Nordea Press release

Copenhagen, Helsinki, Oslo, Stockholm, 19 July 2007

Interim Report Second Quarter 2007

Growth strategy consistently delivers strong results

- **Income EUR 3,830m, up 8% (EUR 3,534m in the first half year of 2006)**
- **Costs EUR 2,000m, up 6% (EUR 1,878m)**
- **Profit before loan losses EUR 1,830m up 11% (EUR 1,656m)**
- **Risk-adjusted profit EUR 1,197m, up 17% (EUR 1,024m)**
- **Operating profit EUR 1,873m, up 5% (EUR 1,780m)**
- **Net profit EUR 1,517m, up 8% (EUR 1,405m)**
- **Return on equity 19.5% (21.2%)**
- **Cost/income ratio down to 52% (53%)**
- **Positive net loan losses of EUR 41m (EUR 120m)**
- **Earnings per share EUR 0.58, up 8% (EUR 0.54)**

Continued strong growth in business volumes

- **Total lending up 15%**
- **Mortgage lending up 14%**
- **SME lending up 16%**
- **Consumer lending up 14% - non-collateralised consumer lending up 17%**
- **Total deposits up 11%**
- **Volumes in savings accounts up 15%**
- **Number of gold customers up 8%**
- **Number of credit cards increased by 43%**
- **Strong asset growth in Private Banking**
- **Increased cross-selling of Markets' products to SMEs**

"Our organic growth strategy consistently delivers strong results. Total income and the number of customers in prioritised segments as well as our business volumes continue to increase according to our growth plan. The gap between growth in income and costs has widened in the second quarter, indicating that we are on track to meet our full year target of 3-4%-points excluding banking operations in Russia. The implementation of our new operating model and subsequent adjustments of the organisation is progressing according to plan while the strong business momentum is maintained", says Christian Clausen, President and Group CEO of Nordea.

Income statement

EURm	Jan-Jun 2007	Jan-Jun 2006	Change %	Q2 2007	Q2 2006	Change %	Q1 2007	Change %
Net interest income	**2,047**	1,884	9	**1,043**	957	9	1,004	4
Net fee and commission income	**1,083**	1,028	5	**548**	521	5	535	2
Net gains/losses on items at fair value	**609**	502	21	**318**	223	43	291	9
Equity method	**19**	45	-58	**9**	25	-64	10	-10
Other income	**72**	75	-4	**39**	54	-28	33	18
Total operating income	**3,830**	**3,534**	**8**	**1,957**	**1,780**	**10**	**1,873**	**4**
Staff costs	**-1,177**	-1,095	7	**-592**	-552	7	-585	1
Other expenses	**-774**	-739	5	**-391**	-372	5	-383	2
Depreciation of tangible and intangible assets	**-49**	-44	11	**-25**	-21	19	-24	4
Total operating expenses	**-2,000**	**-1,878**	**6**	**-1,008**	**-945**	**7**	**-992**	**2**
Profit before loan losses	**1,830**	**1,656**	**11**	**949**	**835**	**14**	**881**	**8**
Loan losses	**41**	120		**28**	89		13	
Disposals of tangible and intangible assets	**2**	4		**1**	3		1	
Operating profit	**1,873**	**1,780**	**5**	**978**	**927**	**6**	**895**	**9**
Tax expense	**-356**	-375	-5	**-162**	-187	-13	-194	-16
Net profit for the period	**1,517**	**1,405**	**8**	**816**	**740**	**10**	**701**	**16**

Business volumes, key items

EURbn	30 Jun 2007	30 Jun 2006	Change %	31 Mar 2007	Change %
Loans and receivables to the public	**229.6**	198.8	15	222.2	3
Deposits and borrowings from the public	**132.6**	119.1	11	126.3	5
Assets under management	**164.9**	143.9	15	162.7	1
Technical provisions, Life	**32.0**	29.1	10	31.4	2
Equity	**15.5**	13.5	15	15.9	-3
Total assets	**375.0**	325.1	15	357.3	5

Ratios and key figures

	Jan-Jun 2007	Jan-Jun 2006	Q2 2007	Q2 2006	Q1 2007
Earnings per share (EPS), EUR	**0.58**	0.54	**0.31**	0.28	0.27
EPS, rolling 12 months up to period end	**1.26**	0.95	**1.26**	0.95	1.23
Share price[1], EUR	**11.62**	9.34	**11.62**	9.34	11.93
Total shareholders' return, %	**4.7**	7.8	**0.2**	-7.6	5.7
Equity per share[2,3], EUR	**5.98**	5.20	**5.98**	5.20	6.13
Shares outstanding[1,3], million	**2,589**	2,592	**2,589**	2,592	2,589
Shares outstanding after full dilution, million	**2,588**	2,592	**2,588**	2,592	2,589
Return on equity, %	**19.5**	21.2	**21.5**	22.4	18.0
Cost/income ratio, %	**52**	53	**52**	53	53
Tier 1 capital ratio[1], %	**7.1**	6.8	**7.1**	6.8	6.8
Total capital ratio[1], %	**9.7**	9.3	**9.7**	9.3	9.4
Tier 1 capital[1], EURm	**13,462**	12,199	**13,462**	12,199	13,102
Risk-weighted assets[1], EURbn	**189**	180	**189**	180	193
Number of employees (full-time equivalents)[1]	**30,863**	29,201	**30,863**	29,201	30,382
Risk adjusted profit, EURm	**1,197**	1,024	**621**	506	576
Economic profit, EURm	**793**	684	**415**	335	378
Economic capital, EURbn	**10.3**	9.2	**10.3**	9.2	9.9
EPS, risk adjusted, EUR	**0.46**	0.40	**0.24**	0.20	0.22
RAROCAR, %	**24.1**	22.6	**24.6**	22.3	23.7
Expected losses, bp	**17**	18	**16**	18	17

[1] End of period.
[2] Equity excluding minority interests and revaluation reserves.
[3] See note 7.

The Group

Result summary first half year 2007

The strong revenue generation continued in the first half of 2007 supported by the consistent delivery of Nordea's organic growth strategy and continued market growth. Total income increased by 8% and total expenses by 6%. The gap between income and cost growth was 2.6%-points excluding banking operations in Russia, ie International Moscow Bank (IMB) last year and Orgresbank this year. The gap was 4.2%-points in the second quarter, up from 1.2%-points in the first quarter.

Profit before loan losses was up 11% to EUR 1,830m and operating profit was EUR 1,873m, up 5%. Risk-adjusted profit was EUR 1,197m, up by 17%, return on equity was 19.5% and the cost/income ratio was down to 52%. Loan losses were positive at EUR 41m.

Income

Total income increased by 8% to EUR 3,830m. Net interest income grew by 9% to EUR 2,047m supported by strong volume growth and increased deposit margins. Lending growth continued with double-digit growth in most segments which largely compensated for the margin pressure still present in certain areas. Total lending to the public increased by 15% to EUR 230bn. Deposit volumes increased by 11% to EUR 133bn driven by both personal and corporate customers. In particular, inflow into savings accounts was strong where volumes increased by 15%. Deposit margins continued to improve following higher market interest rates.

Net interest income in Retail Banking increased by 8%, supported by growth in SME and consumer lending and improved income from deposits as a result of higher margins and volume growth.

In Corporate and Institutional Banking, net interest income increased by 17% following strong lending growth not least in Poland and the Baltic countries where lending increased by 68% and net interest income by 27%.

Assets under management (AuM) increased by 15% to EUR 165bn compared to last year. The strong inflow of funds in Private Banking continued in the first half year. Higher interest rates on savings accounts resulted in some outflows from Nordic Retail funds into savings accounts.

Nordea's development of more sophisticated savings products to meet shifts in demand, including structured products, absolute return funds and attractive propositions on savings accounts, means that revenues from the long-term savings area increasingly appears on all key lines in the income statement.

Net commission income increased by 5% to EUR 1,083m. Lending-related commissions increased by 18% to EUR 206m, reflecting the strong volume growth as well as fees from lending guarantees. Savings-related commissions grew in total by 8%. Of this, asset management commissions increased by 6% following growth in AuM. Total payment commissions were up by 6% to EUR 376m driven mainly by card commissions up by 15%. Payment fees were stable following strong competition and some price pressure, especially on giro payments. Total commission expenses increased by 18% to EUR 291m driven by the successful launch of credit cards to gold customers including value-added services such as insurance.

Net gains/losses on items at fair value increased by 21% to EUR 609m. Net gains/losses in Business Areas increased by 14% to EUR 563m driven by an increased product penetration of Nordea's base of small and medium-sized corporate customers. Income from both fixed-income and equity products grew strongly. In Group Treasury, net gains/losses were EUR 83m.

Income under the Equity method was EUR 19m compared to EUR 45m one year ago. The reduction mainly reflects the divestment of the holding in IMB last year.

Expenses

Total expenses increased by 6.5% to EUR 2,000m. Excluding banking operations in Russia, expenses increased by 5.9%.

The increase is a result of Nordea's growth ambition and investments in certain areas with sizeable potential, as well as an increase in variable salaries. Excluding Orgresbank and when adjusting for the increase in variable salaries, total expenses increased by 5.1% including investment in growth areas.

Staff costs increased by 7% to EUR 1,177m reflecting the growth ambitions and an increasing wage inflation. Increased variable salaries account for approx. 2%-points of the total increase in staff costs and the increase in the average number of employees, excluding Orgresbank, for approx 1%-point.

Excluding the expansion in Poland, Russia and the Baltics, the average number of employees was largely unchanged compared to the second quarter 2006. The acquisition of Orgresbank has added 1,100 FTEs. Within the Group, the shift towards increasing number of advisory and sales-related employees in Business Areas and a falling number in processing and staff units continued.

Other expenses amounted to EUR 774m, up by 5% compared to last year. Higher activity level and investments in strategic projects such as Basel II explain the increase.

The cost/income ratio was down to 52% and the gap between income and cost growth was 2.6%-points in the first half year of 2007 excluding banking operations in Russia. In the first quarter, the corresponding gap was 1.2%-points.

Loan losses

Net loan losses were positive at EUR 41m reflecting recoveries maintained at a high level and limited new provisions. Nordea is confident in the overall quality of its credit portfolio.

Taxes

In the first half year the revaluation of the tax asset in Finland has reduced the tax expenses by approx. EUR 110m.

The effective tax rate in the first half-year was 19%.

Net profit

Net profit was EUR 1,517m, an increase by 8% corresponding to a return on equity of 19.5%. Earnings per share increased by 8% to EUR 0.58.

Second quarter 2007

Total income increased by 10% and total expenses by 6.7% compared to the second quarter 2006. Excluding banking operations in Russia, total expenses increased by 5.4%. The gap between income and cost growth, excluding banking operations in Russia, was 4.2%-points in the second quarter. Compared to the first quarter 2007 revenues increased by 4% and profit before loan losses by 8%.

Income

Total income increased by 10% to EUR 1,957m compared to the second quarter 2006. Net interest income increased by 9% to EUR 1,043m. Total lending to the public increased by 15% to EUR 230bn and volume growth remained solid in all segments. Lending margins were lower but deposit margins improved following higher market interest rates. Orgresbank has been consolidated in the income statement from the second quarter with a total income of EUR 19m, of which net interest income amounted to EUR 13m. Compared to the first quarter, average lending margins were basically unchanged.

Compared to the second quarter last year, net commission income increased by 5% to EUR 548m. Total lending-related commissions increased by 23% and total savings-related commissions by 11% to EUR 360m. Total payment commissions increased by 7% to EUR 195m following a strong development in card commissions. Commission expenses increased by 28% mainly driven by card expenses. Compared to the first quarter 2007, net commission income increased by 2%.

