



**Interim Report 1<sup>st</sup> quarter 2006**

**Nordea Bank Norge Group**

# Nordea Bank Norge Group

## Result summary first quarter 2006

Operating profit was NOK 1,114m, an increase of 39% compared to the same period in 2005. Net profit increased by 39% to NOK 809m (581).

Increased business volumes compensated for the pressure on margins. Total income increased by 12% to NOK 1,929m reflecting increased commission income and net gains on financial instruments. Costs increased by 6% and loan losses were positive by NOK 206m (35). This resulted in a return on equity of 16.9% and a cost/income ratio of 53%. The fifth consecutive quarter with positive net loan losses underlines the strong credit quality.

### *Income*

Total income increased by 12% to NOK 1,929m and net interest income by 2% to NOK 1,268m.

Volume growth was strong in all segments with the exception of Corporate Banking. Lending increased by 21% year-on-year to NOK 268bn. Mortgage lending to personal customers has expanded significantly and amounted to NOK 95bn (79), reflecting a year-on-year growth of 20% (20). Lending margins were reduced year-on-year reflecting strong competition in all segments. Deposits were NOK 156bn, an increase of 18%.

Net commission income was up by 22% to NOK 390m. There has been an increase in all main categories of commissions compared to the first quarter 2005. In general, savings commissions developed strongly and increased by 44% to NOK 95m. The number of card- and electronic payments continued to increase resulting in increased income from payments and cards of 17% to NOK 229m.

In the first quarter 2006 Nordea had a net gain on items at fair value of NOK 237m (146) which is 63% higher compared to the same period in 2005. The increase is mainly due to higher income from financial derivatives reflecting strong client demand for structured products.

### *Expenses*

Total expenses were NOK 1,026m, up 6% compared to the same period in 2005.

Staff costs increased by 5% to NOK 617m. The number of employees, measured by full-time equivalents, was reduced by 60 to 3,124 compared to first quarter 2005.

Other expenses were NOK 409, up by 8% compared to the same period last year reflecting increased activity level.

### *Loan losses*

Loan losses were positive at NOK 206m (35), mainly due to reversal of group-wise provisions. The quality of the credit portfolio is considered to be good.

### *Taxes*

The effective tax rate for the first quarter 2006 was 27.3% (27.6).

On 2 March 2006 Oslo Tingrett approved Nordea's appeal regarding "Overligningsnemnda's" (OL) ruling of 9 June 2004. OL increased the value of K-Fondsforsikring AS, which was sold from Christiania Forsikring AS to Norske Liv Holding AS in 2001, with NOK 55m in proportion to the agreed sales price. The ruling has been appealed by the State, and the reduced tax of NOK 15m has therefore not been booked.

### *Net profit*

Net profit increased by 39% to NOK 809m corresponding to NOK 1.47 per share (1.05) and a return on equity of 16.9% (13.1). Earnings per share rolling 12 months up to period end were NOK 6.49 (4.44).

### **Comparison to the fourth quarter 2005**

Operating profit was reduced by 7% compared to the fourth quarter 2005 and amounted to NOK 1,114m. Net profit was reduced by 3% to NOK 809m, mainly due to reduced income from brokerage fee and financial derivatives, subsequent to a particular high level in previous quarter. Total expenses were at the same level as previous quarter.

### *Income*

Total income decreased by 12%. Net interest income decreased by 3 % to NOK 1,268m. There has been an increase in net interest income from lending- and deposit products, while interest income from other products has been reduced. Volume growth continued in most segments. In total, lending increased by 4% to NOK 269bn. Lending margins increased somewhat, while deposit margins decreased. Deposits from customers increased by 5% to NOK 156bn.

Net commission income decreased by 19% to NOK 390m and is mainly due to reduced income from savings related commissions and issues. Commissions from payments were at the same level as in fourth quarter 2005.

Net gains/losses on items at fair value decreased by 35% to NOK 237m, mainly due to a particularly high level in the fourth quarter 2005.

**Expenses**

Total expenses were unchanged compared to previous quarter.

Staff costs increased by 10% to NOK 617m and is mainly due to a reversal of variable salaries in fourth quarter 2005. The number of employees increased by 22 FTE's in the first quarter. Other expenses were down 13% to NOK 409m mainly due to lower marketing-, real estate- and IT-expenses.

**Loan losses**

Loan losses were positive at NOK 206m (18) as reversals exceeded new provisions.

**Net profit**

Net profit was NOK 809m (838) corresponding to NOK 1.47 per share and return on equity of 16.9%.

**Credit portfolio**

Net impaired loans amounted to NOK 1,776m (3,000), representing 0.7% of total lending at the end of the first quarter, compared to 1.4% one year earlier.

The share of personal customer lending was 44%. There was no major change in the composition of the corporate loan portfolio during the quarter. Real estate management remains the largest industry exposure in the credit portfolio and amounts to NOK 45bn, representing 17% of the total portfolio.

**Capital adequacy**

Nordea still has a strong capital position, reflected in the Tier 1 capital ratio of 7.3% and the total capital ratio of 9.5% at the end of the quarter.

The risk-weighted assets amounted to NOK 255bn per 31 March 2006 reflecting an increase of NOK 18bn last quarter.

Under current legislation the capital ratio is required to be at least 8 per cent at all times. The Group's total capital exclusive of net profit for the period amounted to 23.4bn, which represents a capital ratio of 9.2%. The Tier 1 capital was NOK 17.7bn equaling 6.9%.

**Outlook**

Nordea's growth strategy, including increased focus on cross-selling to existing customers, is paying off, and Nordea is confident to be able to continue to deliver on its financial targets.

