

Interim Report 3rd quarter 2007

Nordea Bank Norge Group

Nordea Bank Norge is part of the Nordea Group. Nordea's vision is to be 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 more than 10 million customers, more than 1,200 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.

www.nordea.com

Key financial figures

Income statement

	Jan-Sep 2007	Jan-Sep 2006	Change %	Q3 2007	Q3 2006	Change %	Q2 2007	Change %
NOKm								
Net interest income	4,475	3,924	14	1,548	1,331	16	1,540	1
Net fee and commission income	1,217	1,164	5	379	389	-3	455	-17
Net gains/losses on items at fair value	244	371	-34	65	133	-51	69	-6
Equity method	32	40	-20	5	15	-67	10	-50
Other income	57	64	-11	9	9	0	31	-71
Total operating income	6,025	5,563	8	2,006	1,877	7	2,105	-5
Staff costs	-2,004	-1,828	10	-686	-606	13	-670	2
Other expenses	-1,290	-1,144	13	-406	-403	1	-439	-8
Depreciation of tangible and intangible assets	-77	-101	-24	-27	-32	-16	-25	8
Total operating expenses	-3,371	-3,073	10	-1,119	-1,041	7	-1,134	-1
Profit before loan losses	2,654	2,490	7	887	836	6	971	-9
Loan losses	65	467		60	107		-16	
Disposals of tangible and intangible assets	16	14		7	3		3	
Operating profit	2,735	2,971	-8	954	946	1	958	0
Tax expense	-703	-786	-11	-262	-255	3	-219	20
Net profit for the period	2,032	2,185	-7	692	691	0	739	-6

Business volumes, key items

	30 Sep 2007	30 Sep 2006	Change %	30 Jun 2007	Change %
NOKbn					
Loans and receivables to the public	343.9	297.8	15	337.9	2
Deposits and borrowings from the public	198.4	163.9	21	203.6	-3
Equity	22.0	20.1	9	21.3	3
Total assets	421.8	360.6	17	420.4	0

Ratios and key figures

	Jan-Sep 2007	Jan-Sep 2006	Q3 2007	Q3 2006	Q2 2007
Earnings per share (EPS), NOK	3.69	3.96	1.26	1.25	1.34
EPS, rolling 12 months up to period end	5.31	5.48	5.31	5.48	5.31
Equity per share ^{1,3} , NOK	39.86	36.38	39.86	36.38	38.61
Shares outstanding ^{1,3} , million	551	551	551	551	551
Return on equity, %	12.8	15.1	12.8	14.0	14.1
Cost/income ratio, %	56	55	56	55	54
Tier 1 capital ratio ^{1,2} , %	6.9	6.8	6.9	6.8	6.9
Total capital ratio ^{1,2} , %	9.4	9.5	9.4	9.5	9.2
Tier 1 capital ^{1,2} , NOKm	21,245	19,905	21,245	19,905	20,281
Risk-weighted assets ¹ , NOKbn	306	291	306	291	294
Number of employees (full-time equivalents) ¹	3,238	3,077	3,238	3,077	3,231

¹ End of period.

² Including net profit for the period. Figures from 2006 are in accordance with Basel I. See note 8 for computations exclusive of net profit.

³ See note 7.

Nordea Bank Norge Group

Result summary first nine months 2007

The strong growth in volumes continued. Total income increased by 8% and total expenses by 10%. Profit before loan losses was up 7% to NOK 2,654m, while the operating profit was down by 8% to NOK 2,735m due to reduced positive net loan losses. Net profit amounted to NOK 2,032m, corresponding to a return on equity of 12.8%. The cost/income ratio was 56%. Loan losses were positive at NOK 65m.

The markets turmoil in the third quarter has not affected the result to any significant degree, as Nordea Group has limited direct and indirect exposure to the sub-prime market. Nordea Group has also benefited from its well diversified and strong funding base as well as the low risk business profile.

Income

Total income increased by 8% to NOK 6,025m.

Interest expense related to funding of Nordea Markets' operations was reclassified from "Interest expense" to "Net gains/losses on items at fair value". Comparable figures from previous periods have been restated correspondingly. See note 1 Accounting principles for further details.

Net interest income grew by 14% to NOK 4,475m supported by strong volume growth and increased deposit margins. Total lending to the public increased by 15 % to NOK 344bn. Lending margins are affected by numerous raises by the Central Bank combined with the requirement of six weeks notice to customers before interest change. Deposit volumes increased by 21% to NOK 198bn driven by both personal and corporate volumes. Deposit margins continued to improve following higher market interest rates compared to last year.

Net fee and commission income increased by 5% to NOK 1,217m. Payment commissions increased by 13% or NOK 99m, whereof NOK 97m was commission from cards, an increase by 24%. The number of payments increased by 14% and card payments by 15%. The high activity led to increase in payment expenses by NOK 60m. Savings related commissions increased by 8%, mainly due to increased income from Asset Management and Custody operations.

Net gains/losses on items at fair value decreased by

34% to NOK 244m. Net gain from interest related instruments measured at fair value is reduced to NOK -207m. Net gain from equity related instruments increased by NOK 169m.

Expenses

High activity and increased business volumes led to increase of total expenses by 10% to NOK 3,371m.

