

**President and Group CEO
Christian Clausen**



Annual General Meeting
Stockholm, 25 March 2010

Ladies and Gentlemen!

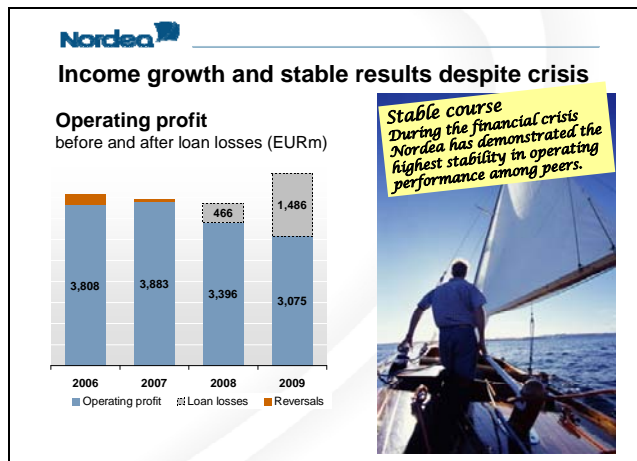
Lately, there has been much talk of bank stress tests. A lot of time, thought and resources have been spent on “worst case scenarios” to assess whether banks are sufficiently robust.

The two past years have been one long “live stress test”. Our entire business model – in all our markets – has been tested.

Not by theoretical models.
Not by computer simulation.
But by reality.

And I can conclude that Nordea has passed the test:

- Our customer satisfaction was at an all-time high in 2009.
- Our income growth was at an all-time high.
- Our risk-adjusted profit was at an all-time high.
- Our capital and funding situation was the best ever.
- And – as one of just a small number of banks in the world – we have delivered a strong performance quarter after quarter generating a positive return to our shareholders between 2007 and 2009.



The CEO of one of the world's largest banks saw our figures and said to me: "When looking at Nordea's quarterly reports for the past 12 quarters, you wouldn't think that these were the results created by a bank during the worst financial crisis in modern history."


He is right. Most of our loan losses have been offset by an increase in income, creating the most stable operating performance among European banks. This gives us a very good starting point when the economy starts to recover.


Not only banks have been affected. Many of our customers have had a difficult year. The whole world has been affected. Economic development in many countries has been put back several years.

It's therefore with pride, but also great humility that I today stand before you. Let me tell you what it is we have done at Nordea and how we have dealt with this live stress test.

* * *

Nordea recorded strong results for 2009.

			
Results			
EURm	2008	2009	2008-2009 %
Net interest income	5,093	5,281	4
Net commissions	1,883	1,693	-10
Net gains/losses	1,028	1,946	89
Other income	196	153	-22
Operating income	8,200	9,073	11
Staff costs	-2,568	-2,724	6
Operating expenses	-4,338	-4,512	4
Profit before loan losses	3,862	4,561	18
Loan losses	-466	-1,486	
Operating profit	3,396	3,075	-9
Net profit	2,672	2,318	-13
Risk-adjusted profit	2,279	2,786	22



*Avoid unnecessary risks
2009 was a year when
Nordea combined income
growth with focus on
avoiding unnecessary risks.*

* Including restructuring costs of EUR 64m.

Operating income was up by 11 per cent to approximately 9 billion euro.

However, due to loan losses the operating profit was down by 9 per cent to 3 billion euro.

Our key long-term financial target – risk-adjusted profit – increased by 22 per cent.

Note that all the figures in the table are in euro. Total income for 2009 equals roughly 90 billion Swedish kronor.