Nordea's expectation of achieving a gap of at least 5 percentage points between revenue and cost growth has been well exceeded in the first quarter, and Nordea is increasingly confident to fulfil this ambition for the full-year. Business activity among Nordea's customers continues at a high rate and Nordea's ambition is to capture these revenue opportunities. Against this background, a moderate cost increase, in line with the first quarter, is expected in 2006.

## Key financial figures

### Income statement

NOKm	Q1 2006	Q1 2005	Change %	Q4 2005	Change %	Full year 2005
Net interest income	1,268	1,244	2	1,303	-3	5,031
Net fee and commission income	390	319	22	483	-19	1,572
Net gains/losses on items at fair value	237	146	63	366	-35	860
Equity method	11	12	-8	8	38	37
Other income	23	8	180	34	-32	158
<b>Total operating income</b>	<b>1,929</b>	<b>1,729</b>	<b>12</b>	<b>2,194</b>	<b>-12</b>	<b>7,658</b>
General administrative expenses:						
Staff costs	-617	-586	5	-559	10	-2,386
Other expenses	-375	-343	9	-430	-13	-1,476
Depreciation of tangible and intangible assets	-34	-36	-6	-41	-17	-152
<b>Total operating expenses</b>	<b>-1,026</b>	<b>-965</b>	<b>6</b>	<b>-1,030</b>	<b>0</b>	<b>-4,014</b>
Loan losses	206	35		18		1,030
Disposals of tangible and intangible assets	5	4		15		36
<b>Operating profit</b>	<b>1,114</b>	<b>803</b>	<b>39</b>	<b>1,197</b>	<b>-7</b>	<b>4,710</b>
Income tax expense	-305	-222	37	-359	-15	-1,362
<b>Net profit</b>	<b>809</b>	<b>581</b>	<b>39</b>	<b>838</b>	<b>-3</b>	<b>3,348</b>

### Balance sheet

NOKm	31 Mar 2006	31 Mar 2005	31 Dec 2005	31 Dec 2005
Treasury bills and other interest-bearing securities	22,723	19,105	16,905	16,905
Loans and receivables to credit institutions	37,330	10,060	17,860	17,860
Loans and receivables to the public	268,464	222,079	257,869	257,869
Derivatives	2,014	3,277	2,730	2,730
Other assets	12,504	25,409	14,996	14,996
<b>Total assets</b>	<b>343,035</b>	<b>279,930</b>	<b>310,360</b>	<b>310,360</b>
Deposits by credit institutions	121,430	72,307	95,767	95,767
Deposits and borrowings from the public	155,725	131,952	147,892	147,892
Debt securities in issue	28,078	34,727	27,543	27,543
Derivatives	2,778	2,313	1,966	1,966
Subordinated liabilities	5,362	2,792	5,298	5,298
Other liabilities	10,980	18,954	12,246	12,246
Equity	18,682	16,885	19,648	19,648
<b>Total liabilities and equity</b>	<b>343,035</b>	<b>279,930</b>	<b>310,360</b>	<b>310,360</b>

### Ratios and key figures

	Q1 2006	Q1 2005	Q4 2005	Full year 2005
Earnings per share (EPS), NOK	1.47	1.05	1.52	6.07
EPS, rolling 12 months up to period end, NOK	6.49	4.44	6.07	6.07
Equity per share <sup>1,2</sup> , NOK	33.88	30.63	35.64	35.64
Shares outstanding <sup>2,3</sup> , million	551	551	551	551
Return on equity, %	16.9	13.1	17.4	18.2
Cost/income ratio, %	53	56	47	52
Tier 1 capital ratio <sup>3,4</sup> , %	7.3	7.6	7.6	7.6
Total capital ratio <sup>3,4</sup> , %	9.5	9.0	9.9	9.9
Risk-weighted assets <sup>3</sup> , NOKm	255	211	237	237
Number of employees (full-time equivalents) <sup>3</sup>	3,124	3,184	3,102	3,102

<sup>1</sup> Equity excluding revaluation reserves.

<sup>2</sup> See footnotes to Movements in equity on page 8.

<sup>3</sup> End of period.

<sup>4</sup> Including the result for the period. For CAD figures according to FSA rules, see Note 7.

