

2006

Summary



This is Nordea

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Nordea is the leading financial services group in the Nordic and Baltic Sea region. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has almost 10 million customers, more than 1,100 branch offices and a leading netbanking position with 4.6 million e-customers. The Nordea share is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

Annual report practice

Nordea relies increasingly on the Internet in the communication with shareholders and investors. All significant financial information

about the Nordea Group can be found at the Group's homepages.

This is a summary of the Nordea Annual Report 2006. The Nordea Annual Report 2006 is the formal report audited by the Nordea auditors including the full set of financial accounts and notes, the Board of Directors report and the cash flow statement.

The summary is produced in English and in the four Nordic languages and is available on the Internet and in bank branches.

Financial reports 2007

Nordea will publish the following financial reports during 2007:

January – March	3 May
January – June	19 July
January – September	31 October

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Website

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www.nordea.com

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Highlights of 2006

January

The magazine Euromoney has, for the second year in a row, awarded Nordea the prize for Best Private Banking in the Nordic countries.

February

The year-end result for 2005 was the best so far in Nordea's history, reflecting record results in all business areas. 2005 brought very strong evidence of Nordea's increased sales performance and substantial potential to grow business with existing customers.

March

The international shipping magazine Marine Money awarded Nordea the prize 'Best Bank Debt Deal of the year 2005'. For the first time Nordea disclosed the value of its life insurance operation. Nordea reported a market consistent embedded value (MCEV) of EUR 2,068m, which covered the life business in Denmark, Finland and Norway. Sweden, where the mutual company was demutualised as of 1 January, and Poland, were added to the reporting later during 2006.

April

The annual general meeting resolved to authorise the Board of Directors, for the period until the next annual general meeting, to decide on acquisition of shares in the bank on a stock exchange where the bank's shares are listed, or by means of an acquisition offer directed to all shareholders in the bank. Acquisitions may be made up to a number not exceeding the equivalent of five per cent of the total number of shares in the bank.

May

The interim report for the first quarter showed strong growth in all business areas. The gap between income and cost development widened despite continued fierce competition and a moderate cost increase.

June

Nordea signed an agreement with the Italian bank UniCredit, through its subsidiary Bayerische Hypo- und Vereinsbank AG, to sell Nordea's 23.42 per cent holding in International Moscow Bank (IMB). The shares correspond to a 26.44 per cent voting interest in IMB. This transaction resulted in a tax-free capital gain of EUR 199m.

July

Despite the capital market turbulence, Nordea reported a return on equity of 21.2% for the first half year of 2006 - well above the financial target. The income growth of 8% was well diversified by products and markets and reflected an increasing number of core customers and a stronger focus on event-based and advisory-related products and services.

September

Nordea decided to start the process of applying for a banking licence in China to open a branch in Shanghai. Since 1984 Nordea has been represented in Beijing.

October

The share capital was reduced by 44,479,667.34 euro, which corresponds to the 112,231,700 shares that were previously repurchased, and which were retired.

Nordea Hypotek issued an inaugural EUR 1.25bn covered bond targeted to international investors. The Nordea Hypotek transaction is the first EUR denominated covered bond to be executed under the Swedish Covered Bond Act.

Nordea realised strong performance also in Q3 with profitable growth in all business areas. The well-diversified business mix and focus on continuous improvements combined with prudent cost and risk management materialised in results exceeding targets.

November

Nordea signed an agreement to purchase a 75.01 per cent stake in JSB Orgresbank in Russia for USD 313.7 million. Subject to finalising documentation, the remaining 24.99 per cent will be split evenly between the current management shareholders of Orgresbank and the European Bank for Reconstruction and Development (EBRD). Following necessary approvals the transaction is expected to be completed by the end of the first quarter 2007. It was announced that Nordea's President and Group CEO Lars G Nordström would retire from his position in connection with Nordea's next Annual General Meeting, 13 April 2007. The Board of Directors has appointed Christian Clausen to succeed Lars G Nordström.

December

At a well-attended Capital Markets Day Nordea presented the Group's organic growth strategy as well as the updated financial targets.

We are making it possible for our customers to reach their goals

We have a strong point of departure for meeting the new financial targets

The No. 1 bank in the region



Lars G Nordström
President and Group CEO of Nordea

2006 was a new record year for Nordea, and we consolidated our position as the leading bank in the region.

With a return on equity of 22.9% and a gap between our income and cost growth of 5.4%-points adjusted for major non-recurring items, our performance in 2006 came in well ahead of the financial targets set in 2004 and the most recent 2006 outlook.

With a total shareholder return of 32.3% in 2006 we were No. 3 in our European peer group, well within the targeted top quartile position. The sustainability of our performance is witnessed by a total shareholder return (TSR) over the last four years also in the top quartile. Since 1 January 2003 Nordea's TSR is 227%. Our market capitalisation in 2006 passed the EUR 30bn threshold, and the price-to-book and P/E valuation of Nordea is now more in line with comparable European peers.

The result confirms that Nordea with its integrated business model and well diversified business mix has developed into a solid business, which delivers on its targets.

Compared to 2002 when analysts and shareholders questioned the soundness of our operations, Nordea is today a changed company.

Turning four into one

In 2002 Nordea was in the process of turning four major banks from four

different markets into one well-functioning and streamlined entity after the biggest cross-border banking merger in Europe.

The merger gave us a unique starting point for capturing revenue growth across the Nordic region but was also associated with excessive costs. The general market conditions were difficult due to the economic downturn, turbulence in the equity markets and geopolitical uncertainty.

The difficult economic environment combined with our high costs resulted in a weak performance.