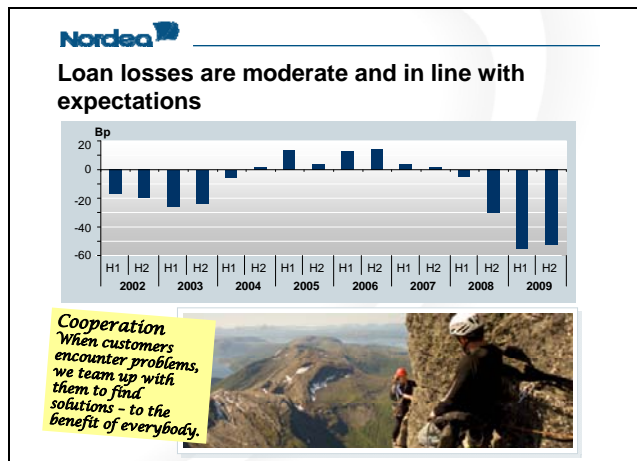
Net interest income was up by 4 per cent to 5.3 billion euro.

Net commission income was down by 10 per cent to 1.7 billion euro. The decline corresponds more or less to the increased expenses for government guarantee schemes.

Net gains/losses at fair value increased by 89 per cent to 1.9 billion euro.

Operating costs were up 4 per cent. 1.5 percentage points is related to a provision for our growth initiatives – which I will comment on in more detail later on.

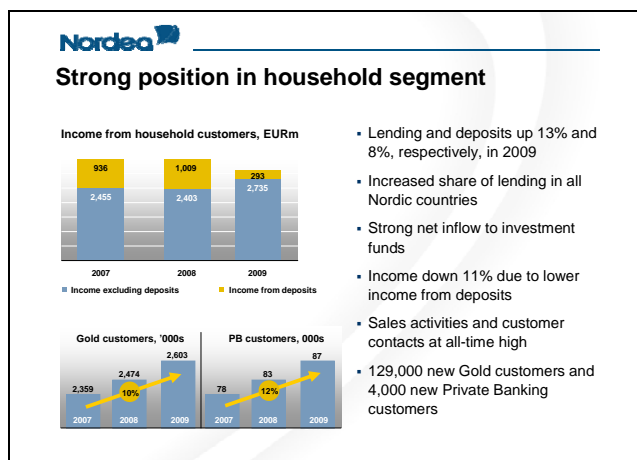
Cost containment and strong income growth led to a drop in the cost/income ratio to 50 per cent – an all-time low.



The economic downturn in 2009 led as expected to increased loan losses. Loan losses totalled 1.5 billion euro or 0.54 per cent of total lending. Overall, loan losses were in line with expectations over a business cycle.

* * *

In the household segment, we strengthened our position last year.



Both lending and deposits rose strongly. Our market share of lending increased in all the Nordic countries – and at the same time our margins rose.

Low market interest rates led to a lower contribution from deposits by approximately one billion kronor. Excluding deposits, income from all other product groups increased by 14 per cent.

The number of Gold and Private Banking customers continued to grow in 2009. The growth rate was 5 per cent. Most were new customers with Nordea.

At the same time, our sales activities and customer contacts were at an all-time high level in 2009.



In the corporate segment, income was up 8 per cent – despite somewhat lower deposits and lending.

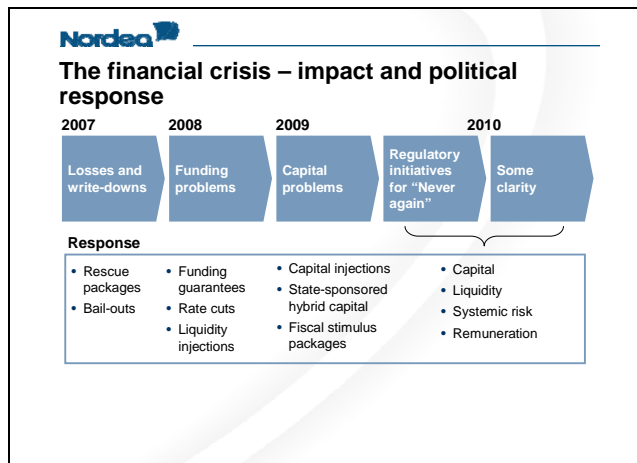
The lending contraction was the result of lower manufacturing production and employment due to the economic downturn. Lending margins were, however, notably higher than previously, reflecting higher credit risk and increased funding costs.

