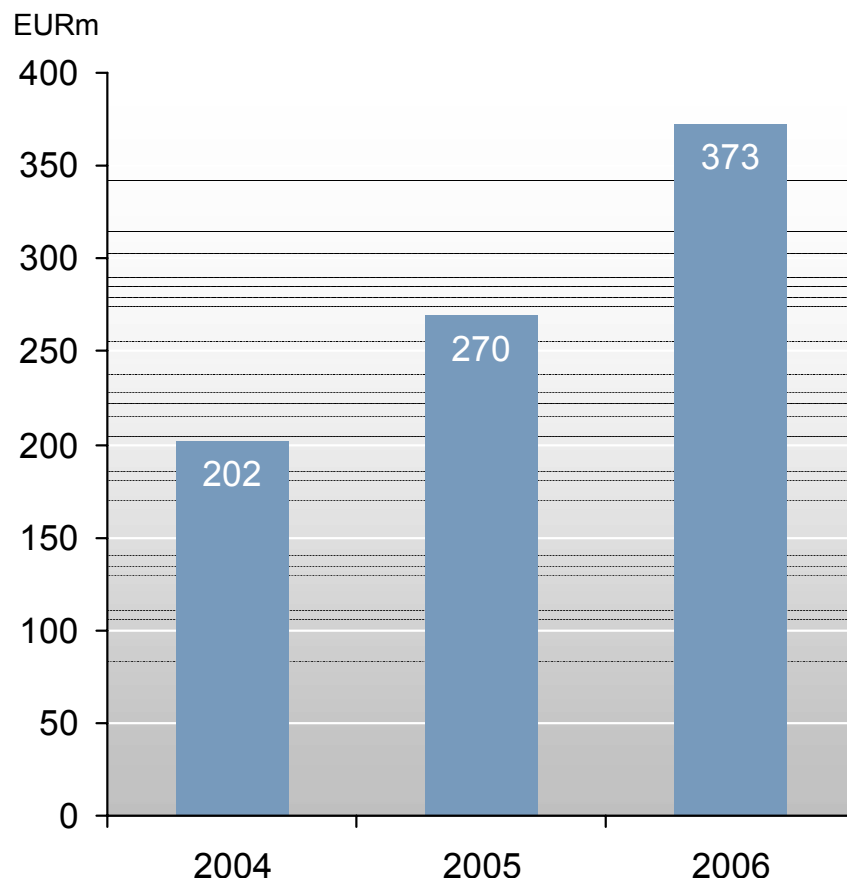
- Consumer lending up 12%
 - Non collateralised up 17%
- Approx. 500,000 new cards issued
- In total 5.6 million cards issued
 - Of which approx. 11% credit cards
 - Number of credit cards up 25%

Q4oQ3

- Consumer lending up approx. 2%
- Growth strategy and penetration of customer base is paying off
- Margins basically unchanged adjusting for business mix
- Card commissions up 5%

Increased cross-selling of Markets related products to SMEs

Markets total revenue from Retail customers



- Successful penetration
- Leveraging Nordea's customer base
 - SME segment still under penetrated
- Focus on customer solutions rather than product push
 - Strong concepts in risk management and asset-liability management
 - Increased capabilities in derivatives
- Revenue increase driven by
 - Structured products
 - Still strong and stable core business in F/X and fixed income trading

Increased investments to capture growth opportunities in fast growing markets

- Accelerated growth plan in Nordic markets, in particular Sweden
 - In line with Nordeas' profitable organic growth strategy
 - Recruitment of personal bank advisors
- Investments in Private Banking
 - Private bank advisors and financial specialists
- Increased growth ambitions in Poland with up to 150 new branches in 2-3 years. Aim to outperform market growth
 - Increased penetration in all customer segments but with emphasis on private customers and SMEs
 - 22 new branch offices were opened in 2006 - 9 in Q4

Outlook

- Based on solid macroeconomic forecasts for the Nordic area, double digit growth in business volumes is expected
- Despite the current pressure on lending margins Nordea expects the strong revenue growth to continue in 2007
- Focus on risk-adjusted pricing combined with expected higher market rates will positively affect the revenue generation in 2007
- The quality of the credit portfolio remains strong, however lower expected recoveries means that new provisions are expected to exceed reversals in 2007
- The cost increase in 2007 is expected to be of the same magnitude as in 2006
- The gap between revenue and cost growth is for the full year 2007 expected to be 3-4 percentage points *

*Excl. the acquisition of Russian Orgresbank

Summary

- Record result following reinforced organic growth strategy
 - Net profit up 39%
- Gap between revenue and cost growth 5.4 percentage points when excluding the full impact of IMB sale
- Reported Return on equity 22.9%
 - Excl. gain from sale of IMB 21.5%
- Record dividend – EUR 0.49 per share
- Nordeas' growth strategy is paying off
 - Increasing number of core customers
 - Strong performance in long term savings – especially private banking
 - Increased penetration among SME clients with Markets related products
 - Lending volumes up from high level
 - Growth strategies in Sweden and Poland & Baltics developing well

Income statement summary

EURm	2006	2005	Chg %	RFF
Net interest income	3,869	3,663	6	1
Net fee and commission income	2,074	1,935	7	4
Net gains/losses on items at fair value	1,036	765	35	82
Equity method	80	67	19	3
Other income	318	143	122	-3
Total operating income	7,377	6,573	12	87
Staff costs	-2,251	-2,082	8	23
Other expenses	-1,485	-1,455	2	12
Depreciation	-86	-131	-34	-6
Total operating expenses	-3,822	-3,668	4	29
Loan losses	257	137		82
Operating profit	3,820	3,048	25	142
Net profit	3,153	2,269	39	132

Income statement summary

EURm	Q4/06	Q3/06	Chg %	Q4/05
Net interest income	1,006	979	3	933
Net fee and commission income	549	497	10	529
Net gains/losses on items at fair value	310	224	38	184
Equity method	8	17	-53	21
Other income	26	217	-88	29
Total operating income	1,899	1,934	-2	1,696
Staff costs	-606	-550	10	-532
Other expenses	-391	-355	10	-393
Depreciation	-19	-23	-17	-31
Total operating expenses	-1,016	-928	9	-956
Loan losses	82	55		7
Operating profit	967	1,063	-9	748
Net profit	876	872	0	506

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