This disappointed shareholders, investors and analysts, and caused our share price to drop. A turnaround was urgently needed to restore confidence in the prospects for making Nordea a successful and profitable business and our vision of being valued as the leading financial services group in the Nordic and Baltic Sea region.

Priorities were changed. We focused on increasing the quality and stability of our financials by reducing volatility of earnings, increasing capital efficiency and improving credit quality and cost management.

Focus, speed and performance

To emphasise the need for improvements and change in the entire organisation, we introduced three internal keywords: focus, speed and performance.

Focus means concentrating on our

strengths, but also having the courage to close down or divest businesses and activities, which are not core to our business, are underperforming or not profitable.

Speed means being quick and flexible both in our internal operations and in adjusting to market conditions.

Performance means increasing our performance orientation by always striving for continuous improvements - to do better today than yesterday and to be better than our competitors.

The results of our efforts soon started to show up, and in 2003 we managed to keep costs unchanged compared to 2002. We also managed to reduce the volatility in our earnings while increasing the capital efficiency and strengthening our credit quality.

Increasing profitability

Once we had succeeded to stabilise our financials, we began to look at increased profitability by reducing complexity in our operations and streamlining processes. And we established a strict cost management culture.

Step by step we became a truly Nordic operation, and in 2004 we entered a growth phase where we gradually began to reap the full benefits of the size, scale and scope of Nordea and capture revenue growth opportunities.

We improved our position within the long-term savings area, consumer

credits as well as within life and pensions and private banking.

Parallel to this progress we have strengthened our position within the corporate customer segments, and Nordea today is a leading corporate bank in the Nordic region. We have also expanded in the near abroad markets through acquisitions in both Poland and Russia that have provided new growth opportunities in two fast growing markets.

Delivering on financial targets

Our financial targets in 2002 focused on reaching a return on equity above 15 per cent from 2004, maintaining costs at the same level until 2004 and having a cost/income ratio of 55 per cent by 2005. We fulfilled all the targets and in 2004 we increased our ambitions.

The new goals included increasing our return on equity to the top of Nordic peers. In the last two consecutive years we have delivered results well ahead of the targets set in 2004.

In 2006 we raised the level of ambition further. At our Capital Markets Day in December, we introduced a new financial target of doubling our risk-adjusted profit in 7 years. In addition we still aim at delivering a return on equity in line with top Nordic peers. We have a strong point of departure for meeting the new financial targets.

First of all a unique customer base, which accounts for 25 per cent of the

population in the Nordic countries, a unique distribution power of more than 1,100 branches and an integrated cross-border business model.

Secondly, the fundamentals for profitable growth are present. Since 2004 we have increased our advisory capacity and invested in new sales support systems which are now being rolled out. Moreover, we have a leading position in many key areas, for instance lending capacity and savings. With total assets of close to EUR 350bn, Nordea has the financial strength to give European top class service to our largest corporate customers.

Thirdly, having successfully transformed four banks into one unified operating model, we now have a unique competence in consolidations and an invaluable knowledge about how to create efficiency. And we have the advantages of size, scale and scope.

Organic growth strategy

At our Capital Markets Day in December 2006, we presented our profitable organic growth strategy.

The organic growth strategy entails increasing business volume with our existing customers and attracting new customers. This way of thinking is not new but we now take a more aggressive stance in the market and increase our efforts to capture the considerable potential present in all business areas.

The No. 1 bank in the region



Christian Clausen - to the right - will succeed Lars G Nordström as President and Group CEO of Nordea in connection with the Annual General Meeting 13 April 2007.

Christian Clausen is 51 years old and he is currently Head of Asset Management & Life and since 2001 member of Group Executive Management in Nordea.



► In Retail Banking, for instance, only 30 per cent of our active customers are gold customers. We can raise this number significantly by increasing our share of wallet with customers.

We are able to grow further by closing the gaps in certain markets to our natural market share in areas such as life and pensions, consumer credits and corporate lending. With increased advisory capacity, we will look to grow significantly in Sweden in the coming years.

We will continue our strict cost management, but we will also invest in key growth areas, new products and initiatives to achieve further operational efficiency and quality.

We will also support the organic growth strategy by a step-wise migration towards harmonised products, processes and IT platforms.

Moreover, we strive to improve in the eyes of our customers, and I am confident that our current investments will contribute to a continuous improvement in customer satisfaction.

Near abroad markets

In addition to focusing on Nordic growth, our organic growth strategy includes investing further in our near abroad emerging markets.

Our operations in Poland and the Baltic countries have shown strong growth in the last years and our branches are close to their maximum capacity. We now plan to open up to 200 new branches within the next 2–3 years to seize the untapped potential in these fast-growing banking markets.

The recent purchase of a majority share in Russian Orgresbank gives us an attractive position for organic growth also in the Russian market.

Finally, we will exploit growth potential in global and European monoline businesses based on strong competencies in areas like Private Banking, fund distribution and Shipping.

The right time to retire

Our profitable organic growth strategy was well received by analysts

and investors at our Capital Markets Day in December 2006. It is an attractive strategy from a cost, risk and capital perspective and will allow Nordea to grow further while maintaining prudent cost and risk management.

With this strategy Nordea enters a new and exciting phase. I find that this is the right time for me to retire and leave the helm to Christian Clausen. I will do this in April at Nordea's Annual General Meeting.

I will be leaving the company at a point in time when it has all the prerequisites for continued growth. Much has been achieved, but more remains to be done.

I wish Christian and the entire Nordea team all the best for the future.

Best regards

Lars G Nordström

The Nordea share

Nordea's market

capitalisation was EUR

30.3bn at the end of 2006.

Total shareholder return in

2006, equal to dividend plus

the appreciation of the

share price, was 32.3%. The

proposed dividend is EUR

0.49 per share.