Net gains/losses increased by 43% to EUR 318m compared to the second quarter 2006. Net gains/losses in Business Areas continued to develop strongly and amounted to EUR 290m, an increase by 26% compared to the second quarter last year. In addition, net gains/losses in Group Treasury increased from EUR 7m to EUR 43m supported by the appreciation of the OMX shares following Nasdaq's bid for the company.

Income under the Equity method decreased by 64% to EUR 9m compared to the second quarter 2006 following the divestment of IMB.

Expenses

Excluding banking operations in Russia, total expenses increased by 5%. In the first quarter the corresponding increase was 6% and the slowdown confirms Nordea's expectations for the full year.

Staff costs increased by 7% to EUR 592m while other expenses increased by 5% to EUR 391m. Expenses in Orgresbank amounted to EUR 12m.

Loan losses

Loan losses were positive at EUR 28m in the quarter following a continued flow of recoveries and low new provisions.

Tax

The low effective tax rate in the second quarter follows the reduction of the corporate tax rate in Denmark from 28% to 25%, with effect from 1 January 2007. Nordea's tax expenses in the first half-year have been reduced by approx. EUR 30m as a result of this change.

Net profit

Compared to the second quarter 2006 net profit increased by 10% to EUR 816m, corresponding to EUR 0.31 per share.

Risk-adjusted profit and capital management

Economic Capital increased by 12% to EUR 10.3bn compared to the end of June 2006. This follows the increase in credit risk exposure due to the growth in lending and high business activity.

In line with Nordea's aim to create shareholder value, the financial target is to double the risk-adjusted profit in 7 years which implies an average annual growth of the risk-adjusted profit of approx. 10%. Nordea's performance in the first half year was well above this target with a risk-adjusted profit growth of 17%. Economic Profit increased by 16% to EUR 793m.

Basel II

Nordea for the first time reports risk-weighted assets according to the new capital adequacy rules (Basel II) following the approval of the internal-rating based (IRB) models on 26 June. The final Basel II report will be submitted to the FSAs at a later date and the RWA presented in this report may thus be subject to adjustments.

In the internal rating based (IRB) foundation approach to measure credit risk, risk weights are a function of probability of default (PD). Nordea has therefore used its own estimates of the risk parameter PD. Nordea uses the IRB foundation approach for credit risk in the corporate and institutions portfolios in 2007, which covers approx. 50 per cent of Nordea's credit portfolios. The other exposure classes, eg Retail and Sovereign are calculated according to the standardised methods. Nordea will gradually apply the advanced IRB approach. The next step will be to start the implementation according to the IRB method for the retail exposure class.

Nordea uses internal VaR models for the larger part of the portfolio to measure Market risk. In Basel II, counterparty risk is included under credit risk, whereas this previously was included under market risk.

For Operational Risk, Nordea uses the standardised approach based on annual revenue of each of the broad business lines for estimating operational risk.

At the end of June, Nordea's risk-weighted assets (RWA) amounted to EUR 189bn. Before transition rules, which allows for a maximum of 5% reduction of RWA in 2007, RWAs were 176bn. According to Basel I rules, RWA would have been EUR 200bn.

The tier 1 ratio was 7.1% and the total capital ratio was 9.7%.

Credit portfolio

Total lending was EUR 230bn and the share of personal customer lending was 45%. Within personal customer lending, mortgage loans accounted for 78%.

There was no major change in the composition of the corporate loan portfolio during the quarter. Real estate companies remain the largest industry exposure in the credit portfolio and amounts to EUR 33bn, representing 14% of the total lending portfolio. The lending portfolio is well diversified.

Nordea's new operating model

Nordea's changed organisation is in place since 1 July and the implementation of the new operating model, separating responsibilities for customer relations and products and related processes, and thereby increasing customer orientation, is progressing according to plan. The Business Area reporting will be adjusted according to the new organisation in the interim report for the third quarter and the new baseline with restated figures will be presented prior to the publication of the report.

Gunn Wærsted has joined Group Executive Management

The new member of Group Executive Management, Gunn Wærsted, has in June 2007 assumed part of her future duties and will on 1 August assume all duties including the role as Nordea's Country Senior Executive in Norway.

Nordea share

In the first half year 2007, the share price of Nordea appreciated by 2% on the Stockholm Stock Exchange from SEK 105.50 on 29 December 2006 to SEK 107.50 on 29 June 2007. Total shareholder return (TSR) was 5% which means that Nordea was number seven in the European peer group measured by TSR and best among Nordic peers.

Long Term Incentive Programme

In April 2007, the Annual General Meeting resolved to introduce a Long Term Incentive Programme (LTIP) comprising up to 400 managers and key employees in the Nordea Group. 99% of the target group joined the programme. The main objective of the LTIP is to strengthen Nordea's ability to retain and recruit the best talent for key leadership positions. In order to implement the programme in a cost-efficient manner, the programme was hedged by issuing 3,120,000 C-shares. The C-shares have been bought back and subsequently converted to ordinary shares. The number of shares is 2,597,228,227. Each share gives right to one vote, making the total number of voting rights 2,597,228,227.

Outlook 2007

The organic growth strategy consistently pays off. The strong revenue growth is expected to continue in the second half of 2007.

As previously stated, the cost increase for the full-year 2007 is expected to be of the same magnitude as in 2006, ie 4-5%, and the gap between revenue and cost growth for the full year 2007 is expected to be 3-4 %-points excluding banking operations in Russia. The cost increase for the full-year including Orgresbank and planned investments in Russia is expected to be approx. 6%. This corresponds to a forecasted gap in the area of 2-3%-points including Nordea's Russian banking operations.

The quality of the credit portfolio remains strong. Lower recoveries during the latter part of the year are likely to result in actual net charges in the coming quarters.

Following the reduction of the corporate tax rate in Denmark the average standard tax rate for Nordea's business is approx. 26%. The effective tax rate for 2007 is expected to be 4-6 %-points lower than this average.

Quarterly development

EURm	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Jan-Jun 2007	Jan-Jun 2006
Net interest income	1,043	1,004	1,006	979	957	2,047	1,884
Net fee and commission income (note 1)	548	535	549	497	521	1,083	1,028
Net gains/losses on items at fair value	318	291	310	224	223	609	502
Equity method	9	10	7	16	25	19	45
Other income	39	33	26	217	54	72	75
Total operating income	**1,957**	**1,873**	**1,898**	**1,933**	**1,780**	**3,830**	**3,534**
General administrative expenses (note 2):							
Staff costs	-592	-585	-606	-550	-552	-1,177	-1,095
Other expenses	-391	-383	-391	-355	-372	-774	-739
Depreciation of tangible and intangible assets	-25	-24	-19	-23	-21	-49	-44
Total operating expenses	**-1,008**	**-992**	**-1,016**	**-928**	**-945**	**-2,000**	**-1,878**
Profit before loan losses	**949**	**881**	**882**	**1,005**	**835**	**1,830**	**1,656**
Loan losses	28	13	82	55	89	41	120
Disposals of tangible and intangible assets	1	1	2	2	3	2	4
Operating profit	**978**	**895**	**966**	**1,062**	**927**	**1,873**	**1,780**
Tax expense	-162	-194	-90	-190	-187	-356	-375
Net profit for the period	**816**	**701**	**876**	**872**	**740**	**1,517**	**1,405**
Earnings per share (EPS)	0.31	0.27	0.34	0.34	0.28	0.58	0.54
EPS, rolling 12 months up to period end	1.26	1.23	1.21	1.07	0.95	1.26	0.95

Note 1 Net fee and commission income, EURm	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Jan-Jun 2007	Jan-Jun 2006
Asset Management commissions	196	192	203	176	179	388	365
Life insurance	67	66	75	50	56	133	108
Brokerage	68	68	54	46	61	136	127
Custody	20	21	18	18	20	41	40
Deposits	9	9	9	11	9	18	20
Total savings related commissions	360	356	359	301	325	716	660
Payments	107	108	117	111	110	215	214
Cards	88	73	80	76	73	161	140
Total payment commissions	195	181	197	187	183	376	354
Lending	71	68	60	56	59	139	119
Guarantees and document payments	35	32	31	31	27	67	55
Total lending related commissions	106	100	91	87	86	206	174
Other commission income	39	37	49	36	46	76	87
Fee and commission income	**700**	**674**	**696**	**611**	**640**	**1,374**	**1,275**
Life insurance	-15	-21	-16	-11	-11	-36	-24
Payment expenses	-65	-55	-70	-57	-53	-120	-102
Other commission expenses	-72	-63	-61	-46	-55	-135	-121
Fee and commission expenses	**-152**	**-139**	**-147**	**-114**	**-119**	**-291**	**-247**
Net fee and commission income	**548**	**535**	**549**	**497**	**521**	**1,083**	**1,028**

Note 2 General administrative expenses, EURm	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006	Jan-Jun 2007	Jan-Jun 2006
Staff[1]	576	569	574	534	536	1,145	1,063
Profit sharing	16	16	32	16	16	32	32
Information technology[2]	126	124	110	106	120	250	240
Marketing	29	23	34	21	27	52	49
Postage, telephone and office expenses	51	53	44	44	47	104	100
Rents, premises and real estate expenses	84	85	87	88	80	169	163
Other	101	98	116	96	98	199	187
Total	**983**	**968**	**997**	**905**	**924**	**1,951**	**1,834**

[1] Variable salaries were EUR 55m in Q2 2007 (Q2 2006: EUR 43m).

[2] Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, but excluding IT expenses in the Life operations, were EUR 160m in Q2 2007 (Q2 2006: EUR 155m).