Volatile market conditions led to high demand for risk management products. Nordea also achieved a top league position as an arranger of equity and bond issues for Nordic customers.

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Ladies and Gentlemen,

The financial crisis has created a new reality for the financial sector.



Since 2007 we have faced new challenges every year – and in the wake seen new initiatives from central banks and governments throughout the world.

At last year's Annual General Meeting I described the first four phases of the financial crisis:

- The enormous loan losses in the US during 2007 were met with rescue packages and in some cases the government bailed out the distressed banks.
- After Lehman Brothers and other bank collapses in 2008, funding guarantees, liquidity injections and sharp rate cuts were implemented.
- Capital adequacy problems in 2009 were countered with capital injections and state-sponsored hybrid capital.
- Towards the end of 2009, the situation stabilised. And at the same time, the authorities began to explore regulatory options to prevent similar financial crises from happening again.

Nordea fully supports the efforts currently being made nationally as well as globally to prevent new crises.

Some clarity – further impact analysis needed

Capital

- Permanently higher capital ratios
- Emphasis on core Tier 1 capital

Liquidity

- Emphasis on customer deposits and long-term wholesale funding
- Emphasis on size and quality of liquidity buffers
- Pricing and allocation of liquidity risk

Remuneration

- Senior management and material risk takers
- Part of variable remuneration to be linked to the bank's future performance
- Part of variable remuneration to be deferred and subject to claw back

There is much discussion about capital adequacy. When capital requirements are tightened and the quality of capital becomes more important, this is likely to have a significant impact on many banks.

Liquidity requirements will, however, be equally important.

- The emphasis will be on maintaining a healthy balance between deposits and lending. There will be less room to fund long-term lending with cheap short-term funding.
- Sufficient liquidity buffers will be required and stricter regulations of liquidity risk will be implemented.

In addition, we will – as Hans Dalborg mentioned – see remuneration principles incorporated in international regulations.

We are cooperating actively with regulators and authorities on the new regulations. This spring we will take part in an in-depth analysis – under the auspices of the Basel Committee – of the impact of various regulations.

This summer we will therefore be able to make a more qualified assessment of how Nordea will be affected.

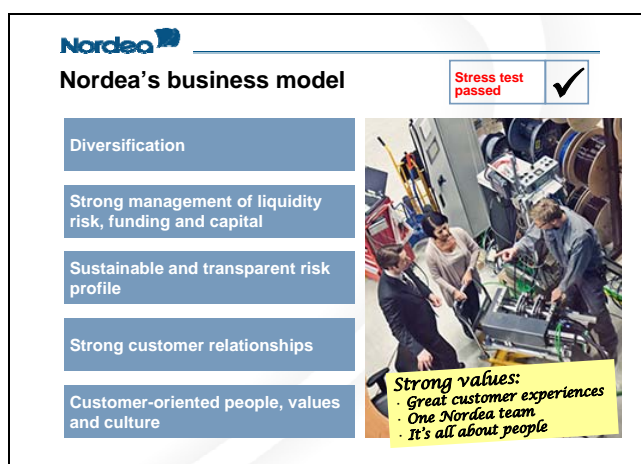
In conclusion, we are facing a situation where the price of the financial sector's raw materials – capital and liquidity – will increase. And when the price of raw materials goes up, the price of the end-product also goes up, affecting the cost of lending for customers – corporate as well as household customers.

For governments and authorities, this is a difficult balancing act. On the one hand, they must prevent new financial crises from

happening. On the other hand, they need to support the fragile economic recovery.

The new regulations will be implemented at the same time as support for troubled banks is withdrawn. Central banks will withdraw their liquidity support. Guarantee schemes in various countries will cease to be in force. And, as a result, many banks in Europe will have to review their business models.

