

Interim Report 2nd quarter 2007

Nordea Bank Norge Group

Nordea Bank Norge is part of the Nordea Group. Nordea's vision is to be perceived as the leading Nordic bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 10 million customers, more than 1,100 branch offices and a leading netbanking position with 4.8 million e-customers. The Nordea share is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

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Key financial figures

Income statement

	Jan-Jun 2007	Jan-Jun 2006	Change %	Q2 2007	Q2 2006	Change %	Q1 2007	Change %
NOKm								
Net interest income	2,629	2,496	5	1,348	1,234	9	1,281	5
Net fee and commission income	838	775	8	455	379	20	383	19
Net gains/losses on items at fair value	477	335	42	261	98	166	216	21
Equity method	27	25	8	10	14	-29	17	-41
Other income	48	55	-13	31	32	-3	17	82
Total operating income	4,019	3,686	9	2,105	1,757	20	1,914	10
Staff costs	-1,318	-1,222	8	-670	-605	11	-648	3
Other expenses	-884	-741	19	-439	-366	20	-445	-1
Depreciation of tangible and intangible assets	-50	-69	-28	-25	-35	-29	-25	0
Total operating expenses	-2,252	-2,032	11	-1,134	-1,006	13	-1,118	1
Profit before loan losses	1,767	1,654	7	971	751	29	796	22
Loan losses	5	360		-16	154		21	
Disposals of tangible and intangible assets	9	11		3	6		6	
Operating profit	1,781	2,025	-12	958	911	5	823	16
Tax expense	-441	-531	-17	-219	-226	-3	-222	-1
Net profit for the period	1,340	1,494	-10	739	685	8	601	23

Business volumes, key items

	30 Jun 2007	30 Jun 2006	Change %	31 Mar 2007	Change %
NOKbn					
Loans and receivables to the public	337.9	283.0	19	324.7	4
Deposits and borrowings from the public	203.6	160.9	27	191.0	7
Equity	21.3	19.4	10	20.6	3
Total assets	420.4	343.6	22	409.2	3

Ratios and key figures

	Jan-Jun 2007	Jan-Jun 2006	Q2 2007	Q2 2006	Q1 2007
Earnings per share (EPS), NOK	2.43	2.71	1.34	1.24	1.09
Equity per share ^{1,3} , NOK	38.61	35.12	38.61	35.12	37.27
Shares outstanding ^{1,3} , million	551	551	551	551	551
Return on equity, %	12.9	15.7	14.1	14.4	11.6
Cost/income ratio, %	56	55	54	57	58
Tier 1 capital ratio ^{1,2} , %	6.9	7.1	6.9	7.1	6.8
Total capital ratio ^{1,2} , %	9.2	9.1	9.2	9.1	9.3
Tier 1 capital ^{1,2} , NOKm	20	19	20	19	20
Risk-weighted assets ¹ , NOKbn	294	272	294	272	296
Number of employees (full-time equivalents) ¹	3,231	3,085	3,231	3,085	3,121

¹ End of period.

² Including net profit for the period. See note 8.

³ See note 7.

Nordea Bank Norge Group

Result summary first half year 2007

The strong growth in volumes continued. Total income increased by 9% and total expenses by 11%. Profit before loan losses was up 7% to NOK 1,767m, while the operating profit was down by 12% to NOK 1,781m due to reduced positive net loan losses. Net profit amounted to NOK 1,340m, corresponding to a return on equity of 12.9%. The cost/income ratio was 56%. Loan losses were positive at NOK 5m.

Income

Total income increased by 9% to NOK 4,019m. Net interest income grew by 5% to NOK 2,629m supported by strong volume growth and increased deposit margins. The lending growth continued with double-digit volume growth in most segments, which largely compensated for the margin pressure still present in certain areas. Total lending to the public increased by 19% to NOK 338bn. Deposit volumes increased by 27% to NOK 204bn driven by both personal and corporate volumes. Deposit margins continued to improve following higher market interest rates.

Net fee and commission income increased by 8% to NOK 838m. Payment commissions increased by 12% or NOK 58m, whereof NOK 57m was commission from cards. Payment expenses increased by NOK 34m. The number of payments increased by 11% and card payments by 16%. Fees from sale of capital market products increased by NOK 39m and lending related commissions by NOK 10m. Savings related commissions were stable.

Net gains/losses on items at fair value increased by 42% to NOK 477m following higher gains on equity and fixed income related instruments.

Expenses

Total expenses increased by 11% to NOK 2,252m. The increase is a result of high activity and increased business volumes. Staff costs increased by 8% to NOK 1,318m reflecting Nordea's growth ambitions and increasing wage inflation. The number of full time employees (FTEs) increased by 5% to 3,231 at the end of June 2007. 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 NOK 884m, up 19% compared to last year. Higher business volumes have resulted in an increase in transaction and sales-related expenses. Fees related to the outsourced Cash Services and Pay Roll Services are included in this item from 1 January 2007.

The cost/income ratio was 56%.

Loan losses

Loan losses were positive at NOK 5m, following a continued flow of recoveries and low new provisions. Nordea is confident in the overall quality of its credit portfolio.

Taxes

The effective tax rate in the first half-year was 25% compared to 26% in the same period last year.