	Business Areas											Other				Group		
	Retail Banking		Corporate and Institutional Banking		Asset Mgmt		Life		Business Areas total			Group Treasury		Group Functions and Eliminations		Nordea Group		
EURm	Jan-Jun		Jan-Jun		Jan-Jun		Jan-Jun		Jan-Jun		Change	Jan-Jun		Jan-Jun		Jan-Jun		Change
Customer responsible units	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**%**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**%**
Net interest income	1,677	1,547	277	236	25	24	0	0	1,979	1,807	10	43	47	25	30	2,047	1,884	9
Net fee and commission income	740	704	168	168	160	140	28	5	1,096	1,017	8	-5	-4	-8	15	1,083	1,028	5
Net gains/losses on items at fair value	196	180	232	173	9	12	126	130	563	495	14	83	47	-37	-40	609	502	21
Equity method	12	9	3	25	0	0	0	0	15	34	-56	4	8	0	3	19	45	-58
Other income	43	56	9	16	7	6	-1	1	58	79	-27	19	3	-5	-7	72	75	-4
Total operating income	**2,668**	**2,496**	**689**	**618**	**201**	**182**	**153**	**136**	**3,711**	**3,432**	**8**	**144**	**101**	**-25**	**1**	**3,830**	**3,534**	**8**
of which allocations	*571*	*494*	*-333*	*-273*	*-175*	*-158*	*-63*	*-65*	*0*	*-2*		*0*	*0*	*0*	*2*	*0*	*0*	
Staff costs	-595	-556	-204	-172	-75	-68	-49	-45	-923	-841	10	-9	-8	-245	-246	-1,177	-1,095	7
Other expenses	-780	-756	-119	-121	-21	-25	-30	-36	-950	-938	1	-16	-13	192	212	-774	-739	5
Depreciation of tangible and intangible assets	-13	-14	-5	-4	-2	-1	-2	-2	-22	-21	5	0	0	-27	-23	-49	-44	11
Total operating expenses	**-1,388**	**-1,326**	**-328**	**-297**	**-98**	**-94**	**-81**	**-83**	**-1,895**	**-1,800**	**5**	**-25**	**-21**	**-80**	**-57**	**-2,000**	**-1,878**	**6**
of which allocations	*-539*	*-546*	*-66*	*-72*	*1*	*10*	*0*	*0*	*-604*	*-608*		*-7*	*-7*	*611*	*615*	*0*	*0*	
Loan losses	69	86	-28	30	0	4	0	0	41	120		0	0	0	0	41	120	
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0		0	0	2	4	2	4	
Operating profit	**1,349**	**1,256**	**333**	**351**	**103**	**92**	**72**	**53**	**1,857**	**1,752**	**6**	**119**	**80**	**-103**	**-52**	**1,873**	**1,780**	**5**
Balance sheet, EURbn																		
Loans and receivables to the public	184	161	42	32	2	2	1	1	229	196	17	0	1	1	2	230	199	15
Other assets	20	21	95	76	3	2	35	31	153	130	18	14	14	-22	-18	145	126	15
Total assets	**204**	**182**	**137**	**108**	**5**	**4**	**36**	**32**	**382**	**326**	**17**	**14**	**15**	**-21**	**-16**	**375**	**325**	**15**
Deposits and borrowings from the public	94	85	34	26	3	3	2	0	133	114	17	0	3	0	2	133	119	11
Other liabilities	104	91	101	80	2	1	33	31	240	203	18	14	12	-28	-23	226	192	18
Total liabilities	**198**	**176**	**135**	**106**	**5**	**4**	**35**	**31**	**373**	**317**	**18**	**14**	**15**	**-28**	**-21**	**359**	**311**	**15**
Equity	0	0	0	0	0	0	0	0	0	0		0	0	16	14	16	14	15
Total liabilities and equity	**198**	**176**	**135**	**106**	**5**	**4**	**35**	**31**	**373**	**317**	**18**	**14**	**15**	**-12**	**-7**	**375**	**325**	**15**
Economic capital	6	6	2	2	0	0	1	1	9	9	13	0	0	1	0	10	9	12
RAROCAR, %	26	26	25	23												24	23	
Other segment items																		
Capital expenditure, EURm	20	4	3	3	9	2	3	7	35	16		0	0	64	69	99	85	
Product result					**203**	**174**	**125**	**108**										

Retail Banking

- **Strong increase in business volumes**
- **Increased number of gold customers**
- **Revenue growth 9%**

Within Retail Banking, Nordea services 7.4 million active personal customers and 600,000 active corporate customers. The business is conducted through 13 Regional Banks operating in the four Nordic markets.

Business development

The strong growth in volumes continued in the second quarter. Several product areas including corporate lending, mortgages, savings and credit cards noted double-digit growth.

Business volumes in both corporate lending and corporate deposit experienced a year-on-year growth of 14-16%. Competition in corporate lending remains fierce with the general favourable economic conditions leading to improved corporate ratings and continued margin pressure. Compared to the first half of 2006, volume growth more than compensated for the negative impact on income from declining margins. The strongest growth in corporate lending was seen in Denmark. A significant number of transactions within corporate and acquisition finance has contributed to the income growth, as has the further selling of Markets' product to corporate customers.

Mortgage lending increased 14% despite a slight decline in market activity following higher interest rates and stabilising house prices. The market is still characterised by margin pressure, however, stabilising margins in the second quarter meant that Nordea's revenues from its mortgage portfolio were slightly higher than in the first quarter. Nordea's market shares within mortgages increased in Norway and Denmark and were stable in Sweden and Finland.

The sales of Home equity products continued to develop positively. New products like Home-flex contributed to income growth especially due to higher margins than traditional mortgages.

The activity in the household deposit market has been intense leading to a fierce competition within the savings account area.

Deposits have contributed significantly to the income growth in Retail Banking. Year-on-year household deposit volumes have increased by 9% and margins have increased by 16 basis points to 1.81% compared to the second quarter last year.

In Norway Nordea increased its market share of the new pension accounts OTP to smaller and medium sized corporates to 25% in line with the ambition to exceed 20%.

Revenue growth was strong in all geographical areas except Norway. Especially the 20% income growth in Finland has contributed significantly.

The Retail deposit hedge has a dampening effect on the growth rates this year, particularly in Sweden. Total income in Regional banks in Sweden increased by 9% supported by the strong deposit base and increased interest rates. Adjusting for the effect of the hedge, ie the positive contribution in 2006 and the negative impact in 2007, the growth rate in Sweden was 16%.

Nordea's strategy of increasing business volumes with existing customers and moving customers upwards in the customer programmes is paying off. This is reflected in an increase in number of gold customers by 8% to 2.3m, while the number of private banking customers increased by 15% to 83,000. Business volumes with gold customers increased by 15% year-on-year.

As part of this strategy Nordea continues to launch attractive offers to its gold customers. The gold credit card including a travel and purchase insurance offer is now issued without fee to gold customers. In the last twelve months 300,000 new credit cards were issued resulting in a 43% increase in the credit card stock.

Result

In the second quarter, Retail Banking generated income of EUR 1,381m, an increase of 9% and 12% excluding the sale of Asiakastieto last year compared to the second quarter 2006.

Net interest income increased by 10% to EUR 860m.

Net fee and commission income increased by 9% from the second quarter 2006 mainly coming from lending and savings commissions.

Total expenses were up 5% at EUR 702m. Loan losses were positive at EUR 34m.

Operating profit increased by 12% to EUR 713m. RAROCAR was 28% (25%). The cost/income ratio was 51% (53%).

Retail Banking operating profit by main area

EURm	Total Q2 2007	Total Q2 2006	Regional banks in Denmark Q2 2007	Regional banks in Denmark Q2 2006	Regional banks in Finland Q2 2007	Regional banks in Finland Q2 2006	Regional banks in Norway Q2 2007	Regional banks in Norway Q2 2006	Regional banks in Sweden Q2 2007	Regional banks in Sweden Q2 2006	Nordic Functions Q2 2007	Nordic Functions Q2 2006
Net interest income	860	781	246	224	246	212	131	124	225	214	12	7
Net fee and commission income	384	351	100	96	115	97	37	34	131	124	1	0
Net gains/losses on items at fair value	107	88	39	29	27	18	18	20	23	21	0	0
Equity method	5	5	5	5	0	0	0	0	0	0	0	0
Other operating income	25	39	3	2	7	3	2	1	12	0	1	33
Total income incl. allocations	**1,381**	**1,264**	**393**	**356**	**395**	**330**	**188**	**179**	**391**	**359**	**14**	**40**
Staff costs	-306	-280	-98	-91	-77	-72	-45	-41	-78	-72	-8	-4
Other expenses	-389	-383	-90	-85	-97	-93	-59	-57	-137	-144	-6	-4
Depreciations etc.	-7	-6	-1	-2	0	0	-2	-2	-2	-2	-2	0
Expenses incl. allocations	**-702**	**-669**	**-189**	**-178**	**-174**	**-165**	**-106**	**-100**	**-217**	**-218**	**-16**	**-8**
Loan losses	34	42	2	20	13	-2	-2	6	-11	4	32	14
Operating profit	**713**	**637**	**206**	**198**	**234**	**163**	**80**	**85**	**163**	**145**	**30**	**46**
Cost/income ratio, %	51	53	48	50	44	50	56	56	55	61		
RAROCAR, %	28	25	27	26	40	33	18	19	26	22		
Other information, EURbn												
Lending	183.7	161.6	55.6	47.5	42.1	37.7	33.3	27.3	52.8	49.1		
Deposits	94.0	84.5	23.9	21.4	26.6	25.0	16.7	14.3	26.8	23.9		
Economic capital	6.3	5.6	1.9	1.7	1.5	1.3	1.1	1.0	1.7	1.6		

Retail Banking margins

Lending margins, %	Q2 2007	Q1 2007	Q2 2006
To corporates	0.89	0.90	0.97
To households			
- Mortgage	0.57	0.56	0.69
- Consumer	3.09	3.25	3.63

Deposit margins, %	Q2 2007	Q1 2007	Q2 2006
From corporates	1.08	1.06	1.01
From households	1.81	1.76	1.65

Retail Banking key figures per quarter

EURm	**Q2 2007**	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Total operating income	**1,381**	1,287	1,298	1,234	1,264
Total operating expenses	**-702**	-686	-703	-646	-669
Loan losses	**34**	35	84	50	42
Operating profit	**713**	**636**	**679**	**638**	**637**
RAROCAR, %	**28**	25	25	25	25
Cost/income ratio, %	**51**	53	54	52	53
Customer base: households, million	**7.4**	7.4	7.4	7.4	7.4
corporate customers, million	**0.6**	0.6	0.6	0.6	0.6
Number of employees (full-time equivalents)	**17,948**	17,738	17,712	17,771	17,671

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

Corporate and Institutional Banking

- **Business activity at high level, especially in the capital markets area**
- **Orgresbank income statement consolidated in the second quarter**
- **Revenue growth 13%**

Corporate and Institutional Banking has customer responsibility for large corporate customers listed on the main stock exchanges and other customers with an external credit rating as well as shipping, offshore and oil services companies, and financial institutions. Nordea's banking activities in Poland, the Baltic countries and Russia are also part of Corporate and Institutional Banking.

Business Development

In Corporate Banking Division, customer activity continued to be firm during the second quarter. Despite this high activity, a somewhat lower number of larger deals were closed in the quarter compared to the corresponding quarter a year ago. Market activity within the acquisition finance area continued to be at a high level.

The business activity in the Financial Institutions Division's customer segment was high during the second quarter, as the equity market showed a solid development and activity increased in the bond market. Structured transactions and other similarly sophisticated financial products continued to be in demand by institutional investors, a situation that created opportunities for Nordea to fully utilise its structuring capabilities. Nordea also continued to win new mandates and increase the market share within the sub-custody business, combining pan-Nordic services with adapted local set-ups.

Nordea maintained its position as a leading provider of financial services to the shipping, offshore and oil services industries. The activity level remained high in all segments, and particularly so within offshore and oil services. As in the previous quarters, a number of large transactions were closed including several mandates regarding large re-financings within the offshore/rig sector.

In Markets Division, customer activity continued at a high level during the second quarter. Equity products showed robust customer demand in all countries, driven especially by equity finance and derivatives activities. Likewise, interest rate products showed significant customer activity in the quarter.

The strong business trend in Poland and the Baltic countries continued in the second quarter. The increase in total lending was 66% compared to the second quarter 2006, while mortgage lending grew by 88%. Nordea doubled the number of gold customers compared to the corresponding quarter in 2006. The expansion of the ATM network continued and by the end of the quarter 123 ATMs were installed in the Baltic countries.

The preparations for a more rapid expansion of the branch network in the region have progressed well during the spring and the results will be seen gradually during the latter part of 2007. The main target is Poland, where, in total, approx. 40 new branches are planned for this year, while 10-15 new branches are targeted in the Baltic countries. The new sales capacity will primarily target personal customers and SMEs.

In the second quarter, Orgresbank is for the first time included in the Nordea income statement. Business activity in Russia was strong in the quarter. Total income increased by 52% compared to the corresponding quarter of 2006 and total lending increased by 60%. The business plan for Orgresbank 2007 is under implementation, with a focus on Russian corporate customers and Nordic corporate customers. Also, the initial efforts of targeting personal customers in the high-end segment have progressed well in the quarter.

Result

Business activity continued to be strong in the second quarter of 2007. Total income amounted to EUR 350m, up 13% with strong growth in all divisions except for the corporate banking division where revenues were largely unchanged adjusting for IMB and a single large transaction in 2006. Net interest income increased by 26% to EUR 151m. The drivers were a 31% increase in lending and a 27% increase in deposits. All divisions contributed to the lending growth, but especially Poland and Baltic countries.