Total shareholder return

Total shareholder return in 2006 was 32.3% (27.5% in 2005). Nordea ranked as number 3 among the European peer group banks in terms of TSR in 2006 (number 10 in 2005.) The average TSR in the peer group was 23.9%.

Share price development 2006

The market capitalisation of Nordea at the end of 2006 was EUR 30.3bn compared to EUR 23.7bn at the end of 2005. Ranked by market capitalisation Nordea was the fifth largest company in the Nordic area and the largest among Nordic financial groups.

During the year the share price of Nordea appreciated by 27.9% on the Stockholm Stock Exchange from SEK 82.5 on 30 December 2005 to SEK 105.5 on 29 December 2006. The daily prices listed for the Nordea share during 2006 (closing prices at Stockholm Stock Exchange) ranged between SEK 77.25 and SEK 107.0.

The SX40 Financials Index of the Stockholm Stock Exchange appreciated by 25.4%, the Dow Jones STOXX European banks index appreciated by 18.5%. Since 6 March 2000, the date of the merger between MeritaNordbanken and Unidanmark, the Nordea share has appreciated 135.0% and outperformed the Dow Jones STOXX European banks index (+51.4%). The Nordea share is listed on the stock exchanges in Stockholm (in SEK), Helsinki (EUR) and Copenhagen (DKK). A trading lot is equivalent to 200 shares in Stockholm and Copenhagen and 1 share in Helsinki. Nordea's share price can be monitored at www.nordea.com, where it is also possible to compare the performance of the Nordea share with competitors and general indexes as well as to find historical prices of the Nordea share.

Earnings and shareholders' equity per share

Net profit for the year amounted to EUR 3,153m corresponding to EUR 1.21 per share. Shareholders' equity per share amounted to EUR 5.89 at the end of 2006.

Proposed dividend

The Board of Directors of Nordea Bank AB (publ) proposes a dividend of EUR 0.49 per share. The total dividend payment for 2006 would then be EUR 1,271m corresponding to 40% of the net profit after tax. The dividend yield calculated on the share price 29 December 2006 is 4.2%. The dividend is denominated in EUR, though payments are made in the local currency of the country where the shares are registered. Dividend payments can be made in EUR if the shareholder has a EUR account registered with the relevant securities register.

Shareholders

With approx. 476,000 registered shareholders at the end of 2006, Nordea has one of the largest shareholder bases of all Nordic companies. The number of Nordea shareholders registered in Denmark is approx. 190,000, in Finland 184,000 and in Sweden the number of shareholders increased by 4,000 to 101,000 during 2006.

The largest among the various categories of shareholders is international investors, holding 28.9% of the shares in Nordea compared to 25.8% at the end of 2005. The largest individual shareholder is the Swedish state with a holding of 19.9% at year-end.

The organic growth strategy entails increasing business volume with our existing customers and attracting new customers

Vision and strategy

Nordea is the No. 1 bank in the Nordic region with a strong franchise in the Nordic and Baltic Sea region. Nordea is building size and creating value through profitable organic growth.

Characteristics

- Nordea is characterised by:
- Unique customer base and distribution power
 - Integrated cross-border business model and attractive customer programmes
 - Stable cost platform with strict cost management
 - Well-diversified, low risk business platform
 - Leading positions in many markets and product areas
 - Efficient capital management
 - Advantage of size, scale and scope

Mission – Making it possible

By providing easily accessible and competitive financial services and solutions, Nordea helps customers to reach their objectives.

Vision

We will be valued as the leading financial services group in the Nordic and Baltic Sea region.

Overall financial target

We will deliver total shareholder return in the top quartile of our European peer group.

Corporate values and key words

Focus

- We concentrate on creating value for our customers and shareholders
- We concentrate on our strengths and core activities, and we discontinue activities when needed

Speed

- We are quick, adjust to market conditions and do not hesitate to execute decisions made
- We provide a broad set of easily accessible and competitive financial services and solutions

Performance

- We aim to deliver better solutions and results than our competitors
- We continuously improve in everything we do, and we deliver on our promises
- We always strive to reduce complexity whenever possible
- We change from too many to just one

Overall strategy

Nordea’s overall strategy is to build size and create value for shareholders through profitable organic growth in the Nordic and Baltic Sea region.

The main route for growth will be increased business with existing customers in all segments. Efforts will be made to attract new and move existing customers into the most profitable segments. Nordea has developed a unique and integrated business model and customer programmes for leveraging the growth potential in the Nordic region.

The Nordic growth strategy will be supplemented with investments in near abroad emerging markets, and Nordea will continue to exploit the growth potential in global and European monoline businesses based on strong competencies.

The organic growth strategy will be supported by a step-wise migration towards harmonised products, processing and IT platforms.

The organic growth strategy is attractive from a cost, risk and capital perspective, and the ambition is to outperform the market growth in the Nordic and Baltic Sea region.

Increase business with existing customers

Nordea has significant potential from increased penetration of the personal as well as the corporate customer base not least in Sweden, the largest market in the Nordic region.

In order to leverage the growth potential of this large customer base a significant increase of the time spent by personal banking advisers and corporate relationship managers with customers is taking place. This will

accelerate the growth rate of the number of Private Banking and gold customers and contribute to transform corporate ad hoc customers into loyal full-service customers.

In addition, a number of personal customer initiatives have been launched or planned within high growth products areas such as consumer lending and cards and savings and investments as well as within mortgage lending and payments, which are product areas serving as strong carriers of the customer relationship.

In the corporate customer market Nordea will leverage the large customer base through tailor made distribution models for Markets products to large and medium-sized retail customers and through further development of Markets’ structuring specialist capabilities. The cross-selling rate of knowledge-based advisory services will be increased.