Net profit

Net profit decreased by 10% to NOK 1,340m, corresponding to a return on equity of 12.9% compared to 15.7% in the first half year last year.

Second quarter 2007

Total income increased by 20% and total expenses by 13% compared to the second quarter 2006. Net profit increased by 8% to NOK 739m, corresponding to a return on equity of 14.1%.

Total income and total expenses increased by 10% and 1% respectively compared to the first quarter 2007.

Income

Total income increased to NOK 2,105m compared to the second quarter 2006. Net interest income increased by 9% to NOK 1,348m.

Total lending to the public increased by 19% to NOK 338bn and volume growth remained solid in all markets. The 50bp increase in customer interest rate on household lending when the Norwegian Central Bank increased the interest rate 25bp, with effect from 3rd of May, had a positive effect on the lending margins in the second quarter.

Throughout this report, "Nordea Bank Norge" and "NBN" refer to the parent company Nordea Bank Norge ASA, business identity code 911 044 110, with its subsidiaries. The registered office of the company is in Oslo. Nordea Bank Norge ASA is a wholly owned subsidiary of Nordea Bank AB (publ), the listed parent company of the whole Nordea Group. The business operations of the Nordea Group have been organised in three business areas, all of which operate across national boundaries: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The consolidated interim report of Nordea Bank AB (publ) embraces all the activities of the Nordea Group and provides the most complete and fair view. This statutory interim report covers the operations of the legal entity Nordea Bank Norge ASA with its subsidiaries.

Nordea has introduced a new organisational structure with effect from 1 July 2007, which will imply a more streamlined organisation by separating responsibilities for customer relations and products and thereby increasing customer orientation. The business area reporting will be adjusted according to the new organisation in the interim report for the third quarter.

Compared to the second quarter last year, net commission income increased by 20% to NOK 455m. Total payment commissions increased by 15% to NOK 289m following a strong trend in card commissions. Total lending related commissions increased by 17% to NOK 63m and savings related commissions increased by 3% to NOK 94m. Other commission income increased by NOK 52m, or 47% to NOK 163m mainly due to increased commissions from sale of capital market products and arrangement fees. Compared to the first quarter 2007, net commission income increased by 19%.

Net gains/losses on items at fair value increased by 166% to NOK 261m compared to the second quarter 2006. Gains from equity-instruments increased by NOK 89m and interest related instruments by NOK 78m.

Expenses

Total expenses increased by 13%.

Staff costs increased by 11% mainly due to wage inflation, increased variable salaries and an increase in the number of FTEs.

Other expenses increased by NOK 73m or 20% mainly due to higher business volumes, increased IT expenses and costs for outsourced services from 1 January 2007.

Loan losses

Loan losses were NOK 16m in the second quarter.

Taxes

The effective tax rate in the second quarter was 23% compared to 25% in the same quarter last year. The decrease is due to non-taxable gains on equity instruments.

Net profit

Compared to the second quarter 2006 net profit increased by 8% to NOK 739m, corresponding to a return on equity of 14.1%.

Basel II

Nordea is for the first time reporting 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 hence 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 cover approx. 50 per cent 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.

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 NOK 294bn. Before transition rules, which allows for a maximum of 5% reduction of RWA in 2007, RWAs were NOK 251bn. According to Basel I rules, RWA would have been NOK 314bn.

The tier 1 ratio was 6.9% and the total capital ratio was 9.2%.

Credit portfolio

Total lending was NOK 338bn and the share of personal customer lending was 42%.

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 NOK 57bn, representing 17% of the total lending portfolio. The lending portfolio is well diversified.

Changes in the Board of Directors

At the Board of Representatives meeting 4 May 2007 the number of Board members in NBN ASA was reduced from eight to five. After the change the Board of Directors of NBN ASA consists of Christian Clausen (chairman), Arne Liljedahl (deputy chairman), Anne K. Kvam (external), Steinar Nickelsen (employee representative) and Hege Marie Norheim (external).

Gunn Wærsted has joined Nordea Group Executive Management

The new member of Nordea 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.

Long Term Incentive Programme

In April 2007, the Annual General Meeting of Nordea Bank AB resolved to introduce a Long Term Incentive Programme (LTIP). The programme grants rights to Nordea Bank AB's shares directly to employees of Nordea Bank Norge ASA. The programme comprises up to 400 managers and key employees of the Nordea Group. The main objective of LTIP is to strengthen Nordea's ability to retain and recruit the best talent for key leadership positions. For further information see Note 1 Accounting policies.

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. It is however likely that lower recoveries during the latter part of the year will 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 %-point lower than this.

Nordea Bank Norge is expected to contribute to the development described above.

