Nordea

Annual Report 2006
Nordea Bank Norge

Nordea Bank Norge is part of the Nordea Group. 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 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.

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Nordea Bank Norge Group – Five-year overview

Income statements

NOKm	2006	2005	2004 [2]	2003 [1]	2002 [1]
Net interest income	4,994	5,031	4,758	5,215	4,783
Net fee and commission income	1,583	1,572	1,406	1,140	996
Net gains/losses on items at fair value	923	850	535	555	1,093
Equity method	54	37	50	63	51
Other income	89	168	62	220	189
Total operating income	**7,643**	**7,658**	**6,811**	**7,193**	**7,112**
General administrative expenses:					
Staff costs	-2,504	-2,386	-2,213	-2,609	-2,241
Other expenses	-1,624	-1,476	-1,433	-1,375	-1,636
Depreciation of tangible and intangible assets	-136	-152	-197	-267	-295
Total operating expenses	**-4,264**	**-4,014**	**-3,843**	**-4,251**	**-4,172**
Loan losses	760	1,030	11	-2,371	-1,242
Disposals of tangible and intangible assets	18	36	325	-	-
Operating profit	**4,157**	**4,710**	**3,304**	**571**	**1,698**
Income tax expense	-1,075	-1,362	-906	-59	-670
Net profit for the year	**3,082**	**3,348**	**2,398**	**512**	**1,028**

Ratios and key figures

	2006	2005	2004 [2]	2003 [1]	2002 [1]
Earnings per share (EPS), NOK	5.59	6.07	4.35	0.93	1.87
Equity per share, NOK	38.00	35.64	33.85	31.16	31.11
Shares outstanding, million	551	551	551	551	551
Return on equity, %	15.7	18.2	13.7	3.0	5.9
Cost/income ratio, %	56	52	56	59	59
Tier 1 capital ratio, %	6.8	7.6	8.1	8.3	8.2
Total capital ratio, %	9.4	9.9	9.6	10.0	10.4
Tier 1 capital, NOKm	19,724	17,934	16,510	16,342	16,351
Risk-weighted assets, NOKbn	289	237	204	197	199
Number of employees (full-time equivalents)	3,055	3,102	3,237	3,586	4,007

[1] According to previous GAAP, not restated to IFRS

[2] Restated to IFRS except for IAS 39

Business definitions and exchange rates

These definitions apply to the descriptions in the Annual Report.

Capital base
The capital base includes the total of Tier 1 capital and the supplementary capital consisting of subordinated loans, after deduction of certain holdings in finance institutions.

Tier 1 capital
The proportion of the capital base includes paid-in share capital and reserves approved by the Financial Supervisory Authority of Norway, excluding proposed dividend and deferred tax assets.

Risk-weighted amounts
Total assets and off-balance-sheet items valued on the basis of the credit and market risks in accordance with regulations governing capital adequacy, excluding book value of assets which have been deducted from the capital base.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk-weighted amounts.

Total capital ratio
Capital base as a percentage of risk-weighted amounts.

Return on equity
Net profit excluding the period's change in fair value related to available for sale holdings and other revaluations recognised direct in equity, as a percentage of average equity for the period. Average equity includes net profit and dividend until paid.

Loan losses as a percentage of total loans
Loan losses, net (incl. losses on guarantees and transfer risk) as a percentage of total loans and guarantees as of previous year-end.

Earnings per share
Net profit divided by the average number of outstanding shares.

Equity per share
Equity divided by the number of shares.

Cost/income ratio
Total operating expenses divided by total operating income.

Abbreviations
AGM	Annual General Meeting
CEO	Chief Executive Officer
EIU	Economist Intelligence Unit
GEM	Group Executive Management
IPS	Individual Pension Savings
OTC	Over-the-counter

Exchange rates applied
(European Central Bank rates of exchange for key currencies as at 31 December 2006)

EUR	8.23	**CHF**	5.12	**DKK**	110.4
GBP	12.25	**USD**	6.25	**SEK**	91.08

Nordea Bank Norge
Directors' report

Through out this report the terms "Nordea Bank Norge" and "NBN" refer to Nordea Bank Norge ASA and its subsidiaries. Nordea Bank Norge ASA is a wholly owned subsidiary of Nordea Bank AB (publ), the parent company in the Nordea Group.

Nordea Bank Norge ASA is domiciled in Oslo and its business registration number is 911 044 110.

Group organisation

Nordea operates through three business areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The support functions are Group Processing and Technology, Group Corporate Centre and Group Legal and Compliance.

As part of the Nordea Group, NBN operates in the banking business. All the operations of NBN are integrated in the operations of the Nordea Group, whose annual report, with activities and earnings reported by the business areas, encompasses all the operations of NBN.

Legal structure

Nordea is in the process of simplifying its legal structure. The aim is that Nordea Bank AB (publ) will be converted into a European company, a "Societas Europaea"("SE"), in accordance with the European Company Statute.

The conversion is conditional on, among other things, Nordea obtaining necessary approvals from the relevant authorities. It is expected to lead to improved operational efficiency, reduced operational risk and complexity as well as enhanced capital efficiency.

Nordea is continuing the preparation for this conversion while awaiting satisfactory regulatory and legislative solutions to particularly one obstacle that otherwise would risk distorting competition. Following a review made by the EU Commission on the issues relating to the operation of deposit guarantee schemes in the EU and EEA countries it is clear that a satisfactory solution for Nordea has to be found through local or regional solutions.

In light of this the next steps of the conversion process will be to find suitable solutions to mainly the deposit guarantee issue through dialogue with legislators and supervisory authorities in the Nordic countries. Following a satisfactory solution to these challenges the final conversion process in itself is estimated to take up to one year from start to execution.

Subsidiaries and foreign branches

NBN has subsidiaries and branches in Norway and abroad. The most significant subsidiaries are Norgeskreditt AS and Nordea Finans Norge AS. Norgeskreditt AS, working in co-operation with Nordea, offers a broad range of financial services to commercial property clients throughout Norway. Nordea Finans Norge AS has business area responsibility for the financing products in Norway. The company's main products are leasing, car financing, factoring and consumer credits.
NBN has one minor branch in the US and has no foreign representative offices.

Business development in 2006

2006 was characterized by continued strong volume growth. The lending margins have decreased due to strong competition and increases in the interest rates. The growth in volumes have not fully compensated for the decrease in margins and total income is therefore at the same level as in 2005. Staff costs and other costs increased, while loan losses were positive also in 2006. Profit before taxes amounted to NOK 4,157m (2005: 4,710). Net profis was NOK 3,082m (3,348), resulting in a a return on equity of 15.7% (18.2).

Comments on the Income statement

Income

Total operating income was NOK 7,643m (7,658).

Net interest income decreased by 1% to NOK 4,994m (5,031). Lending volumes increased by 19% compared to last year. Volume growth was strong in all segments. However, the overall difference between the average lending and deposit rates was lower than in 2005, reflecting strong competition in all segments. The margins on lending have also been temporarily negatively impacted by the rate increases combined with the Norwegian requirement to announce customer rate changes with six weeks notice. Competition has been fierce, and all markets focus on responding with product innovation and more competitive price structures.

Nordea aims to continue to increase its market share in the mortgage market in Norway. Hence, when the Central Bank of Norway increased the interest rate on 30 May, Nordea kept the housing loan interest rate unchanged for gold customers in the customer programme, representing approx. 65% of mortgage volumes. The effect was a positive development in market share and an increased possibility for cross selling to existing customers.

Mortgage lending to households increased by 18% (23) to NOK 109bn (93) at the end of the year.

Deposits from customers were NOK 179bn, an increase of 21%. Income from deposits accounted for approx. 16% (12) of NBN's total income in 2006.

Net fee and commission income increased by 1% to NOK 1,583m. Savings commissions in general developed strongly and increased by 20% to NOK 324m mainly due to increased income from sale of life insurance products and commissions related to Custody. Commissions from payments and e-services increased by 9%, however net contribution from these products have been reduced due to increased commission expenses. The number of payment transactions increased by 6%.

Net gains/losses on items at fair value increased by 9% to NOK 923m following higher income on interest- and foreign exchange products.

Profit from companies accounted for under the equity method was NOK 54m (37) and is the contribution from the associated company Eksportfinans AS.

Other operating income was NOK 89m (168). The net gain of NOK 62m from the sale of the associated company Teller AS was included in 2005.

Expenses
Total operating expenses increased by 6% to NOK 4,264m (4,014).

Staff costs increased by 5% to NOK 2,504m (2,386) due to general increase in salaries as well as an increased reservation for profit sharing and variable salaries. The number of full-time equivalents (FTE) decreased by 1.5% to 3,055. The average number of full time equivalent positions in 2006 was 3,084 and the general wage inflation was approx. 3.82% during the year. Within the Group, the shift in the personnel structure, with increased number of advisory and sales related employees in Business Areas and a falling number of FTEs in processing and staff units, continues.

Other expenses were NOK 1,624m, up 10% compared to last year. Higher business volumes have resulted in an increase in transaction and sales-related expenses. Also costs for rents and premises have increased.

Depreciation of tangible and intangible assets decreased by 11% to NOK 136m.

The cost/income ratio was 56% (52).

Loan losses
Net loan losses were positive at NOK 760m (1,030) reflecting low new provisions in addition to recoveries and reversals of group-wise provisions. The gain from sale of converted shares in Pan Fish ASA of NOK 794m was included in 2005. Credit quality remains strong in all markets.

Disposals of tangible and intangible assets amounted to NOK 18m (36).

Taxes
Income tax expense was NOK 1,075m. The effective tax rate amounted to 25.9% compared to 28.9% in 2005.

"Fritaksmetoden", leading to tax-free gains on shares and dividends, and the taxation regulation of interest rate deduction in Norway, are the main reasons why the tax rate was lower than 28% in 2006.

Net profit
Net profit for the year amounted to NOK 3,082m (3,348), a decrease of 8% compared to 2005. The return on equity was 15.7% (18.2%).

Comments on the Balance Sheet - Financial structure

Total assets increased by NOK 60bn or 19% to NOK 371bn during 2006.

The increased balance sheet reflects higher business volumes. The growth has been financed through a variety of sources, of which deposits from customers and financial institutions are the most significant. Nordea has a strong capital position and diversified funding base, reflecting an overall sound financial structure.

Assets
The growth in the balance sheet was mainly driven by a strong increase in *loans and receivables to the public* with a 19% increase, or NOK 49bn, to NOK 307bn. Mortgage lending to households increased by 18% (23) to NOK 109bn. Lending and receivables to credit institutions increased by NOK 2.6bn to NOK 20.5bn.

Interest-bearing securities increased by NOK 9bn, to 26.3bn compared to the end of 2005. The main part of the increase has been in Markets where the portfolio had a value of NOK 11.8bn at year-end.

Other assets decreased by NOK 1bn, mainly reflecting a decrease in cash and receivable with the Central Bank.

Liabilities and funding activities
Total liabilities amounted to NOK 350bn (291) at year-end. The increase in loans was mainly financed by a strong growth in deposits and borrowings from the public, which increased by NOK 31bn to NOK 179bn, as well as increased deposits by credit institutions by NOK 37bn to NOK 133bn. Loans and receivables from credit institutions are mainly from other banks in the Nordea group.

Debt securities in issue decreased by NOK 16bn and have partly been replaced by funding from other companies in the Nordea group.

Other liabilities amounted to NOK 27bn (20).

Equity
Shareholders' equity amounted to NOK 19.6bn at the end of 2005. The net profit for the year was NOK 3,082m. After deducting the net effect of items booked directly against equity and paid out dividend during 2006, the equity amounted to NOK 21.0bn at year-end.

Equity in NBN ASA amounted to NOK 17.9bn at the end of 2005. The net profit for the year was NOK 3,097m. After deducting the net effect of items booked directly against the equity and dividend to be paid out in 2007, the equity amounted to NOK 19.9bn at year-end.

Appropriation of net profit for the year

The net profit of the parent company for the year amounted to NOK 3,097m. It is proposed that the net profit will be distributed by way of:

- Received group contribution from Nordea Liv Norge AS (NL) of NOK 720m
- An allocation of group contribution to Nordea Liv Norge AS (NL) of NOK 1,000m
- An allocation of dividend of NOK 1,000m
- Transfer of NOK 144m to fund for evaluation differences
- Transfer of NOK 1,673m to retained earnings

The group contribution given to and from NL is called a "circular group contribution" and is completed to offset Nordea's tax positions. In NBN this causes a reduction of current tax payable by NOK 280m. This does not effect NBN's result, equity or Tier 1 capital.

The proposed dividend payment of NOK 1,000m is equivalent to 1.81 (3.22) per share.

Off-balance sheet commitments

The bank's business operations include a considerable proportion of off-balance sheet items, mainly guarantees, and credit commitments.

Total exposure regarding these items, see note 35 and 36.

Capital adequacy and ratings

At year-end, the Group's total capital ratio was 9.4% (9.9%) and the Tier 1 capital ratio 6.8% (7.6%). The corresponding figures for the parent company were 9.3% (10.3) and 6.7% (7.8) in 2006.

The minimum level prescribed by the authorities for the total capital ratio, defined as the capital base as a percentage of the risk-weighted assets, is 8%.

The Board of Directors confirms the assumption that the bank is a going concern and the annual accounts have been prepared based on this assumption.

The Board of Directors considers solidity as at 31 December 2006 to be good.

Rating, December 2006	Short	Long
Moody's	P-1	Aa3
S&P	A-1+	AA-
Fitch-IBCA	F1+	AA-

There has been no changes in the ratings of NBN ASA during 2006.

Risk management and Basel II

Being exposed to risk is inherent in providing financial services, and Nordea assumes a variety of risks in its ordinary business activities, the most significant being credit risk related to loans and receivables to the public. Management of risk is one of the key success factors in the financial services industry and Nordea has clearly defined policies and instructions for risk management.

Nordea aims at an overall balanced risk-taking in order to enhance shareholder value. Economic Capital is allocated to the business areas and is included in the calculation of Economic Profit, which is a key performance indicator in the Group.

Risk management principles and control

The Board of Directors of Nordea has the ultimate responsibility for limiting and monitoring the Group's risk exposure. Risks in Nordea are measured and reported according to common principles and policies approved by the Board. The Board of Directors decides on policies for credit, market, liquidity and operational risk management. All policies are reviewed at least annually.

In the credit instructions, the Board of Directors decides on powers-to-act for credit committees at different levels within the business areas in Nordea. These authorisations vary for different decision-making levels, mainly in terms of size of limits, and are also dependent on the internal rating of customers. The Board's Credit Committee monitors the development of the credit portfolio including industries and major customer exposures. The Board of Directors in Nordea also decides on the limits for the market and liquidity risk in the Group.

The Board of Directors of Nordea Bank Norge ASA is ultimately responsible for limiting and monitoring the risk in the Nordea Bank Norge Group.

The Group Chief Executive Officer (CEO) and the Group Executive Management (GEM) regularly review reports on risk exposures and have established the following committees for risk management:

- The Asset and Liability Committee (ALCO), chaired by the CEO, decides upon issues of major importance concerning the Group's financial operations and financial risks. ALCO decides on the targets of the Group's risk management regarding Structural Interest Income Risk (SIIR). Group Credit and Risk Control has the authority to issue supplementary limits, where it is deemed necessary. ALCO also decides, within the scope of resolutions adopted by the Board of Directors, the allocation of the market risk limits and liquidity risk limits to business areas as well as the investment return targets for the investment portfolio. The limits for the business areas are set in accordance with the business strategies and are as a minimum reviewed annually. The heads of the business areas allocate the respective ALCO limits within the business area and may introduce more detailed limits and other risk mitigating techniques such as stop-loss rules.

- The Risk Committee monitors developments of risks on aggregated level. Chairman of the Risk Committee is the Chief Risk Officer (CRO) who is also head of Group Credit and Risk Control.

- Executive Credit Committees (Corporate and Retail), chaired by the CRO, decide on major credit risk limits and industry policies for the Group. Credit risk limits are granted as individual limits for customers or consolidated customer groups and as industry limits for certain defined industries.

- Other credit risk limits, which are not decided by the Executive Credit Committees, are decided by decision-making authorities on different levels (see figure). The responsibility for a credit exposure lies with a customer responsible unit. Customers are assigned a rating/scoring in accordance with the Nordea framework for quantification of credit risk.

Group Credit and Risk Control is responsible for the risk management framework. The framework consists of policies, instructions and guidelines for the whole Group. However, for SIIR and liquidity risk the framework is developed by Group Treasury.

Each business area is primarily responsible for managing the risks in their operations, including identification, control and reporting, while Group Credit and Risk Control consolidates and monitors the risks on Group level.

Credit risk

Credit risk is the risk of loss if counterparts of Nordea fail to fulfil their agreed obligations and that the pledged collateral does not cover Nordea's claims.

The credit risks in Nordea arise mainly from various forms of loans and receivables to the public (corporates and personal customers), but also from guarantees and documentary credits. Furthermore, credit risk includes transfer risk, settlement risk and credit risk in financial instruments such as derivatives. Starting in 2006, NBN does no longer have documentary credits in its own books, but sell these products on behalf of Nordea Bank Finland Plc.

The credit risk from guarantees and documentary credits arises from the potential claims on customers, which occur if Nordea would be claimed under an issued guarantee or documentary credit.

The credit risk in derivative contracts is the risk that Nordea's counterpart in the contract defaults prior to maturity of the contract and that Nordea at that time has a claim on the counterpart. Settlement risk is the risk of losing the principal of a financial instrument if a counterpart defaults during the settlement process. Transfer risk is a credit risk attributable to the transfer of money from another country where a borrower is domiciled, and is affected by changes in the economic and political situation of countries.

Responsibility and control processes
The decisions regarding credit risk limits for customers and customer groups are made by the relevant credit decision authorities on different levels within the Group. The responsibility for credit risk lies with the customer responsible unit, such as a branch office, which on an ongoing basis assesses the customers' ability to fulfil their commitment and identifies deviations from agreed conditions and weaknesses in the customers' performance.

If credit weaknesses are identified in relation to a customer exposure, that exposure is assigned special attention in terms of review of the risk. In addition to the continuous monitoring, an action plan is established outlining how to minimise a potential credit loss. If necessary, a special team is set up to support the customer responsible unit.

In the process to identify indication of impairment, Nordea works with a continuous process to review the economic status of the credit exposures. Weak and impaired exposures are closely and continuously monitored and reviewed at least on a quarterly basis in terms of current performance, business outlook, future debt service capacity and the possible need for provisions.

An exposure is impaired and a provision is recognised, if there is objective evidence, based on loss events or observable data, that there is impact on the customer's future cash flow to the extent that full repayment is unlikely, security included. The size of the provision is equal to the estimated loss considering the discounted value of the future cash flow and the value of pledged security. Impaired exposures can be either performing or non-performing. Impaired exposures are treated as in default when determining default probability in order to quantify Expected Loss and Economic Capital.

Risks in specific industries are controlled through industry policies setting requirements and limits on the overall industry exposure and these risks are monitored by industry monitoring groups. Corporate customers' environmental risks are taken into account in the overall risk assessment through a process called Environmental Risk Assessment Tool. This tool is in the process of being extended also to include social and political risk. The extended tool will be implemented during 2007. For larger project finance transactions, Nordea has adopted the Equator Principles, which is a financial industry benchmark for determining, assessing and managing social and environmental risk in project financing. The Equator Principles are based on the policies and guidelines of the World Bank and International Finance Corporation (IFC).

Measurement methods
Quantification of credit risk was initially developed in Nordea as part of the Economic Capital framework. With the approaching Basel II framework significant efforts have been made in respect of aligning the internal quantification of credit risk with the external requirements set by Basel II.

Rating and scoring
Rating and scoring are key components in the risk management framework for credit risk. The common denominator of the rating/scoring models is the ability to rank the customers and predict defaults. While the rating models are used for corporate customers and bank counterparts, scoring models are used for personal customers and small business customers.

The internal rating represents an estimate of the repayment capacity of the corporate customers or bank counterparts. Every rating grade has a Probability of Default percentage (PD) assigned to it, which is used as an input in the Economic Capital framework and will in the future also be used in the Basel II framework.

The internal rating scale for corporate rating models consists of 18 grades for non-defaulted customers. It is a descending scale with grade 6+ representing the highest repayment capacity and rating grade 1– representing the lowest repayment capacity. Rating grade 4– and better is comparable to investment grade as defined by external rating agencies such as Moody's and S&P. Rating grade 2+ to 1– are considered as weak, and require special attention. In addition, there are three rating grades for counterparts fulfilling Nordea's internal definition of default.

Ratings are normally assigned in conjunction with limit/credit proposals or the annual review of the customers, and approved by the credit committees. The consistency and transparency of the ratings are ensured by the use of rating models, which have been developed for medium sized and large corporates as well as for bank counterparts. The models are based on an overall rating framework, in which financial factors are combined with qualitative factors. Adjustments of the factors have been made in respect of the size of the customers and specific industry segments in order to ensure that the model ranks the customers correctly.

Nordea has established an internal validation process in accordance with the Basel II requirements with the purpose of ensuring and improving the performance of Nordea's rating models, procedures and systems. The annual validation also captures the assessment of the relevant risk factors within the model.

Scoring models are pure statistical methods to predict the probability of customer default. Nordea utilises three types of scoring models - application, behaviour and bureau scoring models - in the credit process. The models are mainly used in the personal customer segment but also for small corporate customers. The scoring models support both the credit approval process, e g automatic approvals or decision support, and the risk management process, e g "early warning" for high-risk customers and monitoring of portfolio risk levels.

As part of Nordea's Basel II activities, a systematic review of the use of scoring models has been conducted. This work comprises activities making all existing scoring models and their use compliant with Nordea's ambition regarding Basel II. Beginning in 2007, internal scoring models will be used in the Economic Capital framework to identify the default risk and PD of scored customers.

Quantification of credit risk
The most important parameters when quantifying the credit risk are the probability of default (PD), the loss given default (LGD), and the exposure at default (EAD). The parameters are used to quantify Expected Loss (EL) and Economic Capital (EC) for credit risk, which both are used in the calculation of Economic Profit (EP).

The PD is the most important parameter when measuring credit risk. In general historical losses and defaults are used to calibrate the PDs attached to each rating grade. LGD is measured taking into account the collateral coverage of the exposure, the counterpart's balance-sheet components, and the presence of any structural support. LGD is also estimated using internal historical losses, where applicable. EAD is for many products equal to the outstanding exposure, but for some products, such as credit lines and derivative contracts, the EAD can be higher than the utilised exposure. The set up for EAD estimation is similar to that for LGD.

Nordea calculates Economic Capital for credit risk with capital factors, which are differentiated based on combinations of PD and LGD. The capital factors are estimated using the output from a credit portfolio model. In addition to estimating these factors the portfolio model is used to assess portfolio imbalances such as concentration risk.

As a complement to the ordinary credit risk quantification, comprehensive credit risk stress testing is performed as part of Nordea's Internal Capital Adequacy Assessment Process (ICAAP). In order to facilitate the estimation of the credit risk parameters as well as perform portfolio analysis on various dimensions, a Group-wide credit database is used.

Definition of Expected Loss (EL):
The EL is normalised loss rate calculated based on the current portfolio. EL is measured using the formula:
EL = PD x LGD x EAD, where

- PD is a measure of the probability that the counterpart will default,
- LGD is a measure of how much is expected to be lost in the event of default and
- EAD is a measure of the expected exposure in the event of default.

Expected Loss (EL)
Expected Loss (EL) is an important component in the calculation of Economic Profit (EP), both on a portfolio and an individual credit level. EL, and the parameters of EL (PD, LGD and EAD), are calculated based on the current portfolio, but reflecting the normalised losses over a cycle. The EL used for EP calculation is approximately 17.0 bps in the Nordea Group in 2007.

Credit risk exposure

(excluding cash and balances with central banks and settlement risk exposure)

NOKm	31 Dec 2006	31 Dec 2005
Loans and receivables to credit institutions	20,497	17,860
Loans and receivables to the public	307,023	257,869
Unutilised credit commitments etc	109,970	96,981
Guarantees and documentary credits	38,108	30,246
Credit risk exposure in derivatives [1]	2,263	5,281
Interest-bearing securities issued by public bodies	2,016	6,404
Other interest-bearing securitites	24,300	10,501
Total credit risk exposure	**504,177**	**425,142**

[1] After closeout netting and collateral agreements, including current market value exposure as well as potential future exposure.

Credit risk analysis
The credit risk exposure is measured and presented as the principle amount of on balance sheet claims or off balance sheet potential claims on customers and counterparts, net after allowances. The total credit risk exposure has increased by 19% to NOK 504bn during 2006 (425).

The largest credit risk exposure is lending to the public, which in 2006 increased by 19% to NOK 307bn (258). Lending to corporate customers was NOK 174bn (144), an increase by 21%. Lending to personal customers was NOK 132bn (113), an increase by 16%. The portion of lending of the total lending portfolio to corporate

customers was 57% (56) and to personal customers 43% (44).
Loans and receivables to credit institutions, mainly in the form of inter-bank deposits, amounted to NOK 21bn at the end of 2006 (18). Of these loans, less than 10% was to banks outside OECD.

Loans and receivables to corporate customers
The main increases in the portfolio could be seen in the sectors: “Renting, consulting and other company services”, “Manufacturing” and “Real estate management”.

Real estate management remains the largest industry sector in NBN’s lending portfolio, with NOK 52bn (42). Relatively large and financially strong companies dominate the portfolio. There is a high level of collateral coverage, especially for exposures which fall into lower rating grades (3+ or lower).

The shipping exposure increased, despite the effect of the weakened US Dollar. The portfolio is diversified by type of vessel, has a focus on large industrial players and has an even distribution between Nordic and non-Nordic customers. Shipping is an industry in which Nordea has a global customer strategy. The shipping portfolio exhibits continued volume growth and strong credit quality.

The distribution of loans and receivables to corporate customers by size of exposures shows a high degree of diversification where approximately 80% of the corporate volume is for lending with a size up to NOK 400 m for each customer. This distribution has been stable over the last years.

One important credit risk mitigation technique is pledging of collateral. This is particularly important in lending to medium-sized and smaller corporates. In the case of larger corporates, pledged collateral is used to a lesser extent.

In corporate lending to the public including unutilised credit commitments, the main collateral types are real estate mortgages, floating charges and leasing objects. The collateral coverage is higher for exposures to financially weaker customers than for exposures to financially stronger customers.

Credit risk mitigation by the use of credit default swaps have been made to a limited extent, normal syndication of loans being the primary tool for managing the size of large credit exposures.

Loans and receivables to personal customers
In 2006, mortgage loans increased by 18% while consumer loans increased by 9%. The portion of mortgage loans was 83% (82). Regarding mortgage loans to personal customers, the collateral coverage is high, whereas consumer loans to personal customers have a lower degree of collateral coverage.

Geographical distribution
Lending distributed by borrower domicile shows that the Norwegian market accounts for 92% (90). Other EU countries represent the main part of the lending outside the Nordic countries. The exposure to emerging markets is limited.

Transfer risk
The transfer risk exposure is small and is trade-related and primarily short-term. The total transfer risk allowance at the end of 2006 was NOK 58m (13).