Investments in near abroad emerging markets

Nordea has established an attractive position and strong brand in five fast growing East European countries including Russia.

The full scale operation in Poland and the Baltic countries will be developed into a competitive network coverage within the next 2-3 years by opening up to 200 new branches in Poland and the Baltic countries.

The acquisition of 75.01% of Russian Orgresbank will give access to

a fast growing market with 35 branches in the Moscow and St Petersburg area. Orgresbank will service Nordea’s corporate customers doing business in Russia and gradually develop into a strong local retail banking business in cities with 0.5m inhabitants or more.

Exploit growth potential in global and European monoline businesses

Nordea has a successful track record with niche strategies outside the home markets based on strong competencies.

Nordea will maintain the world-leading position within shipping, offshore and oil services with increased focus on capital market products.

Nordea will expand the international institutional asset management business and grow the existing strong franchise within European Private Banking. The license to operate in investment funds in 16 European countries will be further developed and the sales focused to specific segments.

Improve operational efficiency and quality

Nordea’s cost income ratio has come down by more than 10%-points since 2002 among others through increased productivity in the central processing areas and general strict cost management.

Key areas for further operational

efficiency and quality include a number of lean banking and structural cost initiatives and the freeing up of sales capacity in the branches.

Nordea will continue the transformation journey to one customer-centric bank in a step-wise migration towards harmonised products, processes and IT platforms. This will support the growth strategy and increase efficiency and quality along the value chain.

Activities in the branches will be removed, transferred or simplified in order to free up resources for customer relation activities.

Nordea will continue the external spend reduction initiative in procurement and office space and use sourcing to gain further competitive advantages.

Guiding principles

Nordea has adopted a number of policies and instructions to guide and govern the business. In addition, Nordea adheres to a set of Corporate Citizenship Principles supported by a code of conduct, guidelines to sound business relationships, an environment policy and an investment management policy on socially responsible investments.

Nordea has adopted some central external commitments including the UN Global Compact and the UN Environmental Program Statement for Financial Institutions, the Equator Principles and the OECD Guidelines for Multinational Enterprises.



Result summary 2006

Nordea's increased focus on profitable organic growth and cross-selling continues to pay off with a strong performance in all business areas. The momentum was increasingly evident throughout the year, creating a solid platform for further growth

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Nordea's increased focus on profitable organic growth and cross-selling continues to pay off with a strong performance in all business areas. The momentum was increasingly evident throughout the year, creating a solid platform for further growth.

Nordea's operating profit in 2006 increased by 25% to EUR 3,820m and net profit by 39% to EUR 3,153m. Total income increased by 12% and total expenses by 4%, resulting in a return on equity of 22.9% and a cost/income ratio of 52%. Total income includes EUR 199m from the sale of shares in International Moscow Bank (IMB) reported in the third quarter. Excluding the gain from IMB, total income increased by 9% and return on equity was 21.5%. Loan losses were positive for the eleventh consecutive quarter. For the full year, net recoveries amounted to EUR 257m.

Income

All business areas performed strongly in 2006 with double-digit volume growth in most segments. Total income increased by 12% to EUR 7,377m.

Net interest income grew by 6%

to EUR 3,869m. Total lending to the public increased by 14% to EUR 214bn and volume growth compensated for the margin pressure. Deposits increased by 9% to EUR 126bn and deposit margins improved following higher market interest rates, which means that deposit margins are recovering after a long period of pressure following declining rates.

Net interest income in Retail Banking increased by 5%, supported by growth in lending to small and medium-sized enterprises (SMEs), consumer lending and improved income from deposits as a result of better margins and higher volumes.

In Corporate and Institutional Banking, net interest income increased by 15% following stabilising margins and growth in lending in the Shipping, Offshore and Oil Services Division, as well as in Poland and the Baltic countries where lending increased by 40%. Net interest income in Poland and the Baltics increased by 25%. Corporate deposits increased by 9% and contributed positively to the increase in net interest income.

Assets under management (AuM) increased by 9% to EUR 161bn compared to last year. Inflow was particularly strong in Private Banking. Income in Asset Management

increased by 18% reflecting higher AuM, better product mix, high transaction and performance fees leading to improved income margins.

Net commission income increased by 7% to EUR 2,074m. Savings-related commissions income grew by 9%, of which asset management commissions increased by 9% following growth in assets under management and high transaction and performance fees, particularly in the fourth quarter. Commissions from payments increased by 7% to EUR 738m of which card commissions by 12% to EUR 296m as a result of growth in the number of transactions as well as increased penetration among gold customers.

Net gains/losses on items at fair value increased by 35% to EUR 1,036m. Net gains/losses in business areas increased by 23% to EUR 967m driven by a doubling of income from structured products as well as customer-driven FX and fixed-income transactions. In Group Treasury, net gains/losses were EUR 99m compared to EUR 1m last year, following both a strong investment result and a solid performance for Group Funding. The result also improved in the Life business.

Other income increased by 122%

to EUR 318m, including EUR 199m from the divestment of IMB. Excluding IMB, other income was stable.

Expenses

Total expenses increased by 4% to EUR 3,822m. The increase reflects Nordea's decision to put further emphasis on the growth ambition and prioritised investments in certain areas with sizeable potential, as well as an increase in variable salaries and profit-sharing in light of the strong result. Excluding the increase in variable salaries and profit sharing, total expenses increased by approx. 3%.