## Quarterly development

	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
NOKm					
Net interest income	1,268	1,303	1,256	1,228	1,244
Net fee and commission income (note 1)	390	483	400	370	319
Net gains/losses on items at fair value	237	366	138	210	146
Equity method	11	8	12	5	12
Other income	23	34	77	39	8
<b>Total operating income</b>	<b>1,929</b>	<b>2,194</b>	<b>1,883</b>	<b>1,852</b>	<b>1,729</b>
General administrative expenses (note 2):					
Staff costs	-617	-559	-623	-618	-586
Other expenses	-375	-430	-346	-357	-343
Depreciation of tangible and intangible assets	-34	-41	-37	-38	-36
<b>Total operating expenses</b>	<b>-1,026</b>	<b>-1,030</b>	<b>-1,006</b>	<b>-1,013</b>	<b>-965</b>
Loan losses	206	18	177	800	35
Disposals of tangible and intangible assets	5	15	12	5	4
<b>Operating profit</b>	<b>1,114</b>	<b>1,197</b>	<b>1,066</b>	<b>1,644</b>	<b>803</b>
Income tax expense	-305	-359	-322	-459	-222
<b>Net profit</b>	<b>809</b>	<b>838</b>	<b>744</b>	<b>1,185</b>	<b>581</b>
Earnings per share (EPS)	1.47	1.52	1.35	2.15	1.05
EPS, rolling 12 months up to period end	6.49	6.07	5.68	5.32	4.44
	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
<b>Note 1 Net fee and commission income, NOKm</b>					
Asset Management commissions	7	9	6	5	5
Life insurance	20	13	11	11	10
Brokerage	46	91	42	47	37
Custody	21	18	17	20	14
Deposits	1	11	7	3	0
Total savings related commissions	95	142	83	86	66
Payments	152	146	144	147	130
Cards	77	82	89	92	65
Total payment commissions	229	228	233	239	195
Lending	18	20	48	32	13
Guarantees and document payments	44	42	38	36	38
Total lending related commissions	62	62	86	68	51
Other commission income	116	164	109	84	105
<b>Fee and commission income</b>	<b>502</b>	<b>596</b>	<b>511</b>	<b>477</b>	<b>417</b>
Payment expenses	-91	-94	-96	-89	-83
Other commission expenses	-21	-19	-15	-18	-15
<b>Fee and commission expenses</b>	<b>-112</b>	<b>-113</b>	<b>-111</b>	<b>-107</b>	<b>-98</b>
<b>Net fee and commission income</b>	<b>390</b>	<b>483</b>	<b>400</b>	<b>370</b>	<b>319</b>
	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
<b>Note 2 General administrative expenses, NOKm</b>					
Staff <sup>1</sup>	602	546	606	605	570
Profit sharing	15	13	16	13	16
Information technology <sup>2</sup>	128	160	116	115	127
Marketing	27	37	25	31	24
Postage, telephone and office expenses	31	35	29	29	24
Rents, premises and real estate expenses	87	101	91	89	79
Other	102	97	86	93	89
<b>Total</b>	<b>992</b>	<b>989</b>	<b>969</b>	<b>975</b>	<b>929</b>

<sup>1</sup> Variable salaries were NOKm 72 in Q1 2006 (Q4 2005: NOK 14m).

<sup>2</sup> Refers to IT operations, service expenses and consultant fees. Total IT-related costs in Q1 2006, including staff etc, but excluding IT expenses in the Life operations, were NOKm 153 (Q4 2005: 187 NOKm).

## Income statement

NOKm	Note	Q1 2006	Q1 2005	Full year 2005
<b>Operating income</b>				
<i>Interest income</i>		3,209	2,656	10,991
<i>Interest expense</i>		-1,941	-1,412	-5,960
Net interest income		1,268	1,244	5,031
<i>Fee and commission income</i>		502	417	2,001
<i>Fee and commission expense</i>		-112	-98	-429
Net fee and commission income		390	319	1,572
Net gains/losses on items at fair value	2	237	146	860
Profit from companies accounted for under the equity method		11	12	37
Dividends		0	3	27
Other operating income		23	5	131
<b>Total operating income</b>		<b>1,929</b>	<b>1,729</b>	<b>7,658</b>
<b>Operating expenses</b>				
General administrative expenses:				
Staff costs		-617	-586	-2,386
Other expenses		-375	-343	-1,476
Depreciation, amortisation and impairment charges of tangible and intangible assets		-34	-36	-152
<b>Total operating expenses</b>		<b>-1,026</b>	<b>-965</b>	<b>-4,014</b>
Loan losses	3	206	35	1,030
Disposals of tangible and intangible assets		5	4	36
<b>Operating profit</b>		<b>1,114</b>	<b>803</b>	<b>4,710</b>
Income tax expense		-305	-222	-1,362
<b>Net profit</b>		<b>809</b>	<b>581</b>	<b>3,348</b>
Earnings per share, NOK		1.47	1.05	6.07

## Balance sheet

NOKm	Note	31 Mar 2006	31 Dec 2005	31 Mar 2005
<b>Assets</b>				
Cash and balances with central banks		4,511	4,071	9,194
Treasury bills and other eligible bills		22,723	16,905	19,105
Loans and receivables to credit institutions	4	37,330	17,860	10,060
Loans and receivables to the public	4	268,464	257,869	222,079
Shares		621	509	674
Derivatives	6	2,014	2,730	3,277
Fair value changes of the hedged items in portfolio hedge of interest rate risk		366	491	845
Investments in associated undertakings		610	626	663
Property and equipment		420	440	481
Deferred tax assets		817	821	1,183
Prepaid expenses and accrued income		1,280	1,241	1,032
Other assets		3,879	6,797	11,337
<b>Total assets</b>		<b>343,035</b>	<b>310,360</b>	<b>279,930</b>
<b>Liabilities</b>				
Deposits by credit institutions		121,430	95,767	72,307
Deposits and borrowings from the public		155,725	147,892	131,952
Debt securities in issue		28,078	27,543	34,727
Derivatives	6	2,778	1,966	2,313
Fair value changes of the hedged items in portfolio hedge of interest rate risk		101	199	573
Current tax liabilities		1,241	1,131	952
Other liabilities		5,372	7,287	13,212
Accrued expenses and prepaid income		2,023	1,362	1,927
Retirement benefit obligations		2,243	2,267	2,290
Subordinated liabilities		5,362	5,298	2,792
<b>Total liabilities</b>		<b>324,353</b>	<b>290,712</b>	<b>263,045</b>
<b>Equity</b>				
Share capital		3,860	3,860	3,860
Other reserves		953	953	953
Retained earnings		13,869	14,835	12,072
<b>Total equity</b>		<b>18,682</b>	<b>19,648</b>	<b>16,885</b>
<b>Total liabilities and equity</b>		<b>343,035</b>	<b>310,360</b>	<b>279,930</b>
Assets pledged for own liabilities		19,888	16,884	12,997
Contingent liabilities		38,383	29,983	25,461
Commitments		292,847	230,601	249,093