Lending

Lending to the public, by customer type

NOKm	31 Dec 2006	%	31 Dec 2005	%
Corporate customers	174,407	56.8	143,829	55.8
Personal customers	131,548	42.8	113,325	43.9
Public sector	1,068	0.3	715	0.3
Total	**307,023**	**100.0**	**257,869**	**100.0**

Lending to corporate customers, by industry

NOKm	31 Dec 2006	%	31 Dec 2005	%
Real estate management	52,210	29.8	42,262	29.4
Construction	3,233	1.9	3,173	2.2
Agriculture and fishing	8,985	5.2	9,482	6.6
Transport	3,990	2.3	3,665	2.5
Shipping	29,107	16.7	27,824	19.3
Trade and services	10,233	5.9	9,399	6.5
Manufacturing	21,027	12.1	16,688	11.6
Financial operations	1,314	0.8	1,610	1.1
Renting, consulting and other company services	39,764	22.7	26,828	18.7
Other	4,544	2.6	2,898	2.1
Total	**174,407**	**100.0**	**143,829**	**100.0**

Lending to corporate customers, by size of loan

NOKm	31 Dec 2006	%	31 Dec 2005	%
0-80	71,573	41.0	59,723	41.5
80-400	67,129	38.5	55,662	38.7
400-800	23,828	13.7	18,422	12.8
800-2000	9,281	5.3	7,832	5.5
2000-4000	2,596	1.5	2,190	1.5
4000-	0	0.0	0	0.0
Total	**174,407**	**100.0**	**143,829**	**100.0**

Lending to personal customers, by type of loan

NOKm	31 Dec 2006	%	31 Dec 2005	%
Mortgage loans	108,819	82.7	92,497	81.6
Consumer loans	22,729	17.3	20,828	18.4
Total	**131,548**	**100.0**	**113,325**	**100.0**

Loans and receivables to the public, by geographical area

NOKm	31 Dec 2006	%	31 Dec 2005	%
Nordic countries	285,630	93.0	235,998	91.5
of which Denmark	664		433	
of which Finland	73		29	
of which Norway	282,077	*91.9*	232,606	*90.2*
of which Sweden	2,816		2,930	
Baltic countries	6	0.0	2	0.0
Poland	113	0.0	64	0.0
EU countries other	6,409	2.1	7,874	3.1
USA	1,032	0.3	6,255	2.4
Asia	5,106	1.7	85	0.0
Latin America	4,553	1.5	4,180	1.6
OECD other	586	0.2	463	0.2
Non-OECD other	3,588	1.2	2,948	1.2
Total	**307,023**	**100.0**	**257,869**	**100.0**

Impaired loans
Impaired loans, gross, for individually assessed loans were NOK 1.7bn (3.5). Allowances for individually assessed loans were NOK 0.6bn (0.9). The ratio of allowances to cover impaired loans, gross, increased to 32% (25). Allowances for collectively assessed loans were NOK 0.5bn at year-end (1.0).

Impaired loans and guarantees to the public

NOKm 31 Dec 2006	Corporate customers	Personal customers	Total
Impaired loans, gross, individually assessed	1,038	691	1,729
Allowances for individually assessed loans	375	180	555
Impaired loans, net, individually assessed	663	511	1,174
Allowances / impaired loans, gross, individually assessed (%)	36.1	26.0	32.1
Impaired loans, gross / lending, indivdually assessed loans (%)	0.6	0.5	0.6
Allowances for collectively assessed loans	309	204	513
Total allowances (individually and collectively) / lending (%)	0.4	0.3	0.3
31 Dec 2005			
Impaired loans, gross, individually assessed	2,841	674	3,515
Allowances for individually assessed loans	722	171	893
Impaired loans, net, individually assessed	2,119	503	2,622
Allowances / impaired loans, gross, individually assessed (%)	25.4	25.4	25.4
Impaired loans, gross / lending, indivdually assessed loans (%)	2.0	0.6	1.4
Allowances for collectively assessed loans	832	193	1,025
Total allowances (individually and collectively) / lending (%)	1.1	0.3	0.7

Impaired loans and guarantees to corporate customers gross, individually assessed, by industry

NOKm	31 Dec 2006	% of lending to the industry	31 Dec 2005	% of lending to the industry
Real estate management	182	0.3	222	0.5
Construction	52	1.6	45	1.4
Agriculture and fishing	127	1.4	597	6.3
Transport	29	0.7	37	1.0
Shipping	124	0.4	104	0.4
Trade and services	85	0.8	182	1.9
Manufacturing	70	0.3	664	4.0
Financial operations	6	0.5	30	1.9
Renting, consulting and other company services	320	0.8	911	3.3
Other	43	0.9	49	1.7
Total	**1,038**	**0.6**	**2,841**	**2.0**

Distribution of allowances to corporate customers, by industry

	31 Dec 2006				31 Dec 2005			
	Individually assessed loans		Collectively assessed loans		Individually assessed loans		Collectively assessed loans	
NOKm		%		%		%		%
Real estate management	61	16.3	71	23.0	69	9.6	398	47.8
Construction	20	5.3	0	0.0	18	2.5	0	0.0
Agriculture and fishing	69	18.4	68	22.0	90	12.5	383	46.0
Transport	8	2.1	7	2.2	15	2.1	18	2.2
Shipping	45	12.0	0	0.0	65	9.0	2	0.2
Trade and services	41	10.9	0	0.0	71	9.8	0	0.0
Manufacturing	30	8.0	0	0.0	236	32.7	0	0.0
Financial operations	6	1.6	0	0.0	6	0.8	0	0.0
Renting, consulting and other company services	79	21.1	0	0.0	138	19.1	19	2.3
Other	16	4.3	163	52.8	14	1.9	12	1.5
Total	**375**	**100**	**309**	**100**	**722**	**100**	**832**	**100**

Impaired loans

NOKm

31 Dec 2006	Corporate customers	Personal customers	Total
Impaired loans, gross	1,187	891	2,078
Allowances for impaired loans	-680	-383	-1,063
Impaired loans, net	507	508	1,015
Allowances/ impaired loans, gross (%)	57.3	43.0	51.2
Impaired loans, net/ lending (%)	0.3	0.4	0.3

31 Dec 2005			
Impaired loans, gross	2,941	867	3,808
Allowances for impaired loans	-1,530	-364	-1,894
Impaired loans, net	1,411	503	1,914
Allowances/ impaired loans, gross (%)	52.0	42.0	49.7
Impaired loans, net/ lending (%)	1.0	0.4	0.7

[1] For further information see note 15a.

Impaired loans to corporate customer gross, by industry

NOKm	31 Dec 2006	% of lending to the industry	31 Dec 2005	% of lending to the industry
Real estate management	253	0.5	620	1.5
Construction	52	1.6	45	1.4
Agriculture and fishing	195	2.2	980	10.3
Transport	36	0.9	55	1.5
Shipping	124	0.4	106	0.4
Trade and services	85	0.8	182	1.9
Manufacturing	70	0.3	664	4.0
Financial operations	6	0.5	30	1.9
Renting, consulting and other company services	160	0.4	197	0.7
Other	206	4.5	62	2.1
Total	**1,187**	**0.7**	**2,941**	**2.0**

Distribution of reserves to corporate customers gross, by industry

NOKm	31 Dec 2006	%	31 Dec 2005	%
Real estate management	132	19.4	467	30.5
Construction	20	2.9	18	1.2
Agriculture and fishing	137	20.1	473	30.9
Transport	15	2.2	33	2.2
Shipping	45	6.6	67	4.4
Trade and services	41	6.1	71	4.6
Manufacturing	30	4.4	235	15.3
Financial operations	6	0.9	6	0.4
Renting, consulting and other company services	75	11.0	133	8.7
Other	179	26.3	27	1.8
Total	**680**	**100.0**	**1,530**	**100.0**

Transfer risk exposure[1]

NOKm	31 Dec 2006	31 Dec 2005
Asia	187	231
Latin America	185	8
Eastern Europe and CIS	44	24
Middle East and Africa	68	104

[1] Base for transfer risk allowance, defined as all countries excluding A-rated countries according to EIU and excluding Poland and the Baltic countries. Exposure net of ECA guarantees.

NOKm	2006	2005
Total transfer risk allowance	58	13

Credit risk exposure in derivatives [1]

	31 Dec 2006			31 Dec 2005		
NOKm	Current exposure	Potential future exposure	Total credit risk	Current exposure	Potential future exposure	Total credit risk
Total	322	2,740	2,263	965	4,773	5,281

[1] After closeout netting and collateral agreements

Settlement risk
Settlement risk is a type of credit risk that arises during the process of settling a contract or executing a payment. The risk amount is the principal of the transaction, and a loss could occur if a counterpart should default after Nordea has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of payment or security has been finally confirmed.

The settlement risk on individual counterparts is restricted by settlement risk limits. Each counterpart is assessed in the credit process and clearing agents, correspondent banks and custodians are selected with a view of minimising settlement risk.

Nordea is a shareholder of, and participant in, the global FX clearing system CLS (Continuous Linked Settlement), which eliminates the settlement risk of FX trades in those currencies and with those counterparts that are eligible for CLS-clearing. As a result, Nordea's settlement risk exposure against major trading counterparts has decreased considerably over the last years.

Risk in derivatives
Derivative contracts are financial instruments, such as futures, forwards, swaps or option contracts that derive their value from underlying interest rates, currencies, equities, credit spreads or commodity prices. The derivative contracts are often OTC-traded, meaning that the terms connected to the specific contract are agreed upon on individual terms with the counterpart.

Nordea mainly enters into derivative contracts based on customer demand, both directly and in order to hedge positions that arise through such activities. Furthermore, the Group, through Group Treasury uses interest rate swaps and other derivatives in its hedging activities of the assets and liabilities on the balance sheet.

The derivative contracts are valued at fair value on an ongoing basis and affect the reported result and also the balance sheet. Nordea uses a fair value valuation model for calculating the market value of OTC derivatives.

Derivatives affect credit risk, market risk, SIIR and liquidity risk exposures.

The credit risk in derivative contracts is the risk that Nordea's counterpart in the contract defaults prior to maturity of the contract and that Nordea at that time has a claim on the counterpart under the contract. Nordea will then have to replace the contract at the current market rate, which may result in a loss.

This credit risk exposure is treated in the same way as other types of credit risk exposure and is included in customer limits.

The credit risk exposure is measured as the sum of current exposure and potential future exposure. The potential future exposure is an estimate, which reflects possible changes in market values during the remaining lifetime of the individual contract and is measured as the notional amount multiplied by a risk weight. The size of the risk weight depends on the contract's remaining lifetime and the volatility of the underlying asset.

To reduce the exposure towards single counterparts, risk mitigation techniques are widely used in Nordea. The most common is the use of closeout netting agreements, which allow the bank to net positive and negative replacement values of contracts under the agreement in the event of default of the counterpart. In line with the market trend Nordea also mitigates the exposure towards large banks, hedge funds and institutional counterparts by an increasing use of collateral management arrangements, where collateral is placed or received to cover the current exposure. Another risk mitigation technique used is agreements that give Nordea the option to terminate contracts at a specific point of time or upon the occurrence of credit-related events.

Market risk
Market risk is the risk of a loss in the market value of portfolios and financial instruments (the so-called market price risk) or an adverse effect on earnings or equity capital (the structural market risk) as a result of movements in financial market variables.

NBN's market price risk exposure is primarily towards interest rates, equity prices, foreign exchange rates and commodity prices. The net exposure derives to a large extent from the investment portfolios of Group Treasury and from the client driven trading activity of Nordea Markets. Furthermore, market risk on Nordea's account arises from the mismatch of the market risk exposure on assets and liabilities in defined benefit pension plans. For all other activities, the basic principle is that matching assets, liabilities and off-balance-sheet items eliminates market risks. This is achieved by transactions in Group Treasury.

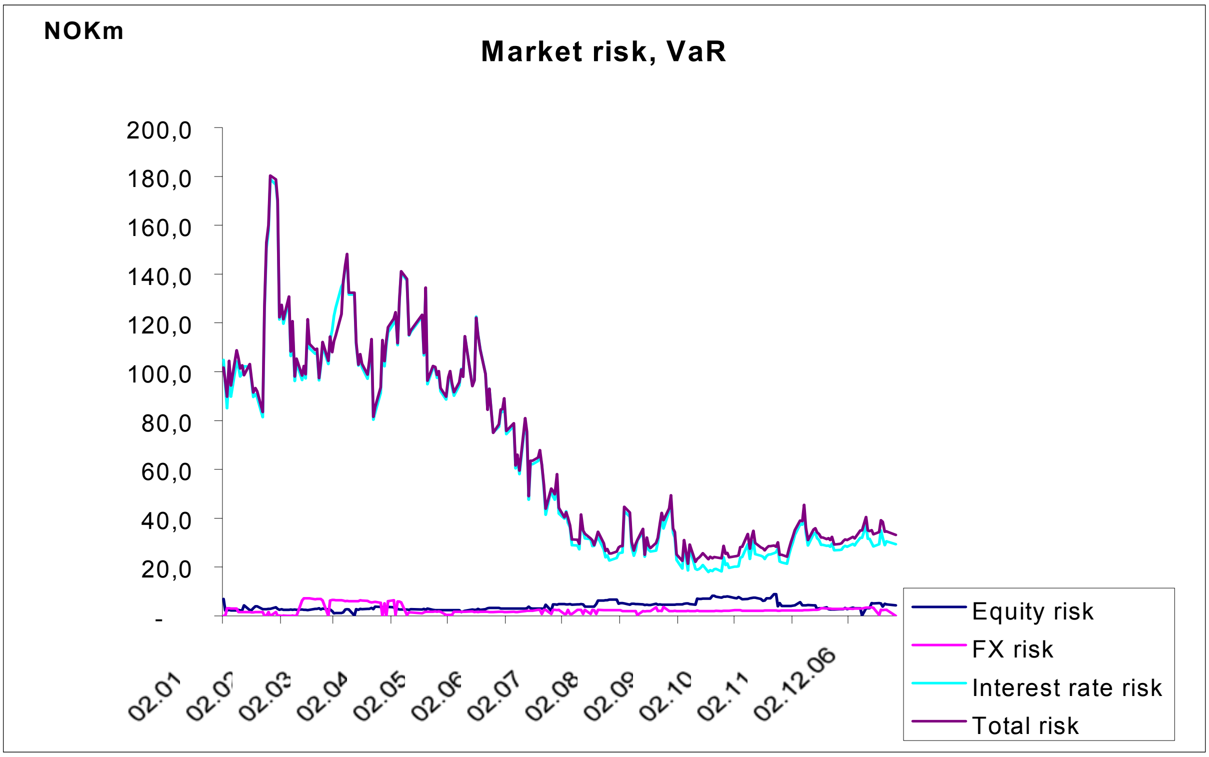
The structural market risks stem from interest rates and foreign exchange rates:

Structural Interest Income Risk (SIIR) is the risk of a decrease in the net interest income if market rates rise or fall. SIIR measures the net interest income sensitivity of the whole balance sheet over a one-year horizon and is described below.

Structural foreign exchange risk primarily arises from investments in subsidiaries and associated enterprises denominated in foreign currencies. The general principle is to hedge this by matched funding. Furthermore, structural foreign exchange risk arises from earnings and cost streams generated in foreign currencies or from foreign branches. For the individual Nordea companies, this is handled in each company's foreign exchange position. Payments coming to parent companies from subsidiaries as dividends are exchanged to the base currency of the parent company.

Market risk

NOKm	Measure	31 Dec 2006	Maximum	Minimum	Average	31 Dec 2005
Total risk	VaR	30,4	180,3	21,4	65,6	101,2
Interest rate risk	VaR	26,8	178,9	17,9	63,7	101,9
Equity risk	VaR	4,4	8,9	0,1	4,0	7,0
Foreign exchange risk	VaR	2,6	7,3	0,0	2,5	0,0
Diversification effect	Percentage of total VaR	10.0				
Commodity risk, non-linear		6,5	25,3	6,4	16,6	7,2



Reporting and control processes
The CRO receives daily reporting on the Group's consolidated market risk. GEM receives reports on a monthly basis, and the Group Board of Directors and the Board of Directors of NBN receive reports on a quarterly basis.Adherence to limits is crucial and if a limit decided by the Group Board of Directors, the Board of Directors of NBN, ALCO or the CRO were to be violated, the decision-making body would be informed immediately.

Measurement methods
As there is no single risk measure that captures all aspects of market risk, Nordea on a daily basis uses several risk measures including Value-at-Risk (VaR) models, stress testing, Jump-to-Default exposure, scenario simulation and other non-statistical risk measures such as basis point values, net open positions and option key figures.

Normal market conditions
VaR is used by Nordea to measure interest rate, foreign exchange and, equity risks. A VaR measure across these risk categories, allowing for diversification among them, is also used. The VaR figures include both linear positions and options.

VaR is a statistical risk measure, which in Nordea is based on the last two years' historical changes in market prices and rates, a holding period of 10 banking days and a probability of 99%. Nordea's historical simulation VaR model is based on the expected shortfall approach, which implies using the average of a number of the most adverse simulation results as an estimate of VaR.

The book value of private equity funds and the market risk in structured equity derivatives are limited and monitored in the daily market risk management process, but are not included in the VaR-figures.

From the end of 2006, Nordea's VaR model is the basis for calculating risk weighted assets for general market risk from equities, interest rates and foreign exchange.

The risk on commodity positions, both linear and non-linear, is measured using scenario simulation. The scenarios are based on the sensitivity to changes in commodity prices and their volatility.

Stress testing
Stress tests are used to estimate the possible losses that may occur under extreme market conditions. Nordea performs daily stress tests based on the current portfolio

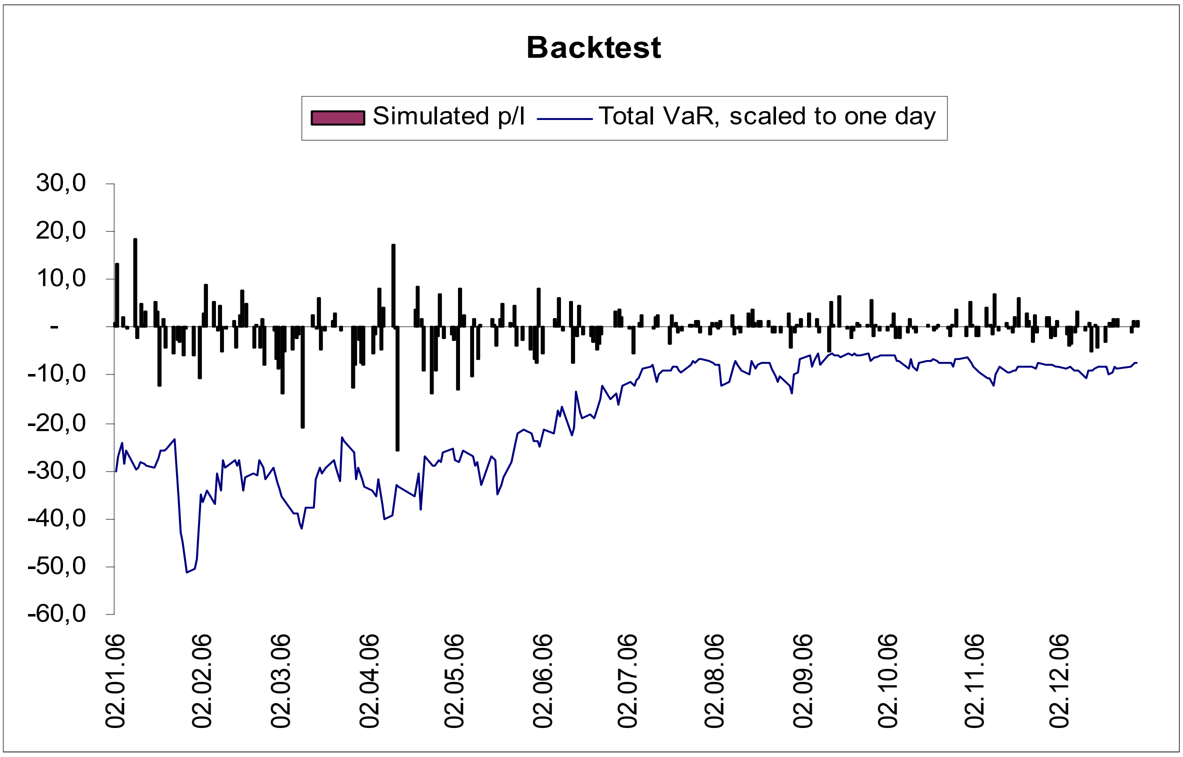
and information about the daily financial market developments since the beginning of 1993. In addition, Nordea's portfolios are stress tested for subjective scenarios, which are most often based on selected historical events prior to 1993 or adverse scenarios relevant at the current state of the economic cycle or geopolitical situation. Market risk is also a part of Nordea's comprehensive ICAAP stress testing.

Market risk analysis
The analysis is based on the consolidated risk stemming from both investment and trading activities. Overall, the risk has been reduced somewhat during the year.

Total risk
The total VaR was NOK 30m (101) at the end of 2006 recognising a noticeable diversification effect between interest rate, equity and foreign exchange risk, as the total VaR is lower than the sum of the risk in the three categories.

Interest rate risk
The total interest rate VaR was NOK 27m at the end of 2006 (102). The total gross sensitivity to a 1-percentage-point parallel shift, which measures the development in the market value of Nordea's interest rate sensitive positions if all interest rates were to move adversely for Nordea, was NOK 60m (271) at the end of 2006. The largest interest rate exposures were to NOK and EUR.

Market risk- back-testing



Equity risk
At the end of 2006, Nordea's equity VaR stood at NOK 4m (7). The largest equity exposure was to the energy sector.

Foreign exchange risk
Nordea's foreign exchange VaR of NOK 3m (0) at year-end. The gross sensitivity to a 5% change in the exchange rate of all currencies vis-à-vis NOK was NOK 2m at the end of 2006 (0).

Commodity risk
Nordea's exposure to commodity risk is solely related to client-driven activities. The commodity option risk was NOK 7m (7).

Structural Interest Income Risk
Structural Interest Income Risk (SIIR) is the amount Nordea's accumulated net interest income would change during the next 12 months if all interest rates change by one percentage point.
It reflects the mismatch in the balance sheet items and the off-balance-sheet items when the interest rate re-pricing periods, volumes or reference rates of assets, liabilities and derivatives do not correspond exactly.

Measurement methods
The basic measures for SIIR are the two re-pricing gaps measuring the effect on Nordea's net interest income for a 12 months period of a one percentage point increase, respectively decrease, in all interest rates. The re-pricing gaps are calculated under the assumption that no new market transactions are
made during the period. Main elements of the customer behaviour and Nordea's decision-making process concerning Nordea's own rates are, however, taken into account. For example in a low interest rate environment,

when rates are decreasing further, the total decrease of rates cannot be applied to non-maturity deposits since rates cannot be negative. Similarly in an increasing rate environment Nordea may choose not to increase interest rates on all customer deposits immediately.

SIIR analysis
At the end of the year, the SIIR for decreasing market rates was NOK -288m (NOK -132m) and the SIIR for increasing rates was NOK 288m (NOK 132m). These figures imply that net interest income would decrease if interest rates fall and increase if interest rates rise.

SIIR, Gap analysis 31 Dec 2006

Re-pricing gap for increasing interest rates

NOKm Interest Rate Fixing Period	Group bs	Within 3 months	3-6 months	6-12 months	1-2 years	2-5 years	>5 years	Non re-pricing	Total
Assets									
Interest-bearing assets	355,287	322,055	18,369	3,325	3,380	4,093	3,231	834	355,287
Off-balance sheet items	0	111,674	32,772	29,587	14,535	5,043	63	0	193,674
Non interest-bearing assets	15,370	0	0	0	0	0	0	15,370	15,370
Total assets	**370,657**	**433,729**	**51,141**	**32,912**	**17,915**	**9,136**	**3,294**	**16,204**	**564,331**
Liabilities and equity									
Interest-bearing liabilities	329,448	296,491	14,620	6,373	6,278	5,682	4	0	329,448
Off-balance sheet items	0	108,949	29,753	31,916	19,249	2,247	1,560	0	193,674
Non interest-bearing liabilities and equity	41,209	0	0	0	0	0	0	41,209	41,209
Total liabilities and equity	**370,657**	**405,440**	**44,373**	**38,289**	**25,527**	**7,929**	**1,564**	**41,209**	**564,331**
Exposure		**28,289**	**6,768**	**-5,377**	**-7,612**	**1,207**	**1,730**	**-25,005**	**0**
Cumulative exposure			**35,057**	**29,680**	**22,068**	**23,275**	**25,005**	**0**	**0**

Liquidity risk
Liquidity risk is the risk of being able to meet liquidity commitments only at increased cost or, ultimately, being unable to meet obligations as they fall due.

Measurement methods
The liquidity risk management focuses on both short-term liquidity risk and long-term structural liquidity risk. Nordea's liquidity risk management includes a business continuity plan and stress testing for liquidity management. In order to measure the exposure on both horizons a number of liquidity risk measures have been developed.

In order to avoid short-term funding pressures, Nordea measures the funding gap risk, which expresses the expected maximum accumulated need for raising liquidity in the course of the next 14 days. Funding gap risk is measured for each currency and as a total figure for all currencies combined.

To ensure funding in situations where Nordea is in urgent need of cash and the normal funding sources do not suffice, Nordea holds a liquidity buffer. The liquidity buffer consists of high-grade liquid securities that can be sold or used as collateral in funding operations.

The structural liquidity risk of Nordea is measured by the net balance of stable funding, which is defined as the difference between stable liabilities and stable assets. These liabilities primarily comprise retail deposits, bank deposits and bonds with a term to maturity longer than 6 months, and shareholders' equity, while stable assets primarily comprise retail loans and other loans with a term to maturity longer than 6 months. ALCO has set as a target that the net balance of stable funding be positive, which means that stable assets must be funded by stable liabilities. The table shows the maturity of financial liabilities. Nordea manages the liquidity risk inherent in financial liabilities with the funding gap risk, the liquidity buffer and the net balance of stable funding, which are presented in the liquidity risk analysis below.

Liquidity risk analysis
The short-term liquidity risk has been held at moderate levels throughout 2006. The average funding gap risk, i e the average expected need for raising liquidity in the course of the next 14 days, has been NOK 1bn (0).

Nordea's liquidity buffer has been in the range NOK 12–16bn (9–20) throughout 2006 with an average of NOK 14bn (14). Nordea considers this a high level and it reflects the Group's conservative attitude towards liquidity risk in general and towards unexpected liquidity events in particular.

The yearly average for the net balance of stable funding was 2006 NOK -1bn (–8), which is well within the allowed limit for negative net balance.

Operational risk
In the Group's Policy for Internal Control and Risk Management, operational risk is defined as the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, from people and systems, or from external events. Legal and Compliance risks as well as Crime risk and Process risks, including IT risk, constitute the main sub-categories to Operational risk.

Operational risks are inherent in all activities within the organisation, in outsourced activities and in all interaction with external parties.

Solid internal control and quality management, consisting of a risk-management framework, leadership and skilled personnel, is the key to successful operational risk management. An annual report on the quality on Internal Control in the Group is submitted to the Board, incorporating all main issues on financial and operational risks.

Each business area is primarily responsible for managing its own operational risks. Group Credit and Risk Control develops and maintains a framework for identifying, assessing, monitoring and controlling operational risks and supports the line organisation to implement the framework.

Information security, physical security and crime prevention are important components when managing operational risks. To cover this broad scope, the Group security function is included in Group Credit and Risk Control, and close cooperation is maintained with Group IT as well as Group Legal and Group Compliance.

The main processes for managing operational risks are an ongoing monitoring through self-assessment and the documenting and registering of incidents and quality deficiencies. The analysis of operational risk-related events, potential risk indicators and other early-warning signals are in focus when developing the processes.