I'm convinced that Nordea's business model will withstand the demands placed on banks in future:



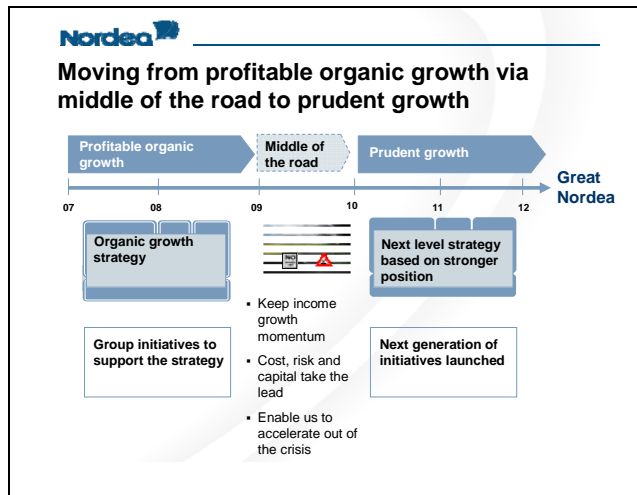
The infographic is titled "Nordea's business model" and features the Nordea logo at the top left. To the right of the title is a box that says "Stress test passed" with a checkmark icon. Below the title, there are five blue rectangular boxes stacked vertically, each containing a key element of the business model: "Diversification", "Strong management of liquidity risk, funding and capital", "Sustainable and transparent risk profile", "Strong customer relationships", and "Customer-oriented people, values and culture". To the right of these boxes is a photograph of three people in a workshop-like setting, looking at a large screen or board. Below the photograph is a yellow box with the text "Strong values: Great customer experiences, One Nordea team, It's all about people".

- We are well diversified in all the markets where we are active – in terms of income, funding sources and credit portfolios. This enables us to spread our risks.
- We have a strong a risk management process – and a leading position in Europe in terms of funding and capital.
- We have transparent products and risk exposures. Our Markets activities are driven by customer demand, not by proprietary trading.
- We have strong customer relationships, underpinning the stability of our operations.
- And perhaps most importantly: Our culture is stronger than ever. The perception of living our values improves in every employee satisfaction survey.

Each and every one of these factors contributed to Nordea's successful performance throughout the crisis. And they will be essential when capital and liquidity requirements are tightened.

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Ladies and Gentlemen,



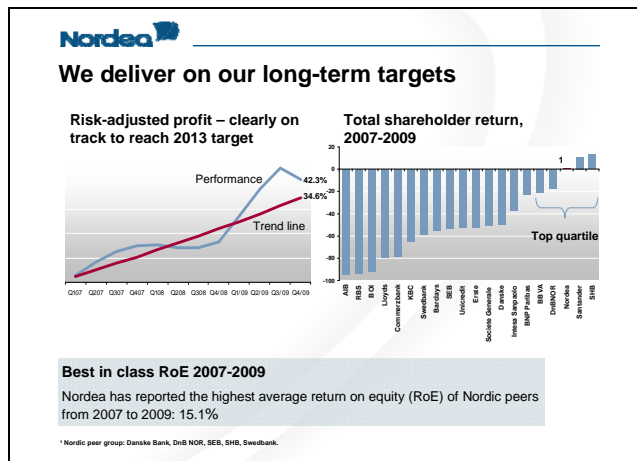
At the Annual General Meeting three years ago we introduced new ambitious targets and an organic growth strategy – to realise the vision of a Great Nordea.

Two years ago I was able to report to you that the journey towards Great Nordea was proceeding as planned. We focused on new and more customer-oriented values to enhance performance even further.

Last year I spoke about the uncertainty surrounding economic conditions. We maintained our long-term strategy, but adjusted our approach to the strategy to “the middle of the road”, which meant carefully balancing risks and opportunities.