Staff costs increased by 8% to EUR 2,251m. The strong performance in 2006 in all business areas has resulted in increasing variable salaries as well as an increased reservation for profit-sharing which accounts for approx. one third of the increase in staff costs. In addition, Nordea has chosen to increase the number of employees in order to meet the demand for Nordea's products and services. The average number of FTEs increased by approx. 340, or 1.2% compared to last year and the general wage inflation was approx. 3.5% during the year. Excluding the expansion in growth

areas such as Poland and the Baltics, Life and Sweden, the average number of employees was unchanged in 2006. Within the Group, the shift towards increasing number of advisory and sales-related employees in business areas and a falling number in processing and staff units, continued. In the fourth quarter, the number of employees decreased by approx. 150 FTEs.

Other expenses were EUR 1,485m, up by 2% compared to last year. Higher business volumes have resulted in an increase in transaction and sales-related expenses.

Depreciation decreased by 34% to EUR 86m following Nordea's sourcing strategy as well as reduced leasing activity.

The reported cost/income ratio continued down to 52% compared to 56% in 2005. Excluding the sale of shares in IMB, the cost/income ratio was 53%. Since 2002, Nordea has reduced its costs by approx. 2 %, which is unique in a European context. Business volumes, measured by total assets, have increased by approx. 40% during the same period.

The reported gap between income and cost growth was 8%-points in 2006. When excluding the full impact from the sale of shares in IMB, ie the

capital gain as well as the lower contribution under equity method, the gap was 5.4%-points.

Loan losses

Net loan losses were positive at EUR 257m reflecting low new provisions coupled with recoveries maintained at a high level. Credit quality remains strong in all markets.

Taxes

The effective tax rate in 2006 was 19%, when excluding the tax-free gain from IMB, following revaluation of the deferred tax asset in Finland. In 2005, the effective tax rate was 26%. During 2006 the revaluation of the tax asset in Finland has reduced the tax expenses by approx. EUR 340m. The remaining unrecognised tax asset amounts to approx. EUR 370m.

Net profit

Net profit increased by 39% to EUR 3,153m, corresponding to a return on equity of 22.9% compared to 18.0% last year. Earnings per share increased by 41% to EUR 1.21. Excluding the gain from IMB, return on equity was 21.5% and earnings per share EUR 1.14.

Income statement

Income statement

EURm	Jan-Dec 2006	Jan-Dec 2005	Change %
Net interest income	3,869	3,663	6
Net fee and commission income	2,074	1,935	7
Net gains/losses on items at fair value ¹	1,036	765	35
Equity method	80	67	19
Other income ¹	318	143	122
Total operating income	7,377	6,573	12
Staff costs	-2,251	-2,082	8
Other expenses	-1,485	-1,455	2
Depreciation of tangible and intangible assets	-86	-131	-34
Total operating expenses	-3,822	-3,668	4
Loan losses	257	137	
Disposals of tangible and intangible assets	8	6	
Operating profit	3,820	3,048	25
Income tax expense	-667	-779	-14
Net profit	3,153	2,269	39

¹ The running yield on investment properties in Nordea's Life companies has been moved from "Other income" to "Net gains/losses on items at fair value".

Business volumes, key items

EURbn	31 Dec 2006	31 Dec 2005	Change %
Loans and receivables to the public	214.0	188.5	14
Deposits and borrowings from the public	126.5	115.6	9
Assets under management	161.0	147.6	9
Technical provisions, Life	30.8	28.5	8
Equity	15.3	13.0	18
Total assets	346.9	325.5	7

Ratios and key figures

	Jan-Dec 2006	Jan-Dec 2005
Earnings per share (EPS), EUR	1.21	0.86
Share price ¹ , EUR	11.67	8.79
Total shareholders' return, %	32.3	27.5
Proposed/actual dividend per share, EUR	0.49	0.35
Equity per share ^{2,3} , EUR	5.89	4.98
Shares outstanding ¹ , million	2,591	2,592
Return on equity, %	22.9	18.0
Cost/income ratio, %	52	56
Tier 1 capital ratio ¹ , %	7.1	6.8
Total capital ratio ¹ , %	9.8	9.2
Tier 1 capital ¹ , EURm	13,147	11,438
Risk-weighted assets ¹ , EURbn	185	169
Number of employees (full-time equivalents) ¹	29,248	28,925
Risk adjusted profit, EURm	2,107	1,783
Economic profit, EURm	1,412	1,127
Economic capital, EURbn ³	9.3	8.7
EPS, risk adjusted, EUR	0.81	0.67
RAROCAR, %	22.7	20.6
Expected losses, bp	19	20
MCEV, EURm	2,873	2,283

¹ End of period.

² Equity excluding minority interests and revaluation reserves.

³ Annual average.

Balance sheet

Balance sheet

EURm	31 Dec 2006	31 Dec 2005
Assets		
Cash and balances with central banks	2,104	2,526
Treasury bills and other eligible bills	6,678	7,095
Loans and receivables to credit institutions	26,792	31,578
Loans and receivables to the public	213,985	188,460
Interest-bearing securities	29,066	24,632
Financial instruments pledged as collateral	10,496	11,674
Shares	14,585	12,901
Derivatives	24,207	28,876
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-37	282
Investments in associated undertakings	398	566
Intangible assets	2,247	2,221
Property and equipment	307	303
Investment property	3,230	2,750
Deferred tax assets	382	352
Current tax assets	68	41
Retirement benefit assets	84	70
Other assets	10,726	9,817
Prepaid expenses and accrued income	1,572	1,405
Total assets	346,890	325,549
<i>Of which assets customer bearing the risk</i>	11,046	9,780