Quarterly development

	Q2	Q1	Q4	Q3	Q2	Jan-Jun	Jan-Jun
NOKm	2007	2007	2006	2006	2006	2007	2006
Net interest income	1,348	1,281	1,243	1,236	1,234	2,629	2,496
Net fee and commission income (note 1)	455	383	438	389	379	838	775
Net gains/losses on items at fair value	261	216	360	228	98	477	335
Equity method	10	17	14	15	14	27	25
Other income	31	17	25	9	32	48	55
Total operating income	2,105	1,914	2,080	1,877	1,757	4,019	3,686
General administrative expenses (note 2):							
Staff costs	-670	-648	-676	-606	-605	-1,318	-1,222
Other expenses	-439	-445	-480	-403	-366	-884	-741
Depreciation of tangible and intangible assets	-25	-25	-35	-32	-35	-50	-69
Total operating expenses	-1,134	-1,118	-1,191	-1,041	-1,006	-2,252	-2,032
Profit before loan losses	971	796	889	836	751	1,767	1,654
Loan losses	-16	21	293	107	154	5	360
Disposals of tangible and intangible assets	3	6	4	3	6	9	11
Operating profit	958	823	1,186	946	911	1,781	2,025
Tax expense	-219	-222	-289	-255	-226	-441	-531
Net profit for the period	739	601	897	691	685	1,340	1,494
Earnings per share (EPS)	1.34	1.09	1.63	1.25	1.24	2.43	2.71
EPS, rolling 12 months up to period end	5.31	5.21	5.59	5.48	5.58	5.31	5.58

	Q2	Q1	Q4	Q3	Q2	Jan-Jun	Jan-Jun
Note 1 Net fee and commission income, NOKm	2007	2007	2006	2006	2006	2007	2006
Asset Management commissions	10	10	9	7	7	20	14
Life insurance	16	22	21	15	17	38	34
Brokerage	27	23	25	18	29	50	66
Custody	31	29	31	27	29	60	56
Deposits	10	7	9	13	9	17	15
Total savings related commissions	94	91	95	80	91	185	185
Payments	116	114	122	113	113	230	229
Cards	173	142	144	147	138	315	258
Total payment commissions	289	256	266	260	251	545	487
Lending	22	18	37	18	13	40	30
Guarantees and document payments	41	49	49	56	41	90	87
Total lending related commissions	63	67	86	74	54	130	117
Other commission income	163	97	155	125	111	260	230
Fee and commission income	609	511	602	539	507	1,120	1,019
Payment expenses	-127	-100	-137	-124	-102	-227	-193
Other commission expenses	-27	-28	-27	-26	-26	-55	-51
Fee and commission expenses	-154	-128	-164	-150	-128	-282	-244
Net fee and commission income	455	383	438	389	379	838	775

	Q2	Q1	Q4	Q3	Q2	Jan-Jun	Jan-Jun
Note 2 General administrative expenses, NOKm	2007	2007	2006	2006	2006	2007	2006
Staff ¹	654	632	638	592	591	1,286	1,193
Profit sharing	16	16	36	14	14	32	29
Information technology ²	137	136	172	136	104	273	218
Marketing	25	32	39	23	26	57	52
Postage, telephone and office expenses	38	40	40	29	35	78	68
Rents, premises and real estate expenses	95	94	101	105	96	189	187
Other	144	143	130	110	105	287	216
Total	1,109	1,093	1,156	1,009	971	2,202	1,963

¹ Variable salaries were NOK 72m in Q2 2007 (Q2 2006: NOK 59m).

² Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc. were NOK 168m in Q2 2007 (Q2 2006: NOK 147m).

Segment reporting - Customer responsible units

	Corporate and Institutional Banking				Subtotal		Change %	Group functions and eliminations				Total		Change %
	Retail Banking							Group Treasury						
	Jan-Jun 2007	Jan-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Jun 2007	Jan-Jun 2006		Jan-Jun 2007	Jan-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	Jan-Jun 2007	Jan-Jun 2006	
NOKm														
Net interest income	2,066	2,007	567	468	2,633	2,475	6	59	88	-63	-67	2,629	2,496	5
Net fee and commission income	591	602	301	209	892	811	10	4	6	-58	-42	838	775	8
Net gains/losses on items at fair value	302	252	-125	-78	177	174	2	6	10	294	151	477	335	42
Equity method	0	0	27	27	27	27	0	0	0	0	-2	27	25	8
Other income	14	14	3	-1	17	13	31	4	-1	27	43	48	55	-13
Total operating income	2,973	2,875	773	625	3,746	3,500	7	73	103	200	83	4,019	3,686	9
of which allocations	621	610	-147	-160	474	450	5	0	0	-474	-450	0	0	
Staff costs	-721	-655	-260	-222	-981	-877	12	-5	-6	-332	-339	-1,318	-1,222	8
Other expenses	-958	-827	-66	-59	-1,024	-886	16	-12	-15	152	160	-884	-741	19
Depreciation of tangible and intangible assets	-27	-29	-1	0	-28	-29	-3	0	0	-22	-40	-50	-69	-28
Total operating expenses	-1,706	-1,511	-327	-281	-2,033	-1,792	13	-17	-21	-202	-219	-2,252	-2,032	11
of which allocations	-460	-580	27	71	-433	-509	-15	0	-7	433	516	0	0	
Loan losses	-15	269	20	137	5	406	-99	0	0	0	-46	5	360	-99
Disposals of tangible and intangible assets	7	9	0	0	7	9	-22	0	0	2	2	9	11	-18
Operating profit	1,259	1,642	466	481	1,725	2,123	-19	56	82	0	-180	1,781	2,025	-12
Balance sheet, NOKbn														
Loans and receivables	269.2	218.3	69.5	54.8	338.7	273.1		0.0	5.1	-0.8	4.8	337.9	283.0	
Other assets	3.4	2.8	38.1	21.7	41.5	24.5		59.2	88.3	-18.2	-52.2	82.5	60.6	
Total assets	272.6	221.1	107.6	76.5	380.2	297.6		59.2	93.4	-19.0	-47.4	420.4	343.6	
Deposits	137.8	116.7	77.2	39.8	215.0	156.5		0.6	0.0	-12.0	4.4	203.6	160.9	
Other liabilities	28.8	22.8	26.2	9.5	55.0	32.3		143.0	176.8	-2.5	-45.8	195.5	163.3	
Total liabilities	166.6	139.5	103.4	49.3	270.0	188.8		143.6	176.8	-14.5	-41.4	399.1	324.2	
Economic capital / equity	8.9	7.5	3.9	3.4	12.8	10.9		0.4	1.7	8.1	6.8	21.3	19.4	
Total liabilities and allocated capital	175.5	147.0	107.3	52.7	282.8	199.7		144.0	178.5	-6.4	-34.6	420.4	343.6	
Other segment items														
Capital expenditure, NOKm	14	27	1	8	15	35		0	5	7	0	22	40	