- Our focus has been on supporting existing customers.
- We have been open – but selective – towards new business opportunities.
- We have placed great emphasis on cost, risk and capital.
- We have maintained our rating, and in this regard our new 2.5 billion euro issue one year ago was an important initiative.

Let's see how far we have come in terms of fulfilling our long-term targets.



First, we set ourselves the ambitious target of doubling our risk-adjusted profit. Despite the crisis we are well above the projected trend line towards our target.

Second, we said that we would generate a total return for Nordea's shareholders in the top quartile of a group of European peers. So far, we are one of **three** banks generating a positive return since 2007. For 2009 the total shareholder return was 79 per cent.

Third, we set ourselves an ambitious target for the return on equity. Since 2007 we have generated a return on equity of approximately 15 per cent per annum. That's better than any of our Nordic peers.

But three good years are not enough. We need to do more if we are to reach our targets for 2013.

I'm therefore pleased this year to present the next level of our strategy. Like our values, it's customer-oriented.

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There are no shortcuts to attracting more customers.



The only way to get there is to have keen perception of what customers want, understand their needs and create trust.

And I have no hesitation in saying that we have come a long way.

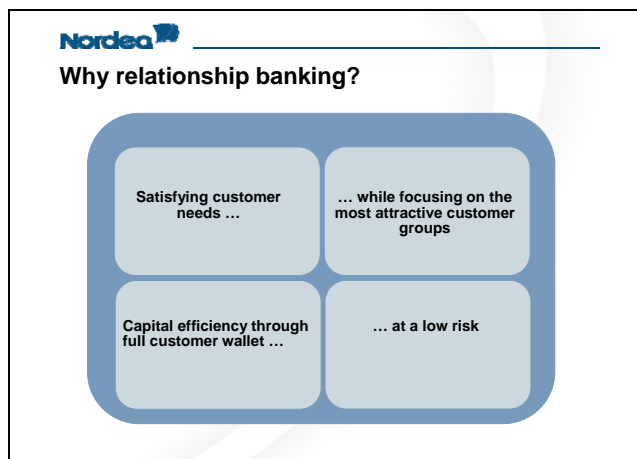
Our position relative to our peers is stronger than ever. Only three years ago, our customers were less satisfied than those of our competitors. Today we have a clear and growing lead.

When the economic crisis worsened, we decided to move even closer to our customers. These were not just empty words. We did it – and it was appreciated by the customers.

But there is still much more we can do. There is room for continued improvement within most – well, probably all – areas.

In the coming years we will therefore focus on strengthening our customer relations even further. We will take the next step in creating the relationship bank of the future.

* * *



Our customers can make their own choices as to what type of customer they want to be.

Those choosing to gather all their banking business with us, create a win-win situation: the customer will gain through high quality advice, holistic solutions and quick decisions. Nordea gains through bigger business volumes and higher income from each customer.

When a customer buys more of our products and services, we increase our diversification and improve our capital efficiency. When we know our customers - both household and corporate - we also quickly detect challenges and opportunities, enabling us to react early. In that way, customers benefit from Nordea's combined pool of competence.



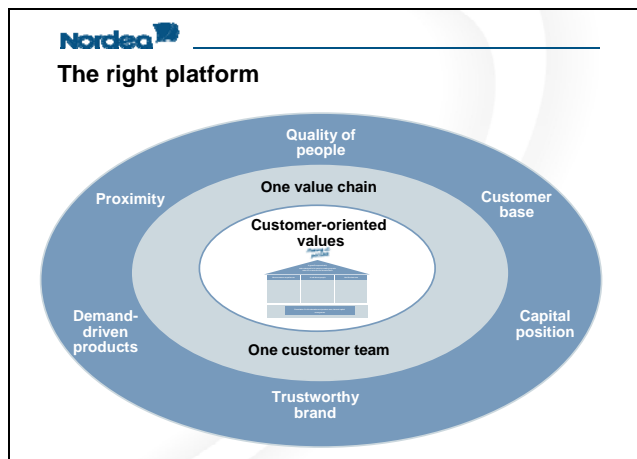
It all starts with our values. If all employees are not driven by a common view of the bank and customer relations, it is not possible to create a good relationship bank. Everything everybody does in Nordea has just one purpose and that is to create great customer experiences.