## Movements in equity

NOKm	Share capital <sup>1</sup>	Share premium account	Other reserves	Retained earnings	Total
<b>Balance at end of year, at 31 Dec 2005</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>14,835</b>	<b>19,648</b>
Dividend for 2005				-1775	-1775
Net profit for the period				809	809
<b>Balance at 31 Mar 2006</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>13,869</b>	<b>18,682</b>

NOKm	Share capital <sup>1</sup>	Share premium account	Other reserves	Retained earnings	Total
<b>Balance at end of year, at 31 Dec 2004</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>13,850</b>	<b>18,663</b>
Change in accounting policies:					
IAS 39 Financial instruments				-159	-159
<b>Balance at beginning of year, at 1 Jan 2005</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>13,691</b>	<b>18,504</b>
Dividend for 2004				-2,200	-2,200
Net profit for the period				581	581
<b>Balance at 31 Mar 2005</b>	<b>3,860</b>	<b>953</b>	<b>0</b>	<b>12,072</b>	<b>16,885</b>

<sup>1</sup> Total shares registered was 551,358,576 (551,358,576) with face value NOK 7.



## Cash flow statement

NOKm	Jan-Mar 2006	Jan-Mar 2005
<i>Operating activities</i>		
Operating profit	1,114	803
Adjustments for items not included in cash flow	587	-163
Income taxes paid	-195	-15
Cash flow from operating activities before changes in operating assets and liabilities	1,506	625
<i>Changes in operating assets and liabilities</i>		
Change in loans and receivables to credit institutions	1,514	-13,039
Change in loans and receivables to the public	-10,391	-10,729
Change in interest-bearing securities	-5,880	69
Change in shares	77	297
Change in derivatives, net	1,284	-1,594
Change in other assets	2,918	-3,224
Change in deposits by credit institutions	25,663	5,843
Change in deposits and borrowings from the public	7,833	5,037
Change in debt securities in issue	535	682
Change in other liabilities	-1,914	4,714
Cash flow from operating activities	23,145	-11,319
<i>Investing activities</i>		
Acquisition of property and equipment	-14	-15
Sale of property and equipment	5	2
Cash flow from investing activities	-9	-13
<i>Financing activities</i>		
Issued subordinated liabilities	63	100
Dividend paid	-1,775	-2,200
Cash flow from financing activities	-1,712	-2,100
<b>Cash flow for the year</b>	<b>21,424</b>	<b>-13,432</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>15,891</b>	<b>26,401</b>
<b>Cash and cash equivalents at end of year</b>	<b>37,315</b>	<b>12,969</b>
<b>Change</b>	<b>21,424</b>	<b>-13,432</b>
<b>Cash and cash equivalents</b>	<b>31 Mar</b>	<b>31 Mar</b>
The following items are included in cash and cash equivalents (NOKm):	<u>2006</u>	<u>2005</u>
Cash and balances with central banks	4,511	9,194
Loans and receivables to credit institutions, payable on demand	32,804	3,775

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 at any time.

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

# Notes to the financial statements

## Note 1 Accounting policies

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU. These statements are presented in accordance with IAS 34 "Interim Financial Reporting".

Financial institutions in Norway have for the time being not been given the admittance to prepare the accounts regarding the parent company in accordance with IFRS. The financial statement for Nordea Bank Norge ASA, prepared in accordance with the Norwegian Accounting Act and GAAP in Norway, including current regulations regarding financial statements for banks are presented on page 16-18.

## Basis for presentation

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

## 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 expenses. New reporting lines have been added to increase the transparency and several other reclassifications have been made to further improve the presentation. The comparative figures have been changed accordingly.

## Amendments to the balance sheet

At year-end 2005, adjustments were made to the opening balance 2005. The corresponding adjustments have been made to the comparative figures as of 31 March 2005, where the total effect is a reduction of equity by NOK 188m.

## Exchange rates

	Jan-Mar 2006	Jan-Dec 2005	Jan-Mar 2005
<b>EUR 1 = NOK</b>			
Income statement (average)	8.0235	8.0124	8.2382
Balance sheet (at end of period)	7.9640	7.9840	8.2070
<b>USD 1 = NOK</b>			
Income statement (average)	6.6718	6.4424	6.2815
Balance sheet (at end of period)	6.5800	6.7700	6.3320
<b>SEK 1 = NOK</b>			
Income statement (average)	0.8584	0.8640	0.9080
Balance sheet (at end of period)	0.8447	0.8504	0.8974
<b>DKK 1 = NOK</b>			
Income statement (average)	1.0752	1.0753	1.1068
Balance sheet (at end of period)	1.0672	1.0701	1.1016

	Jan-Mar 2006	Jan-Mar 2005
<b>Note 2 Net gains/losses on items at fair value, NOKm</b>		
Shares/participations and other share-related instruments	38	16
Interest-bearing securities and other interest-related instruments	57	66
Other financial instruments	87	12
Foreign exchange gains/losses	55	52
<b>Total</b>	<b>237</b>	<b>146</b>

	Jan-Mar 2006	Jan-Mar 2005
<b>Note 3 Loan losses, NOKm</b>		
<b>Loan losses divided by category</b>		
Write-offs and provisions for loans and receivables to the public	33	39
Reversals and recoveries for loans and receivables to the public	-239	-74
<b>Total</b>	<b>-206</b>	<b>-35</b>

#### Specifications

##### *Provisions for individually assessed loans*

Realised loan losses during the period	2	66
Reversed amount of previous provisions made for realised losses during the period	0	-64
This period's provisions for probable loan losses	28	30
Recoveries of previous periods' realised loan losses	-3	-18
<b>Reversals of provisions for probable loan loss no longer required</b>	<b>-48</b>	<b>-56</b>
This period's costs for individually assessed loans, net	-21	-42