Income statement

NOKm	Note	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full year 2006
Operating income						
<i>Interest income</i>		5,108	3,366	9,560	6,565	14,316
<i>Interest expense</i>		-3,760	-2,132	-6,931	-4,069	-9,341
Net interest income		1,348	1,234	2,629	2,496	4,975
<i>Fee and commission income</i>		609	507	1,120	1,019	2,160
<i>Fee and commission expense</i>		-154	-128	-282	-244	-558
Net fee and commission income		455	379	838	775	1,602
Net gains/losses on items at fair value	2	261	98	477	335	923
Profit from companies accounted for under the equity method		10	14	27	25	54
Dividends		17	19	17	19	16
Other operating income		14	13	31	36	73
Total operating income		2,105	1,757	4,019	3,686	7,643
Operating expenses						
General administrative expenses:						
Staff costs		-670	-605	-1,318	-1,222	-2,504
Other expenses		-439	-366	-884	-741	-1,624
Depreciation of tangible and intangible assets		-25	-35	-50	-69	-136
Total operating expenses		-1,134	-1,006	-2,252	-2,032	-4,264
Loan losses	3	-16	154	5	360	760
Disposals of tangible and intangible assets		3	6	9	11	18
Operating profit		958	911	1,781	2,025	4,157
Tax expense		-219	-226	-441	-531	-1,075
Net profit for the period		739	685	1,340	1,494	3,082
Attributable to:						
Shareholders of Nordea Bank Norge ASA		739	685	1,340	1,494	3,082
Total		739	685	1,340	1,494	3,082
Earnings per share, NOK		1.34	1.24	2.43	2.71	5.59

Balance sheet

NOKm	Note	30 Jun 2007	31 Mar 2007	31 Dec 2006	30 Sep 2006	30 Jun 2006
Assets						
Cash and balances with central banks		683	799	1,794	1,039	868
Loans and receivables to credit institutions	4	24,882	43,836	20,497	21,235	22,972
Loans and receivables to the public	4	337,941	324,690	307,023	297,764	282,974
Interest-bearing securities		31,416	25,056	26,306	21,852	25,434
Financial instruments pledged as collateral		548	626	10	3,047	1,159
Shares		9,369	1,233	898	548	1,489
Derivatives	6	1,332	1,265	1,730	3,326	2,379
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-1	178	352	402	225
Investments in associated undertakings		629	619	653	639	624
Intangible assets		155	148	145	143	142
Property and equipment		255	255	257	250	269
Deferred tax assets		903	913	911	821	814
Other assets		10,250	7,938	8,517	7,936	2,777
Prepaid expenses and accrued income		2,056	1,678	1,564	1,624	1,446
Total assets		420,418	409,234	370,657	360,626	343,572
Liabilities						
Deposits by credit institutions		157,025	160,677	132,572	131,436	125,074
Deposits and borrowings from the public		203,591	191,001	178,876	163,945	160,919
Debt securities in issue		6,154	10,680	11,179	19,221	20,338
Derivatives	6	3,426	2,468	2,695	1,787	2,489
Fair value changes of the hedged items in portfolio hedge of interest rate risk		3	32	129	169	-23
Current tax liabilities		504	1,361	1,358	1,502	1,269
Other liabilities		16,480	10,854	11,861	10,142	4,749
Accrued expenses and prepaid income		2,993	2,495	1,573	2,669	1,941
Provisions		31	30	5	25	23
Retirement benefit obligations		2,170	2,111	2,318	2,257	2,321
Subordinated liabilities		6,754	6,975	7,140	7,414	5,106
Total liabilities		399,131	388,684	349,706	340,567	324,206
Equity	7					
Share capital		3,860	3,860	3,860	3,860	3,860
Share premium account		953	953	953	953	953
Retained earnings		16,474	15,737	16,138	15,246	14,553
Total equity		21,287	20,550	20,951	20,059	19,366
Total liabilities and equity		420,418	409,234	370,657	360,626	343,572
Assets pledged as security for own liabilities		31,323	21,634	18,854	21,653	18,889
Contingent liabilities		29,356	33,887	38,108	42,533	38,976
Commitments		361,546	338,029	381,529	323,529	424,720