Nothing is more difficult than getting all employees in a bank of Nordea's size to focus on common values. But at the same time, nothing is more important than to generate a long-term and high return to shareholders. There is a clear correlation between living the values – and generating strong financial results.

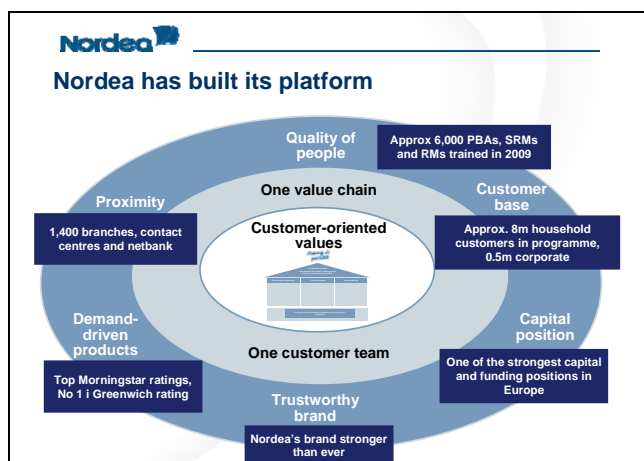


Every customer should then experience that the entire value chain puts the customer at the centre. A good banking adviser is not enough. Our services and electronic solutions also need to be based on customers' needs and helping them to solve their problems.

For our large corporate customers, we have dedicated teams offering the expertise and solutions to suit their requirements at any given time.



With the core in place, we need all the things that make a bank work. And within each area, I am confident that Nordea has a good platform:



- Last year we trained more than 6,000 employees to become highly competent advisers.

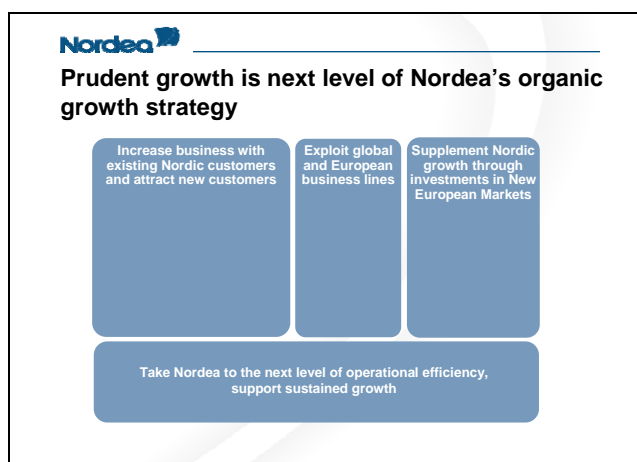
- We have approximately 8 million household customers in customer programmes and half a million corporate customers.
- We are among the strongest in Europe in terms of capital and funding.
- Our brand has never been stronger.
- We have received many prizes and awards for our products and services.
- We have 1,400 branch offices – supported by contact centres and netbank.

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We can therefore conclude that our vision – to be the leading Nordic bank – is no longer a vision. Nordea today is the leading Nordic bank – by any standards or methods of comparison.

This is why we now adjust our target and vision: Nordea is to be a Great European bank.

We are already a European bank, but to be Great we need to improve within many areas.