Commission income increased by 5% in the quarter, reaching EUR 89m. Customer activity was generally at a high level in the quarter, but somewhat fewer large deals were closed in Corporate Banking Division compared to a year ago. Net gains/losses on items at fair value increased by 40%, up to EUR 108m in the quarter, reflecting high customer activity.

Total costs amounted to EUR 176m in quarter. This represents an increase of 16%, of which 7% originates from Orgresbank and the underlying growth is thereby 9%. Higher staff expenses is the main driver, reflecting a higher number of employees and higher variable salaries on the back of high income. The total number of FTEs amounted to 4,872, compared to 3,306 a year ago. The main explanation is the consolidation of Orgresbank and business expansion in Poland and the Baltic countries.

Profit before loan losses was EUR 174m for the quarter, an increase of 11%, while operating profit decreased by 16% due to high loan loss recoveries in the comparison figure. RAROCAR was 24% in the quarter, compared to 22% in the second quarter 2006 and the C/I-ratio was 50% for the quarter.

CIB operating profit by main area

EURm	Total Q2 2007	Total Q2 2006	Corporate Banking Division[1] Q2 2007	Corporate Banking Division[1] Q2 2006	Financial Institutions Division[1] Q2 2007	Financial Institutions Division[1] Q2 2006	Shipping, Offshore and Oil services Division[1] Q2 2007	Shipping, Offshore and Oil services Division[1] Q2 2006	Poland and Baltics Q2 2007	Poland and Baltics Q2 2006	Russia Q2 2007	Russia Q2 2006	Other Q2 2007	Other Q2 2006	Markets[2] Q2 2007	Markets[2] Q2 2006
Net interest income	151	120	52	47	15	14	41	37	25	19	13	0	5	3	17	19
Net fee and commission income	89	85	32	46	31	21	16	8	11	8	2	0	-3	2	21	16
Net gains/losses on items at fair value	108	77	15	15	42	37	5	4	7	4	3	0	36	17	204	159
Equity method	1	13	0	13	0	0	0	0	0	0	0	0	1	0	0	0
Other operating income	1	14	0	5	0	8	1	1	1	0	1	0	-2	0	0	0
Total income incl. allocations	**350**	**309**	**99**	**126**	**88**	**80**	**63**	**50**	**44**	**31**	**19**	**0**	**37**	**22**	**242**	**194**
Staff costs	-109	-88	-22	-20	-5	-4	-4	-4	-12	-9	-7	0	-59	-51	-60	-50
Other expenses	-65	-62	-14	-17	-33	-30	-7	-7	-15	-9	-3	0	7	1	-42	-39
Depreciations etc.	-2	-2	0	0	0	0	0	0	-1	-2	0	0	-1	0	0	0
Expenses incl. allocations	**-176**	**-152**	**-36**	**-37**	**-38**	**-34**	**-11**	**-11**	**-28**	**-20**	**-10**	**0**	**-53**	**-50**	**-102**	**-89**
Loan losses	-6	43	-4	37	0	0	0	0	0	-2	0	0	-2	8	0	0
Operating profit	**168**	**200**	**59**	**126**	**50**	**46**	**52**	**39**	**16**	**9**	**9**	**0**	**-18**	**-20**	**140**	**105**
Cost/income ratio, %	50	49	36	29	43	43	17	22	64	65	53	-			42	46
RAROCAR, %	24	22	21	24	88	90	35	41	21	19	29	-			69	43
Other information, EURbn																
Lending	42.3	32.3	14.5	12.7	2.8	1.5	10.2	9.1	6.2	3.7	0.6	0.0	8.0	5.3	8.0	5.3
Deposits	33.5	26.4	7.4	7.5	15.6	10.3	5.9	4.5	2.7	1.9	0.3	0.0	1.6	2.2	1.6	2.1
Economic capital	2.0	1.9	0.8	1.0	0.2	0.2	0.4	0.3	0.2	0.1	0.1	0.0	0.3	0.3	0.6	0.7

[1] Figures include income and costs related to the division's activities as a customer responsible unit. In addition, the division has income and costs related to its service and product responsibility that are allocated to other customer responsible units

[2] Markets has product responsibility for trading products such as FX, fixed-income and related derivatives and is evaluated by the product result. The product result includes all income and expenses related to the respective products, which is allocated to the customer responsible units within Corporate and Institutional Banking and Retail Banking.

CIB Margins[1]

	Q2 2007	Q1 2007	Q2 2006		Q2 2007	Q1 2007	Q2 2006
Lending margins, %	0.84	0.85	0.88	Deposit margins, %	0.32	0.36	0.37

[1]Excluding Poland and Baltics, Russia and Markets.

CIB key figures per quarter

EURm	**Q2 2007**	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Total operating income	**350**	339	315	482	309
Total operating expenses	**-176**	-152	-157	-138	-152
Loan losses	**-6**	-22	-2	5	43
Operating profit	**168**	**165**	**156**	**349**	**200**
RAROCAR, %	**24**	26	21	50	22
Cost/income ratio, %	**50**	45	50	29	49
Number of employees (full-time equivalents)	**4,872**	3,614	3,499	3,392	3,306

Asset Management & Life

- **Asset Management income up 15%**
- **Asset Management product result up 26%**
- **Life product result up 29%**
- **Strong inflow of EUR 1.8bn in Private Banking**

Asset Management & Life is responsible for the Group's activities within institutional investment management, life insurance and pensions, investment funds, private banking and the savings market in general.

Business development

Nordea' assets under management (AuM) amounted to EUR 164.9bn at the end of June 2007 following a net inflow in the first six months of EUR 1.3bn and market appreciation. Inflows were strong in the first quarter whereas a net outflow of EUR 1.3bn was reported in the second quarter.

AuM of Nordic Retail Funds amounted to EUR 37.8bn up EUR 0.8bn compared to the first quarter. The increase was a result of market appreciation and strong sales in Finland. Assets in Swedish Funds were influenced by inflows to savings accounts with attractive rates.

Overall performance was satisfactory in the second quarter, with 59% of the composites outperforming benchmark, despite performance challenges within specific areas during the first half-year of 2007. Measures have been taken to improve performance within these areas. The new and re-engineered products were performing well, with 86% of the products outperforming benchmark.

Growth in Private Banking was strong in the second quarter. Net inflows in Nordic Private Banking amounted to EUR 1.7bn, bringing Nordic Private Banking AuM to EUR 46.8bn, and net inflows in European Private Banking EUR 0.1bn, bringing European Private Banking AuM to EUR 9.8bn. The strong net inflow in Private Banking comes from an increase in the customer base and increased business with existing customers.

After two consecutive quarters of positive net inflow, European Fund Distribution experienced a net outflow of EUR 0.7bn, ending at an AuM of EUR 5.4bn at the end of the second quarter. Outflows were primarily a result of a few large mandates of structured products reaching maturity, which were not renewed. In the second quarter, gross inflow was maintained at EUR 1.2bn, confirming that on-going restructuring initiatives on enhancement and broadening of the product offerings and strengthening of the sales forces are starting to pay off.

Within institutional asset management activities, a net outflow of EUR 2.1bn was realised in the second quarter. The net outflow was primarily due to a loss of a few large mandates. A number of new institutional mandates within high margin areas were won in the second quarter.

Nordea Life & Pension maintained the position as the largest company on the Nordic market with a market share of 10.8% measured in terms of gross written premiums.

AuM in the Life business amounted to EUR 38.8bn up 0.6bn compared to the first quarter. Gross written premiums in the Life business in the second quarter were 0.8bn, and rolling four quarters gross written premiums were up 2% compared to the second quarter last year. The annual growth was primarily driven by sales growth rates of 26% in Denmark and 24% in Poland. The growth was achieved despite the negative effect on Swedish sales following temporary changes in legislation in the first half year of 2007.

Financial buffers were EUR 2.5bn or 11% of the Life provisions by the end of the second quarter, up EUR 0.2bn or 7% compared to the first quarter. The strengthening of the buffers was a result of the positive development of the equity markets, strong returns on alternative investments and low sensitivity to rising interest rates.

Result

The asset management activities realised double-digit growth in income and product result in the second quarter. Compared to the second quarter last year asset management income was up 15%, ending at EUR 198m, and asset management product result went up 26%, ending at EUR 103m.

The underlying composition of the strong income growth was an increase in AuM-related income of 15% and an increase in transaction related income of 12% compared to the second quarter last year. Income growth was primarily driven by an increase in income margin of 5bps, of which the AuM-related income margin accounted for an increase of 3.5bps compared to second quarter last year. A change in the AuM product mix towards an increasing share of high margin products, was affecting the income margin positively compared to the second quarter last year.

Costs increased by 5% in the second quarter compared to the second quarter last year. Due to the relatively higher income growth, the cost / income ratio was reduced by 4%-points ending at 48% in the second quarter.

The Life business continues to produce solid profit. Life product result was up 29% and operating expenses down by 3% compared to the second quarter last year.

Asset Management & Life volumes and inflow

EURbn	Q2 2007	Q2 Inflow	Total Q1 2007	Q4 2006	Q3 2006	Q2 2006
Nordic Retail funds	37.8	-0.2	37.0	37.2	35.7	34.9
European Fund Distribution	5.4	-0.7	5.8	5.7	5.2	5.5
Private Banking Activities						
Nordic Private Banking	46.8	1.7	44.7	42.3	38.8	36.7
International Wealth Management	9.8	0.1	9.5	9.2	8.7	8.5
Institutional clients	26.3	-2.1	27.5	26.1	25.0	23.3
Life & pensions	38.8	-0.1	38.2	37.6	36.0	35.0
Total	**164.9**	**-1.3**	**162.7**	**158.1**	**149.4**	**143.9**

Key figures– Asset Management activities

EURm	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Net interest income	12	13	12	11	12
Net fee and commission income	177	173	187	145	153
Net gains/losses on items at fair value	6	3	6	7	4
Equity method	0	0	0	0	0
Other income	3	4	5	3	3
Total income	**198**	**193**	**210**	**166**	**172**
Staff costs	-38	-37	-40	-34	-34
Other expenses	-19	-19	-21	-19	-20
Depreciations	-1	-1	0	-1	-1
Operating expenses	**-58**	**-57**	**-61**	**-54**	**-55**
Estimated distribution expenses in Retail Banking	-37	-36	-36	-34	-35
Product result	**103**	**100**	**113**	**78**	**82**
of which income within Retail Banking	***88***	***87***	***90***	*77*	*78*
Margins[1]					
Income margins (bps)	72	71	79	65	67
Operating expenses margin (bps)	-21	-21	-23	-21	-22
Distribution expenses margin (bps)	-13	-13	-14	-13	-14
Result margin (bps)	37	36	43	31	32
Cost/income ratio, %	48	48	46	53	52
Economic capital	157	158	179	157	163
Assets under management, EURbn	165	163	158	149	144
Number of employees (full-time equivalents)	858	879	897	900	886

1) Annualised margins calculated using average AuM for Asset Management Activities excluding Nordic Private Banking activities. In Q2 2007 these assets totaled EUR 111bn.

