Annual Report 2007
Nordea Bank Danmark
Business registration number 13522197

Nordea Bank Danmark A/S is part of the Nordea Group. Nordea's vision is to be the leading Nordic bank, acknowledged for its people, creating superior value for cutomers 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 1,200 branch offices and a leading netbanking position with 4.8 million e-customers. The Nordea share is listed on the OMX Nordic exchange in Stockholm, Helsinki and Copenhagen.

Contents

The following is a translation of the Danish original document. The original Danish text shall be the governing text for all purposes and in case of any descrepancy the Danish wording shall be applicable.

5-year overview – Key financial figures Group

Income statement (DKKm)	2007	2006	2005	2004[2]	2003[1]
Net interest income	8,420	7,830	7,259	7,026	8,304
Net fee and commission income	3,414	3,409	3,579	2,961	2,290
Net gains/losses on items at fair value	835	1,616	820	843	308
Equity method	234	327	116	238	170
Other income	389	194	123	225	1,132
Total operating income	**13,292**	**13,376**	**11,897**	**11,293**	**12,205**
General administrative expenses:					
Staff costs	-4,885	-4,758	-4,472	-4,351	-4,361
Other expenses	-2,765	-2,504	-2,343	-2,376	-2,248
Depreciation, amortisation and impairment charges of tangible and intangible assets	-108	-132	-111	-199	-300
Total operating expenses	**-7,758**	**-7,394**	**-6,926**	**-6,926**	**-6,909**
Loan losses	47	664	348	124	-851
Operating profit	**5,581**	**6,646**	**5,319**	**4,491**	**4,444**
Income tax expense	-1,308	-1,770	-1,363	-1,295	-1,196
Net profit for the year	**4,273**	**4,876**	**3,956**	**3,196**	**3,249**

Balance sheets (DKKm)	2007	2006	2005	2004[2]	2003[1]
Loans and receivables to the public	533,237	483,794	419,901	351,078	309,231
Equity	29,744	26,984	23,922	22,864	19,438
Total assets	837,943	803,391	764,257	648,325	659,083

Ratios and key figures (DKKm)	2007	2006	2005	2004[2]	2003[1]
Return on equity, %	15.1	19.2	16.7	14.3	17.2
Cost/income ratio, %	58	55	58	61	57
Tier 1 capital ratio, %	6.9	7.1	7.0	6.4	6.9
Total capital ratio, %	9.2	9.8	10.0	9.3	9.6
Risk-weighted assets, DKKbn	409	376	330	299	279
Number of employees (full-time equivalents)	7,469	7,307	7,322	7,380	7,613
Average number of employees	7,373	7,308	7,305	7,436	8,059

The Danish Financial Supervisory Authority's ratio system is shown in note 47.

1 According to previous GAAP, not restated to IFRS.
2 Restated to IFRS except for IAS 39 implemented 1 January 2005.

Key financial figures
Parent company

Income statement (DKKm)	2007	2006	2005	2004[2]	2003[1]
Net interest income	5,857	5,713	5,517	5,714	7,061
Net fee and commission income	3,810	3,717	3,776	3,160	2,418
Net gains/losses on items at fair value	1,257	1,983	1,029	847	310
Dividends	137	542	295	487	969
Other income	385	115	32	144	944
Total operating income	**11,446**	**12,070**	**10,649**	**10,351**	**11,702**
General administrative expenses:					
Staff costs	-4,702	-4,582	-4,294	-4,183	-4,197
Other expenses	-2,648	-2,341	-2,202	-2,284	-1,969
Depreciation, amortisation and impairment charges of tangible and intangible assets	-91	-110	-80	-159	-247
Total operating expenses	**-7,441**	**-7,033**	**-6,576**	**-6,626**	**-6,413**
Loan losses	116	666	384	158	-842
Operating profit	**4,121**	**5,703**	**4,458**	**3,883**	**4,447**
Income tax expense	-1,054	-1,433	-1,152	-1,292	-1,198
Net profit for the year	**3,067**	**4,270**	**3,305**	**2,591**	**3,249**

Balance sheets (DKKm)	2007	2006	2005	2004[2]	2003[1]
Loans and receivables to the public	293,869	268,897	229,098	190,518	168,660
Equity	23,783	22,211	19,749	18,626	19,438
Total assets	681,359	664,320	616,310	466,226	518,627

Ratios and key figures (DKKm)	2007	2006	2005	2004[2]	2003[1]
Return on equity, %	13.3	20.4	17.0	14.0	17.2
Cost/income ratio, %	65	58	62	64	55
Tier 1 capital ratio, %	7.4	7.3	7.3	6.9	7.5
Total capital ratio, %	9.9	10.2	10.5	10.2	10.4
Risk-weighted assets, DKKbn	368	346	300	274	257
Number of employees (full-time equivalents)	7,177	6,991	6,996	7,070	7,306
Average number of employees	7,074	6,998	6,983	7,126	7,745

The Danish Financial Supervisory Authority's ratio system is shown in note 47.

1 According to previous GAAP, not restated to IFRS.
2 Restated to IFRS except for IAS 39 implemented 1 January 2005.

Business definitions and exchange rates

These definitions apply to the descriptions in the Annual Report.

Capital base
The capital base includes the sum of the Tier 1 capital and the supplementary capital consisting of subordinated loans.

Tier 1 capital
The proportion of the capital base, which includes consolidated shareholders' equity excluding proposed dividend, tax assets as well as goodwill in the banking operations. Subsequent to the approval of the supervisory authorities, Tier 1 capital also includes qualified forms of subordinated loans.

Risk-weighted amounts
Total assets and off-balance-sheet items valued on the basis of the credit and market risks in accordance with regulations governing capital adequacy.

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

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

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

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

Abbreviations

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

Exchange rates applied

(European Central Bank rates of exchange for key currencies as at 31 December 2007)

EUR	745.9	**CHF**	449.5	**DKK**	100.0
GBP	1,010.9	**JPY**	4.5	**LTL**	216.0
NOK	93.5	**PLN**	207.1	**SEK**	78.9
USD	506.8				

Nordea Bank Danmark Directors' report

Throughout this report the terms "Nordea Bank Danmark", "NBD" and "Bank Group" refer to Nordea Bank Danmark A/S and its subsidiaries. Nordea Bank Danmark A/S is a wholly-owned subsidiary of Nordea Bank AB (publ), the parent company in the Nordea Group. The Nordea Bank AB Group is referred to as "Nordea".

Nordea Bank Danmark A/S is domiciled in Copenhagen and its business registration number is 13522197.

Group organisation

In 2007 Nordea started implementing a new operating model and organisation focusing on cross-organisational transparency, teamwork and efficiency. Nordic Banking, Private Banking and Institutional & International Banking are in the new operating model responsible for sales and customer relationship processes. The product and service delivery chain is organised into two product areas, Banking & Capital Market Products and Savings & Life Products. The service and group functions are Group Services & Technology, People & Identity, Group Corporate Centre, Group Credit & Risk Control and Group Legal.

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

Legal structure

Nordea aims at continuous simplification of its legal structure and as regards the Nordic banks the aim is that Nordea Bank AB (publ) will be converted into a European company, a "Societas Europaea", ("SE"), in accordance with the European Company Statute.

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

Following a review made by the EU Commission on the issues relating to the operation of deposit guarantee schemes in the EU and EEA countries Nordea has established a dialogue with the legislators and supervisory authorities in the Nordic countries with the purpose to diminish the obstacles in the current set-up.

The final conversion process in itself is estimated to take up to one year from start to execution

Subsidiaries and foreign branches

NBD has primarily subsidiaries in Danmark. The most significant subsidiaries are Nordea Kredit Realkreditaktieselskab, through which the bank carries on mortgage lending activities, and Nordea Finans Danmark A/S, through which the bank carries on financing, leasing and factoring activities.

NBD has no foreign branches.

Business development in 2007

Results for 2007 showed an increase in net interest income and a decrease in net gains/losses on items at fair value compared to 2006. Total operating income was at the same level as in 2006. Total operating expenses increased while the positive amount of loan losses decreased. Operating profit amounted to DKK 5,581m (DKK 6,646m), and the realised post-tax return on equity was 15.1% (19.2%)

The result is largely in line with the expectations.

Comments on the income statement (Group)

Operating income

Total operating income was DKK 13,292m, which is at the same level as in 2006 (DKK 13,376m).

Net interest income increased by 7.5% to DKK 8,420m (DKK 7,830m). The increase in net interest income was mainly driven by strong lending and deposit volume growth which compensated for the margin pressure experienced during the year. Total lending to the public increased by 10% to DKK 533bn (DKK484bn). Deposits from the public increased by 10% to DKK 278bn (DKK 253bn).

The increase in net interest income is mainly related to Nordic Banking.

Net fee and commission income was DKK 3,414m which is at the same level as in 2006 (DKK 3,409m). Lending related commissions increased by 12% to DKK 1,007m (DKK 898m), reflecting both increased lending commission and increased guarantee fees. Lending commission was positively affected by higher acquisition finance fees. Payment commissions were up by 7% to DKK 744m (DKK 697m) driven by an increase in card commissions by 18%. Savings related commissions increased by 3% to DKK 1,898m (DKK 1,846m) mainly due to increased brokerage and asset management commissions. Total commission expenses increased by 28% to DKK 514m (DKK 401m) among other things caused by higher commission expenses from cards.

Net gains/losses on items at fair value decreased by DKK 781m to DKK 835m (DKK 1,616m). The decrease is primarily attributable to lower income from activities in Markets. Markets activities in Nordea Bank Danmark comprise income mainly from fixed income and equity products.

The result in Group Treasury from position taking on the investment portfolio was somewhat lower compared to 2006.

Profit from companies accounted for under the equity method decreased by 28.4% to DKK 234m (DKK 327m). Income under the equity method in 2007 is primarily related to the portfolio of PBS companies, LR Realkredit and private equity investments in Group Treasury. The decrease compared to 2006 is related to Axcel IKU Invest A/S and Investeringsselskabet af 23. marts 2001 A/S.

Other operating income was DKK 389m compared to DKK 194m last year. The increase compared to 2006 mainly reflects higher income especially from IT services rendered to Nordea group companies.

Operating expenses
Total operating expenses increased by 4.9% to DKK 7,758 (DKK 7,394m).

Staff costs increased by 2.7% to DKK 4,885m (DKK 4,758m). The rise is primarily attributable to the general wage inflation, increased number of FTEs and higher variable salaries.

During 2007 the number of FTEs has increased by 2% compared to 2006. Employees measured by full-time equivalents, increased by 162 to 7,469 compared to 7,307 in 2006. The average number of full-time equivalent positions was 7,373 (7,308).

Other expenses amounted to DKK 2,765m (DKK 2,504m), up by 10.4% compared to last year due to higher business volumes and strategic initiatives such as Basel II. The increase is primarily attributable to IT costs. A part of the increase in IT costs is compensated by higher income from Nordea group companies.

Depreciation, amortisation and impairment charges of tangible and intangible assets decreased by DKK 24m to DKK 108m (DKK 132m) related to depreciation of equipment.

The cost/income ratio was up to 58% compared to 55% last year.

Loan losses
Loan losses were positive at DKK 47m (DKK 664m) reflecting both continued recoveries and at the same time a limited need for new provisions. The quality of the credit portfolio remains strong.

Taxes
Income tax expense was DKK 1,308m (DKK 1,770m). The effective tax rate was 23% compared to 27% in 2006. The lower effective tax rate is primarily attributable to the reduction in the corporate tax rate in 2007 from 28% to 25%, including the recurring effect on the year-to-date profits and a non-recurring effect related to deferred tax liabilities.

Net profit
Net profit for the year amounted to DKK 4,273m (DKK 4,876m). The return on equity was 15.1% (19.2%).

Comments on the balance sheet (Group)

The total balance sheet increased by DKK 35bn to DKK 838bn (DKK 803bn), or 4%, during 2007. All balance sheet items in foreign currencies are translated into DKK at the actual year-end currency exchange rates. See note 1 for more information regarding accounting policies.

The increased balance sheet reflects higher business volumes, mainly in respect of loans and receivables to the public. The growth has been financed through a variety of sources, including deposits and borrowings from the public and debt securities in issue. Nordea has a strong capital position and diversified funding base, reflecting an overall sound financial structure.

Assets
Loans and receivables to credit institutions increased by DKK 11bn to DKK 129bn (DKK 118bn). The increase is among other things due to an increase in reverse repurchase transactions.

Loans and receivables to the public increased by DKK 49bn to DKK 533bn, of which lending to corporate customers increased by DKK 32bn and lending to personal customers increased by DKK 19bn.

Interest-bearing securities and shares, including financial instruments pledged as collateral, were DKK 139bn which is at the same level as in 2006 (DKK 139bn).

Other assets decreased by DKK 28bn, which is related to receivables on sold bonds and shares.

Liabilities
Deposits by credit institutions were DKK 223bn which is at the same level as in 2006 (DKK 223bn).

Deposits and borrowings from the public increased by DKK 25bn to DKK 278bn (DKK 253bn), reflecting higher business volumes.

Debt securities in issue increased by DKK 23bn to DKK 206bn (DKK 183bn) which is related to bonds issued by the subsidiary Nordea Kredit.

Other liabilities decreased by DKK 17bn to DKK 82bn (DKK 99bn), mainly reflecting a decrease in payables on purchased bonds and shares.

Equity
Shareholders' equity, including minority interests amounted to DKK 26,984m at the beginning of 2007. The net profit for the year was DKK 4,273m. After deducting the dividend in respect of 2006 to the parent company Nordea Bank AB and postings made directly against equity, equity was DKK 29,744m at the end of the year.

Appropriation of net profit for the year
Shareholders´ equity for the parent company amounted to DKK 22,211m at the beginning of 2007. The net profit of the parent company for the year amounted to DKK 3,067m. After deducting the dividend in respect of 2006 to the parent company Nordea Bank AB and postings made directly against equity, equity was DKK 23,783m at the end of the year.

It is proposed that the net profit will be distributed by way of:

- an allocation of dividend of DKK 2,200m (DKK 1,500m), and
- a transfer of DKK 867m to retained earnings

The proposed dividend payment of DKK 2,200m is equivalent to DKK 44 (DKK 30) per share.

Off-balance-sheet commitments (Group)
The bank's business operations include a considerable proportion of off-balance-sheet items. These include commercial products, such as guarantees, documentary credits, credit commitments, etc.

Credit commitments and unutilised credit lines amounted to DKK 146bn (DKK 158bn), whereas guarantees and granted but not utilised documentary credits as well as other off-balance-sheet commitments totalled DKK 35bn (DKK 52bn).

Capital adequacy and ratings
At year-end, the Group's total capital ratio was 9.2% (9.8%) and the tier 1 capital ratio was 6.9% (7.1%). The corresponding figures for the parent company were 9.9% and 7.4% in 2007.

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

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

The Board of Directors considers solidity as at 31 December 2007 to be good.

Rating, December 2007	Short	Long
Moody's	P-1	Aa1
S&P	A-1+	AA-
Fitch-IBCA	F1+	AA-

Risk, liquidity and capital management

Risk, liquidity and capital management are key success factors in the financial services industry. Exposure to risk is inherent in providing financial services, and Nordea assumes a variety of risks in its ordinary business activities, the most significant being credit risk related to loans and receivables to the public. The maintaining risk awareness in the organisation is incorporated in Nordea's business strategies. Nordea has clearly defined risk, liquidity and capital management frameworks, including policies and instructions for different risk types and for the capital structure.

Management principles and control

Board of Directors
The Board of Directors of Nordea has ultimate responsibility for limiting and monitoring the Group's risk exposure. The Board of Directors also has ultimate responsibility for setting the targets for the capital ratios. Risk in Nordea is measured and reported according to common principles and policies approved by the Board of Directors.

The Board of Directors decides on policies for credit, market, liquidity, operational risk management and the internal capital adequacy assessment process. All policies are reviewed at least annually.

In the credit instructions, the Board of Directors decides on powers-to-act for credit committees at different levels within the customer areas in Nordea. These authorisations vary for different decision-making levels, mainly in terms of size of limits, and are also dependent on the internal rating of customers. The Board of Directors also decides on the limits for the market and liquidity risk in the Group.

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

Board Credit Committee
The Board Credit Committee monitors the development of the credit portfolio including industry and major customer exposures. The Board Credit Committee confirms industry policies approved by the Executive Credit Committee (ECC).

CEO and GEM
The Chief Executive Officer (CEO) has overall responsibility for developing and maintaining an effective risk , liquidity and capital management principles and control in Nordea. The CEO in Group Executive Management (GEM) decides on the targets for the Group's risk management regarding Structural Interest Income Risk (SIIR). CEO in GEM also decides, within the scope of resolutions adopted by the Board of Directors, the allocation of the market risk limits and liquidity risk limits to customer areas and product areas as well as the investment return targets for the investment portfolio. The limits for the customer areas are set in accordance with the business strategies and are as a minimum reviewed annually. The heads of the customer areas allocate the respective limits within the customer area and may introduce more detailed limits and other risk mitigating techniques such as stop-loss rules.

The CEO and GEM regularly review reports on risk exposures and have established the following committees for risk, liquidity and capital management:

- The Asset and Liability Committee (ALCO), chaired by the Chief Financial Officer (CFO), prepares issues of major importance concerning the Group's financial operations, financial risks as well as capital management for decision by the CEO in GEM.

- Capital Planning Forum, chaired by the CFO, monitors the development of the required (internal and regulatory) capital and the capital base and decides also upon capital planning activities within the Group.

- The Risk Committee, chaired by the Chief Risk Officer (CRO) monitors developments of risks on an aggregated level.

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

CRO and CFO

Within the Group, two functions, Group Credit and Risk Control and Group Corporate Centre, are responsible for risk, capital, liquidity and balance sheet management.

Group Credit and Risk Control is responsible for the risk management framework, consisting of policies, instructions and guidelines for the whole Group.

Group Corporate Centre is responsible for the capital management framework including required capital as well as capital base. The framework for SIIR and liquidity risk is developed by Group Treasury, within Group Corporate Centre.

The CRO is head of Group Credit and Risk Control and the CFO is head of Group Corporate Centre.

The CRO is responsible for the Group's credit, market, operational and liquidity risk management framework, for the development, validation and monitoring of the rating and scoring systems, for the credit policy and strategy, the credit instructions, the guidelines to the credit instructions as well as the credit decision process and the credit control processes.

The CFO is responsible for the capital planning process including capital adequacy reporting, economic capital and parameter estimation used for the calculation of risk-weighted amounts and for liquidity and balance sheet management.

Each customer area and product area is primarily responsible for managing the risks in its operations, including identification, control and reporting while Group Credit and Risk Control consolidates and monitors the risks on Group level and on other organisational levels.

Monitoring and reporting

The control environment in Nordea is based on the principles for separation of duties and independence. Monitoring and reporting of risk is conducted on a daily basis for market and liquidity risk, on a monthly and quarterly basis for credit risk and on a quarterly basis for operational risk.

Risk reporting is regularly made to Group Executive Management and to the Board of Directors. The Board of Directors in each legal

Risk, Liquidity and Capital Management governance

Nordea – Board of Directors
Board Credit Committee

Chief Executive Officer (CEO)/Group Executive Management (GEM)

Asset and Liability Committee, ALCO
(Chairman: CFO)

Capital Planning Forum
(Chairman: CFO)

Risk Committee,
(Chairman: CRO)

Executive and Group Credit Committees, ECC and GCC
(Chairman: CRO)

Risk, Liquidity and Capital Management

Chief Financial Officer (CFO)

Group Corporate Centre
(Head: CFO)
Liquidity management framework
Capital management framework
Balance sheet management framework

Chief Risk Officer (CRO)

Group Credit and Risk Control
(Head: CRO)
Risk management framework
Monitoring and reporting

entity receives internal risk reporting which covers both market, credit and liquidity risk. Within the credit risk reporting different portfolio analyses such as credit migration, current probability of default and stress testing are included.

The internal capital reporting includes all types of risks and is reported regularly to the Risk Committee, ALCO, Capital Planning Forum, Group Executive Management and Board of Directors.

Group Internal Audit makes an independent evaluation of the processes regarding risk and capital management in accordance with the annual audit plan.

Risk management

Group Credit and Risk Control is responsible for the risk management framework, consisting of policies, instructions and guidelines for the Group.

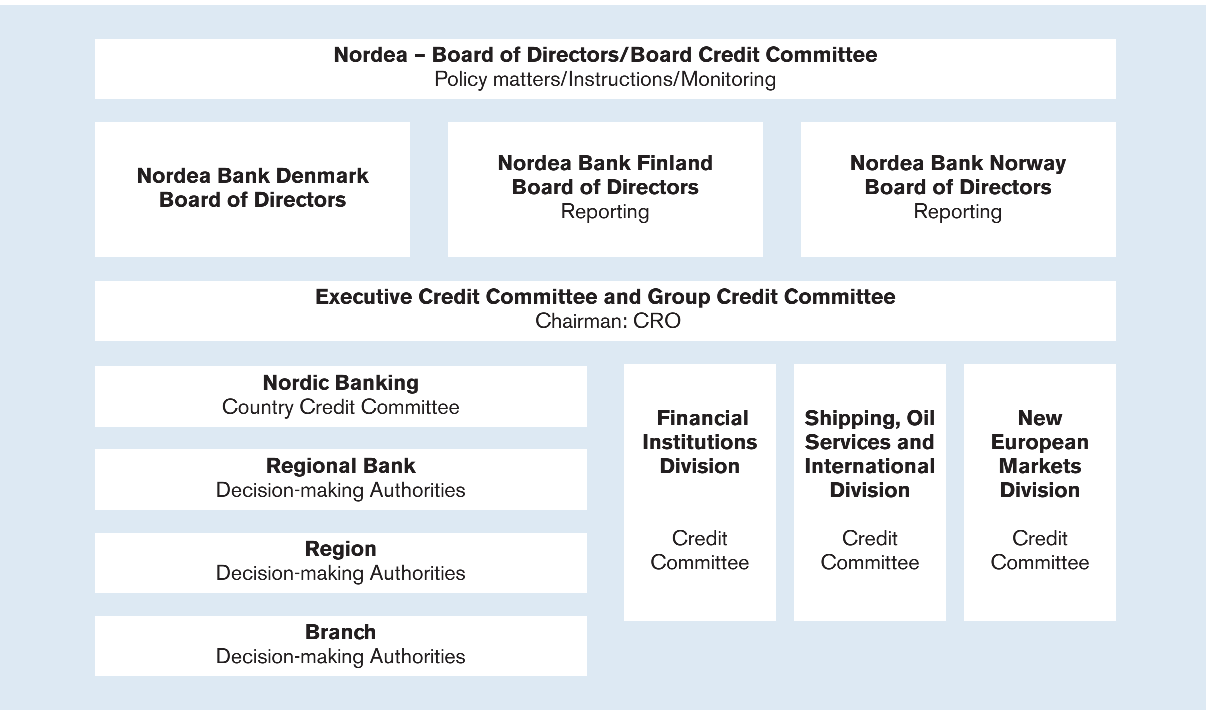
Each customer area and product area is primarily responsible for managing the risks in its operations, including identification, control and reporting, while Group Credit and Risk Control consolidates and monitors the risks on Group level and on other organisational levels.

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

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

Credit risk identification and definitions
The credit risks in Nordea stem mainly from various forms of lending to the public (corporates and personal customers) and also from guarantees and documentary credits, such as letters of credit. Furthermore, credit risk includes counterparty risk, transfer risk and settlement risk.

Credit decision-making structure



The credit risk from guarantees and documentary credits arises from the potential claims on customers, for which Nordea has issued guarantees or documentary credits.

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

Risks in specific industries are managed through industry policies setting requirements and limits on the overall industry exposure and these risks are monitored by industry monitoring groups. Corporate customers' environmental risks are taken into account in the overall risk assessment through the so-called Environmental Risk Assessment Tool (ERAT). This tool is being extended to also include social and political risk during 2008. For larger project finance transactions, Nordea has adopted the Equator Principles, which is a financial industry benchmark for determining, assessing and managing social and environmental risk in project financing. The Equator Principles are based on the policies and guidelines of the World Bank and International Finance Corporation (IFC).

The decisions regarding credit risk limits for customers and customer groups are made by the relevant credit decision authorities on different levels within the Group (see figure).

The responsibility for credit risk lies with the customer responsible unit, which on an ongoing basis assesses the customers' ability to fulfil their obligations and identifies deviations from agreed conditions and weaknesses in the customers' performance.

Based on past due reports with late payments and other available information, the customer responsible unit must also assess whether the exposure is impaired indicating that the customer's repayment ability is threatened.

If it is considered unlikely that the customer will be able to repay its debt obligations (principal, interest, or fees) in full, and the situation cannot be satisfactorily remedied, the exposure is regarded as default. Exposures that have been past due more than 90 days are automatically regarded as defaulted.

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

Individual and collective assessment of impairment

In the process to identify indication of impairment, Nordea works with a continuous process to review the economic financial status of the credit exposures.

Weak and impaired exposures are closely and continuously monitored and reviewed at least on a quarterly basis in terms of current performance, business outlook, future debt service capacity and the possible need for provisions.

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

In addition to individual impairment testing of all individually significant customers, collective impairment testing is performed for groups of customers that have not been found to be impaired on individual level.

The rationale for this two-step procedure with both individual and collective assessment is to ensure that all incurred losses are accounted for up to and including each balance sheet day. Impairment losses recognised for a group of loans represent an interim step pending the identification of impairment losses for an individual customer.

Measurement methods

Quantification of credit risk was initially developed in Nordea as part of the Economic Capital framework. The internal quantification of credit risk are being aligned with the external requirements following Nordea's roll-out of Basel II.

Rating and scoring

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

The internal rating represents an estimate of the repayment capacity of the corporate customers or bank counterparts. The repayment capacity of each rating grade is quantified by the one year Probability of Default (PD) which is used as an input to the Economic Profit framework, including performance measurement, capital allocation and pricing, as well as calculation of the Regulatory Capital.

The internal rating scale for corporate rating models consists of 18 grades for non-defaulted customers. It is a descending scale with grade 6+ representing the highest repayment capacity and rating grade 1– representing the lowest repayment capacity. Rating grade 4– and better are comparable to investment grade as defined by external rating agencies such as Moody's and S&P. Rating grade 2+ to 1– are considered as weak, and require special attention. In addition, there are three rating grades (0+, 0, 0-) for counterparts fulfilling Nordea's internal definition of default.

Ratings are normally assigned in conjunction with limit/credit proposals or the annual review of the customers, and approved by the credit committees. The consistency and transparency of the ratings are ensured by the use of rating models. A rating model is a set of specified and distinct rating criteria which given a set of a customer's characteristics produces a rating. It is based on the fact that it is possible to predict the future performance of customers on the basis of their characteristics.

Nordea uses different rating models in order better to reflect the risks involved for customers with different characteristics. Hence, rating models have been developed for a number of general as well as industry specific segments e.g. real estate management and shipping. Different methods ranging from pure statistical to expert-based, depending of the segment in question, have been used when developing the rating models. The models are generally based on an overall rating framework, in which financial and quantitative factors are combined with qualitative factors.