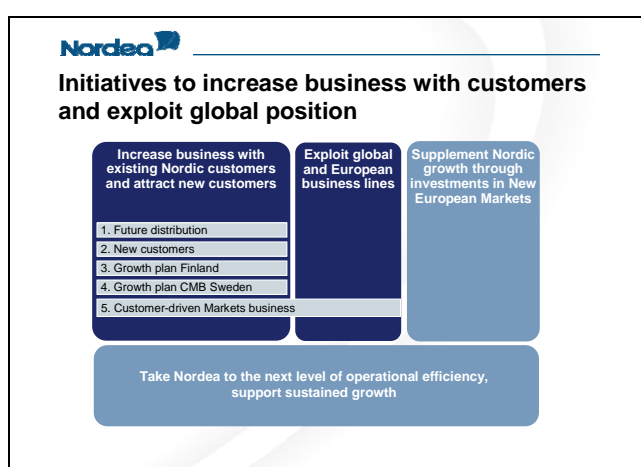


We maintain our strategy from 2007.

- We will increase business with existing customers – and at the same time attract new customers.

- We will strengthen the profitability of our global and European business lines.
- We will invest in New European Markets to supplement Nordic growth.
- And then we need to take Nordea to the next level of operational efficiency to ensure that we comply with new regulations and can serve more customers.

When proceeding to the next level of strategy, the experience we have gained and Nordea's strong position will serve as leverage.



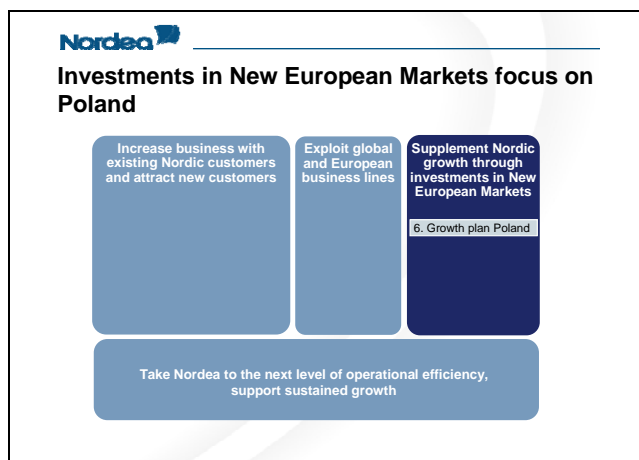
To develop as a relationship bank we are launching a large-scale programme to create the future distribution. We are conducting a full-scale review of our entire branch network. We will move our branches closer to customers, adjusting them to better match the various types of customer needs.

At the same time we will re-channel resources from manual transactions and over-the-counter services to advisory services instead. Our netbank needs to be improved to become a strong sales channel.

In Finland we are implementing a specific growth plan to make us even better at reaching our customers with our offering.

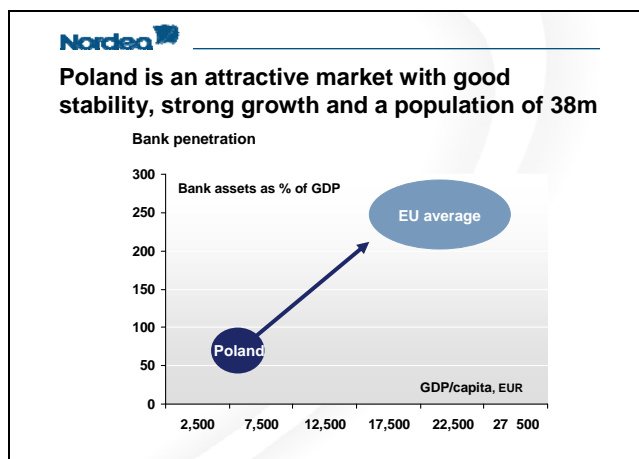
Corporate merchant banking customers need a large European bank in the Nordic region. The alternative for large manufacturing companies is often foreign banks. We will therefore build on the progress we have already made with the large companies – not least in Sweden. Our size and stability give us a unique position.

We have also made progress in customer-driven Markets business. In this area, too, we will capitalise on the business volumes and respect achieved in recent years to grow further.



We continue our activities in the Baltic countries taking a long-term perspective. Our current focus is on managing risk exposures and continuing to support existing customers. In Russia we launched our name and brand last autumn, and business in this market is showing steady and positive growth.