Statement of recognised income and expense

	30 Jun 2007	30 Jun 2006
NOKm		
Currency translation differences during the period	-2	1
Net income recognised directly in equity	-2	1
Net profit for the period	1,340	1,494
Total recognised income and expense for the period	1,338	1,495
Attributable to:		
Shareholders of Nordea Bank Norge ASA	1338	1,495
Total	1,338	1,495

Cash flow statement

	Jan-Jun 2007	Jan-Jun 2006
NOKm		
<i>Operating activities</i>		
Operating profit	1,781	2,025
Adjustments for items not included in cash flow	784	456
Income taxes paid	-1,293	-397
Cash flow from operating activities before changes in operating assets and liabilities	1,272	2,084
Changes in operating assets and liabilities	1,004	-11,255
Cash flow from operating activities	2,276	-9,171
<i>Investing activities</i>		
Property and equipment	-23	-29
Intangible assets	-16	0
Other financial fixed assets	0	-13
Cash flow from investing activities	-39	-42
<i>Financing activities</i>		
Issued/amortised subordinated liabilities	-386	-193
Dividend paid	-1,000	-1,775
Cash flow from financing activities	-1,386	-1,968
Cash flow for the period	851	-11,181
Cash and cash equivalents at beginning of period	5,501	15,891
Cash and cash equivalents at end of period	6,352	4,710
Change	851	-11,181
Cash and cash equivalents	30 Jun	30 Jun
The following items are included in cash and cash equivalents (NOKm):	<u>2007</u>	<u>2006</u>
Cash and balances with central banks	683	868
Loans and receivables to credit institutions, payable on demand	5,669	3,842

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

- the central bank or the postal giro system is domiciled in the country where the institution is established
- the balance on the account is readily available at any time.

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

Notes to the financial statements

Note 1 Accounting policies

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

Amendments to accounting policies

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

The following addition to the accounting policies has been made:

Share-based payments

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.

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 EUR 10.49 respectively. The expected amount, EUR 18m, is expensed over a period of 24 months. The maximum cost for LTIP 2007 equals approximately EUR 39m.

The expenses in NBN, equal to the amount at which the services from the employees are measured, will be met by shareholder's contribution. The current number of outstanding rights is 61,856. The expected cost for the programme amounts to NOK 18m, and is recognised over a period of 24 months. The maximum cost in NBN equals approximately NOK 39m. NBN has expensed NOK 0.8m in the second quarter 2007.

Implementation of IFRS in NBN ASA

Due to changes in regulation by The Ministry of Finance 30 March 2007, all banks and financial institutions that are part of a listed group, are now obligated to apply IFRS or simplified IFRS (IFRS "light") in the company accounts at latest from the second quarter 2007 interim reporting. NBN ASA has decided to prepare the company accounts according to full IFRS. The comparable figures have been adjusted correspondingly as from 1 January 2006. Due to the implementation of IFRS, some accounting principles have been changed. See Note 1 Accounting policies in Annual Report 2005 for a full insight of the effects due to the IFRS implementation for NBN Group. NBN ASA implemented the new regulation regarding lending with effect from 1 January 2006 and pensions according to NRS 6A (which is in accordance with IAS 19) in 2005. As a result, these items will not be changed due to the full alignment between NGAAP and IFRS. NBN ASA has according to the option in IFRS 1 decided to carry on with the booked values from the IFRS consolidated opening balance in NBN group without new measurement as of 1 January 2006.

The most important change when implementing IFRS was measurement of financial instruments which to a higher degree are recognised at market value. Further, according to IFRS, financial instruments are to a higher extent presented gross than according to NGAAP. Items previously presented net according to NGAAP, which do not comply with the stricter requirements for off-setting as regulated in IAS 32, have now been recognised gross. According to NGAAP investments in subsidiaries and associated companies were recognised using the equity method in NBN ASA. This has been changed to cost method according to IAS 27 for subsidiaries and IAS 28 for associated companies. An overview of the net profit and loss effects due to the implementation is shown below. The effect on equity following the transition to IFRS is presented in Note 1 Equity to NBN ASA.

The Financial Statement for Nordea Bank Norge ASA are presented on page 19-21.

Changes in the presentation

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

Implementation of IFRS - Effect on net profit in NBN ASA

NOKm	Q1 2007	Full year 2006	Q4 2006	Q3 2006	Q2 2006	Q1 2006
Net profit, NGAAP	613	3,097	897	697	694	809
- IAS 27 and 28 - profit according to equity method reversed	-90	-297	-70	-78	-72	-76
- IAS 27 and 28 - dividends received	50	27				27
- IAS 39 - increased use of market value	-8	4	2	1	-3	4
Net profit, IFRS	565	2,831	829	620	619	764