Scoring models are pure statistical methods to predict the probability of customer default. The models are mainly used in the personal customer segment as well as for small corporate customers. Nordea utilises bespoke behavioural scoring models developed on internal data to support both the credit approval process, eg automatic approvals or decision support, and the risk management process, eg "early warning" for high risk customers and monitoring of portfolio risk levels. As a supplement to the behavioural scoring models Nordea also utilises bureau information in the credit process.

The internal behaviour scoring models are used in the Economic Capital framework to identify the probability of default (PD) of the scored customer portfolio.

Nordea has established an internal validation process in accordance with the Basel II requirements with the purpose of ensuring and improving the performance of Nordea's rating models, procedures and systems as well as the Nordea's internal behaviour scoring models, procedures and models. The annual validation includes both a quantitative and a qualitative validation.

Quantification of credit risk

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

(EP). The same parameters will be used for calculation of RWA following Nordea's roll out of Basel II.

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

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

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

Credit risk analysis

Credit risk exposure is measured and presented as the principle amount (at amortised cost) of on-balance-sheet claims or off-balance-sheet potential claims on customers and counterparts, net after allowances. The total credit risk exposure has increased by 3% to DKK 968bn during 2007 (DKK936bn).

The largest credit risk exposure is loans and receivables to the public (lending), which in 2007 increased by 10% to DKK 533bn (DKK 484bn). Lending to corporate customers was DKK 311bn (DKK 278bn), an increase by 12%, and lending to personal customers was DKK 219bn (DKK 200bn), an increase by 9%. The portion of total lending portfolio to corporate customers was 58% (58%) and to personal customers 41% (41%).

Loans and receivables to credit institutions, mainly in the form of inter-bank deposits, amounted to DKK 129bn at the end of 2007 (DKK 118bn). Of these loans, less than 3% was to credit institutions outside OECD.

Loans and receivables to corporate customers

The main increases in the lending portfolio were in the sectors: "Real estate management", "Agriculture and Fishing", "Manufacturing" and "Renting, consulting and other company services". Financial operations remains the largest industry sector in NBD's lending portfolio, with DKK 71bn (DKK 83bn). The portfolio predominantly comprises relatively large and financially strong companies dominate the portfolio, with 75% of the lending in rating grades 4– and higher. There is a high level of collateral coverage, especially for exposures which fall into lower rating grades (3+ or lower).

The distribution of loans and receivables to corporates by size of loans shows a high degree of diversification where approx. 55% (54%) of the corporate volume is for lending on a scale up to EUR 50m for each customer. This distribution has been stable in recent years.

One important credit risk mitigation technique is pledging of collateral. This is particularly important in lending to medium-sized and smaller corporates. In the case of larger corporates, pledged collateral is used to a lesser extent. In corporate exposures, the main collateral types are real estate mortgages, floating charges and leasing objects. Collateral coverage is higher for exposures to financially weaker customers than for those which are more financially strong.

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

Rating distribution

Rating grades 4– and better are comparable to investment grade as defined by external rating agencies such as Moody's and S&P. Rating grades 2+ to 1– are considered as weak, and require special attention. Impaired exposures are not included in the rating distribution.

Nordea Bank Danmark Group

Credit risk exposure
(excluding cash and balances at central banks and settlement risk exposure)

DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2005
Loans and receivables to credit institutions	128,892	117,765	136,987
Loans and receivables to the public	533,237	483,794	419,901
Unutilised credit commitments etc	145,986	158,371	131,469
Guarantees and documentary credits	35,234	51,504	30,830
Credit risk exposure in derivatives[1]	2,674	3,125	4,849
Interest-bearing securities issued by public bodies	12,047	26,918	34,132
Other interest-bearing securitites	110,150	94, 648	96,090
Total credit risk exposure	**968,220**	**936,125**	**854,258**

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

Nordea Bank Danmark A/S

Credit risk exposure
(excluding cash and balances at central banks and settlement risk exposure)

DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2005
Loans and receivables to credit institutions	147,221	132,054	143,515
Loans and receivables to the public	293,869	268,897	229,098
Unutilised credit commitments etc	130,533	158,371	131,469
Guarantees and documentary credits	118,581	125,197	97,118
Credit risk exposure in derivatives[1]	2,674	3,125	4,849
Interest-bearing securities issued by public bodies	12,047	26,918	34,132
Other interest-bearing securitites	141,901	135,767	117,483
Total credit risk exposure	**846,826**	**850,329**	**757,664**

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

Nordea Bank Danmark Group

Loans and receivables to the public,
by customer category

DKKm	31 Dec 2007	%	31 Dec 2006	%	31 Dec 2005	%
Corporate customers	310,707	58.3	278,484	57.6	235,740	56.1
Personal customers	218,716	41.0	199,791	41.3	178,338	42.5
Public sector	3,814	0.7	5,519	1.1	5,822	1.4
Total	**533,237**	**100.0**	**483,794**	**100.0**	**419,901**	**100.0**

Nordea Bank Danmark A/S

Loans and receivables to the public,
by customer category

DKKm	31 Dec 2007	%	31 Dec 2006	%	31 Dec 2005	%
Corporate customers	228,102	77.6	209,334	77.8	177,943	77.7
Personal customers	62,911	21.4	54,864	20.4	46,106	20.1
Public sector	2,856	1.0	4,699	1.7	5,050	2.2
Total	**293,869**	**100.0**	**268,897**	**100.0**	**229,098**	**100.0**

Nordea Bank Danmark Group

Loans and receivables to corporate customers, by industry

DKKm	31 Dec 2007	%	31 Dec 2006	%	31 Dec 2005	%
Real estate management	34,393	11.1	26,241	9.4	19,760	8.4
Construction	13,073	4.2	10,059	3.6	8,557	3.6
Agriculture and fishing	40,072	12.9	33,817	12.1	28,893	12.3
Transport	7,345	2.4	7,218	2.6	6,056	2.6
Shipping	11,455	3.7	8,530	3.1	8,351	3.5
Trade and services	35,457	11.4	31,919	11.5	25,964	11.0
Manufacturing	35,238	11.3	29,732	10.7	27,775	11.8
Financial operations	70,636	22.7	82,828	29.7	67,565	28.7
Renting, consulting and other company services	40,893	13.2	33,286	12.0	28,557	12.1
Other	22,146	7.1	14,855	5.3	14,263	6.1
Total	**310,707**	**100.0**	**278,484**	**100.0**	**235,740**	**100.0**

Nordea Bank Danmark A/S

Loans and receivables to corporate customers, by industry

DKKm	31 Dec 2007	%	31 Dec 2006	%	31 Dec 2005	%
Real estate management	15,096	6.6	11,153	5.3	8,781	4.9
Construction	8,212	3.6	5,825	2.8	5,159	2.9
Agriculture and fishing	11,627	5.1	9,273	4.4	7,708	4.3
Transport	3,221	1.4	3,371	1.6	2,962	1.7
Shipping	10,295	4.5	6,894	3.3	5,959	3.3
Trade and services	23,874	10.5	22,057	10.5	17,361	9.8
Manufacturing	26,383	11.6	23,162	11.1	22,259	12.5
Financial operations	85,420	37.4	97,217	46.4	80,402	45.2
Renting, consulting and other company services	30,002	13.2	23,254	11.1	19,801	11.1
Other	13,971	6.1	7,128	3.4	7,552	4.2
Total	**228,102**	**100.0**	**209,334**	**100.0**	**177,943**	**100.0**

Nordea Bank Danmark Group

Loans and receivables to personal customers, by type of loan

DKKm	31 Dec 2007	%	31 Dec 2006	%	31 Dec 2005	%
Mortgage loans	154,596	70.7	143,992	72.1	131,822	73.9
Consumer loans	64,120	29.3	55,799	27.9	46,516	26.1
Total	**218,716**	**100.0**	**199,791**	**100.0**	**178,338**	**100.0**

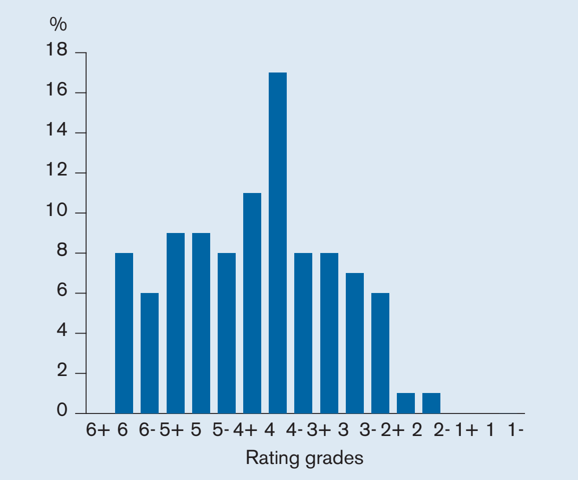
Nordea Bank Danmark A/S

Loans and receivables to personal customers, by type of loan

DKKm	31 Dec 2007	%	31 Dec 2006	%	31 Dec 2005	%
Mortgage loans	0	0.0	0	0.0	0	0.0
Consumer loans	62,911	100.0	54,864	100.0	46,106	100.0
Total	**62,911**	**100.0**	**54,864**	**100.0**	**46,106**	**100.0**

The graph shows that the rating distribution by exposure for corporates and institutions. About 75% of the exposure is rated 4– or higher.

Rating distribution for corporate and institutional customers as at 31 December 2007
Nordea Bank Danmark Group



Loans and receivables to personal customers
In 2007, mortgage loans increased by 7% while consumer loans increased by 15%. The portion of mortgage loans was 71% (72%).

Regarding mortgage loans to personal customers, the collateral coverage is high, whereas consumer loans to personal customers have a lower degree of collateral coverage.

Geographical distribution
Lending distributed by borrower domicile shows that the Nordic market accounts for 94% (93%). Other EU countries represent the main part of lending outside the Nordic countries. The exposure to emerging markets is limited. Nordea has insignificant direct and indirect exposure to the US sub-prime market.

Transfer risk
The transfer risk exposure is dominated by a few countries and is trade-related and primarily short-term. The largest exposure is to China, a country of great importance for Nordea's Nordic corporate customers. To recognise the risk related to lending to developing countries, Nordea carries transfer risk allowance and provisions for non-investment grade rated countries. The total transfer risk allowance and ovisions at the end of 2007 for NBD was DKK 71m, reduced from 2006 (DKK 103m).

Impaired loans
Impaired loans, gross, have decreased to DKK 2.4bn from DKK 3.1bn, during 2007. Allowances for individually assessed loans decreased to DKK 1.8bn from DKK 2.2bn. The ratio of allowances to cover impaired loans, gross, was 73% (73%). In addition, allowances for collectively assessed exposures were DKK 359m (DKK 285m).

The net effect in the profit and loss account from credit risk impairments was in 2007 positive net loan losses of DKK 47m (positive with DKK 664m), of which DKK 247m (DKK 421m) relates to corporate customers and DKK -200m (DKK 243m) to personal customers. NBD has realised net impairment losses of DKK 114m (DKK 179m) and recognised new allowances of DKK 1,238m (DKK 1,704m) and reversals of allowances of DKK 1,210m (DKK 2,341m).

Recoveries on realised losses from previous years were DKK 190m (DKK 206m).

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

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

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

Nordea Bank Danmark Group

Lending to corporate customers, by size of loan

DKKm	31 Dec 2007	%	31 Dec 2006	%
0-10 (EURm)	123,486	39.7	109,780	39.4
10-50 (EURm)	46,428	14.9	39,522	14.2
50-100 (EURm)	25,496	8.2	22,783	8.2
100-250 (EURm)	36,452	11.7	26,197	9.4
250-500 (EURm)	28,021	9.0	31,649	11.4
500- (EURm)	50,824	16.4	48,553	17.4
Total	**310,707**	**100.0**	**278,484**	**100.0**

Nordea Bank Danmark A/S

Lending to corporate customers, by size of loan

DKKm	31 Dec 2007	%	31 Dec 2006	%
0-10 (EURm)	51,653	22.6	45,495	21.7
10-50 (EURm)	34,988	15.3	29,428	14.1
50-100 (EURm)	22,165	9.7	19,853	9.5
100-250 (EURm)	35,326	15.5	26,057	12.4
250-500 (EURm)	24,176	10.6	25,825	12.3
500- (EURm)	59,796	26.2	62,676	29.9
Total	**228,102**	**100.0**	**209,334**	**100.0**

Nordea Bank Danmark Group

Lending to the public, by geographical area

DKKm	31 Dec 2007	%	31 Dec 2006	%	31 Dec 2005	%
Nordic countries	500,444	93.9	447,957	92.6	383,589	91.4
of which Denmark	466,611	87,5	409,313	84.6	350,585	83.5
of which Finland	6,992	1.3	2,747	0.6	1,807	0.4
of which Norway	828	0.2	1,415	0.3	1,893	0.5
of which Sweden	26,013	4.9	34,481	7.1	29,304	7.0
Baltic countries	468	0.1	417	0.1	172	0.0
Poland	490	0.1	617	0.1	671	0.2
EU countries other	19,340	3.6	26,256	5.4	26,899	6.4
USA	4,134	0.8	2,569	0.5	4,573	1.1
Asia	1,581	0.3	2,728	0.6	1,415	0.3
Latin America	2,417	0.5	1,418	0.3	1,721	0.4
OECD other	492	0.1	946	0.2	223	0.1
Non-OECD other	3,871	0.7	886	0.2	638	0.2
Total	**533,237**	**100.0**	**483,794**	**100.0**	**419,901**	**100.0**

Nordea Bank Danmark Group
Transfer risk exposure[1]

DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2005
Asia	1,075	1,108	488
Latin America	173	19	32
Eastern Europe and CIS	435	236	244
Middle East	349	1,108	448
Africa	190	279	20

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

DKKm	2007	2006	2005
Total transfer risk allowance	71	103	69

Nordea Bank Danmark Group

Impaired loans to the public

DKKm, 31 Dec 2007	Corporate customers	Personal customers	Total
Impaired loans, gross, individually assessed	1,790	647	2,438
Allowances for individually assessed loans	1,297	481	1,778
Impaired loans, net, individually assessed	493	167	660
Allowances/impaired loans, gross, individually assessed (%)	72	74	73
Impaired loans, gross / lending, individually assessed loans (%)	0.6	0.3	0.5
Allowances for collectively assessed loans	350	9	359
Total allowances (individually and collectively) / lending (%)	0.5	0.2	0.4

DKKm, 31 Dec 2006	Corporate customers	Personal customers	Total
Impaired loans, gross, individually assessed	2,526	546	3,071
Allowances for individually assessed loans	1,828	408	2,236
Impaired loans, net, individually assessed	698	137	835
Allowances/impaired loans, gross, individually assessed (%)	72	75	73
Impaired loans, gross / lending, individually assessed loans (%)	0.9	0.3	0.6
Allowances for collectively assessed loans	265	20	285
Total allowances (individually and collectively) / lending (%)	0.7	0.2	0.5

Nordea Bank Danmark A/S

Impaired loans to the public

DKKm, 31 Dec 2007	Corporate customers	Personal customers	Total
Impaired loans, gross, individually assessed	1,770	511	2,281
Allowances for individually assessed loans	1,277	345	1,621
Impaired loans, net, individually assessed	493	167	660
Allowances/impaired loans, gross, individually assessed (%)	72	67	71
Impaired loans, gross / lending, individually assessed loans (%)	0.8	0.8	0.8
Allowances for collectively assessed loans	350	9	359
Total allowances (individually and collectively) / lending (%)	0.7	0.6	0.7

DKKm, 31 Dec 2006	Corporate customers	Personal customers	Total
Impaired loans, gross, individually assessed	2,507	437	2,944
Allowances for individually assessed loans	1,809	300	2,109
Impaired loans, net, individually assessed	698	137	835
Allowances/impaired loans, gross, individually assessed (%)	72	69	72
Impaired loans, gross / lending, individually assessed loans (%)	1.2	0.8	1.1
Allowances for collectively assessed loans	265	20	285
Total allowances (individually and collectively) / lending (%)	1.0	0.6	0.9

Nordea Bank Danmark Group

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

DKKm	31 Dec 2007	% of lending to the industry	31 Dec 2006	% of lending to the industry
Real estate management	62	0.2	143	0.5
Construction	69	0.5	74	0.7
Agriculture and fishing	107	0.3	122	0.4
Transport	83	1.1	96	1.3
Shipping	3	0.0	3	0.0
Trade and services	438	1.2	558	1.7
Manufacturing	544	1.5	488	1.6
Financial operations	9	0.0	15	0.0
Renting, consulting and other company services	359	0.9	669	2.0
Other	117	0.5	357	2.4
Total	**1,790**	**0.6**	**2,526**	**0.9**

Nordea Bank Danmark A/S

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

DKKm	31 Dec 2007	% of lending to the industry	31 Dec 2006	% of lending to the industry
Real estate management	62	0.4	143	1.3
Construction	68	0.8	74	1.3
Agriculture and fishing	106	0.9	121	1.3
Transport	73	2.3	88	2.6
Shipping	3	0.0	3	0.0
Trade and services	435	1.8	556	2.5
Manufacturing	539	2.0	482	2.1
Financial operations	9	0.0	15	0.0
Renting, consulting and other company services	358	1.2	669	2.9
Other	117	0.8	355	5.0
Total	**1,770**	**0.8**	**2,507**	**1.2**

Nordea Bank Danmark Group

Distribution of allowances to corporate customers, by industry

DKKm	31 Dec 2007 Individually assessed loans	%	Collectively assessed loans	%	31 Dec 2006 Individually assessed loans	%	Collectively assessed loans	%
Real estate management	21	1.6	0	0.0	124	6.8	0	0.0
Construction	44	3.4	60	17.1	52	2.8	28	10.6
Agriculture and fishing	52	4.0	177	50.6	74	4.0	118	44.5
Transport	59	4.6	14	4.0	58	3.2	13	4.9
Shipping	3	0.2	0	0.0	4	0.2	0	0.0
Trade and services	252	19.5	0	0.0	382	20.9	0	0.0
Manufacturing	433	33.4	81	23.1	471	25.8	76	28.7
Financial operations	5	0.4	0	0.0	12	0.7	0	0.0
Renting, consulting and other company services	284	21.9	0	0.0	510	27.9	0	0.0
Other	144	11.1	18	5.1	141	7.7	30	11.3
Total	**1,297**	**100.0**	**350**	**100.0**	**1,828**	**100.0**	**265**	**100.0**

Nordea Bank Danmark Group

Reconciliation of reserves for impaired loans

DKKm	Closing balance 31 Dec 2006	Changes through profit /loss	Changes due to currency rates	Closing balance 31 Dec 2007
Specific reserves for individually assessed loans	2,236	-457	-1	1,778
Groups of significant loans	338	65	0	403
Groups of not significant loans	50	-23	0	27
Total reserves	**2,624**	**-416**	**-1**	**2,208**

Restructured loans and receivables current year

DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2005
Loans and receivables before restrukturing, book value	569	593	283
Loans and receivables after restructuring, book value	222	523	283

Assets taken over for protection of claims

Current asssets, book value:			
Land and buildings	-	-	-
Shares an other articipations	-	-	-
Other assets	-	-	-
Total	**-**	**-**	**-**

Risk in derivatives

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

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

The derivative contracts are evaluated at fair value on an ongoing basis and affect the reported result as well as the balance sheet. Nordea uses a fair value valuation model for calculating the market value of OTC derivatives. Derivatives affect counterparty risk, market risk, SIIR and liquidity risk exposures.

Nordea Bank Danmark Group

Credit risk exposure in derivatives (after closeout netting and collateral agreements)

	31 Dec 2007			31 Dec 2006		
DKKm	Current exposure	Potential future exposure	Total credit risk	Current exposure	Potential future exposure	Total credit risk
Total	**486**	**2,271**	**2,674**	**444**	**2,736**	**3,125**

Counterparty risk
Counterparty risk is the risk that Nordea's counterpart in the contract defaults prior to maturity of the contract and that Nordea at that time has a contractual claim on the counterpart under the contract.

The counterparty risk is treated in the same way as other types of credit risk exposure and is included in the risk that is subject to customer limits.

Nordea uses the transaction-based model to calculate the counterparty risk, ie the sum of current exposure and potential future exposure. The potential future exposure is an estimate, which reflects possible changes in market values during the remaining tenor of the individual contract and is measured as the notional amount multiplied by a risk weight. The size of the risk weight depends on the contract's remaining tenor and the volatility of the underlying asset. The total counterparty risk exposure end 2007 was DKK 2.7bn, of which the current exposure represents DKK 0.5bn. 78% of the total exposure and 71% of the current exposure was against Financial Institutions.

To reduce the exposure towards single counterparts, risk mitigation techniques are widely used in Nordea. The most common is the use of closeout netting agreements, which allow the bank to net positive and negative replacement values of contracts under the agreement in the event of default of the counterpart. Nordea also mitigates the exposure towards large banks, hedge funds and institutional counterparts by an increasing use of collateral management arrangements, where collateral is placed or received to cover the current exposure. The collateral is to large extent cash (EUR, USD, DKK, SEK, NOK), but also government bonds and to a lesser extent mortgage bonds are accepted. The effects of closeout netting agreements and collateral arrangements are considerable, as 90% of the current exposure (gross) was eliminated by the use of these risk mitigation techniques.

Finally, Nordea also uses a risk mitigation technique based upon agreements that give Nordea the option to terminate contracts at a specific point of time or upon the occurrence of credit-related events.

Nordea is using credit derivatives to hedge positions in traded corporate bonds and basket credit derivatives. Nordea does not actively use credit derivatives in connection with own credit portfolio.

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

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

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

- Structural Interest Income Risk (SIIR) is the risk of a decrease in the net interest income if market rates rise or fall. SIIR measures the net interest income sensitivity of the whole balance sheet (including lending, funding and deposits) over a one-year horizon and is described below. The basic principle is that SIIR is reduced by matching assets, liabilities and off-balancesheet items in order to keep the risk within the decided targets and limits.

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

Reporting and control processes
Transparency in all elements of the risk management process is central in maintaining a risk awareness and a sound risk culture throughout the organisation. In Nordea, we achieve this transparency by, inter alia,

- management taking an active role in the process. The Group CRO receives reporting on the Group's consolidated market risk every morning; Group Executive Management receives reports on a monthly basis, the NBD Board of Directors and the Group Board of Directors on a quarterly basis,

- defining clear risk mandates (at departmental, desk and individual levels), in terms of limits and restrictions on which instruments may be traded. Adherence to limits is crucial, and if a limit were to be violated, the decision-making body would be informed immediately,

- having a comprehensive policy framework, where responsibilities and objectives are explicitly outlined. Policies are decided by the Group Board and adopted by the Board of Directors of NBD, and are complemented by instructions issued by the Group CRO,

- having detailed business procedures that clearly state how policies and guidelines are to be implemented,

- having risk models that make risk figures easily decomposable,

- having a framework for approval of traded financial instruments, and methods for the valuation of these, that requires an elaborate analysis of, and documentation of the instruments' features and risk fators (with the responsibility for their approval residing with the CRO),

- having a "business intelligence" type risk it-system that allows all traders and controllers to easily monitor and analyse their risk figures,

- having tools that allow the calculation of Value-at-Risk (VaR) figures on the positions a trader, desk or department has during the day.

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

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

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

With the chosen characteristics of Nordea's VaR model, the VaR-figures can be interpreted as the loss that will only be exceeded in one of 100 ten-day trading periods. However, it is important to note that, while every effort is made to make the VaR-model as realistic as possible, all VaR-models are based on some assumptions and approximations that have significant effect on the risk figures produced. Also, it should be noted that the historical observations of the market variables that are used as input, may not give an adequate description of their behaviour in the future. In particular the historical values may fail to reflect the potential for extreme market moves.

Nordea's VaR model is the basis for calculating risk weighted amounts for general market risk from equities, interest rates and foreign exchange in the trading book.

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

Back-tests of the VaR-model are performed daily in accordance with the guidelines laid down by the Basel Committee on Banking Supervision in order to test the reliability of the VaR and simulation models. The models have shown reliable statistical characteristics throughout 2007, though the sub-prime mortgage related market turmoil since June 2007 has led to a larger number of exceedings than have normally been experienced on the interest rate risk and total risk back tests.

Stress testing
Stress tests are used to estimate the possible losses that may occur under extreme market conditions. Nordea performs daily stress tests based on the current portfolio and information about the daily financial market developments since the beginning of 1993. In addition, NBD's portfolios are stress tested for subjective scenarios, which are most often based on selected historical events prior to 1993 or adverse scenarios relevant at the current state of the economic cycle or geopolitical situation. Market risk is also a part of Nordea's comprehensive ICAAP stress testing.

Market risk analysis

The analysis is based on consolidated risk stemming from both investment and trading activities. Overall, fluctuations in the risk levels for the various categories of risks have been moderate over the year.

Total risk
The total VaR was DKK 158m (DKK 187m) at the end of 2007 demonstrating a considerable diversification effect between interest rate, equity and, foreign exchange as the total VaR is lower than the sum of the risk in the three categories.

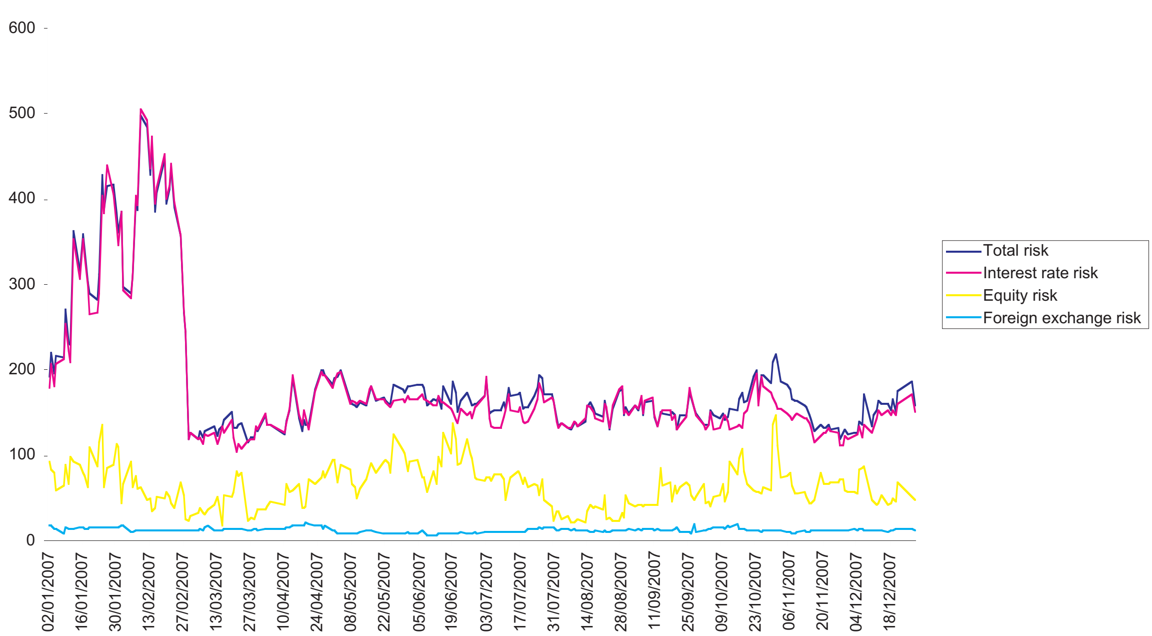
Interest rate risk
The total interest rate VaR ended 2007 at DKK 151m (DKK 177m). The total gross sensitivity to a 1-percentagepoint parallel shift, which measures the development in the market value of NBD's interest rate sensitive positions if all interest rates were to move adversely for

Nordea Bank Danmark Group

Market risk

DKKm	Measure	31 Dec 2007	Maximum	Minimum	Average	31 Dec 2006
Total risk	VaR	158.0	499.0	115.0	187.9	187.1
Interest rate risk	VaR	151.1	505.4	104.2	181.0	176.6
Equity risk	VaR	48.2	147.4	17.2	63.4	88.0
Foreign exchange risk	VaR	12.5	20.6	5.9	12.5	15.8
Diversification effect % of total	VaR	25%				33%

Market Risk in Nordea Bank DK, VaR, DKKm



NBD, was DKK 1,630m at the end of 2007 (DKK 1,397m). The largest part of NBD's interest rate sensitivity stemmed from interest rate positions in Danish Kroner, US Dollars, Euro and Swedish Kronor.