The mitigating techniques consist of business continuity plans together with crisis management preparedness and a broad insurance cover for handling major incidents. Mitigation efforts target reliability and continuity in the value chains rather than focusing on single units in the organisation. Special emphasis is put on quality and risk analysis in change management and product development.

The techniques and processes for managing operational risks are structured around the risk sources as described in the definition of operational risk. This approach improves the comparability of risk profiles in different business areas and globally throughout the organisation. It also supports the focus on limiting and mitigating measures in relation to the sources, rather than the symptoms.

Contractual maturity analysis for financial liabilities, 31 Dec 2006

NOK m Remaining contractual maturity	Payable on demand	Other within 1 year	1-5 years	>5 years	Total
Liabilities	**224,325**	**94,033**	**11,090**	**0**	**329,448**

Economic Profit

Economic Profit is calculated as total income less operating expenses, expected losses, standard tax and cost of equity.

Nordea has defined Economic Profit to be the overall key financial performance indicator. Economic Profit is Nordea's interpretation and measure for shareholder value creation. In investment decisions in general, and in business relationships with customers more specifically, it drives and supports the right behaviour with focus on income, costs as well as risk. The Economic Profit model captures both growth and return.

Expected Losses

Expected loss reflects through the formula (Expected Losses = Probability of Default*Loss Given Default*Exposure At Default) the normalised loss level of the individual loan exposure as well as various portfolios. Based on the current portfolio the Expected loss used in the Economic Profit calculations are 17 basis points over the business cycle, down from 19 basis points in 2006, a reflection of the improved quality and repayment ability of Nordea's customers.

Cost of equity

Cost of equity is the estimated yield shareholders require to invest in Nordea shares multiplied by economic capital. The long-term risk-free rate, the average market risk premium to invest in shares and the Nordea share volatility compared to shares in general (beta) are used to set the percentage. The cost of equity is set by management once a year as a parameter to manage risk appetite and investment level. It was in 2006 set to 7.5% and for 2007 8.0%, following higher interest rates.

Economic Capital (EC)

In addition to regulatory capital, Nordea has calculated internal capital requirements using the EC framework since 2001. In comparison to Basel I regulatory capital, EC is a more sophisticated measure of the capital required to cover long-term losses. The Basel II Accord closes the gap between regulatory capital and EC, after which calculations

will be conducted using similar risk-based models. Nordea calculates EC for the following risk types: credit risk, market risk, operational risk and business risk. Quantitative models are used to estimate the unexpected losses for each of the risk types compiled into EC:

- Credit risk is calculated using a set of capital factors. The capital factors are developed for different products, customer segments and credit quality categories. The factors have been estimated using a portfolio model, where probability of default, loss given default and exposure at default are inputs, and are reviewed and updated annually. The parameter estimation framework used for EC will to a large extent also be used in the upcoming Basel II framework.

- Market risk for the banking business is based on scenario simulation and Value-at-Risk (VaR) models tailor-made for EC. The market risk in Nordea's internal defined benefit plans is based on VaR models.

- Operational risk reflects the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes. It is calculated according to the standardised approach within Basel II.

- Business risk represents the earnings volatility inherent in all businesses due to the uncertainty of revenues and costs due to changes in the economic and competitive environment. The main risk drivers are reputation risk, strategic risk, liquidity risk and indirect effects as structural interest income risk. Business risk is calculated based on the observed volatility in historical profit and loss time series that is attributed to business risk.

When all types of risk of the Group are combined, considerable diversification effects will arise, since it is highly improbable that all unexpected losses occur at the same time. However, highly correlated risk types reduce the achievable level of diversification. Credit risk and market risk are both highly correlated with the development of the general economy and thus reduce the level of diversification.

Still, the diversification effects mean that the total EC is lower than the sum of the EC for each risk type.

In addition to calculating EC as Nordea has since 2002, new for 2007 is a comprehensive capital adequacy stress test process that has been developed internally to analyze the effects of a series of global and local shock scenarios. The results of this stress testing will result in a recommended buffer on existing EC in order to ensure adequate capital in the event of stresses to Nordea's and international markets. These hypothetical macroeconomic stresses will also help identify the specific type of scenario for which Nordea is most vulnerable and help to prepare senior management's response in the event of similar real-life market shocks.

Basel II

The new capital framework, coming into force in January 2007, is based on a three-pillar approach, namely Pillar 1, minimum capital requirements, Pillar 2, the supervisory review, and Pillar 3, market discipline.

Nordea has submitted an application to use the foundation IRB approach from 2007 for calculating capital requirements for credit risk and the standardised approach for operational risk. The application for credit risk covers exposures to corporates and banks. During 2006, substantial work has been done in order to transform the capital accord, via the EU directive, to local rules. A number of local informal and formal draft regulations have been published. Laws and detailed regulations are expected to be in force in Sweden the first of February and in Norway the first of January 2007. The Swedish Financial Supervisory Authority (FSA) is Nordea Group's consolidating supervisor for the four Nordic countries and has the overall coordinating responsibility for the approval process.

By applying the revised framework, the internal assessment of risk will serve as an input into the capital requirement calculations. The EU Directive contains a detailed set of minimum requirements to assure the conceptual soundness and integrity of internal risk assessments. In order to comply with the minimum requirements related to the Internal Rating Based (IRB) Approach for credit risk, Nordea has refined internal models and processes used within the Economic Capital (EC) framework, which Nordea has used in calculating internal capital requirements since 2001. In addition, a comprehensive financial data warehouse, calculation module and reporting tool are being developed and will be in place in 2007.

Capital requirement in the Basel II Framework

The full effect of Basel II will have a stepwise effect on the banks since the Basel II floors defined by the Basel II regulatory framework set a limit to the possible decrease of capital requirement. In 2007, the lowest accepted amount for risk-weighted assets (RWA) is 95% of the amount calculated in accordance to the Basel I framework, for 2008 it is limited to 90% and 2009 to 80%.

By 2010, when the Basel I capital floors are removed, Pillar 1 capital values will represent an absolute minimum capital requirement, while Nordea's internal capital will serve as the target capital level.

ICAAP

Pillar II in the Basel II framework, or the Supervisory Review Process (SRP), covers two main processes: the Internal Capital Adequacy Assessment Process (ICAAP) and the Supervisory Review and Evaluation Process (SREP).

The purpose of the ICAAP is to ensure that the financial institution has sufficient available capital to meet the minimum capital requirements, even under stressed scenarios. ICAAP includes everything from the daily risk management to the more strategic capital management.

One of the most important cornerstones of the ICAAP is the institutions' internal assessment of capital requirements. In Nordea this is equivalent to assessing the EC.

The purpose of the SRP is designed to ensure that institutions have adequate capital to support all the risks in their businesses and to encourage institutions to develop and use better risk management techniques in monitoring and measuring risks.

The Capital Planning Forum, headed by the CFO, is responsible for coordinating capital planning activities within the Group, including both regulatory and available capital.

Nordea will use an internal capital, defined as Nordea's current EC plus a buffer for stress testing. Additionally, ongoing dialogues with third parties will affect Nordea's capital requirements, in particular views of the external rating agencies and the SREP. Due to the fact that most Pillar II risks exist within Nordea's current EC framework, Nordea will use its existing internal capital measurements as the basis for any additional capital buffers, subject to the acceptance of the aforementioned third parties.

Human resources

HR Strategy

The employees form the basis for the successful development of Nordea. Nordea's ambition is to be the preferred employer in the financial industry in the region. This in order to attract, develop and retain highly motivated, competent and performance oriented employees.

Nordea as the preferred employer
The most important drivers for employee satisfaction and motivation continue to be the content of daily work and opportunities for competence development. Competence development activities are offered to increase personal and professional competencies. Focus is put on retaining key personnel through professional development programs and challenging business assignments.

A full range of professional leadership training programmes covering everything from potential managers to top executives has been conducted during 2006.

Nordea has a special focus on development of trainees. The one-year Nordea Trainee programme gives trainees a comprehensive view of Nordea through job-rotation and training seminars. The program has proven to be a true success as more than 90% of the trainees recruited since 2000 have chosen to stay within Nordea. External survey has ranked the Nordea Trainee programme as one of the best on the market.

Equal opportunities
47% (48) of the employees of Nordea Bank Norge are women. The share of females with personnel responsibility is 33% (31). To increase the number of females in manager and especially executive positions is a priority throughout Nordea. As a result of the activities the percentage of females in managerial positions has increased somewhat during the last years.

Taken into account that NBN has nearly the same numbers of female and male employees, the basis for recruiting employees to leading and other key positions should be good for both genders.

Average salary for women and men was NOK 392,400 (369,000) and NOK 496,700 (467,000), respectively, and reflects a higher number of men in leading and key positions in the Bank.

86% (88) of part time employees were women. Only 19% of part time employees were younger than 40 years. 38% (43) of new employees in 2006 were women.

Equal opportunities issues are an integrated part of the development of the organisation and employees. Nordea's "Corporate Citizenship Principles" includes the following overall provision: "We do not discriminate based on gender, ethnic background, religion or any other ground." The equal opportunities issue is included in the various personnel policies, for example career planning and appointments to higher management positions. When recruiting to higher management positions at least 1 out of 3 finalist candidates have to be a woman.

During 2006 NBN has continued the mentor programme for female managers who have ambitions for higher management positions. The programme last for 18 months and the participants will be registered in an internal talent pool. The intention is that the talent pool will make it easier to find female candidates to leading positions.

The Norwegian Financial Services Association has developed a programme for female talents, FUTURA, where Nordea had participants in 2006, and will continue to do so in 2007

Number of employees
The decrease in the number of employees continued during 2006 as a result of Nordeas focus on integration and efficiency. The Group had 3,367 (3,475) employees at the end of 2006. This represents 3,055 fulltime equivalent positions as compared to 3,102 fulltime equivalent positions at the end of 2005. The average number of fulltime equivalents positions was 3,084 (3,161) in 2006.

Incentive Programmes
All employees participate in a profit-sharing programme. In addition, for managers of the Group there is an executive incentive programme. The performance criteria in 2006 included Economic Profit and Nordea's relative performance compared to the Nordic peer group as measured by return on equity (excluding goodwill).

The performance criteria for both employee and executive programmes reflect internal goals as well as benchmarking against competitors. Both programmes are capped.

Sick leave
Sick leave amounted to 37,141 days in 2006 (44,953), equivalent to 5.12% (6.04), adjusted for holidays and leave of absence. Both sick leave below 20 days and long-term sick leave decreased accordingly. The decrease must be seen in connection with the systematically reviews of the physical and psychosocial working environment performed by HR Health & Work Environment, particularly in those areas where sick leave is most frequent. Further, the employees on sick leave are followed-up more closely in accordance with the agreement on Including Work Life (IA).

Two injuries to human beings have been reported due to accidents or other incidents in NBN in 2006.

The working environment is considered to be good in the Bank. It has not been necessary to carry out any specific measures.

Environmental concerns
The Nordea Group has adopted an environmental policy that provide guidance on how the group entities manage and control environmental issues in their own operations.

Nordea Bank Norge's direct impact on the external environment is limited to the use of material and energy as well as the production of services necessary for the Group's business. NBN's strong focus on general reduction of costs supports a reduced use of resources and energy.

A majority of the Bank's offices have systems for energy conserving heating and for turning the lightening down after working hours. Waste is as far as possible sorted according to their source material and contributes to recycling of resources. The Bank has implemented guidelines for its travelling acitivites i.e. video- and telephone conferences replace physical meetings.
An increasingly number of the Group's financial services and daily operations are handled electronically, thus contributing to a lower use of resources.
Indirect influence on the environment takes place via business activities such as the granting of credits and asset

management. Environmental consideration is included in the credit policy and environmental issues thus form a part of the risk analysis.

Legal proceedings

Within the framework of the normal business operations, the Group faces a number of claims in lawsuits and other disputes, most of which involve relatively limited amounts. None of these disputes is considered likely to have any significant adverse effect on the Group or its financial position.

17 March 2006, the Oslo Court of Law passed judgement in the case against Ernst & Young auditors regarding compensation for the loss of NOK 200m in connection with Sponsorservice AS. NBN was granted NOK 100m plus interest. Both parties have appealed the verdict and the money received has not been booked as income in NBN's financial statements.

Subsequent events

No events have occurred after the balance sheet date, which may affect the assessment of the annual financial statements.

Outlook 2007

Based on solid macroeconomic forecasts for the Nordic area, double-digit growth in business volumes is expected for the Nordea Group 2007. Despite the current pressure on lending margins Nordea Group expects the strong revenue growth to continue in 2007. This will mainly be driven by the strong business platform and the increased momentum in the organic growth strategy. In addition, more focus on risk-adjusted pricing, combined with expected higher market interest rates, will positively affect the revenue generation in 2007. The quality of the credit portfolio remains strong, however new provisions are expected to exceed reversals in 2007.

The organic growth strategy of Nordea Group leads to investments, in particular in reference to the accelerated growth plan in the Nordic markets, investments in Private Banking, and increased growth ambitions in Poland and the Baltics. These communicated investments amount to approx. EUR 60m for the Nordea Group.

The cost increase in 2007 is expected to be of the same magnitude as in 2006. Nordea Bank Norway is expected to contribute in reaching the Nordea Group's ambition of a gap between revenue and cost growth for the full year 2007 of 3-4 percentage points.

Nordea Bank Norge ASA

Oslo, 15 February 2007

Lars G Nordström Chairman of the Board	Markku Pohjola Deputy chairman of the Board	Liv Irene Haug	Carl Erik Krefting
Arne Liljedahl	Hege Marie Norheim	Peter Schütze	Tom Ruud Managing Director

Nordea Bank Norge

Income statements

		Group		Parent company[1]	
NOKm	Note	2006	2005	2006	2005
Operating income					
Interest income	3	14,353	10,991	13,510	9,893
Interest expense	3	-9,359	-5,960	-9,060	-5,361
Net interest income	3	**4,994**	**5,031**	**4,450**	**4,532**
Fee and commission income	4	2,123	2,001	2,126	2,002
Fee and commission expense	4	-540	-429	-537	-427
Net fee and commission income	4	**1,583**	**1,572**	**1,589**	**1,575**
Net gains/losses on items at fair value	5	923	850	932	842
Profit from companies accounted for under the equity method	20,21	54	37	296	274
Dividends		16	37	16	37
Other operating income	7	73	131	99	158
Total operating income		**7,643**	**7,658**	**7,382**	**7,418**
Operating expenses					
General administrative expenses:					
Staff costs	8	-2,504	-2,386	-2,382	-2,271
Other expenses	9	-1,624	-1,476	-1,595	-1,438
Depreciation and impairment charges of tangible and intangible assets	10,22	-136	-152	-131	-145
Total operating expenses		**-4,264**	**-4,014**	**-4,108**	**-3,854**
Loan losses	11	760	1,030	812	1,044
Disposals of tangible and intangible assets		18	36	-1	6
Operating profit		**4,157**	**4,710**	**4,085**	**4,614**
Income tax expense	12	-1,075	-1,362	-988	-1,262
Net profit for the year		**3,082**	**3,348**	**3,097**	**3,352**
Earnings per share, after full dilution, NOK		5.59	6.07	5.62	6.08

[1]NBN ASA's (the parent company's) financial statements have been prepared in accordance with the Norwegian Accounting Act and GAAP in Norway, including current regulations regarding annual financial statements for banks, but are here presented in the same format as the Group's financial statements prepared in accordance with IFRS. On pages 25 and 26 the legal income statement and balance sheet are presented in accordance with the format regulated in the Norwegian current regulations.

Balance sheets

NOKm	Note	Group 31 Dec 2006	Group 31 Dec 2005	Parent company [1] 31 Dec 2006	Parent company [1] 31 Dec 2005
Assets					
Cash and balances with central banks		1,794	4,071	1,794	4,071
Loans and receivables to credit institutions	13.15	20,497	17,860	31,559	28,793
Loans and receivables to the public	14,15,23	307,023	257,869	273,199	226,994
Interest-bearing securities	16	26,316	16,905	26,869	17,777
Shares	17	898	509	897	509
Derivatives	18	1,730	2,730	1,556	2,239
Fair value changes of the hedged items in portfolio hedge of interest rate risk	19	352	491	0	0
Investments in associated undertakings	20	653	626	653	626
Investments in group undertakings	21	0	0	3,380	3,338
Property and equipment	22	402	440	385	422
Deferred tax assets	12	911	821	937	808
Other assets	24	8,517	6,797	8,748	6,982
Prepaid expenses and accrued income	25	1,564	1,241	1,490	1,147
Total assets		**370,657**	**310,360**	**351,467**	**293,706**
Liabilities					
Deposits by credit institutions	26	132,572	95,767	121,677	88,431
Deposits and borrowings from the public	27	178,876	147,892	172,285	144,069
Debt securities in issue	28	11,179	27,543	10,320	23,523
Derivatives	18	2,695	1,966	2,298	1,159
Fair value changes of the hedged items in portfolio hedge of interest rate risk	19	129	199	0	0
Current tax liabilities	12	1,358	1,131	1,352	1,033
Other liabilities	29	11,866	7,287	12,802	8,972
Accrued expenses and prepaid income	30	1,573	1,362	1,394	1,158
Retirement benefit obligations	31	2,318	2,267	2,256	2,213
Subordinated liabilities	32	7,140	5,298	7,139	5,298
Total liabilities		**349,706**	**290,712**	**331,523**	**275,856**
Equity					
Share capital	33	3,860	3,860	3,860	3,860
Other reserves	33	953	953	953	953
Retained earnings	33	16,138	14,835	15,131	13,037
Total equity	33	**20,951**	**19,648**	**19,944**	**17,850**
Total liabilities and equity		**370,657**	**310,360**	**351,467**	**293,706**

[1] NBN ASA's (the parent company's) financial statements have been prepared in accordance with the Norwegian Accounting Act and GAAP in Norway, including current regulations regarding annual financial statements for banks, but are here presented in the same format as the Group's financial statements prepared in accordance with IFRS. On pages 25 and 26 the legal income statement and balance sheet are presented in accordance with the format regulated in the Norwegian current regulations.

Assets pledged as security for own liabilities	34	18,854	16,884	18,854	16,884
Contingent liabilities	35	38,108	29,893	38,338	29,723
Commitments	36	381,529	230,601	383,890	229,257

Other notes

Note 1 Accounting policies

Note 2 Segment reporting

Note 37 Capital adequacy

Note 38 Classification of financial instruments

Note 39 Assets and liabilities at fair value

Note 40 Assets and liabilities in foreign currencies

Note 41 Financial instruments pledged as collateral and Obtained collaterals which are permitted to be sold or repledged

Note 42 Related-party transactions

Income statement
NBN ASA

NOKm	Note	Parent company 2006	2005
Interest income	3	13,510	9,893
Interest expenses	3	-9,060	-5,361
Net interest income	3	**4,450**	4,532
Dividends and profit from group companies and associated companies	43	357	311
Fee and commission income	4,43	2,126	2,002
Fee and commission expenses	4,43	- 537	- 427
Net change in value and profit (loss) on securities	43	624	531
Net change in value and profit (loss) on foreign exchange and financial derivatives	43	224	213
Other non-interest income	43	104	170
Total non-interest income		**2,898**	2,800
Staff costs	8	-2,382	-2,271
Administrative expenses	9	-1,065	-,981
Ordinary depreciation and write-downs	10,22	- 131	- 145
Other non-interest expenses	9	- 536	- 463
Total non-interest expenses		**-4,114**	-3,860
Operating profit before loan losses and profit on long-term securities		**3,234**	3,472
Provision for losses on loans and guarantees	11	812	1,044
Profit (losses/write-downs) on long-term securities		39	98
Operating profit		**4,085**	4,614
Income taxes	12	- 988	-1,262
Net profit		**3,097**	3,352
Transferred (to)/from Reserve for evaluation differences	33	- 144	- 70
Transferred to Other equity	33	-1,673	-1,497
Group contribution to Nordea Liv Norge AS	33	-1,000	- 10
Group contribution from Nordea Liv Norge AS	33	720	-
Dividend	33	-1,000	-1,775
Total		**-3,097**	-3,352

Balance sheet
NBN ASA

NOKm	Note	Parent company 31 Dec 2006	31 Dec 2005
Assets			
Cash and deposits with central banks	44	1,794	4,071
Deposits with and loans to credit institutions	13,15,44	31,559	28,793
Total cash and claims on credit institutions		**33,353**	**32,864**
Loans to customers		274,147	228,810
Specific reserves for individually assessed loans		-461	-791
Reserves for groups of loans		-487	-1,025
Net loans to customers	14,15,23,44	**273,199**	**226,994**
Repossessed assets	15.44	1	1
Certificates and bonds	16,44,45	26,869	17,777
Equities and investments	17,44,45	897	509
Total securities		**27,766**	**18,286**
Associated companies	20,44	653	626
Equities and investments in group companies	21,44	3,380	3,338
Deferred tax asset, goodwill and other intangible assets	12,44	937	808
Property and equipment	22,44	385	422
Other assets	44	10,303	9,220
Prepaid expenses and accrued income	25,44	1,490	1,147
Total assets		**351,467**	**293,706**
Liabilities and equity			
Deposits from credit institutions	26,46	121,677	88,431
Deposits from customers	27,46,47	172,285	144,069
Total deposits		**293,962**	**232,500**
Certificates and bond loans	28,46	10,320	23,523
Other liabilities	29,46	16,445	11,140
Accrued expenses and prepaid receivables	30,46	1,394	1,158
Provisions for liabilities	31,46	2,263	2,237
Total other liabilities		**30,422**	**38,058**
Subordinated loan capital	32,46	**7,139**	**5,298**
Share capital	33	3,860	3,860
Reserves	33	16,084	13,990
Total equity		**19,944**	**17,850**
Total liabilities and equity		**351,467**	**293,706**

Off balance commitments, see page 24

Nordea Bank Norge ASA
Oslo, 15 February 2007

Lars G Nordström
Chairman of the Board

Markku Pohjola
Deputy chairman of the Board

Liv Irene Haug

Carl Erik Krefting

Arne Liljedahl

Hege Marie Norheim

Peter Schütze

Tom Ruud
Managing Director

Statement of recognised income and expense

	Group	
NOKm	2006	2005
Currency translation differences during the year	-1	6
Net income recognised directly in equity	**-1**	**6**
Net profit for the year	**3,082**	**3,348**
Total recognised income and expense for the year	**3,081**	**3,354**
Attributable to:		
Shareholders of Nordea Bank Norge ASA	3,081	3,354
Minority interests	-	-
	3,081	**3,354**

Cash Flow Statements

	Group		Parent company	
NOKm	2006	2005	2006	2005
Operating activities				
Operating profit	4,157	4,710	4,085	4,614
Adjustments for items not included in cash flow	-1,329	-1,320	-983	-702
Income taxes paid	-947	-631	-797	-545
Cash flow from operating activities before changes in operating assets and liabilities	**1,881**	**2,759**	**2,305**	**3,367**
Changes in operating assets				
Change in loans and receivables to credit institutions	-10,750	-4,424	-10,102	-7,420
Change in loans and receivables to the public	-48,724	-45,750	-45,474	-41,138
Change in interest-bearing securities	-9,010	2,005	-8,691	958
Change in shares	-36	208	-36	208
Change in derivatives, net	1,690	-213	1,749	-762
Change in other assets	-1,720	1,859	-1,691	3,682
Changes in operating liabilities				
Change in deposits by credit institutions	37,053	29,303	33,246	30,047
Change in deposits and borrowings from the public	30,984	20,977	28,323	17,077
Change in debt securities in issue	-16,364	-6,502	-13,203	-4,992
Change in other liabilities	4,612	-2,737	3,866	-4,228
Cash flow from operating activities	**-10,384**	**-2,515**	**-9,708**	**-3,201**
Investing activities				
Sale of investments in group undertakings	8	0	0	0
Sale of investments in associated undertakings	0	16	0	16
Merger of group undertakings	0	0	125	0
Acquisition of property and equipment	-110	-120	-106	-112
Sale of property and equipment	21	72	1	42
Sale of other financial fixed assets	9	0	9	0
Cash flow from investing activities	**-72**	**-32**	**29**	**-54**
Financing activities				
Issued subordinated liabilities	3,125	3,385	3,125	3,385
Amortised subordinated liabilities	-1,284	-778	-1,284	-778
Dividend paid	-1,775	-2,200	-1,775	-2,200
Cash flow from financing activities	**66**	**407**	**66**	**407**
Cash flow for the year	**-10,390**	**-2,140**	**-9,613**	**-2,848**
Cash and cash equivalents at the beginning of year	**15,891**	**18,031**	**19,105**	**21,953**
Cash and cash equivalents at the end of year	**5,501**	**15,891**	**9,492**	**19,105**
Change	**-10,390**	**-2,140**	**-9,613**	**-2,848**

Comments on the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7 and shows inflows and outflows of cash and cash equivalents during the year. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

Cash Flow Statements cont.

Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

	Group	
NOKm	2006	2005
Depreciation	136	152
Write-downs	0	0
Equity method	-27	-37
Loan losses	-675	-506
Unrealised gains/losses	-724	-92
Capital gains/losses (net)	-27	-36
Change in accruals and provisions	-61	-968
Other	49	167
	-1,329	**-1,320**

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans and receivables and deposits. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

	Group	
NOKm	2006	2005
Interest payments received	14,505	11,073
Interest expenses paid	9,297	7,006

Investing activities

Investing activities include the acquisition and disposal of non-current assets, like property and equipment, intangible and financial assets. Aggregated cash flows arising from acquisition and sale of group undertakings are presented separately and consist of:

	Group	
NOKm	2006	2005
Sale of investments in group undertakings		
Cash and cash equivalents	1	-
Loans and receivables	247	-
Property & equipment and intangible assets	-	-
Other assets	2	-
Total assets	**250**	-
Deposits by credit institutions	249	-
Other liabilities and provisions	2	-
Total liabilities	**251**	**-**
Capital gain/loss on sold group undertakings	8	-
Purchase price received	**9**	**-**
Cash and cash equivalents in sold group undertakings	-1	-
Net effect on cash flow	**8**	**-**

Cash Flow Statements cont.

	Parent company	
NOKm	2006	2005
Merger of group undertakings[1]		
Cash and cash equivalents	-	-
Loans and receivables to credit institutions	-	-
Loans and receivables to the public	-	-
Interest-bearing securities	-	-
Property and equipment	15	-
Other assets	-	-
Total assets	**15**	-
Deposits by credit institutions	-107	-
Deposits and borrowings from the public	-	-
Other liabilities and provisions	-3	-
Total liabilities	**-110**	-
Book value of merged group undertakings	**125**	-
Cash and cash equivalents in merged group undertakings	-	-
Net effect on cash flow	**125**	**-**

[1] Refers to the merger of Christiania Corporate AS, Rosenkrantz Tårn AS, Nordea Inkasso AS and AS Olav Trygvassonsgate 39/41.

Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised liabilities.

Cash and cash equivalents

The following items are included in Cash and cash equivalents assets:

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Cash and balances with central banks	1,794	4,071	1,794	4,071
Loans and receivables to credit institutions, payable on demand	3,707	11,820	7,698	15,034
	5,501	**15,891**	**9,492**	**19,105**

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled;

- the central bank or the postal giro system is domiciled in the country where the institution is established

- the balance on the account is readily available any time.

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

NOTES

Note 1:
Accounting policies

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1. Basis for presentation

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU. The standard IFRS 7 "Financial instruments: Disclosures" was endorsed by the EU in January 2006, however voluntary to apply until 2007. Nordea implemented this standard from 2005. Additional requirements in accordance with the current legislation and regulation governing banks in Norway have further been applied.