Note 1, continued

Exchange rates

	Jan-Jun 2007	Jan-Dec 2006	Jan-Jun 2006
EUR 1 = NOK			
Income statement (average)	8.1369	8.0451	7.9267
Balance sheet (at end of period)	7.9700	8.2300	7.9450
USD 1 = NOK			
Income statement (average)	6.1224	6.4113	6.4530
Balance sheet (at end of period)	5.9000	6.2500	6.2340
SEK 1 = NOK			
Income statement (average)	0.8823	0.8697	0.8501
Balance sheet (at end of period)	0.8614	0.9108	0.8603
DKK 1 = NOK			
Income statement (average)	1.0920	1.0785	1.0625
Balance sheet (at end of period)	1.0709	1.1041	1.0651

	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006
Note 2 Net gains/losses on items at fair value, NOKm				
Shares/participations and other equity-related instruments	98	9	144	48
Interest-bearing securities and other interest-related instruments	100	22	204	110
Other financial instruments	0	20	0	38
Foreign exchange gains/losses	63	47	129	139
Total	261	98	477	335

	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006
Note 3 Loan losses, NOKm				
Loan losses divided by class, net				
Loans and receivables to credit institutions	0	0	0	0
- of which write-offs and provisions	0	0	0	0
- of which reversals and recoveries	0	0	0	0
Loans and receivables to the public	-14	154	31	363
- of which write-offs and provisions	-62	-100	-139	-130
- of which reversals and recoveries	48	254	170	493
Off-balance sheet items ¹	-2	0	-26	-3
- of which write-offs and provisions	-5	0	-29	-3
- of which reversals and recoveries	3	0	3	0
Total	-16	154	5	360

Specification of Loan losses

Changes of allowance accounts in the balance sheet	-18	135	0	337
- of which Loans and receivables	-15	135	28	340
- of which Off-balance sheet items ¹	-3	0	-28	-3
Changes directly recognised in the income statement	2	19	5	23
- of which realised loan losses	-3	-13	-7	-15
- of which realised recoveries	5	32	12	38
Total	-16	154	5	360

¹ Included in Provisions in the balance sheet.

Note 4 Loans and receivables and their impairment

NOKm	Total		
	30 Jun 2007	31 Dec 2006	30 Jun 2006
Loans and receivables, not impaired	362,930	327,340	306,410
Impaired loans and receivables:	882	1,243	1,002
- Performing	281	478	355
- Non-performing	601	765	647
Loans and receivables before allowances	363,812	328,583	307,412
Allowances for individually assessed impaired loans	-502	-550	-635
- Performing	-131	-197	-226
- Non-performing	-371	-353	-409
Allowances for collectively assessed impaired loans	-487	-513	-831
Allowances	-989	-1,063	-1,466

Loans and receivables, book value	362,823	327,520	305,946
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NOKm	Credit institutions			The public		
	30 Jun 2007	31 Dec 2006	30 Jun 2006	30 Jun 2007	31 Dec 2006	30 Jun 2006
Loans and receivables, not impaired	24,892	20,497	22,972	338,038	306,843	283,438
Impaired loans and receivables:	0	0	0	882	1,243	1,002
- Performing	0	0	0	281	478	355
- Non-performing	0	0	0	601	765	647
Loans and receivables before allowances	24,892	20,497	22,972	338,920	308,086	284,440
Allowances for individually assessed impaired loans	0	0	0	-502	-550	-635
- Performing	0	0	0	-131	-197	-226
- Non-performing	0	0	0	-371	-353	-409
Allowances for collectively assessed impaired loans	-10	0	0	-477	-513	-831
Allowances	-10	0	0	-979	-1,063	-1,466

Loans and receivables, book value	24,882	20,497	22,972	337,941	307,023	282,974
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Reconciliation of allowance accounts for impaired loans

Loans and receivables, NOKm	Credit institutions		The public		Total		Total
	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	
Opening balance at 1 Jan 2007	0	0	-550	-513	-550	-513	-1,063
Provisions	0	-10	-81	-44	-81	-54	-135
Reversals	0	0	-82	80	-82	80	-2
Changes through the income statement	0	-10	-163	36	-163	26	-137
Allowances used to cover write-offs	0	0	212	0	212	0	212
Currency translation differences	0	0	-1	0	-1	0	-1
Closing balance at 30 Jun 2007	0	-10	-502	-477	-502	-487	-989
Opening balance at 1 Jan 2006	0	0	-869	-1,025	-869	-1,025	-1,894
Provisions	0	0	-85	-28	-85	-28	-113
Reversals	0	0	235	222	235	222	457
Changes through the income statement	0	0	150	194	150	194	344
Allowances used to cover write-offs	0	0	80	0	80	0	80
Currency translation differences	0	0	4	0	4	0	4
Closing balance at 30 Jun 2006	0	0	-635	-831	-635	-831	-1,466

Note 4, continued

Allowances and provisions

	30 Jun 2007	31 Dec 2006	30 Jun 2006
NOKm			
Allowances for items in the balance sheet	-989	-1,063	-1,466
Provisions for off balance sheet items	-30	-5	-23
Total allowances and provisions	-1,019	-1,068	-1,489

Key ratios

	30 Jun 2007	31 Dec 2006	30 Jun 2006
Impairment rate, gross ¹ , %	0.2	0.4	0.3
Impairment rate, net ² , %	0.1	0.2	0.1
Total allowance rate ³ , %	0.3	0.3	0.5
Allowance rate, impaired loans ⁴ , %	56.9	44.2	63.4
Non-performing loans and receivables, not impaired ⁵ , NOKm	298	272	407