Equity risk
At the end of 2007, NBD's equity VaR stood at DKK 48m (DKK 88m). The portfolio is well diversified.

Foreign exchange risk
NBD's foreign exchange VaR of DKK 13m (DKK 16m) at year-end is relatively low compared to the interest rate and equity risk exposure.

Operational risk
In the Group's Policy for Internal Control and Risk Management, operational risk is defined as the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, from people and systems, or from external events. Compliance risk is defined as the risk of business not being conducted according to legal and regulatory requirements, market standards and business ethics, thereby jeopardising customers' best interest, other stakeholders trust or resulting in regulatory sanctions, financial loss or damage to the reputation and confidence in the Group. Legal and Compliance risks as well as Crime risk and Process risks, including IT risk and project risk, constitute the main sub-categories to Operational risk.

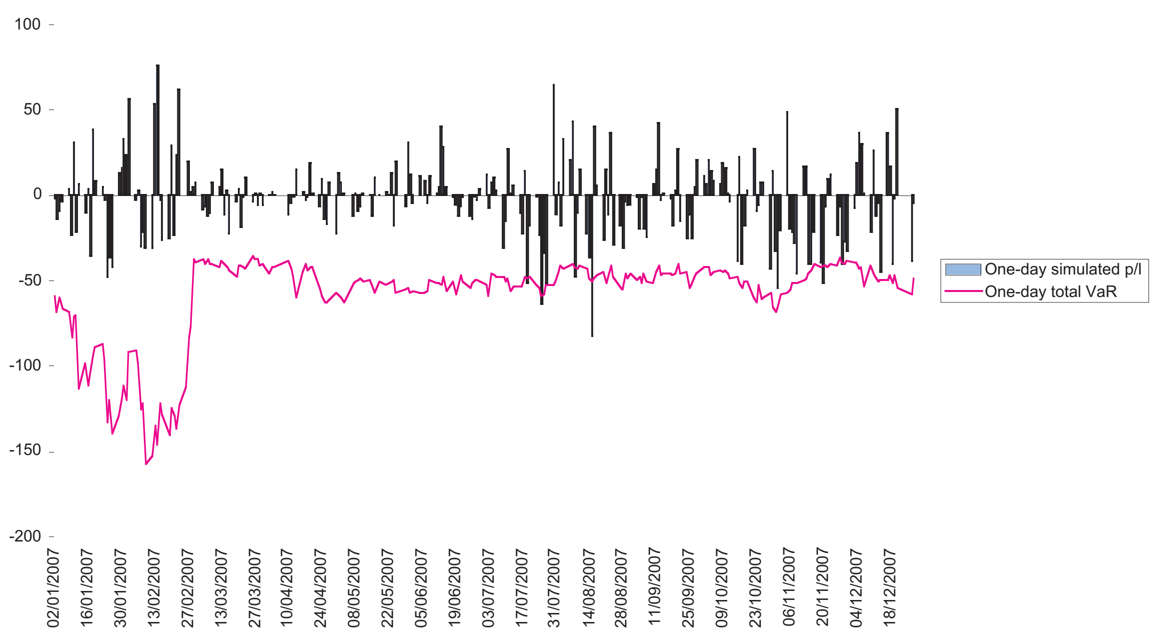
Operational risks are inherent in all activities within the organisation, in outsourced activities and in all interaction with external parties.

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

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

Information security, physical security and crime prevention are important components when managing operational risks. To cover this broad scope, the Group security function is included in Group Credit and Risk Control, and close

Backtesting one-day total VaR against one-day simulated p/l, DKKm



cooperation is maintained with Group IT and Group Legal.

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

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

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

Liquidity management

Management principles and control

The Board of Directors of Nordea Bank AB (publ) has the ultimate responsibility for Asset and Liability Management of the Group ie limiting and monitoring the Group's structural risk exposures. Risks in Nordea are measured and reported according to common principles and policies approved by the Board. The Board of Directors also decides on policies for liquidity risk management. These policies are reviewed at least annually.

The Asset and Liability Committee (ALCO), chaired by the Group CFO, prepares issues of major importance concerning the Group's financial operations and financial risks for decision by CEO in GEM.

Group Treasury operationalises the targets and limits and develops the liquidity risk and SIIR management frameworks, which consists of policies, instructions and guidelines for the whole Group.

Liquidity risk management

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

Nordea's liquidity management is based on policy statements resulting in different liquidity risk measures, limits and organisational procedures.

Policy statements stipulate that Nordea's liquidity management reflects a conservative attitude towards liquidity risk. Nordea strives to diversify the Group's sources of funding and seeks to establish and maintain relationships with investors in order to manage the market access.

Broad and diversified funding structure is reflected by the strong presence in the Group's four domestic markets in the form of a strong and stable retail customer base and the variety of Funding programmes. Special focus is given for the composition of the Investor base in the terms of geographical range and rating sensitivity.

Nordea additionally publishes adequate information on the liquidity situation of the Group to remain trustworthy at all times.

Nordea's liquidity risk management includes stress testing and a business continuity plan for liquidity management. Stress testing is defined as the evaluation of potential effects on a bank's liquidity situation under a set of exceptional but plausible events. The stress test should identify events or influences that could affect the funding need or the funding price and seek to quantify the potential effects. The purpose of stress tests is to supplement the normal liquidity risk measurement and confirm that the Business Continuity Plan is adequate in stressful events, and that the Business Continuity Plan properly describes procedures to handle a liquidity crisis with minimal damage to Nordea.

Group Treasury is responsible for managing the liquidity in Nordea and for compliance with the group wide limits from the Boards of Directors, CEO in GEM and ALCO.

Liquidity risk measurement methods

The liquidity risk management focuses on both short-term liquidity risk and long-term structural liquidity risk. In order to measure the exposure on both horizons, a number of liquidity risk measures have been developed covering all material sources of liquidity risk.

In order to avoid short-term funding pressures, Nordea measures the funding gap risk, which expresses the expected maximum accumulated need for raising liquidity in the course of the next 14 days. Cash flows from both on-balance sheet and off-balance sheet items are included. Funding gap risk is measured and limited as a total figure for all currencies combined.

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

The structural liquidity risk of Nordea is measured and limited by the net balance of stable funding, which is defined as the difference between stable liabilities and stable assets. These liabilities primarily comprise retail deposits, bank deposits and bonds with a remaining term to maturity longer than 6 months, and shareholders' equity, while stable assets primarily comprise retail loans, other loans with a remaining term to maturity longer than 6 months and committed facilities.

Liquidity risk analysis

The short-term liquidity risk has been held at moderate levels throughout 2007. The average funding gap risk, ie the average expected need for raising liquidity in the course of the next 14 days, has been DKK -41bn (DKK -41bn).

NBD's liquidity buffer has been in the range DKK 31-123bn (DKK 37-125bn) throughout 2007 with an average of DKK 76bn (DKK 77bn). Nordea considers this a high level and it reflects the Group's conservative attitude towards liquidity risk in general and towards unexpected liquidity events in particular.

The yearly average for the net balance of stable funding was DKK 33bn (DKK 43bn).

Structural Interest Income Risk

Structural Interest Income Risk (SIIR) is the amount Nordea's accumulated net interest income would change during the next 12 months if all interest rates change by one percentage point.

SIIR reflects the mismatch in the balance sheet items and the off-balance sheet items when the interest rate repricing periods, volumes or reference rates of assets, liabilities and derivatives do not correspond exactly. Nordea's SIIR management is based on policy statements resulting in different SIIR measures, targets and organisational procedures.

Policy statements focus on optimising financial structure, balanced risk taking and reliable earnings growth, as well as, identification of all significant sources of SIIR, measurement under stressful market conditions and adequate public information.

Group Treasury has the responsibility for the operational management of SIIR and for complying with Group wide targets.

SIIR measurement methods

The basic measures for SIIR are the two re-pricing gaps measuring the effect on Nordea's net interest income for a 12 months period of a one percentage point increase, respectively decrease, in all interest rates. The repricing gaps are calculated under the assumption that no new market transactions are made during the period.

Main elements of the customer behaviour and Nordea's decision-making process concerning Nordea's own rates are, however, taken into account. For example in a low interest rate environment, when rates are decreasing further, the total decrease of rates cannot be applied to non-maturity deposits since rates cannot be negative. Similarly in an increasing rate environment Nordea may choose not to increase interest rates on all customer deposits immediately.

SIIR analysis

At the end of the year, the SIIR for decreasing market rates was DKK -458m (DK -555m) and the SIIR for increasing rates was DKK 336m (DKK 484m). These figures imply that net interest income would decrease if interest rates fall and increase if interest rates rise.

Nordea Bank Danmark Group

SIIR Risk, Gap analysis, 31 Dec 2007
Re-pricing gap for increasing interest rates

Interest Rate Fixing Period DKKm	Balance sheet	Within 3 months	3-6 months	6-12 months	1-2 years	2-5 years	>5 years	Non re-pricing	Total
Assets									
Interest-bearing assets	787,342	484,713	24,076	4,367	3,506	3,614	190,636	76,430	787,342
Non interest-bearing assets	50,601	-	-	-	-	-	-	50,601	50,601
Total assets	**837,943**	**484,713**	**24,076**	**4,367**	**3,506**	**3,614**	**190,636**	**127,031**	**837,943**
Liabilities									
Interest-bearing liabilities	716,094	458,766	16,767	9,943	11,303	1,668	186,275	31,372	716,094
Non interest-bearing liabilities	121,849	-	-	-	-	-	-	121,849	121,849
Total liabilities	**837,943**	**458,766**	**16,767**	**9,943**	**11,303**	**1,668**	**186,275**	**153,221**	**837,943**
Off-balance sheet items, net		23,413	-9,616	-12,363	4,268	-3,277	-2,424	-	-
Exposure		**49,360**	**-2,307**	**-17,940**	**-3,529**	**-1,331**	**1,937**	**-26,189**	**0**
Cumulative exposure			**47,053**	**29,113**	**25,583**	**24,253**	**26,189**	**0**	**0**

Nordea Bank Danmark Group

Contractual maturity analysis for financial liabilities
Contractual cash flows

Remaining contractual maturity, DKKm, 31 Dec 2007	Payable on demand	Other within 1 year	1-5 years	>5 years	Total
Liabilities	268,655	206,157	44,993	277,311	797,116

Remaining contractual maturity, DKKm, 31 Dec 2006	Payable on demand	Other within 1 year	1-5 years	>5 years	Total
Liabilities	271,436	164,799	50,267	240,948	727,450

Capital management

Nordea strives to attain efficient use of capital through active management of the balance sheet with respect to different asset-, liability- and risk categories. The goal is to enhance returns to the shareholder while maintaining a prudent risk and return relationship.

Capital governance

The Board of Directors decides ultimately on the targets for capital ratios in Nordea.

Nordea's ability to meet targets and to maintain minimum capital requirements is reviewed regularly within the ALCO and the Capital Planning Forum (CPF).

The CPF, headed by the CFO is the forum responsible for coordinating capital planning activities within the Group, including regulatory, internal and available capital. Additionally, the CPF and its members review future capital requirements in the assessment of annual dividends, share repurchases, external and internal debt and capital injection decisions. The CPF considers information on key regulatory developments, market trends for subordinated debt and hybrid instruments and reviews the capital situation in the Nordea Group and in key legal entities, including (local legal entities). In the CPF the CFO decides, within the mandate given by the Group Board, on issuance of subordinated debt and hybrid capital instruments. Meetings are held at least quarterly and upon request by the CFO.

Nordea was approved in June 2007 by the financial supervisory authorities to use foundation internal ratings based (IRB) approach for corporate and institution credit portfolios in Sweden, Finland, Denmark and Norway. Nordea aims to gradually implement the IRB approach for the retail portfolio and other portfolios before end 2009. However, the standardised approach will continue to be used for smaller portfolios and new portfolios for which approved internal models are not yet in place.

Nordea is approved to use its own internal Value-at-Risk (VaR) models to calculate capital requirements for the major parts of the market risk in the trading books.

ICAAP (Strategies and policies for maintaining the capital adequacy)

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

The purpose of the ICAAP is for each bank to review the management, mitigation and measurement of material risks to assess the adequacy of internal capital and to determine an internal capital requirement reflecting the risk appetite of the institution.

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

In 2007, Nordea's tier 1 capital and capital base exceed the regulatory minimum requirements outlined in the EU Capital Requirements Directive (CRD). Considering results of capital adequacy stress testing, capital forecasting and growth expectations, NBD's capital target is 6.5% for tier 1 capital.

In addition to Nordea's internal capital requirements, ongoing dialogues with third parties affect Nordea's capital requirements, in particular views of the external rating agencies.

Nordea uses its internal capital models, Economic Capital (EC), when considering internal capital requirements with and without market stress. As a number of Pillar II risks exist within Nordea's current EC framework - interest rate risk in the banking book, market risk in the investment portfolios, risk in Nordea's internal defined benefit plans, real estate risk, concentration risk and business risk – Nordea uses its existing internal capital measurements as the basis for any additional capital buffers, subject to the judgement of the aforementioned third parties.

Capital structure – policy

Nordea aims at a tier 1 capital ratio above 6.5%. Nordea maintains the target capital in its legal entities via its dividend policy, subordinated debt and group contributions.

Capital ratios
The table "Capital requirements and RWA" shows that the regulatory transition rules comprise a floor on Nordea's capital requirement when compared to Basel II (Pillar 1) minimum requirements. This difference will fluctuate through the transition period as the floor gradually decreases and Nordea receives approval for IRB models for its retail and other portfolios. At present, this difference is DKK 84.2bn expressed as RWA and DKK 6.7bn expressed as regulatory capital requirement.

At the end of 2007 NBD's tier 1 capital ratio was 6.9%, compared to 7.1% at the end of 2006. The capital ratio was 9.2% at the end of 2007 and 9.8% at the end of 2006.

In addition to regulatory requirements, Nordea has internal capital requirements based on the Economic Capital framework.

Capital requirement in the Basel II Framework
The table below shows an overview of the Pillar 1 capital requirements at the end of 2007 divided on the risk types. The credit risk comprises 88% of the regulatory capital requirement. Out of the total capital requirement for credit risk 53% relate to IRB exposures and 47% to standardised exposures. In the IRB approach, 90% relate to the corporate exposure class, which under the foundation approach has an RWA average of 56% compared with 100% under Basel I.

Operational risk, calculated with the standardised approach, makes up 6% of the capital requirements in Nordea. The capital requirement for market risk, 6% is due to use of internal models to assess risk and the capturing of counterparty credit risk in the credit risk figures under Basel II.

Further information on capital requirements and the calculation of RWA are available in NBD's Pillar 3 Report 2007, on www.nordea.com.

Capital requirement for credit risk
In the standardised and IRB approach, the regulatory capital requirements for credit risk are calculated using the following formulas:

Minimum capital requirements = Risk Weighted Assets * 8%

Risk Weighted Assets = Risk weight * Exposure at default

The principles for the calculation of minimum capital requirements for credit risk differ between exposure classes, which serve as the basis for the reporting of capital requirements. The definitions of exposure classes in the standardised approach differ from the classification in accordance with the IRB approach. Some exposure classes are derived from the type of counterparty while others are based on the asset type, product type, collateral type and exposure size.

The exposure value of an on-balance sheet exposure in the IRB approach is measured gross of adjustments, ie provisioning. The exposure at default (EAD) for the on-balance sheet items, derivative contracts and securities financing transactions and long settlement transactions is 100% of the original exposure. Off-balance sheet exposures are converted into EAD using credit conversion factors (CCF).

Capital requirements for market risks (risks in trading book)
Of the DKK 18.9bn in market risk RWA, approx. DKK 18.7bn covers the trading books in Markets while the other DKK 0.2bn includes foreign exchange risk in the banking book. Trading book VaR figures comprise general and specific interest rate risk, equity risk and foreign exchange risk for positions in those portfolios approved by the financial supervisors, for which Nordea is allowed to use its own internal Value-at-Risk (VaR) models.

Portfolios not reported with VaR models are reported according to the standardised approach instead.

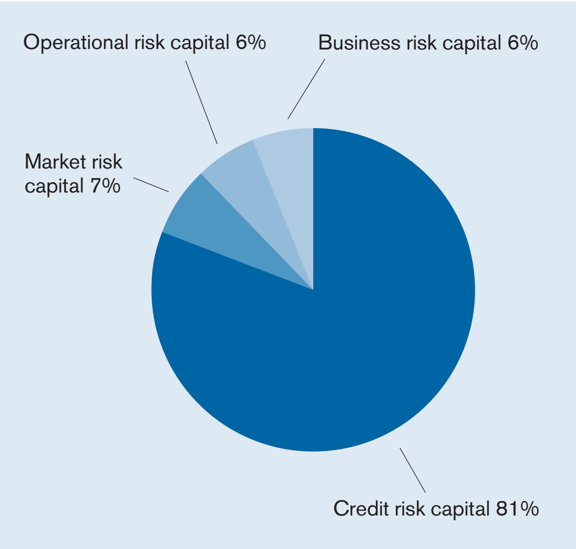
Capital requirement for operational risk
The capital requirement for operational risk is calculated using the standardised approach, in which all of the bank's activities are divided into eight business lines: corporate finance, trading & sales, retail banking, commercial banking, payment & settlement, agency services, asset management and retail brokerage.

The total capital requirement for operational risk is calculated as the simple sum of the capital requirements for each of the business lines within each group and legal entity. The risk for each business line is the beta coefficient times gross income. The beta coefficients differ between business lines and are in the range from 12% to 18%.

Economic Capital (EC)

The figure below shows the composition of Economic Capital per risk type as of end year 2007. Total Economic Capital at 31 December 2007 is calculated to DKK 17.9bn.

EC by risk type Nordea Bank Danmark Group



Nordea has calculated internal capital requirements using the EC framework since 2001. Pillar 1 of the CRD closes the gap between regulatory capital and EC by improving the risk sensitivity of regulatory capital measurement.

Nordea calculates EC for the following major risk types: credit risk, market risk, operational risk, business risk and life insurance risk. Additionally, the EC models explicitly account for interest rate risk in the banking book, market risk in the investment portfolios, risk in Nordea's internal defined benefit plans, real estate risk and concentration risk.

Quantitative models are used to estimate the unexpected losses for each of the risk types compiled into EC:

Credit risk is calculated using a set of capital factors. The capital factors are developed for different products, customer segments and credit quality categories. The factors have been estimated using a portfolio model, where probability of default, loss given default and exposure at default are inputs, and are reviewed and updated annually. This model is also used to consider Nordea's portfolio concentration and counterparty risk in Nordea's trading book. The parameter estimation framework used for EC is the foundation for the Basel II framework for IRB models for Nordea's credit exposures.

Market risk for the banking business is based on scenario simulation and Value-at-Risk (VaR) models scaled to the time horizon and confidence interval in place for EC. Additionally, Nordea uses VaR and simulation modelling to determine EC for interest rate risk in the banking book, market risk in Group Treasury's Investment portfolios, risk in Nordea's internal defined benefit plans and real estate risk.

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

Business risk represents the earnings volatility inherent in all businesses due to the uncertainty of revenues and costs due to changes in the economic and competitive environment. The main risk drivers are reputation risk, strategic risk, liquidity risk and indirect effects as structural interest income risk. Business risk is calculated based on the residual volatility in historical profit and loss time series after adjustments for market, operational and credit risk.

In order to achieve consistent risk measurement throughout Nordea, the measurement period is set to one year and the confidence level is 99.97% for all risk types. Nordea's total EC equals the amount needed to cover unexpected losses during one year in 99.97% of all possible cases.

The varied operations of Nordea give rise to considerable diversification benefits. However, when Nordea's EC risks are considered on a standalone basis, all unexpected losses are assumed to occur simultaneously. Thus, Nordea uses a conservative correlation matrix approach to estimate the diversification benefits arising from its operations. For instance, credit risk and market risk are both highly correlated with the development of the general economy and thus highly correlated with each other, while life insurance risks and operational risks are not

Nordea Bank Danmark Group

Capital requirements and RWA

DKKm	31 Dec 2007 Capital requirement	31 Dec 2007 Basel II RWA	31 Dec 2006 RWA
Credit risk	**22,818**	**285,226**	**340,269**
IRB foundation	12,169	152,110	na
- of which corporate	10,900	136,246	na
- of which institutions	1,170	14,629	na
- of which other	99	1,234	na
Standardised	10,649	133,116	na
- of which retail	9,459	118,235	na
- of which sovereign	65	816	na
- of which other	1,125	14,064	na
Basel I reporting entities	-	-	-
Market risk	**1,514**	**18,926**	**35,437**
- of which trading book, VaR	596	7,450	7,204
- of which trading book, non-VaR	900	11,251	27,496
- of which FX, non-VaR	18	224	736
Operational risk	**1,658**	**20,721**	na
Standardised	1,658	20,721	na
Sub total	**25,990**	**324,872**	**375,706**
Adjustment for floor rules			
Additional capital requirement according to floor rules	6,736	84,201	na
Total	**32,726**	**409,073**	**375,706**

Nordea Bank Danmark Group

Capital ratio	31 Dec 2007 Basel II	31 Dec 2006 Basel I
Tier 1 ratio, %	6.9	7.1
Capital ratio, %	9.2	9.8

Nordea Bank Danmark A/S

	31 Dec 2007 Basel II	31 Dec 2006 Basel I
Risk-weigted assets, DKKm	367,853	345,547
Capital ratio		
Tier 1 ratio, %	7.4	7.3
Capital ratio, %	9.9	10.2

correlated at all. In the end, the diversification effects produce an EC that is lower than the sum of the EC for each risk type.

In addition to calculating EC, Nordea conducts a comprehensive capital adequacy stress test process to analyse the effects of a series of global and local shock scenarios. The results of stress testing are considered, along with potential management interventions, in Nordea Group's internal capital requirement. Nordea Group requires a minimum percentage of available capital versus the internal capital requirement in order to ensure adequate capital in the event of stresses to Nordea's and international markets.

Economic Profit (EP)
Nordea uses EP as one of its financial performance indicators. EP is calculated as risk adjusted profit less cost of equity.

Risk-adjusted profit and EP are measures for shareholder value creation. In investment decisions and customer relationships, EP drives and supports the right behaviour with a balanced focus on income, costs and risk. The EP model also captures both growth and return. Economic Capital and expected losses are used in the economic profit framework.

Expected losses
Expected losses reflect the normalised loss level of the individual credit exposure over a business cycle as well as various portfolios. At the Group level the Expected loss ratio used in the economic profit framework was 16 basis points calculated on the credit portfolio as of 31 December 2007 (18 bps as of 31 December 2006). It should be noted that the Expected Loss ratio is a more stable measure than actual losses, but it will vary with the business cycle as a consequence of shifts in the repayment capacity (PD dimension) and collateral coverage (LGD dimension) distributions.

Capital base
Capital base (referred to as own funds in the CRD) is the sum of tier 1 capital and tier 2 capital after deductions.

Tier 1 capital is defined as capital of the same or close to the character of paid-up, capital-eligible reserves and a limited portion hybrid capital loan (perpetual loans) instruments (maximum 15% of tier 1). Profit may only be included after deduction of proposed dividend. Goodwill and deferred tax assets are deducted from tier 1.

Summary of items included in capital base

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Calculation of total capital base				
Equity	**29,744**	**26,984**	**23,783**	**22,211**
Proposed/actual dividend	-2,200	-1,500	-2,200	-1,500
Minority interests	1,247	1,230	-	-
Deferred tax assets	-	-	-71	-155
Equity method	-	-	5,935	4,734
IRB provisions excess (+)/shortfall (-)	-136	-	-51	-
Deduction for investments in credit institutions (50%)	-108	-	-108	-
Other items, net	-288	-119	-245	-80
Tier 1 capital	**28,258**	**26,594**	**27,042**	**25,210**
- of which hybrid capital	-	-	-	-
Tier 2 capital	**9,530**	**10,417**	**9,530**	**10,417**
- of which perpetual subordinated loans	-	-	-	-
- of which Securitites in indeterminate duration	-	-	-	-
IRB provisions excess (+)/shortfall (-)	-136	-	-51	-
Deduction for investments in credit institutions (50%)	-108	-338	-108	-338
Other deduction	-	-	-	-
Total capital base	**37,543**	**36,674**	**36,412**	**35,289**

Tier 2 is divided into perpetual loans and dated loans. The total tier 2 amount may not exceed tier 1. Dated tier 2 loans may not exceed half the amount of tier 1. The limits are set after deductions, i e, investment in insurance and other financial companies.

The differences between expected loss (EL) and provision made for the related exposures are adjusted for in the capital base. The negative difference (EL is larger than provision) is know as the "shortfall". According to the CRD the shortfall is deducted from the capital base. For the purpose of Basel II transitional rules, the shortfall is also deducted from the RWA to be neutral from a Basel I perspective.

Internal processes for capital transfer within Nordea are well-established and include the options of dividend and group contribution, subordinated and perpetual debt instruments and capital injections and issuance of shares.

In situations when the capital base needs to be increased in a subsidiary, the primary options are internal subordinated debt instruments or a capital injection from the parent company to increase the core capital.

Pillar 3 disclosure, Capital adequacy
The disclosure in accordance with the Pillar 3 requirements in the Basel II framework is presented on www.nordea.com.

Human resources

Nordea's employees team up to create great customer experiences for the customers in Nordea. They focus on building strong relationships with customers and on living the mission – making it possible.

It's all about people
While products and strategies relatively easily can be copied, people in the end are the most determining competitive factor in the financial services industry.

This perspective has become even more visible in the revised Nordea vision:

"The leading Nordic bank, acknowledged for its people, creating superior value for customers and shareholders".

Nordea conducted an extensive cultural survey by the end of 2006. Based among other things on that, revised values were defined and rolled out during 2007. One of the three new values is 'It's all about people'. This value will strengthen the focus on people and leadership to enable Nordea to reach its growth targets.

Revised HR strategy
In order to remain in the lead, the right competencies need to be in place to exceed our customers' expectations, adjust to changes, and to perform - today and in the future. This is reflected in a new HR strategy, developed in 2007.

The revised HR strategy is addressing four focus areas:

- employer branding,
- leadership,
- recruitment, and
- developing talent.