Liabilities

Deposits by credit institutions	32,288	29,790
Deposits and borrowings from the public	126,452	115,550
Liabilities to policyholders	31,041	26,830
Debt securities in issue	83,417	82,609
Derivatives	24,939	28,602
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-401	58
Current tax liabilities	263	383
Other liabilities	22,177	18,044
Accrued expenses and prepaid income	2,008	1,874
Deferred tax liabilities	608	423
Provisions	104	100
Retirement benefit obligations	495	504
Subordinated liabilities	8,177	7,822
Total liabilities	331,568	312,589

Equity

Minority interests	46	41
Share capital	2,594	1,072
Share premium account	-	4,284
Other reserves	-111	-228
Retained earnings	12,793	7,791
Total equity	15,322	12,960
Total liabilities and equity	346,890	325,549
Assets pledged as security for own liabilities	18,136	22,620
Other assets pledged	3,053	4,529
Contingent liabilities	22,434	16,349
Commitments	2,619,090	2,213,772



Nordea's markets

Nordea has the largest customer base of any financial services group in the Nordic and Baltic Sea region”

Nordea's markets

Nordea is the leading financial services group in the Nordic and Baltic Sea area. In Denmark, Finland, Norway and Sweden Nordea operates full-service nationwide branch networks including 1,100 bank branch offices, contact centres and internet services. Nordea has a well diversified revenue base, with 30% of revenues from Sweden, 27% from Finland, 25% from Denmark, 15% from Norway and 2% from Poland and the Baltic countries.

Nordea operates in markets with strong economic growth. In 2006, GDP growth in all the Nordic countries was stronger than the Euroland average. In all Nordic markets, Nordea is focused on capturing the growth by increasing business with existing customers in all segments.

Sweden is the biggest market in the Nordic region and a market in which Nordea has identified significant growth opportunities. To meet these, Nordea is increasing the number of staff in order to take advantage of the growth potential in the Swedish banking market. The areas that are expanding are personalised financial advice about loans and savings, including advice on life insurance and pensions savings - areas where Nordea sees substantial opportunities to do more business with existing customers in line with the profitable organic growth strategy. Nordea has during 2006 strengthened the sales force by recruiting 200 additional advisers, saving specialists and insurance specialists working towards household and corporate customers. In addition, 9 new branches and venues in the Stockholm and

Gothenburg region have been opened in 2006.

Nordea also strives to improve market position in Denmark and Norway, markets also characterised by strong growth. Especially in Norway, Nordea aims to increase its market share in the household segment. In Finland, Nordea has a strong market position in all segments, and is successfully aiming to retain this position.

The Baltic Rim region is Nordea's emerging home market. Nordea is today operating in all the Baltic countries, in Poland and in Russia. In Poland and the Baltic countries Nordea branches operate under the Nordea brand, and the operation are fully owned by Nordea.

Nordea's operations in Poland and the Baltic countries today consist of around 90 branches. The financial performance has improved markedly over the last years and Nordea is today running a growing, profitable operation. In the region, Poland is by far the largest market, both in terms of assets and population. Nordea has examined and evaluated several alternatives to capture the growth opportunities in this important market. The result is an ambitious

organic growth plan for the coming years, launched at the end of 2006. The overall objective is to increase the sales capacity by the opening of up to 150 new branches in two to three years. These branches will be of various size and the focus will be on smaller sales points, with five to six employees. Nordea will seek to increase the penetration in all customer segments, but the main emphasis will be on personal customers and SMEs. In terms of location, the main targets will be larger cities in regions with strong economic growth. Alongside the growth plans for Poland, the expansion of the branch network in the Baltic countries will continue. In combination, these efforts will create a competitive network with up to 300 branches throughout the region towards the end of 2009.

Nordea's organic growth strategy leads to additional investments of approx. EUR 60m in 2007. The accelerated growth plan in the Nordic markets and in particular Sweden, investments in Private Banking and the increased growth ambitions in Poland are included in these investments.

In Russia, the acquisition of 75.01%

of Orgresbank will give access to a fast growing market with 35 branches in the Moscow and St Petersburg area. Further investments in Orgresbank are not included in the EUR 60m of additional investments. Outside the Nordic and Baltic Sea region, Nordea operates to support core customers through own units or partners. Nordea is a leading international shipping bank. Nordea offers private banking from Luxembourg and Switzerland and distributes investment funds and investment management services into the European and North American markets.

Nordea's customer base

Nordea has the largest customer base of any financial services group in the Nordic and Baltic Sea region with close to 9 million personal customers, of which 7.4 million are active personal customers in the Nordic region. In the customer base Nordea also has 1.8 million inactive personal and corporate customers that could potentially be activated. Nordea Life has a total of 2.9 million customers, most of them being also bank customers. However, more than 700,000 customers were added when

Nordea acquired two new life insurance companies in Poland beginning 2006. Nordea's strategy is, through cross-selling, to make these customers full-service bank customers.

Approx. 50 per cent of the households in the Nordic countries are doing business with Nordea and Nordea is a leading corporate bank.

Nordea's customers are being served with a clear value proposition:

- Wide range of financial products and customer solutions delivering added value
- Customer-driven excellence in relationship management
- Convenient and easy access through multichannel availability; leadership in e-banking
- Fair and transparent market pricing enhancing customer loyalty and relationships
- Efficient, reliable and responsible conduct of business

Retail Banking

Retail Banking has the customer responsibility for personal and the corporate customers that do not have external credit rating.

Furthermore Retail Banking delivers products to these customers and customers served by Corporate and Institutional Banking within the areas of corporate lending, cards, consumer credits, housing and cash management.

Customer service is conducted through 12 fully developed regional banks in the four Nordic countries. To secure local presence each of the regional banks are divided into in total 72 branch regions operating according to one common Retail Operating Model. Products and service concepts are delivered from units in Segments and Products.