On 15 February 2007 the Board of Directors approved the financial statements, subject to final approval of the Annual General Meeting 2 March 2007.

The separate financial statement of the parent company, Nordea Bank Norge ASA, is prepared in accordance with Norwegian regulatory requirements. The section 23 "Parent company" further describes the principles applied and how they deviate form IFRS standards.

2. Comparative figures

The comparative figures for 31 December 2005 include effects of the changes in the presentation described in section 3 "Changed accounting policies and presentation" below.

3. Changed accounting policies and presentation

The accounting policies and the basis for calculations are, in all material aspects, unchanged in comparison with the 2005 Annual Report.

The following change in the presentation have been made:

Increased transparency for Commissions

The presentation of "Net fee and commission income" has been changed, to better illustrate the nature of Nordea's commission income and expense. The effects are described in the following table:

	Reported fee and commission income 2005							
Fee and commission income 2005, NOKm	Investment products and services	Life insurance	Brokerage	Loans and receivables	Payments and e-services	Guarantees and documentary credits	Other commission income	**2005 restated**
Restated								
Asset management	24	-	-	-	-	-	-	**24**
Custody	69	-	23	-	-	-	-	**92**
Life insurance	-	43	-	-	-	-	-	**43**
Brokerage	-	-	74	-	-	-	-	**74**
Lending	-	-	-	108	-	-	-	**108**
Cards	-	-	-	-	494	-	-	**494**
Payments	-	-	-	-	395	-	39	**434**
Deposits	-	-	-	-	6	-	32	**38**
Guarantees and documentary payments	-	-	-	-	-	154	19	**173**
Other commission income	-	3	119	4	-	-	395	**521**
Fee and commission income	**93**	**46**	**216**	**112**	**895**	**154**	**485**	**2,001**

4. Critical judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of estimates and assumptions by management. The estimates are based on past experience and assumptions that management believes are fair and reasonable. These estimates and the judgement behind them affect the reported amounts of assets, liabilities and off-balance sheet items, as well as income and expenses in the financial statements presented. Actual outcome can later, to some extent, differ from the estimates and the assumptions made.

Certain accounting policies are considered to be particularly important to the financial position of Nordea, since they require management to make difficult, complex or subjective judgements and estimates, the majority of which relate to matters that are inherently uncertain. These critical judgements and estimates are in particular associated with:

- the fair value measurement of financial instruments
- the impairment testing of loans and receivables
- the recognition of tax assets
- the actuarial calculations of pension liabilities
- claims in civil lawsuits

Fair value measurement of financial instruments

Critical judgements are exercised when determining fair value of financial instruments in the following areas:

- the choice of valuation techniques
- the determination of when quoted prices fail to represent fair value
- the construction of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk
- the judgement of which market parameters that are observable

In all of these instances, decisions are based upon professional judgement in accordance with Nordea's accounting and valuation policies. All such decisions are subject to approval by relevant Group functions.

See also the separate section 10 "Determination of fair value of financial instruments".

Impairment testing of loans and receivables

When testing individual loans for impairment, the most critical judgement, containing the highest uncertainty, relates to the estimation of the most probable future cash flows generated from the customer.

When testing a group of loans collectively for impairment, the key aspect is to identify the events and/or the observable data that indicate that losses have been incurred in the group of loans. Assessing the net present value of the cash flows generated by the customers in the group contains a high degree of uncertainty when using historical data and the acquired experience when adjusting the assumptions based in historical data to reflect the current situation.

See also the separate section 13 "Loans and receivables".

Recognition of tax assets

Nordea's recognition of deferred tax assets is subject to a continuous evaluation, involving assumptions and assessments of Nordea's future possibilities to utilise tax losses carried forward.

See also the separate section 17 "Taxes".

Actuarial calculations of pension liabilities

The Projected Benefit Pension Obligation (PBO) for pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used. The most important financial parameter is the discount rate, which is fixed based on swap rates with a maturity matching the duration of the pension liabilities. Other parameters like assumptions on salary increases and inflation are fixed based on the expected long-term development of these parameters. The fixing of these parameters at year-end is disclosed in note 31.

The major part of the assets covering the pension liabilities is invested in liquid assets and valued at market price at year-end. The expected return on plan assets is fixed taking into account the asset composition and based on long-term expectations for the return on the different asset classes. The expected return is also disclosed in note 31.

See also the separate section 18 "Pensions".

Claims in civil lawsuits

Within the framework of the normal business operations, Nordea faces a number of claims in civil lawsuits and other disputes, most of which involve relatively limited amounts. None of these disputes are considered likely to have any significant adverse effect on Nordea or its financial position.

5. Principles of consolidation

Consolidated entities

The consolidated financial statements include the accounts of the parent company Nordea Bank Norge ASA and those entities that meet the definition of a subsidiary according to IAS 27. This definition is generally fulfilled when the parent company owns, directly or indirectly through group undertakings, more than 50 per cent of the voting rights or otherwise has the power to govern the financial and operating policies of the entity.

All Group undertakings are consolidated using the purchase method. The group undertakings are included in the consolidated accounts from the date on which control is transferred to Nordea and are no longer consolidated from the date on which control ceases.

In the consolidation process the reporting from the subsidiaries are adjusted to ensure consistency with IFRS principles applied by Nordea.

Investments in associated undertakings

The equity method of accounting is used for associated undertakings where the share of voting rights is between 20 and 50 per cent and/or where the owning entity has significant influence. Profits from companies accounted for under the equity method are in the income statement reported net of taxes.

Principles of elimination

Intra-group transactions and balances between the consolidated group undertakings are eliminated. Unrealised losses are eliminated unless the loss constitutes an impairment loss.

Currency translation of foreign entities

The consolidated financial statements are prepared in Norwegian kroner (NOK), the presentation currency of the parent company Nordea Bank Norge ASA. The current method is used when translating the financial statements of foreign entities into NOK from their functional currency. The assets and liabilities of foreign entities have been translated at the closing rates, while items in the income statements are translated at the average exchange rate for the year. Translation differences are booked directly to equity.

Changes in Group structure

A description of the changes in the Group structure during the year is included in note 21.

6. Recognition of operating income and expense

Net interest income

Interest income and expense are calculated and recognised based on the effective interest rate method or, if considered appropriate, based on a method that results in an interest income or interest expense that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

Interest income and interest expenses related to the trading activities in Markets are recognised in the income statement in the item "Net gains/losses on items at fair value".

Net fee and commission income
Nordea earns commission income from different services provided to its customers. The recognition of commission income depends on the purpose for which the fees are received. Fees are either recognised as revenue when services are provided or in connection to the execution of a significant act. Fees received in connection to performed services are recognised as income in the period these services are provided. A loan syndication fee received as payment for arranging a loan as well as other fees received as payments for certain acts, are recognised as revenue when the act has been completed. Commission expenses are transaction based and recognised in the period when the services are received.

Net gains/losses on items at fair value
Realised and unrealised gains and losses on financial instruments measured at fair value are recognised in the item "Net gains/losses on items at fair value".

Realised and unrealised gains and losses derive from:

- shares/participations and other share-related instruments
- interest-bearing securities and other interest-related instruments
- other financial instruments, which contains credit derivatives as well as commodity instruments/derivatives
- foreign exchange gains/losses

Profit from companies accounted for under the equity method
The profit from companies accounted for under the equity method is defined as Nordea's share of net profit after taxes in the associated companies.

Dividends
Dividend to the shareholder of Nordea Bank Norge ASA is recorded as a liability following the approval of the Annual General Meeting.

Dividends received by Markets are recognised in the income statement as "Net gains/losses on items at fair value".

Other operating income
Net gains from divestments of shares and other operating income, not related to any other income line, are generally recognised when the transactions have been finalised.

7. Recognition and derecognition in the balance sheet
Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on the settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial asset expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterpart has performed by e.g. repaying a loan to Nordea, i.e. on settlement date.

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet, but retains either all or a portion of risks and rewards of the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include e.g. security lending agreements and repurchase agreements.

Financial liabilities, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the liability is extinguished. Normally, this is when Nordea performs, for example when Nordea repays a deposit to the counterpart, i.e. settlement date.

For further information, see sections "Securities borrowing and lending agreements" and "Repurchase and reverse repurchase agreements" within section 12 "Financial instruments", as well as note 41.

8. Translation of assets and liabilities denominated in foreign currencies
The functional currency of each entity is decided based upon the primary economic environment in which the entity operates.

Foreign currency is defined as any other currency than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement in the item "Net gains/losses on items at fair value".

9. Hedge accounting
IAS 39 includes principles and rules concerning accounting for hedging instruments and the underlying hedged item, so called hedge accounting. Following the implementation of IAS 39 all derivatives are measured at fair value. Nordea applies the EU carve out version of IAS 39 for portfolio hedges of both assets and liabilities.

The hedge accounting policy within Nordea has been developed to fulfil the requirements set in IAS 39. Nordea uses hedge accounting in the financial statement in order to have a symmetrical accounting treatment of the changes in fair value of the hedged item and changes in fair value of the hedging instruments. The overall purpose is to have a true and fair presentation of Nordea's economical hedges in the financial statements. The overall operational responsibility to hedge positions and for hedge accounting lies within Group Treasury.

According to IAS 39 there are in general three forms of hedge accounting:

- cash flow hedge accounting
- fair value hedge accounting
- hedges of net investments

In Nordea fair value hedge accounting is applied for all hedges apart from hedges of net investments, meaning that both the hedging instrument and the hedged item are measured at fair value, with changes in fair values recognised directly in the income statement. The reason why Nordea has chosen to apply fair value hedge accounting is that cash flow hedge accounting could cause volatility in equity. Looking forward there could be situations when Nordea starts to apply cash flow hedge accounting as a complement.

Fair value hedge accounting
Fair value hedge accounting is used for derivatives that serve to hedge changes in fair value of a recognised asset or liability attributable to a specific risk. The risk of changes in fair value of assets and liabilities in Nordea's financial statements originates mainly from loans, securities and deposits with a fixed interest rate, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item will be recognised separately in the income statement in the item "Net gains/losses on items at fair value". Given an effective hedge, the two changes in fair value will more or less balance, meaning the net result will be close to zero.

Fair value hedge accounting in Nordea is performed mainly on a portfolio basis. The effectiveness of the hedging relationships is consequently measured and evaluated so that any ineffectiveness is affecting the income statement under the item "Net gains/losses on items at fair value".

Hedging instruments
The hedging instruments used in Nordea are predominantly interest rate swaps. Currency interest rate swaps and cash instruments are only utilised in a few transactions. Cash instruments are only used as hedging instruments when hedging currency risk.

Hedged items
According to IAS 39 a hedged item can be a single asset or liability as well as a group of assets or liabilities with similar risk characteristics. Hedged items in Nordea consist of both individual assets or liabilities and portfolios of assets or liabilities.

Hedge effectiveness
In order to apply hedge accounting it is required that the hedge is highly effective. A hedge is regarded as highly effective if at inception and throughout the life of the hedge it can be expected that changes in fair value of the hedged item can be essentially offset by changes in fair value of the hedging instrument. The result should be within a range of 80–125 per cent.

When assessing hedge effectiveness retrospectively, Nordea measures the fair value of the hedging instruments and compares the change in fair value of the hedging instrument to the change in fair value of the hedged item. The effectiveness measurement is made on a cumulative basis.

If the hedge relationship does not fulfil the requirements, hedge accounting will be terminated. The change in the unrealised value of the derivatives will continue to be accounted for in the income statement at fair value through profit or loss. The change in the fair value on the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

10. Determination of fair value of financial instruments

Fair value is defined by IAS 32 and IAS 39 as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist they are used to measure financial assets and financial liabilities. Nordea is predominantly using published price quotations to establish fair value for items disclosed under the following balance sheet items:

- interest-bearing securities
- shares
- derivatives (listed derivatives)

If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. Valuation techniques can range from simple discounted cash flow analysis to complex option pricing models. Valuation models are designed to apply observable market prices and rates as input whenever possible, but can also make use of unobservable model parameters. Nordea is predominantly using valuation techniques to establish fair value for items disclosed under the following balance sheet items:

- interest-bearing securities (when quoted prices in an active market are not available)
- shares (when quoted prices in an active market are not available)
- derivatives (OTC-derivatives)

Fair value is calculated as the theoretical net present value of the individual contracts, based on independently sourced market parameters and assuming no risks and uncertainties.

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are fully based on data from observable markets. By data from observable markets, Nordea considers data that can be collected from generally available external sources and where this data is judged to represent realistic market prices. If non-observable data is used, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the contract.

The valuation models applied by Nordea are consistent with accepted economic methodologies for pricing financial instruments, and incorporate the factors that market participants consider when setting a price.

Each new valuation model is subject to approval by Group Credit and Risk Control, and all models are reviewed on a regular basis.

11. Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with the central bank domiciled in a country where Nordea is operating under a banking licence and the balance is readily available at any time

Loans and receivables to credit institutions payable on demand are also recognised as "Cash and cash equivalents" in the cash flow statement.

12. Financial instruments

Classification of financial instruments
Each financial instrument within the scope of IAS 39 has been classified into one of the following categories:

Financial assets:

- financial assets at fair value through profit or loss:
  - held for trading
  - financial assets designated as measured at fair value through profit or loss
- loans and receivables
- available for sale financial assets

Financial liabilities:

- financial liabilities at fair value through profit or loss:
  - held for trading
  - financial liabilities designated as measured at fair value through profit or loss
- other financial liabilities

The classification of financial instruments into different categories forms the basis for how each instrument is measured in the balance sheet and how changes in its value is recognised. In note 38 the classification of the financial instruments in Nordea's balance sheet is presented.

Financial assets and financial liabilities at fair value through profit or loss
Financial assets and financial liabilities at fair value through profit or loss are measured at fair value. All changes in fair values are recognised directly in the income statement in the item "Net gains/losses on items at fair value".

The category Held for trading mainly contains derivative instruments that are held for trading purposes, interest-bearing securities and shares within Markets and Treasury. It also contains trading liabilities such as short-selling positions.

Loans and receivables
Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. These assets and their impairment are further described in the separate section 13 "Loans and receivables".

Available for sale financial assets
Available for sale financial assets are measured at fair value. Changes in fair values, except for interest, foreign exchange effects and impairment losses, are recognised directly in the revaluation reserves in equity. Interest is recognised as interest income in the income statement. Foreign exchange effects and impairment losses from Available for sale financial assets are recognised in the income statement in the item "Net gains/losses on items at fair value".

When an available for sale financial assets is disposed of, the accumulated fair value changes that previously have been recognised in equity, are removed from equity and recognised in the income statement in the item "Net gains/losses on items at fair value".

This category is used only to a very limited extent in Nordea, see further note 38.

Other financial liabilities
Financial liabilities, other than those classified as Financial liabilities at fair value through profit or loss, are measured at amortised cost. Interests from Other financial liabilities are recognised in the item "Interest expenses" in the income statement.

Hybrid (combined) financial instruments
Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds.

Index-linked bonds issued by Group Treasury are considered to be part of the funding activities. The zero coupon bond is measured at amortised cost. The embedded derivatives in those instruments are separated from the host contract and accounted for as a stand-alone derivative at fair value, if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, and the embedded derivative actually meets the definition of a derivative instrument. Changes in fair values are recognised in the income statement in the item "Net gains/losses on items at fair value".

Securities borrowing and lending agreements
Generally, securities borrowing and securities lending transactions are entered into on a collateralised basis. Unless the risks and rewards of ownership are transferred, the securities are not derecognised from or recognised on the balance sheet.

Borrowed securities are recognised off balance sheet in the item "Assets pledged as security for own liabilities".

Cash collateral advanced to the counterparts are recognised on the balance sheet as "Loans and receivables to credit institutions" or as "Loans and receivables to the public". Cash collateral received from the counterparts are recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public".

Interest income and expenses generated from these transactions are recognised in "Net gains/losses on items at fair value".

See note 41 for further information.

Repurchase and reverse repurchase agreements
Securities delivered under repurchase agreements and securities received under reverse repurchase agreements are not derecognised from or recognised on the balance sheet.

Securities received under reverse repurchase agreements are recognised off-balance sheet in the item "Assets pledged as security for own liabilities".

Cash received under repurchase agreements are recognised on the balance sheet as "Deposits by credit institutions" or as "Deposits and borrowings from the public". Cash delivered under reverse repurchase agreements are recognised on the balance sheet as "Loans and receivables to credit institutions" or as "Loans and receivables to the public".

See note 41 for further information.

Derivatives
All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with total positive fair values, including any accrued interest, are recognised as assets in the item "Derivatives". Derivatives with total negative fair values, including any accrued interest, are recognised as liabilities in the item "Derivatives".

Realised and unrealised gains and losses from derivatives are recognised in the income statement in the item "Net gains/losses on items at fair value".

Financial guarantee contracts
Issued financial guarantee contracts are measured at the higher of either the received guarantee fee less amortisation, or a provision calculated as the discounted best estimate of the expenditure required to settle the present obligation. Provisions and changes in provisions are recognised in the income statement in the item "Loan losses".

The contractual amounts from financial guarantees are recognised off-balance sheet in the item "Contingent liabilities".

13. Loans and receivables
Loans and receivables are measured at amortised cost (see also the separate section 7 "Recognition and derecognition in the balance sheet" as well as note 38 on classification of financial instruments).

Nordea monitors loans and receivables as described in the separate sections on Risk management and Basel II. Loans attached to individual customers or groups of customers are identified as impaired if there is objective evidence of impairment and an impairment test indicates a loss.

Impairment test of loans attached to individual customers
Nordea tests significant loans for impairment on an individual basis. The purpose of the impairment tests is to find out if the loans have been impaired. As a first step in the identification process for impaired loans, Nordea monitors whether there are indicators for impairment and whether those can be regarded to be objective evidence of impairment.

In the process to conclude whether there is objective evidence of impairment, an assessment is done to estimate the most probable future cash flows generated by the customer. These cash flows are then discounted by the effective interest rate giving the net present value. Collaterals received to mitigate the credit risk will be assessed at fair value. If the book value of the loan is higher than the net present value of the estimated future cash flows, including the fair value of the collaterals, the loan is impaired.

Loans that are not individually impaired, will be transferred to a group of loans with similar risk characteristics for a collective impairment test.

Impairment test of loans attached to groups of customers
Groups of loans with similar characteristics are assessed for impairment for:

- loans that are individually significant but not impaired, and for
- loans that are not significant, which have not been tested for impairment on an individual basis.

Nordea monitors its portfolio through the credit decision and annual review process supplemented by quarterly risk reviews. Through these processes Nordea identifies loss events indicating incurred losses in the group. Common for the customers in the group is that they have similar risk characteristics. The methods used to perform the impairment tests differ somewhat depending on if the loans are not significant or significant. For groups of loans where the loans are not significant the methods used are based mostly on historical data and experienced judgement performed by management. For groups of loans where the loans are significant, Nordea uses the existing rating system as a basis when assessing the credit risk.

Impairment loss
If the book value of the loans is higher than the sum of the net present value of estimated cash flows, including the fair value of the collaterals, the difference is the impairment loss.

If the impairment loss is not regarded as final, the impairment loss is accounted for on an allowance account representing the accumulated impairment losses. Changes in the credit risk and accumulated impairment losses will be recorded as changes in the allowance account and as "Loan losses" in the income statement.
If the impairment loss is regarded as final, it is reported as a realised loss. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has stated a likely economic outcome of the bankruptcy procedure, or when Nordea forgives its claims either through a legal based or voluntary reconstruction or when Nordea, for other reasons, deem it unlikely that the claim will be recovered.

Discount rate
The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer and, if applicable, to a group of loans.

Restructured loans
In this context a restructured loan is defined as a loan where the creditor has granted concessions to the obligor due to its deteriorated financial situation and where this concession has resulted in an impairment loss for the creditor. After a reconstruction the loan is normally regarded as not impaired under new conditions. Concessions made in a reconstruction are regarded as a final loss. If the creditor retains a possibility to regain the realised loan loss incurred, this is, in the event of a recovery, reported as a recovery of realised loan losses.

Assets taken over for protection of claims
In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquire an asset pledged for the conceded loans, shares issued by the obligor or other assets. Financial assets are accounted for as Available for sale, in accordance with IAS 39 (see section 12), and any other asset as Held for sale in accordance with IFRS 5. Assets Held for sale are measured at the lower of the book value and fair value less costs to sell. Depreciation ceases on recognition as Held for sale.

14. Leasing

Nordea as lessor
Finance leases
Nordea's leasing operations comprise finance leases. Finance leases are reported as receivable from the lessee in the balance sheet item "Loans and receivables to the public" at an amount equal to the net investment in the lease. The lease payment, excluding cost of services, is recorded as repayment of principal and interest income. The income allocation is based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of the finance lease.

Nordea as lessee
Finance leases
In the consolidated accounts finance leases are recognised as assets and liabilities in the balance sheet at the amount equal to the fair value of the leased assets at the inception of the lease. The assets are reported in accordance with the nature of the assets. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. A finance lease also gives rise to a depreciation expense for the leased asset. The depreciation policy is consistent with that of the assets in own use. Impairment of the leased assets is done following the same principles as the ones for similar owned assets.

Operating leases
For operating leases the lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term unless another systematic way better reflect the time pattern of the user's benefit. The lease terms range between 3 to 25 years.

Operating leasing is mainly related to office premises contracts and office equipments contracts normal to the business.

The central district properties that Nordea has divested are leased back. The duration of the lease agreements were initially 3-25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, contain no economic benefits from appreciation in value of the leased property, and are thus classified as operating leases. Another systematic basis than straight-line has been used in accounting for these rents. This basis is more representative of the time-pattern of Nordea's economic benefit and resembles better an ordinary lease rent.

15. Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under Nordea's control, which means that Nordea has the power and rights to obtain the future economic benefits flowing from the underlying resource. The intangible assets in Nordea mainly consist of computer software.

Computer software
Costs associated with maintaining computer software programs are recognised as expenses as incurred. Costs directly associated with major software development investments, with a useful life over three years and the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and an appropriate portion of relevant overheads. Computer software includes also acquired software licenses not related to the function of a tangible asset.

Depreciation is calculated on a straight-line basis over a period of 3 to 5 years.

Other intangible assets
Expenditure on acquired patents, trademarks and licenses is capitalised and amortised using the straight-line method over their useful lives, generally 5 years.

Impairment
At each balance sheet date, all intangible assets are reviewed for indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the intangible asset is fully recoverable.

The recoverable amount is the higher of the net selling price and the value in use of the asset or the cash-generating unit, which is defined as the smallest identifiable group of assets that generates cash inflows in relation to the asset. The value in use is the present value of the cash flows expected to be realised from the asset or the cash-generating unit. The cash flows are assessed based on the asset or cash-generating unit in its current condition and discounted at a discount rate determined as the cost of equity, estimated according to standard capital asset pricing. If the recoverable amount is less than the book value, the value is written down.

16. Property and equipment

Property and equipment includes own-used properties, leasehold improvements, IT equipment, furniture and other equipment. Items of property and equipment are reported at their acquisition values less any accumulated depreciation according to plan and any accumulated impairment losses. The cost of an item of property and equipment comprises its purchase price, as well as any directly attributable costs of bringing the asset to the working condition for its intended use.
Depreciation is calculated on a straight-line basis as follows:

- buildings: 30-75 år
- utstyr: 3-5 år

Changes within buildings the shorter of 10 years and the remaining leasing term. New construction the shorter of the principles used for owned buildings and the remaining leasing term.

Items of property and equipment are regularly tested for impairment and written down if necessary.

17. Taxes

Income tax includes current tax as well as deferred tax. The income tax is recognised as expense or income and included in the income statement as income tax expense, except income tax arisen from transactions that are recognised directly in equity.

Current tax is based on the taxable income of Nordea and calculated using local rules and tax rates.

Deferred tax assets and liabilities are recognised, using the balance sheet method, for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits. The assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits, can be utilised. Deferred tax assets and the recognition of deferred tax going forward are subject to continuous evaluation. Deferred tax liabilities are calculated on temporary differences and untaxed provisions.

Deferred tax assets and liabilities are not discounted. The assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted at the balance sheet date.

Current tax assets and current tax liabilities, as well as deferred tax assets and liabilities, are offset when the legal right to offset exist.

18. Pensions

Pension plans
The companies within Nordea Bank Norge Group have various defined benefit pension plans. The major plans are funded schemes covered by assets in pension funds/foundations. If the fair value of plan assets, associated with a specific pension plan, is lower than the gross present value of the defined benefit obligation, the net amount is recognised as a liability (retirement benefit obligation). If not, the net amount is recognised as an asset (retirement benefit asset).

Non-funded pension plans are recognised as retirement benefit obligations.

Pension costs
The pension calculations are carried out by company and by pension plan in accordance with IAS 19.

Actuarial calculations are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions (as disclosed in note 31). When the net cumulative unrecognised actuarial gain or loss exceeds a “corridor”, equal to 10 percent of the greater of either the present value of the defined benefit obligation and the fair value of the plan assets, the surplus or deficit is recognised in the income statement over the shorter of 10 years and the expected average remaining employment period. The net cumulative unrecognised actuarial gain or loss is defined as the difference between the expected trends in the defined benefit obligation and the fair value of the plan assets, and the actual trends.

19. Equity

Other reserves
Other reserves comprise income and expenses, net after tax effects that are reported in equity in accordance with IFRS. These reserves include revaluation reserves in accordance with IAS 39 as well as translation differences in accordance with IAS 21.

Retained earnings
Retained earnings comprise accumulated undistributed profits including the earnings in associated companies, after the acquisition date.

Equity participation plans
Nordea is not providing any equity participation plans for management or employees.

20. Earnings per share (EPS)

Earnings per share is calculated as Net profit for the period divided by the weighted average outstanding number of ordinary shares. Dilution is not applicable.

21. Related party transactions

Nordea defines related parties as:

- shareholder
- group undertakings and other group companies
- associated undertakings
- key management personnel
- other related parties

Shareholders with significant influence
Nordea Bank AB (publ) owns 100% of the shares in Nordea Bank Norge ASA and has significant influence.

Group undertakings and other group companies
For the definition of Group undertakings see section 5 “Principles of consolidation”. Further information on the group undertakings and other group companies are found in note 21.

Group internal transactions between legal entities are performed according to arm’s length principles in conformity with OECD requirements on transfer pricing.

Associated undertakings
For the definition of Associated undertakings see section 5 “Principles of consolidation”.

Further information on the associated undertakings included in the Nordea Group is found in note 20.

Key management personnel
Key management personnel include the Board of Directors, the Managing Director and the Control Committee and the Board of Representatives.

For information about compensation and pensions as well as loans to key management personnel, see note 8. Information around other transactions between Nordea and key management personnel is found in note 42.

Other related parties
Other related parties comprise companies significantly influenced by key management personnel in Nordea Group as well as close family members to these key management personnel and companies significantly influenced by them. Other related parties also include Nordea Norge Pensjonskasse.
Information around transactions between Nordea and other related parties is found in note 42.

22. Segmentreporting

Primary segments
Nordea’s operations are organised into three business areas whereof the business areas Retail Banking and Corporate and Institutional Banking are part of NBN. The business areas operate as profit centres.

According to IAS 14 the reporting of vertical integrated activities are encouraged, why, in addition to the results of the business areas, the result for Group Treasury, which conducts Nordea’s financial management operations, is also disclosed.