Nordea as an attractive employer
Nordea's ambition is to be the most attractive employer in the financial sector in the Nordic region in order to attract, develop and retain highly competent employees.

There is a clear connection between the financial results and the satisfaction and motivation of employees: satisfied staff performs better in all aspects, which in turn influences profitability positively.

A comprehensive survey, Employer Satisfaction Index (ESI) - covering attitudes and satisfaction is carried out every year. It shows the employees' perception of the leadership in Nordea, of their workplace and of the company in general. The results are an important tool used by managers in their ongoing individual dialogues with their teams in order to continuously improve.

Great leadership
The employees' perceptions of their immediate manager performance remain in this year's ESI survey at a high 76 (out of 100), compared to the

Nordic financial labour market in general (72). The most important drivers for employees to be satisfied and motivated are the content of their daily work and opportunities for competence development.

A new set of leadership competencies based on the new values have been rolled out highlighting how managers should act in Nordea. The professional leadership training programmes are tailor-made to go hand in hand with implementing the business strategies covering all from potential managers to top executives.

Recruiting the right people

We acknowledge the strengths of diversity in terms of gender, age, education and different cultural background. We also acknowledge that employees have different key personal drivers and career aspirations. Some employees get the energy and drive by taking on new challenges and finding new customers. Others are triggered by building and maintaining strong and long lasting relations to the customers and get things to work. Both groups are needed to build a strong team.

Increased number of female managers

To increase the number of females in managerial positions is a priority throughout Nordea. Both genders should be represented among the final three candidates when recruiting for managerial and executive positions. A mentor programme to further develop potential female managers was run in 2007.

Compensation and profit sharing

All employees participate in a unified profit sharing programme. Performance criteria for allocation are determined by the Board early each year and reflect internal goals as well as benchmarking with competitors.

Nordea's long-term incentive programme (LTIP 2007) was introduced in May 2007, targeting up to 400 managers and key employees identified as essential to the future development of the Group. The LTIP 2007 replaced an Executive Incentive Programme which had been in place as from 2003.

More information on the incentive programme is described in the Staff cost note.

Changes in the Board of Directors and the Executive Management

After Lars G Nordström retired on 13 April 2007, the Board of Directors appointed Christian Clausen Chairman of the Board of Directors. Board member Tom Ruud left the Board on 1 May 2007. The Board members Markku Pohjola, Carl-Johan Granvik, Arne Liljedahl continue in their positions.

As of 1 May 2007 Jørn Kr. Jensen resigned as member of the Executive Management. As of 1 June 2007 Henrik Mogensen resigned as member of the Executive Management.

Environmental concerns

In accordance with Group Corporate Citizenship Principles, Nordea is committed to sustainable development by combining financial performance with environmental and social responsibility, caring for the environment and working to reduce the negative environmental impact of its business activities.

The Nordea Group has adopted an environmental policy that provides guidance on how the group entities manage and control environmental issues in their own operations, supporting the reduction of related costs and business risks to the Group.

The policy also guides policymaking and business initiatives regarding financial involvement by business units and cooperation with suppliers.

Legal proceedings

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

Subsequent events

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

Outlook 2008

The turbulent development in international capital markets since last summer, with international equity markets being heavily affected beginning of 2008, has significantly increased the uncertainty for 2008.

Nordic GDP growth is expected to slow down in 2008, however on average still reach above 2%. In the estimates for 2008, Nordea Group assumes no significant changes in average interest rates during the year. Lower interest rates would negatively impact Nordea Group's income growth.

Following the strong performance from growth initiatives, Nordea Group will continue with investments in growth areas, in the Nordic countries and in New European Markets. The increase in the cost base, resulting from growth initiatives, is for 2008 expected to be EUR 100-120m. These initiatives and increased wage inflation are expected to lead to a somewhat higher cost increase in 2008, compared with 2007.

If the economic growth slows down more than now anticipated, Nordea Group will review the level of growth investments. Nordea Group's long-term target, formulated in 2006, is to double the risk-adjusted profit in seven years. Based on the forecast for GDP growth for the Nordic region, as well as for interest rates, the risk-adjusted profit is in 2008 expected to grow in the range of 5-10%. Nordea Bank Danmark is expected to contribute to such growth.

The overall quality of the credit portfolio remains strong.

Nordea Group has a well diversified portfolio both in terms of geography, with an almost equal distribution between the four Nordic countries, and in terms of industry and corporate/household distribution. Also in the New European Markets, Nordea Group is confident about its credit risk exposure, even though the macro-economic situation is likely to gradually affect credit quality. This has been recognised by establishing group wise provisions.

A change in macro-economic outlook is likely to influence the credit climate over time. For 2008 Nordea Group expects some net loan loss charges, as reversals of previously made provisions are likely to decrease.

The average standard tax rate for Nordea Group's business based on current tax regulations is approx. 26%. The effective tax rate for 2008 is expected to be 3-5 %-points lower than this average.

Income statement

DKKm	Note	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Operating income					
Interest income	2	34,660	26,978	24,827	18,295
Interest expense	2	-26,240	-19,148	-18,970	-12,582
Net interest income	2	8,420	7,830	5,857	5,713
Fee and commission income	3	3,928	3,810	4,153	3,977
Fee and commission expense	3	-514	-401	-343	-260
Net fee and commission income	3	3,414	3,409	3,810	3,717
Net gains/losses on items at fair value	4	835	1,616	1,257	1,983
Profit from companies accounted for under the equity method	20	234	327	-	-
Dividends	5	9	6	137	542
Other operating income	6	380	188	385	115
Total operating income		**13,292**	**13,376**	**11,446**	**12,070**
Operating expenses					
General administrative expenses:					
Staff costs	7	-4,885	-4,758	-4,702	-4,582
Other expenses	8	-2,765	-2,504	-2,648	-2,341
Depreciation, amortisation and impairment charges of tangible and intangible assets	9, 21, 22	-108	-132	-91	-110
Total operating expenses		**-7,758**	**-7,394**	**-7,441**	**-7,033**
Loan losses	10	47	664	116	666
Operating profit		**5,581**	**6,646**	**4,121**	**5,703**
Income tax expense	11	-1,308	-1,770	-1,054	-1,433
Net profit for the year		**4,273**	**4,876**	**3,067**	**4,270**
Attributable to:					
Shareholders of Nordea Bank Danmark A/S				3,067	4,270
Minority interests				-	-
Total				**3,067**	**4,270**

Balance sheet

DKKm	Note	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Assets					
Cash and balances with central banks		3,014	2,708	3,014	2,708
Loans and receivables to credit institutions	13	128,892	117,765	147,221	132,054
Loans and receivables to the public	13, 23	533,237	483,794	293,869	268,897
Interest-bearing securities	14	89,543	44,689	120,488	83,647
Financial instruments pledged as collateral	15	33,412	77,084	34,218	79,245
Shares	16	15,974	17,607	15,967	17,600
Derivatives	17	3,872	2,053	3,872	2,053
Fair value changes of the hedged items in portfolio hedge of interest rate risk	18	184	458	184	458
Investments in group undertakings	19	57	211	8,001	8,158
Investments in associated undertakings	20	219	522	82	288
Intangible assets	21	288	115	245	80
Property and equipment	22, 23	259	195	226	174
Investment property	24	77	71	6	1
Deferred tax assets	11	-	-	71	155
Current tax assets		301	112	730	515
Retirement benefit assets	33	132	132	132	132
Other assets	25	24,961	53,139	48,617	64,749
Prepaid expenses and accrued income	26	3,521	2,736	4,416	3,406
Total assets		**837,943**	**803,391**	**681,359**	**664,320**
Liabilities					
Deposits by credit institutions	27	222,701	223,188	224,632	225,881
Deposits and borrowings from the public	28	277,972	253,377	280,654	255,994
Debt securities in issue	29	205,910	183,020	-	-
Derivatives	17	3,659	1,946	3,659	1,946
Current tax liabilities		-	-	-	-
Other liabilities	30	82,012	99,007	135,695	145,284
Accrued expenses and prepaid income	31	5,577	4,446	3,120	2,251
Deferred tax liabilities	11	643	732	-	-
Provisions	32	143	211	234	273
Retirement benefit obligations	33	75	79	75	79
Subordinated liabilities	34	9,507	10,401	9,507	10,401
Total liabilities		**808,199**	**776,407**	**657,576**	**642,109**
Equity	35				
Minority interests		26	39	-	-
Share capital		5,000	5,000	5,000	5,000
Other reserves		-4	2	1	2
Proposed dividends		2,200	1,500	2,200	1,500
Retained earnings		22,522	20,443	16,582	15,709
Total equity		**29,744**	**26,984**	**23,783**	**22,211**
Total liabilities and equity		**837,943**	**803,391**	**681,359**	**664,320**
Assets pledged as security for own liabilities	36	91,709	81,532	92,515	83,693
Other assets pledged	37	-	-	-	-
Contingent liabilities	38	35,234	51,504	118,581	125,197
Commitments	39	145,986	158,371	130,533	158,371

Other notes

Note 1	Accounting policies	Note 44	Obtained collaterals which are permitted to be sold or repledged
Note 40	Capital adequacy	Note 45	Investments, customer bearing the risk
Note 41	Classification of financial instruments	Note 46	Related-party transactions
Note 42	Assets and liabilities at fair value	Note 47	The Danish Financial Supervisory Authoritys ratio system
Note 43	Assets and liabilities in foreign currencies		

Statement of recognised income and expense[1]

	Group		Parent company	
DKKm	2007	2006	2007	2006
Currency translation differences during the year	-5	1	-	-
Currency hedging	-	-	-	-
Available-for-sale investments:				
Valuation gains/losses taken to equity	-3	-10	-3	-10
Group contributions	8	-	8	-
Tax on items taken directly to or transferred from equity	1	3	1	3
Net income recognised directly in equity	**1**	**-6**	**6**	**-7**
Net profit for the year	4,273	4,876	3,067	4,270
Total recognised income and expense for the year	**4,274**	**4,870**	**3,073**	**4,263**
Attributable to:				
Shareholders of Nordea Bank Danmark A/S			3,073	4,263
Minority interests			-	-
Total			**3,073**	**4,263**

[1] See note 35 Equity for further information.

Cash flow statement

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Operating activities				
Operating profit	5,581	6,646	4,121	5,703
Adjustments for items not included in cash flow	-68	-641	3	-777
Income taxes paid	-1,586	-1,606	-1,185	-1,601
Cash flow from operating activities before changes in operating assets and liabilities	**3,927**	**4,399**	**2,939**	**3,325**
Changes in operating assets				
Change in loans and receivables to credit institutions	-7,443	20,982	-11,483	12,983
Change in loans and receivables to the public	-49,396	-63,229	-24,856	-39,135
Change in interest-bearing securities	-44,854	-23,452	-36,841	-43,139
Change in financial assets pledged as collateral	43,672	31,900	45,027	31,862
Change in shares	1,633	-1,724	1,633	-1,722
Change in derivatives, net	-106	-321	-106	-324
Change in other assets	27,667	-2,506	15,396	-6,471
Changes in operating liabilities				
Change in deposits by credit institutions	-487	15,237	-1,249	14,353
Change in deposits and borrowings from the public	24,595	10,953	24,660	12,808
Change in debt securities in issue	22,890	-7,092	-	-353
Change in other liabilities	-15,631	17,268	-8,687	18,959
Cash flow from operating activities	**6,467**	**2,415**	**6,433**	**3,146**
Investing activities				
Acquisition of investments in group undertakings	-	-235	-	-1,240
Sale of investments in group undertakings	154	39	153	-
Mergers of group undertakings	-	-	-	304
Acquisition of investments in associated undertakings	-14	-97	-12	-97
Sale of investments in associated undertakings	128	27	123	12
Acquisition of tangible assets	-176	-154	-149	-140
Sale of tangible assets	4	12	-	8
Acquisition of intangible assets	-179	-30	-164	-16
Sale of intangible assets	-	-	-	-
Purchase/sale of other financial fixed assets	-	-	-	-
Cash flow from investing activities	**-83**	**-438**	**-49**	**-1,169**
Financing activities				
Issued subordinated liabilities	-894	367	-894	367
Dividend paid	-1,500	-1,800	-1,500	-1,800
Cash flow from financing activities	**-2,394**	**-1,433**	**-2,394**	**-1,433**
Cash flow for the year	**3,990**	**544**	**3,990**	**544**
Cash and cash equivalents at the beginning of year	7,348	6,804	7,348	6,804
Exchange rate difference	-	-	-	-
Cash and cash equivalents at the end of year	11,338	7,348	11,338	7,348
Change	**3,990**	**544**	**3,990**	**544**

Comments on the cash flow statement

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

Cash flow statement *(cont.)*

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

	Group		Parent company	
DKKm	2007	2006	2007	2006
Depreciation	108	132	91	110
Loan losses	-47	-664	-116	-664
Change in provisions	-72	-64	-43	-1
Profit from associated and group undertakings	-230	-321	66	-214
Dividends	186	290	-	-
Other	-13	-14	5	-8
	-68	**-641**	**3**	**-777**

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

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

	Group		Parent company	
DKKm	2007	2006	2007	2006
Interest payments received	33,952	27,091	23,871	17,717
Interest expenses paid	-24,124	-19,876	-17,127	-12,377

Investing activities
Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets.

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

Liquid assets
The following items are included in liquid assets:

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
DKKm	2007	2006	2007	2006
Cash and balances at central banks	3,014	2,708	3,014	2,708
Loans and receivables to credit institutions, payable on demand	8,324	4,640	8,324	4,640
	11,338	**7,348**	**11,338**	**7,348**

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled;
- the central bank or the postal giro system is domiciled in the country where the institution is established
- the balance on the account is readily available any time.

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

Notes to the financial statements

Note 1
Accounting policies

Table of contents

1. Basis for presentation

The financial statements for Nordea Bank Danmark A/S and for the group are prepared in accordance with International Financial Reporting Standards (IFRS) endorsed by the EU and additional Danish disclosure requirements for annual reports laid down in the Danish IFRS Executive Order on financial services enterprises issued pursuant to the Danish Financial Business Act.

IASB has during 2007 issued amendments to some standards. These amendments will come into force on 1 January, 2009. It is, however, voluntarily to adopt all these amendments already in 2007. Nordea has chosen to not adopt before 1 January, 2009.

The disclosures, required in the standards and legislation above, have been included in the notes, the risk management section or in other parts of the "Financial statements".

On 12 February 2008 the Board of Directors approved the financial statements, subject to final approval on the Annual General Meeting on 14 March 2008.

2. Comparative figures

The comparative figures for 2006 includes effects of all changes in the presentation described in section 3 "Changed accounting policies and presentation" below.

3. Changed accounting policies and presentation

The accounting policies and the basis for calculations are unchanged in comparison with the 2006 Annual Report apart from the following changes.

Consolidation of associated companies

The presentation on the income line "Profit from companies accounted for under the equity method" has been changed from pre- to post taxes.

The effect on group level is a decrease of income by DKK 55m (DKK -24m) on "Profit from companies accounted for under the equity method", and a corresponding decrease on "Tax expense". "Net profit for the year" is unchanged. The comparative figures have been restated accordingly. For more information see section 5 "Principles of consolidation" and note 20 "Investments in associated undertakings".

Staff related liabilities

The presentation of staff related liabilities has been changed in accordance with the accounting policy of the Nordea Group. Staff related liabilities have been reclassified from "Other liabilities" to "Accrued expenses and prepaid income".

The effect on group level is a decrease by DKK 1,374m (31 Dec 2006: DKK 1,001m) in "Other liabilities", and a corresponding increase in "Accrued expenses and prepaid income".

The comparative figures have been restated accordingly.

Income in Nordea Markets (Markets) from Nordea Bank Finland

The presentation of income in Markets from delivering services to Nordea Bank Finland related to trading in derivatives has been changed in accordance with the accounting policies of the Nordea Group. The income has been reclassified in the income statement from "Other income" to "Net fee and commission income" as brokerage.

The effect on Group level is a decrease by DKK 537m (2006: DKK 480m) in "Other income" and a corresponding increase in "Net fee and commission income".

The comparative figures have been restated accordingly.

Application of Fair Value Option on certain assets and liabilities in Nordea Markets (Markets)

Balance sheet items, which are managed and measured on a fair value basis, may be reported at fair value, using the Fair Value Option (FVO) in IAS 39.

Deposits made by Markets as well as the funding of Markets' operations are classified into the category "Fair value through profit or loss". The classification is prospectively made for these financial instruments on initial recognition as from 2007.

The application of FVO is made to align the presentation of Markets' operations and to further increase transparency.

The application will not change the presentation in the reported balance sheet. The classification into categories of these balance sheet items are not changed in the note for the year-end 2006, due to specific requirements in the applicable accounting standard.

4. Critical judgements and key sources of estimation uncertainty

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

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

- the fair value measurement of certain financial instruments
- the impairment testing of loans and receivables
- claims in civil lawsuits

Fair value measurement

Financial instruments

Critical judgements are exercised when determining fair value of OTC Derivatives and other financial instruments that lack quoted prices or recently observed market prices in the following areas:

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

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

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

Impairment testing of loans and receivables

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

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

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

Claims in civil lawsuits

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

5. Principles of consolidation

Consolidated entities

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

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

Equity and net income attributable to minority interests are separately disclosed in the balance sheet and income statement.

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

Investments in associated undertakings

The equity method of accounting is used for associated undertakings where the share of voting rights is between 20 and 50 per cent and/or where Nordea has significant influence. Investments within Nordea's investment activities are handled in accordance with the requirements in IAS 39 and therefore measured at fair value.

Profits from companies accounted for under the equity method are, as from 2007, reported post-taxes in the income statement. Consequently, the tax expense related to these profits is not included in the income tax expense.

Special Purpose Entities (SPE) and securitizations

The number of SPE's that Nordea has created is fairly limited and is specified in a separate table in note 19 "Investments in Group undertakings" and the amount of consolidated assets is disclosed in note 15 "Financial instruments pledged as collateral".

Nordea sponsors the formation of Special Purpose Entities (SPEs) primarily to allow clients to hold investments in separate legal entities, to allow clients to jointly invest in alternative assets, for asset securitization transactions, and in some cases for buying or selling credit protection.

In accordance with IFRS Nordea does not consolidate SPE's assets and liabilities beyond its control. In order to determine whether Nordea controls an SPE or not, Nordea has to make judgments about risks and rewards and assess the ability to make operational decisions for the SPE in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over an SPE, but when considered together make it difficult to reach a clear conclusion. When assessing whether Nordea shall consolidate an SPE, a range of factors is evaluated, including whether

- the activities of the SPE are being in substance conducted on Nordea's behalf according to Nordea's specific business needs so that Nordea obtains the benefits from the SPE's operations, or
- Nordea has in substance the decision making powers to obtain the majority of the benefits from the activities of the SPE, or Nordea has delegated these decision making powers by setting up an autopilot mechanism, or
- Nordea has in substance the rights to obtain the majority of the benefits of the activities of an SPE and therefore may be exposed to risks arising from the activities of the SPE, or
- Nordea retains in substance the majority of the residual or ownership risks related to the SPE or its assets in order to obtain the benefits from its activities.

Nordea consolidates an SPE if the assessment of the relevant factors indicates that Nordea controls the SPE.

SPEs used to allow clients to hold investments are structures that allow one or more clients to invest in an asset or set of assets, which are generally purchased by the SPE. The risks and rewards of the assets held by the SPE entirely reside with the clients. Typically, Nordea will receive service and commission fees for the creation of the SPE, or because it acts as investment manager, custodian or in some other function. SPEs that are created by Nordea are either vehicles for a single investor or allow a broad number of investors to invest in an asset base through a single share or certificate.

SPEs used to allow clients to jointly invest in alternative assets, for which generally no active markets exist, are often in the form of limited partnerships. Investors are the limited partners and contribute all or the majority of the capital, whereas Nordea serves as the general partner. In that capacity, Nordea is the investment manager and has sole discretion about investment and other administrative decisions, but has no or only a insignificant amount of capital invested.

Nordea typically receives service and commission fees for its services as general partner, but does not, or only to a minor extent, participate in the risks and rewards of the vehicle, which reside with the limited partners. In most instances, limited partnerships are not consolidated under IFRS because Nordea's legal and contractual rights and obligations indicate that Nordea does not have the power to govern the financial and operating policies of these entities and consequently does not have the objective of obtaining benefits from its activities through such power.

SPEs for securitization are created when Nordea has assets (for example a portfolio of loans) which it sells to an SPE, and the SPE in turn sells interests in the assets as securities to investors. Consolidation of these SPEs depends mainly on whether Nordea retains the majority of the risks or rewards of the assets in the SPE.

Nordea has established two SPEs with the purpose to buy and sell credit protection. Nordea is the SPEs' counter part in transactions related to credit default swaps. Nordea has only settlement risk on the non-matured derivatives to the SPEs and the SPEs are fully funded by the investors. Nordea is market maker in the SPEs' credit linked notes.

Nordea consolidates all SPEs, created by Nordea where Nordea has retained the majority of the risk and rewards. For the SPE that is not consolidated the rational is that Nordea does not have any risk or rewards on these assets and liabilities. Furthermore, the cash flow related to the assets and liabilities flows to the investors in full.

Principles of elimination

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

Currency translation of foreign entities

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

Goodwill and fair value adjustments arising from the acquisition of group undertakings are treated as local currency assets and liabilities and are also translated at the closing rate.

Changes in Group structure

Descriptions of changes in the Group structure during the year are included in note 19 "Investments in Group undertakings".

6. Recognition of operating income and expense

Net interest income

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

Interest income and interest expense related to all balance sheet items in Markets are recognised in the income statement on the line "Net gains/losses on items at fair value". Interest income and expense connected to internal placements by and internal funding of Markets are replaced with the related Group external interest income and interest expense. Consequently, all net interest income related to Markets is reported on the income line "Net gains/losses on items at fair value".

Net fee and commission income

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

Commission expenses are transaction based and recognised in the period when the services are received.

Net gains/losses on items at fair value

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

Realised and unrealised gains and losses derive from:
- Shares/participations and other share-related instruments
- Interest-bearing securities and other interest-related instruments
- Other financial instruments, which contains credit derivatives as well as commodity instruments/derivatives
- Foreign exchange gains/losses
- Investment property income, which includes realised and unrealised income, for instance revaluation gains and losses. This line also includes realised results from divestments

Profit from companies accounted for under the equity method

The profit from companies accounted for under the equity method is defined as the post-acquisition change in Nordea's share of net assets in the associated companies. Profits from companies accounted for under the equity method are reported in the income statement post-taxes. Consequently, tax expense related to these profits are excluded from the income tax expense for Nordea.

Dividends

Dividends to the shareholder of Nordea Bank Danmark A/S are recorded as a liability following the approval of the Annual General Meeting. Dividends from group undertakings are recognised on the separate income line "Dividends".

Other dividends received are recognised in the income statement as "Net gains/losses on items at fair value".

Other operating income

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

7. Recognition and derecognition in the balance sheet

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

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

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet, but retains either all or a portion of risks and rewards of the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are reclassified to the item "Financial instruments pledged as collateral" in the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include e.g. security lending agreements and repurchase agreements.

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

For further information, see sections "Securities borrowing and lending agreements" and "Repurchase and reverse repurchase agreements" within section 12 "Financial instruments" as well as note 44 "Obtained collaterals which are permitted to be sold or repledged".

8. Translation of assets and liabilities denominated in foreign currencies

The functional currency of each entity is decided based upon the primary economic environment in which the entity operates.

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

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

Translation differences on financial instruments that are designated hedging instruments in a hedge of a net investment in a group undertaking are recognised in equity, to the extent the hedge is effective. This is performed in order to offset the translation differences affecting equity when consolidating the group undertaking into Nordea. Any ineffectiveness is recognised in the income statement in the item "Net gains/losses on items at fair value".

9. Hedge accounting

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

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

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

- Cash flow hedge accounting
- Fair value hedge accounting
- Hedges of net investments

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

Fair value hedge accounting

Fair value hedge accounting is used for derivatives that serve to hedge changes in fair value of a recognised asset or liability attributable to a specific risk. The risk of changes in fair value of assets and liabilities in Nordea's financial statements originates mainly from loans, securities and deposits with a fixed interest rate, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item will be recognised separately in the income statement in the item "Net gains/losses on items at fair value". Given an effective hedge, the two changes in fair value will more or less balance, meaning the net result will be close to zero. The changes in fair value of the hedged item that are attributable to the risks hedged with the derivative instrument are reflected in an adjustment to the carrying value of the hedged item, which is also recognised in the income statement. The fair value change of the hedged item in a portfolio hedge of interest rate risks is reported separately from the portfolio in "Fair value changes of the hedged items in portfolio hedge of interest rate risk" in accordance with IAS 39.

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

Hedging instruments

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

Hedged items

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

Hedge effectiveness

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

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

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

10. Determination of fair value of financial instruments

Financial assets and liabilities classified as financial assets/liabilities at fair value through profit or loss and derivative instruments are recorded at fair value on the balance sheet with changes in fair value recognised in the income statement in the item "Net gains/losses on items at fair value".

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

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

- Treasury bills and other eligible bills
- Interest-bearing securities
- Shares
- Derivatives (listed derivatives)
- Debt securities in issue (issued mortgage bonds in Nordea Kredit Realkreditaktieselskab)

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

- Treasury bills and other eligible bills (when quoted prices in an active market are not available)
- Interest-bearing securities (when quoted prices in an active market are not available)
- Shares (when quoted prices in an active market are not available)
- Derivatives (OTC-derivatives)

Fair value is calculated as the theoretical net present value of the individual contracts, based on independently sourced market parameters and assuming no risks and uncertainties. This calculation is supplemented by a portfolio adjustment.

The portfolio adjustment covers uncertainties associated with the valuation techniques, model assumptions and unobservable parameters as well as the portfolio's counter party credit risk and liquidity risk. The portfolio adjustment for model risk comprises two components:

- Benchmarking of the model output (market values) against market information or against results from alternative models, where available
- Sensitivity calculations where unobservable parameters are varied to take other reasonable values.

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are fully based on data from observable markets. By data from observable markets, Nordea consider data that can be collected from generally available external sources and where this data is judged to represent realistic market prices. If non-observable data is used, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the contract (see note 42 "Assets and liabilities at fair value).

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

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

11. Cash and cash equivalents

Cash and cash equivalents consist of cash and balances with central banks where the following conditions are fulfilled;

- The central bank is domiciled in a country where Nordea is operating under a banking licence.
- The balance is readily available at any time.

Cash and cash equivalents are financial instruments classified within the category "Loans and receivables", see section 12 "Financial instruments".

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

12. Financial instruments

Classification of financial instruments

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

Financial assets

- Financial assets at fair value through profit or loss
  - Held for trading
  - Financial assets upon initial recognition designated at fair value through profit or loss
- Loans and receivables
- Held to maturity investments
- Available for sale financial assets

Financial liabilities

- Financial liabilities at fair value through profit or loss
  - Held for trading
  - Financial liabilities upon initial recognition designated at fair value through profit or loss
- Other financial liabilities

The classification of financial instruments into different categories forms the basis for how each instrument is measured in the balance sheet and how changes in its value is recognised. In note 41 "Classification of financial instruments" the classification of the financial instruments in the balance sheet is presented.