##### *Provisions for groups of significant loans*

Allocation to allowance	0	0
Withdrawal from allowance	-185	0
This period's change of provisions for groups of significant loans	-185	0

##### *Provisions for groups of not significant loans*

Realised loan losses during the period	0	0
Recoveries of previous periods' realised loan losses	0	0
Allocation to allowance	1	4
Withdrawal from allowance	0	0
This period's net costs of provisions for groups of not significant loans	1	4

##### *Transfer risks*

Allocation to allowance for transfer risks	0	3
Withdrawal from allowance for transfer risks	-4	0
This period's change of provisions for transfer risks	-4	3

##### *Contingent liabilities*

Net cost for redemption of guarantees and other contingent liabilities	3	0
This period's net cost for redemption of guarantees and other contingent liabilities	3	0

Change in value of assets taken over for protection of claims	0	0
<b>Loan losses</b>	<b>-206</b>	<b>-35</b>

**Note 4 Loan and receivables and their impairment**

	31 Mar 2006	31 Dec 2005	31 Mar 2005
NOKm			
Loans and receivables to credit institutions and central banks	41,100	21,134	18,412
Loans and receivables to the public	268,464	257,869	222,079
<b>Total</b>	<b>309,564</b>	<b>279,003</b>	<b>240,491</b>

**Loan and receivables by categories of borrowers**

	Credit institutions	Corporates	Households	Public sector	Total
31 Mar 2006, NOKm					
Loans and receivables, not impaired <sup>1</sup>	41,100	149,821	115,811	1,056	307,788
Impaired loans and receivables	0	2,606	837	0	3,443
<b>Loans and receivables before allowances</b>	<b>41,100</b>	<b>152,427</b>	<b>116,648</b>	<b>1,056</b>	<b>311,231</b>
Allowances for individually assessed loans	0	-660	-173	0	-833
Allowances for groups of significant loans	0	-625	0	0	-625
Allowances for groups of not significant loans	0	-18	-191	0	-209
<b>Allowances</b>	<b>0</b>	<b>-1,303</b>	<b>-364</b>	<b>0</b>	<b>-1,667</b>
<b>Loans and receivables, book value</b>	<b>41,100</b>	<b>151,124</b>	<b>116,284</b>	<b>1,056</b>	<b>309,564</b>

<sup>1</sup> Of which non-performing loans on which interest is taken as income

**Specification of impaired loans and receivables**

<b>Impaired loans and receivables before allowances</b>	<b>0</b>	<b>2,606</b>	<b>837</b>	<b>0</b>	<b>3,443</b>
Of which non-performing	0	448	574	0	1,022
Of which performing	0	2,158	263	0	2,421
<b>Allowances for impaired loans and receivables</b>	<b>0</b>	<b>-1,303</b>	<b>-364</b>	<b>0</b>	<b>-1,667</b>
Of which non-performing	0	-296	-199	0	-495
Of which performing	0	-1,007	-165	0	-1,172
<b>Book value of impaired loans and receivables</b>	<b>0</b>	<b>1,303</b>	<b>473</b>	<b>0</b>	<b>1,776</b>
Of which non-performing	0	152	375	0	527
Of which performing	0	1,151	98	0	1,249

	Credit institutions	Corporates	Households	Public sector	Total
31 Dec 2005, NOKm					
Loans and receivables, not impaired <sup>1</sup>	21,134	142,418	112,822	715	277,089
Impaired loans and receivables	0	2,941	867	0	3,808
<b>Loans and receivables before allowances</b>	<b>21,134</b>	<b>145,359</b>	<b>113,689</b>	<b>715</b>	<b>280,897</b>
Allowances for individually assessed loans	0	-698	-171	0	-869
Allowances for groups of significant loans	0	-814	0	0	-814
Allowances for groups of not significant loans	0	-18	-193	0	-211
<b>Allowances</b>	<b>-</b>	<b>-1,530</b>	<b>-364</b>	<b>0</b>	<b>-1,894</b>
<b>Loans and receivables, book value</b>	<b>21,134</b>	<b>143,829</b>	<b>113,325</b>	<b>715</b>	<b>279,003</b>

<sup>1</sup> Of which non-performing loans on which interest is taken as income

**Specification of impaired loans and receivables**

<b>Impaired loans and receivables before allowances</b>	<b>-</b>	<b>2,941</b>	<b>867</b>	<b>0</b>	<b>3,808</b>
Of which non-performing	-	482	562	0	1,044
Of which performing	-	2,459	305	0	2,764
<b>Allowances for impaired loans and receivables</b>	<b>-</b>	<b>-1,530</b>	<b>-364</b>	<b>0</b>	<b>-1,894</b>
Of which non-performing	-	-269	-195	0	-464
Of which performing	-	-1,261	-169	0	-1,430
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>1,411</b>	<b>503</b>	<b>0</b>	<b>1,914</b>
Of which non-performing	-	213	367	0	580
Of which performing	-	1,198	136	0	1,334

Note 4, continued

31 Mar 2005, NOKm	Credit institutions	Corpo- rates	House- holds	Public sector	Total
Loans and receivables, not impaired <sup>1</sup>	18,412	119,611	98,702	766	237,491
Impaired loans and receivables	0	4,858	783	0	5,641
<b>Loans and receivables before allowances</b>	<b>18,412</b>	<b>124,469</b>	<b>99,485</b>	<b>766</b>	<b>243,132</b>
Allowances for individually assessed loans	0	-1,529	-144	0	-1,673
Allowances for groups of significant loans	0	-931	0	0	-931
Allowances for groups of not significant loans	0	-1	-36	0	-37
<b>Allowances</b>	<b>-</b>	<b>-2,461</b>	<b>-180</b>	<b>0</b>	<b>-2,641</b>
<b>Loans and receivables, book value</b>	<b>18,412</b>	<b>122,008</b>	<b>99,305</b>	<b>766</b>	<b>240,491</b>