Within Nordea customer responsibility is fundamental. Nordea’s total business relations with customers are reported in the customer responsible unit’s income statement and balance sheet.

Economic capital
Capital allocation is based on the internal framework for calculating economic capital, which reflects each business unit’s actual risk exposure considering credit and market risk, insurance risk as well as operational and business risk. This framework optimises utilisation and distribution of capital between the different business areas. Standard tax is applied when calculating risk adjusted return on economic capital.

Economic capital is allocated to business areas according to risks taken. As a part of net interest income business units receive a capital benefit rate corresponding to the expected average medium-term risk-free return. The cost above Libor from issued subordinated debt is also included in the business areas net interest income based on the respective use of economic capital.

Economic profit constitutes the internal basis for evaluating strategic alternatives as well as for the evaluation of financial performance.

Allocation principles
Cost is allocated based on calculated unit prices and the individual business areas’ consumption. Income is allocated with the underlying business transactions as driver combined with the identification of the customer responsible unit.

Assets, liabilities and economic capital are allocated to the business areas. Group Functions and Eliminations consists of income statement and balance sheet items that are related to the unallocated reconciling items/units.

Transfer pricing
Funds transfer pricing is based on current market interest rate and applied to all assets and liabilities allocated to or booked in the business areas or group functions.

Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. The financial result of such transactions is reported in the relevant business area based on assigned product and customer responsibilities. However, the total result related to investment funds is included in Retail Banking, as well as sales commissions and margins from the life insurance business.

Group Functions and Eliminations
Group Functions and Eliminations include the unallocated results of the four group functions: Group Processing and Technology, Group Corporate Centre (excluding Group Treasury), Group Credit and Risk Control and Group Legal and Compliance. Group Treasury has been excluded from Group Corporate Centre, as this is treated as a vertical integrated segment and therefore reported separately.

Expenses in Group functions, not defined as services to business areas, and profits from associated undertakings that are not included in the customer responsible units, are reported under this heading.

Secondary segments
In accordance with prevailing rules, the secondary segment reporting shows Nordea´s operations divided into the geographical areas where Nordea operates. NBN operates only to a minor extent outside Norway, consequently in accordance with IAS 14 no information is given regarding the secondary segment.

See further note 2 Segment reporting.

23. Parent company
Financial institutions in Norway have not been given admittance to prepare the accounts in the legal entities in accordance with IFRS. The financial statement for the parent company, Nordea Bank Norge ASA, has therefore been prepared in accordance with the Accounting Act and GAAP in Norway, including current regulation regarding annual financial statements for banks.

The accounting principles applied mainly differ from IFRS in the following aspects:

Derivatives
Derivatives used for hedging are assessed together with the hedged item. Income or expenses linked to the agreements are recorded together with the hedged item using the deferred hedge accounting method. In the Group all derivatives are measured at fair value according to IAS 39. The main effect is a decrease in the value of the derivatives in the Parent company's balance sheet and only minor effects in the income statement.

Securities
Some holdings of securities that are measured at fair value in the Group must be measured at the lowest of cost and market value in the parent company.

Equity method
Group undertakings and associated companies are measured using the equity method in the parent company. NBN's share of the accumulated profit, exclusive dividend, after the acquisition, is transferred to the fund for evaluation differences.

Dividends
Suggested dividend is classified as a liability at the balance sheet day. Under IFRS dividend is classified as equity until the date it is formally approved.

24. Exchange rates

EUR 1 = NOK	2006	2005
Resultatregnskap (gjennomsnitt)	8,0451	8,0124
Balanse (ved utgangen av året)	8,2300	7,9840
USD 1 = NOK		
Resultatregnskap (gjennomsnitt)	6,4113	6,4424
Balanse (ved utgangen av året)	6,2500	6,7700
SEK 1 = NOK		
Resultatregnskap (gjennomsnitt)	0,8697	0,8640
Balanse (ved utgangen av året)	0,9108	0,8504
DKK 1 = NOK		
Resultatregnskap (gjennomsnitt)	1,0785	1,0753
Balanse (ved utgangen av året)	1,1041	1,0701

Note 2:
Segment reporting

Group **Business segments** **Income statement,** NOKm	Retail Banking		Corporate and Institutional Banking		Group Treasury		Group Functions and Eliminations		Total	
Customer responsible units	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Net interest income	3,955	3,941	1,000	705	130	83	-91	302	4,994	5,031
Net fee and commission income	1,128	1,001	532	435	14	10	-91	126	1,583	1,572
Net gains/losses on items at fair value	546	465	-148	142	174	138	351	105	923	850
Profit from companies accounted for under the equity method	0	0	54	21	0	0	0	16	54	37
Other income	40	3	3	7	2	7	44	151	89	168
Total operating income	**5,669**	**5,410**	**1,441**	**1,310**	**320**	**238**	**213**	**700**	**7,643**	**7,658**
of which allocations	1,179	959	-291	-251	0	0	-888	-708	0	0
Staff costs	-1,331	-1,240	-426	-281	-13	-11	-734	-854	-2,504	-2,386
Other expenses	-1,814	-1,722	-127	-116	-30	-25	347	387	-1,624	-1,476
Depreciation of tangible and intangible assets	-60	-65	-1	-1	0	0	-75	-86	-136	-152
Total operating expenses	**-3,205**	**-3,027**	**-554**	**-398**	**-43**	**-36**	**-462**	**-553**	**-4,264**	**-4,014**
of which allocations	-750	-708	22	-31	-13	-12	741	751	0	0
Loan losses	624	653	133	-110	0	0	3	487	760	1,030
Disposals of tangible and intangible assets	19	27	-1	0	0	0	0	9	18	36
Operating profit	**3,107**	**3,063**	**1,019**	**802**	**277**	**202**	**-246**	**643**	**4,157**	**4,710**
Balance sheet, NOKbn										
Loans and receivables to the public	241.5	203.1	59.7	47.9	0.0	4.4	5.8	2.5	307.0	257.9
Other assets	3.0	2.2	26.4	22.1	50.5	70.6	-16.2	-42.4	63.7	52.5
Total assets	**244.5**	**205.3**	**86.1**	**70.0**	**50.5**	**75.0**	**-10.4**	**-39.9**	**370.7**	**310.4**
Deposits and borrowings from the public	124.2	105.1	50.8	40.4	0.3	0.2	3.6	2.2	178.9	147.9
Other liabilities	24.5	51.2	18.1	16.2	143.8	102.4	-15.6	-27.0	170.8	142.8
Total liabilities	**148.7**	**156.3**	**68.9**	**56.6**	**144.1**	**102.6**	**-12.0**	**-24.8**	**349.7**	**290.7**
Economic capital / equity	8.2	7.4	3.5	3.4	0.4	0.9	8.9	8.0	21.0	19.7
Total liabilities and allocated equity	**156.9**	**163.7**	**72.4**	**60.0**	**144.5**	**103.5**	**-3.1**	**-16.8**	**370.7**	**310.4**
Other segment items										
Capital expenditure	69	80	7	25	0	15	34	0	110	120

Geographical segments

In accordance with prevailing rules, the secondary segment reporting shows Nordea's operations divided into the geographical areas where the Group operates. NBN operates only to a minor extent outside Norway, consequently, in accordance with IAS 14 no information is given regarding the secondary segment.

Note 3:
Net interest income

	Group		Parent company	
NOKm	2006	2005	2006	2005
Interest income				
Loans and receivables to credit institutions	881	783	1,503	1,139
Loans and receivables to the public	12,560	9,602	11,106	8,159
Interest-bearing securities	910	606	898	595
Other interest income	2	0	3	0
Total interest income	**14,353**	**10,991**	**13,510**	**9,893**

Note 3:
Net interest income cont.

Interest expense

	Group		Parent company	
NOKm	2006	2005	2006	2005
Deposits by credit institutions	-5,161	-2,989	-5,150	-2,945
Deposits and borrowings from the public	-3,938	-2,222	-3,947	-2,234
Debt securities in issue	-926	-1,199	-722	-858
Subordinated liabilities	-304	-130	-304	-130
Other interest expenses	970	580	1,063	806
Total interest expense	**-9,359**	**-5,960**	**-9,060**	**-5,361**
Net interest income	**4,994**	**5,031**	**4,450**	**4,532**

Net interest income

	Group		Parent company	
NOKm	2006	2005	2006	2005
Interest income	14,134	10,844	13,510	9,893
Net leasing income[1]	219	147	0	0
Interest expenses	-9,359	-5,960	-9,060	-5,361
Total	**4,994**	**5,031**	**4,450**	**4,532**

[1] Refers to finance leases where the Group is the lessor.

Note 4:
Net fee and commission income

	Group		Parent company	
NOKm	2006	2005	2006	2005
Asset Management commissions	31	24	31	24
Life insurance	71	43	71	43
Brokerage	72	74	72	74
Custody	113	92	113	92
Deposits	37	38	37	38
Total savings related commissions	324	271	324	271
Payments	463	434	463	434
Cards	550	494	550	494
Total payment commissions	1,013	928	1,013	928
Lending	85	108	91	112
Guarantees and document payments	192	173	192	173
Total lending related to commissions	277	281	283	285
Other commission income	509	521	506	518
Fee and commission income	**2,123**	**2,001**	**2,126**	**2,002**
Payment expenses	-454	-359	-452	-358
Other commission expenses	-86	-70	-85	-69
Fee and commission expenses	**-540**	**-429**	**-537**	**-427**
Net fee and commission income	**1,583**	**1,572**	**1,589**	**1,575**

Note 5:
Net gains/losses on items at fair value

NOKm	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Shares/participations and other share-related instruments	144	118	143	118
Interest-bearing securities and other interest-related instruments	431	395	467	345
Other financial instruments	29	170	30	170
Foreign exchange gains/losses	319	167	292	209
Total	**923**	**850**	**932**	**842**

The interest, foreign exchange and share related derivatives are in 2006 presented at the same line as interest bearing securities, foreign exchange gains/losses, shares/participations and other share-related instruments respectively, instead of as earlier under other financial instruments.The comparative figures are changed correspondingly.

Net gains/losses for categories of financial instruments

NOKm	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Available for Sale assets, realised	39	96	39	98
Financial instruments held for trading	893	745	893	744
Financial instruments under hedge accounting				
of which net gains/losses on hedging instruments	61	-192	0	0
of which net gains/losses on hedged items	-70	201	0	0
Total	**923**	**850**	**932**	**842**

Note 6:
Dividends

NOKm	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Shares				
Investments in associated undertakings	27	46	27	46
Investments in group undertakings	0	190	0	190
Total	**27**	**236**	**27**	**236**

Note 7:
Other operating income

NOKm	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Income from real estate	33	28	47	41
Other	40	103	52	117
Total	**73**	**131**	**99**	**158**

Note 8:
Staff costs and remuneration to senior executives

	Group		Parent company	
NOKm	2006	2005	2006	2005
Salaries and remunerations	1,706	1,561	1,624	1,484
Pension costs (note 31)	368	415	350	397
Social insurance contributions	240	266	227	255
Allocation to profit-sharing foundation	80	59	75	55
Other staff costs	110	85	106	80
Total	**2,504**	**2,386**	**2,382**	**2,271**

Number of employees/full time positions

Full-time equivalents as at 31.12.	3,055	3,102	2,876	2,930
Number of employees as at 31.12	3,367	3,475	3,183	3,299
Average full time equivalents	3,084	3,161	2,904	2,984

Gender distribution Board of Directors

Per cent at year-end				
- Men	87	87	75	75
- Women	13	13	25	25

Remuneration to senior executives

Explanation of details regarding invidually specified remuneration

Fixed salary and fees - relate to received regular salary for the financial year paid by Nordea Bank Norge Group and includes any fee agreed by the Board of Representatives.

Variable salary - includes profit sharing, incentive- and executive bonuses. The Chief Executive Officer and leading employees are part of a bonus programme which is based upon achieved results. The intention behind this programme is to reward special contribution to achieve the goals set in Nordea. The bonus available is agreed to be set as a percentage of the employee's regular fixed salary. According to the Board Remuneration Committee in Nordea, such variable salary can amount to a maximum of six months of fixed salary. All employees receive profit sharing according to common Nordea strategy.

Benefits - include car allowance, newspaper, insurance and electronic communication allowance (such as mobile phone and internet access)

Pensions - include changes in the individual's accrued rights under the pension plan during the financial year. The amount stated is the annual change in the present value of the pension obligations (PBO) exclusive of social security tax, which best reflects the change in pension right for the financial year.

Loans - total loan engagement as of 31 December 2006. Senior executives are given loans on the same terms as those given to regular employees.

Note 8:
Staff costs and remuneration to senior executives cont.

Salaries and remuneration - per individual, figures in NOK thousand

Name and position	Fixed salary and fees	Variable salary	Benefits	Pensions	**Total Remuneration**	Loans
Tom Ruud, Board member and CEO of NBN ASA[1]	-	-	-	-	-	-
Lars-G. Nordström, Chairman of the Board[1]	-	-	-	-	-	-
Markku Pohjola[1]	-	-	-	-	-	-
Arne Liljedahl[1]	-	-	-	-	-	-
Peter Schütze[1]	-	-	-	-	-	-
Carl Erik Krefting	145	-	-	-	145	-
Hege M. Norheim	145	-	-	-	145	-
Liv Irene Haug, employee representative	619	18	13	134	784	766
Total CEO and Board of Directors NBN ASA[1]	**909**	**18**	**13**	**134**	**1,074**	**766**
Fanny P. Amble, Leader	175	-	-	-	175	-
Finn Fadum[2]	136	-	-	-	136	-
Jan T. Bjerke [3]	224	-	-	-	224	-
Odd Svang-Rasmussen[4]	135	-	-	-	135	-
Total Control Committee NBN ASA	**670**	**-**	**-**	**-**	**670**	**-**
Total Board of Representatives NBN ASA[5]	**3,068**	**124**	**72**	**1,024**	**4,288**	**5,310**
Total remuneration and loans to Senior Executives	**4,647**	**142**	**85**	**1,158**	**6,032**	**6,076**

Comments

[1] Nordea Bank Norge Group does not operate with a seperate local General Executive Management team (GEM). This is based on the Nordea operating model where all business areas and main group functions are managed on a nordic level through GEM in Nordea Bank AB (publ) (NB AB). GEM is represented in the NBN Board of Directors through the following members: Lars-G. Nordström (Group CEO), Arne Liledahl (Group CFO), Peter Schütze (Head of Retail), Tom Ruud (Head of CIB) and Markku Pohjola (Head of GPT). This ensures that all parts of Nordea are managed according to Nordea Group strategy. Members of the Board employed in Nordea companies do not receive any individual fee for the services provided to NBN. However, NBN paid compensation of NOK 2,043,488 to NB AB in 2006. In addition, Tom Ruud holds the position as Managing Director of NBN. As a compensation to NB AB for the part of Tom Ruud's work relating to his position as Managing Director of NBN, the Board of Representatives has approved an amount of NOK 1,500,000 for 2006. The amounts are subject to VAT.

NBN does not have expenses to pension and other remunerations to the CEO and has no obligation towards CEO or Chairman of the Board to pay individual compensation when the assignment comes to an end or by changes in the assignment.

[2] Member of Control Committees in both NBN and Nordea Finans Norge AS (NFN). Of the total, NOK 30,000 was remunerated from NFN regarding the membership in the Control Committee.

[3] Member of Control Committee in NBN, leader of Control Committees in Norgeskreditt AS (NK) and NFN. Remunerated NOK 40,000 from NFN and NOK 78,000 from NK regarding the memberships in the Control Committees.

[4] Member of Control Committees in both NBN and NFN. Remunerated NOK 30,000 from NFN regarding the membership in the Control Committee.

[5] Total fee paid in 2006 to all members of the Board of Representatives in NBN was NOK 86,400, of which NOK 50,400 was paid to external members not employed by Nordea. All attending members received NOK 3,600 for each of the biannual meetings. External members did not have any loans in NBN Group during the year, and the fee was paid according to attendance to the members Anne Jenny Dvergsdal, Christian Hambro, Jens L. Hofgaard, Cato A. Holmsen, Nina Iversen, Mary H. Moe, Sissel Stenberg, Anders Utne and Øyvin A. Brøymer. The fee for the chairman Tord Arnerup was NOK 65,900 and for the deputy chairman Bjarne Aamodt NOK 18,500. For Nordea employed members, the following representatives received up to NOK 7,200 for the services if attending both meetings during 2006: Oddvar Hauge, Kari Johanne Mjelde, Anne Sofie Arnesen, Grete Leira and Øyvind Rutledal. The formally elected members that did not attend any meeting during 2006 was Torunn Korsnes and Jorun Vintervold. The other figures above shows the remunerations these individuals receive in relation to their regular employment in Nordea.

Shares, options, loans etc.

None of the senior executives has shares, option rights or hold part of any option programme within Nordea Bank Norge Group.
Neither CEO Tom Ruud nor Chairman of the Board has loans in Nordea Bank Norge Group.

Loans to the Group employees (including retired employees) totalled NOK 4.62bn. There has been a negative interest margin totalling NOK 0.1m on these loans in 2006. The effect is included in net interest income.

Note 9:
Other expenses

	Group		Parent company	
NOKm	2006	2005	2006	2005
Information technology [1]	537	518	527	508
Marketing	114	117	111	113
Postage, telephone and office expenses	137	116	134	113
Rents, premises and real estate	393	359	392	358
Other [2]	443	366	431	346
Total	**1,624**	**1,476**	**1,595**	**1,438**

[1] Refers to IT operations, service expenses and consultant fees for the Group. Total IT-related costs including staff etc, but excluding IT expenses in insurance operations, were NOK 757m (NOK 744m).

[2] Including fees and remuneration to auditors distributed as follows.

Auditors' fees

During the year the Group has expensed fees of NOK 4.9m including VAT to its external auditors whereof NOK 4.8m was related to auditing functions and NOK 0.1m to advisory and other services.

Note 10:
Depreciation of tangible and intangible assets

	Group		Parent company	
NOKm	2006	2005	2006	2005
Property and equipment (Note 22)				
Equipment	133	150	128	143
Buildings	3	2	3	2
Total	**136**	**152**	**131**	**145**

Note 11:
Loan losses

	Group		Parent company	
NOKm	2006	2005	2006	2005
Loan losses divided by class, net				
Loans and receivables to credit institutions	0	0	0	0
- of which write-offs and provisions	0	0	0	0
- of which reversals and recoveries	0	0	0	0
Loans and receivables to the public	743	1,053	795	1,067
- of which write-offs and provisions	-366	-1,173	-292	-1,138
- of which reversals and recoveries	1,109	2,226	1,087	2,205
Off-balance sheet items[1]	17	-23	17	-23
- of which write-offs and provisions	-3	-23	-3	-23
- of which reversals and recoveries	20	0	20	0
Total	**760**	**1,030**	**812**	**1,044**

Note 11:
Loan losses cont.

NOKm	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Specification of changes in Loan losses				
Changes of allowance accounts through the Balance sheet	849	1,064	886	954
- of which Loans and receivables[2]	831	1,087	868	977
- of which Off-balance sheet items[1]	18	-23	18	-23
Changes directly recognised in the Income statement	-89	-34	-74	90
- of which realised loan losses	-172	-65	-155	61
- of which realised recoveries	83	31	81	29
Total	**760**	**1,030**	**812**	**1,044**

[1] Losses on guarantees.

[2] Included in Note 13 Loans and receivables to credit institutions and Note 14 Loans and receivables to the public.

	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Key ratios				
Total allowances divided by total Loans and receivables before allowances, %	0.3	0.7	0.3	0.7
Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %	32.1	25.4	31.7	26.9
Individually assessed impaired loans and receivables divided by total loans and receivables before allowances, %	0.6	1.4	0.5	1.3
Non-performing loans and receivables, not impaired, NOKm	271	308	260	308

Note 12:
Income tax expense

NOKm	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Current tax[1]	1,175	1,060	1,116	1,006
Deferred tax	-100	302	-128	256
Total[2]	**1,075**	**1,362**	**988**	**1,262**

[1] Of which relating to prior years	-6	64	-6	64

[2] Tax has been charged as an expense in prior years on issues where tax treatment still remain unsettled, which cause deviation between the current tax expense and current tax in the balance sheet.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate of Norway as follows:

	Group 2006	Group 2005	Parent company 2006	Parent company 2005
Profit before tax	4,157	4,710	4,086	4,614
Tax calculated at a tax rate of 28%	1,164	1,319	1,144	1,292
Effect of different tax rates in other countries	-7	31	-7	26
Tax-exempt income	-126	-80	-192	-148
Non-deductible expenses	50	28	49	28
Adjustments relating to prior years	-6	64	-6	64
Tax charge	**1,075**	**1,362**	**988**	**1,262**
Average effective tax rate	26%	29%	24%	27%

Note 12:
Income tax expense cont.

Nordea Finans Norge AS tax isse

"Ligningsnemnda" handed down a ruling on 25 February 2002 which caused a change in the tax assessment of Nordea Finans Norge AS regarding the income year 1999. Due to this ruling NOK 96m in increased taxes were expensed in the first quarter of 2002. The case conserned the right to carry forward losses after a merger with a subsidiary. Nordea won the case in Oslo Tingrett, however lost in Borgarting Lagmannsrett in a ruling 29 August 2006. The Interlocutory Appeals Committee has refused Nordea to present an appeal to The Supreme Court and the ruling in Lagmanssretten is therefore final.

Deferred tax	Group		Parent company	
	2006	2005	2006	2005
Deferred tax expense (-)/income (+)				
Deferred tax due to temporary differences	100	-302	128	-256
Income tax expense, net	**100**	**-302**	**128**	**-256**
Deferred tax assets				
Deferred tax assets due to tax losses	81	88	81	85
Deferred tax assets due to temporary differences:				
- Retirement benefit obligations	649	635	632	620
- Tangible assets	7	43	46	41
- Financial derivatives	143	36	166	46
- Other	31	19	12	16
Deferred tax assets, net	**911**	**821**	**937**	**808**
Movements in deferred tax assets/liabilities, net are as follows:				
Deferred tax relating to items recognised directly in equity	0	9	0	38
Translation differences	-10	18	-9	18
Group contribution	0	-3	0	4
Change in tax assessment	0	-8	0	0
Through merger	0	0	10	0
Deferred tax in the income statement	100	-302	128	-256
At end of year	**90**	**-286**	**129**	**-196**
Current and deferred tax recognised directly in equity				
Deferred tax relating to changed accounting policies	0	9	0	38
Total	**0**	**9**	**0**	**38**

Deferred income tax assets are recognised for tax loss carry forwards only to the extent that realisation of the related benefit is probable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax income taxes related to the same fiscal authority.

Note 13:
Loans and receivables to credit institutions

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Loans and receivables, not impaired	21,457	21,134	32,519	32,067
Impaired loans and receivables:				
- Performing	-	-	-	-
- Non-performing	-	-	-	-
Loans and receivables before allowances	**21,457**	**21,134**	**32,519**	**32,067**
Allowances for individually assessed impaired loans	-	-	-	-
Allowances for collectively assessed impaired loans	-	-	-	-
Allowances	**-**	**-**	**-**	**-**
Loans and receivables, book value	**21,457**	**21,134**	**32,519**	**32,067**

Note 13:
Loans and receivables to credit institutions cont.

	Group		Parent company	
Maturity information	31 Dec	31 Dec	31 Dec	31 Dec
Remaining maturity (book value)	2006	2005	2006	2005
Payable on demand	18,147	15,094	27,503	18,794
Maximum 3 months	535	4,926	811	13,041
3 months–1 year	2,726	1,114	4,131	95
1–5 years	49	-	74	9
More than 5 years	-	-	-	128
Total	**21,457**	**21,134**	**32,519**	**32,067**

Note 14:
Loans and receivable to the public

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Loans and receivables, not impaired[2]	306,008	255,955	272,357	225,488
Impaired loans and receivables:				
- Performing	1,041	2,764	882	2,424
- Non-performing	1,037	1,044	908	898
Loans and receivables before allowances	**308,086**	**259,763**	**274,147**	**228,810**
Allowances for individually assessed impaired loans	-550	-869	-461	-791
Allowances for collectively assessed impaired loans	-513	-1,025	-487	-1,025
Allowances	**-1,063**	**-1,894**	**-948**	**-1,816**
Loans and receivables, book value	**307,023**	**257,869**	**273,199**	**226,994**
Maturity information				
Remaining maturity (book value)				
Payable on demand	71,844	51,328	63,929	41,274
Maximum 3 months	79,910	46,036	71,106	50,736
3 months–1 year	20,748	27,681	18,462	24,976
1–5 years	44,214	37,509	39,343	29,487
More than 5 years	90,307	95,315	80,359	80,521
Total	**307,023**	**257,869**	**273,199**	**226,994**

[1] Finance leases, where the Nordea Group is a lessor, are included in Loans and receivables to the public, see Note 23 Leasing.
[2] Includes also collectively assessed impaired loans.

Note 14:
Loans and receivable to the public cont.

Reconciliation of allowance accounts for loan losses[3]

NOKm	Group: Allowances for individually assessed impaired loans	Group: Allowances for collectively assessed impaired loans	Group: Total	Parent company: Allowances for individually assessed impaired loans	Parent company: Allowances for collectively assessed impaired loans	Parent company: Total
Balance at beginning of the year, at 1 Jan 2006	**869**	**1,025**	**1,894**	**791**	**1,025**	**1,816**
Provisions	139	183	**322**	107	157	**264**
Reversals	-331	-695	**-1,026**	-311	-695	**-1,006**
Allowances used to cover write-offs	-127	0	**-127**	-126	0	**-126**
Changes through the Income statement	**-319**	**-512**	**-831**	**-330**	**-538**	**-868**
Currency translation differences	0	0	**0**	0	0	**0**
Balance at end of the year, at 31 Dec 2006	**550**	**513**	**1,063**	**461**	**487**	**948**
Balance at beginning of the year, at 1 Jan 2005	**1,759**	**1,222**	**2,981**	**1,686**	**1,107**	**2,793**
Provisions	356	799	**1,155**	325	798	**1,123**
Reversals	-968	-736	**-1,704**	-949	-736	**-1,685**
Allowances used to cover write-offs	-278	-260	**-538**	-271	-144	**-415**
Changes through the income statement	**-890**	**-197**	**-1,087**	**-895**	**-82**	**-977**
Currency translation differences	0	0	**0**	0	0	**0**
Balance at end of the year, at 31 Dec 2005	**869**	**1,025**	**1,894**	**791**	**1,025**	**1,816**

[3] See Note 11 Loan losses.

Note 15a:

Loans and receivables to the public by industry and retail market

Group

31 Dec 2006, NOKm	House-holds	Real estate manage-ment	Construc-tion	Agricul-ture and fishing	Tran-sport	Shipping	Trade and service	Manu-facturing	Financial opera-tions	Renting, consulting and other company services	Other	Total
Loans and receivables, not impaired	132,108	52,089	3,201	8,927	3,969	29,028	10,189	20,987	1,314	39,679	4,517	306,008
Impaired loans and receivables	891	253	52	195	36	124	85	70	6	160	206	2,078
Loans and receivables before reserves	**132,999**	**52,342**	**3,253**	**9,122**	**4,005**	**29,152**	**10,274**	**21,057**	**1,320**	**39,839**	**4,723**	**308,086**
Reserves for individually assessed loans	-179	-61	-20	-69	-8	-45	-41	-30	-6	-75	-16	-550
Reserves for groups of significant loans	0	-71	0	-68	-7	0	0	0	0	0	-58	-204
Reserves for groups of not significant loans	-204	0	0	0	0	0	0	0	0	0	-105	-309
Reserves	**-383**	**-132**	**-20**	**-137**	**-15**	**-45**	**-41**	**-30**	**-6**	**-75**	**-179**	**-1,063**
Loans and receivables, book value	**132,616**	**52,210**	**3,233**	**8,985**	**3,990**	**29,107**	**10,233**	**21,027**	**1,314**	**39,764**	**4,544**	**307,023**
Off-balance sheet exposure[1]	**3,778**	**119**	**3,176**	**1,314**	**4,014**	**9,448**	**6,310**	**27,102**	**6,869**	**9,358**	**31,936**	**103,424**

[1] Guarantees, commitments not drawn and foreign exchange.