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, NOKm

30 Jun 2007	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	683						683
Loans and receivables to credit institutions	24,882						24,882
Loans and receivables to the public	337,941						337,941
Interest-bearing securities			31,416				31,416
Financial instruments pledged as collateral			548				548
Shares			9,310			59	9,369
Derivatives			1,062		270		1,332
Fair value changes of the hedged items in portfolio							
hedge of interest rate risk	-1						-1
Other assets	10,250						10,250
Prepaid expenses and accrued income	2,056						2,056
Total	375,811	0	42,336	0	270	59	418,476

30 Jun 2007	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions				157,025	157,025
Deposits and borrowings from the public				203,591	203,591
Debt securities in issue				6,154	6,154
Derivatives	3,150		276		3,426
Fair value changes of the hedged items in portfolio					
hedge of interest rate risk				3	3
Other liabilities	4,025			12,452	16,477
Accrued expenses and prepaid income				2,993	2,993
Subordinated liabilities				6,754	6,754
Total	7,175	0	276	388,972	396,423

Note 6 Derivatives, NOKm

30 Jun 2007	Assets Fair value	Liabilities Fair value	Total nom amount
Derivatives held for trading			
Interest rate derivatives	155	460	133,187
Equity derivatives	378	404	0
Foreign exchange derivatives	47	1,804	70,768
Other derivatives	482	482	5,186
Total	1,062	3,150	209,141
Derivatives used for hedging			
Interest rate derivatives	270	172	13,993
Foreign exchange derivatives	0	104	338
Total	270	276	14,331
Derivatives, total			
Interest rate derivatives	425	632	147,180
Equity derivatives	378	404	0
Foreign exchange derivatives	47	1,908	71,106
Other derivatives	482	482	5,186
Total	1,332	3,426	223,472

Note 7 Equity, NOKm

	Share capital ¹	Share premium account	Other reserves	Retained earnings	Total equity
Opening balance at 1 Jan 2007	3,860	953	0	16,138	20,951
Currency translation differences				-3	-3
<i>Net income recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-3</i>	<i>-3</i>
Net profit for the period				1,340	1,340
<i>Total recognised income and expense in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,337</i>	<i>1,337</i>
Share-based payment ²				-1	-1
Dividend for 2006				-1,000	-1,000
Closing balance at 30 Jun 2007	3,860	953	0	16,474	21,287

	Share capital ¹	Share premium account	Other reserves	Retained earnings	Total equity
Opening balance at 1 Jan 2006	3,860	953	0	14,835	19,648
Currency translation differences			0	-1	-1
<i>Net income recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-1</i>	<i>-1</i>
Net profit for the period			0	1,494	1,494
<i>Total recognised income and expense in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,493</i>	<i>1,493</i>
Dividend for 2005			0	-1,775	-1,775
Closing balance at 30 Jun 2006	3,860	953	0	14,553	19,366

¹ Total shares registered were 551 million (31 Dec 2006: 551 million, 30 Jun 2006: 551 million).

² Share based payment is described in 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 changes compared to the former regulations, referred to as Basel I, are the introduction of a new risk type, operational risk, and that different levels of sophistication for calculating credit risk and operational risk exist. Moreover, incentives for the more advanced and risk sensitive methods are given and 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 to 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 per cent 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 exists.

In May 2007 Nordea submitted an ICAAP report to the supervisors, i.e. 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*	30 Jun 2007	30 Jun 2007
NOKm	Basel II	Basel I
Tier 1 capital	18,941	19,273
Total capital base	25,744	26,409

* excluding profit

	30 Jun 2007	30 Jun 2007	30 Jun 2007
Capital requirements		Basel II	Basel I
NOKm	Capital requirement	RWA	RWA
Credit risk	18,427	230,337	305,565
IRB foundation	11,419	142,736	na
- of which corporate	10,644	133,047	na
- of which institutions	702	8,772	na
- of which other	73	917	na
Standardised	7,008	87,601	na
- of which retail	5,513	68,913	na
- of which sovereign	32	396	na
- of which other	1,463	18,292	na
Basel I	na	na	na
Market risk	653	8,165	8,554
- of which trading book, VaR	94	1,180	na
- of which trading book, non-VaR	559	6,985	na
- of which FX, non-VaR	0	0	na
Operational risk	1,028	12,844	na
Standardised	1,028	12,844	na
Total	20,108	251,347	314,119
Adjustment for floor rules			
Additional capital requirement according to floor rules	3,439	42,981	na
Total reported	23,546	294,328	314,119

Capital ratio 30 Jun 2007	30 Jun 2007	30 Jun 2007
	Basel II	Basel I
Tier I ratio, %, incl profit	6.9	6.6
Capital ratio, %, incl profit	9.2	8.8
Tier I ratio, %, excl profit	6.4	6.1
Capital ratio, %, excl profit	8.7	8.4

Analysis of capital requirements

Exposure class	Average risk weight (%)	Capital requirement (NOKm)
Corporate	58	10,644
Institutions	26	702
Retail	44	5,513
Sovereign	16	32
Other	53	1,537
Sum kredittrisiko		18,427