<sup>1</sup> Of which non-performing loans on which interest is taken as income

**Specification of impaired loans and receivables**

<b>Impaired loans and receivables before allowances</b>	<b>-</b>	<b>4,858</b>	<b>783</b>	<b>0</b>	<b>5,641</b>
Of which non-performing	-	967	499	0	1,466
Of which performing	-	3,891	284	0	4,175
<b>Allowances for impaired loans and receivables</b>	<b>-</b>	<b>-2,461</b>	<b>-180</b>	<b>0</b>	<b>-2,641</b>
Of which non-performing	-	-480	-204	0	-684
Of which performing	-	-1,981	24	0	-1,957
<b>Book value of impaired loans and receivables</b>	<b>-</b>	<b>2,397</b>	<b>603</b>	<b>0</b>	<b>3,000</b>
Of which non-performing	-	487	295	0	782
Of which performing	-	1,910	308	0	2,218

	31 Mar 2006	31 Dec 2005	31 Mar 2005
Allowances/impaired loans and receivables before allowances, %	48.4	49.7	46.8
Impaired loans and receivables before allowances/loans and receivables to the public before allowances, %	1.3	1.5	2.5

<b>Assets taken over for protection of claims, NOKm</b>	31 Mar 2006	31 Dec 2005	31 Mar 2005
<b>Current assets</b>			
Land and buildings	1	1	5
Shares and other participations	0	0	2
Other assets	2	2	3
<b>Total</b>	<b>3</b>	<b>3</b>	<b>10</b>

**Note 5 Classification of financial instruments, NOKm**

31 Mar 2006	Loans and receiva- bles	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
<b>Financial assets</b>							
Cash and balances with central banks	4,511						4,511
Treasury bills and other eligible bills			22,723				22,723
Loans and receivables to credit institutions	37,330						37,330
Loans and receivables to the public	268,464						268,464
Derivatives			317		1,697		2,014
Fair value changes of the hedged items in portfolio hedge of interest rate risk	366						366
Shares			566			55	621
Prepaid expenses and accrued income	1,280						1,280
Other assets	3,879						3,879
<b>Total</b>	<b>315,830</b>	<b>0</b>	<b>23,606</b>	<b>0</b>	<b>1,697</b>	<b>55</b>	<b>341,188</b>

31 Mar 2006		Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
<b>Financial liabilities</b>						
Deposits by credit institutions					121,430	121,430
Deposits and borrowings from the public					155,725	155,725
Debt securities in issue					28,078	28,078
Derivatives		961		1,817		2,778
Fair value changes of the hedged items in portfolio hedge of interest rate risk					101	101
Other liabilities		1,635			3,737	5,372
Accrued expenses and prepaid income					2,023	2,023
Subordinated liabilities					5,362	5,362
<b>Total</b>		<b>2,596</b>	<b>0</b>	<b>1,817</b>	<b>316,456</b>	<b>320,869</b>

**Note 6 Derivatives, NOKm**

31 Mar 2006	Assets Fair value	Liabilities Fair value	Total nom amount
<b>Derivatives held for trading</b>			
Interest rate derivatives	60	176	72,708
Equity derivatives	28	71	-192
Foreign exchange derivatives	198	682	61,977
Other derivatives	32	32	60
<b>Total</b>	<b>318</b>	<b>961</b>	<b>134,553</b>
<b>Derivatives used for hedging</b>			
Interest rate derivatives	804	802	41,220
Equity derivatives	852	852	16,571
Foreign exchange derivatives	40	163	947
<b>Total</b>	<b>1,696</b>	<b>1,817</b>	<b>58,738</b>
<b>Derivatives, total</b>			
Interest rate derivatives	864	978	113,928
Equity derivatives	880	923	16,379
Foreign exchange derivatives	238	845	62,924
Other derivatives	32	32	60
<b>Total</b>	<b>2,014</b>	<b>2,778</b>	<b>193,291</b>

**Note 7 Capital adequacy**

	31 Mar 2006	31 Dec 2005	31 Mar 2005
Tier 1 capital, NOKm <sup>1</sup>	18,524	17,934	15,366
Capital base, NOKm <sup>1</sup>	24,198	23,554	18,469
Risk-weighted assets, NOKbn	255,265	237,386	210,854
Tier 1 capital ratio, % <sup>1</sup>	7.3	7.6	7.3
Total capital ratio, % <sup>1</sup>	9.5	9.9	8.8

<sup>1</sup> Including the result for the first three months. According to FSA rules (excluding the result for Q1): Tier 1 capital NOK 17,715m (31 Mar 2005: NOK 15,366m), capital base NOK 23,389m (31 Mar 2005: NOK 18,469m), Tier 1 capital ratio 6.9% (31 Mar 2005: 7.3%), total capital ratio 9.2% (31 Mar 2005: 8.8%).