Specification of impaired loans and receivables

	House-holds	Real estate manage-ment	Construc-tion	Agricul-ture and fishing	Tran-sport	Shipping	Trade and service	Manu-facturing	Financial opera-tions	Renting, consulting and other company services	Other	Total
Impaired loans and receivables before reserves	**891**	**253**	**52**	**195**	**36**	**124**	**85**	**70**	**6**	**160**	**206**	**2,078**
Of which non-performing	564	123	37	57	10	79	48	28	6	57	28	1,037
Of which performing	327	130	15	138	26	45	37	42	0	103	178	1,041
Reserves for impaired loans and receivables	**-383**	**-132**	**-20**	**-137**	**-15**	**-45**	**-41**	**-30**	**-6**	**-75**	**-179**	**-1,063**
Of which non-performing	-209	-41	-18	-42	-3	-31	-22	-14	-6	-30	-12	-428
Of which performing	-174	-91	-2	-95	-12	-14	-19	-16	0	-45	-167	-635
Book value of impaired loans and receivables	**508**	**121**	**32**	**58**	**21**	**79**	**44**	**40**	**0**	**85**	**27**	**1,015**
Of which non-performing	355	82	19	15	7	48	26	14	0	27	16	609
Of which performing	153	39	13	43	14	31	18	26	0	58	11	406

Note 15a:

Loans and receivables to the public by industry and retail market cont.

Group

31 Dec 2005, NOKm	Households	Real estate management	Construction	Agriculture and fishing	Transport	Shipping	Trade and service	Manufacturing	Financial operations	Renting, consulting and other company services	Other	Total
Loans and receivables, not impaired	113,537	42,109	3,146	8,975	3,643	27,785	9,288	16,259	1,586	26,764	2,863	255,955
Impaired loans and receivables	867	620	45	980	55	106	182	664	30	197	62	3,808
Loans and receivables before reserves	**114,404**	**42,729**	**3,191**	**9,955**	**3,698**	**27,891**	**9,470**	**16,923**	**1,616**	**26,961**	**2,925**	**259,763**
Reserves for individually assessed loans	-171	-69	-18	-90	-15	-65	-71	-235	-6	-115	-14	-869
Reserves for groups of significant loans	0	-398	0	-383	-18	-2	0	0	0	0	-13	-814
Reserves for groups of not significant loans	-193	0	0	0	0	0	0	0	0	-18	0	-211
Reserves	**-364**	**-467**	**-18**	**-473**	**-33**	**-67**	**-71**	**-235**	**-6**	**-133**	**-27**	**-1,894**
Loans and receivables, book value	**114,040**	**42,262**	**3,173**	**9,482**	**3,665**	**27,824**	**9,399**	**16,688**	**1,610**	**26,828**	**2,898**	**257,869**

Specification of impaired loans and receivables

Impaired loans and receivables before reserves	**867**	**620**	**45**	**980**	**55**	**106**	**182**	**664**	**30**	**197**	**62**	**3,808**
Of which non-performing	564	56	33	62	8	17	74	83	30	82	35	1,044
Of which performing	303	564	12	918	47	89	108	581	0	115	27	2,764
Reserves for impaired loans and receivables	**-364**	**-467**	**-18**	**-473**	**-33**	**-67**	**-71**	**-235**	**-6**	**-133**	**-27**	**-1,894**
Of which non-performing	-194	-48	-16	-41	-3	-17	-33	-48	-6	-39	-19	-464
Of which performing	-170	-419	-2	-432	-30	-50	-38	-187	0	-94	-8	-1,430
Book value of impaired loans and receivables	**503**	**153**	**27**	**507**	**22**	**39**	**111**	**429**	**24**	**64**	**35**	**1,914**
Of which non-performing	370	8	17	21	5	0	41	35	24	43	16	580
Of which performing	133	145	10	486	17	39	70	394	0	21	19	1,334

Note 15a:

Loans and receivables to the public by industry and retail market cont.

Parent company

31 Dec 2006, NOKm	House-holds	Real estate manage-ment	Construc tion	Agricul-ture and fishing	Trans-port	Shipping	Trade and service	Manu-facturing	Financial opera-tions	Renting, consulting and other company services	Other	Total
Loans and receivables, not impaired	128,766	35,754	2,500	8,137	3,154	28,220	7,470	17,190	1,356	36,397	3,413	272,357
Impaired loans and receivables	800	172	41	185	30	123	70	50	6	111	202	1,790
Loans and receivables before reserves	**129,566**	**35,926**	**2,541**	**8,322**	**3,184**	**28,343**	**7,540**	**17,240**	**1,362**	**36,508**	**3,615**	**274,147**
Reserves for individually assessed loans	-124	-46	-17	-67	-6	-45	-36	-24	-6	-74	-16	-461
Reserves for groups of significant loans	0	-45	0	-68	-7	0	0	0	0	0	-58	-178
Reserves for groups of not significant loans	-205	0	0	0	0	0	0	0	0	0	-104	-309
Reserves	**-329**	**-91**	**-17**	**-135**	**-13**	**-45**	**-36**	**-24**	**-6**	**-74**	**-178**	**-948**
Loans and receivables, book value	**129,237**	**35,835**	**2,524**	**8,187**	**3,171**	**28,298**	**7,504**	**17,216**	**1,356**	**36,434**	**3,437**	**273,199**
Off-balance sheet exposure[1]	**3,778**	**108**	**2,893**	**1,197**	**3,657**	**8,606**	**5,749**	**24,689**	**6,258**	**8,525**	**29,092**	**94,552**

[1] Guarantees, commitments not drawn and foreign exchange.

Specification of impaired loans and receivables

Impaired loans and receivables before reserves	**800**	**172**	**41**	**185**	**30**	**123**	**70**	**50**	**6**	**111**	**202**	**1,790**
Of which non-performing	482	122	29	50	5	79	42	18	6	53	25	911
Of which performing	318	50	12	135	25	44	28	32	0	58	177	879
Reserves for impaired loans and receivables	**-329**	**-91**	**-17**	**-135**	**-13**	**-45**	**-36**	**-24**	**-6**	**-74**	**-178**	**-948**
Of which non-performing	-163	-41	-16	-40	-2	-31	-20	-12	-6	-28	-12	-371
Of which performing	-166	-50	-1	-95	-11	-14	-16	-12	0	-46	-166	-577
Book value of impaired loans and receivables	**471**	**81**	**24**	**50**	**17**	**78**	**34**	**26**	**0**	**37**	**24**	**842**
Of which non-performing	319	81	13	10	3	48	22	6	0	25	13	540
Of which performing	152	0	11	40	14	30	12	20	0	12	11	302

Note 15a:

Loans and receivables to the public by industry and retail market cont.

Parent company

31 Dec 2005, NOKm	House-holds	Real estate managem ent	Construc-tion	Agricul-ture and fishing	Tran-sport	Shipping	Trade and service	Manu-facturing	Financial opera-tions	Renting, consulting and other company services	Other	Total
Loans and receivables, not impaired	111,248	22,658	2,501	8,689	2,846	26,451	6,761	13,953	1,170	26,374	2,837	225,488
Impaired loans and receivables	797	491	43	789	47	106	165	628	30	173	53	3,322
Loans and receivables before reserves	**112,045**	**23,149**	**2,544**	**9,478**	**2,893**	**26,557**	**6,926**	**14,581**	**1,200**	**26,547**	**2,890**	**228,810**
Reserves for individually assessed loans	-139	-47	-16	-83	-13	-65	-65	-230	-6	-114	-13	-791
Reserves for groups of significant loans	0	-398	0	-383	-18	-2	0	0	0	0	-13	-814
Reserves for groups of not significant loans	-193									-18		-211
Reserves	**-332**	**-445**	**-16**	**-466**	**-31**	**-67**	**-65**	**-230**	**-6**	**-132**	**-26**	**-1,816**
Loans and receivables, book value	**111,713**	**22,704**	**2,528**	**9,012**	**2,862**	**26,490**	**6,861**	**14,351**	**1,194**	**26,415**	**2,864**	**226,994**
Off-balance sheet exposure[1]	**6,404**	**6,649**	**6,604**	**1,572**	**6,268**	**14,051**	**6,288**	**30,975**	**4,600**	**18,451**	**17,671**	**119,533**

[1] Guarantees, commitments not drawn, foreign exchange and documentary credit instruments.

Specification of impaired loans and receivables

Impaired loans and receivables before reserves	**797**	**491**	**43**	**789**	**47**	**106**	**165**	**628**	**30**	**173**	**53**	**3,322**
Of which non-performing	499	48	31	57	4	17	63	56	30	65	28	898
Of which performing	298	443	12	732	43	89	102	572	0	108	25	2,424
Reserves for impaired loans and receivables	**-332**	**-445**	**-16**	**-466**	**-31**	**-67**	**-65**	**-230**	**-6**	**-132**	**-26**	**-1,816**
Of which non-performing	-165	-42	-14	-39	-2	-17	-29	-47	-6	-38	-18	-417
Of which performing	-167	-403	-2	-427	-29	-50	-36	-183	0	-94	-8	-1,399
Book value of impaired loans and receivables	**465**	**46**	**27**	**323**	**16**	**39**	**100**	**398**	**24**	**41**	**27**	**1,506**
Of which non-performing	334	6	17	18	2	0	34	9	24	27	10	481
Of which performing	131	40	10	305	14	39	66	389	0	14	17	1,025

Note 15b:
Gross loans to the public and credit institutions by geographic area

	Group		Parent company	
Gross loans by geographic area, NOKm	2006	2005	2006	2005
Denmark	668	1,315	668	457
Finland	925	4,309	925	407
Norway	300,882	244,804	278,452	232,335
Sweden	3,324	5,705	3,324	2,948
Poland and the Baltic countries	148	72	148	71
Other EU countries	7,532	8,688	7,532	8,681
USA	1,103	8,135	1,103	8,117
Latin America	4,569	4,172	4,569	4,172
Asia	5,654	115	5,654	115
Other OECD countries	703	642	703	642
Other non-OECD countries	4,035	2,940	3,588	2,932
Total	**329,543**	**280,897**	**306,666**	**260,877**

Note 15c:
Loans and receivables by category of borrowers

	Group		Parent company	
NOKm	2006	2005	2006	2005
Current assets, book value				
Land and buildings	1	1	1	1
Other assets	4	2	0	0
Total	**5**	**3**	**1**	**1**

Note 16:
Interest-bearing securities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Government and government-guaranteed certificates (weighted 0%)	1,385	6,233	1,385	6,183
Certificates issued/guaranteed by state owned enterprises (weighted 10%)	0	171	0	171
Certificates issued/guaranteed by financial institutions (weighted 20%)	20,334	8,871	20,334	8,746
Certificates issued/guaranteed by others (weighted 100%)	4,597	1,630	4,497	1,630
Own certificates and bonds for market-making purposes (weighted 0%)	0	0	653	1,047
Total	**26,316**	**16,905**	**26,869**	**17,777**
Listed securities	21,356	16,837	21,719	17,709
Unlisted securities	4,960	68	5,150	68
Total	**26,316**	**16,905**	**26,869**	**17,777**
Maturity information				
Remaining maturity (book value)				
Maximum 1 year	9,019	8,085	9,621	8,512
More than 1 year	17,297	8,820	17,248	9,265
Total	**26,316**	**16,905**	**26,869**	**17,777**

Note 17:
Shares

NOKm	Group 31 Dec 2006	Group 31 Dec 2005	Parent company 31 Dec 2006	Parent company 31 Dec 2005
Shares held for trading	844	441	844	442
Shares available for sale	54	68	53	67
of which taken over for protection of claims[1]	0	0	0	0
Total	**898**	**509**	**897**	**509**
Listed shares	777	426	777	426
Unlisted shares	121	83	120	83
Total	**898**	**509**	**897**	**509**

[1] See Note 15c regarding Assets taken over for protection of claims.

Parent company

Movement in non-current assets

NOKm	31 Dec 2006	31 Dec 2005
Acquisition value at beginning of year	67	96
Acquisitions during the year	4	1
Sales during the year	-18	-31
Reclassifications	-	2
Translation differences	-	-1
Acquisition value at end of year	**53**	**67**
Accumulated write-downs at beginning of year	-	-
Sales/disposals during the year	-	-
Write-downs during the year	-	-
Accumulated write-downs at end of year	**0**	**0**
Book value	**53**	**67**

Specification of shares

31 Dec 2006	Group Book value NOKm	Group Market value NOKm	Group Voting power of holding %	Parent company Book value NOKm	Parent company Market value NOKm	Parent company Voting power of holding %
Current assets						
Acergy	4	4	0.02	4	4	0.02
Aker	4	4	0.01	4	4	0.01
Aker Kværner	3	3	0.01	3	3	0.01
Awilco Offshore	11	11	0.11	11	11	0.11
Crew Gold Corporation	168	168	3.50	168	168	3.50
DnB NOR	2	2	0.00	2	2	0.00
DnB NOR	9	9	0.01	9	9	0.01
DNO	47	47	0.47	47	47	0.47
EDB Business Partner	8	8	0.17	8	8	0.17
Euroclear	51	51	0.19	51	51	0.19
Faktor Eiendom	5	5	0.26	5	5	0.26
Fast Search & Transfer	11	11	0.21	11	11	0.21
Fred. Olsen Energy	2	2	0.01	2	2	0.01
Golar	8	8	0.15	8	8	0.15
Kverneland	3	3	0.26	3	3	0.26
Norse Energy Corp.	4	4	0.28	4	4	0.28

Note 17:
Shares cont.

Specification of shares

31 Dec 2006	Group Book value NOKm	Group Market value NOKm	Group Voting power of holding %	Parent company Book value NOKm	Parent company Market value NOKm	Parent company Voting power of holding %
Norske Skogindustrier	7	7	0.04	7	7	0.04
Norwegian Property	20	20	0.30	20	20	0.30
Ocean Rig	59	59	0.77	59	59	0.77
Orkla	47	47	0.06	47	47	0.06
PA Resources	3	3	0.03	3	3	0.03
Pan Fish	4	4	0.02	4	4	0.02
Petroleum Geo-Services	8	8	0.03	8	8	0.03
Petrolia Drilling	4	4	0.12	4	4	0.12
Prosafe	3	3	0.01	3	3	0.01
Revus Energy	212	212	11.95	212	212	11.95
Sardus	12	12	1.29	12	12	1.29
SeaDrill	6	6	0.01	6	6	0.01
Siem Offshore	6	6	0.30	6	6	0.30
Sinvest	5	5	0.06	5	5	0.06
Statoil	54	54	0.02	54	54	0.02
Steen & Strøm	8	8	0.09	8	8	0.09
Storebrand	3	3	0.01	3	3	0.01
Subsea 7	4	4	0.02	4	4	0.02
Tandberg	2	2	0.01	2	2	0.01
Tandberg Television	1	1	0.02	1	1	0.02
TGS-NOPEC Geophysical Com	2	2	0.02	2	2	0.02
TRYGVESTA	5	5	0.03	5	5	0.03
Yara International	10	10	0.02	10	10	0.02
Other, listed	3	3		3	3	
Other, unlisted	16	16		16	16	
Total	**844**	**844**		**844**	**844**	
Non-current assets						
BANKENES BETALINGSSENTRAL AS	10	10	16.63	10	10	16.63
COMPONENT SOFTWARE GROUP ASA	2	2	0.19	2	2	0.19
FISHPOOL AS	1	1	0.11	1	1	0.11
NORSK TILLITSMANN AS	1	1	9.68	1	1	9.68
SALTENS BILRUTER A/S	2	2	2.43	2	2	2.43
SOLNØR GAARD GOLFBANE AS	1	1	0.04	1	1	0.04
SYDVESTOR VEKST AS	6	6	12.50	6	6	12.50
Viking Ship Finance Ltd.	20	20	13.50	20	20	13.50
Andre norske anleggsaksjer	11	11		10	10	
Total	**54**	**54**		**53**	**53**	

Note 18:
Derivatives

Group	Fair value		Total nom
31 Dec 2006, NOKm	Positive	Negative	amount
Derivatives held for trading			
Interest rate derivatives			
Interest rate swaps	93	393	56,440
FRAs	66	3	53,000
Interest rate futures	0	0	24,607
Options bought	0	0	37,011
Other	1	1	-3
Total	**160**	**397**	**171,055**
Equity derivatives			
Futures and forwards	35	26	-1,446
Options written	0	11	-493
Options bought	49	0	741
Total	**84**	**37**	**-1,198**
Foreign exchange derivatives			
Currency and interest rate swaps	241	27	11,377
Currency forwards	303	1,198	50,652
Total	**544**	**1,225**	**62,029**
Other derivatives			
Options written	0	458	3,515
Options bought	483	25	3,576
Total	**483**	**483**	**7,091**
Total derivatives held for trading	**1,271**	**2,142**	**238,977**
Derivatives used for hedge accounting			
Interest rate derivatives			
Interest rate swaps	458	393	32,000
Total	**458**	**393**	**32,000**
Foreign exchange derivatives			
Currency and interest rate swaps	1	160	583
Total	**1**	**160**	**583**
Total derivatives used for hedge accounting	**459**	**553**	**32,583**
Total derivatives	**1,730**	**2,695**	**271,560**

Note 18:
Derivatives cont.

Group	Fair value		
31 Dec 2005, NOKm	Positive	Negative	Total nom amount
Derivatives held for trading			
Interest rate derivatives			
Interest rate swaps	20	117	4,133
FRAs	4	0	7,000
Total	**24**	**117**	**11,133**
Foreign exchange derivatives			
Currency and interest rate swaps	140	53	8,137
Currency forwards	1,016	29	52,227
Total	**1,156**	**82**	**60,364**
Other derivatives			
Options bought	20	20	60
Total	**20**	**20**	**60**
Total derivatives held for trading	**1,200**	**219**	**71,557**
Derivatives used for hedge accounting			
Interest rate derivatives			
Interest rate swaps	839	937	49,854
Total	**839**	**937**	**49,854**
Equity derivatives			
Options written	7	640	7,447
Options bought	640	7	7,446
Total	**647**	**647**	**14,893**
Foreign exchange derivatives			
Currency and interest rate swaps	44	163	966
Total	**44**	**163**	**966**
Total derivatives used for hedge accounting	**1,530**	**1,747**	**65,713**
Total derivatives	**2,730**	**1,966**	**137,270**

Note 18:

Derivatives cont.

Group

31 Dec 2006, NOKm	Positive	Negative
Maturity information		
Remaining maturity (book value)		
Maximum 3 months	424	1,270
3-12 months	672	798
1-5 years	591	588
More than 5 years	43	39
Total	**1,730**	**2,695**

Group

31 Dec 2005, NOKm	Positive	Negative
Maturity information		
Remaining maturity (book value)		
Maximum 3 months	1,000	170
3-12 months	663	497
1-5 years	954	988
More than 5 years	113	311
Total	**2,730**	**1,966**

Parent company

NOKm	Nominal value 31.12.06	Nominal value average 2006	Book value 31.12.06	Book value average 2006	Net profit/ (loss) 2006
Trading portfolio					
Interest rate agreements	61,835	19,533	-3	-4	71
Foreign exchange agreements	196	554	-	-	62
Equity related agreements	-1,198	-581	47	54	-169
Other agreements	60	60	-	-	30
Total trading portfolio	**60,893**	**19,566**	**44**	**50**	**-6**
Banking portfolio					
Interest rate agreements	109 220	93 883	40	46	-
Foreign exchange agreements	61 833	64 368	- 826	263	-
Equity related agreements	7 031	5 473	-	-	-
Total banking portfolio	**178,084**	**163,724**	**(786)**	**309**	**-**

Note 19:
Fair value changes of the hedged items in portfolio hedge of interest rate risk

	Group	
Assets	31 Dec	31 Dec
NOKm	2006	2005
Book value at beginning of year	491	877
Changes during the year		
Revaluation of hedged items	-139	-386
Book value at end of year	**352**	**491**
Liabilities		
Book value at beginning of year	199	785
Changes during the year		
Revaluation of hedged items	-70	-586
Book value at end of year	**129**	**199**

Note 20:
Investments in associated undertakings

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Acquisition value at beginning of year	626	651	626	651
Acquisitions during the year	0	0	0	0
Sales during the year	0	-16	0	-16
Share in earnings	54	37	54	37
Dividend received	-27	-46	-27	-46
Acquisition value at end of year	**653**	**626**	**653**	**626**
Of which, listed shares	**0**	**0**	**0**	**0**

The total amount is expected to be settled after more than twelve months.

Share in earnings

	Group	
	31 Dec	31 Dec
NOKm	2006	2005
Profit from companies accounted for under the equity method, before tax	76	51
Income tax expense	-22	-14
Share in earnings	**54**	**37**

The associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

Note 20:
Investments in associated undertakings cont.

	Group	
	31 Dec	31 Dec
NOKm	2006	2005
Total assets	38,336	31,551
Total liabilities	37,732	30,952
Operating income	119	86
Operating profit	77	42

Nordeas' share of contingent liabilities in associated undertakings amounts to NOK 0m (NOK 0m).

31 Dec 2006	Registration number	Domicile	Book value NOKm	Voting power of holding %
Credit institutions				
Eksportfinans ASA	816 521 432	Oslo	653	23.21
Total			**653**	

Note 21:
Investments in group undertakings

Parent company	31 Dec	31 Dec
NOKm	2006	2005
Acquisition value at beginning of year	3,338	3,235
Acquisitions during the year	0	37
Through mergers	-125	0
Equity adjustments	-75	-171
Share in earnings	242	237
Total	**3,380**	**3,338**
Of which, listed shares	0	0

The total amount is expected to be settled after more than twelve months.

Specification

The specification on the next page includes all group undertakings in Nordea Bank Norge ASA.

Note 21:
Investments in group undertakings cont.

31 Dec 2006	Number of shares	Book value NOKm	Voting power of holding %	Domicile	Registration number
Nordea Bank Norge ASA					
Norgeskreditt AS	15,336,269	2,499	100.0	Oslo	971 227 222
Nordea Finans Norge AS	63,000	822	100.0	Oslo	924 507 500
Nordea Essendropsgate Eiendomsforvaltning AS	1,000	0	100.0	Oslo	986 610 472
Christiania Forsikring AS[1]	172,560	29	100.0	Oslo	941 219 349
Christiania Nominees Ltd.[1]	10,200	-1	100.0	UK	-
Christiania Finance S.A. [1]	750,000	29	100.0	Luxembourg	-
Trondheim City AS[1]	100	2	100.0	Oslo	953 020 114
Total		**3,380**			

[1] Dormant companies

With effect from 1 January 2006, Christiania Corporate AS, Nordea Inkasso AS, O.Tryggvasonsgt 39/41 AS and Rosenkrantz Tårn AS merged with NBN ASA. The companies were wholly-owned subsidiaries of NBN ASA. The purpose was to further simplify the NBN group structure.

The effect of the merger is a reduction of a total NOK 110m in the balance sheet of NBN ASA. Due to principles of continuancy, all balance sheet items were transferred at book value, after group eliminations. Total balance sheet effect as of 1 January 2006 in NBN ASA is as described below, all figures in NOKm:

Reduction of book value of subsidiaries	-125,2
Increase of book value of deferred tax asset	15,2
Increase of book value of prepaid income	0,1
Net reduction in assets in NBN ASA's opening balance	**-109,9**
Reduction of loans to the public	-107,2
Reduction of other liabilities	-7,8
Increase in deferred tax liability	5,1
Net reduction of debt in NBN ASA's opening balance	**-109,9**

Note 22:
Property and equipment

NOKm	Group 31 Dec 2006	Group 31 Dec 2005	Parent company 31 Dec 2006	Parent company 31 Dec 2005
Property and equipment	402	440	385	422
Of which buildings for own use	46	25	44	23
Total	**402**	**440**	**385**	**422**
Taken over for protection of claims[1]				
Land and buildings	1	1	1	1

[1] See Note 15c for Assets taken over for protection of claims.

Equipment[2]				
Acquisition value at beginning of year	1,427	1,500	1,348	1,428
Acquisitions during the year	86	115	82	107
Sales/disposals during the year	-269	-190	-269	-189
Reclassifications	1	2	1	2
Acquisition value at end of year	**1,245**	**1,427**	**1,162**	**1,348**
Accumulated depreciation at beginning of year	-1,013	-1,042	-950	-985
Accumulated depreciation on sales/disposals during the year	268	181	268	180
Reclassifications	-12	-2	-12	-2
Depreciations according to plan for the year	-133	-150	-128	-143
Accumulated depreciation at end of year	**-890**	**-1,013**	**-822**	**-950**
Total	**355**	**414**	**340**	**398**

[2] Includes NOK 82m (2005: 144) regarding computer licences and internally developed software.

Land and buildings				
Acquisition value at beginning of year	58	81	56	79
Acquisitions during the year	24	5	24	5
Sales/disposals during the year	-19	-28	-19	-28
Acquisition value at end of year	**63**	**58**	**61**	**56**
Accumulated depreciation at beginning of year	-33	-36	-33	-36
Accumulated depreciation on sales/disposals during the year	19	5	19	5
Depreciation according to plan for the year	-3	-2	-3	-2
Accumulated depreciation at end of year	**-17**	**-33**	**-17**	**-33**
Total	**46**	**25**	**44**	**23**

The total amount is expected to be settled after more than twelve months.

Note 23:
Leasing

Nordea as a lessor

Finance leases

Nordea owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans and receivables to the public" (see notes 14 and 15) at an amount equal to the net investment in the lease. The leased assets mainly comprise vehicles, machinery and other equipment.

Reconciliation of gross investments and present value of future minimum lease payments

	Group	
	31 Dec	31 Dec
NOKm	2006	2005
Gross investments	4,433	4,542
Less unearned finance income	-38	-794
Net investments in finance leases	**4,395**	**3,748**
Less unguaranteed residual values accruing to the benefit of the lessor	0	0
Present value of future minimum lease payments receivable	**4,395**	**3,748**
Accumulated allowance for uncollectible minimum lease payments receivable	**15**	**15**

As of 31 December 2006 the gross investment at remaining maturity was distributed as follows:

	Group	
	31 Dec	31 Dec
NOKm	2006	2005
2006	0	1,630
2007	1,644	1,246
2008	1,447	505
2009	593	352
2010	384	222
2011	209	0
Later years	156	586
Total gross investment	**4,433**	**4,542**
Less unearned future finance income on finance leases	-38	-794
Net investment in finance leases	**4,395**	**3,748**

Note 23:
Leasing cont.

Nordea as a lessee

Operating leases

Nordea has entered into operating lease agreements for premises and office equipment.