Staff costs increased by 10% to NOK 2,004m. The increase is due to a combination of higher FTE's and higher variable salaries in addition to general wage inflation. The number of full time employees (FTEs) increased by 5% to 3,238 at the end of September 2007. The increase is in line with Nordea's growth ambitions, with a shift towards increasing number of advisory and sales-related employees in Business Areas and a falling number in processing and staff units.

Other expenses increased by 13% to NOK 1,290m compared to the same period 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 65m, following a continued flow of recoveries particularly in the group of fish related industry, combined with low new provisions. The general quality of the credit portfolio is assessed as good.

Taxes

The effective tax rate in the first nine months was 25,7% compared to 26,5% in the same period last year.

Net profit

Net profit decreased by 7% to NOK 2,032m, corresponding to a return on equity of 12.8% compared to 15.1% in the first nine months last year.

Third quarter 2007

Both total income and expenses increased by 7% compared to the third quarter 2006. Net profit was stable at NOK 692m, corresponding to a return on equity of 12.8% compared to 14.0% same quarter last year.

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. 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 have been adjusted according to the new organisation in this interim report for the third quarter. The business operations of the Nordea Group have been organised in the following business areas, all of which operate across national boundaries: Nordic Banking, Banking & Capital Market Products, Institutional & International Banking, Savings & Life Products and Private Banking.

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.

Compared to second quarter this year, total income decreased by 5%, mainly due to reduced net commission income. Total expenses were reduced by 1%.

Income

Total income increased by 7% to NOK 2,006m compared to the same quarter in 2006. Net interest income increased by 16% to NOK 1,548m.

Total lending to the public increased by 15% to NOK 344bn, 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. In the third quarter lending margins have been reduced, mainly due to the requirement of six weeks notice to customers before interest changes.

Net commission income was reduced by 3% to NOK 379m compared to the third quarter last year. Total payment commissions increased by 16% to NOK 301m following a strong trend in card commissions with a 27% increase. Total lending related commissions decreased by 27% to NOK 54m, while savings related commissions increased by 26% to NOK 101m. Other commission income decreased 14%.

Compared to the second quarter 2007, net commission income decreased by 17%. This is mainly caused by reduced other commission income by 34% to NOK108m due to high commissions from sale of capital market products in the second quarter.

Net gains/losses on items at fair value decreased by 51% to NOK 65m compared to the third quarter 2006. The reduction is mainly due to lower gain from interest related instruments.

Expenses

Total expenses increased by 7% to NOK1,119m.

Staff costs increased by 13%, mainly due to an increase in the number of FTEs, wage inflation as well as increased variable salaries. Other expenses increased by NOK 3m or 1%.

Loan losses

Net loan losses were positive by NOK 60m in the third quarter, compared to positive net loan losses of NOK 107m the corresponding quarter last year.

Taxes

The effective tax rate in the third quarter was 27,5% compared to 27% in the same quarter last year.

Net profit

Compared to the third quarter 2006, net profit was stable at NOK 692m, corresponding to a return on equity of 12.8%.

Capital position

Following the approval of the internal-rating based (IRB) models in June this year, Nordea reports risk-weighted assets according to the new capital adequacy rules (Basel II).

Nordea uses the IRB foundation approach for credit risk in the corporate and institutions portfolios in 2007, which covers approx. 55 per cent of Nordea's credit portfolios and standardised methods for the other exposure classes, i.e. Retail and Sovereign. Nordea uses internal VaR models for the larger part of the portfolio to measure Market risk and the standardised approach for Operational Risk.

At the end of September, NBN's risk-weighted assets (RWA) amounted to NOK 306bn. Before transition rules, which allows for an approximately 5% reduction of RWA in 2007, RWA were NOK 244bn. According to Basel I rules, RWA would have been NOK 323bn. The tier 1 ratio was 6.9% and the total capital ratio was 9.4%.

Credit portfolio

Total lending to the public was NOK 344bn and the share of household customer lending was 42%, of which 90% is related to mortgage lending.

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 63.3bn, representing 18.4% of the total lending portfolio. The lending portfolio is well diversified.

Nordea's new reporting structure

As a consequence of the new operating model and Nordea's changed organisation as of 1 July, the financial reporting structure as to this report has been adjusted accordingly.

In the customer dimension, the reporting structure in the interim report for the third quarter follows the Customer areas in the new operating model. Financial results are presented for the two main Customer areas, Nordic Banking and Institutional and International Banking. The customer operations which are not included in Nordic Banking or Institutional & International Banking are included under Other Customer operations.

Group Corporate Centre, including i.e. Group Treasury, is reported separately.

The granularity of Nordea's segment reporting will be further enhanced from 2008. A new baseline with

restated Nordea Group figures has been available at www.nordea.com prior to this report.

Outlook 2007

The strong revenue growth in the first nine months shows that Nordea's organic growth strategy consistently pays off, even under difficult market conditions. Capital markets have gradually normalised, even though further market disturbances cannot be ruled out. Despite this remaining uncertainty, Nordea confirms its financial outlook for the full year 2007.

The cost increase for the full year is expected to be approx. 6%. As earlier communicated, Nordea expects a gap between revenue and cost growth, including banking operations in Russia, in the area of 2-3 %-points for 2007.