## Segment reporting - Customer responsible units

NOKm	Corporate and Institutional Banking				Subtotal		Change %	Group functions and eliminations				Total		Change %
	Retail Banking							Group Treasury						
	Jan-Mar 2006	Jan-Mar 2005	Jan-Mar 2006	Jan-Mar 2005	Jan-Mar 2006	Jan-Mar 2005		Jan-Mar 2006	Jan-Mar 2005	Jan-Mar 2006	Jan-Mar 2005	Jan-Mar 2006	Jan-Mar 2005	
Net interest income	1,031	918	243	256	1,274	1,174	9	0	26	-6	44	1,268	1,244	
Net fee and commission income	308	217	104	116	412	333	24	3	1	-25	-15	390	319	22
Net gains/losses on items at fair value	132	154	16	-25	148	129	15	43	20	46	-3	237	146	62
Equity method	0	0	11	11	11	11	0	0	0	0	1	11	12	-8
Other income	10	1	0	1	10	2	400	0	0	13	6	23	8	188
<b>Total operating income</b>	<b>1,481</b>	<b>1,290</b>	<b>374</b>	<b>359</b>	<b>1,855</b>	<b>1,649</b>	<b>12</b>	<b>46</b>	<b>47</b>	<b>28</b>	<b>33</b>	<b>1,929</b>	<b>1,729</b>	<b>12</b>
<i>of which allocations</i>	<i>291</i>	<i>219</i>	<i>-67</i>	<i>-45</i>	<i>224</i>	<i>174</i>	<i>29</i>	<i>0</i>	<i>0</i>	<i>-224</i>	<i>-174</i>	<i>0</i>	<i>0</i>	
Staff costs	-316	-284	-104	-105	-420	-389	8	-3	-3	-194	-194	-617	-586	5
Other expenses	-422	-416	-39	-41	-461	-457	1	-6	-9	92	123	-375	-343	9
Depreciation of tangible and intangible assets	-14	-14	0	0	-14	-14	0	0	0	-20	-22	-34	-36	-6
<b>Total operating expenses</b>	<b>-752</b>	<b>-714</b>	<b>-143</b>	<b>-146</b>	<b>-895</b>	<b>-860</b>	<b>4</b>	<b>-9</b>	<b>-12</b>	<b>-122</b>	<b>-93</b>	<b>-1,026</b>	<b>-965</b>	<b>6</b>
<i>of which allocations</i>	<i>-167</i>	<i>-166</i>	<i>-6</i>	<i>-10</i>	<i>-173</i>	<i>-176</i>		<i>-3</i>	<i>-3</i>	<i>176</i>	<i>179</i>	<i>0</i>	<i>0</i>	
Loan losses	198	-2	8	37	206	35	489	0	0	0	0	206	35	489
Disposals of tangible and intangible assets	5	5	0	0	5	5	0	0	0	0	-1	5	4	25
<b>Operating profit</b>	<b>932</b>	<b>579</b>	<b>239</b>	<b>250</b>	<b>1,171</b>	<b>829</b>	<b>41</b>	<b>37</b>	<b>35</b>	<b>-94</b>	<b>-61</b>	<b>1,114</b>	<b>803</b>	<b>39</b>
<b>Balance sheet, NOKbn</b>														
Loans and receivables	210.2	179.9	54.2	47.3	264.4	227.2		83.5	49.5	-38.3	-35.4	309.6	241.3	
Other assets	2.8	1.9	16.5	17.2	19.3	19.1		15.2	15.2	-1.1	4.3	33.4	38.6	
<b>Total assets</b>	<b>213.0</b>	<b>181.8</b>	<b>70.7</b>	<b>64.5</b>	<b>283.7</b>	<b>246.3</b>		<b>98.7</b>	<b>64.7</b>	<b>-39.4</b>	<b>-31.1</b>	<b>343.0</b>	<b>279.9</b>	
Deposits	127.5	110.5	50.9	47.2	178.4	157.7		139.5	85.5	-40.7	-38.9	277.2	204.3	
Other liabilities	5.8	26.4	5.0	12.9	10.8	39.3		33.9	3.8	2.5	15.6	47.2	58.7	
Total liabilities	133.3	136.9	55.9	60.1	189.2	197.0		173.4	89.3	-38.2	-23.3	324.4	263.0	
Economic capital / equity	7.4	6.5	3.5	3.0	10.9	9.5		1.7	0.5	6.0	6.9	18.6	16.9	
<b>Total liabilities and allocated capital</b>	<b>140.7</b>	<b>143.4</b>	<b>59.4</b>	<b>63.1</b>	<b>200.1</b>	<b>206.5</b>		<b>175.1</b>	<b>89.8</b>	<b>-32.2</b>	<b>-16.4</b>	<b>343.0</b>	<b>279.9</b>	
<b>Other segment items</b>														
Capital expenditure, NOKm	9	10	3	3	12	13		0	0	2	2	14	15	

# Nordea Bank Norge ASA

## Statement of income

	1st quarter		Full year
NOK million	2006	2005	2005
Interest income	2,968	2,403	9,893
Interest expenses	1,836	1,284	5,361
<b>Net interest income</b>	<b>1,132</b>	<b>1,119</b>	<b>4,532</b>
Dividends and profit from group companies and associated companies	76	74	311
Commissions and fees	502	417	2,002
Commission expenses	-111	-97	-427
Net change in value and profit (loss) on securities	-130	20	531
Net change in value and profit (loss) on foreign exchange and financial derivatives	336	109	213
Other non-interest income	30	12	170
<b>Total non-interest income</b>	<b>703</b>	<b>535</b>	<b>2,800</b>
Personnel expenses	587	558	2,271
Administrative expenses	248	227	981
Ordinary depreciation and write-downs	33	35	145
Other non-interest expenses	117	107	463
<b>Total non-interest expenses</b>	<b>985</b>	<b>927</b>	<b>3,860</b>
<b>Operating profit before loan losses and profit on long-term securities</b>	<b>849</b>	<b>727</b>	<b>3,472</b>
Provisions for losses on loans and guarantees	-207	-39	-1,044
Profit (losses/write-downs) on long-term securities	33	2	98
<b>Operating profit</b>	<b>1,090</b>	<b>768</b>	<b>4,614</b>
Income taxes	281	191	1,262
<b>Net profit</b>	<b>809</b>	<b>577</b>	<b>3,352</b>