Financial assets and financial liabilities at fair value through profit or loss

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

The category consists of two sub-categories; Held for trading and Financial assets/financial liabilities upon initial recognition designated at fair value through profit or loss (Fair value option).

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

The major parts of the sub-categories financial assets/financial liabilities upon initial recognition designated at fair value through profit or loss are mortgage loans and related issued bonds in the subsidiary Nordea Kredit Realkredit-aktieselskab.

Nordea has also prospectively started to apply the Fair value option on certain financial assets and financial liabilities related to Markets during 2007, see section 3 "Changed accounting policies and presentation".

The classification stems from that Markets is managing and measuring all its financial assets and liabilities to fair value. Consequently, all financial assets and financial liabilities in Markets are from the fourth quarter 2007 classified within this category.

The classification, on Group level, affects mainly the balance sheet line "Deposits from Credit institutions".

Loans and receivables

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

Held to maturity investments

Held-to-maturity investments are initially recognised in the balance sheet at the acquisition price. Subsequent to initial recognition, the instruments within this category are measured at amortised cost.

Nordea Bank Danmark has not used this category due to the restrictions regarding disposals of instruments that once have been classified into the category.

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

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

This category is used only to a very limited extent in Nordea. See further note 41 "Classification of financial instruments".

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

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

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

Index-linked bonds issued by Markets as part of the trading portfolio are classified as Held for trading, and the entire combined instrument, host contract together with the embedded derivative, is measured at fair value through profit or loss. Changes in fair values are recognised in the income statement in the item "Net gains/losses on items at fair value".

Securities borrowing and lending agreements
Generally, securities borrowing and securities lending transactions are entered into on a collateralised basis. Unless the risks and rewards of ownership are transferred, the securities are not derecognised from or recognised on the balance sheet. In the cases where the counterpart has the right to resell or repledge the securities, the securities are recognised on the balance sheet as "Financial instruments pledged as collateral".

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

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

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

Repurchase and reverse repurchase agreements
Securities delivered under repurchase agreements and securities received under reverse repurchase agreements are not derecognised from or recognised on the balance sheet. In the cases where the counterpart has the right to resell or repledge the securities, the securities are recognised on the balance sheet as "Financial instruments pledged as collateral".

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

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

Additionally, the sale of securities received in reversed repurchase transactions trigger the recognition of a trading liability (short sale).

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

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

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

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

13. Loans and receivables
Loans and receivables not measured at fair value are measured at amortised cost (see also the separate section 7 "Recognition and derecognition in the balance sheet" as well as note 41 "Classification of financial instruments").

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

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

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

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

Impairment test for loans attached to groups of customers
Groups of loans with similar risk characteristics are collectively assessed for impairment. These groups contain loans that are:
- individually significant but not impaired, and
- not significant loans, which have not been tested for impairment on an individual basis.

Nordea monitors its portfolio through the credit decision and annual review process supplemented by quarterly risk reviews. Through these processes Nordea identifies loss events indicating incurred losses in a group. Common for the customers in a group is that they have similar risk characteristics, i.e. exposed to similar loss events.

A group assessment is performed to estimate an impairment loss, based on the loss events incurred. Only loss events incurred up to the reporting date are included when performing the assessment of the group.

The objective for the group assessment process is to evaluate if there is a need to make a provision due to the fact that a loss event has occurred, but not yet affected the cash flow from the group of loans. This period between the date when the loss event occurred and the date when it is identified on individual basis is called "Emergence period". The impairment remains related to the group of loans until the losses have been possible to identify on an individual basis. The identification is made through a default of the engagement or by other indicators.

The methods used to perform the impairment tests differ somewhat depending on if the loans are significant or not. For groups of loans where the loans are significant, Nordea uses the existing rating system as a basis when assessing the credit risk. Nordea uses historical data on probability of default to estimate the risk for a default in a rating class.

Significant loans are rated and grouped mostly based on type of industry and/or sensitivity to certain macro parameters, e.g. dependency to oil prices etc.

The collective assessment is performed through a netting principle, i.e. when rated engagement are up rated due to estimated increase in cash flow this improvement will be netted against any loans that are down rated due to estimated decrease in cash flow. However, provisions for impairment losses on groups of loans are only made within rating classes where Nordea assess that the customers' future cash flow is insufficient to serve the loan in full.

For groups of loans where the loans are not significant the methods used are based mostly on historical data, as default rates and loss rates given a default, and experienced judgement performed by management.

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

If the impairment loss is not regarded as final, the impairment loss is accounted for on an allowance account representing the accumulated impairment losses. Changes in the credit risk and accumulated impairment losses will be recorded as changes in the allowance account and as "Loan losses" in the income statement.

If the impairment loss is regarded as final, it is reported as a realised loss. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has declared the economic outcome of the bankruptcy procedure, or when Nordea forgives its claims either through a legal based or voluntary reconstruction or when Nordea, for other reasons, deem it unlikely that the claim will be recovered.

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

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

Assets taken over for protection of claims
In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquire an asset pledged for the conceded loans, shares issued by the obligor or other assets. Financial assets that are foreclosed are classified as Available for sale (see section 12 "Financial instruments") and any other asset as Held for sale. Assets Held for sale are measured at the lower of the book value and fair value less costs to sell. Depreciation is not performed on assets classified as Held for sale.

However, all assets measured at fair value according to the Group's accounting policies are, including contractual rights according to IFRS 4, treated accordingly, after the initial recognition of the asset taken over, i.e. reported on the same balance sheet line as similar assets already held by Nordea. For example a property taken over, not held for Nordea's own use, is reported together with other investments properties.

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Groups presentation policies for the appropriate asset. Consequently, the credit loss line is after the initial recognition of the asset taken over not affected by any subsequent measurement of the asset.

14. Leasing

Nordea as lessor

Finance leases

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

Operating leases

Assets subject to operating leases are in the balance sheet reported in accordance with the nature of the assets, in general as property and equipment. Leasing income is recognised as income on a straightline basis over the lease term. The lease income from operating leases is accounted for as interest income. The depreciation of the leased assets is calculated on the basis of Nordea's depreciation policy for similar assets and reported as depreciation on property and equipmentin the income statement.

Nordea as lessee

Finance leases

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

Operating leases

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

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

Embedded leases

Agreements can contain a right to use an asset in return for a payment, or a series of payments, although the agreement is not in the legal form of a leasing contract. If applicable, these assets are separated from the contract and treated as leased assets.

15. Intangible assets

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

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Nordea's share of net identifiable assets of the acquired group undertaking/associated undertaking at the date of acquisition. Goodwill on acquisition of group undertakings is included in "Intangible assets". Goodwill on acquisitions of associates is included in "Investments in associated undertakings". Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Computer software

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

Depreciation is calculated on a straightline basis over a period of 3 to 5 years.

Customer related intangible assets

When acquiring customer related contracts the fair value of these contracts is recognised as customer related intangible assets. Amortisation is performed over the expected lifetime of the contracts.

Other intangible assets

Expenditure on acquired patents, trademarks and licenses is capitalised and amortised using the straightline method over their useful lives, generally 5 years.

Impairment

Goodwill and other intangible assets with indefinite useful lives are not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to indication of impairment. The impairment charge is calculated as the difference between the book value and the recoverable amount.

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

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

16. Property and equipment

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

Depreciation is calculated on a straightline basis as follows:

Buildings	30-75 years
Equipment	3-5 years
Leasehold improvements	Changes within buildings the shorter of 10 years and the remaining leasing term. New construction the shorter of the principles used for owned buildings and the remaining leasing term.

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

17. Investment property

Investment properties are primarily properties held to earn rent and capital appreciation. Investment properties are measured at fair value. The best evidence of a fair value is normally given by current prices on an active market for similar property in the same location and condition. In the absence of current prices on an active market, discounted cash flow projections based on reliable estimates of future cash flows are used.

Net rental income is reported in the item "Other operating income". Gains and losses as well as fair value adjustments are recognised directly in the income statement as "Net gains/losses on items at fair value".

18. Taxes

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

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

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

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

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

19. Pensions

Pension plans

Nordea Bank Danmark has defined benefit plans as well as defined contributions plans.

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

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

Most pensions in Nordea Bank Danmark, are based on defined contribution plans that hold no pension liability for Nordea. Nordea also contributes to public pension systems.

Pension costs

The pension calculations are carried out by pension plan in accordance with IAS 19.

Contributions to defined contribution plans are expensed when employees have rendered services in exchange for such contributions. In defined benefit plans, actuarial calculations are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions. When the net cumulative unrecognised actuarial gain or loss exceeds a "corridor", equal to 10 percent of the greater of either the present value of the defined benefit obligation and the fair value of the plan assets, the surplus or deficit is recognised in the income statement over the shorter of 10 years and the expected average remaining employment period. The net cumulative unrecognised actuarial gain or loss is defined as the difference between the expected trends in the defined benefit obligation and the fair value of the plan assets, and the actual trends.

20. Equity

Minority interests

Minority interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank Danmark A/S.

Other reserves

Other reserves comprise income and expenses, net after tax effects that are reported in equity in accordance with IFRS.

These reserves include revaluation reserves in accordance with IAS 39 as well as translation differences in accordance with IAS 21.

Retained earnings
Retained earnings comprise undistributed profits from previous years

In addition the equity method reserve, i.e. the Nordea share of the earnings in associated companies, after the acquisition date, that have not been distributed is included in retained earnings.

Equity participation plans
Based on the approval by the Shareholders Annual Meeting, Nordea issued a share based incentive programme in May 2007. For more information see Note 7 "Staff costs".

21. Related party transactions
Nordea define related parties as:
- Shareholders with significant influence
- Group undertakings and other group companies
- Associated undertakings
- Key management personnel
- Other related parties

Shareholders with significant influence
Shareholders with significant influence are a shareholder that by any means has a significant influence over Nordea Bank Danmark. Nordea Bank AB has a significant influence over Nordea Bank Danmark A/S.

Group undertakings and other group companies
For the definition of Group undertakings see section 5 "Principles of consolidation". Further information on the undertakings included in the Nordea Group is found in note 19 "Investments in group undertakings".

Other group companies consist of subsidiaries in Nordea Bank AB and which are not a part of the Nordea Bank Danmark Group.

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

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

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

Key management personnel
Key management personnel include the following positions:
- The Board of Directors
- The Executive Management

For information about compensation and pensions as well as loans to key management personnel, see note 7 "Staff costs". Information concerning other transactions between Nordea and key management personnel is found in note 46 "Related-party transactions".

Other related parties
Other related parties comprise companies significantly influenced by key management personnel in Nordea Group as well as close family members to these key management personnel and companies significantly influenced by them. Other related parties also include Nordea´s pension foundations.

Information concerning transactions between Nordea and other related parties is found in note 46 "Related-party transactions".

22. Parent company
In the financial statements for the parent company Nordea Bank Danmark A/S investments in subsidiaries and associates are measured at cost and dividends are recognised in the banks profit when approved by the Annual General Meeting.

23. Exchange rates
Exchange rates

EUR 1 = SEK	2007	2006
Income statement (average)	9.2498	9.2521
Balance sheet (at end of period)	9.4572	9.0394
EUR 1 = DKK		
Income statement (average)	7.4505	7.4594
Balance sheet (at end of period)	7.4588	7.4556
EUR 1 = NOK		
Income statement (average)	8.0148	8.0438
Balance sheet (at end of period)	7.9739	8.2300
EUR 1 = PLN		
Income statement (average)	3.7790	3.8924
Balance sheet (at end of period)	3.6022	3.8292

Note 2
Net interest income

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Interest income				
Loans and receivables to credit institutions	3,912	3,719	3,858	3,495
Loans and receivables to the public	24,920	17,885	14,568	10,011
Interest-bearing securities	4,086	3,748	5,967	4,311
Other interest income	1,742	1,626	434	478
Total interest income	**34,660**	**26,978**	**24,827**	**18,295**
Interest expense				
Deposits by credit institutions	-7,386	-5,342	-8,323	-5,885
Deposits and borrowings from the public	-10,048	-6,270	-10,140	-6,325
Debt securities in issue	-8,282	-7,146	0	-1
Subordinated liabilities	-479	-353	-479	-353
Other interest expenses	-45	-37	-28	-18
Total interest expense	**-26,240**	**-19,148**	**-18,970**	**-12,582**
Net interest income	**8,420**	**7,830**	**5,857**	**5,713**

Interest income from financial instruments not measured at fair value through profit or loss are caculated to DKK 10,270m (DKK 7,592m). Interest expenses from financial instruments not measured at fair value through profit or loss are calculated to DKK 8,251m (DKK 5,964m).

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Net interest income				
Interest income	34,215	26,576	24,827	18,295
Net leasing income	445	402	-	-
Interest expenses	-26,240	-19,148	-18,970	-12,582
Total	**8,420**	**7,830**	**5,857**	**5,713**

Note 3
Net fee and commission income

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Asset Management commissions	331	298	330	296
Life insurance	64	86	64	86
Brokerage	1,413	1,368	1,337	1,288
Custody	56	55	56	54
Deposits	34	39	35	39
Total savings related commissions	1,898	1,846	1,822	1,763
Payments	475	468	475	468
Cards	269	229	261	220
Total payment commissions	744	697	736	688
Lending	713	666	587	539
Guarantees and document payments	294	232	856	737
Total lending related to commissions	1,007	898	1,443	1,276
Other commission income	279	369	152	250
Fee and commission income	**3,928**	**3 ,810**	**4,153**	**3,977**
Payment expenses	-119	-73	-114	-68
Other commission expenses	-395	-328	-229	-192
Fee and commission expenses	**-514**	**-401**	**-343**	**-260**
Net fee and commission income	**3,414**	**3,409**	**3,810**	**3,717**

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amount to DKK 622m (DKK 563m). The corresponding amount for fee expenses is DKK 0m (DKK 0m).

Note 3
Net fee and commission income *(cont.)*

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amount to DKK 1,807m (DKK 1,274m). The corresponding amount for fee expenses is DKK 0m (DKK 0m).

Note 4
Net gains/losses on items at fair value

	Group		Parent company	
DKKm	2007	2006	2007	2006
Shares/participations and other share-related instruments	1,015	-19	1,313	258
Interest-bearing securities and other interest-related instruments	-1,029	1,538	-910	1,621
Other financial instruments	393	-147	399	-139
Investment properties	-1	-8	-	-
Foreign exchange gains/losses	457	252	455	243
Total	**835**	**1,616**	**1,257**	**1,983**
Net gains/losses for categories of financial instruments				
Financial instruments designated at fair value through profit or loss	-3,750	-	-3,750	-
Financial instruments held for trading	4,587	1,620	5,008	1,979
Financial instruments under hedge accounting	-1	4	-1	4
of which net losses on hedging instruments	214	-454	214	-454
of which net gains on hedged items	-215	458	-215	458
Other, not under IAS 39	-1	-8	0	0
Net gains/losses on items at fair value	**835**	**1,616**	**1,257**	**1,983**

Note 5
Dividends

Shares	-	-	-	-
Investments in group undertakings	7	6	0	220
Investments in associated undertakings	2	1	137	322
Total	**9**	**6**	**137**	**542**

Note 6
Other operating income

Income from group companies	293	74	341	74
Other	87	114	44	41
Total	**380**	**188**	**385**	**115**

Note 7
Staff costs

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Salaries and remuneration (specification below)	-3,902	-3,693	-3,750	-3,549
Pension costs (specification below)	-381	-367	-367	-353
Social insurance contributions	-328	-371	-321	-364
Profit-sharing	-131	-194	-126	-186
Other staff costs	-143	-133	-138	-130
Total	**-4,885**	**-4,758**	**-4,702**	**-4,582**
Salaries and remuneration				
To executives [1]				
- Fixed compensation and benefits	-19	-18	-19	-18
- Performance-related compensation	-7	-7	-7	-7
Total	**-26**	**-25**	**-26**	**-25**
To other employees	-3,876	-3,668	-3,724	-3,524
Total	**-3,902**	**-3,693**	**-3,750**	**-3,549**

[1] Executives include the Board of Directors and Executive Management of the parent company Nordea Bank Danmark (including former board members and managing directors). Executives amount to 12 (12) individuals in the Group and to 12 (12) individuals in the parent company.

	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Pension costs:				
Defined benefits plans (note 33)	-14	-13	-14	-13
Defined contribution plans	-367	-354	-353	-340
Total	**-381**	**-367**	**-367**	**-353**
Salaries and remuneration to the Board of Directors and the Executive Management[1]				
The Executive Management	-40	-40	-40	-40
The Board of Directors	-	-	-	-
Total	**-40**	**-40**	**-40**	**-40**

[1] Of which pension DKK 13m (2006: DKK 15m) including former members of the Executive Management DKK 4m (2006: DKK 7m). Exclusive long-term incentive programmes.

Share-based payment

Performance shares	2007	2006	2007	2006
Outstanding at beginning of year	-	-	-	-
Granted	121,311	-	118,391	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of year	**121,311**	**-**	**118,391**	**-**
Of which exercisable	-	-	-	-

Note 7
Staff costs *(cont.)*

Total long term incentive programmes

Group

2007	No of issued	No of out-standing 2007	No of out-standing 2006	Ordinary share per option	Exercise price	Vesting period	Contractual life	First day of exercise
Matching share A	121,311	121,311	-	121,311	4.0	24 month	48 month	April 30, 2009
Performance share B	-	115,187	-	115,187	2.0	24 month	48 month	April 30, 2009
Performance share C	-	100,377	-	100,377	2.0	24 month	48 month	April 30, 2009
Performance share D	-	121,310	-	121,310	2.0	24 month	48 month	April 30, 2009
Total	**121,311**	**458,185**	**-**					

Parent company

2007	No of issued	No of out-standing 2007	No of out-standing 2006	Ordinary share per option	Exercise price	Vesting period	Contractual life	First day of exercise
Matching share A	118,391	118,391	-	118,391	4.0	24 month	48 month	April 30, 2009
Performance share B	-	112,414	-	112,414	2.0	24 month	48 month	April 30, 2009
Performance share C	-	97,961	-	97,961	2.0	24 month	48 month	April 30, 2009
Performance share D	-	118,391	-	118,391	2.0	24 month	48 month	April 30, 2009
Total	**118,391**	**447,157**	**-**					

The parent company, Nordea Bank AB (NBAB), issued in May 2007 a Share-based Payment Program namned "Long Term Incentive Program 2007" (LTIP 2007). The programme will mean that the participants take direct owner-ship by investing in Nordea shares. For each ordinary share the participants invest in, the participant locks its share holding to the LTIP 2007. The participant is granted the right to acquire one ordinary share ("Matching Shares") and three different rights ("Performance Shares") to acquire additional ordinary shares, based upon fulfilment of certain performance conditions. The performance criterias, are to achieve target growth in risk adjusted profit per share (RAPPS) in 2007 and 2008 and a target of growth in total shareholder return (TSR) in comparison to the predefined PEER Group during 2007-2008. Maximum payout is reached if the RAPPS increases with more than 15% in 2007, 12% in 2008 and exceeds PEER Group TSR by 10%.

The estimated fair value of each share option granted in the managers and key employees share option plan is EUR 8.76 for matching shares and EUR 10.49 for performance shares. This was calculated by applying an option pricing model. The model inputs used the share price at grant date EUR 12.33, exercise price of EUR 4 respectively EUR 2, expected dividends and contractual life of 4 years. Due to that the options are deep in the money, the model has a limited sensitivity to expected volatility and risk free interest.

The expense is recognised in each sub-group and entity, applying the IFRS accounting standard, with a counter entry in equity. The recognition is based on the total number of matching shares bought by the participants in each sub-group or entity.

The expected amount for LTIP 2007, DKK 28.1m, is expensed during a period of 24 months. The maximum cost equals DKK 48.9m. The total expense for 2007 arising from LTIP 2007 amounts to DKK 8.4m of which DKK 0.9m is related to the executive management and DKK 0m is related to the Board of Directors. The amounts include social expenses, where applicable.

Note 8
Other expenses

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Information technology[1]	-1,078	-831	-1,056	-766
Marketing	-115	-114	-95	-94
Postage, telephone and office expenses	-352	-306	-342	-295
Rents, premises and real estate	-677	-713	-667	-696
Other[2]	-543	-540	-488	-490
Total	**-2,765**	**-2,504**	**-2,648**	**-2,341**

[1] Refers to IT operations, service expenses and consultant fees.
[2] Including fees and remuneration to auditors distributed as follows.

Auditors' remuneration				
Total remuneration of firms appointed at the Annual General Meeting to undertake the statutory audit	-6	-5	-5	-3
Of which remuneration for non-audit services	-2	-3	-2	-2

The above amounts do not include expenses in respect of Nordea Bank Danmark's internal audit.

Note 9
Depreciation, amortisation and impairment charges of tangible and intangible assets

	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Depreciation/amortisation				
Property and equipment (note 22)				
Equipment	-76	-123	-66	-102
Buildings	0	-1	0	-
Intangible assets (note 21)				
Goodwill	-	-	-	-
Internally developed software	-32	-8	-25	-8
Total	**-108**	**-132**	**-91**	**-110**
Impairment charges/Reversed impairment charges				
Property and equipment (note 22)				
Equipment	-	-	-	-
Buildings	-	-	-	-
Intangible assets (note 21)				
Goodwill	-	-	-	-
Internally developed software	-	-	-	-
Total	**-**	**-**	**-**	**-**
Total	**-108**	**-132**	**-91**	**-110**

Note 10
Loan losses

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Loan losses divided by class, net				
Loans and receivables to credit institutions	8	2	8	2
- of which write-offs and provisions	0	0	0	0
- of which reversals and recoveries	8	2	8	2
Loans and receivables to the public	-18	589	72	662
- of which write-offs and provisions	-1,224	-1,643	-1,059	-1,509
- of which reversals and recoveries	1,206	2,233	1,131	2,170
Off-balance-sheet items[1]	57	73	36	2
- of which write-offs and provisions	-129	-96	-130	-96
- of which reversals and recoveries	186	169	166	98
Total	**47**	**664**	**116**	**666**
Specification of changes in loan losses				
Changes of allowance accounts through the balance sheet	-28	637	52	646
- of which loans and receivables[2]	-86	565	16	644
- of which off-balance-sheet items[1]	58	73	36	2
Changes directly recognised in the income statement	75	27	64	21
- of which realised loan losses	-114	-179	-105	-172
- of which realised recoveries	189	206	169	192
Total	**47**	**664**	**116**	**666**

1 Included in note 32 Provisions.
2 Included in note 13 Loans and receivables and their impairment.

Note 11
Income tax expense

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Current tax[1]	-1,397	-1,702	-969	-1,430
Deferred tax (specification below)	89	-68	-85	-3
Total	**-1,308**	**-1,770**	**-1,054**	**-1,433**
[1] Of which tax relating to prior years	4	20	8	20

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

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Profit before tax	5,580	6,646	4,205	5,703
Tax calculated at a tax rate of 25% (28%)	-1,395	-1,861	-1,051	-1,597
Effect of change in tax rate from 28% to 25%	78	-	-17	-
Tax charges not related to profit	-	0	-	0
Other direct taxes	-	-	-	-
Tax-exempt income	29	155	27	215
Non-deductible expenses	-14	-77	-11	-64
Adjustments relating to prior years	4	20	8	20
Change of tax rate	-	0	-	0
Not creditable foreign taxes	-11	-7	-10	-7
Tax charge	**-1,308**	**-1,770**	**-1,054**	**-1,433**
Average effective tax rate	23%	27%	25%	25%

Deferred tax

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Deferred tax expense (-)/income (+)				
Deferred tax due to temporary differences	11	-68	-68	-3
Deferred tax due to change of tax rate	78	0	-17	0
Income tax expense, net	**89**	**-68**	**-85**	**-3**
Deferred tax assets				
Deferred tax assets due to temporary differences	71	155	71	155
Offset against tax liabilities	-71	-155	-	-
Total	**0**	**0**	**71**	**155**
Deferred tax liabilities				
Deferred tax liabilities due to temporary differences	-714	-887	-	-
Offset against tax liabilities	71	155	-	-
Total	**-643**	**-732**	**-**	**-**
Deferred tax assets (+)/liabilities (-), net				
Deferred tax assets/liabilities in loans and advances to the public	-706	-872	-	-
Deferred tax assets/liabilities in property and equipment	1	71	12	80
Deferred tax assets/liabilities in retirement benefit assets	2	5	-	5
Deferred tax assets/liabilities in other provisions	61	68	59	68
Deferred tax assets/liabilities, other	-1	-4	-	2
Deferred tax assets/liabilities, net	**-643**	**-732**	**71**	**155**

Note 11
Income tax expense *(cont.)*

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Movements in deferred tax liabilities, net are as follows:				
Deferred tax relating to items recognised directly in equity	-	-	-	-
Change due to new tax rules	-	-	-	-
Deferred tax in the income statement	89	-68	-85	-3
At end of year	**89**	**-68**	**-85**	**-3**
Deferred tax recognised directly in equity				
Deferred tax relating to changed accounting policies	-	-	-	-
Deferred tax relating to available-for-sale investments	-	-	-	-
Deferred tax relating to cash flow hedges	-	-	-	-
Deferred tax relating to revaluation of tangible assets	-	-	-	-
Total	**-**	**-**	**-**	**-**
Unrecognised deferred tax assets				
Unused tax losses	-	-	-	-
Unused tax credits	-	-	-	-
Other deductible temporary differences	-	-	-	-
Total	**-**	**-**	**-**	**-**

There is no deferred tax relating to temporary differences associated with investments in group undertakings and associated undertakings.

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

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

Note 12
Commitments with the Board of Directors and the Executive Management

Loans to and charges or guarantees issued and related security established for the members of:

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Loans etc				
The Executive Management	5	1	0	1
The Board of Directors	0	0	0	0
Security				
The Executive Management	5	0	0	0
The Board of Directors	-	-	-	-

Loans to members of the bank's Board of Directors and Executive Management consist of current accounts with overdraft facilities and mortgage loans with Nordea Kredit on usual customer terms, and at the end of 2007 interest on the loans was payable at the rate of 6.8% and 4.7373% per year, respectively. Loans to related parties of members of the Board of Directors and Executive Management are granted on the same terms, and interest on the loans is payable at a rate of 5.25% per year.