Key figures– Life activities

EURm	**Q2 2007**	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Profit drivers					
Traditional insurance:					
Fee contribution/profit sharing	**38**	37	47	34	35
Contribution from cost result	**-1**	-1	-4	0	-4
Contribution from risk result	**7**	5	9	6	6
Return on shareholders' equity/other profits	**12**	6	15	11	6
Total Profit Traditional	**56**	47	67	51	43
Total profit Unit linked	**15**	16	12	14	13
Estimated distribution expenses in Retail Banking	**-4**	-5	-5	-4	-4
Total Product Result	**67**	**58**	**74**	**61**	**52**
of which income within Retail Banking	***31***	*32*	*37*	*37*	*35*
Key figures					
Premiums written, net of reinsurance	**816**	1,021	1,112	720	964
of which from Traditional business	**459**	605	601	454	560
of which from Unit-linked business	**357**	416	511	267	404
Total operating expenses	**42**	40	53	38	43
Investment assets:					
Bonds	**15,572**	15,756	15,642	15,796	15,819
Equities	**5,070**	4,938	4,843	4,157	3,850
Alternative investments	**2,555**	2,395	2,345	2,264	2,066
Property	**3,014**	2,991	3,017	2,838	2,785
Unit linked	**7,398**	6,967	6,683	6,094	5,826
Total investment assets	**33,609**	33,047	32,530	31,149	30,346
Investment return %	**0.8**	1.0	2.3	2.7	-0.5
Technical provisions	**32,041**	31,406	30,765	29,744	29,071
of which financial buffers	**2,503**	2,337	2,277	1,901	1,909
Economic capital	**1,157**	1,110	1,035	1008	986
Number of employees (full-time equivalents)	**1,210**	1,197	1,176	1,169	1,164

Group Treasury

- **Strong investment earnings**
- **EUR 2 bn FRN issued by Nordea Bank AB**

Group Treasury is responsible for the Group's own investment portfolio and market risk-taking in financial instruments (excluding investments within insurance), raising funding for the Group as well as asset and liability management.

Business development

Financial markets experienced increasing confidence in global economic growth in the second quarter. The fears of a downturn in the US economy eased as US growth figures improved from the weak first quarter level.

European central banks continued to increase their interest rates and short-term interest rates rose. The rise in long term interest rates was steeper and Euro area 10-year yields were up more than half a percentage point in the quarter. Equity markets in the Nordic areas were strong supported by positive macroeconomic outlook.

Issuance of mortgage bonds out of Nordea Kredit in Denmark and covered bonds out of Nordea Hypotek in Sweden continue to make up the core part of the Group's long-term funding. Issuance opportunities have continued to be favourable allowing Nordea to secure attractive funding, both domestically and in the international markets. The new covered bond legislation in Denmark, allows issuance of covered bonds both from specialised mortgage companies as well as banks.

In addition to the long-term funding raised by the mortgage companies, Nordea Bank issues senior unsecured funding. In May Nordea Bank AB entered the European public FRN market by issuing a EUR 2bn FRN aimed for institutional investors. The objective with the transaction was to fund the increasing balance sheet while at the same time diversifying Nordea's unsecured long-term borrowing.

Another source of unsecured long-term funds is issuance of the CD market in US which Nordea made actively use of during the second quarter.

At the end of June the price risk on Group Treasury's interest rate positions, calculated as VaR, was EUR 9m, compared to EUR 11m at the end of March. The risk related to equities, calculated as VaR, was EUR 32m compared to 24m at the end of March.

The structural interest income risk (SIIR) was EUR 249m assuming increased market rates by 100 basis points and EUR -279m assuming decreased market rates by 100 basis points. The increase in SIIR is a result of higher deposit volumes.

Result in the second quarter

Group Treasury's result is divided into investment-related result and funding-related result. Earnings in Group Investment are defined as the net of return on investment and the return target, ie the expected average medium-term risk-free return over time, defined as the funding cost. The funding cost is directly correlated to the interest paid to Business Areas on their allocated economic capital. The rate is set annually and it is adjusted based on the prevailing market rate. For 2007, the funding cost is 4.00%.

Operating profit in Group Investment was EUR 28m compared to EUR 10m in the second quarter last year.

The investment return was 1.26% in the second quarter (5.07% annualised) well above the 0.94% in the second quarter 2006 and 1.24% in the first quarter of 2007.

Performance was supported by gains in OMX which had a positive impact on net gains/losses of approx. EUR 44m in the first six months of 2007 compared to EUR 16m in the first six months of 2006.

Operating profit in Group Funding was EUR 32m compared to EUR 21m in the second quarter 2006 supported by successful money market positions.

Group Treasury operating profit by main area

EURm	Q2 2007	Q2 2006	Group Investment Q2 2007	Group Investment Q2 2006	Group Funding Q2 2007	Group Funding Q2 2006
Net interest income	15	27	-10	-11	25	38
Net fee and commission income	-3	-2	-2	-1	-1	-1
Net gains/losses on items at fair value	43	7	26	16	17	-9
Equity method	3	8	3	8	0	0
Other operating income	15	1	15	1	0	0
Total income incl. allocations	**73**	**41**	**32**	**13**	**41**	**28**
Staff costs	-4	-4	-2	-1	-2	-3
Other expenses	-9	-6	-2	-2	-7	-4
Depreciations etc.	0	0	0	0	0	0
Expenses incl. allocations	**-13**	**-10**	**-4**	**-3**	**-9**	**-7**
Operating profit	**60**	**31**	**28**	**10**	**32**	**21**

Group Treasury key figures per quarter

EURm	**Q2 2007**	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Total operating income	73	71	93	51	41
Total operating expenses	-13	-12	-12	-11	-10
Operating profit	**60**	**59**	**81**	**40**	**31**
Cost/income ratio, %	18	17	13	22	24
Bonds, EURm	13,484	11,549	10,798	14,198	14,529
Equities, EURm	462	439	416	455	465
Investments, EURm	13,946	11,988	11,214	14,653	14,994
Number of employees (full-time equivalents)	99	99	97	101	102

Definitions of financial performance measures

Risk-adjusted profit
Risk-adjusted profit is defined as total income minus total operating expenses, minus Expected Losses and standard tax (27%). In addition, Risk-adjusted profit excludes major non-recurring items.

Economic Profit
Economic Profit is derived by deducting Cost of Equity from Risk-adjusted profit.

Expected Losses
Expected Losses reflects the normalised loss level of the individual loan exposure over a business cycle as well as various portfolios. Based on the current portfolio the Expected Losses used in the Economic Profit calculations is 17 basis points, down from 19 basis points in 2006. This reflects the improved quality and repayment ability of Nordea´s customers.

Cost of Equity
Cost of Equity (%) is defined as required return by investors on the Nordea share, measured as the long risk free euro rate plus required average risk premium to invest in equities multiplied by Beta, which reflects the Nordea share´s volatility and correlation with market volatility.

Cost of Equity in EUR is defined as Cost of Equity (%) times Economic Capital.

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
Economic Capital is Nordea’s internal estimate of required capital and measures the capital required to cover unexpected losses in the course of its business with a certain probability. EC uses advanced internal models to provide a consistent measurement for Credit Risk, Market Risk, Operational Risk, Business Risk and Life Insurance Risk arising from activities in Nordea’s various business areas. The aggregation of risks across the group gives rise to diversification effects resulting from the differences in risk drivers and the improbability that unexpected losses occur simultaneously.

RAROCAR
RAROCAR, % (Risk-adjusted return on capital at risk) is defined as Risk-adjusted profit relative to Economic Capital.

Segment reporting

Nordea's operations are organised into three business areas. The business areas are Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The latter segment is divided into two columns due to transparency reasons. 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.

Asset Management & Life has customer responsibility within investment management and in private banking outside a joint unit with Retail Banking. In addition, Asset Management & Life commands product responsibility for investment funds and life insurance products. The operating profit shown in the accompanying table includes the customer responsible units. The product result for Asset Management and Life respectively represent the Group's total earnings including income allocated to Retail Banking on these products, as well as sales and distribution costs within Retail Banking.

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, Group Credit and Risk Control and Group Legal and Compliance. Group Treasury, which is part of Group Corporate Centre, has been excluded in this calculation 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.

Business Areas																				
	Retail Banking					Corporate and Institutional Banking					Asset Management					Life				
EURm **Customer responsible units**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q2 2006**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q2 2006**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q2 2006**	**Q2 2007**	**Q1 2007**	**Q4 2006**	**Q3 2006**	**Q2 2006**
Net interest income	860	817	822	807	781	151	126	127	120	120	12	13	12	11	12	0	0	0	0	0
Net fee and commission income	384	356	372	340	351	89	79	81	77	85	81	79	91	62	68	16	12	17	9	4
Net gains/losses on items at fair value	107	89	90	75	88	108	124	102	81	77	6	3	6	7	4	69	57	80	51	61
Equity method	5	7	4	2	5	1	2	2	3	13	0	0	0	0	0	0	0	0	0	0
Other income	25	18	10	10	39	1	8	3	201	14	3	4	5	3	3	-2	1	1	6	1
Total operating income	**1,381**	**1,287**	**1,298**	**1,234**	**1,264**	**350**	**339**	**315**	**482**	**309**	**102**	**99**	**114**	**83**	**87**	**83**	**70**	**98**	**66**	**66**
of which allocations	*292*	*279*	*263*	*228*	*248*	*-174*	*-159*	*-137*	*-116*	*-135*	*-88*	*-87*	*-89*	*-76*	*-79*	*-31*	*-32*	*-37*	*-37*	*-35*
Staff costs	-306	-289	-293	-278	-280	-109	-95	-92	-80	-88	-38	-37	-39	-34	-34	-25	-24	-25	-22	-23
Other expenses	-389	-391	-406	-363	-383	-65	-54	-63	-55	-62	-10	-11	-13	-11	-12	-16	-14	-22	-15	-20
Depreciation of tangible and intangible assets	-7	-6	-4	-5	-6	-2	-3	-2	-3	-2	-1	-1	-1	-1	-1	-1	-1	-6	-1	-1
Total operating expenses	**-702**	**-686**	**-703**	**-646**	**-669**	**-176**	**-152**	**-157**	**-138**	**-152**	**-49**	**-49**	**-53**	**-46**	**-47**	**-42**	**-39**	**-53**	**-38**	**-44**
of which allocations	*-267*	*-272*	*-294*	*-264*	*-276*	*-38*	*-28*	*-33*	*-30*	*-39*	*-8*	*9*	*8*	*6*	*6*	*0*	*0*	*0*	*0*	*0*
Loan losses	34	35	84	50	42	-6	-22	-2	5	43	0	0	0	0	4	0	0	0	0	0
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit	**713**	**636**	**679**	**638**	**637**	**168**	**165**	**156**	**349**	**200**	**53**	**50**	**61**	**37**	**44**	**41**	**31**	**45**	**28**	**22**
Balance sheet, EURbn																				
Loans and receivables to the public	184	177	172	164	161	42	38	36	31	32	2	3	3	2	2	1	1	1	1	1
Other assets	20	18	22	25	21	95	87	79	74	76	3	2	1	2	2	35	34	34	31	31
Total assets	**204**	**195**	**194**	**189**	**182**	**137**	**125**	**115**	**105**	**108**	**5**	**5**	**4**	**4**	**4**	**36**	**35**	**35**	**32**	**32**
Deposits and borrowings from the public	94	89	88	85	85	34	31	29	25	26	3	3	4	3	3	2	2	2	1	0
Other liabilities	104	100	100	98	91	101	92	84	78	80	2	2	0	1	1	33	32	32	30	31
Total liabilities	**198**	**189**	**188**	**183**	**176**	**135**	**123**	**113**	**103**	**106**	**5**	**5**	**4**	**4**	**4**	**35**	**34**	**34**	**31**	**31**
Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**198**	**189**	**188**	**183**	**176**	**135**	**123**	**113**	**103**	**106**	**5**	**5**	**4**	**4**	**4**	**35**	**34**	**34**	**31**	**31**
Economic capital	6	6	6	6	6	2	2	2	2	2	0	0	0	0	0	1	1	1	1	1
Other segment items																				
Capital expenditure, EURm	16	4	1	1	2	1	2	2	2	2	5	4	6	3	1	-4	7	10	2	4
Product result											**103**	**100**	**113**	**78**	**82**	**67**	**58**	**74**	**61**	**52**