The quality of the credit portfolio remains strong.

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

Quarterly development

	Q3	Q2	Q1	Q4	Q3	Jan-Sep	Jan-Sep
NOKm	2007	2007	2007	2006	2006	2007	2006
Net interest income	1,548	1,540	1,387	1,403	1,331	4,475	3,924
Net fee and commission income (note 1)	379	455	383	438	389	1,217	1,164
Net gains/losses on items at fair value	65	69	110	200	133	244	371
Equity method	5	10	17	14	15	32	40
Other income	9	31	17	25	9	57	64
Total operating income	2,006	2,105	1,914	2,080	1,877	6,025	5,563
General administrative expenses (note 2):							
Staff costs	-686	-670	-648	-676	-606	-2,004	-1,828
Other expenses	-406	-439	-445	-480	-403	-1,290	-1,144
Depreciation of tangible and intangible assets	-27	-25	-25	-35	-32	-77	-101
Total operating expenses	-1,119	-1,134	-1,118	-1,191	-1,041	-3,371	-3,073
Profit before loan losses	887	971	796	889	836	2,654	2,490
Loan losses	60	-16	21	293	107	65	467
Disposals of tangible and intangible assets	7	3	6	4	3	16	14
Operating profit	954	958	823	1,186	946	2,735	2,971
Tax expense	-262	-219	-222	-289	-255	-703	-786
Net profit for the period	692	739	601	897	691	2,032	2,185
Earnings per share (EPS)	1.26	1.34	1.09	1.63	1.25	3.69	3.96
EPS, rolling 12 months up to period end	5.31	5.31	5.21	5.59	5.48	5.31	5.48

	Q3	Q2	Q1	Q4	Q3	Jan-Sep	Jan-Sep
Note 1 Net fee and commission income, NOKm	2007	2007	2007	2006	2006	2007	2006
Asset Management commissions	9	10	10	9	7	29	21
Life insurance	15	16	22	21	15	53	49
Brokerage	32	27	23	25	18	82	84
Custody	34	31	29	31	27	94	83
Deposits	11	10	7	9	13	28	28
Total savings related commissions	101	94	91	95	80	286	265
Payments	114	116	114	122	113	344	342
Cards	187	173	142	144	147	502	405
Total payment commissions	301	289	256	266	260	846	747
Lending	17	22	18	37	18	57	48
Guarantees and document payments	37	41	49	49	56	127	143
Total lending related commissions	54	63	67	86	74	184	191
Other commission income	108	163	97	155	125	368	355
Fee and commission income	564	609	511	602	539	1,684	1,558
Payment expenses	-150	-127	-100	-137	-124	-377	-317
Other commission expenses	-35	-27	-28	-27	-26	-90	-77
Fee and commission expenses	-185	-154	-128	-164	-150	-467	-394
Net fee and commission income	379	455	383	438	389	1,217	1,164

	Q3	Q2	Q1	Q4	Q3	Jan-Sep	Jan-Sep
Note 2 General administrative expenses, NOKm	2007	2007	2007	2006	2006	2007	2006
Staff ¹	667	654	632	638	592	1,953	1,784
Profit sharing	18	16	16	36	14	50	44
Information technology ²	132	137	136	172	136	405	353
Marketing	16	25	32	39	23	73	75
Postage, telephone and office expenses	37	38	40	40	29	115	97
Rents, premises and real estate expenses	96	95	94	101	105	285	292
Other	126	144	143	130	110	413	327
Total	1,092	1,109	1,093	1,156	1,009	3,294	2,972

¹ Variable salaries were NOK 58m in Q3 2007 (Q3 2006: NOK 45m).

² Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc were NOK 170m in Q3 2007 (Q3 2006: NOK 170m).