	Group	
	31 Dec	31 Dec
Leasing expenses during the year, NOKm	2006	2005
Leasing expenses during the year	255	249
Of which		
- minimum lease payments	255	249
- contingent rents	0	0
Leasing income during the year regarding sublease payments	10	10

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

	Group	Parent company
NOKm	31 Dec 2006	31 Dec 2006
2007	248	248
2008	238	238
2009	165	165
2010	151	151
2011	146	146
Later years	1,152	1,152
Total	**2,100**	**2,100**

Total sublease payments expected to be received under non-cancellable subleases amounts to NOK 2,100m (2,374).

Note 24:
Other assets

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Claims on securities settlement proceeds	6,825	5,949	6,825	5,949
Other	1,692	848	1,923	1,033
Total	**8,517**	**6,797**	**8,748**	**6,982**

Note 25:
Prepaid expenses and accrued income

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Accrued interest income	1,537	1,180	1,466	1,087
Prepaid expenses	27	61	24	60
Total	**1,564**	**1,241**	**1,490**	**1,147**

Note 26:
Deposits by credit institutions

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	205
Central banks	6,510	0	6,510	0
Other banks	125,936	95,596	115,041	88,270
Other credit institutions	126	171	126	161
Total	**132,572**	**95,767**	**121,677**	**88,431**
Maturity information				
Remaining maturity (book value)				
Payable on demand	34,162	21,057	23,647	17,186
Maximum 3 months	10,807	22,787	30,846	22,418
3-12 months	86,408	48,159	62,005	45,063
1–5 years	1,195	3,764	5,179	3,764
More than 5 years	0	0	0	0
Total	**132,572**	**95,767**	**121,677**	**88,431**

Note 27:
Deposits and borrowings from the public

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Deposits from the public	178,876	147,892	172,285	144,069
Total	**178,876**	**147,892**	**172,285**	**144,069**

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee, but also including amounts in excess of the individual amount limits.

Maturity information, Deposits				
Remaining maturity (book value)				
Payable on demand	172,593	142,934	166,355	139,110
Maximum 3 months	4,932	4,834	5,782	4,835
3-12 months	1,334	112	134	112
1–5 years	17	12	14	12
More than 5 years	0	0	0	0
Total	**178,876**	**147,892**	**172,285**	**144,069**

Note 28:
Debt securities in issue

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Certificates of deposit	300	2,655	300	2,655
Bond loans	10,879	24,888	10,020	20,868
Total	**11,179**	**27,543**	**10,320**	**23,523**

Maturity information, Debt securities in issue				
Remaining maturity (book value)				
Maximum 1 year	6,481	16,521	6,834	13,506
More than 1 year	4,698	11,022	3,486	10,017
Total	**11,179**	**27,543**	**10,320**	**23,523**

Note 29:
Other liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Liabilities on securities settlement proceeds	3,101	3,773	3,101	3,773
Sold, not held, securities	4,020	1,629	4,020	1,629
Accounts payable	41	79	34	33
Other	4,704	1,807	5,647	3,537
Total	**11,866**	**7,287**	**12,802**	**8,972**

Note 30:
Accrued expenses and prepaid income

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Accrued interest	897	615	842	615
Other accrued expenses	597	646	552	543
Prepaid income	79	101	0	0
Total	**1,573**	**1,362**	**1,394**	**1,158**

Note 31:
Retirement benefit obligations

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Pension plans	2,318	2,267	2,256	2,213
Other post-employment benefits	0	0	0	0
Total	**2,318**	**2,267**	**2,256**	**2,213**

Pension plans

Nordea Bank Norge is obliged to have an occupational pension scheme under the Mandatory Occupational Pension Plan Act. The Group's pension schemes meet the demands required by this act. Nordea Bank Norway Group's pension plans are covered through Nordea Norge Pensjonskasse (pension fund), which is managed by Gabler & Partners AS. The Group has also pension commitments that are not covered by the pension funds. These relate to early retirement pensions and supplementary pensions. The pension scheme encompasses 5,652 people (5,676), of whom 2,280 (2,288) received pension as at 31 December 2006. The average member age is 56 years (56).

Defined benefit plans

IAS 19 secures that the market based value of pension obligations net of assets backing these obligations will be reflected in the Group's balance sheet. All plans in NBN are defined benefit plans. The major plans are funded schemes covered by assets in Nordea Norge Pensjonskasse. Some other pension plans are recognised directly on the balance sheet as a liability. Actuarial gains/losses arising from changed assumptions or deviation between expected and actual return on assets may not be recognised in the balance sheet at once, but will be recognised over a fixed period of 10 years if they in total exceeded 10% of gross pension liabilites or assets in the previous reporting period.

The ordinary retirement age is 67. The schemes carry, based on present social security regulations, an entitlement to an old age pension corresponding to 70 per cent of pensionable income at the time of retirement. The amount is reduced correspondingly in the event of less than 30 years' service at the time of retirement. From the age of 67 onwards pensions paid by the bank are coordinated with those paid under the National Insurance Scheme.

IAS 19 pension calculations and assumptions

Calculations on all plans are performed by external liability calculators and are based on the actuarial assumptions fixed for NBN Group's pension plans.

Assumptions	2006	2005
Discount rate	4.0%	4.0%
Salary increase	3.0%	3.0%
Inflation	2.0%	2.0%
Expected return on assets before taxes	5.0%	5.0%
Expected adjustments of current pensions	2.0%	2.0%
Expected adjustments of basic Social Security	2.5%	2.5%

The expected return on assets is based on long-term expectations for return on the different asset classes. On bonds, this is linked to the discount, rate while equities and real estate have an added risk premium.

Asset composition

The combined return on assets in 2006 was 6.3% (8.7%) reflecting an attractive return on equities and real estate. At the end of the year, the equity exposure in the pension fund represented 18% (17%) of total assets.

Funded schemes

	2006	2005
Equity	18%	17%
Bonds	59%	64%
Real estate	23%	19%
Of which		
- Nordea shares	-	-
- Nordea real estate	-	-

Defined benefit plans - balance sheet items

Retirement benefit assets reported in the balance sheet as at year-end amounted to NOK 0m (NOK 0m), whereas retirement benefit obligations totalled NOK 2,318m (NOK 2,267m).

Amounts recognised in the balance sheet at 31 Dec

	Group		Parent company	
NOKm	2006	2005	2006	2005
PBO (present value of pension obligations)	6,116	5,919	5,954	5,766
Assets	3,207	3,023	3,128	2,950
Funded status - surplus/deficit (-)	**-2,909**	**-2,896**	**-2,826**	**-2,816**
Unrecognised actuarial gains(-)/losses	591	629	570	603
Unrecognised past service costs	0	0	0	0
Funded status in the balance sheet	**2,318**	**2,267**	**2,256**	**2,213**
Of which				
retirement benefit assets	0	0	0	0
retirement benefit obligations	2,318	2,267	2,256	2,213
related to unfunded plans (PBO)	1,314	1,280	1,289	1,259

Overview of surplus or deficit in the plans[1]
Group

NOKm	2006	2005	2004	2003
PBO	6,116	5,919	5,273	4,669
Plan Assets	3,207	3,023	2,576	2,292
Funded status - surplus/deficit (-)	**-2,909**	**-2,896**	**-2,697**	**-2,377**

[1] Information for 2002 not available. The 5-year trend information will therefore be built up over time.

The development in the PBO, the actuarial gains and losses as well as the value of assets are highlighted below.

Changes in the PBO

	Group		Parent company	
NOKm	2006	2005	2006	2005
PBO at 1 Jan	5,919	5,259	5,766	5,135
Service cost	221	193	208	182
Interest cost	218	219	213	214
Pensions paid	-286	-259	-283	-256
Curtailments and settlements	36	39	36	38
Past service cost	0	0	0	0
Actuarial gains(-)/losses	6	404	12	393
Change in provision for Social Security Contribution	2	64	2	60
PBO at 31 Dec	**6,116**	**5,919**	**5,954**	**5,766**

Changes in the fair value of assets

	Group		Parent company	
NOKm	2006	2005	2006	2005
Assets at 1 Jan	3,023	2,576	2,950	2,508
Expected return on assets	155	146	151	142
Pensions paid	-181	-259	-179	-255
Contributions	175	481	168	472
Actuarial gains/losses(-)	35	79	38	83
Assets at 31 Dec	**3,207**	**3,023**	**3,128**	**2,950**
Actual return on plan assets	**190**	**225**	**189**	**225**

Note 31:
Retirement benefit obligations cont.

Overview of actuarial gains/losses[1]

NOKm	Total 2006
Effects of changes in actuarial assumptions	0
Experience adjustments	29
Of which:	
- on plan assets	35
- on plan liabilities	-6
Actuarial gains/losses	**29**

[1] The 5-year trend information will be built up over time.

Pension costs

The total net pension cost recognised in the Group's income statement (as staff costs) for the year is NOK 368m (NOK 415m).

Recognised net defined benefit cost

	Group		Parent company	
NOK m	2006	2005	2006	2005
Service cost	221	193	208	182
Interest cost	218	219	213	214
Expected return on assets	-155	-146	-151	-142
Recognised actuarial gains(-) / losses	9	0	8	0
Recognised past service cost	0	0	0	0
Curtailments and settlements	36	39	36	38
Net cost	**329**	**305**	**314**	**292**
Accrued Social Security Contribution	39	110	37	105
Pension cost on defined benefit plans	**368**	**415**	**351**	**397**

The pension cost is somewhat lower than expected at the start of the year mainly because curtailments and settlements have been lower than estimated at the beginning of the year. The net pension cost is expected to be NOK 400m in 2007.
The Group expects to contribute NOK 200m (excl. SSC) to the defined benefit plans in 2007.

Note 32:
Subordinated liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Dated subordinated debenture loans	4,188	3,385	4,188	3,385
Undated subordinated debenture loans	2,951	1,913	2,951	1,913
Other subordinated loans	1	0	0	0
Total	**7,140**	**5,298**	**7,139**	**5,298**

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans. Within each respective category, the loans entitle lenders to equal payment rights. Redemption of loans before maturity have to be approved by the FSA.

The interest expense on subordinated loans were NOK 304m (130) in 2006.

Subordinated loan capital denominated in foreign currencies forms part of the Bank's aggregate foreign currency position. There is no exchange rate risk related to the subordinated loans.

Note 32:
Subordinated liabilities cont.

The terms for subordinated loans as at 31 December 2006 are specified below.

Issued by	Year of issue / maturity	Nominal value	Book value NOKm	Interest rate (coupon)
Nordea Bank Norge ASA	2003 - Undated[1]	EUR 70	576	Euribor 3 month + 75 basis points
Nordea Bank Norge ASA	1986 - Undated[2]	USD 200	1,250	Libor 6 month + 18.75 basis points
Nordea Bank Norge ASA	2006 - Undated[1]	USD 180	1,125	Libor 3 month + 39 basis points
Nordea Bank Norge ASA	2005 - 2015[1]	USD 350	2,188	Libor 3 month + 25 basis points
Nordea Bank Norge ASA	2006 - 2016[1]	USD 320	2,000	Libor 3 month + 25 basis points
Total			**7,139**	

[1] Call date 5 years from issuance date. Margin increase by 75 basis points if not called.

[2] Can be called on each interest payment date

Note 33:
Equity

Group, NOKm	Share capital[1]	Share premium account	Other reserves	Retained earnings	**Total equity**
Balance at end of year, at 31 Dec 2005	**3,860**	**953**	**0**	**14,835**	**19,648**
Currency translation differences				-1	**-1**
Net profit for the year				3,082	**3,082**
Dividend for 2005				-1,775	**-1,775**
Other changes				-3	**-3**
Balance at 31 Dec 2006	**3,860**	**953**	**0**	**16,138**	**20,951**
Balance at end of year, at 31 Dec 2004		**953**	**0**	**12,488**	**17,301**
Change in accounting policies:					
IAS 19 Pension liabilities				-838	**-838**
IAS 10 Reclassification of dividend, paid out in 2005				2,200	**2,200**
Balance at end of year, at 31 Dec 2004, restated	**3,860**	**953**	**0**	**13,850**	**18,663**
IAS 39 Financial instruments				-159	**-159**
Currency translation differences				6	**6**
Net profit for the year				3,348	**3,348**
Dividend for 2004				-2,200	**-2,200**
Group contribution to Nordea companies not included in NBN Group				-10	**-10**
Balance at 31 Dec 2005	**3,860**	**953**	**0**	**14,835**	**19,648**

Note 33:
Equity cont.

Parent company, NOKm	Share capital[1]	Share premium account	Statutory reserve	Retained earnings	**Total equity**
Balance at end of year, at 31 Dec 2005	**3,860**	**953**	**1,567**	**11,470**	**17,850**
Currency translation differences				-1	**-1**
Net profit for the year				3,097	**3,097**
Proposed dividend 2006				-1,000	**-1,000**
Group contribution to Nordea Liv Norge AS[2]				-1,000	**-1,000**
Tax effect Group contributions[2]				280	**280**
Group contribution from Nordea Liv Norge AS[2]				720	**720**
Transferred to Statutory reserve			144	-144	**0**
Other changes				-2	**-2**
Balance at 31 Dec 2006	**3,860**	**953**	**1,711**	**13,420**	**19,944**
Balance at end of year, at 31 Dec 2004	**3,860**	**953**	**1,526**	**10,962**	**17,301**
Change in accounting policies:					
Pension liabilities				-809	**-809**
Pension liabilities in subsidiaries, equity method			-29		**-29**
Balance at end of year, at 31 Dec 2004, restated	**3,860**	**953**	**1,497**	**10,153**	**16,463**
Revaluation of loans				-184	**-184**
Currency translation differences				4	**4**
Net profit for the year				3,352	**3,352**
Proposed dividend 2005				-1,775	**-1,775**
Group contribution to Nordea companies not included in NBN Group				-10	**-10**
Transferred to Statutory reserve			70	-70	**0**
Balance at 31 Dec 2005	**3,860**	**953**	**1,567**	**11,470**	**17,850**

[1] The share capital is NOK 3,859,510,032 (31 December 2005: 3,859,510,032) consisting of 551,358,576 shares at a quota value of NOK 7.00.

[2] The group contribution to and from Nordea Liv Norge AS is called a “circular-group contribution” with the purpose to offset Nordea’s tax positions in Norway.

Nordea Bank AB (Publ), corporate registration no. 516406-0120, owned 100 per cent of the shares in Nordea Bank Norge ASA as per 31 December 2006.

Nordea Bank AB (Publ)'s business address is Hamngatan 10, SE -10571 Stockholm, Sweden.

Description of items in the equity is included in note 1 Accounting policies.

Dividend

Dividend is not accounted for in the Group until it has been ratified at the Annual General Meeting. At the meeting on 2 March 2007, a dividend in respect of 2006 of NOK 1.81 per share (2005: NOK 3.22 per share) amounting to a total of NOK 1.0bn (2005: NOK 1.775bn) is to be proposed. According to IFRS the financial statements for the Group for the year ended 31 December 2006 do not reflect this resolution, which will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2007.

In NBN ASA the proposed dividend in respect of 2006 is accounted for in equity as an appropriation of earnings in the year ending 31 Desember 2006, according to Norwegian regulation.

Note 34:
Assets pledged as security for own liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Assets pledged for own liabilities				
Securities etc	18,854	16,859	18,854	16,859
Other pledged assets	0	25	0	25
Total	**18,854**	**16,884**	**18,854**	**16,884**
The above pledges pertain to the following liability and commitment items				
Deposits by credit institutions	13,949	11,511	13,949	11,511
Deposits and borrowings from the public	4,905	5,348	4,905	5,348
Other liabilities and commitments	0	25	0	25
Total	**18,854**	**16,884**	**18,854**	**16,884**

Assets pledged for own liabilities contains securities pledged as security in repurchase agreement and in securities borrowing. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months. Assets pledged related to clearing contains securities pledged for securities trading and clearing in Norsk Opsjonssentral (NOS). Securities are also pledged for short term loans with the Central Bank of Norway.

Note 35 :
Contingent liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Guarantees				
Loan guarantees	1,717	1,316	1,717	1,316
Other guarantees	36,391	27,983	36,621	27,813
Documentary credits				
Unutilised, irrevocable import documentary credits and confirmed export documentary credits	0	594	0	594
Total	**38,108**	**29,893**	**38,338**	**29,723**
Of which counter-guaranteed by:				
Other banks	8,407	1,148	8,407	1,148
Other credit institutions	340	244	225	97

In the normal business of Nordea, the bank issues various forms of guarantees in favour of the banks customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees. As part of the rationalisation process within Nordea all documentary credits are from 2006 recorded in a common system with Nordea Bank Finland as counterpart. NBN has therefore no longer commitments regarding documentary credits. This will also apply to new guarantees, while guarantees already entered into with NBN as counterpart mainly will run until maturity. Guarantees are considered as off-balance sheet items, unless there is a need for a provision to cover a probable loss.

Note 36:
Commitments

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Future payment obligations	1,376	3,880	1,419	3,934
Interest rate, equity, foreign exchange, credit and other derivatives	271,559	137,269	266,586	128,341
Credit commitments	49,594	58,087	49,594	58,087
Unutilised portion of approved overdraft facilities	59,000	31,365	66,291	38,895
Total	**381,529**	**230,601**	**383,890**	**229,257**

Note 37:
Capital adequacy

NOKm	Group 31 Dec 2006	Group 31 Dec 2005	Parent company 31 Dec 2006	Parent company 31 Dec 2005
Calculation of total capital base				
Equity	**20,951**	**19,648**	**19,944**	**17,850**
Proposed/actual dividend[1]	-1,000	-1,775	-	-
Deferred tax assets	-916	-843	-937	-808
Actuarial loss on pensions liabilities booked against equity[2]	698	931	675	900
Other items, net	-9	-27	-1,711	-1,568
Tier 1 capital	**19,724**	**17,934**	**17,971**	**16,374**
Tier 2 capital	**7,572**	**5,634**	**7,139**	**5,298**
- of which perpetual subordinated loans	3,093	2,048	2,951	1,913
Deduction	-35	-14	-35	-13
Total capital base	**27,261**	**23,554**	**25,075**	**21,659**
Risk-weighted assets for credit and market risks				
Credit risks as specified below	281,577	233,525	261,741	207,185
Market risks as specified below	7,737	3,861	6,645	3,165
Total risk-weighted assets	**289,314**	**237,386**	**268,386**	**210,350**
Tier 1 capital ratio, %	6.8	7.6	6.7	7.8
Total capital ratio, %	9.4	9.9	9.3	10.3

[1] I In NBN ASA proposed dividend is excluded from the shareholders equity according to local GAAP.

[2] Net acturarial loss related to pension liabilites is booked against equity at 1 January 2005. According to transitional rules from FSA 4/5 of the gross change in recognised pension liabilities can be added to the Tier 1 capital in 2005, 3/5 in 2006, 2/5 in 2007 and 1/5 in 2008.

Specification of risk-weighted assets, credit risks

Group	Items in the balance sheet		Off-balance-sheet items			
NOKm, end of 2006	Reported	Risk-weighted	Nominal	Adjusted	Risk-weighted	Total risk-weighted assets
A 0%	12,313	0	5,526	1,108	0	0
B 10%	214	21	0	0	0	21
C 20%	64,012	12,802	5,498	3,395	679	13,481
D 50%	132,103	66,052	537	269	134	66,186
E 100%	161,605	161,605	76,887	39,273	39,273	200,878
Derivatives	0	0	248,132	0	1,011	1,011
Total	**370,247**	**240,480**	**336,580**	**44,045**	**41,097**	**281,577**

Note 37:
Capital adequacy cont.

Group	Items in the balance sheet		Off-balance-sheet items			
NOKm, end of 2005	Reported	Risk-weighted	Nominal	Adjusted	Risk-weighted	Total risk-weighted assets
A 0%	22,454	0	5,457	0	0	0
B 10%	221	22	0	0	0	22
C 20%	44,394	8,879	9,283	24,227	1,385	10,264
D 50%	111,507	55,754	22	11	5	55,759
E 100%	139,040	139,040	53,681	27,313	27,312	166,352
Derivatives	0	0	169,535	0	1,128	1,128
Total	**317,616**	**203,695**	**237,978**	**51,551**	**29,830**	**233,525**

Parent company	Items in the balance sheet		Off-balance-sheet items			
NOKm, end of 2006	Reported	Risk-weighted	Nominal	Adjusted	Risk-weighted	Total risk-weighted assets
A 0%	10,365	0	118	59	0	0
B 10%	164	16	0	0	0	16
C 20%	47,692	9,538	3,161	1,793	359	9,897
D 50%	131,127	65,563	537	269	134	65,697
E 100%	146,189	146,189	77,116	39,388	39,388	185,577
Derivatives	0	0	202,536	0	554	554
Total	**335,537**	**221,306**	**283,468**	**41,509**	**40,435**	**261,741**

Parent company	Items in the balance sheet		Off-balance-sheet items			
NOKm, end of 2005	Reported	Risk-weighted	Nominal	Adjusted	Risk-weighted	Total risk-weighted assets
A 0%	19,191	0	559	280	0	0
B 10%	171	17	0	0	0	17
C 20%	36,612	7,322	6,597	5,179	1,036	8,358
D 50%	110,644	55,322	22	11	5	55,327
E 100%	115,372	115,372	53,888	27,416	27,416	142,788
Derivatives	0	0	120,778	0	695	695
Total	**281,990**	**178,033**	**181,844**	**32,886**	**29,152**	**207,185**

Risk categories include:

A Cash and claim on, or guarantee by a government/central bank within the OECD.

B Claim on, or guarantee by a Norwegian state enterprise, from before 1 January 2003.

C Claim on, or guarantee by local governments or banks/financial institutions within the OECD, as well as short-term receivables from other banks/financial institutions.

D Claim backed by mortgages on residential property.

E Other assets.

Specification of risk-weighted assets, market risks

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Interest rate risks				
of which for specific risk	6,128	2,172	5,059	1,502
of which for general risk	13	965	0	952
Share price risks				
of which for specific risk	65	14	65	14
of which for general risk	15	58	15	58
Counterparty risks and other risks	116	640	116	639
Exchange rate risks	10	12	0	0
Risks according to VaR calculation	1,390	0	1,390	0
Total	**7,737**	**3,861**	**6,645**	**3,165**

The capital ratio and tier 1 ratio are calculated quarterly in accordance with the regulation issued by the Norwegian Financial Supervisory Authority. The regulation is based on EU directives and the international standard Basel I.

The objective of the capital requirement regulation is to secure that the financial institute at any time operates with a capital base sufficient to cover the minimum capital requirement for market and credit risks. The Norwegian Financial Supervisory Authority regulates the definitions and the calculation rules for capital base and capital requirement. The capital position is reported to the authorities quarterly.

Capital management is handled by Group Corporate Centre (GCC). A special committee, Capital Planning Forum is formed to assess capital related issues on an on going basis. The committee is headed by the Group CFO and has representatives from relevant units within GCC. Capital Planning Forum monitors and analyses the effects on the forecasted need and prepare supporting documentation for further decision in GEM and the Board regarding capitalization of the group, including subordinated debt and dividend. Important inputs are the effects from current and future (Basel II) capital adequacy regulations as well as internal frameworks Economic Capital and the Rolling Financial Forecast.

In December 2006, all the Nordic financial supervisory authorities approved Nordea's market risk (Value at Risk, i.e. VaR) models for the calculation of the capital requirement for market risk in the Trading Book. This implies that Nordea is allowed to base its capital requirement for market risk on its own best estimate of the actual market risk exposure instead of the authorities standard method.

Nordea's market risk models have been approved for the calculation of the capital requirement for (i) general market risk on interest rate and foreign exchange exposures and linear equity exposures and for (ii) specific market risk on linear equity exposures and interest rate exposures in the major portfolios.

Basing the capital requirement at year-end 2006 on Nordea's VaR models instead of the standard method for the above mentioned exposures lead to a reduction in the risk-weighted assets for market risk of approximately NOK 1.6bn.

Note 38:
Classification of financial instruments

Group

NOKm, 31 Dec 2006	Loans and receivables	Held for trading	Assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Non-financial assets	Total
Assets							
Cash and balances with central banks	1,794						1,794
Loans and receivables to credit institutions	17,396	3,101					20,497
Loans and receivables to the public	307,023						307,023
Interest-bearing securities		26,316					26,316
Shares[1]		845			53		898
Derivatives		1,271		459			1,730
Fair value changes of the hedged items in portfolio hedge of interest rate risk	352						352
Investments in associated undertakings						653	653
Property and equipment[2]						402	402
Deferred tax assets						911	911
Other assets	8,514					3	8,517
Prepaid expenses and accrued income	1,554					10	1,564
Total	**336,633**	**31,533**	**0**	**459**	**53**	**1,979**	**370,657**

[1] Shares classified as available for sale are booked to cost with the exception of the shares where a market price is available.

[2] Includes NOK 82 mill regarding computer licences and internally developed software.

Group

NOKm, 31 Dec 2006	Held for trading	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities						
Deposits by credit institutions	10			132,562		132,572
Deposits and borrowings from the public				178,876		178,876
Debt securities in issue				11,179		11,179
Derivatives	2,141		554			2,695
Fair value changes of the hedged items in portfolio hedge of interest rate risk				129		129
Current tax liabilities					1,358	1,358
Other liabilities	4,020			7,755	86	11,861
Accrued expenses and prepaid income				976	597	1,573
Avsetninger					5	5
Retirement benefit obligations					2,318	2,318
Subordinated liabilities				7,140		7,140
Total	**6,171**	**0**	**554**	**338,617**	**4,364**	**349,706**

Note 38:
Classification of financial instruments cont.

Group

NOKm, 31 Dec 2005	Loans and receivables	Held for trading	Assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Non-financial assets	Total
Financial assets							
Cash and balances with central banks	4,071						4,071
Loans and receivables to credit institutions	14,087	3,773					17,860
Loans and receivables to the public	257,869						257,869
Interest-bearing securities		16,905					16,905
Shares[1]		441			68		509
Derivatives		1,200		1,530			2,730
Fair value changes of the hedged items in portfolio hedge of interest rate risk	491						491
Investments in associated undertakings						626	626
Property and equipment[2]						440	440
Deferred tax assets						821	821
Other assets	6,797						6,797
Prepaid expenses and accrued income	1,241						1,241
Total	**284,556**	**22,319**	**0**	**1,530**	**68**	**1,887**	**310,360**

[1] Shares classified as available for sale are booked to cost with the exception of the shares where a market price is available.

[2] Includes NOK 144 mill regarding computer licences and internally developed software.