	Other										Group				
	Group Treasury					Group Functions and Eliminations					Nordea Group				
EURm	Q2	Q1	Q4	Q3	Q2	Q2	Q1	Q4	Q3	Q2	Q2	Q1	Q4	Q3	Q2
Customer responsible units	**2007**	**2007**	**2006**	**2006**	**2006**	**2007**	**2007**	**2006**	**2006**	**2006**	**2007**	**2007**	**2006**	**2006**	**2006**
Net interest income	15	28	38	33	27	5	20	7	8	17	1,043	1,004	1,006	979	957
Net fee and commission income	-3	-2	-2	-2	-2	-19	11	-10	11	15	548	535	549	497	521
Net gains/losses on items at fair value	43	40	44	8	7	-15	-22	-12	2	-14	318	291	310	224	223
Equity method	3	1	-1	10	8	0	0	2	1	-1	9	10	7	16	25
Other income	15	4	14	2	1	-3	-2	-7	-5	-4	39	33	26	217	54
Total operating income	**73**	**71**	**93**	**51**	**41**	**-32**	**7**	**-20**	**17**	**13**	**1,957**	**1,873**	**1,898**	**1,933**	**1,780**
of which allocations	*0*	*0*	*0*	*0*	*0*	*1*	*-1*	*0*	*1*	*1*	*0*	*0*	*0*	*0*	*0*
Staff costs	-4	-5	-4	-4	-4	-110	-135	-153	-132	-123	-592	-585	-606	-550	-552
Other expenses	-9	-7	-8	-7	-6	98	94	121	96	111	-391	-383	-391	-355	-372
Depreciation of tangible and intangible assets	0	0	0	0	0	-14	-13	-6	-13	-11	-25	-24	-19	-23	-21
Total operating expenses	**-13**	**-12**	**-12**	**-11**	**-10**	**-26**	**-54**	**-38**	**-49**	**-23**	**-1,008**	**-992**	**-1,016**	**-928**	**-945**
of which allocations	*-4*	*-3*	*-4*	*-3*	*-3*	*317*	*294*	*323*	*291*	*312*	*0*	*0*	*0*	*0*	*0*
Loan losses	0	0	0	0	0	0	0	0	0	0	28	13	82	55	89
Disposals of tangible and intangible assets	0	0	0	0	0	1	1	2	2	3	1	1	2	2	3
Operating profit	**60**	**59**	**81**	**40**	**31**	**-57**	**-46**	**-56**	**-30**	**-7**	**978**	**895**	**966**	**1,062**	**927**
Balance sheet, EURbn															
Loans and receivables to the public	0	0	0	0	1	1	3	2	3	2	230	222	214	201	199
Other assets	14	12	11	15	14	-22	-18	-14	-20	-18	145	135	133	127	126
Total assets	**14**	**12**	**11**	**15**	**15**	**-21**	**-15**	**-12**	**-17**	**-16**	**375**	**357**	**347**	**328**	**325**
Deposits and borrowings from the public	0	0	2	3	3	0	1	1	2	2	133	126	126	119	119
Other liabilities	14	12	9	12	12	-28	-23	-19	-24	-23	226	215	206	195	192
Total liabilities	**14**	**12**	**11**	**15**	**15**	**-28**	**-22**	**-18**	**-22**	**-21**	**359**	**341**	**332**	**314**	**311**
Equity	0	0	0	0	0	16	16	15	14	14	16	16	15	14	14
Total liabilities and equity	**14**	**12**	**11**	**15**	**15**	**-12**	**-6**	**-3**	**-8**	**-7**	**375**	**357**	**347**	**328**	**325**
Economic capital	0	0	0	0	0	1	1	1	0	0	10	10	10	9	9
Other segment items															
Capital expenditure, EURm	0	0	0	0	0	32	32	90	22	39	50	49	109	30	48

Income statement

EURm	Note	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full year 2006
Operating income						
Interest income		*3,219*	*2,409*	*6,120*	*4,790*	*9,669*
Interest expense		*-2,176*	*-1,452*	*-4,073*	*-2,906*	*-5,800*
Net interest income		1,043	957	2,047	1,884	3,869
Fee and commission income		*700*	*640*	*1,374*	*1,275*	*2,582*
Fee and commission expense		*-152*	*-119*	*-291*	*-247*	*-508*
Net fee and commission income		548	521	1,083	1,028	2,074
Net gains/losses on items at fair value	2	318	223	609	502	1,036
Profit from companies accounted for under the equity method		9	25	19	45	68
Dividends		20	6	20	6	6
Other operating income		19	48	52	69	312
Total operating income		**1,957**	**1,780**	**3,830**	**3,534**	**7,365**
Operating expenses						
General administrative expenses:						
Staff costs		-592	-552	-1,177	-1,095	-2,251
Other expenses		-391	-372	-774	-739	-1,485
Depreciation, amortisation and impairment charges of tangible and intangible assets		-25	-21	-49	-44	-86
Total operating expenses		**-1,008**	**-945**	**-2,000**	**-1,878**	**-3,822**
Loan losses	3	28	89	41	120	257
Disposals of tangible and intangible assets		1	3	2	4	8
Operating profit		**978**	**927**	**1,873**	**1,780**	**3,808**
Tax expense		-162	-187	-356	-375	-655
Net profit for the period		**816**	**740**	**1,517**	**1,405**	**3,153**
Attributable to:						
Shareholders of Nordea Bank AB (publ)		815	739	1,515	1,402	3,145
Minority interests		1	1	2	3	8
Total		**816**	**740**	**1,517**	**1,405**	**3,153**
Earnings per share, EUR		0.31	0.28	0.58	0.54	1.21
Earnings per share, after full dilution, EUR		0.31	0.28	0.58	0.54	1.21

Balance sheet

EURm	Note	30 Jun 2007	31 Mar 2007	31 Dec 2006	30 Sep 2006	30 Jun 2006
Assets						
Cash and balances with central banks		2,916	2,771	2,104	3,335	2,270
Treasury bills and other eligible bills		8,513	8,137	6,678	7,304	7,653
Loans and receivables to credit institutions	4	28,561	27,502	26,792	27,244	27,301
Loans and receivables to the public	4	229,583	222,238	213,985	201,126	198,842
Interest-bearing securities		28,231	26,912	29,066	24,882	27,179
Financial instruments pledged as collateral		9,355	10,392	10,496	10,787	9,537
Shares		18,860	20,174	14,585	14,364	14,324
Derivatives	6	30,998	23,559	24,207	24,419	24,747
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-194	-77	-37	63	10
Investments in associated undertakings		408	407	398	393	512
Intangible assets		2,508	2,438	2,247	2,206	2,240
Property and equipment		314	338	307	286	283
Investment property		3,318	3,180	3,230	3,097	3,049
Deferred tax assets		349	345	382	282	314
Current tax assets		150	147	68	256	234
Retirement benefit assets		87	85	84	69	70
Other assets		9,228	7,037	10,726	6,750	4,993
Prepaid expenses and accrued income		1,818	1,759	1,572	1,539	1,514
Total assets		**375,003**	**357,344**	**346,890**	**328,402**	**325,072**
Of which assets customer bearing the risk		*10,511*	*9,519*	*11,046*	*10,155*	*9,696*
Liabilities						
Deposits by credit institutions		29,230	36,348	32,288	35,431	26,170
Deposits and borrowings from the public		132,608	126,340	126,452	119,074	119,062
Liabilities to policyholders		32,044	31,562	31,041	29,744	29,071
Debt securities in issue		97,146	90,204	83,417	78,595	83,559
Derivatives	6	31,986	24,327	24,939	24,130	24,836
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-513	-364	-401	-303	-378
Current tax liabilities		211	285	263	668	565
Other liabilities		24,262	20,758	22,177	15,317	17,282
Accrued expenses and prepaid income		3,303	2,804	2,008	2,175	2,146
Deferred tax liabilities		628	626	608	472	485
Provisions		202	96	104	94	94
Retirement benefit obligations		446	462	495	467	494
Subordinated liabilities		7,905	7,987	8,177	8,202	8,158
Total liabilities		**359,458**	**341,435**	**331,568**	**314,066**	**311,544**
Equity	7					
Minority interests		73	46	46	43	42
Share capital		2,597	2,594	2,594	2,638	2,638
Share premium account		-	-	-	-	2,718
Other reserves		-132	-193	-111	-222	-158
Retained earnings		13,007	13,462	12,793	11,877	8,288
Total equity		**15,545**	**15,909**	**15,322**	**14,336**	**13,528**
Total liabilities and equity		**375,003**	**357,344**	**346,890**	**328,402**	**325,072**
Assets pledged as security for own liabilities		15,541	22,921	18,136	22,555	16,554
Other assets pledged		1,437	1,264	3,053	2,285	1,632
Contingent liabilities		24,247	23,807	22,495	23,019	19,394
Commitments		3,178,201	3,018,702	2,619,090	2,593,732	2,584,729

Statement of recognised income and expense

EURm	30 Jun 2007	30 Jun 2006
Currency translation differences during the period	49	76
Currency hedging	-78	-11
Available-for-sale investments:		
Valuation gains/losses taken to equity	8	7
Cash flow hedges:		
Gains/losses taken to equity	-	-3
Tax on items taken directly to or transferred from equity	-	1
Net income recognised directly in equity	-21	70
Net profit for the period	1,517	1,405
Total recognised income and expense for the period	**1,496**	**1,475**
Attributable to:		
Shareholders of Nordea Bank AB (publ)	1,494	1,472
Minority interests	2	3
Total	**1,496**	**1,475**

Cash flow statement

EURm	Jan-Jun 2007	Jan-Jun 2006
Operating activities		
Operating profit	1,873	1,780
Adjustments for items not included in cash flow	881	-255
Income taxes paid	-498	-339
Cash flow from operating activities before changes in operating assets and liabilities	2,256	1,186
Changes in operating assets and liabilities	437	2,344
Cash flow from operating activities	2,693	3,530
Investing activities		
Sale/acquisition of group undertakings	-40	79
Property and equipment	-64	-2
Intangible assets	-28	-31
Other financial fixed assets	-124	-153
Cash flow from investing activities	-256	-107
Financing activities		
New share issue	3	-
Issued/amortised subordinated liabilities	-115	304
Repurchase of own shares incl change in trading portfolio	-31	3
Dividend paid	-1,271	-908
Cash flow from financing activities	-1,414	-601
Cash flow for the period	**1,023**	**2,822**
Cash and cash equivalents at beginning of period	**4,650**	**3,675**
Exchange rate difference	-21	11
Cash and cash equivalents at end of period	**5,652**	**6,508**
Change	**1,023**	**2,822**

Cash and cash equivalents	30 Jun	30 Jun
The following items are included in cash and cash equivalents (EURm):	2007	2006
Cash and balances with central banks	2,916	2,270
Loans and receivables to credit institutions, payable on demand	2,736	4,238

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. Additional requirements in accordance with the Swedish Act on Annual Accounts of Credit Institutions and Securities Companies (1995:1559) (ÅRKL), the recommendation RR30:06 "Supplementary Rules for Consolidated Financial Statements" of the Swedish Financial Accounting Standards Council (RR) as well as the accounting regulations of the Financial Supervisory Authority (FFFS 2006:16) have been applied.

These statements are presented in accordance with IAS 34 "Interim Financial Reporting".

Amendments to accounting policies

The accounting policies and the basis for calculations are, in all material aspects, unchanged in comparison with the 2006 Annual Report.