Segment reporting

Customer responsible units														
	Nordic Banking		Inst. & International Banking		Other Customer Operations		Total Business Areas			Group Functions and Eliminations		Nordea Bank Norge Group		
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		Change	Jan-Sep		Jan-Sep		Change
NOKm	2007	2006	2007	2006	2007	2006	2007	2006	%	2007	2006	2007	2006	%
Net interest income	3,270	3,052	756	650	7	-2	4,033	3,700	9	442	224	4,475	3,924	14
Net fee and commission income	925	943	331	242	23	30	1,279	1,215	5	-62	-51	1,217	1,164	5
Net gains/losses on items at fair value	497	473	129	198	-419	-354	207	317	-35	37	54	244	371	-34
Equity method	0	0	32	40	0	0	32	40	-20	0	0	32	40	-20
Other income	49	19	3	1	-22	3	30	23	30	27	41	57	64	-11
Total operating income	4,741	4,487	1,251	1,131	-411	-323	5,581	5,295	5	444	268	6,025	5,563	8
<i>of which allocations</i>	<i>1,014</i>	<i>937</i>	<i>141</i>	<i>178</i>	<i>-476</i>	<i>-479</i>	<i>679</i>	<i>636</i>	<i>7</i>	<i>-679</i>	<i>-636</i>	<i>0</i>	<i>0</i>	
Staff costs	-960	-843	-100	-84	-592	-521	-1,652	-1,448	14	-352	-380	-2,004	-1,828	10
Other expenses	-1,642	-1,461	-197	-170	454	367	-1,385	-1,264	10	95	120	-1,290	-1,144	13
Depreciations	-30	-35	-1	-2	-14	-10	-45	-47	-4	-32	-54	-77	-101	-24
Total operating expenses	-2,632	-2,339	-298	-256	-152	-164	-3,082	-2,759	12	-289	-314	-3,371	-3,073	10
<i>of which allocations</i>	<i>-1,110</i>	<i>-928</i>	<i>-145</i>	<i>-115</i>	<i>925</i>	<i>779</i>	<i>-330</i>	<i>-264</i>	<i>25</i>	<i>330</i>	<i>264</i>	<i>0</i>	<i>0</i>	
Loan losses	66	560	10	-32	-11	-61	65	467		0	0	65	467	
Disposals of tangible and intangible assets	0	0	0	0	14	15	14	15		2	-1	16	14	
Operating profit	2,175	2,708	963	843	-560	-533	2,578	3,018	-15	157	-47	2,735	2,971	-8
Balance sheet, NOKbn														
Loans and receivables to the public	291.6	239.2	51.8	50.7	1.3	1.2	344.7	291.1	18	-0.8	6.7	343.9	297.8	15
Other assets	3.7	2.8	3.5	2.9	31.7	25.2	38.9	30.9	26	39.0	31.9	77.9	62.8	24
Total assets	295.3	242.0	55.3	53.6	33.0	26.4	383.6	322.0	19	38.2	38.6	421.8	360.6	17
Deposits and borrowings from the public	149.5	128.1	53.7	29.3	1.4	1.0	204.6	158.4	29	-6.2	5.5	198.4	163.9	21
Other liabilities	20.8	18.1	5.8	7.6	28.5	20.6	55.1	46.3	19	146.3	130.3	201.4	176.6	14
Total liabilities	170.3	146.2	59.5	36.9	29.9	21.6	259.7	204.7	27	140.1	135.8	399.8	340.5	17
Economic capital/equity	10.3	8.5	2.7	2.8	0.0	0.0	13.0	11.3	15	9.0	8.8	22.0	20.1	9
Total liabilities and allocated equity	180.6	154.7	62.2	39.7	29.9	21.6	272.7	216.0	26	149.1	144.6	421.8	360.6	17

Income statement

NOKm	Note	Q3 2007	Q3 2006	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
Operating income						
<i>Interest income</i>		5,465	3,654	15,025	10,219	14,316
<i>Interest expense</i>		-3,917	-2,323	-10,550	-6,295	-8,989
Net interest income		1,548	1,331	4,475	3,924	5,327
<i>Fee and commission income</i>		564	539	1,684	1,558	2,160
<i>Fee and commission expense</i>		-185	-150	-467	-394	-558
Net fee and commission income		379	389	1,217	1,164	1,602
Net gains/losses on items at fair value	2	65	133	244	371	571
Profit from companies accounted for under the equity method		5	15	32	40	54
Dividends		2	0	19	19	16
Other operating income		7	9	38	45	73
Total operating income		2,006	1,877	6,025	5,563	7,643
Operating expenses						
General administrative expenses:						
Staff costs		-686	-606	-2,004	-1,828	-2,504
Other expenses		-406	-403	-1,290	-1,144	-1,624
Depreciation, amortisation and impairment charges of tangible and intangible assets		-27	-32	-77	-101	-136
Total operating expenses		-1,119	-1,041	-3,371	-3,073	-4,264
Loan losses	3	60	107	65	467	760
Disposals of tangible and intangible assets		7	3	16	14	18
Operating profit		954	946	2,735	2,971	4,157
Tax expense		-262	-255	-703	-786	-1,075
Net profit for the period		692	691	2,032	2,185	3,082
Attributable to:						
Shareholders of Nordea Bank Norge ASA		692	691	2,032	2,185	3,082
Total		692	691	2,032	2,185	3,082
Earnings per share, NOK		1.26	1.25	3.69	3.96	5.59