Group

NOKm, 31 Dec 2005	Held for trading	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities						
Deposits by credit institutions	3,774			91,993		95,767
Deposits and borrowings from the public				147,892		147,892
Debt securities in issue				27,543		27,543
Derivatives	219		1,747			1,966
Fair value changes of the hedged items in portfolio hedge of interest rate risk				199		199
Current tax liabilities					1,131	1,131
Other liabilities	1,629			5,625	10	7,264
Accrued expenses and prepaid income				1,362		1,362
Provisions					23	23
Retirement benefit obligations					2,267	2,267
Subordinated liabilities				5,298		5,298
Total	**5,622**	**0**	**1,747**	**279,912**	**3,431**	**290,712**

Note 39:
Assets and liabilities at fair value

Group

NOKm	31 Dec 2006 Book value	31 Dec 2006 Fair value	31 Dec 2005 Book value	31 Dec 2005 Fair value
Assets				
Cash and balances with central banks	1,794	1,794	4,071	4,071
Loans and receivables to credit institutions	20,497	20,506	17,860	17,860
Loans and receivables to the public	307,023	307,134	257,869	257,971
Interest-bearing instruments	26,316	26,316	16,905	16,905
Shares	898	898	509	509
Derivatives	1,730	1,730	2,730	2,730
Fair value changes of the hedged items in portfolio hedge of interest rate risk	352	352	491	491
Investments in associated undertakings	653	653	626	626
Tangible assets	402	402	440	440
Deferred tax assets	911	911	821	821
Other assets	8,517	8,517	6,797	6,797
Prepaid expenses and accrued income	1,564	1,564	1,241	1,241
Total assets	**370,657**	**370,777**	**310,360**	**310,462**
Liabilities				
Deposits by credit institutions	132,572	132,568	95,767	95,767
Deposits and borrowings from the public	178,876	178,875	147,892	147,892
Debt securities in issue	11,179	11,124	27,543	27,636
Derivatives	2,695	2,695	1,966	1,966
Fair value changes of the hedged items in portfolio hedge of interest rate risk	129	129	199	199
Current tax liabilities	1,358	1,358	1,131	1,131
Other liabilities	11,866	11,866	7,287	7,287
Accrued expenses and prepaid income	1,573	1,573	1,362	1,362
Retirement benefit obligations	2,318	2,318	2,267	2,267
Subordinated liabilities	7,140	7,139	5,298	5,298
Total liabilities	**349,706**	**349,645**	**290,712**	**290,805**

Estimation of fair value for assets and liabilities

Financial assets and financial liabilities in the balance sheet are generally measured at fair value, with the exception of loans and receivables, deposits and borrowings and issued securities.

The book values on loans and receivables, deposits and borrowing and issued securities are adjusted for the value of the fixed interest term in order to estimate the fair values that are presented in the tables above. The value of the fixed interest term is a result of changes in the relevant market interest rates. The discount rates used are based on current market rates for each term.

Fair value is estimated to be equal to the book value for short-term financial assets and financial liabilities.

Fair value is set to book value, in the tables above, for assets and liabilities for which no reliable fair value has been possible to estimate. This is valid for the line items investments in associated undertakings. investments in group undertakings, intangible assets, property and equipment and provisions.

For further information about valuation of items normally measured at fair value, see Note 1.

Note 40:
Assets and liabilities in foreign currencies

Group NOKbn, 31 Dec 2006	EUR	SEK	DKK	NOK	USD	Other	Total
Assets							
Loans and receivables to credit institutions	1	0	0	16	3	0	20
Loans and receivables to the public	13	4	0	242	45	4	308
Interest-bearing securities	9	0	1	15	1	0	26
Other assets	0	0	0	16	1	0	17
Total assets	**23**	**4**	**1**	**289**	**50**	**4**	**371**
Liabilities and equity							
Deposits by credit institutions	27	2	0	22	76	6	133
Deposits and borrowings from the public	10	3	1	154	9	2	179
Debt securities in issue	0	0	0	10	1	0	11
Subordinated liabilities	0	0	0	0	7	0	7
Other liabilities and equity	0	0	0	40	1	0	41
Total liabilities and equity	**37**	**5**	**1**	**226**	**94**	**8**	**371**
Position not reported in the balance sheet	**10**	**0**	**-1**	**-56**	**48**	**-1**	**0**
Net position, currencies	**-4**	**-1**	**-1**	**7**	**4**	**-5**	**0**

Group NOKbn, 31 Dec 2005	EUR	SEK	DKK	NOK	USD	Other	Total
Assets							
Loans and receivables to credit institutions	0	0	1	14	3	0	18
Loans and receivables to the public	5	4	0	209	36	4	258
Interest-bearing securities	5	0	2	10	0	0	17
Other assets	0	0	0	17	1	0	18
Total assets	**10**	**4**	**3**	**250**	**40**	**4**	**311**
Liabilities and equity							
Deposits by credit institutions	5	2	0	14	74	1	96
Deposits and borrowings from the public	5	1	1	129	12	0	148
Debt securities in issue	7	0	0	18	2	1	28
Subordinated liabilities	0	0	0	0	5	0	5
Other liabilities and equity	0	0	0	33	1	0	34
Total liabilities and equity	**17**	**3**	**1**	**194**	**94**	**2**	**311**
Position not reported in the balance sheet	**-6**	**0**	**3**	**54**	**-52**	**1**	**-0**
Net position, currencies	**0**	**0**	**-1**	**2**	**-2**	**1**	**1**

Note 41:
Financial instruments pledged as collateral and obtained collateral which are permitted to be sold or repledged

Financial instruments pledged as collateral

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Repurchase agreements				
Interest-bearing securities	10	3,774	10	3,774

The asset continue to be recognised in the balance sheet since Nordea is still exposed to changes in the fair value of the assets.

Liabilities associated with the assets

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Repurchase agreements				
Liabilities to credit institutions	10	3,774	10	3,774

Obtained collateral which are permitted to be sold or repledged

Nordea obtain collaterals under reverse repurchase agreements, which under the terms of the agreements, can be sold or repledged.

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005
Reverse repurchase agreements				
Received collaterals which can be repledged or sold	3,101	3,773	3,101	3,773
- of which repledged or sold	3,101	3,773	3,101	3,773

Securities lending and securities borrowing agreements

NBN enters into securities borrowing agreements and securities lending agreements on a back to back basis. As at 31 Dec 2006 the value of the borrowed securities totalled NOK 2,469m (3,789) whereof all has been repledged. NBN has received cash of NOK 668m (1,331) as collateral and has paid NOK 155m (582) as collateral.

Note 42:
Related-party transactions

	Key Management personnel		Associated undertakings		Other related parties[1]	
Group	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005	2006	2005
Assets						
Loans and receivables	1	1	1	-	13,080	8,470
Derivatives	-	-	-	-	406	933
Other assets	-	-	-	-	31	64
Total assets	**1**	**1**	**1**	**0**	**13,517**	**9,467**
Liabilities						
Deposits	-	-	12	647	120,199	84,392
Debt securities in issue	-	-	101	868	10	-
Derivatives	-	-	-	-	842	355
Subordinated liabilities	-	-	-	-	5,889	3,943
Other liabilities	-	-	-	-	543	306
Total liabilities	**0**	**0**	**113**	**1,515**	**127,483**	**88,996**
Off balance						
Contingent liabilities	-	-	2,804	-	9	-

Note 42:
Related-party transactions cont.

Group	Key Management personnel		Associated undertakings		Other related parties[1]	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005	2006	2005
Net interest income						
Interest income	-	-	-	-	689	542
Interest expense	-	-	11	8	5,172	2,413
Total income and expenses	**-**	**-**	**-11**	**-8**	**-4,483**	**-1,871**

[1]Other related parties includes other Nordea companies and Nordea Norge Pension Foundations.

Parent company	Key Management personnel		Group undertakings		Associated undertakings		Nordea Norge Pension Foundations	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005	2006	2005	2006	2005
Assets								
Loans and receivables	-	-	21,949	17,780	1	-	-	-
Other assets	-	-	327	57	-	-	-	-
Total assets	**-**	**-**	**22,276**	**17,837**	**1**	**-**	**-**	**-**
Liabilities								
Deposits	-	-	98	190	12	647	52	33
Debt securities in issue	-	-	-	-	101	868	-	-
Derivatives	-	-	-	11	-	-	-	-
Total liabilities	**-**	**-**	**98**	**201**	**113**	**1,515**	**52**	**33**
Off balance								
Contingent liabilities	-	-	229	233	2,804	-	9	-

Parent company	Key Management personnel		Group undertakings		Associated undertakings		Nordea Norge Pension Foundations	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2006	2005	2006	2005	2006	2005	2006	2005
Net interest income								
Interest income	-	-	612	346	-	-	1	1
Interest expense	-	-	20	45	11	8	-	-
Total income and expenses	**-**	**-**	**592**	**301**	**-11**	**-8**	**1**	**1**

Compensations to Key management personnel are specified in Note 8.

Note 43:
NBN ASA Non-interest Income

NOKm	2006	2005
Dividends on short-term equities	45	9
Dividends on long-term equities	16	27
Share of profit from associated companies	54	37
Share of profit from group companies	242	238
Dividends and profits from group companies and associated companies	**357**	**311**
Asset Management commissions	31	24
Life insurance	71	43
Brokerage	72	74
Custody	113	92
Deposits	37	38
Total savings related commissions	324	271
Payments	463	434
Cards	550	494
Total payment commissions	1,013	928
Lending	91	112
Guarantees and document payments	192	173
Total lending related to commissions	283	285
Other commission income	506	518
Fee and commission income	**2,126**	**2,002**
Payment expenses	-452	-358
Other commission expenses	-85	-69
Fee and commission expenses	**-537**	**-427**
Net change in value and profit (loss) on certificates and bonds	396	298
Net change in value and profit (loss) on equities	228	233
Net change in value and profit (loss) on securities	**624**	**531**
Net change in value and profit (loss) on foreign exchange	230	205
Net change in value and profit (loss) on financial derivatives	-6	8
Net change in value and profit (loss) on foreign exchange and financial derivatives	**224**	**213**
Operating income from real estate	47	41
Other non-interest income	52	118
Profit from sale of fixed assets	5	11
Other non-interest income	**104**	**170**
Total non-interest income	**2,898**	**2,800**

Note 44:
NBN ASA Specification of assets

NOKm	31. Dec 2006	31. Dec 2005
Cash and deposits with central banks	**1,794**	**4,071**
Deposits with and loans to credit institutions without agreed term of notice	23,862	9,362
Deposits with and loans to credit institutions with agreed term of notice	7,697	19,431
Deposits with and loans to credit institutions	**31,559**	**28,793**
Discounted bills	0	60
Overdrafts facilities	41,306	19,277
Building loans	5,457	3,957
Amortizing loans	227,353	205,479
Subordinated loans to other enterprises	31	37
Loans to customers	**274,147**	**228,810**
Specific reserves for individually assessed loans	-461	-791
Reserves for group of loans	-487	-1,025
Net loans to customers	**273,199**	**226,994**
Land	1	1
Repossessed assets	**1**	**1**
Government and government-guaranteed certificates (weighted 0%)	1,385	6,183
Certificates issued/guaranteed by state owned enterprises (weighted 10%)	0	171
Certificates issued/guaranteed by financial institutions (weighted 20%)	20,334	8,746
Certificates issued/guaranteed by others (weighted 100%)	4,497	1,630
Own certificates and bonds for market-making purposes (weighted 20%)	653	1,047
Certificates and bonds	**26,869**	**17,777**
Short-term investments in equities	844	442
Other long-term investments in equities	52	58
Investments in companies other than limited companies	1	9
Equities and investments	**897**	**509**
Associated companies	**653**	**626**
Ownership interests in group companies - credit institutions	3,349	3,180
Ownership interests in other group companies	31	158
Equities and investments in group companies	**3,380**	**3,338**
Deferred tax asset	**937**	**808**
Machinery, equipment and vehicles	341	399
Buildings	44	23
Property and equipment	**385**	**422**
Other assets	10,113	8,996
Group contribution and dividend	190	224
Other assets	**10,303**	**9,220**
Prepaid expenses and accrued income	**1,490**	**1,147**
Total assets	**351,467**	**293,706**

Note 45:
NBN ASA Securities

NOKm	31 Dec 2006 Cost	Book value	Market value	31 Dec 2005 Cost	Book value	Market value
Certificates and bonds						
Listed	21,742	21,719	21,719	17,671	17,709	17,709
Unlisted	5,123	5,150	5,150	68	68	68
Total certificates and bonds [1]	**26,865**	**26,869**	**26,869**	**17,739**	**17,777**	**17,777**
Equities and investments						
Listed	748	777	777	399	427	427
Unlisted	16	67	67	11	15	15
Total short-term equities and investments [2]	764	844	844	410	442	442
Equities and investments held as fixed assets [3]	53	53	53	67	67	67
Total equities and investments	**817**	**897**	**897**	**477**	**509**	**509**
[1] Of which Trading portfolio	11,778	11,784	11,784	5,634	5,672	5,672
Banking portfolio	15,087	15,085	15,085	12,105	12,105	12,105
[2] Of which Trading portfolio	764	844	844	410	442	442
Banking portfolio	0	0	0	0	0	0

[3] Equities and investments held as fixed assets

Opening balance as at 1 Jan 2006	67
Aquisitions during the year	4
Disposals during the year	-18
Reclassifications	0
Write-downs during the year	0
Effect of foreign exchange	0
Closing balance as at 31 Dec 2006	53

Average balance and interest rate

	2006 NOKm	Interest %	2005 NOKm	Interest %
Interest-bearing securities	24,618	3.6	18,012	3.3

Note 46:
NBN ASA Specification of liabilities

NOKm	31 Dec 2006	31 Dec 2005
Loans and deposits from credit institutions without agreed term of notice	14,158	6,109
Loans and deposits from credit institutions with agreed term of notice	107,519	82,322
Deposits from credit institutions	**121,677**	**88,431**
Deposits from customers without agreed term of notice	118,508	90,777
Deposits from customers with agreed term of notice	53,777	53,292
Deposits from customers	**172,285**	**144,069**
Total deposits	**293,962**	**232,500**
Certificates and other short-term borrowings	300	2,655
Bond loans	10,020	20,868
Certificates and bond loans	**10,320**	**23,523**
Provision for dividend	1,000	1,775
Other liabilities	14,093	8,333
Taxes payable	1,352	1,033
Other liabilities	**16,445**	**11,141**
Accrued expenses and prepaid receivables	1,394	1,158
Prepaid loan origination fees etc.	0	0
Accrued expenses and prepaid receivables	**1,394**	**1,158**
Unfounded pension liabilities	2,256	2,213
Specific reserve for individually assessed guarantees	5	23
Other allowances for liabilities	2	-
Provisions for liabilities	**2,263**	**2,236**
Total other liabilities	**30,422**	**38,058**
Ordinary subordinated loan capital - maturity 2007 and later	4,188	3,385
Perpetual subordinated loan capital	2,951	1,913
Subordinated loan capital	**7,139**	**5,298**
Total liabilities	**331,523**	**275,856**

Average balance and interest rate

	2006		2005	
	NOKm	Interest %	NOKm	Interest %
Deposits from credit institutions	129,396	4.0	88,185	3.3
Deposits from customers	155,976	2.5	134,924	1.7
Certificates and bond loans	21,276	3.4	26,976	3.2

Note 47:
NBN ASA Deposits from customers

NOKm **By industry and retail market**	31 Dec 2006	31 Dec 2005
Retail market	46,387	44,330
Primary industries (agriculture/fisheries)	1,641	1,585
Oil extraction and drilling, mining	3,417	2,955
Manufacturing industry	9,517	5,561
Power and water supply, building and construction	5,040	5,083
Wholesale and retail trade	7,903	6,386
Shipping and aviation	7,722	10,232
Commercial services	62,859	46,788
Government and public sector	8,247	4,421
Insurance and other financial companies	13,701	12,424
Other	5,851	4,304
Total deposits from customers	**172,285**	**144,069**

NOKm **By product**		
Transaction accounts corporate market, NOK	92,011	71,230
Transaction accounts corporate market, foreign exchange	17,208	11,914
Transaction accounts retail market	13,061	11,080
Savings account	2,440	2,185
Other deposits in NOK	43,258	42,397
Other deposits in foreign exchange	4,307	5,263
Total deposits from customers	**172,285**	**144,069**

Note 48a:

NBN ASA Maturity and repricing structure of balance sheet items

Specification of balance sheet items distributed by maturity date

	Up to 1 month		1-3 months		3-12 months		1-5 years		More than 5 years		Without maturity		Totalt	
NOKm	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY
Cash and deposits with central banks	959										719	116	**1,678**	**116**
Deposits with and loans to credit institutions	12,485	734	15,519	16	2,726		49				30		**30,809**	**750**
Loans to customers	37,104	27,264	58,421	21,227	12,110	7,568	31,676	3,846	47,470		27,000		**213,781**	**59,905**
General allowance											-487		**-487**	**-**
Repossessed assets					1								**1**	**-**
Certificates and bonds	1,230	1,104	1,519	406	3,576	1,787	7,074	7,771	1,402				**15,801**	**11,068**
Equities and investments											808	89	**808**	**89**
Associated companies											653		**653**	**-**
Equities/inv. in group comp.											3,380		**3,380**	**-**
Deferred tax asset							843	94					**843**	**94**
Fixed assets											385		**385**	**-**
Other assets	6,841	77	110	23	565	108	455	20		9	1,982	113	**9,953**	**350**
Prepaid exp. and accrued inc.			876	548							66		**942**	**548**
Total assets	**58,619**	**29,179**	**76,445**	**22,220**	**18,978**	**9,463**	**40,097**	**11,731**	**49,872**	**9**	**34,536**	**358**	**278,547**	**72,960**
Deposits and loans from credit institutions	15,540	18,596	81	10,727	5,052	70,577	881	313					**21,464**	**100,213**
Deposits from customers	144,000	22,003	4,861	70	1,298	36	17						**150,176**	**22,109**
Sertificates and bond loans	396	176	2,102	62	3,995	103	2,792	694					**9,285**	**1,035**
Other liabilities	11,265	8	1,714		1,745		481				1,192		**16,437**	**8**
Accrued expenses and prepaid receivables	194		33	605					11		551		**789**	**605**
Allowances for liabilities									2,263				**2,263**	**-**
Subordinated loans								5,889				1,250	**-**	**7,139**
Equity											19,944		**19,944**	**-**
Total liabilities and equity	**171,305**	**40,783**	**8,831**	**11,464**	**12,090**	**70,716**	**4,171**	**6,896**	**2,274**	**-**	**21,687**	**1,250**	**220,358**	**131,109**
Liquidity exposure gap on balance sheet items	-112,686	-11,604	67,614	10,756	6,888	-61,253	35,926	4,835	47,598	9	12,849	-932	**58,189**	**-58,189**
Net cash flow from financial derivatives			-30,643	29,777	-20,770	20,547	-4,248	4,284					**-55,661**	**54,608**
Net total on all items	**-112,686**	**-11,604**	**36,971**	**40,533**	**-13,882**	**-40,706**	**31,678**	**9,119**	**47,598**	**9**	**12,849**	**-932**	**2,528**	**-3,581**

Explanation to the note:

- Overdrafts, operating credits and credit lines on salary accounts are classified under the group "up to 1 month".

- The certificates and bonds portfolio is classified according to maturity dates. Participation in stocks, bonds and money market funds are classified under the group "without maturity".

- Other assets and Prepaid expenses and accrued income are classified according to their most likely realisation date. Evaluation and settlement accounts are classified under the group "up to 1 month". Long-term equities and investments, associated companies and real estate and machinery are classified under the group "without maturity".

- Net pension liabilities are classified under the group "more than 5 years".

- Financial derivatives:	Options and futures:	Settled up-front
	FRA:	Cash flow not known
	Interest rate swaps:	Fixed cash margin until next interest rate fixing
	Interest rate and foreign exchange swaps:	Fixed cash margin until next interest rate fixing
		Swapping of agreed foreign exchange amount at maturity

Note 48b:

NBN ASA Specification of balance sheet items distributed by repricing structure

Specification of balance sheet items distributed by maturity date

	Up to 1 month		1-3 months		3-12 months		1-5 years		More than 5 years		Without maturity		Total	
NOKm	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY
Cash and deposits with central banks	959										719	116	**1,678**	**116**
Deposits with and loans to credit institutions	7,942	617	22,867	133									**30,809**	**750**
Loans to customers	56,806	25,488	139,568	25,794	8,394	6,707	6,567	137	2,869	1,817	-423	-38	**213,781**	**59,905**
General allowance											-487		**-487**	**0**
Repossessed assets					1								**1**	**0**
Certificates and bonds	4,318	4,952	6,096	5,775	2,791	341	1,395		1,201				**15,801**	**11,068**
Equities and investments											808	89	**808**	**89**
Associated companies											653		**653**	**0**
Equities and investments in group companies											3,380		**3,380**	**0**
Deferred tax asset							843	94					**843**	**94**
Fixed assets											385		**385**	**0**
Other assets											9,953	350	**9,953**	**350**
Prepaid expenses and accrued income											942	548	**942**	**548**
Total assets	**70,025**	**31,057**	**168,531**	**31,702**	**11,186**	**7,048**	**8,805**	**231**	**4,070**	**1,817**	**15,930**	**1,065**	**278,547**	**72,920**
Deposits and loans from credit institutions	15,531	18,958		10,365	5,052	70,577	881	313					**21,464**	**100,213**
Deposits from customers	148,717	21,581	137	70	1,295	458	26		1				**150,176**	**22,109**
Bond loans	456	702	3,480	191	4,401	142	948						**9,285**	**1,035**
Other liabilities											16,437	8	**16,437**	**8**
Accrued expenses and prepaid receivables											789	605	**789**	**605**
Allowances for liabilities											2,263		**2,263**	**0**
Subordinated loan capital		576		5,313		1,250							**0**	**7,139**
Equity											19,944		**19,944**	**0**
Total liabilities and equity	**164,704**	**41,817**	**3,617**	**15,939**	**10,748**	**72,427**	**1,855**	**313**	**1**	**-**	**39,433**	**613**	**220,358**	**131,109**
Liquidity exposure gap on balance sheet items	-94,679	-10,760	164,914	15,763	438	-65,379	6,950	-82	4,069	1,817	-23,503	452	**58,189**	**-58,189**
Financial derivatives which directly affect repr. struc.	-	-	-50,528	47,523	-12,592	6,942	7,509	237	-50	-94	-	-	**-55,661**	**54,608**
Net interest gap on all items	-94,679	-10,760	114,386	63,286	-12,154	-58,437	14,459	155	4,019	1,723	-23,503	452	**2,528**	**-3,581**
Net interest gap as % of total assets at year-end	**-26.9**	**-3.1**	**32.5**	**18.0**	**-3.5**	**-16.6**	**4.1**	**0.0**	**1.1**	**0.5**	**-6.7**	**0.1**	**0.7**	**-1.0**

Amortising loans are placed in the group "1-3 months". Fixed rate amortising loans are categorised according to fixed interest period.

Other loans and deposits from customers are placed in the group "Up to 1 month", except from products which have a contractual fixed interest rate period.

Note 48c:
NBN ASA Interest rate sensitivity

Interest rate sensitivity as at 31 December 2006

	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Trading portfolio						
NOK	-1.5	-7.7	-4.8	-10.5	-40.3	-64.8
USD	0.0	-0.2	23.1	-19.1	1.3	5.1
EUR	0.0	4.6	-10.2	-17.1	11.3	-11.4
GBP	0.0	2.0	-15.3	0.0	0.0	-13.3
Other currencies	0.0	0.0	-0.1	4.5	0.0	4.4
Banking portfolio						
NOK	0.4	6.2	75.5	42.5	-68.2	56.4
USD	-12.9	22.9	-19.4	0.0	0.0	-9.4
EUR	-3.5	-9.9	0.4	0.1	0.0	-12.9
GBP	0.0	-0.9	-1.0	0.0	0.0	-1.9
Other currencies	1.8	-1.7	-1.5	0.0	0.0	-1.4
Total						
NOK	-1.1	-1.5	70.7	32.0	-108.5	-8.4
USD	-12.9	22.7	3.7	-19.1	1.3	-4.3
EUR	-3.5	-5.3	-9.8	-17.0	11.3	-24.3
GBP	0.0	1.1	-16.3	0.0	0.0	-15.2
Other currencies	1.8	-1.7	-1.6	4.5	0.0	3.0

The value of items on and off the balance sheet is influenced by changes in interest rates. This interest rate sensitivity can be expressed as the change in the value of an item as a result of a hypothetical interest rate change at a specific time. The table shows calculated change in market value of the portfolio exclusive of options at the end of 2006 if all interest rates were to increase by one percentage point (i.e. a parallel shift of the curve). A decrease in the interest rates of one percentage point would result in the same change, but with the sign reversed. For positions in options, the sensitivity is measured by the delta.

The trading portfolio includes Nordea Markets and the banking portfolio includes Treasury.

Audit report

To the Board of Representatives and Annual Shareholders' Meeting of Nordea Bank Norge ASA

AUDITOR'S REPORT FOR 2006

Respective Responsibilities of Directors and Auditors
We have audited the annual financial statements of Nordea Bank Norge ASA as of 31 December 2006, showing a profit of NOK 3.097.000.000 for the parent company and a profit of NOK 3.082.000.000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the balance sheet, the statements of income and cash flows and the accompanying notes. The group accounts comprise the balance sheet, the statements of income and cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian accounting act for banks and financial institutions and good accounting practice in Norway have been applied to prepare the parent company's financial statements. The rules of the Norwegian accounting act for banks and financial institutions and International Financial Reporting Standards as adopted by the EU have been applied to prepare the group accounts. These financial statements and the Board of Directors' report are the responsibility of the Company's Board of Directors and Managing Director. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion
We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening (The Norwegian Institute for Public Accountants). These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion
In our opinion,

- the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the parent Company as of 31 December 2006, the results of its operations and its cash flows for the year then ended, in accordance with the rules of the Norwegian accounting act and good accounting practice in Norway
- the group accounts are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Group as of December 31 2006, the results of its operations, its cash flows and the changes in equity for the year then ended, in accordance with the rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and comply with the law and regulations.

Oslo, 15 February 2007
KPMG AS

Ole M. Klette
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Report of the Control Committee

To the Supervisory Board and the Annual Shareholders' Meeting of Nordea Bank Norge ASA
During 2006 the Control Committee has inspected the Bank's activities in accordance with the Commercial Banks Act §13 and the instructions issued by the Supervisory Board on 4 August 1992.

The Committee has examined the accounts for 2006 and is of the view that they are in accordance with prevailing rules and regulations and generally accepted accounting standards. The Control Committee considers the Board of Directors' evaluation of the Bank's financial position adequate and recommends that the income statement and balance sheet be adopted as presented.

With reference to other aspects of the accounts for 2006 the Control Committee refers to the auditor's report of 15 February 2006 and supports the views expressed therein concerning the submitted annual accounts.

Oslo, 15 February 2007

Fanny Platou (Chairman)	Amble Finn Fadum (Deputy Chairman)	Jan T. Bjerke (Member)	Odd Svang-Rasmussen (Deputy Member)

Board of Directors

The Board of Directors of Nordea Bank Norge ASA comprises the President and the Chief Executive Officer of the Nordea Group, Lars G Nordström, and seven members. In addition there are two deputy members.

The Managing director of Nordea Bank Norge is Tom Ruud.

Board of Directors 31 December 2006

Lars G Nordström
Born 1943. President and Group Chief Executive Officer of Nordea. Chairman of the Board since 2002. Member since 2001.

Markku Pohjola
Born 1948. President of Nordea Bank Finland Plc. Head of Group Processing and Technology in Nordea. Deputy Group Chief Executive Officer in Nordea. Deputy chairman of the board since 2002. Member since 2001.

Tom Ruud
Born 1950. Managing director of Nordea Bank Norge ASA. Head of Corporate and Institutional Banking in Nordea. Member since 2002.

Arne Liljedahl
Born 1950. Head of Group Corporate Centre in Nordea. Member since 2002.

Carl Erik Krefting
Born 1953. Partner at Thommessen Krefting Greve Lund AS. Member since 2001.

Hege Marie Norheim
Born 1967. Information director of Norsk Hydro ASA - Oil & Energy.Member since 2001.

Liv Irene Haug
Born 1954. Employee representative. Member since 1999.

Peter Schütze
Born 1948. Head of Retail in Nordea. Member since 2004.

Deputy members
Hans Christian Krogh Riise
Deputy employee representative

Steinar Nickelsen
Deputy employee representative

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