The following addition to the accounting policies has been made:

Share-based payments

As mentioned in the Group text, a share-based payment programme, referred to as the "Long Term Incentive Programme" (LTIP), was introduced in the second quarter. The fair value of the share rights was measured on the grant date and will be recognised as an expense over a period of 24 months. At the time of exercise, payments by employees are recognised as increases in equity.

The total number of share rights in Nordea's Long Term Incentive Programme represents a maximum of 3,120,000 ordinary shares, of which 650,000 are Matching Shares and 1,950,000 are Performance Shares. The remaining 520,000 ordinary shares are available to cover mainly social security costs. The value of the rights is recognised in the income statement with a corresponding increase in unrestricted equity. Social expenses are accrued until paid. The exercise prices of Matching Shares and Performance Shares are respectively EUR 4 and EUR 2. On the grant date the market values of the share rights were EUR 8.76 and 10.49 respectively. The current number of accessible rights is 1,217,862. The expected amount, EUR 18m, is expensed over a period of 24 months. The maximum cost for LTIP 2007 equals approximately EUR 39m.

Changes in the presentation

The presentation is, in all material aspects, unchanged in comparison with the interim report for the first quarter.

Note 1, continued

Exchange rates

EUR 1 = SEK	Jan-Jun 2007	Jan-Dec 2006	Jan-Jun 2006
Income statement (average)	9.2225	9.2521	9.3247
Balance sheet (at end of period)	9.2498	9.0394	9.2110
EUR 1 = DKK			
Income statement (average)	7.4510	7.4593	7.4605
Balance sheet (at end of period)	7.4427	7.4556	7.4593
EUR 1 = NOK			
Income statement (average)	8.1380	8.0438	7.9258
Balance sheet (at end of period)	7.9726	8.2300	7.9432
EUR 1 = PLN			
Income statement (average)	3.8413	3.8924	3.8859
Balance sheet (at end of period)	3.7566	3.8292	4.0633

Note 2 Net gains/losses on items at fair value, EURm	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006
Shares/participations and other share-related instruments	851	-403	1,021	146
Interest-bearing securities and other interest-related instruments	-339	8	-44	35
Other financial instruments	-7	32	-4	-5
Foreign exchange gains/losses	144	64	209	50
Investment properties, Life	143	163	186	200
Change in technical provisions, Life[1]	-327	256	-549	296
Change in collective bonus potential, Life	-152	98	-216	-228
Insurance risk income, Life	59	61	126	117
Insurance risk expense, Life	-54	-56	-120	-109
Total	**318**	**223**	**609**	**502**

[1] Premium income amounts to EUR 1,830 m for Jan-Jun 2007 (Jan-Jun 2006: EUR 1,333m).

Note 3 Loan losses, EURm	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006
Loan losses divided by class, net				
Loans and receivables to credit institutions	0	-2	0	-2
- of which write-offs and provisions	-1	-2	-1	-2
- of which reversals and recoveries	1	0	1	0
Loans and receivables to the public	36	93	50	133
- of which write-offs and provisions	-88	-54	-206	-137
- of which reversals and recoveries	124	147	256	270
Off-balance sheet items[1]	-8	-2	-9	-11
- of which write-offs and provisions	-12	-2	-21	-11
- of which reversals and recoveries	4	0	12	0
Total	**28**	**89**	**41**	**120**
Specification of Loan losses				
Changes of allowance accounts in the balance sheet	29	81	36	106
- of which Loans and receivables	37	82	45	116
- of which Off-balance sheet items[1]	-8	-1	-9	-10
Changes directly recognised in the income statement	-1	8	5	14
- of which realised loan losses	-22	-11	-32	-24
- of which realised recoveries	21	19	37	38
Total	**28**	**89**	**41**	**120**

[1] Included in Provisions in the balance sheet.

Note 4 Loans and receivables and their impairment

EURm	Total 30 Jun 2007	Total 31 Dec 2006	Total 30 Jun 2006
Loans and receivables, not impaired	257,733	240,279	225,802
Impaired loans and receivables:	1,352	1,616	1,607
- Performing	864	941	1,067
- Non-performing	488	675	540
Loans and receivables before allowances	**259,085**	**241,895**	**227,409**
Allowances for individually assessed impaired loans	-659	-764	-899
- Performing	-356	-404	-554
- Non-performing	-303	-360	-345
Allowances for collectively assessed impaired loans	-282	-354	-367
Allowances	**-941**	**-1,118**	**-1,266**
Loans and receivables, book value	**258,144**	**240,777**	**226,143**

	Credit institutions			The public		
EURm	30 Jun 2007	31 Dec 2006	30 Jun 2006	30 Jun 2007	31 Dec 2006	30 Jun 2006
Loans and receivables, not impaired	28,569	26,804	27,316	229,164	213,475	198,486
Impaired loans and receivables:	8	8	7	1,344	1,608	1,600
- Performing	6	6	5	858	935	1,062
- Non-performing	2	2	2	486	673	538
Loans and receivables before allowances	**28,577**	**26,812**	**27,323**	**230,508**	**215,083**	**200,086**
Allowances for individually assessed impaired loans	-8	-7	-7	-651	-757	-892
- Performing	-6	-6	-5	-350	-398	-549
- Non-performing	-2	-1	-2	-301	-359	-343
Allowances for collectively assessed impaired loans	-8	-13	-15	-274	-341	-352
Allowances	**-16**	**-20**	**-22**	**-925**	**-1,098**	**-1,244**
Loans and receivables, book value	**28,561**	**26,792**	**27,301**	**229,583**	**213,985**	**198,842**

Reconciliation of allowance accounts for impaired loans

	Credit institutions		The public		Total		
Loans and receivables, EURm	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2007	**-7**	**-13**	**-757**	**-341**	**-764**	**-354**	**-1,118**
Provisions	0	-1	-118	-55	-118	-56	-174
Reversals	0	1	143	75	143	76	219
Changes through the income statement	**0**	**0**	**25**	**20**	**25**	**20**	**45**
Allowances used to cover write-offs	-	-	60	0	60	0	60
Currency translation differences	0	5	20	47	20	52	72
Closing balance at 30 Jun 2007	**-7**	**-8**	**-652**	**-274**	**-659**	**-282**	**-941**
Opening balance at 1 Jan 2006	**-7**	**-11**	**-1,057**	**-406**	**-1,064**	**-417**	**-1,481**
Provisions	-	-2	-92	-20	-92	-22	-114
Reversals	-	0	168	62	168	62	230
Changes through the income statement	**0**	**-2**	**76**	**42**	**76**	**40**	**116**
Allowances used to cover write-offs	-	-	61	-	61	-	61
Currency translation differences	0	-2	28	12	28	10	38
Closing balance at 30 Jun 2006	**-7**	**-15**	**-892**	**-352**	**-899**	**-367**	**-1,266**

Note 4, continued

Allowances and provisions

EURm	30 Jun 2007	31 Dec 2006	30 Jun 2006
Allowances for items in the balance sheet	-941	-1,118	-1,266
Provisions for off balance sheet items	-132	-40	-45
Total allowances and provisions	**-1,073**	**-1,158**	**-1,311**

Key ratios

	30 Jun 2007	31 Dec 2006	30 Jun 2006
Impairment rate, gross[1], %	0.5	0.7	0.7
Impairment rate, net[2], %	0.3	0.4	0.3
Total allowance rate[3], %	0.4	0.5	0.6
Allowance rate, impaired loans[4], %	48.7	47.3	55.9
Non-performing loans and receivables, not impaired[5], EURm	90	95	96

[1] Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances, %.

[2] Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %.

[3] Total allowances divided by total loans and receivables before allowances, %.

[4] Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %.

[5] Past due loans and receivables, not impaired due to future cash flows (included in Loans and receivables, not impaired).

Note 5 Classification of financial instruments, EURm

30 Jun 2007 **Financial assets**	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
Cash and balances with central banks	2,916						2,916
Treasury bills and other eligible bills	10		8,503				8,513
Loans and receivables to credit institutions	19,179		9,382				28,561
Loans and receivables to the public	192,216		7,552	29,815			229,583
Interest-bearing securities		1,627	11,126	15,428		50	28,231
Financial instruments pledged as collateral			9,355				9,355
Shares			7,083	11,757		20	18,860
Derivatives			30,534		464		30,998
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-194						-194
Other assets	9,177						9,177
Prepaid expenses and accrued income	1,537						1,537
Total	**224,841**	**1,627**	**83,535**	**57,000**	**464**	**70**	**367,537**

30 Jun 2007 **Financial liabilities**	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Deposits by credit institutions	5,600			23,630	29,230
Deposits and borrowings from the public	1,814			130,794	132,608
Liabilities to policyholders, investment contracts	4,319				4,319
Debt securities in issue	4,979	25,289		66,878	97,146
Derivatives	31,172		814		31,986
Fair value changes of the hedged items in portfolio hedge of interest rate risk				-513	-513
Other liabilities	9,620			14,472	24,092
Accrued expenses and prepaid income				2,452	2,452
Subordinated liabilities				7,905	7,905
Total	**57,504**	**25,289**	**814**	**245,618**	**329,225**

Note 6 Derivatives, EURm

30 Jun 2007	Assets Fair value	Liabilities Fair value	Total nom amount
Derivatives held for trading			
Interest rate derivatives	22,881	23,334	2,406,838
Equity derivatives	1,362	1,797	21,623
Foreign exchange derivatives	4,625	4,419	546,226
Credit derivatives	639	606	81,661
Other derivatives	1,027	1,016	11,199
Total	**30,534**	**31,172**	**3,067,547**
Derivatives used for hedging			
Interest rate derivatives	240	293	29,191
Equity derivatives	79	107	421
Foreign exchange derivatives	145	414	9,288
Total	**464**	**814**	**38,900**
Derivatives, total			
Interest rate derivatives	23,121	23,627	2,436,029
Equity derivatives	1,441	1,904	22,044
Foreign exchange derivatives	4,770	4,833	555,514
Credit derivatives	639	606	81,661
Other derivatives	1,027	1,016	11,199
Total	**30,998**	**31,986**	**3,106,447**

Note 7 Equity, EURm

	Attributable to shareholders of Nordea Bank AB (publ)						
	Share capital[1]	Share premium account	Other reserves	Retained earnings	**Total**	**Minority interests**	**Total equity**
Opening balance at 1 Jan 2007	**2,594**	**-**	**-111**	**12,793**	**15,276**	**46**	**15,322**
Net change in available-for-sale investments, net of tax			8		8		8
Currency translation differences			-29		-29		-29
Net income recognised directly in equity			*-21*		*-21*		*-21*
Net profit for the period				1,515	1,515	2	1,517
Total recognised income and expense in equity			*-21*	*1,515*	*1,494*	*2*	*1,496*
Issued C-shares[4]	3				3		3
Repurchase of C-shares[4]				-3	-3		-3
Share-based payments[4]				1	1		1
Dividend for 2006				-1,271	-1,271		-1,271
Purchases of own shares[2,3]				-28	-28		-28
Other changes						25	25
Closing balance at 30 Jun 2007	**2,597**	**-**	**-132**	**13,007**	**15,472**	**73**	**15,545**

	Attributable to shareholders of Nordea Bank AB (publ)						
	Share capital[1]	Share premium account	Other reserves	Retained earnings	**Total**	**Minority interests**	**Total equity**
Opening balance at 1 Jan 2006	**1,072**	**4,284**	**-228**	**7,791**	**12,919**	**41**	**12,960**
Net change in available-for-sale investments, net of tax			7		7		7
Net change in cash flow hedges, net of tax			-2		-2		-2
Currency translation differences			65		65		65
Net income recognised directly in equity			*70*		*70*		*70*
Net profit for the period				1,402	1,402	3	1,405
Total recognised income and expense in equity			*70*	*1,402*	*1,472*	*3*	*1,475*
Dividend for 2005				-908	-908		-908
Bonus issue	1,566	-1,566			0		0
Purchases of own shares[2,3]				3	3		3
Other changes						-2	-2
Closing balance at 30 Jun 2006	**2,638**	**2,718**	**-158**	**8,288**	**13,486**	**42**	**13,528**

[1] Total shares registered was 2,597 million (31 Dec 2006: 2,594 million, 30 Jun 2006: 2,706 million).