Note 13
Loans and receivables and their impairment

	Total			
	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Loans and receivables, not impaired	661,832	601,019	440,793	400,411
Impaired loans and receivables:	2,364	2,966	2,116	2,768
- Performing	1,614	2,261	1,366	2,064
- Non-performing	750	705	750	704
Loans and receivables before allowances	**664,196**	**603,985**	**442,909**	**403,179**
Allowances for individually assessed impaired loans	-1,704	-2,131	-1,456	-1,933
- Performing	-1,049	-1,490	-801	-1,292
- non-performing	-655	-641	-655	-641
Allowances for collectively assessed impaired loans	-363	-295	-363	-295
Allowances	**-2,067**	**-2,426**	**-1,819**	**-2,228**
Loans and receivables, book value	**662,129**	**601,559**	**441,090**	**400,951**

	Credit institutions				The public[1]			
	Group		Parent company		Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Loans and receivables, not impaired	128,894	117,775	147,223	132,064	532,938	483,244	293,570	268,347
Impaired loans and receivables:	-	-	-	-	2,364	2,966	2,116	2,768
- Performing	-	-	-	-	1,614	2,261	1,366	2,064
- Non-performing	-	-	-	-	750	705	750	704
Loans and receivables before allowances	**128,894**	**117,775**	**147,223**	**132,064**	**535,302**	**486,210**	**295,686**	**271,115**
Allowances for individually assessed impaired loans	-	-	-	-	-1,704	-2,131	-1,456	-1,933
- Performing	-	-	-	-	-1,049	-1,490	-801	-1,292
- non-performing	-	-	-	-	-655	-641	-655	-641
Allowances for collectively assessed impaired loans	-2	-10	-2	-10	-361	-285	-361	-285
Allowances	**-2**	**-10**	**-2**	**-10**	**-2,065**	**-2,416**	**-1,817**	**-2,218**
Loans and receivables, book value	**128,892**	**117,765**	**147,221**	**132,054**	**533,237**	**483,794**	**293,869**	**268,897**
Maturity information								
Remaining maturity (book value)								
Payable on demand	8,300	16,600	8,700	30,900	83,500	60,800	96,300	73,700
Maximum 3 months	117,500	99,700	135,500	99,700	68,000	75,200	67,200	75,100
3–12 months	1,700	300	1,700	300	13,800	12,300	12,100	10,300
1–5 years	800	800	800	800	42,000	41,400	35,600	34,300
More than 5 years	500	300	500	300	325,900	294,100	82,700	75,600
Total	**128,800**	**117,700**	**147,200**	**132,000**	**533,200**	**483,800**	**293,900**	**269,000**

1 Finance leases, where the Nordea Group is a lessor, are included in Loans and receivables to the public, see note 23 Leasing.

Note 13
Loans and receivables and their impairment *(cont.)*

Reconciliation of allowance accounts for impaired loans[2]

	Total					
	Group			Parent company		
Loans and receivables, DKKm	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2007	**-2,131**	**-295**	**-2,426**	**-1,933**	**-295**	**-2,228**
Provisions	-987	-123	-1,110	-832	-123	-955
Reversals	969	55	1,024	915	55	970
Changes through the income statement	**-18**	**-68**	**-86**	**83**	**-68**	**15**
Allowances used to cover write-offs	444	-	444	393	-	393
Currency translation differences	1	-	1	1	-	1
Closing balance at 31 Dec 2007	**-1,704**	**-363**	**-2,067**	**-1,456**	**-363**	**-1,819**
Opening balance at 1 Jan 2006	**-3,297**	**-12**	**-3,309**	**-3,122**	**-12**	**-3,134**
Provisions	-1,179	-285	-1,464	-1,016	-285	-1,301
Reversals	2,027	2	2,027	1,943	2	1,945
Changes through the income statement	**848**	**-283**	**565**	**927**	**-283**	**644**
Allowances used to cover write-offs	314	-	314	257	-	257
Currency translation differences	5	-	5	5	-	5
Closing balance at 31 Dec 2006	**-2,131**	**-295**	**-2,426**	**-1,933**	**-295**	**-2,228**

	Credit institutions					
	Group			Parent company		
Loans and receivables, DKKm	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2007	**-**	**-10**	**-10**	**-**	**-10**	**-10**
Provisions	-	-	-	-	-	-
Reversals	-	8	8	-	8	8
Changes through the income statement	**-**	**8**	**8**	**-**	**8**	**8**
Allowances used to cover write-offs	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Closing balance at 31 Dec 2007	**-**	**-2**	**-2**	**-**	**-2**	**-2**
Opening balance at 1 Jan 2006	**-**	**-12**	**-12**	**-**	**-12**	**-12**
Provisions	-	-	-	-	-	-
Reversals	-	2	2	-	2	2
Changes through the income statement	**-**	**2**	**2**	**-**	**2**	**2**
Allowances used to cover write-offs	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Closing balance at 31 Dec 2006	**-**	**-10**	**-10**	**-**	**-10**	**-10**

	The public					
	Group			Parent company		
Loans and receivables, DKKm	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2007	**-2,131**	**-285**	**-2,416**	**-1,933**	**-285**	**-2,218**
Provisions	-987	-123	-1,110	-832	-123	-955
Reversals	969	47	1,016	915	47	962
Changes through the income statement	**-18**	**-76**	**-94**	**83**	**-76**	**7**
Allowances used to cover write-offs	444	-	444	393	-	393
Currency translation differences	1	-	1	1	-	1
Closing balance at 31 Dec 2007	**-1,704**	**-361**	**-2,065**	**-1,456**	**-361**	**-1,817**
Opening balance at 1 Jan 2006	**-3,297**	**-**	**-3,297**	**-3,122**	**-**	**-3,122**
Provisions	-1,179	-285	-1,464	-1,016	-285	-1,301
Reversals	2,027	-	2,027	1,943	-	1,943
Changes through the income statement	**848**	**-285**	**563**	**927**	**-285**	**642**
Allowances used to cover write-offs	314	-	314	257	-	257
Currency translation differences	5	-	5	5	-	5
Closing balance at 31 Dec 2006	**-2,131**	**-285**	**-2,416**	**-1,933**	**-285**	**-2,218**

[2] See note 10 Loan losses.

Note 13
Loans and receivables and their impairment *(cont.)*

Allowances and provisions

	Total			
	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Allowances for items in the balance sheet	-2,066	-2,426	-1,818	-2,228
Provisions for off balance sheet items	-142	-198	-233	-269
Total allowances and provisions	**-2,208**	**-2,624**	**-2,051**	**-2,497**

	Credit institutions				The public			
	Group		Parent company		Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Allowances for items in the balance sheet	-2	-10	-2	-10	-2,064	-2,416	-1,816	-2,218
Provisions for off balance sheet items	-67	-93	-67	-93	-75	-105	-166	-176
Total allowances and provisions	-69	-103	-69	-103	-2,139	-2,521	-1,982	-2,394

Key ratios

	Total			
	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Impairment rate, gross[3], %	0.4	0.5	0.5	0.7
Impairment rate, net[4], %	0.1	0.1	0.1	0.2
Total allowance rate[5], %	0.3	0.4	0.4	0.6
Allowance rate, impaired loans[6], %	72.1	71.8	68.8	69.8
Non-performing loans and receivables, not impaired[7], DKKm	305	256	305	256

	Credit institutions				The public			
	Group		Parent company		Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Impairment rate, gross[3], %	0.0	0.0	0.0	0.0	0.4	0.6	0.7	1.0
Impairment rate, net[4], %	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.3
Total allowance rate[5], %	0.0	0.0	0.0	0.0	0.4	0.5	0.6	0.8
Allowance rate, impaired loans[6], %	0.0	0.0	0.0	0.0	72.1	71.8	68.8	69.8
Non-performing loans and receivables, not impaired[7], DKKm	0	0	0	0	305	256	305	256

[3] Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances, %.
[4] Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %.
[5] Total allowances divided by total loans and receivables before allowances, %.
[6] Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %.
[7] Past due loans and receivables, not impaired due to future cash flows (included in Loans and receivables, not impaired).

Note 14
Interest-bearing securities

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Issued by public bodies	12,047	26,918	12,047	26,918
Issued by other borrowers	110,150	94,648	141,901	135,767
Total	**122,197**	**121,566**	**153,948**	**162,685**
Listed securities	122,197	121,465	153,948	162,584
Unlisted securities	-	101	-	101
Total	**122,197**	**121,566**	**153,948**	**162,685**
Maturity information				
Remaining maturity (book value)				
Maximum 1 year	10,900	24,800	19,100	33,100
More than 1 year	111,300	96,800	134,800	129,600
Total	**122,200**	**121,600**	**153,900**	**162,700**
Of which financial instruments pledged as collateral (note 15)	-32,654	-76,877	-33,460	-79,038
Total	**89,543**	**44,689**	**120,488**	**83,647**

Note 15
Financial instruments pledged as collateral

Financial instruments pledged as collateral
In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified in the balance sheet to the item Financial instruments pledged as collateral.

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Repurchase agreements	32,654	76,877	33,460	79,038
Securities lending agreements	758	207	758	207
Total	**33,412**	**77,084**	**34,218**	**79,245**

Transferred assets that are still recognised in the balance sheet and associated liabilities
The types of assets transferred and the liabilities associated with these transactions are specified in the following tables. The assets continue to be recognised on the balance sheet since Nordea is still exposed to changes in the fair value of the assets. The assets related to Securitisations have been transferred to SPEs which according to SIC 12 have been consolidated into Nordea (for further information see Note 1). Therefore, these assets and its associated liabilities are included in the tables below.

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Repurchase agreements				
Interest-bearing securities	32,654	76,877	33,460	79,038
Shares	-	-	-	-
Other	-	-	-	-
Securities lending agreements				
Interest-bearing securities	-	-	-	-
Shares	758	207	758	207
Other	-	-	-	-
Securitisations				
Interest-bearing securities	1,397	4,554	-	-
Other	-	-	-	-
Total	**34,809**	**81,638**	**34,218**	**79,245**

Note 15
Financial instruments pledged as collateral *(cont.)*

Liabilities associated with the assets

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Repurchase agreements				
Deposits by credit institutions	26,883	62,067	27,711	64,247
Deposits and borrowings from the public	6,427	17,363	6,427	17,363
Other	-	-	-	-
Securities lending agreements				
Deposits by credit institutions	-	-	-	-
Deposits and borrowings from the public	-	-	-	-
Other	-	-	-	-
Securitisations				
Debt securities in issue	1,371	4,514	-	-
Other	-	-	-	-
Total	**34,681**	**83,944**	**34,138**	**81,610**

Note 16
Shares

Shares held for trading	16,732	17,814	16,725	17,807
Total	**16,732**	**17,814**	**16,725**	**17,807**
Listed shares	14,937	16,388	14,937	16,388
Unlisted shares	1,795	1,426	1,788	1,419
Total	**16,732**	**17,814**	**16,725**	**17,807**
Of which financial instruments pledged as collateral (note 15)	-758	-207	-758	-207
Total	**15,974**	**17,607**	**15,967**	**17,600**
Of which expected to be settled after 12 months	1,526	1,026	1,519	1,026

Note 17
Derivatives

31 Dec 2007, DKKm	Group Fair value Positive	Negative	Total nom amount	Parent company Fair value Positive	Negative	Total nom amount
Derivatives held for trading						
Interest rate derivatives						
Interest rate swaps	95	55	40,370	95	55	40,370
FRAs	45	40	15,300	45	40	15,300
Interest rate futures	2,840	2,966	1,302,150	2,840	2,966	1,302,150
Options	5	12	203	5	12	203
Other	-	-	-	-	-	-
Total	**2,985**	**3,073**	**1,358,023**	**2,985**	**3,073**	**1,358,023**
Equity derivatives						
Futures and forwards	110	99	70,174	110	99	70,174
Options	1	-	0	1	-	0
Other	-	-	-	-	-	-
Total	**111**	**99**	**70,174**	**111**	**99**	**70,174**
Foreign exchange derivatives						
Currency and interest rate swaps	3	-	297	3	-	297
Currency forwards	2	2	94,270	2	2	94,270
Options	42	37	408	42	37	408
Other	-	-	-	-	-	-
Total	**47**	**39**	**94,975**	**47**	**39**	**94,975**
Credit derivatives						
Credit default swaps	475	9	29,826	475	9	29,826
Total rate of return swaps	-	-	-	-	-	-
Total	**475**	**9**	**29,826**	**475**	**9**	**29,826**
Other derivatives						
Futures and forwards	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total derivatives held for trading	**3,618**	**3,220**	**1,552,998**	**3,618**	**3,220**	**1,552,998**

Note 17
Derivatives *(cont.)*

31 Dec 2007, DKKm	Group Fair value Positive	Group Fair value Negative	Group Total nom amount	Parent company Fair value Positive	Parent company Fair value Negative	Parent company Total nom amount
Derivatives used for hedge accounting						
Interest rate derivatives						
Interest rate swaps	232	302	46,977	232	302	46,977
FRAs	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**232**	**302**	**46,977**	**232**	**302**	**46,977**
Equity derivatives						
Futures and forwards	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange derivatives						
Currency and interest rate swaps	22	137	10,679	22	137	10,679
Currency forwards	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**22**	**137**	**10,679**	**22**	**137**	**10,679**
Other derivatives						
Futures and forwards	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total derivatives used for hedge accounting	**254**	**439**	**57,656**	**254**	**439**	**57,656**
Total derivatives	**3,872**	**3,659**	**1,610,654**	**3,872**	**3,659**	**1,610,654**

Note 17
Derivatives *(cont.)*

	Group			Parent company		
	Fair value		Total nom	Fair value		Total nom
31 Dec 2006, DKKm	Positive	Negative	amount	Positive	Negative	amount
Derivatives held for trading						
Interest rate derivatives						
Interest rate swaps	63	114	45,594	63	114	45,594
FRAs	37	34	35,600	37	34	35,600
Interest rate futures	928	670	512,324	928	670	512,324
Options	146	105	290,610	146	105	290,610
Other	-	-	-	-	-	-
Total	**1,173**	**923**	**884,128**	**1,173**	**923**	**884,128**
Equity derivatives						
Futures and forwards	84	303	14,046	84	303	14,046
Options	28	13	4,879	28	13	4,879
Other	-	-	-	-	-	-
Total	**112**	**316**	**18,925**	**112**	**316**	**18,925**
Foreign exchange derivatives						
Currency and interest rate swaps	11	9	3,559	11	9	3,559
Currency forwards	213	-	3,271	213	-	3,271
Options	5	-	1,230	5	-	1,230
Other	-	-	-	-	-	-
Total	**229**	**9**	**8,060**	**229**	**9**	**8,060**
Other derivatives						
Futures and forwards	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	228	156	30,383	228	156	30,383
Total	**228**	**156**	**30,383**	**228**	**156**	**30,383**
Total derivatives held for trading	**1,743**	**1,404**	**941,496**	**1,743**	**1,404**	**941,496**

Note 17
Derivatives *(cont.)*

31 Dec 2006, DKKm	Group Fair value Positive	Group Fair value Negative	Group Total nom amount	Parent company Fair value Positive	Parent company Fair value Negative	Parent company Total nom amount
Derivatives used for hedge accounting						
Interest rate derivatives						
Interest rate swaps	251	497	88,090	251	497	88,090
FRAs	-	-	-	-	-	-
Interest rate futures	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**251**	**497**	**88,090**	**251**	**497**	**88,090**
Equity derivatives						
Futures and forwards	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange derivatives						
Currency and interest rate swaps	-	7	291	-	7	291
Currency forwards	59	38	37,696	59	38	37,696
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	**59**	**45**	**37,987**	**59**	**45**	**37,987**
Other derivatives						
Futures and forwards	-	-	-	-	-	-
Options	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total derivatives used for hedge accounting	**310**	**542**	**126,077**	**310**	**542**	**126,077**
Total derivatives	**2,053**	**1,946**	**1,067,573**	**2,053**	**1,946**	**1,067,573**

Note 17
Derivatives *(cont.)*

Group

DKKm	31 Dec 2007 Positive	31 Dec 2007 Negative	31 Dec 2006 Positive	31 Dec 2006 Negative
Maturity information				
Remaining maturity (book value)				
Maximum 3 months	2,978	3,118	1,350	1,081
3-12 months	179	217	141	117
1-5 years	612	237	407	526
More than 5 years	103	87	155	222
Total	**3,872**	**3,659**	**2,053**	**1,946**

Parent company

DKKm	31 Dec 2007 Positive	31 Dec 2007 Negative	31 Dec 2006 Positive	31 Dec 2006 Negative
Maturity information				
Remaining maturity (book value)				
Maximum 3 months	2,978	3,118	1,350	1,081
3-12 months	179	217	141	117
1-5 years	612	237	407	526
More than 5 years	103	87	155	222
Total	**3,872**	**3,659**	**2,053**	**1,946**

Note 18
Fair value changes of the hedged items in portfolio hedge of interest rate risk

Assets

DKKm	Group 2007	Group 2006	Parent company 2007	Parent company 2006
Book value at beginning of year	69	455	69	455
Changes during the year:				
Change in accounting principles	-	-	-	-
Revaluation of hedged items	-107	-386	-107	-386
Book value at end of year	**-38**	**69**	**-38**	**69**
Liabilities				
Book value at beginning of year	-389	-90	-389	-90
Changes during the year:				
Change in accounting principles	-	-	-	-
Revaluation of hedged items	167	-299	167	-299
Book value at end of year	**-222**	**-389**	**-222**	**-389**
Net book value at end of year	**184**	**458**	**184**	**458**

Note 19
Investments in group undertakings

Parent company

DKKm	31 Dec 2007	31 Dec 2006
Acquisition value at beginning of year	7,947	6,830
Acquisitions during the year	-	1,240
Mergers during the year	-	-304
Adjustment to equity lower of cost	-4	182
Reclassifications	-	-
Translation differences	-	-
Acquisition value at end of year	**7,943**	**7,947**
Accumulated impairment charges at beginning of year	-	-
Impairment charges during the year	-	-
Through mergers	-	-
Translation differences	-	-
Accumulated impairment charges at end of year	**-**	**-**
Total	**7,943**	**7,947**
Shares in Nordea Bank AB, Stockholm	58	211
Total	**8,001**	**8,158**
Of which, listed shares	58	211

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

Group companies

31 Dec 2007	Number of shares	Book value DKKm	Voting power of holding %	Domicile	Registration number
Nordea Bank Danmark A/S					
Subsidiary undertakings					
Nordea Finans Danmark A/S	20,006	483	100	Høje-Taastrup	89805910
Ulos AS	100	-	100	Oslo	981966783
Nordea Kredit Realkreditaktieselskab	17,172,500	7,428	100	Copenhagen	15134275
Danbolig A/S	1	6	100	Copenhagen	13186502
Structured Finance Servicer A/S	2	2	100	Copenhagen	24606910
Nordea Finance Ltd.	2	24	100	London	1654761
Hermes Mortgage Ltd.	5,000	-	100	London	1620201
Nordea Nominees Ltd.	20,002	-	100	London	1096657
Unidanmark Asset Company Ltd.	20,000	-	100	London	984871
Nordea Trade Services Ltd.	2	-	100	Hong-Kong	0454861400310059
Total		**7,943**			

Securitisations established by Nordea – On balance

31 Dec 2007, DKKm	Purpose	Duration	Nordea share of the investment	Total assets	Accounting treatment
Collateralized Mortgage Obligations Denmark A/S	Collateralised mortgage obligation	> 5 years	112	261	Consolidated
Kalmar Structured Finance A/S	Credit Link Note	> 5 years	75	1,119	Consolidated
Total			**187**	**1,380**	

Securitisations established by Nordea – Off balance

Mermaid Repackaging Plc	Collateralised debt obligation	2-5 years	261	694	Not consolidated
Total			**261**	**694**	

Note 20
Investments in associated undertakings

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
DKKm	2007	2006	2007	2006
Acquisition value at beginning of year	522	422	288	170
Acquisitions during the year	14	97	12	97
Sales during the year	-128	-27	-123	-12
Share in earnings	230	321	-	-
Dividend received	-186	-290	-	-
Adjustment to equity lower of cost	-	-	-62	32
Reclassifications	-233	-	-32	-
Acquisition value at end of year	**219**	**522**	**82**	**288**
Accumulated impairment charges at beginning of year	-	-	-	-
Impairment charges during the year	-	-	-	-
Translation differences	-	-	-	-
Accumulated impairment charges at end of year	**-**	**-**	**-**	**-**
Total	**219**	**522**	**82**	**288**
Of which, listed shares	-	-	-	-

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

Note 20
Investments in associated undertakings *(cont.)*

DKKm	Group 31 Dec 2007	Group 31 Dec 2006
The associated undertakings' aggregated balance sheets and income can be summarised as follows:		
Total assets	5,076	4,244
Total liabilities	3,353	2,682
Operating income	513	430
Operating profit	259	237

Nordeas' share of contingent liabilities in associated undertakings amounts to DKK 457m (DKK 444m).

31 Dec 2007	Registration number	Domicile	Book value DKKm	Voting power of holding %
Credit institutions				
LR-realkredit	26045304	Copenhagen	64	39
Total				
Other				
Fleggaard Busleasing	134650777	Harrislee	1	39
KFU-AX II A/S	25894286	Frederiksberg	14	34
Agro & Ferm A/S	29636672	Esbjerg	0	34
Ejendomsselskabet Axelborg I/S	79334413	Copenhagen	65	33
Axcel IKU Invest A/S	24981800	Billund	11	33
PBS Holding A/S	67007719	Ballerup	0	28
Multidata Holding A/S	27226027	Ballerup	30	28
KIFU-AX II A/S	25893662	Frederiksberg	16	26
E-nettet Holding A/S	21270776	Copenhagen	18	20
Nordea Fleet (NF-fleet A/S)	29185263	Copenhagen	1	20
Total			**156**	
Total			**219**	

The statutory information is available on request from Nordea Investor Relations.

Note 21
Intangible assets

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Goodwill	-	-	-	-
Internally developed software	288	115	245	80
Total	**288**	**115**	**245**	**80**
Goodwill[1]				
Acquisition value at beginning of year	15	15	15	15
Acquisitions during the year	-	-	-	-
Sales/disposals during the year	-	-	-	-
Translation differences	-	-	-	-
Acquisition value at end of year	**15**	**15**	**15**	**15**
Accumulated amortisation at beginning of year	-15	-15	-15	-15
Accumulated amortisation on sales/disposals during the year	-	-	-	-
Amortisation according to plan for the year	-	-	-	-
Translation differences	-	-	-	-
Accumulated amortisation at end of the year	**-15**	**-15**	**-15**	**-15**
Accumulated impairment charges at beginning of year	-	-	-	-
Impairment charges during the year	-	-	-	-
Translation differences	-	-	-	-
Accumulated impairment charges at end of year	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**
Internally developed software				
Acquisition value at beginning of year	170	140	135	119
Acquisitions during the year	179	30	164	16
Sales/disposals during year	-55	-	-55	-
Reclassifications	41	-	41	-
Translation differences	-	-	-	-
Acquisition value at end of year	**335**	**170**	**285**	**135**
Accumulated amortisation at beginning of year	-55	-47	-55	-47
Accumulated amortisation on sales/disposals during the year	55	-	55	-
Amortisation according to plan for the year	-32	-8	-25	-8
Reclassifications	-15	-	-15	-
Translation differences	-	-	-	-
Accumulated amortisation at end of year	**-47**	**-55**	**-40**	**-55**
Accumulated impairment charges at beginning of year	-	-	-	-
Accumulated impairment charges on sales/disposals during the year	-	-	-	-
Impairment charges during the year	-	-	-	-
Translation differences	-	-	-	-
Accumulated impairment charges at end of year	**-**	**-**	**-**	**-**
Total	**288**	**115**	**245**	**80**

[1] Excluding goodwill in associated undertakings.

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

Note 22
Property and equipment

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Property and equipment	259	195	226	174
Of which buildings for own use	14	15	14	15
Total	**259**	**195**	**226**	**174**
Taken over for protection of claims				
Land and buildings	-	-	-	-
Other	-	-	-	-
Total	**-**	-	-	-
Equipment				
Acquisition value at beginning of year	872	753	742	631
Acquisitions during the year	170	154	145	140
Through mergers	-	-	-	-
Sales/disposals during the year	-174	-36	-81	-29
Reclassifications	-41	-	-41	-
Translation differences	-	-	-	-
Acquisition value at end of year	**827**	**872**	**765**	**742**
Accumulated depreciation at beginning of year	-691	-590	-583	-502
Through mergers	-	-	-	-
Accumulated depreciation on sales/disposals during the year	170	22	81	21
Reclassifications	15	-	15	-
Depreciations according to plan for the year	-76	-123	-66	-102
Translation differences	-	-	-	-
Accumulated depreciation at end of year	**-582**	**-691**	**-553**	**-583**
Accumulated impairment charges at beginning of year	-	-	-	-
Accumulated impairment charges on sales/disposals during the year	-	-	-	-
Impairment charges during the year	-	-	-	-
Translation differences	-	-	-	-
Accumulated impairment charges at end of year	**-**	**-**	**-**	**-**
Total	**245**	**181**	**212**	**159**
Land and buildings				
Acquisition value at beginning of year	53	106	22	22
Acquisitions during the year	-	-	-	-
Through mergers	-	-	-	-
Sales/disposals during the year	-	-54	-	-
Reclassifications	-	1	-	-
Translation differences	-	-	-	-
Acquisition value at end of year	**53**	**53**	**22**	**22**
Accumulated depreciation at beginning of year	-39	-38	-7	-7
Through mergers	-	-	-	-
Accumulated depreciation on sales/disposals during the year	-	-	-	-
Reclassifaciations	-	-	-	-
Depreciation according to plan for the year	0	-1	0	-
Translation differences	-	-	-	-
Accumulated depreciation at end of year	**-39**	**-39**	**-7**	**-7**
Accumulated impairment charges at beginning of year	-	-	-	-
Accumulated impairment charges on sales/disposals during the year	-	-	-	-
Impairment charges during the year	-	-	-	-
Translation differences	-	-	-	-
Accumulated impairment charges at end of year	**-**	**-**	**-**	**-**
Total	**14**	**15**	**14**	**15**

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

Note 23
Leasing

Nordea as a lessor

Finance leases

The Nordea Bank Danmark Group owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans and receivables to the public" (see note 13) at an amount equal to the net investment in the lease. The leased assets mainly comprise vehicles, machinery and other equipment.

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

	Group	
DKKm	31 Dec 2007	31 Dec 2006
Gross investments	8,273	9,053
Less unearned finance income	-364	-398
Net investments in finance leases	**7,909**	**8,655**
Less unguaranteed residual values accruing to the benefit of the lessor	-	-
Present value of future minimum lease payments receivable	**7,909**	**8,655**
Accumulated allowance for uncollectible minimum lease payments receivable	**-**	**-**

As of 31 December 2007 the gross investment at remaining maturity was distributed as follows:

DKKm	Group 31 Dec 2007
Distribution of gross investment at remaining maturity	
2008	1,839
2009	1,312
2010	1,237
2011	1,203
2012	1,055
Later years	1,627
Total gross investment	**8,273**
Less unearned future finance income on finance leases	-364
Net investment in finance leases	**7,909**

Operating leases

Nordea Bank Danmark has not entered into operating lease agreements.

Note 23
Leasing *(cont.)*

Nordea as a lessee

Finance leases
Nordea Bank Danmark has not entered into finance lease agreements.

Operating leases
Nordea Bank Danmark has entered into operating lease agreements for premises and office equipment.

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Leasing expenses during the year	429	438	422	443
Of which:				
minimum lease payments	415	425	408	430
contingent rents	14	13	14	13
Leasing income during the year regarding sublease payments	3	3	3	3

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

	Group 31 Dec 2007	Parent company 31 Dec 2007
2008	318	318
2009	318	318
2010	315	315
2011	307	307
2012	180	180
Later years	1,434	1,434
Total	**2,872**	**2,872**

Total sublease payments expected to be received under non-cancellable subleases amounts to DKK 0m (DKK 0m) for the parent company.