Balance sheet

NOKm	Note	30 Sep 2007	30 Jun 2007	31 Mar 2007	31 Dec 2006	30 Sep 2006
Assets						
Cash and balances with central banks		707	683	799	1,794	1,039
Loans and receivables to credit institutions	4	21,101	24,882	43,836	20,497	21,235
Loans and receivables to the public	4	343,904	337,941	324,690	307,023	297,764
Interest-bearing securities		33,597	31,416	25,056	26,306	21,852
Financial instruments pledged as collateral		57	548	626	10	3,047
Shares		1,433	9,369	1,233	898	548
Derivatives	6	935	1,332	1,265	1,730	3,326
Fair value changes of the hedged items in portfolio hedge of interest rate risk		10	-1	178	352	402
Investments in associated undertakings		635	629	619	653	639
Intangible assets		158	155	148	145	143
Property and equipment		254	255	255	257	250
Deferred tax assets		870	903	913	911	821
Other assets		15,910	10,250	7,938	8,517	7,936
Prepaid expenses and accrued income		2,234	2,056	1,678	1,564	1,624
Total assets		421,805	420,418	409,234	370,657	360,626
Liabilities						
Deposits by credit institutions		156,664	157,025	160,677	132,572	131,436
Deposits and borrowings from the public		198,357	203,591	191,001	178,876	163,945
Debt securities in issue		7,875	6,154	10,680	11,179	19,221
Derivatives	6	5,178	3,426	2,468	2,695	1,787
Fair value changes of the hedged items in portfolio hedge of interest rate risk		24	3	32	129	169
Current tax liabilities		730	504	1,361	1,358	1,502
Other liabilities		17,307	16,480	10,854	11,861	10,142
Accrued expenses and prepaid income		4,047	2,993	2,495	1,573	2,669
Provisions		28	31	30	5	25
Retirement benefit obligations		2,220	2,170	2,111	2,318	2,257
Subordinated liabilities		7,398	6,754	6,975	7,140	7,414
Total liabilities		399,828	399,131	388,684	349,706	340,567
Equity						
Share capital	7	3,860	3,860	3,860	3,860	3,860
Share premium account		953	953	953	953	953
Retained earnings		17,164	16,474	15,737	16,138	15,246
Total equity		21,977	21,287	20,550	20,951	20,059
Total liabilities and equity		421,805	420,418	409,234	370,657	360,626
Assets pledged as security for own liabilities		24,596	31,323	21,634	18,854	21,653
Contingent liabilities		24,874	29,356	33,887	38,108	42,533
Commitments		290,736	361,546	338,029	381,529	323,529

Statement of recognised income and expense

NOKm	30 Sep 2007	30 Sep 2006
Currency translation differences during the period	-7	1
Net income recognised directly in equity	-7	1
Net profit for the period	2,032	2,185
Total recognised income and expense for the period	2,025	2,186
Attributable to:		
Shareholders of Nordea Bank Norge ASA	2,025	2,186
Total	2,025	2,186

Cash flow statement

NOKm	Jan-Sep 2007	Jan-Sep 2006
<i>Operating activities</i>		
Operating profit	2,735	2,971
Adjustments for items not included in cash flow	2,279	236
Income taxes paid	-1,301	-421
Cash flow from operating activities before changes in operating assets and liabilities	3,713	2,786
Changes in operating assets and liabilities	850	-5,824
Cash flow from operating activities	4,563	-3,038
<i>Investing activities</i>		
Property and equipment	16	-44
Intangible assets	-72	0
Other financial fixed assets	0	42
Cash flow from investing activities	-56	-2
<i>Financing activities</i>		
Issued/amortised subordinated liabilities	258	2,115
Dividend paid	-1,000	-1,775
Cash flow from financing activities	-742	340
Cash flow for the period	3,765	-2,700
Cash and cash equivalents at beginning of period	5,501	15,891
Cash and cash equivalents at end of period	9,266	13,191
Change	3,765	-2,700
Cash and cash equivalents	30 Sep	30 Sep
The following items are included in cash and cash equivalents (NOKm):	<u>2007</u>	<u>2006</u>
Cash and balances with central banks	707	1,039
Loans and receivables to credit institutions, payable on demand	8,559	12,152

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".

Due to changes in regulation by The Ministry of Finance 30 March 2007, NBN ASA decided to implement IFRS in the company accounts from Q2 2007. The implementation was described and effects presented in the Q2 2007 interim report.

Changes in the presentation

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

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 and amendments presented in previous interim reports 2007.

The following change to the accounting policies has been made:

Reclassification of certain loans and deposits in Markets

Balance sheet items managed and where its performance is evaluated on a fair value basis are permitted to be reported at its fair value, using the Fair value option in IAS 39.

Deposits made by Markets as well as funding of Markets operations are reclassified from the categories "Loans and receivables" and "Other financial liabilities" to "Fair value through profit or loss". The reclassification is made from Q3 2007 with restatement of earlier periods.

The reclassification is made to align the presentation of Markets operations in the Nordea group and to further increase the transparency.

All interest income and interest expense related to Markets are therefore presented on the same income line as revaluation effects from financial instruments at fair value, i.e. "Net gains/losses on items at fair value".

The effect on NBN Group's Income Statement is presented below:

Before reclassification

NOKm	YTD 2007	YTD 2006	Q3 2007	Q3 2006	2006
Interest income	15,025	10,219	5,465	3,654	14,316
Interest expense	10,960	6,487	4,029	2,418	9,341
Net interest income	4,065	3,732	1,436	1,236	4,975
Net gains/losses on items at fair value	654	563	177	228	923

Reclassified

NOKm	YTD 2007	YTD 2006	Q3 2007	Q3 2006	2006
Interest income	15,025	10,219	5,465	3,654	14,316
Interest expense	10,960	6,487	4,029	2,418	9,341
- Interest expense related to fair valued instruments	410	192	112	95	352
Interest expense excluding interest from fair valued instruments	10,550	6,295	3,917	2,323	8,989
Net interest income after reclassification	4,475	3,924	1,548	1,331	5,327
Net gains/losses on items at fair value	654	563	177	228	923
- Interest expense related to fair valued instruments	-410	-192	-112	-95	-352
Net gains/losses on items at fair value after reclassification	244	371	65	133	571