Strategic development

In 2006 Nordea confirmed that Retail Banking is a growth business with strong results both in personal and corporate business. The strong development was based on continuing the transformation of Retail Banking initiated in 2005 with the implementation of the Retail Operating Model and the customer focused advisory services.

The strategic development in 2006 has been on delivering organic growth by leveraging the potential in the customer base which is twice as large as the closest Nordic peer. Pertaining to personal customers increased revenue comes from focusing on the gold segment and the private banking area. In the corporate area focus is on deepening customer relation and increasing product penetration.

In all dimensions Retail Banking's income stream is well diversified. Strategically Retail Banking focuses on creating income and income growth from all product groups, all segments and all markets. The cross selling strategy shows its success by the fact that the traditional dependence on household mortgages has been changed so that this area only provides 11% of the total income.

However mortgages continue to be an important area not least because they provide the foundation to the total customer relationship. Nordea has invested in increasing income from the savings area by establishing savings specialists in all branch regions and increasing the focus on private banking. This resulted in the savings and trading-related income to cover 20% of Retail income.

Result 2006

In 2006, income in Retail Banking increased by 7% to EUR 5,012m. Net interest income increased by 5% to EUR 3,185m. Strong volume growth offset the pressure on lending margins. Lending margins were down year-on-year reflecting continued competition in all segments. The strongest margin pressure was seen in mortgage loans to personal customers in Finland, Norway and Sweden.

Net commission income increased by 6% to EUR 1,372m with strong growth in commissions on investments products. This is partly driven by the strong net inflow to Private Banking activities as a result of the combined efforts by Retail Banking and Asset Management & Life.

- Net gains/losses increased by 52% to EUR 361m reflecting the successful selling of Markets' products to SME customers.
- Total expenses increased by 2% to EUR 2,667m.
- Loan losses were positive at EUR 220m.
- Operating profit increased by 18% to EUR 2,565m.
- RAROCAR was 26% (24%).
- The cost/income ratio was 53% (56%).

Corporate and Institutional Banking

Corporate and Institutional Banking delivers a wide range of products and services to large corporate and institutional customers and to retail corporate customers. The business area has customer responsibility for large corporate customers listed on the main stock exchanges and other customers with an external credit rating as well as shipping, offshore and oil services companies, and financial institutions. In addition, Nordea's banking activities in Poland and the Baltic countries, comprising full-service banking activities for all customer groups, are also part of Corporate and Institutional Banking.

Strategic development in 2006

The main focus for CIB in 2006 was to secure a robust top-line growth, while keeping the costs firmly under control. The way to achieve this goal was to target the large transactions in the marketplace, while also continuing to improve and grow the day-to-day business with our customers. In executing this strategy, CIB recorded a record year in 2006, supported by strong performance in all business divisions. The achievements in 2006 is a solid base for further improvements of the CIB market position.

Result 2006

CIB experienced a solid development in 2006. Total income reached EUR 1,429m, with the impact from the sale of the shares in IMB representing EUR 199m. Excluding this effect the income rose 12% for the year and all divisions contributed to the positive development.

Net interest income increased by 15%. This development reflects a solid growth in lending, where volumes grew by 12%, as well as deposit volumes. The growth rate was highest in Poland and Baltic countries, but also Corporate Banking Division and Shipping, Offshore and Oil Services Division showed a robust growth. Non-interest income rose 11%, to a great extent reflecting several large deals executed by Corporate Banking Division and strong trading income.

Total costs increased by 5% reflecting a substantial volume growth, higher performance-related salaries and a higher number of FTEs. The total number of FTEs reached 3,605 by the end of the year, an increase of 12% during the year. The increase is mostly attributable to Poland and the Baltic countries.

Operating profit reached EUR 865m for the year, an increase of 18% when excluding the impact of the sale

of the IMB shares. The profit growth is a result of strong topline growth, moderate cost development and positive net loan losses. The risk adjusted return on capital at risk reached 29%. The C/I-ratio was 42%.

The improved cost/income ratio highlights CIB's ability to manage revenue growth and significantly increased market activity without a corresponding increase in costs.

In 2006 Nordea confirmed that Retail Banking is a growth business with strong results both in personal and corporate business

Retail Banking key figures per quarter

	Full year 2006	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
EURm						
Total operating income	5,012	1,289	1,230	1,264	1,229	1,237
Total operating expenses	-2,667	-704	-647	-664	-652	-681
Loan losses	220	84	50	42	44	13
Operating profit	2,565	669	633	642	621	569
RAROCAR, %	26	25	25	27	26	24
Cost/income ratio, %	53	55	53	53	53	55
Customer base ¹ : households, million	7.4	7.4	7.4	7.4	7.4	7.4
corporate customers, million	0.6	0.6	0.6	0.6	0.6	0.6
Number of employees (full-time equivalents)	17,591	17,591	17,655	17,563	17,399	17,373

¹ Customer base defined as active customers. In the total customer base Nordea also has approx. 1.8 million inactive corporate and personal customers that potentially could be reactivated.

CIB key figures per quarter

	Full year 2006	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
EURm						
Total operating income	1,429	318	483	313	315	291
Total operating expenses	-597	-159	-139	-153	-146	-147
Loan losses	33	-2	5	43	-13	-6
Operating profit	865	157	349	203	156	138
RAROCAR, %	29	22	51	22	24	19
Cost/income ratio, %	42	50	29	49	46	51
Number of employees (full-time equivalents)	3,605	3,605	3,502	3,412	3,349	3,226

Nordea’s focus is to continue to develop new products that meet customers demands and to maintain a focused and flexible product range offering value added products to our customers

Asset Management & Life

During 2006 focus within Asset Management & Life has been to continue the implementation of the product strategy "new, more flexible" while keeping the good momentum in our institutional business, Private Banking and Life & Pensions. These activities contributed to a record breaking result in Asset Management & Life. Assets under management (AuM) grew to EUR 161bn.