Note 24
Investment property

Movement in investment property

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Book value amount at beginning of year	71	490	1	25
Acquisitions	5	-	5	-
Capitalised subsequent expenditure	-	-	-	-
Disposals	-	-409	-	-24
Impairment losses and impairment losses reversed	-	-	-	-
Net gains or losses from fair value adjustments	-1	-8	-	-
Transfers/reclassifications during the year	-	-	-	-
Translation differences	2	-2	-	-
Book value at end of year	**77**	**71**	**6**	**1**

Amounts recognised in the income statement[1]

Rental income	5	30	-	-
Direct operating expenses that generate rental income	-	-	-	-
Direct operating expenses that did not generate rental income	-	-	-	-
Total	**5**	**30**	**-**	**-**

[1] Included in Net gains/losses on items at fair value.

Note 25
Other assets

Claims on securities settlement proceeds[1]	23,183	51,481	47,216	63,178
Other	1,778	1,658	1,401	1,571
Total	**24,961**	**53,139**	**48,617**	**64,749**

[1] The amount reflects trade date accounting and primarily relates to receivables on sold bonds at year-end.

Note 26
Prepaid expenses and accrued income

Accrued interest income	3,097	2,389	4,067	3,111
Other accrued income	-	-	-	-
Prepaid expenses	424	347	349	295
Total	**3,521**	**2,736**	**4,416**	**3,406**

Note 27
Deposits by credit institutions

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Central banks	8,746	9,635	8,746	9,635
Other banks	200,435	203,957	200,349	203,851
Other credit institutions	13,520	9,596	15,537	12,395
Total	**222,701**	**223,188**	**224,632**	**225,881**
Maturity,information				
Remaining maturity (book value)				
Payable on demand	88,400	106,800	80,100	100,200
Maximum 3 months	119,400	102,900	137,300	120,700
3–12 months	9,900	9,600	5,500	4,500
1–5 years	3,500	3,600	200	300
More than 5 years	1,500	300	1,500	100
Total	**222,700**	**223,200**	**224,600**	**225,800**

Note 28
Deposits and borrowings from the public

Deposits from the public	259,796	235,389	262,477	238,002
Borrowings from the public	18,176	17,988	18,176	17,992
Total	**277,972**	**253,377**	**280,654**	**255,994**

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits. Individual pension savings (IPS) are also included. Portfolio schemes in Nordea Bank Danmark A/S of DKK 29,697m (DKK 31,368m) are also included in Deposits.

Maturity information, Deposits				
Remaining maturity (book value)				
Payable on demand	180,200	164,600	182,900	167,200
Maximum 3 months	30,400	23,400	30,400	23,400
3–12 months	2,800	1,700	2,700	1,700
1–5 years	900	1,100	900	1,100
More than 5 years	45,500	44,600	45,600	44,600
Total	**259,800**	**235,400**	**262,500**	**238,000**
Maturity information, Borrowings				
Remaining maturity (book value)				
Payable on demand	-	-	-	-
Maximum 3 months	18,100	18,000	18,100	18,000
3–12 months	-	-	-	-
1–5 years	-	-	-	-
More than 5 years	-	-	-	-
Total	**18,100**	**18,000**	**18,100**	**18,000**

Note 29
Debt securities in issue

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Certificates of deposit	-	-	-	-
Commercial papers	-	-	-	-
Bond loans	205,910	183,020	-	-
Other	-	-	-	-
Total	**205,910**	**183,020**	**-**	**-**
Maturity information, Debt securities in issue				
Remaining maturity (book value)				
Maximum 1 year	17,200	20,200	-	-
More than 1 year	188,700	162,800	-	-
Total	**205,900**	**183,000**	**-**	**-**
Maturity information, Other				
Remaining maturity (book value)				
Payable on demand	-	-	-	-
Maximum 3 months	-	-	-	-
3–12 months	-	-	-	-
1–5 years	-	-	-	-
More than 5 years	-	-	-	-
Total	**-**	**-**	**-**	**-**

Note 30
Other liabilities

Liabilities on securities settlement proceeds[1]	17,369	37,171	71,666	84,175
Sold, not held, securities	53,940	51,455	53,940	51,455
Other	10,703	10,381	10,089	9,654
Total	**82,012**	**99,007**	**135,695**	**145,284**

[1] The amount reflects trade date accounting and primarily relates to payables on purchased bonds at year-end.

Note 31
Accrued expenses and prepaid income

Accrued interest	4,179	3,401	1,752	1,247
Other accrued expenses	1,374	1,020	1,349	986
Prepaid income	24	25	19	18
Total	**5,577**	**4,446**	**3,120**	**2,251**

Note 32
Provisions

Reserve for restructuring costs	-	-	-	-
Transfer risks, guarantees	68	93	68	93
Off-balance-sheet	73	105	165	176
Other	2	13	1	4
Total	**143**	**211**	**234**	**273**

Note 32
Provisions *(cont.)*

Movement in the balance sheet

DKKm	Restructuring	Transfer risks	Off balance sheet	Other	Total
Group					
At beginning of year	-	93	105	13	211
New provisions made	-	102	27	-	129
Provisions utilised	-	-	-	-	-
Reversals	-	-127	-59	-11	-197
Translation differences	-	-	-	-	-
At end of year	**-**	**68**	**73**	**2**	**143**
Of which expected to be settled within 12 months	-	51	14	2	67
Parent company					
At beginning of year	-	93	176	4	273
New provisions made	-	102	28	-	130
Provisions utilised	-	-	-	-	-
Reversals	-	-127	-39	-3	-169
Translation differences	-	-	-	-	-
At end of year	**-**	**68**	**165**	**1**	**234**
Of which expected to be settled within 12 months	-	51	31	1	83

Provision for Transfer risk reserve is depending on the volume of business with different countries which might change over years. The total provision for transfer risk is not expected to decrease during 2008.

Loan loss provisions for individually assessed off-balance sheet items (ie guarantees and L/C's) amounted to DKK 73m.

Note 33
Retirement benefit obligations

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Defined benefit plans, net asset	57	52	57	52
Total	**57**	**52**	**57**	**52**

IAS 19 secures that the market based value of pension obligations net of assets backing these obligations will be reflected on the balance sheet. Some plans are funded schemes covered by assets in pension funds/foundations. Some other pension plans are recognised directly on the balance sheet as a liability.

Funded schemes

2007	
Members	62
Average member age	71
2006	
Members	64
Average member age	70

Note 33
Retirement benefit obligations *(cont.)*

IAS 19 pension calculations and assumptions
Calculations on major plans are performed by external liability calculators and are based on the actuarial assumptions fixed for each of the Group's pension plans.

Assumptions

2007	
Discount rate	5.0%
Salary increase	3.5%
Inflation	2.0%
Expected return on assets before taxes	6.0%
2006	
Discount rate	4.0%
Salary increase	3.0%
Inflation	2.0%
Expected return on assets before taxes	5.0%

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

Asset composition
The combined return on assets in 2007 was 1.5% (2.7%). At the end of the year, the equity exposure in pension funds/foundations represented 13% (12%) of total assets.

Asset composition in funded schemes

	2007	2006
Equity	13%	12%
Bonds	68%	71%
Other	19%	17%
Of which		
- Nordea Bank AB shares	0%	0%

Amounts recognised in the balance sheet

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
PBO	770	799	770	799
Assets	822	841	822	841
Total surplus/deficit(-)	**52**	**42**	**52**	**42**
Of which unrecognised actuarial gains/losses(-)	6	10	6	10
Of which recognised in the balance sheet	**-57**	**-52**	**-57**	**-52**
Of which				
retirement benefit assets	132	132	132	132
retirement benefit obligations	75	79	75	79
related to unfunded plans (PBO)	75	79	75	79

Note 33
Retirement benefit obligations *(cont.)*

Overview of surplus or deficit in the plans[1]

DKKm	Total 2007	Total 2006	Total 2005	Total 2004
PBO	770	799	824	779
Plan assets	822	841	843	773
Funded status - surplus/deficit(-)	**52**	**42**	**20**	**-5**

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

Changes in the PBO

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
PBO at 1 Jan	799	824	799	824
Service cost	17	13	17	13
Interest cost	24	26	24	26
Pensions paid	-48	-45	-48	-45
Curtailments and settlements	-	-	-	-
Past service cost	-	-	-	-
Actuarial gains(-)/losses	-23	-18	-23	-18
Effect of exchange rate changes	-	-	-	-
PBO at 31 Dec	**770**	**799**	**770**	**799**
Changes in the fair value of assets				
Assets at 1 Jan	841	843	841	843
Expected return on assets	34	34	34	34
Pensions paid	-38	-38	-38	-38
Contributions	7	14	7	14
Actuarial gains/losses(-)	-21	-11	-21	-11
Effect of exchange rate changes	-	-	-	-
Assets at 31 Dec	**822**	**841**	**822**	**841**
Actual return on plan assets	**12**	**23**	**12**	**23**

Overview of actuarial gains/losses[1]

DKKm	Total 2007	Total 2006
Effects of changes in actuarial assumptions	25	0
Experience adjustments	-23	7
Of which:		
- on plan assets	-22	-11
- on plan liabilities	-1	18
Actuarial gains/losses	**2**	**7**

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

Defined benefit pension cost

The total net pension cost related to defined benefit plans recognised in the Group's income statement (as staff costs) for the year is DKK 14m (DKK 13m). Total pension costs comprise defined benefit pension costs as well as costs related to defined contribution plans. (See specification in note 7).

Note 33
Retirement benefit obligations *(cont.)*

Recognised net defined benefit cost

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Service cost	-17	-13	-17	-13
Interest cost	-24	-25	-24	-25
Expected return on assets	34	33	34	33
Recognised actuarial gains(-)/losses	-4	-8	-4	-8
Recognised past service cost	-	-	-	-
Curtailments and settlements	-	-	-	-
Cost related to AMBI on contribution to pension funds	-2	-1	-2	-1
Pension cost on defined benefit plans	**-14**	**-13**	**-14**	**-13**

The pension cost is in line with what was expected at the start of the year.
The net pension cost on defined benefit plans is expected to change to DKK 4m in 2008.
The Group expects to contribute DKK 7m to its defined benefit plans in 2008.

Key management personnel
The Group's total pension obligations towards present and former members of the Executive Management amounted to DKK 71m (DKK 72m) at the end of the year. These obligations are covered with assets of DKK 0m (DKK 0m). The bank has no pensions obligations related to the Board of Directors.

Note 34
Subordinated liabilities

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Dated subordinated debenture loans	-	-	-	-
Undated subordinated debenture loans	-	-	-	-
Hybrid capital loans	-	-	-	-
Other subordinated loans	9,507	10,401	9,507	10,401
Total	**9,507**	**10,401**	**9,507**	**10,401**

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans and hybrid capital loans. Within each respective category, the loans entitle lenders to equal payment rights.

At 31 December 2007 5 loans - with terms specified below - were outstanding.

Issued by	Year of issue / maturity	Nom. value EURm	Book value DKKm	Interest rate (coupon)
Nordea Bank Danmark[1]	2004/2012	275	2,051	Floating rate
Nordea Bank Danmark[2]	2004/2012	200	1,491	Floating rate
Nordea Bank Danmark[3]	2005/2013	200	1,491	Floating rate
Nordea Bank Danmark[4]	2006/2014	300	2,237	Floating rate
Nordea Bank Danmark[5]	2007/2015	300	2,237	Floating rate

1 Call date on 26 May 2009.
2 Call date on 17 December 2009.
3 Call date on 24 June 2010.
4 Call date on 26 May 2011.
5 Call date on 27 September 2012.

Note 35
Equity

Group

DKKm	Share capital[2]	Other reserves	Proposed dividends	Retained earnings	Total	Minority interest	Total equity
	Attributable to the shareholders of Nordea Bank Danmark A/S[1]						
Balance at 1 Jan 2007	5,000	2	1,500	20,443	26,945	39	26,984
Available-for-sale-investments:							
- Fair value gains	-	-3	-	-	-3	-	-3
- Tax on Fair value gains	-	1	-	-	1	-	1
Currency translation differences	-	-5	-	-	-5	-	-5
Net income recognised directly in equity	-	*-7*	-	-	*-7*	-	*-7*
Net profit for the year	-	-	-	4,273	4,273	-	4,273
Total recognised income and expense in equity	-	*-7*	-	*4,273*	*4,266*	-	*4,266*
Share-based payments[3]	-	-	-	8	8	-	8
Dividends paid	-	-	-1,500	-	-1,500	-	-1,500
Proposed dividends	-	-	2,200	-2,200	-	-	-
Other changes	-	-	-	-	-	-13	-13
Balance at 31 Dec 2007	**5,000**	**-4**	**2,200**	**22,522**	**29,718**	**26**	**29,744**
Balance at 1 Jan 2006	**5,000**	**9**	**1,800**	**17,067**	**23,876**	**46**	**23,922**
Available-for-sale investments:							
- Fair value gains	-	-10	-	-	-10	-	-10
- Tax on Fair value gains	-	3	-	-	3	-	3
Currency translation differences	-	1	-	-	1	-	1
Net income recognised directly in equity	-	*-6*	-	-	*-6*	-	*-6*
Net profit for the year	-	-	-	4,876	4.876	-	4,876
Total recognised income and expense in equity	-	*-6*	-	*4,876*	*4,870*	-	*4,870*
Dividends paid	-	-	-1,800	-	-1,800	-	-1,800
Proposed dividents	-	-	1,500	-1,500	-	-	-
Other changes	-	-	-	0	-	-7	-7
Balance at 31 Dec 2006	**5,000**	**2**	**1,500**	**20,443**	**26,945**	**39**	**26,984**

1 Restricted capital was at 31 Dec 2007 DKK 5,000m (31 Dec 2006: DKK 5,000m). Unrestricted capital was 31 Dec 2007 DKK 24,744m (31 Dec 2006: 21,984m).

2 The share capital of Nordea Bank Danmark A/S consists of 50 million shares of DKK 100 each (31 Dec 2006: 50m shares of DKK 100 each), all fully owned by Nordea Bank AB, Stockholm, Sweden. All issued shares are fully paid. All shares are of the same class and hold equal rights. The annual report for Nordea Bank AB is available on www.nordea.com.

3 Refers to the Long Term Incentive Programme (LTIP), see also note 1 and note 7.

Note 35
Equity *(cont.)*

Parent

DKKm	Share capital	Other reserves	Proposed dividends	Retained earnings	Total	Total equity
Balance at 1 Jan 2007	**5,000**	**2**	**1,500**	**15,709**	**22,211**	**22,211**
Available-for-sale investments:						
- Tax on Fair value gains	-	-3	-	-	-3	-3
- Fair value gains	-	1	-	-	1	1
Currency translation differences	-	-	-	-	0	0
Net income recognised directly in equity	-	-2	-	-	-2	-2
Net profit for the year	-	-	-	3,067	3,067	3,067
Total recognised income and expense in equity	-	-2	-	*3,067*	*3,065*	*3,065*
Share-based payments	-	-	-	8	8	8
Dividends paid	-	-	-1,500	-	-1,500	-1,500
Proposed dividends	-	-	2,200	-2,200	-	-
Other changes	-	-	-	-	-	-
Balance at 31 Dec 2007	**5,000**	**1**	**2,200**	**16,582**	**23,783**	**23,783**
Balance at 1 Jan 2006	**5,000**	**9**	**1,800**	**12,940**	**19,749**	**19,749**
Available-for-sale investments:						
- Tax on fair value gains	-	-10	-	-	-10	-10
- Fair value gains	-	3	-	-	3	3
Currency translation differences	-	-	-	-	0	0
Net income recognised directly in equity	-	-7	-	-	-7	-7
Net profit for the year	-	-	-	4,270	4,270	4,270
Total recognised income and expense in equity	-	-7	-	*4,270*	*4,263*	*4,263*
Dividends paid	-	-	-1,800	-	-1,800	-1,800
Proposed dividends	-	-	1,500	-1,500	-	-
Other changes	-	-	-	0	0	0
Balance at 31 Dec 2006	**5,000**	**2**	**1,500**	**15,709**	**22,211**	**22,211**

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

Dividends per share

Final dividends are not accounted for until they have been ratified at the Annual General Meeting. At the meeting on 14 March 2008, a dividend in respect of 2007 of DKK 0.44 per share (2006 actual dividend DKK 0.30 per share) amounting to a total of DKK 2,200m (2006 actual DKK 1,500m) is to be proposed. The financial statements for the year ended 31 December 2007 do not reflect this resolution, which will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2008.

Note 35
Equity *(cont.)*

Reporting to the Danish Financial Supervisory Authority at 31 December 2007 (DKKm)

Equity	Group	Parent
Annual report 2007	29,744	23,783
Adjustments:		
- Minority interests[1]	1,247	-
- Fair value adjustment of owner occupied property	20	20
- Difference between cost and net assets value in subsidiaries and associates	-	5,935
Reported to the Danish FSA	31,011	29,738

[1] Minority interest relate primarily to a special reserve in an associated undertaking.

Result	Group	Parent
Annual report 2007	4,273	3,067
Adjustments:		
- Financial assets available for sale	-2	-2
- Difference between profit from companies accounted for under the equity method and dividends	-	1,206
Reported to the Danish FSA	4,271	4,271

Note 36
Assets pledged as security for own liabilities

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Assets pledged for own liabilities				
Lease agreements	-	-	-	-
Securities, etc[1]	86,078	77,084	86,884	79,245
Other pledged assets[2]	5,631	4,448	5,631	4,448
Total	**91,709**	**81,532**	**92,515**	**83,693**
The above pledges pertain to the following liability and commitment items				
Deposits by credit institutions	70,865	62,067	71,702	64,247
Deposits and borrowings from the public	16,942	17,363	16,942	17,363
Debt securities in issue	-	-	-	-
Other liabilities and commitments	-	-	-	-
Total	**87,807**	**79,430**	**88,644**	**81,610**

[1] Assets pledged for own liabilities contain securities pledged as security in repurchase agreements and in securities borrowing. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

[2] Other pledged assets relating to bonds had been transferred to the FUTOP Clearing Centre and clearing centres outside Denmark pursuant to margin requirements.

Note 37
Other assets pledged

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Other assets pledged[1]				
Lease agreements	-	-	-	-
Securities etc	-	-	-	-
Other assets pledged	-	-	-	-
Total	-	-	-	-
The above pledges pertain to the following liability and commitment items[2]				
Deposits by credit institutions	-	-	-	-
Deposits and borrowings from the public	-	-	-	-
Debt securities in issue	-	-	-	-
Other liabilities and commitments	-	-	-	-
Total	-	-	-	-

[1] Collaterals pledged on behalf of other items other than the company's own liabilities, eg, on behalf of a third party or on behalf of the company's own contingent liabilities are accounted for under this item.
[2] For undertakings of the company itself or for a third party.

Note 38
Contingent liabilities

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Guarantees				
Loan guarantees	9,458	10,731	92,785	84,289
Other guarantees	20,030	37,309	20,050	37,444
Documentary credits				
Unutilised irrevocable import documentary credits and confirmed export documentary credits	5,639	3,360	5,639	3,360
Other contingent liabilities	107	104	107	104
Total	**35,234**	**51,504**	**118,581**	**125,197**

In the normal business of Nordea, the bank issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank services and support the bank's customers. Guarantees and documentary credits are considered as off-balance-sheet items, unless there is a need for a provision to cover a probable loan loss.

As from the accounting period 2005 Nordea Bank Danmark A/S is taxed jointly with the Danish companies, branches etc of the Nordea Group, according to the new rules for joint taxation for 2005, and is liable for that part of the tax of the jointly taxed income concerning the company until payment to Nordea Bank Danmark has taken place. For 2004 and previous years Nordea Bank Danmark A/S was taxed jointly with the majority of the company's subsidiary undertakings, and Nordea Bank Danmark A/S and these companies were jointly and severally liable for corporation tax.

In terms of payroll tax and VAT, Nordea Bank Danmark A/S is registered jointly with Nordea, Branch of Nordea Bank AB, Sweden, the Danish PE agency of Nordea Bank Finland and with the majority of the Danish subsidiary undertakings in the Nordea Bank AB Group and these companies are jointly and severally liable for such taxes.

A limited number of employees are employed under terms, which grant them, if they are dismissed before reaching their normal retirement age, an extraordinary severance and/or pension payment in excess of what they would have been entitled to under ordinary terms of employment.

Note 38
Contingent liabilities *(cont.)*

Legal proceedings
The companies of the Nordea Bank Danmark Group are involved in various legal disputes and proceedings. The expected outcome of these proceedings will not materially effect the financial position of the Nordea Bank Danmark Group.

A writ has been served on Nordea Bank Danmark A/S on 31 January 2006 based on an avoidance claim of USD 61.2m by SAirGroup in Nachlassliquidation filed with the Commercial Court of Zürich. Nordea believes that the claim lacks merit and is contesting the claim.

Note 39
Commitments

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
DKKm	2007	2006	2007	2006
Credit commitments	145,986	158,371	130,533	158,371
Other commitments	-	-	-	-
Total	**145,986**	**158,371**	**130,533**	**158,371**

Note 40
Capital adequacy

The capital adequacy information can be found in the Risk, liquidity and capital management section.

Note 41
Classification of financial instruments

Group

DKKm, 31 Dec 2007	Loans and receivables	Held to maturity	Held for trading	Assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Non-financial assets	Total
Assets								
Cash and balances with central banks	3,014	-	-	-	-	-	-	3,014
Treasury bills and other eligible bills	-	-	-	-	-	-	-	-
Loans and receivables to credit institutions	53,957	-	73,918	1,017	-	-	-	128,892
Loans and receivables to the public	235,382		57,656	240,199	-	-	-	533,237
Interest-bearing securities	-	-	89,208	-	-	335	-	89,543
Financial instruments pledged as collateral	-	-	33,412	-	-	-	-	33,412
Shares	-	-	15,974	-	-	-	-	15,974
Derivatives	-	-	3,618	-	254	-	-	3,872
Fair value changes of the hedged items in portfolio hedge of interest rate risk	184	-	-	-	-	-	-	184
Investments in group undertakings	-	-	-	-	-	-	57	57
Investments in associated undertakings	-	-	-	-	-	-	219	219
Intangible assets	-	-	-	-	-	-	288	288
Property and equipment	-	-	-	-	-	-	259	259
Investment property	-	-	-	-	-	-	77	77
Deferred tax assets	-	-	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-	301	301
Retirement benefit assets	-	-	-	-	-	-	132	132
Other assets	24,961	-	-	-	-	-	-	24,961
Prepaid expenses and accrued income	819	-	2,702	-	-	-	-	3,521
Total	**318,317**	**-**	**276,488**	**241,216**	**254**	**335**	**1,333**	**837,943**

DKKm, 31 Dec 2007	Held for trading	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities						
Deposits by credit institutions	70,865	64,507	-	87,329	-	222,701
Deposits and borrowings from the public	16,942	-	-	261,030	-	277,972
Debt securities in issue	-	204,540	-	1,370	-	205,910
Derivatives	3,220	-	439	-	-	3,659
Current tax liabilities	-	-	-	-	-	-
Other liabilities	54,776	-	-	27,236	-	82,012
Accrued expenses and prepaid income	401	-	-	5,139	37	5,577
Deferred tax liabilities	-	-	-	-	643	643
Provisions	-	-	-	-	143	143
Retirement benefit obligations	-	-	-	-	75	75
Subordinated liabilities	-	-	-	9,507	-	9,507
Total	**146,204**	**269,047**	**439**	**391,611**	**898**	**808,199**

Note 41
Classification of financial instruments *(cont.)*

Group

DKKm, 31 Dec 2006	Loans and receivables	Held to maturity	Held for trading	Assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Non-financial assets	Total
Assets								
Cash and balances with central banks	2,708	-	-	-	-	-	-	2,708
Loans and receivables to credit institutions	62,157	-	55,608	-	-	-	-	117,765
Loans and receivables to the public	195,884	-	63,777	215,478	-	-	8,655	483,794
Interest-bearing securities	-	-	44,351	-	-	338	-	44,689
Financial instruments pledged as collateral	-	-	77,084	-	-	-	-	77,084
Shares	-	-	17,607	-	-	-	-	17,607
Derivatives	-	-	1,743	-	310	-	-	2,053
Fair value changes of the hedged items in portfolio hedge of interest rate risk	458	-	-	-	-	-	-	458
Investments in group undertakings	-	-	-	-	-	-	211	211
Investments in associated undertakings	-	-	-	-	-	-	522	522
Intangible assets	-	-	-	-	-	-	115	115
Property and equipment	-	-	-	-	-	-	195	195
Investment property	-	-	-	-	-	-	71	71
Deferred tax assets	-	-	-	-	-	-	-	-
Current tax assets	-	-	-	-	-	-	112	112
Retirement benefit assets	-	-	-	-	-	-	132	132
Other assets	53,139	-	-	-	-	-	-	53,139
Prepaid expenses and accrued income	2,736	-	-	-	-	-	-	2,736
Total	**317,082**	**-**	**260,170**	**215,478**	**310**	**338**	**10,013**	**803,391**

DKKm, 31 Dec 2006	Held for trading	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities						
Deposits by credit institutions	62,067	-	-	161,121	-	223,188
Deposits and borrowings from the public	17,363	-	-	236,014	-	253,377
Debt securities in issue	-	178,506	-	4,514	-	183,020
Derivatives	1,404	-	542	-	-	1,946
Current tax liabilities	-	-	-	-	-	-
Other liabilities	51,455	-	-	47,040	512	99,007
Accrued expenses and prepaid income	-	-	-	4,427	19	4,446
Deferred tax liabilities	-	-	-	-	732	732
Provisions	-	-	-	-	211	211
Retirement benefit obligations	-	-	-	-	79	79
Subordinated liabilities	-	-	-	10,401	-	10,401
Total	**132,289**	**178,506**	**542**	**463,517**	**1,553**	**776,407**

Note 41
Classification of financial instruments *(cont.)*

Parent company

DKKm, 31 Dec 2007	Loans and receivables	Held to maturity	Held for trading	Assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Non-financial assets	Total
Assets								
Cash and balances with central banks	3,014	-	-	-	-	-	-	3,014
Loans and receivables to credit institutions	46,664	-	99,540	1,017	-	-	-	147,221
Loans and receivables to the public	236,213	-	57,656	-	-	-	-	293,869
Interest-bearing securities	-	-	120,153	-	-	335	-	120,488
Financial instruments pledged as collateral	-	-	34,218	-	-	-	-	34,218
Shares	-	-	15,967	-	-	-	-	15,967
Derivatives	-	-	3,618	-	254	-	-	3,872
Fair value changes of the hedged items in portfolio hedge of interest rate risk	184	-	-	-	-	-	-	184
Investments in group undertakings	-	-	-	-	-	-	8,001	8,001
Investments in associated undertakings	-	-	-	-	-	-	82	82
Intangible assets	-	-	-	-	-	-	245	245
Property and equipment	-	-	-	-	-	-	226	226
Investment property	-	-	-	-	-	-	6	6
Deferred tax assets	-	-	-	-	-	-	71	71
Current tax assets	-	-	-	-	-	-	730	730
Retirement benefit assets	-	-	-	-	-	-	132	132
Other assets	48,617	-	-	-	-	-	-	48,617
Prepaid expenses and accrued income	858	-	3,558	-	-	-	-	4,416
Total	**335,550**	**-**	**334,710**	**1,017**	**254**	**335**	**9,493**	**681,359**