The reclassification will not change the presentation in the reported balance sheet as such. However, the classification of balance sheet items as presented in the Annual Report 2006 "Note 38 Classifications of financial instruments" is affected as disclosed below:

Before reclassification

NOKm, 31 Dec 2006	Loans and receivables	Held for trading	Fair value through profit or loss	Derivatives used for hedging	Available for sale	Other financial liabilities	Total
Assets							
Loans and receivables to credit institutions	17,396	3,101					20,497
Loans and receivables to customers	307,023						307,023
Liabilities							
Deposits by credit institutions		10				132,562	132,572
Deposits by customers						178,876	178,876
Interest-bearing securities						11,179	11,179

Reclassified

NOKm, 31 Dec 2006	Loans and receivables	Held for trading	Fair value through profit or loss	Derivatives used for hedging	Available for sale	Other financial liabilities	Total
Assets							
Loans and receivables to credit institutions	17,242	3,101	154				20,497
Loans and receivables to customers	306,887		136				307,023
Liabilities							
Deposits by credit institutions		10	11,866			120,696	132,572
Deposits by customers			1,107			177,769	178,876
Interest-bearing securities			57			11,122	11,179

Note 1, continued

Exchange rates

	Jan-Sep 2007	Jan-Dec 2006	Jan-Sep 2006
EUR 1 = NOK			
Income statement (average)	8.0626	8.0451	7.9714
Balance sheet (at end of period)	7.7100	8.2300	8.2410
USD 1 = NOK			
Income statement (average)	6.0014	6.4113	6.4117
Balance sheet (at end of period)	5.4300	6.2500	6.5130
SEK 1 = NOK			
Income statement (average)	0.8730	0.8697	0.8578
Balance sheet (at end of period)	0.8383	0.9108	0.8883
DKK 1 = NOK			
Income statement (average)	1.0824	1.0785	1.0685
Balance sheet (at end of period)	1.0348	1.1041	1.1050

	Q3 2007	Q3 2006	Jan-Sep 2007	Jan-Sep 2006
Note 2 Net gains/losses on items at fair value, NOKm				
Shares/participations and other share-related instruments	82	9	226	57
Interest-bearing securities and other interest-related instruments	-113	50	-207	63
Other financial instruments	0	-4	0	33
Foreign exchange gains/losses	96	78	225	218
Total	65	133	244	371

	Q3 2007	Q3 2006	Jan-Sep 2007	Jan-Sep 2006
Note 3 Loan losses, NOKm				
Loan losses divided by class, net				
Loans and receivables to credit institutions	7	0	-2	0
- of which write-offs and provisions	0	0	-9	0
- of which reversals and recoveries	7	0	7	0
Loans and receivables to the public	50	107	92	470
- of which write-offs and provisions	-68	-92	-196	-223
- of which reversals and recoveries	118	199	288	693
Off-balance sheet items ¹	3	0	-25	-3
- of which write-offs and provisions	-2	0	-33	-3
- of which reversals and recoveries	5	0	8	0
Total	60	107	65	467

Specification of Loan losses

Changes of allowance accounts in the balance sheet	23	84	24	422
- of which Loans and receivables	20	84	48	425
- of which Off-balance sheet items ¹	3	0	-24	-3
Changes directly recognised in the income statement	37	23	41	45
- of which realised loan losses	-4	-3	-11	-19
- of which realised recoveries	41	26	52	64
Total	60	107	65	467

¹ Included in Provisions in the balance sheet.

Note 4 Loans and receivables and their impairment

	Total		
	30 Sep 2007	31 Dec 2006	30 Sep 2006
NOKm			
Loans and receivables, not impaired	365,021	327,340	319,249
Impaired loans and receivables:			
- Performing	918	1,243	1,109
- Non-performing	306	478	348
- Non-performing	612	765	761
Loans and receivables before allowances	365,939	328,583	320,358
Allowances for individually assessed impaired loans	-487	-550	-628
- Performing	-114	-197	-204
- Non-performing	-373	-353	-424
Allowances for collectively assessed impaired loans	-447	-513	-731
Allowances	-934	-1,063	-1,359
Loans and receivables, book value	365,005	327,520	318,999

	Credit institutions			The public		
	30 Sep 2007	31 Dec 2006	30 Sep 2006	30 Sep 2007	31 Dec 2006	30 Sep 2006
NOKm						
Loans and receivables, not impaired	21,103	20,497	21,235	343,918	306,843	298,014
Impaired loans and receivables:						
- Performing	0	0	0	918	1,243	1,109
- Non-performing	0	0	0	306	478	348
- Non-performing	0	0	0	612	765	761
Loans and receivables before allowances	21,103	20,497	21,235	344,836	308,086	299,123
Allowances for individually assessed impaired loans	0	0	0	-487	-550	-628
- Performing	0	0	0	-114	-197	-204
- Non-performing	0	0	0	-373	-353	-424
Allowances for collectively assessed impaired loans	-2	0	0	-445	-513	-731
Allowances	-2	0	0	-932	-1,063	-1,359
Loans and receivables, book value	21,101	20,497	21,235	343,904	307,023	297,764