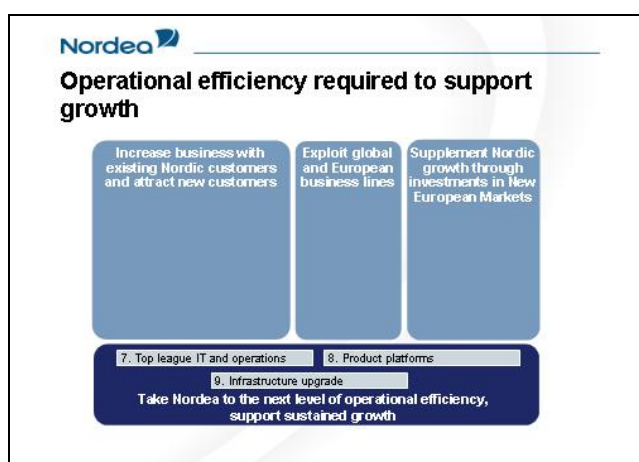
One of our most successful growth areas in the past years has been Poland.



It is a large market with a population of 38 million people. Compared to other countries Poland has a small banking sector. The country has performed well during the economic crisis and holds significant growth potential.

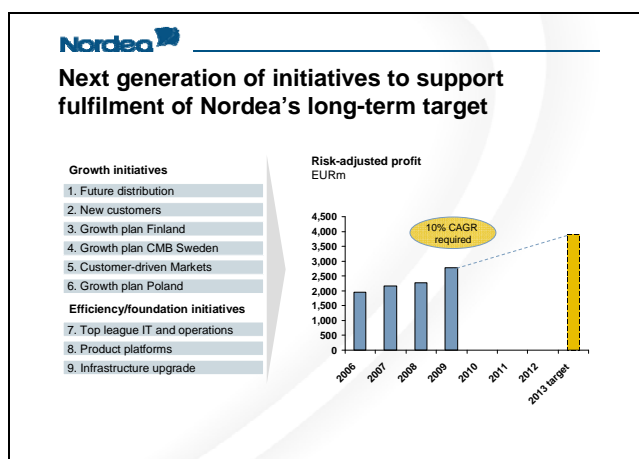
We have a market share of 3 per cent, so there is definitely room for us to grow in Poland. Our goal is to open one new branch office every week. A branch office factory has been set up to find premises, recruit the best managers and staff the branches. Our experience shows that the new branches reach breakeven already within the first year of operations.

To take these proactive initiatives, we need to become more efficient – and create a more stable technological platform for Nordea.



We therefore need to enhance our IT operations.

Our IT infrastructure needs to be improved. More efficient card and payments platforms will provide economies of scale and shorter time to market. At the same time, the platform for our Markets activities must be developed to match changes in customers' needs, new regulations and larger customer volumes.



During the past three years the initiatives that were launched in 2007 have paid off. With the next level of our strategy we build on that experience and launch the next generation of initiatives

I'm very pleased that we – one of just a small number of banks – are now ready to take positive steps to secure our business operations in the future. The initiatives will help us meet our ambitious targets. We have made significant progress, but still have more than half way to go to reach our target of doubling risk-adjusted profit by 2013.

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Ladies and Gentlemen,
Finally, I would like to emphasise that "Great Nordea" is not **just** a vision and hard financial facts.



It's also about living our values. And it's all about people. Every decision that is made at Nordea, every single employee's efforts – will affect our prospects for success in reaching our targets.

It's important that we reach our targets, but *how* we reach our targets is just as important. We want to create long-term results and there are no shortcuts to this. It's about how we interact with customers, how we team up and work together and how we coach and develop our employees. In other words, how we live our values.

I would like to thank all employees for their hard work and great commitment during 2009.

I would like to thank all customers for mutually rewarding business relations.

Last but not least I would like to thank you – our shareholders – for your trust in Nordea's strategy and active participation in our rights issue last spring. It has been essential for our success so far.

Thank you.