DKKm, 31 Dec 2007	Held for trading	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities						
Deposits by credit institutions	71,702	64,507	-	88,423	-	224,632
Deposits and borrowings from the public	16,943	-	-	263,711	-	280,654
Debt securities in issue	-	-	-	-	-	-
Derivatives	3,220	-	439	-	-	3,659
Current tax liabilities	-	-	-	-	-	-
Other liabilities	54,777	-	-	80,918	-	135,695
Accrued expenses and prepaid income	-	-	-	3,109	11	3,120
Deferred tax liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	234	234
Retirement benefit obligations	-	-	-	-	75	75
Subordinated liabilities	401	-	-	9,106	-	9,507
Total	**147,043**	**64,507**	**439**	**445,267**	**320**	**657,576**

Note 41
Classification of financial instruments *(cont.)*

Parent company

DKKm, 31 Dec 2006	Loans and receivables	Held to maturity	Held for trading	Assets at fair value through profit or loss	Derivatives used for hedging	Available for sale	Non-financial assets	Total
Assets								
Cash and balances with central banks	2,708	-	-	-	-	-	-	2,708
Loans and receivables to credit institutions	62,119	-	69,935	-	-	-	-	132,054
Loans and receivables to the public	205,120	-	63,777	-	-	-	-	268,897
Interest-bearing securities	-	-	83,309	-	-	338	-	83,647
Financial instruments pledged as collateral	-	-	79,245	-	-	-	-	79,245
Shares	-	-	17,600	-	-	-	-	17,600
Derivatives	-	-	1,743	-	310	-	-	2,053
Fair value changes of the hedged items in portfolio hedge of interest rate risk	458	-	-	-	-	-	-	458
Investments in group undertakings	-	-	-	-	-	-	8,158	8,158
Investments in associated undertakings	-	-	-	-	-	-	288	288
Intangible assets	-	-	-	-	-	-	80	80
Property and equipment	-	-	-	-	-	-	174	174
Investment property	-	-	-	-	-	-	1	1
Deferred tax assets	-	-	-	-	-	-	155	155
Current tax assets	-	-	-	-	-	-	515	515
Retirement benefit assets	-	-	-	-	-	-	132	132
Other assets	64,706	-	-	-	-	-	43	64,749
Prepaid expenses and accrued income	3,397	-	-	-	-	-	9	3,406
Total	**338,508**	**-**	**315,609**	**-**	**310**	**338**	**9,555**	**664,320**

DKKm, 31 Dec 2006	Held for trading	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
Liabilities						
Deposits by credit institutions	64,247	-	-	161,634	-	225,881
Deposits and borrowings from the public	17,363	-	-	238,631	-	255,994
Debt securities in issue	-	-	-	-	-	-
Derivatives	1,404	-	542	-	-	1,946
Current tax liabilities	-	-	-	-	-	-
Other liabilities	51,455	-	-	93,306	523	145,284
Accrued expenses and prepaid income	-	-	-	2,238	13	2,251
Deferred tax liabilities	-	-		-	-	-
Provisions	-	-	-	-	273	273
Retirement benefit obligations	-	-	-	-	79	79
Subordinated liabilities	-	-	-	10,401	-	10,401
Total	**134,469**	**-**	**542**	**506,210**	**888**	**642,109**

Note 41
Classification of financial instruments *(cont.)*

Loans and receivables designated at fair value through profit or loss

	Group		Parent company	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Book value	240,199	215,478	-	-
Maximum exposure to credit risk	240,199	215,478	-	-
Book value of credit derivatives used to mitigate the credit risk	-	-	-	-

Financial liabilities designated at fair value through profit or loss

Changes in fair value attributable to changes in credit risk
Issued mortgage bonds in the fully owned Danish subsidiary Nordea Kredit Realkreditaktieselskab are measured at fair value. The amount of change in the fair value that is attributable to changes in credit risk of the liability is for 2007 DKK 0m (DKK 0m). The cumulative change since designation is DKK 0m (DKK 0m). The method used is to calculate the fair value changes that are attributable to changes in market conditions based on relevant benchmark interest rates.

The amount of change in the fair value of loans in Nordea Kredit Realkreditaktieselskab that is attributable to changes in credit risk is for 2007 DKK -1m (DKK 5m). The cumulative change since designation is DKK 7m (DKK 8m).

Comparison of carrying amount and contractual amount to be paid at maturity

	Group		Parent company	
DKKm, 31 Dec 2007	Book value	Amount to be paid at maturity	Book value	Amount to be paid at maturity
Financial liabilities at fair value through profit or loss	**204,540**	**223,552**	**-**	**-**
DKKm, 31 Dec 2006				
Financial liabilities at fair value through profit or loss	**178,506**	**195,318**	**-**	**-**

Note 42
Assets and liabilities at fair value

Group

DKKm	31 Dec 2007 Book value	31 Dec 2007 Fair value	31 Dec 2006 Book value	31 Dec 2006 Fair value
Assets				
Cash and balances with central banks	3,014	3,014	2,708	2,708
Loans and receivables to credit institutions	128,892	128,892	117,765	117,765
Loans and receivables to the public	533,237	533,237	483,794	483,794
Interest-bearing securities	89,543	89,543	44,689	44,689
Financial instruments pledged as collateral	33,412	33,412	77,084	77,084
Shares	15,974	15,974	17,607	17,607
Derivatives	3,872	3,872	2,053	2,053
Fair value changes of the hedged items in portfolio hedge of interest rate risk	184	184	458	458
Investments in group undertakings	57	57	211	211
Investments in associated undertakings	219	219	522	522
Intangible assets	288	288	115	115
Property and equipment	259	279	195	212
Investment property	77	77	71	71
Deferred tax assets	-	-	-	-
Current tax assets	301	301	112	112
Retirement benefit assts	132	132	132	132
Other assets	24,961	24,961	53,139	53,139
Prepaid expenses and accrued income	3,521	3,521	2,736	2,736
Total assets	**837,943**	**837,963**	**803,391**	**803,408**
Liabilities				
Deposits by credit institutions	222,701	222,701	223,188	223,188
Deposits and borrowings from the public	277,972	277,972	253,377	253,377
Debt securities in issue	205,910	205,910	183,020	183,020
Derivatives	3,659	3,659	1,946	1,946
Current tax liabilities	-	-	-	-
Other liabilities	82,012	82,012	99,007	99,007
Accrued expenses and prepaid income	5,577	5,577	4,446	4,446
Deferred tax liabilities	643	643	732	732
Provisions	143	143	211	211
Retirement benefit obligations	75	75	79	79
Subordinated liabilities	9,507	9,507	10,401	10,401
Total liabilities	**808,199**	**808,199**	**776,407**	**776,407**

Note 42
Assets and liabilities at fair value *(cont.)*

Parent company

DKKm	31 Dec 2007 Book value	31 Dec 2007 Fair value	31 Dec 2006 Book value	31 Dec 2006 Fair value
Assets				
Cash and balances with central banks	3,014	3,014	2,708	2,708
Loans and receivables to credit institutions	147,221	147,221	132,054	132,054
Loans and receivables to the public	293,869	293,869	268,897	268,897
Interest-bearing securities	120,488	120,488	83,647	83,647
Financial instruments pledged as collateral	34,218	34,218	79,245	79,245
Shares	15,967	15,967	17,600	17,600
Derivatives	3,872	3,872	2,053	2,053
Fair value changes of the hedged items in portfolio hedge of interest rate risk	184	184	458	458
Investments in group undertakings	8,001	8,001	8,158	8,158
Investments in associated undertakings	82	82	288	288
Intangible assets	245	245	80	80
Property and equipment	226	246	174	191
Investment property	6	6	1	1
Deferred tax assets	71	71	155	155
Current tax assets	730	730	515	515
Retirement benefit assets	132	132	132	132
Other assets	48,617	48,617	64,749	64,749
Prepaid expenses and accrued income	4,416	4,416	3,406	3,406
Total assets	**681,359**	**681,379**	**664,320**	**664,337**
Liabilities				
Deposits by credit institutions	224,632	224,632	225,881	225,881
Deposits and borrowings from the public	280,654	280,654	255,994	255,994
Debt securities in issue	-	-	-	-
Derivatives	3,659	3,659	1,946	1,946
Current tax liabilities	-	-	-	-
Other liabilities	135,695	135,695	145,284	145,284
Accrued expenses and prepaid income	3,120	3,120	2,251	2,251
Deferred tax liabilities	-	-	-	-
Provisions	234	234	273	273
Retirement benefit obligations	75	75	79	79
Subordinated liabilities	9,507	9,507	10,401	10,401
Total liabilities	**657,576**	**657,576**	**642,109**	**642,109**

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

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

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

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

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

Fair value of financial assets and financial liabilities
The total effect on the income statement from financial assets and financial liabilities that are measured using valuation techniques based on assumptions not fully supported by observable market data amounted to DKK 0m (DKK 0m) in Nordea Bank Danmark. The effect in the parent company was DKK 0m (DKK 0m).

Note 42
Assets and liabilities at fair value *(cont.)*

Difference between transaction price and fair value according to valuation techniques not yet recognised in the income statement

DKKm	Group 31 Dec 2007	Group 31 Dec 2006	Parent company 31 Dec 2007	Parent company 31 Dec 2006
Amount at beginning of year	-	-	-	-
Changed accounting policies	-	-	-	-
Transactions during the year	-	-	-	-
Recognised in the income statement during the year	-	-	-	-
Amount at end of year	**-**	**-**	**-**	**-**

Note 43
Assets and liabilities in foreign currencies

Group

DKKbn, 31 Dec 2007	EUR	SEK	DKK	NOK	USD	Other	Total
Assets							
Loans and receivables to credit institutions	12	54	58	1	1	3	129
Loans and receivables to the public	52	32	419	1	17	12	533
Interest-bearing securities[1]	23	37	59	1	2	1	123
Other assets	27	13	7	0	5	1	53
Total assets	**114**	**136**	**543**	**3**	**25**	**17**	**838**
Liabilities and equity							
Deposits by credit institutions	42	76	75	1	24	5	223
Deposits and borrowings from the public	21	13	226	3	11	4	278
Debt securities in issue	14	0	192	-	-	-	206
Subordinated liabilities	10	-	-	-	-	-	10
Other liabilities and equity	4	46	67	0	4	-	120
Total liabilities and equity	**91**	**135**	**560**	**4**	**39**	**9**	**838**
Position not reported in the balance sheet	**-21**	**0**	**15**	**1**	**14**	**-8**	**0**
Net position, currencies	**2**	**0**	**-2**	**0**	**0**	**0**	**0**

DKKbn, 31 Dec 2006	EUR	SEK	DKK	NOK	USD	Other	Total
Assets							
Loans and receivables to credit institutions	14	23	79	0	1	1	118
Loans and receivables to the public	34	49	367	1	14	19	484
Interest-bearing securities[1]	38	45	30	0	3	1	117
Other assets	3	2	74	0	4	1	84
Total assets	**89**	**119**	**550**	**1**	**22**	**22**	**803**
Liabilities and equity							
Deposits by credit institutions	60	56	75	1	26	5	223
Deposits and borrowings from the public	19	13	207	1	11	2	253
Debt securities in issue	9	0	174	-	-	-	183
Subordinated liabilities	10	-	-	-	-	-	10
Other liabilities and equity	2	35	92	0	5		134
Total liabilities and equity	**100**	**104**	**548**	**2**	**42**	**7**	**803**
Position not reported in the balance sheet	**12**	**-15**	**-3**	**1**	**20**	**-15**	**0**
Net position, currencies	**1**	**0**	**-1**	**0**	**0**	**0**	**0**

[1] Including financial instruments pledged as collateral.

Note 43
Assets and liabilities in foreign currencies *(cont.)*

Parent company

DKKbn, 31 Dec 2007	EUR	SEK	DKK	NOK	USD	Other	Total
Assets							
Loans and receivables to credit institutions	11	54	77	1	1	2	146
Loans and receivables to the public	38	31	194	1	17	13	294
Interest-bearing securities[1]	23	37	91	1	1	1	154
Other assets	28	13	39	1	5	1	87
Total assets	**100**	**135**	**401**	**4**	**24**	**17**	**681**
Liabilities and equity							
Deposits by credit institutions	42	76	77	1	24	5	225
Deposits and borrowings from the public	21	13	229	3	11	3	280
Subordinated liabilities	10	-	-	-	-	-	10
Other liabilities and equity	3	46	112	0	4	1	166
Total liabilities and equity	**76**	**135**	**418**	**4**	**39**	**9**	**681**
Position not reported in the balance sheet	**-22**	**0**	**15**	**0**	**15**	**-8**	**0**
Net position, currencies	**2**	**0**	**-2**	**0**	**0**	**0**	**0**

DKKbn, 31 Dec 2006							
Assets							
Loans and receivables to credit institutions	13	23	94	0	1	1	132
Loans and receivables to the public	26	49	160	1	13	20	269
Interest-bearing securities[1]	38	45	76	0	3	1	163
Other assets	3	2	91	0	4	0	100
Total assets	**80**	**119**	**421**	**1**	**21**	**22**	**664**
Liabilities and equity							
Deposits by credit institutions	60	56	78	1	26	5	226
Deposits and borrowings from the public	19	13	209	1	11	3	256
Subordinated liabilities	10	-	-	-	-	-	10
Other liabilities and equity	1	35	131	0	5	0	172
Total liabilities and equity	**90**	**104**	**418**	**2**	**42**	**8**	**664**
Position not reported in the balance sheet	**11**	**-15**	**-4**	**1**	**21**	**-14**	**0**
Net position, currencies	**1**	**0**	**-1**	**0**	**0**	**0**	**0**

[1] Including financial instruments pledged as collateral.

Note 44
Obtained collaterals which are permitted to be sold or repledged

Nordea Bank Danmark obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged.

	Group		Parent company	
DKKm	2007	2006	2007	2006
Reverse repurchase agreements				
Received collaterals which can be repledged or sold	131,575	119,385	157,196	133,712
of which repledged or sold	43,767	51,455	68,552	51,455
Securities borrowing agreements				
Received collaterals which can be repledged or sold	-	-	-	-
of which repledged or sold	-	-	-	-
Total	**131,575**	**119,385**	**157,196**	**133,712**

Note 45
Investments, customer bearing the risk

Nordea Bank Danmark A/S's liabilities include customers' portfolio schemes, the return on which correlates directly with the assets financed by these portfolio schemes. Since the assets legally belong to Nordea Bank Danmark, these assets and liabilities are included in the Group's balance sheet. A breakdown is shown below:

	Group	
	31 Dec	31 Dec
DKKm	2007	2006
Assets		
Loans and recievables to credit institutions	-	-
Interest-bearing securities	16,087	15,135
Shares	12,508	14,383
Other assets	1,583	3,124
Total assets	**30,178**	**32,642**
Liabilities		
Deposits and borrowings from the public	29,697	31,368
Debt securities in issue	-	-
Other liabilities	481	1,274
Total liabilities	**30,178**	**32,642**
Return to participants in portfolio schemes	240	1,071

Note 46
Related-party transactions

The information below is presented from a Bank Group and NBD perspective, meaning that the information shows the effect from related party transactions on the Bank Group and NBD figures.

Group

	Key management personnel		Shareholders with significant influence		Other Nordea Group Companies		Associated undertakings		Other related parties	
DKKm	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
Assets										
Loans and receivables	7	1	20,313	3,438	7,394	7,023	259	654	1,680	-
Interest-bearing securities	-	-	-	-	1,919	5,790	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Derivatives	-	-	6	8	508	840	-	-	-	-
Investments in associated undertakings	-	-	-	-	-	-	-	-	-	-
Total assets	**7**	**1**	**20,319**	**3,446**	**9,821**	**13,653**	**259**	**654**	**1,680**	**-**
Liabilities										
Deposits	21	6	59,187	25,167	105,531	132,848	729	57	185	26
Debt securities in issue	3	1	-	-	6,019	5,158	-	-	0	-
Derivatives	-	-	11	6	414	510	-	-	-	-
Subordinated liabilities	-	-	7,272	5,033	2,238	5,368	-	-	-	-
Total liabilities	**24**	**7**	**66,470**	**30,206**	**114,202**	**143,884**	**729**	**57**	**185**	**26**
Off balance										
Contingent liabilities	-	-	-	-	41	41	541	10	-	-
Net interest income										
Interest income	0	0	217	105	167	89	7	6	83	-
Interest expenses	-1	0	-1,851	-922	-5,682	-4,027	-3	-1	-3	0
Net interest income	**-1**	**0**	**-1,634**	**-817**	**-5,515**	**-3,938**	**4**	**5**	**80**	**0**

Note 46
Related-party transactions *(cont.)*

Parent company

DKKm	Key management personnel 31 Dec 2007	31 Dec 2006	Group undertakings 31 Dec 2007	31 Dec 2006	Other Nordea Group Companies[1] 31 Dec 2007	31 Dec 2006	Associated undertakings 31 Dec 2007	31 Dec 2006	Other related parties 31 Dec 2007	31 Dec 2006
Assets										
Loans and receivables	0	1	41,534	29,438	27,100	9,852	259	654	1,679	-
Interest-bearing securities	-	-	31,488	27,952	1,919	5,790	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	514	848	-	-	-	-
Investments in associated undertakings	-	-	-	-	-	-	-	-	-	-
Investments in group undertakings	-	-	-	-	-	-	-	-	-	-
Total assets	**0**	**1**	**73,022**	**57,390**	**29,533**	**16,490**	**259**	**654**	**1,679**	**-**
Liabilities										
Deposits	21	6	4,699	5,415	164,718	158,014	729	57	185	26
Debt securities in issue	3	1	-	-	-	-	-	-	1	-
Derivatives	-	-	-	0	425	516	-	-	-	-
Subordinated liabilities	-	-	-	-	9,507	10,401	-	-	-	-
Total liabilities	**24**	**7**	**4,699**	**5,415**	**174,650**	**168,931**	**729**	**57**	**186**	**26**
Off balance[2]										
Contingent liabilities	-	-	83,969	74,311	41	41	541	10	-	-
Net interest income										
Interest income	0	0	1,040	672	357	176	7	6	83	0
Interest expenses	-1	0	-1,045	-624	-7,259	-4,732	-3	-1	-3	0
Net interest income	**-1**	**0**	**-5**	**48**	**-6,902**	**-4,556**	**4**	**5**	**80**	**0**

1 Including figures for shareholders with significant influence.

2 Nordea Bank Danmark A/S provides on an ongoing basis 5-year and 10-year guarantees in favour of its wholly-owned mortgage banking subsidiary Nordea Kredit Realkreditaktieselskab, typically to cover the top 25% of the principal of mortgage loans disbursed. This guarantee commitment is computed on the basis of the remaining cash balance and amounted to DKK 62,038m at end 2007 (DKK 55,033m).

Related-party transactions
Material contracts in existence or entered into in 2007 between Nordea Bank Danmark A/S and group companies include the following:

NBD has entered into an agreement with Nordea Bank Finland Plc for supply of various services regarding trading of derivatives, including sale and settlement services.

Nordea Bank Danmark has entered into a total return swap contract with Nordea Bank Finland Plc in order to hedge market and credit risk on corporate bonds traded in Nordea Bank Danmark.

Nordea Bank Danmark has entered into an agreement for the supply of IT services to a number of other Danish Nordea companies.

Otherwise, Nordea Bank Danmark's activities with companies in the Nordea Group include lending, deposits, debt securities in issue, trading in securities, derivatives, guarantees etc as part of its normal banking business.

Note 47
The Danish Financial Supervisory Authority's ratio system

%	2007	2006	2005	2004	2003[1]
	Nordea Bank Danmark Group				
Capital ratios					
Total capital ratio	9.2	9.8	10.0	9.3	9.6
Tier 1 capital ratio	6.9	7.1	7.0	6.4	6.9
Earnings					
Pre-tax return on equity	19.7	26.1	23.0	20.5	23.5
Post-tax return on equity	15.1	19.2	16.7	14.3	17.2
Income/cost ratio (not %)	1.72	1.98	1.83	1.67	1.57
Market risk					
Interest rate risk/tier 1 capital	0.9	2.4	1.7	3.0	6.8
Currency risk/tier 1 capital					
Indicator 1/tier 1 capital	0.8	2.8	4.3	4.9	5.2
Indicator 2/tier 1 capital	0.0	0.0	0.0	0.0	0.1
Liquidity					
Excess cover relative to statutory liquidity requirements	113.3	116.8	128.4	165.8	196.3
Credit risk					
Total amount of large exposures/capital base	70.7	89.4	69.6	104.5	150.3
Impairment ratio	0.4	0.5	0.7	1.4	1.8
Impairment ratio for the year	0.0	-0.1	-0.1	-0.0	0.3
Growth in loans and receivables for the year/loans and receivables at beginning of year	10.2	15.4	18.9	13.7	4.6
Gearing of loans and receivables relative to equity at end of year (not %)	18.0	17.3	17.0	15.3	15.9

%	2007	2006	2005	2004	2003[1]
	Nordea Bank Danmark A/S				
Capital ratios					
Total capital ratio	9.9	10.2	10.5	10.2	10.4
Tier 1 capital ratio	7.4	7.3	7.3	6.9	7.5
Earnings					
Pre-tax return on equity	17.9	27.2	22.9	21.0	23.5
Post-tax return on equity	13.3	20.4	17.0	14.0	17.2
Income/cost ratio (not %)	1.56	1.90	1.72	1.60	1.61
Market risk					
Interest rate risk/tier 1 capital	0.9	2.6	2.0	3.0	6.8
Currency risk/tier 1 capital					
Indicator 1/tier 1 capital	0.7	2.7	4.6	4.9	5.2
Indicator 2/tier 1 capital	0.0	0.0	0.0	0.1	0.1
Liquidity					
Loans and receivables+impairment charges/deposits	112.3	113.8	105.0	92.1	97.5
Excess cover relative to statutory liquidity requirements	144.0	145.6	152.6	219.8	204.5
Credit risk					
Total amount of large exposures/capital base	81.7	92.8	62.5	100.8	145.3
Impairment ratio	0.5	0.6	0.9	1.8	2.5
Impairment ratio for the year	0.1	-0.2	-0.1	-0.1	0.3
Growth in loans and receivables for the year/loans and receivables at beginning of year	9.2	17.7	18.2	13.0	-5.6
Gearing of loans and receivables relative to equity at end of year (not %)	9.9	10.0	9.7	10.2	8.7

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

Proposed distribution of earnings

According to the company's balance sheet, the following amount is available for distribution by the Annual General Meeting of Shareholders:

DKKm	
Retained profit	15,715
Profit for the year	3,067
Total	**18,782**

The Board of Directors proposes that these earnings be distributed as follows:

DKKm	
Dividends paid to the shareholders	2,200
To be carried forward	16,582
Total	**18,782**

The Group's distributable earnings amount to DKK 18,782m. After the proposed distribution of earnings, the Group's unrestricted shareholders' equity amounts to DKK 16,582m.

Statement by the Board of Directors and the Executive Management
We have today presented the annual report of Nordea Bank Danmark A/S for 2007.

The annual report is presented in accordance with International Financial Reporting Standards endorsed by the EU and additional Danish disclosure requirements for annual reports of financial services companies. We consider the accounting policies applied appropriate so that the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities, financial position, cash flows and results.

The Direcors´ report provides a true and fair view of the Group's and the parent company's activities and financial performance, and describes material risks and uncertainties that may affect the parent company and other companies in the Group.

We propose to the Annual General Meeting that the annual report should be adopted.

Stockholm, 12 February 2008

Board of Directors

Christian Clausen (Chairman)	Arne Liljedahl (Deputy Chairman)	Carl-Johan Granvik
Markku Pohjola		

Executive Management

Peter Schütze (Chairman)	Peter Lybecker	Michael Rasmussen

The independent auditors' report

To the shareholders of Nordea Bank Danmark A/S
We have audited the annual report of Nordea Bank Danmark A/S for the financial year 1 January – 31 December 2007, which comprises the statement by the Board of Directors and the Executive Management on the annual report, management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement for the year then ended and notes for the Group as well as the Parent Company. The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of financial institutions.

The Board of Directors' and the Executive Management's responsibility for the annual report
The Board of Directors and the Executive Management are responsible for the preparation and fair presentation of this annual report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed financial institutions. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and basis of opinion
Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Executive Management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion
In our opinion, the annual report gives a true and fair view of the Group’s and the Parent Company’s assets, liabilities and financial position at 31 December 2007 and of the results of the Group's and the Parent Company’s operations and cash flows for the financial year 1 January – 31 December 2007 in accordance with International Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of financial institutions.

Copenhagen, 12 February 2008

KPMG C. Jespersen
Statsautoriseret Revisionsinteressentskab

Flemming Brokhattingen
State Authorised Public Accountant

Anders Duedahl-Olesen
State Authorised Public Accountant

Management

Board of Directors of Nordea Bank Danmark

Christian Clausen (Chairman)
-

Arne Liljedahl (Deputy Chairman)
External appointments
A member of the Board of Directors of Nordea Life Holding A/S

Carl-Johan Granvik
External appointments
A member of the Board of Directors of Nordea Life Holding A/S

Markku Pohjola
-

Executive Management of Nordea Bank Danmark

Peter Schütze
Internal appointments
A member of Nordea Bank AB's Group Executive Management and Head of Nordic Banking.
A member of the Board of Directors of Nordea Bank Finland Plc.
A member of the Board of Directors of Nordea Bank Norge ASA.

External appointments
Chairman of the Board of Directors of Danmarks Skibskredit A/S.
Chairman of the Board of Directors of ICC Danmark.
Chairman of the Board of Directors of the Danish Bankers Association.
A member of the Board of Directors of Nordea Danmark-fonden.
A member of the Boards of Directors of Danmark-Amerika Fondet and Tietgenfonden.

Peter Lybecker
Internal appointments
Head of Segment Corporate.
A member of the Board of Directors of Nordea Kredit Realkreditaktieselskab.

External appointments
Chairman of the Boards of Directors of PBS Holding A/S, PBS A/S, Multidata Holding A/S, Multidata A/S and Ejendomsselskabet Lautrupbjerg A/S.
Chairman of the Board of Directors of the Copenhagen Institute for Futures Studies.
Chairman of the Board of Directors of Kunstindustrimuseets Venner.
A member of the Boards of Directors of the Danish Museum of Decorative Art, Insead International Council and the Danish Securities Council.

Michael Rasmussen
Internal appointments
Chairman of the Board of Directors of Nordea Kredit Realkreditaktieselskab.
A member of the Board of Directors of Nordea Liv & Pension Danmark.

External appointments
Chairman of the Board of Directors of Dansk Ejendomsfond I A/S.
Deputy Chairman of the Boards of Directors of the Industrialisation Fund for Developing Countries, the Investment Fund for Central and Eastern Europe and the Investment Fund for Emerging Markets.
A member of the Board of Directors of LR Realkredit A/S.
A member of the Boards of Directors of PBS Holding A/S and Multidata A/S.
A member of the Board of Directors of Karl Pedersens og Hustrus Industrifond.

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