# Nordea Bank Norge ASA

## Balance Sheet

NOK million	Note	31.03.06	31.03.05	31.12.05
<b>Assets</b>				
Cash and deposits with central banks		4,511	9,194	4,071
Deposits with and loans to credit institutions		24,152	25,630	28,793
<b>Total cash and claims on credit institutions</b>		<b>28,663</b>	<b>34,824</b>	<b>32,864</b>
Loans to customers		238,186	198,189	228,810
Specific provisions for individually assessed loans		-757	-1,635	-791
Provisions for groups of loans		-834	-784	-1,025
<b>Net loans to customers</b>		<b>236,595</b>	<b>195,770</b>	<b>226,994</b>
<b>Reposessed assets</b>		<b>1</b>	<b>7</b>	<b>1</b>
Certificates and bonds		23,703	20,572	17,777
Equities and investments		620	663	509
<b>Total securities</b>		<b>24,323</b>	<b>21,235</b>	<b>18,286</b>
<b>Associated companies</b>		<b>610</b>	<b>663</b>	<b>626</b>
<b>Equities and investments in group companies</b>		<b>3,466</b>	<b>3,377</b>	<b>3,338</b>
<b>Deferred tax assets, goodwill and other intangible assets</b>		<b>805</b>	<b>1,092</b>	<b>808</b>
<b>Real estate and machinery</b>		<b>401</b>	<b>458</b>	<b>421</b>
<b>Other assets</b>		<b>5,465</b>	<b>13,311</b>	<b>9,221</b>
<b>Prepaid expenses and accrued income</b>		<b>1,157</b>	<b>867</b>	<b>1,147</b>
<b>Total assets</b>		<b>301,486</b>	<b>271,605</b>	<b>293,706</b>
<b>Liabilities and equity</b>				
Deposits from credit institutions		89,965	70,514	88,431
Deposits from customers		150,652	132,078	144,069
<b>Total deposits</b>		<b>240,617</b>	<b>202,592</b>	<b>232,500</b>
Certificates and bond loans		24,351	30,918	23,523
Other liabilities		8,519	14,671	11,140
Accrued expenses and prepaid receivables		1,759	1,530	1,158
Allowances for liabilities		2,219	2,247	2,237
<b>Total other liabilities</b>		<b>36,848</b>	<b>49,366</b>	<b>38,058</b>
<b>Subordinated loan capital</b>		<b>5,361</b>	<b>2,790</b>	<b>5,298</b>
Share capital		3,860	3,860	3,860
Reserves		13,991	12,419	13,990
Profit for the period		809	577	0
<b>Total equity</b>	1	<b>18,660</b>	<b>16,856</b>	<b>17,850</b>
<b>Total liabilities and equity</b>		<b>301,486</b>	<b>271,605</b>	<b>293,706</b>

# Nordea Bank Norge ASA

## Note 1 Equity

NOKm	Share capital <sup>1</sup>	Share premium account	Reserve for evaluation differences	Retained earnings	Total
<b>Balance at end of year, at 31 Dec 2005</b>	<b>3,860</b>	<b>953</b>	<b>1,567</b>	<b>11,470</b>	<b>17,850</b>
Currency translation differences				1	1
Net profit for the period				809	809
<b>Balance at 31 Mar 2006</b>	<b>3,860</b>	<b>953</b>	<b>1,567</b>	<b>12,280</b>	<b>18,660</b>

<sup>1</sup>Total shares registered were 551,358,576 (551,358,576) with face value NOK 7.

Nordea Bank AB (Publ), corporate registration no. 516406-0120, owns 100 per cent of the shares in Nordea Bank Norge ASA.

NOKm	Share capital <sup>1</sup>	Share premium account	Reserve for evaluation differences	Retained earnings	Total
<b>Balance at end of year, at 31 Dec 2004</b>	<b>3,860</b>	<b>953</b>	<b>1,497</b>	<b>10,153</b>	<b>16,463</b>
Change in accounting policies:					
Revaluation of loans				-184	-184
<b>Balance at beginning of year, at 1 Jan 2005</b>	<b>3,860</b>	<b>953</b>	<b>1,497</b>	<b>9,969</b>	<b>16,279</b>
Net profit for the period				577	577
<b>Balance at 31 Mar 2005</b>	<b>3,860</b>	<b>953</b>	<b>1,497</b>	<b>10,546</b>	<b>16,856</b>

## Note 2 Capital ratio

	NOK billion	
<b>Risk-weighted assets as at</b>	<b>31.03.06</b>	<b>31.03.05</b>
Total assets	184.0	151.2
Total off-balance sheet items	36.8	20.4
Total market and foreign exchange risk	7.8	3.4
<b>Risk-weighted assets</b>	<b>228.6</b>	<b>175.0</b>

	NOK million		%	
<b>Capital ratio as at</b>	<b>31.03.06</b>	<b>31.03.05</b>	<b>31.03.06</b>	<b>31.03.05</b>
Tier 1 capital	16,117	15,072	7.1	8.1
Supplementary capital	5,360	2,790	2.3	1.5
Deductions	-14	-31	0.0	-
<b>Total capital</b>	<b>21,463</b>	<b>17,831</b>	<b>9.4</b>	<b>9.6</b>

The capital ratio requirement is 8%

CAD figures according to FSA rules.