Reconciliation of allowance accounts for impaired loans

	Credit institutions		The public		Total		Total
	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	Individually assessed	Collectively assessed	
Loans and receivables, NOKm							
Opening balance at 1 Jan 2007	0	0	-550	-513	-550	-513	-1,063
Provisions	0	-2	-211	-82	-211	-84	-295
Reversals	0	0	189	141	189	141	330
Changes through the income statement	0	-2	-22	59	-22	57	35
Allowances used to cover write-offs	0	0	86	9	86	9	95
Currency translation differences	0	0	-1	0	-1	0	-1
Closing balance at 30 Sep 2007	0	-2	-487	-445	-487	-447	-934
Opening balance at 1 Jan 2006	0	0	-869	-1,025	-869	-1,025	-1,894
Provisions	0	0	-163	-69	-163	-69	-232
Reversals	0	0	293	346	293	346	639
Changes through the income statement	0	0	130	277	130	277	407
Allowances used to cover write-offs	0	0	112	17	112	17	129
Currency translation differences	0	0	-1	0	-1	0	-1
Closing balance at 30 Sep 2006	0	0	-628	-731	-628	-731	-1,359

Note 4, continued

Allowances and provisions

	30 Sep 2007	31 Dec 2006	30 Sep 2006
NOKm			
Allowances for items in the balance sheet	-934	-1,063	-1,359
Provisions for off balance sheet items	-28	-5	-25
Total allowances and provisions	-962	-1,068	-1,384

Key ratios

	30 Sep 2007	31 Dec 2006	30 Sep 2006
Impairment rate, gross ¹ , %	0.3	0.4	0.3
Impairment rate, net ² , %	0.1	0.2	0.2
Total allowance rate ³ , %	0.3	0.3	0.4
Allowance rate, impaired loans ⁴ , %	53.1	44.2	56.6
Non-performing loans and receivables, not impaired ⁵ , NOKm	294	272	506

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 Sep 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	707						707
Loans and receivables to credit institutions	16,678			4,423			21,101
Loans and receivables to the public	343,904						343,904
Interest-bearing securities			33,597				33,597
Financial instruments pledged as collateral				57			57
Shares			1,376			57	1,433
Derivatives			707		228		935
Fair value changes of the hedged items in portfolio							
hedge of interest rate risk	10						10
Other assets	15,910						15,910
Prepaid expenses and accrued income	2,234						2,234
Total	379,443	0	35,680	4,480	228	57	419,888

30 Sep 2007	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions		11,951		144,713	156,664
Deposits and borrowings from the public		1,374		196,983	198,357
Debt securities in issue		57		7,818	7,875
Derivatives	4,898		280		5,178
Fair value changes of the hedged items in portfolio					
hedge of interest rate risk				24	24
Other liabilities	5,103			12,204	17,307
Accrued expenses and prepaid income				4,047	4,047
Subordinated liabilities				7,398	7,398
Total	10,001	13,382	280	373,187	396,850

Note 6 Derivatives, NOKm

	Assets Fair value	Liabilities Fair value	Total nom amount
30 Sep 2007			
Derivatives held for trading			
Interest rate derivatives	98	628	135,775
Equity derivatives	142	25	0
Foreign exchange derivatives	52	3,829	76,547
Other derivatives	415	415	3,130
Total	707	4,897	215,452
Derivatives used for hedging			
Interest rate derivatives	228	157	12,597
Equity derivatives	0	0	-3,335
Foreign exchange derivatives	0	124	335
Total	228	281	9,597
Derivatives, total			
Interest rate derivatives	326	785	148,372
Equity derivatives	142	25	-3,335
Foreign exchange derivatives	52	3,953	76,882
Other derivatives	415	415	3,130
Total	935	5,178	225,049

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				-9	-9
<i>Net income recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	-9	-9
Net profit for the period				2,032	2,032
<i>Total recognised income and expense in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	2,023	2,023
Share-based payments ²				3	3
Dividend for 2006				-1,000	-1,000
Closing balance at 30 Sep 2007	3,860	953	0	17,164	21,977

	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				-1	-1
<i>Net income recognised directly in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	-1	-1
Net profit for the period				2,185	2,185
<i>Total recognised income and expense in equity</i>	<i>0</i>	<i>0</i>	<i>0</i>	2,184	2,184
Dividend for 2005				-1,775	-1,775
Other changes				2	2
Closing balance at 30 Sep 2006	3,860	953	0	15,246	20,059

¹ Total shares registered were 551m (31 Dec 2006: 551m, 30 Sep 2006: 551m).

² Share based payment is described in Note 1 Accounting policies in the Interim report for Q2 2007.