[2] Refers to the change in the trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares in the trading portfolio and in the portfolio schemes at at 30 Jun 2007 was 4.9 million (31 Dec 2006 was 2.7 million, 30 Jun 2006: 2.4 million).

[3] No holding of own shares related to the repurchase authorisation by the AGM at 30 Jun 2007 (31 Dec 2006: 0.0 million, 30 Jun 2006: 112.2 million.) No repurchase of own shares during Jan-Jun 2007 (Jan-Dec 2006: 0.0 million, Jan-Jun 2006: 0.0 million). The average number of own shares Jan-Jun 2007 was 0.0 million (Jan-Dec 2006: 84.2 million, Jan-Jun 2006: 112.2 million).

[4] Refers to the Long Term Incentive Programme (LTIP), see Note 1 Accounting policies.

Note 8 Capital Adequacy

In 2007 new regulations for calculating capital adequacy, referred to as Basel II, have been implemented. The new capital framework is based on a three-pillar approach, namely Pillar 1, minimum capital requirements, Pillar 2, the supervisory review, and Pillar 3, market discipline.

The main change compared to the former regulations, referred to as Basel I, is the introduction of a new risk type, operational risk. Moreover, different levels of sophistication for calculating credit risk and operational risk exist and incentives for the more advanced and risk sensitive methods are given. Further, the minimum capital requirement should be assessed in an Internal Capital Adequacy Assessment Process (ICAAP) to ensure that the institution under supervision is adequately capitalized and will remain so over the foreseeable future.

Basel II will not immediately become fully effective from a capital adequacy perspective since a transition period is stipulated, in which capital floors calculated based on Basel I set limits to the potential capital decrease. In 2007, the lowest accepted amount for RWA is 95% of the amount calculated in accordance with the Basel I regulations, for 2008 it is limited to 90% and 2009 to 80%. The transition period will end in 2010.

Nordea will gradually implement the more advanced methods to calculate minimum capital requirements.

For credit risk, Nordea has been approved to use foundation Internal Rating Based (IRB) methods for the Corporate and Institutions exposure classes from the second quarter 2007, which cover more than 50% of Nordea's credit portfolios. The other exposure classes, e.g. Retail and Sovereign are calculated according to the standardised methods. Nordea will gradually apply the advanced IRB approach. The next step will be to start the implementation according to the IRB method for the

.

Retail exposure class. The foundation IRB method allows the institution to use its internal rating system and own estimates of Probability of Default (PD) whereas the advanced IRB method also allows the institution to use internal models and estimates of Loss Given Default (LGD) and Credit Conversion Factors (CCF).

For market risk, Nordea received the approval Q4 2006 under Basel I for using the internal VaR models for calculating general and specific risk for the larger part of the trading book portfolio. Under a transition period the remaining part of the market risk in the trading book is calculated using the standardized methods.

For operational risk, Nordea has chosen to use the standardised approach for calculating the minimum capital requirement. The method and the operational risk management framework have been reviewed by the supervisors and assessed to fulfil all requirements for using the standardised approach. Nordea has for several years been collecting data on operational risk events, but no outright date for applying for the advanced measurement approach has been set.

In May 2007 Nordea submitted an ICAAP report to the supervisors, ie a report stating and explaining Nordea's required and available capital including stressed scenarios. The required capital is calculated based on Nordea's Economic Capital framework with adjustments for stressed scenarios and other input, such as strategic objectives. The available capital is calculated as the capital base. The conclusion in the report is that Nordea is well capitalized even under stressed scenarios. The supervisors will review the report under the Supervisory Review and Evaluation Process.

The final Basel II report will be submitted to the FSAs at a later date and the RWAs presented in this report may be subject to adjustments.

Note 8, continued

Capital base, EURm

	30 Jun 2007 Basel II	30 Jun 2007 Basel I
Tier 1 capital	13,462	13,537
Total capital base	18,323	18,472

Capital requirements, EURm

	30 Jun 2007 Capital requirement	30 Jun 2007 Basel II RWA	30 Jun 2007 Basel I RWA
Credit risk	**12,828**	**160,354**	**191,286**
IRB foundation	7,220	90,250	na
- of which corporate	6,399	79,981	na
- of which institutions	708	8,853	na
- of which other	113	1,416	na
Standardised	5,352	66,903	na
- of which retail	4,156	51,950	na
- of which sovereign	21	260	na
- of which other	1,175	14,693	na
Basel I reporting entities	256	3,201	na
Market risk	**341**	**4,261**	**9,159**
- of which trading book, VaR	63	792	na
- of which trading book, non-VaR	267	3,332	na
- of which FX, non-VaR	11	137	na
Operational risk	**878**	**10,976**	**na**
Standardised	878	10,976	na
Sub total	**14,047**	**175,591**	**200,445**
Adjustment for floor rules			
Additional capital requirement according to floor rules	1,106	13,824	na
Total	**15,153**	**189,415**	**200,445**

Capital ratio

	30 Jun 2007 Basel II	30 Jun 2007 Basel I
Tier I ratio, %	7.1	6.8
Capital ratio, %	9.7	9.2

Analysis of capital requirements

Exposure class	Average risk weight (%)	Capital requirement (EURm)
Corporate	58	6,399
Institutions	24	708
Retail	45	4,156
Sovereign	2	21
Other	86	1,545
Total credit risk		**12,828**

Note 9 Risks and uncertainties

Nordea's revenue base reflects the Group's business with a large and diversified customer base, comprising both retail and corporate customers, representing different geographic areas and industries. Nordea has mainly an exposure to the general and industry specific economic development in the geographical areas in which the Group operates.

Nordea's main risk exposure is credit risk. The Group also assumes market risk, liquidity risk and operational risk. There is no major change to the risk composition of the Group compared to what is disclosed in 2006 Annual Report.

None of the above exposures and risks is expected to have any significant adverse effect on the Group or its financial position in the next six months.

Within the framework of the normal business operations, the Group faces 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 the Group or its financial position in the next six months.

Nordea Bank AB (publ)
Income statement

EURm	Jan-Jun 2007	Jan-Jun 2006	Full year 2006
Operating income			
Interest income	*1,377*	*880*	*1,955*
Interest expense	*-1,226*	*-676*	*-1,590*
Net interest income	151	204	365
Fee and commission income	*296*	*299*	*608*
Fee and commission expense	*-70*	*-59*	*-127*
Net fee and commission income	226	240	481
Net gains/losses on items at fair value	77	107	186
Dividends[1]	152	103	4,739
Other operating income	70	53	130
Total operating income	**676**	**707**	**5,901**
Operating expenses			
General administrative expenses:			
Staff costs	-298	-274	-559
Other expenses	-267	-271	-510
Depreciation, amortisation and impairment charges of tangible and intangible assets	-51	-49	-99
Total operating expenses	**-616**	**-594**	**-1,168**
Loan losses	-2	23	18
Disposals of tangible and intangible assets	0	0	0
Operating profit	**58**	**136**	**4,751**
Appropriations	-22	-15	-33
Tax expense	27	-8	-76
Net profit for the period	**63**	**113**	**4,642**

[1] Of which dividend from Nordea Bank Finland Plc EUR 150m (EUR 100m from Nordea Bank Denmark A/S).

Nordea Bank AB (publ)
Balance sheet

EURm	30 Jun 2007	31 Dec 2006	30 Jun 2006
Assets			
Cash and balances with central banks	297	277	254
Treasury bills and other eligible bills	907	1,552	350
Loans and receivables to credit institutions	34,587	36,970	31,976
Loans and receivables to the public	23,066	21,501	21,170
Interest-bearing securities	4,492	3,874	3,527
Financial instruments pledged as collateral	885	599	1,288
Shares	2,510	691	788
Derivatives	1,683	812	798
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-8	1	4
Investments in associated undertakings	30	29	29
Investments in group undertakings	16,889	16,561	16,560
Intangible assets	802	858	872
Property and equipment	76	57	50
Deferred tax assets	37	39	47
Current tax assets	116	10	194
Other assets	627	5,321	631
Prepaid expenses and accrued income	390	285	201
Total assets	**87,386**	**89,437**	**78,739**
Liabilities			
Deposits by credit institutions	19,968	23,971	21,305
Deposits and borrowings from the public	30,297	30,482	27,201
Debt securities in issue	13,051	12,638	12,275
Derivatives	2,068	1,153	921
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-102	-96	-80
Current tax liabilities	-	-	163
Other liabilities	4,354	2,418	2,903
Accrued expenses and prepaid income	530	294	346
Deferred tax liabilities	3	3	-
Provisions	37	28	22
Retirement benefit obligations	133	135	136
Subordinated liabilities	6,260	6,397	6,060
Total liabilities	**76,599**	**77,423**	**71,252**
Untaxed reserves	**5**	**5**	**2**
Equity			
Share capital	2,597	2,594	2,639
Share premium account	-	-	2,718
Retained earnings	8,185	9,415	2,128
Total equity	**10,782**	**12,009**	**7,485**
Total liabilities and equity	**87,386**	**89,437**	**78,739**
Assets pledged as security for own liabilities	1,257	745	1,530
Other assets pledged	840	2,312	1,923
Contingent liabilities	14,051	14,014	13,816
Commitments	375,933	234,398	200,225

For further information:

- A press conference with the management will be arranged on 19 July at 10.00 CET.
- An analyst conference will be arranged on 19 July at 14.00, CET at Smålandsgatan 17, Stockholm
- A conference call with management will be arranged on 19 July 2007 at 16.00, CET.
  (Please dial +44 (0) 208 817 9301, access code Nordea, ten minutes in advance.) The telephone conference can be monitored live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com.
- This interim report is available on www.nordea.com. A slide presentation is available on www.nordea.com.

Contacts:

Christian Clausen, President and Group CEO	+46 8 614 7804	
Arne Liljedahl, Group CFO/EVP	+46 8 614 7996	
Johan Ekwall, Head of Investor Relations	+46 8 614 7852	(or +46 70 607 92 69)

Financial calendar

25 October - interim report for the third quarter

The half-year interim report provides a fair overview of the Parent Company's and the Group's activities, their financial position and result, and describes material risks and uncertainties assumed by the Parent Company and other companies in the Group.

Stockholm19 July 2007
The Board of Directors and CEO

This report is published in four additional language versions; Danish, Finnish, Norwegian and Swedish. In the event of any inconsistencies between those language versions and this English version, the English version shall prevail.

Nordea Bank AB (publ)
Smålandsgatan 17
SE-105 71 Stockholm
www.nordea.com/ir
Tel. +46 8 614 7800
Corporate registration No. 516406-0120

Report on Review of Interim Financial Information

Introduction
We have reviewed the half-year interim report of Nordea Bank AB (publ), reg. no 516406-0120, as of June 30, 2007 and for the six-month period then ended. The Board of directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this half-year interim report based on our review.
Scope of Review
We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.
Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the half-year interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies for the group and in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies for the parent company.
Stockholm July 19, 2007
KPMG Bohlins AB
Carl Lindgren
Authorized public accountant