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 Norge ASA

Income statement

NOKm	Q2 2007	Q2 2006	Jan-Jun 2007	Jan-Jun 2006	Full year 2006
Operating income					
<i>Interest income</i>	4,885	3,132	9,164	6,090	13,473
<i>Interest expense</i>	-3,733	-2,024	-6,874	-3,856	-9,042
Net interest income	1,152	1,108	2,290	2,234	4,431
<i>Fee and commission income</i>	610	509	1,122	1,021	2,163
<i>Fee and commission expense</i>	-154	-129	-281	-244	-555
Net fee and commission income	456	380	841	777	1,608
Net gains/losses on items at fair value	252	100	464	343	934
Dividends	17	19	68	46	46
Other operating income	22	22	45	52	103
Total operating income	1,899	1,629	3,708	3,452	7,122
Operating expenses					
General administrative expenses:					
Staff costs	-638	-575	-1,255	-1,162	-2,382
Other expenses	-430	-358	-866	-723	-1,601
Depreciation of tangible and intangible assets	-24	-33	-47	-66	-131
Total operating expenses	-1,092	-966	-2,168	-1,951	-4,114
Loan losses	-10	161	16	368	812
Disposals of tangible and intangible assets	0	-1	2	0	0
Operating profit	797	823	1,558	1,869	3,820
Tax expense	-183	-204	-379	-486	-989
Net profit for the period	614	619	1,179	1,383	2,831

Nordea Bank Norge ASA

Balance sheet

NOKm	30 Jun 2007	31 Dec 2006	30 Jun 2006
Assets			
Cash and balances with central banks	683	1,794	868
Loans and receivables to credit institutions	50,375	42,433	44,968
Loans and receivables to the public	307,181	279,772	256,041
Interest-bearing securities	31,366	26,859	26,689
Financial instruments pledged as collateral	548	10	1,159
Shares	9,368	897	1,488
Derivatives	1,192	1,588	2,243
Fair value changes of the hedged items in portfolio hedge of interest rate risk	82	312	88
Investments in associated undertakings	139	139	139
Investments in group undertakings	2,183	2,184	2,259
Intangible assets	143	133	129
Property and equipment	249	251	263
Deferred tax assets	931	933	797
Other assets	10,188	8,748	2,805
Prepaid expenses and accrued income	1,930	1,491	1,342
Total assets	416,558	367,544	341,278
Liabilities			
Deposits by credit institutions	156,990	132,551	125,114
Deposits and borrowings from the public	203,556	178,858	161,045
Debt securities in issue	4,648	10,320	20,252
Derivatives	3,353	1,563	2,280
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-30	66	-110
Current tax liabilities	441	1,352	1,196
Other liabilities	16,415	12,800	4,691
Accrued expenses and prepaid income	2,875	1,392	1,804
Provisions	31	5	23
Retirement benefit obligations	2,107	2,256	2,271
Subordinated liabilities	6,753	7,139	5,104
Total liabilities	397,139	348,302	323,670
Equity			
Share capital	3,860	3,860	3,860
Share premium account	953	953	953
Retained earnings	14,606	14,429	12,795
Total equity	19,419	19,242	17,608
Total liabilities and equity	416,558	367,544	341,278
Assets pledged as security for own liabilities	31,323	18,854	18,889
Contingent liabilities	29,586	38,338	38,976
Commitments	363,448	383,890	427,200

Nordea Bank Norge ASA

Note 1 Equity

NOKm	Share capital ¹	Share premium account	Reserve for evaluation differences	Retained earnings	Total
Balance at end of year, at 31 Dec 2006	3,860	953	1,711	13,420	19,944
Change in accounting policies, implementing IFRS					
- Equity method			-1,711		-1,711
- Fair value Treasury financial instruments				9	9
- Dividend reclassification 2006				1,000	1,000
Balance at end of year, 31 Dec 2006, restated	3,860	953	0	14,429	19,242
Currency translation differences				-1	-1
Dividend 2006				-1,000	-1,000
Share based payment ²				-1	-1
Net profit for the period				1,179	1,179
Balance at 30 June 2007	3,860	953	0	14,606	19,419

NOKm	Share capital ¹	Share premium account	Reserve for evaluation differences	Retained earnings	Total
Balance at end of year, at 31 Dec 2005	3,860	953	1,567	11,470	17,850
Change in accounting policies, implementing IFRS					
- Equity method on subsidiaries and associates			-1,567		-1,567
- Fair value Treasury financial instruments				5	5
- Dividend reclassification 2005				1,775	1,775
Balance at end of year, 31 Dec 2005, restated	3,860	953	0	13,250	18,063
Dividend 2005				-1,775	-1,775
Change in accounting policies, implementing IFRS					
Correction equity method directly recognised in equity				-63	-63
Net profit for the period NGAAP				1,503	1,503
- Correction fair value Treasury financial instruments				2	2
- Correction net result from equity method				-122	-122
Net profit for the period, after corrections IFRS				1,383	1,383
Balance at 30 June 2006, restated	3,860	953	0	12,795	17,608

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

²Share based payment is described in Note 1 Accounting policies.

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