Asset Management & Life is responsible for the Group’s activities within institutional investment management, life insurance and

pensions, investment funds, private banking and the savings market in general.

Strategic development in 2006
New products

Nordea’s product strategy was renewed in 2005 and named "new, more flexible". The aim of the strategy was to roll out new actively managed products and investment processes, including the reengineering of old products with unsatisfactory performance. Hence, offering a broad range of products covering all market

climates and customer profiles.

The launch of new products has been successful, especially the absolute return and aggregate products. Sales of new products have contributed with 90% of total sales in 2006. Nordea Invest Stable Equity became the best selling equity fund launch in Denmark ever.

Since launch in 2005 of the new series of new flexible products Nordea has migrated EUR 11bn from traditional products into new aggregate and absolute return products (All Equity, Dynamic Fixed

Income and Stable Return products) benefiting income growth due to the higher margins on new products compared to traditional products.

The investment performance on the new innovative products has in general been strong in 2006, also compared to the more traditional products, and they have proven true to their concept by delivering strong and stable performance, even during the turmoil in the equity markets in May 2006.

Nordea’s focus is to continue to develop new products that meet

customers demands and to maintain a focused and flexible product range offering value added products to our customers.

Result

The product result for 2006 in Asset Management increased by 23% to EUR 375m supported by the robust sales of new products with higher margins and a high level of performance and transaction income. Total expenses were EUR 234m up 11% compared to year end 2005 - influenced by investments in new

products and sales force, however combined with the appliance of strict cost management.

Life & Pensions continue to produce solid profits. The product result for 2006 was EUR 243m, an increase of 10% compared to 2005, not least due to a strong fourth quarter result 2006.

Key figures – Asset Management activities

EURm	Full year 2006	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Full year 2005	Q4 2005
Net interest income	47	12	11	12	12	40	10
Net fee and commission income	663	194	149	158	162	562	162
Net gains/losses on items at fair value	25	6	7	4	8	23	10
Equity method	0	0	0	0	0	0	0
Other income	14	5	3	3	3	12	3
Total income	749	217	170	177	185	637	185
Staff costs	-145	-40	-35	-35	-35	-124	-35
Other expenses	-86	-24	-20	-21	-21	-84	-21
Depreciations etc.	-3	0	-1	-1	-1	-3	-1
Operating expenses	-234	-64	-56	-57	-57	-211	-57
Estimated distribution expenses in Retail Banking	-140	-36	-34	-35	-35	-121	-32
Product result	375	117	80	85	93	305	96
of which income within Retail Banking	323	90	77	78	78	264	76

Key figures – Life activities

EURm	Full year 2006	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Full year 2005	Q4 2005
Profit drivers							
Traditional insurance:							
Fee contribution/profit sharing	152	47	34	35	36	141	33
Contribution from cost result	-9	-4	0	-4	-1	0	-1
Contribution from risk result	28	9	6	6	7	24	10
Inv. return on shareholders' equity	18	11	6	1	0	11	1
Other profits	19	4	5	5	5	21	6
Total profit traditional	208	67	51	43	47	197	49
Total profit unit linked	52	12	14	13	13	40	10
Estimated distribution expenses in Retail Banking	-17	-5	-4	-4	-4	-16	-3
Total product result	243	74	61	52	56	221	56
of which income within Retail Banking	139	37	37	35	30	94	29

Asset Management & Life

” Visit nordea.com for further information about the Annual General Meeting 2007

Annual General Meeting 2007

Nordea's annual general meeting of shareholders (AGM) will be held on Friday 13 April at 12.30 CET at the Aula Magna, Stockholm University, Frescativägen 6, Stockholm.

Notification of participation etc

Shareholders who wish to participate in the AGM shall be entered in the share register maintained by the Swedish Securities Register Center (VPC AB) not later than 5 April 2007 and notify Nordea. Shareholders whose shares are held in custody therefore must temporarily re-register their shares in their own names with VPC AB in order to be able to participate. This applies for example to holders of Finnish Depositary Receipts in Finland and holders of shares registered in Værdipapircentralen in Denmark. Such re-registration must be effected in VPC AB in Sweden on 5 April 2007. This means that the shareholder in good time prior to this date must inform the trustee about this.

Shareholders registered in VPC AB in Sweden

Notification of participation in the AGM must be made to Nordea Bank AB (publ) at the latest on 5 April 2007 at 13.00 Swedish time at the following address: Nordea Bank AB (publ), Custody Operations, A 204, SE-105 71

Stockholm, or by telephone +46 8 614 97 10, or by fax +46 8 791 76 45, or on Nordea's web page www.nordea.com.

Holders of Finnish Depositary Receipts (FDR) in Finland

Notification of participation in the AGM and re-registration of shares to VPC AB must be made at the latest on 4 April 2007 at 12.00 noon Finnish time to Nordea Bank Finland Plc, 2698 Corporate Actions, 00020 Nordea, or by telephone +358 9 165 51406 or +358 9 165 51394 or fax +358 9 637 256, or on Nordea's web page www.nordea.com.

Shareholders registered in Værdipapircentralen in Denmark

Notification of participation in the AGM and re-registration of shares to VPC AB must be made at the latest on 4 April 2007 at 12.00 noon Danish time to Nordea Bank AB (publ), c/o VP Investor Services, Helgeshøj Allé 61, P.O. Box 20, DK-2630 Taastrup, or by telephone +45 4358 8866 or fax +45 4358 8867, or on Nordea's web page www.nordea.com.

Annual General Meeting