Note 8 Capital adequacy

Capital Base*	30 Sep 2007	30 Sep 2007
NOKm	Basel II	Basel I
Tier 1 capital	19,213	19,329
Total capital base	26,878	27,110

* excluding profit

	30 Sep 2007	30 Sep 2007	30 Sep 2007
Capital requirements		Basel II	Basel I
NOKm	Capital requirement	RWA	RWA
Credit risk	17,865	223,315	314,162
IRB foundation	11,161	139,509	na
- of which corporate	10,414	130,177	na
- of which institutions	674	8,429	na
- of which other	72	903	na
Standardised	6,704	83,805	na
- of which retail	5,602	70,021	na
- of which sovereign	25	317	na
- of which other	1,077	13,467	na
Basel I	na	na	na
Market risk	675	8,436	8,468
- of which trading book, VaR	73	911	na
- of which trading book, non-VaR	602	7,526	na
- of which FX, non-VaR	0	0	na
Operational risk	993	12,413	na
Standardised	993	12,413	na
Total	19,533	244,164	322,630
Adjustment for floor rules			
Additional capital requirement according to floor rules	4,987	62,335	na
Total reported	24,520	306,498	322,630

Capital ratio	30 Sep 2007	30 Sep 2007
	Basel II	Basel I
Tier I ratio, %, incl profit	6.9	6.6
Capital ratio, %, incl profit	9.4	9.0
Tier I ratio, %, excl profit	6.3	6.0
Capital ratio, %, excl profit	8.8	8.4

Analysis of capital requirements

Exposure class	Average risk weight (%)	Capital requirement (NOKm)
Corporate	54	10,414
Institutions	22	674
Retail	42	5,602
Sovereign	20	25
Other	50	1,150
Total credit risk		17,865

Note 9 Risks and uncertainties

Nordea's revenue base reflects the Group's business with a large and diversified customer base, comprising both household 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 three 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 three months.

Nordea Bank Norge ASA

Income statement

NOKm	Q3 2007	Q3 2006	Jan-Sep 2007	Jan-Sep 2006	Full year 2006
Operating income					
<i>Interest income</i>	5,289	3,469	14,453	9,559	13,473
<i>Interest expense</i>	-3,898	-2,285	-10,474	-6,044	-8,690
Net interest income	1,391	1,184	3,979	3,515	4,783
<i>Fee and commission income</i>	565	540	1,687	1,561	2,163
<i>Fee and commission expense</i>	-184	-149	-465	-393	-555
Net fee and commission income	381	391	1,222	1,168	1,608
Net gains/losses on items at fair value	71	146	237	392	582
Dividends	3	0	70	46	46
Other operating income	14	51	60	103	103
Total operating income	1,860	1,772	5,568	5,224	7,122
Operating expenses					
General administrative expenses:					
Staff costs	-653	-576	-1,908	-1,738	-2,382
Other expenses	-397	-432	-1,263	-1,155	-1,601
Depreciation of tangible and intangible assets	-26	-32	-73	-98	-131
Total operating expenses	-1,076	-1,040	-3,244	-2,991	-4,114
Loan losses	68	120	84	488	812
Disposals of tangible and intangible assets	0	0	2	0	0
Operating profit	852	852	2,410	2,721	3,820
Tax expense	-234	-233	-613	-719	-989
Net profit for the period	618	619	1,797	2,002	2,831

Nordea Bank Norge ASA

Balance sheet

NOKm	30 Sep 2007	31 Dec 2006	30 Sep 2006
Assets			
Cash and balances with central banks	707	1,794	1,039
Loans and receivables to credit institutions	47,340	42,433	43,562
Loans and receivables to the public	312,478	279,772	270,232
Interest-bearing securities	33,547	26,859	23,368
Financial instruments pledged as collateral	57	10	3,047
Shares	1,432	897	547
Derivatives	803	1,588	3,201
Fair value changes of the hedged items in portfolio hedge of interest rate risk	74	312	261
Investments in associated undertakings	139	139	139
Investments in group undertakings	2,183	2,184	2,256
Intangible assets	147	133	130
Property and equipment	248	251	243
Deferred tax assets	898	933	801
Other assets	15,890	8,748	7,967
Prepaid expenses and accrued income	2,124	1,491	1,518
Total assets	418,067	367,544	358,311
Liabilities			
Deposits by credit institutions	156,668	132,551	131,297
Deposits and borrowings from the public	198,325	178,858	164,090
Debt securities in issue	6,671	10,320	19,396
Derivatives	5,080	1,563	1,578
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-13	66	79
Current tax liabilities	640	1,352	1,424
Other liabilities	17,205	12,800	10,062
Accrued expenses and prepaid income	3,877	1,392	2,509
Provisions	28	5	25
Retirement benefit obligations	2,154	2,256	2,209
Subordinated liabilities	7,398	7,139	7,412
Total liabilities	398,033	348,302	340,081
Equity			
Share capital	3,860	3,860	3,860
Share premium account	953	953	953
Retained earnings	15,221	14,429	13,417
Total equity	20,034	19,242	18,230
Total liabilities and equity	418,067	367,544	358,311
Assets pledged as security for own liabilities	24,596	18,854	21,653
Contingent liabilities	25,103	38,338	42,533
Commitments	294,236	383,890	325,507

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				-8	-8
Dividend 2006				-1,000	-1,000
Share based payments ²				3	3
Net profit for the period				1,797	1,797
Balance at 30 Sep 2007	3,860	953	0	15,221	20,034

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			-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
Currency translation differences				3	3
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				2,200	2,200
- Correction fair value Treasury financial instruments				1	1
- Correction net result from equity method				-199	-199
Net profit for the period, after corrections IFRS				2,002	2,002
Balance at 30 Sep 2006, restated	3,860	953	0	13,417	18,230

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

²Share based payment is described in Note 1 Accounting policies as presented in Interim report for Q2 2007.

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