Nordea

Annual Report 2009

Nordea Bank Norge

Nordea Bank Norge is part of the Nordea Group. Nordea's vision is to be a Great European bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 10 million customers, approx. 1,400 branch offices and a leading net banking position with 5.9 million e-customers. The Nordea share is listed on the NASDAQ OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

Contents

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

Nordea Bank Norge Group

Key financial figures

Business volumes, key items

	2009	2008	Change %	2007
Total operating income, NOKm	11,243	11,057	2	8,137
Total operating expenses, NOKm	5,324	4,653	14	4,496
Profit before loan losses, NOKm	5,919	6,404	-8	3,641
Net loan losses, NOKm	2,004	651	208	105
Net profit for the year, NOKm	2,634	4,330	-39	2,836
Loans to the public, NOKbn	422.3	446.5	-5	360.2
Deposits and borrowings from the public, NOKbn	217.2	235.4	-8	217.8
of which savings deposits	64.0	65.4	-2	54.8
Equity, NOKbn	26.7	27.1	-1	22.8
Total assets, NOKbn	534.0	549.1	-3	441.6

Ratios and key figures

	2009	2008	2007
Earnings per share (EPS), NOK	4.78	7.85	5.14
Equity per share[1], NOK	48.51	49.23	41.33
Shares outstanding[1], million	551	551	551
Return on equity, %	10.1	17.6	13.2
Cost/income ratio, %	47	42	55
Tier 1 capital ratio, before transition rules[1], %	9.5	8.7	8.9
Total capital ratio, before transition rules[1], %	12.2	11.9	12.1
Tier 1 capital[1], NOKm	25,509	25,566	21,638
Risk-weighted assets[1], NOKbn	269	294	330
Number of employees[1] (full-time equivalents)	3,322	3,412	3,254

[1] End of period

Nordea Bank Norge Board of Directors' report

Throughout this report the terms "Nordea Bank Norge" and "NBN" refer to Nordea Bank Norge ASA and its subsidiaries. The term "Nordea" refers to Nordea Bank AB (publ). Nordea Bank Norge ASA is a wholly owned subsidiary of Nordea Bank AB (publ), the parent company in the Nordea Group.

Nordea Bank Norge ASA is domiciled in Oslo and its business registration number is 911 044 110.

Group organisation

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

Legal structure

Nordea aims at continuous simplification of its legal structure and with regards to 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. A conversion 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

NBN has subsidiaries in Norway and branches abroad in New York and Cayman Islands. The most significant subsidiaries are Nordea Eiendomskreditt AS (NE) and Nordea Finans Norge AS (NFN). In the following NBN Group's figures are commented. The difference between NBN Group's figures and the parent company's figures are in all major aspects small.

In the last quarter 2009 NBN Group centralised the commercial property clients in the parent company, and the loan portfolio of NOK 23bn was transferred from NE to NBN ASA due to this reorganisation. The NBN Group's figures remain unchanged. The aim is to use NE as a vehicle to secure competitive funding in the future by issuing covered bonds secured with household mortgage loans. More information about this, see Note 46 Covered bonds.

NFN has the business area responsibility for financing products in Norway. The company's main products are leasing, car financing, factoring and consumer credits. In addition NBN ASA holds 67% of the shares in the real estate agency Privatmegleren AS. NBN ASA has no foreign representative offices.

Business development in 2009

Business development continued to be strong in customer areas in 2009 with strong income growth and increased number of customers. The effects from the systems launched by European countries were positive and many of the banking systems introduced late 2008 and early 2009 have been gradually withdrawn in second half of 2009. NBN took part in one of the programmes introduced by Ministry of Finance, to swap government bonds for covered bonds, both in December 2008 and in May 2009. More information is disclosed in Note 46 "Covered bonds".

NBN increased customer activities in both household and corporate segment during 2009. Lowering of interest rates during the first three quarters of 2009 helped increase the demand in the household mortgage loans, while business has stagnated in the corporate segment, due to the macroeconomic development. Demand for corporate loans was weak also in 2009, although slowly increasing again in November and December. At the same time NBN was very active as an arranger of corporate bonds issues, and demand for risk management products was strong also in the last quarter. Growth in household lending was maintained with a positive development in market share for mortgage lending. The development of customer satisfaction was strong among household customers in NBN. Also in Shipping, Oil Services & International the position remain strong, and NBN led several new syndicated loan arrangements. Income from customer driven capital markets operations was high in 2009, particular in the first half of the year.

NBN experiences strong income growth during 2009. This was particular shown in net interest income, which increased by 13%. A shift in the pricing of risk has given opportunities for higher lending margins in all segments. The growth in average lending and deposit volumes combined with increased lending margins, compensated for the decrease in deposit margins. Total income has improved by 2% to NOK 11,243m (11,057). Total income includes Eksportfinans accounted for by the equity method of NOK -478m (841). Exclusive the result related to the equity method, total income increased by 15% compared to last year. Total expenses increased by 14%, while loan losses went from NOK 651m in 2008 to NOK 2,004m at year-end 2009, reflecting the change in the market conditions and the macro economy last quarter 2008 that continued as expected through 2009.

Net profit was NOK 2,634m (4,330), corresponding to a return on equity of 10.1% (17.6).

Comments on the Income statement

Income

Total operating income was NOK 11,243m (11,057).

Net interest income increased by 13% to NOK 9,532m (8,402). The increase is mainly driven by increased average lending volume growth as well as increased lending margins. Deposit margins are still low, following the lower market interest rates compared to last year. The strengthening of NOK compared to USD and EUR continued through 2009; at end 2009 the USD is 18% lower than end 2008. This particularly affects the USD loan volume in Shipping negatively at end of the year and foreign exchange deposit volume in Financial Institutions. At end of year lending volumes to customers have decreased by 5% to NOK 422bn compared to last year, particularly in International and Institutional Banking. Deposit volumes decreased by 8% to NOK 217bn compared to year-end 2008, but went up 3% from third quarter. The competition has been fierce all year and in addition to low market interest rates, this is reflecting also lower deposit margins.

Mortgage lending to households increased by 11% to NOK 175bn (157) at the end of the year.

Net fee and commission income increased by 7% to NOK 1,547m. This is mainly due to increased income from savings related commissions due to the positive trend particularly related to higher brokerage income, but also higher income from asset management. Lending related commissions went up as a result of increased activity in syndication arrangements in Shipping, particularly in third quarter. Higher contributions also relate to improved equity market, securities lending and arrangement fees in Markets. Commissions from payments and e-services decreased by 2% to NOK 1,091m mainly related to lower income on foreign and domestic payment transactions. Lower income from other commissions reflects low volumes on sale of structured instruments.

Net gains on items at fair value increased by NOK 412m to NOK 513m mainly due to increased gain on fixed income related to products in Treasury and Markets. The last quarter 2008 was particular low due to losses on fixed income products in Treasury.

Result from companies accounted for under the equity method was negative with NOK -478m (841) and is the contribution from the associated company Eksportfinans ASA. The high income in 2008 was mainly related to Eksportfinans' valuation of own debt according to fair value, causing an unrealised gain due to widening of credit spreads, particularly in the last quarter. Further widening was also recognised in the first quarter this year. However, this unrealised gain was reversed in the last three quarters due to reduction of credit spreads.

Other operating income decreased and amounted to NOK 129m (273). The decrease relates to the NOK 167.5m as compensation from Ernst & Young auditors regarding the loss of NOK 200m in connection with the Sponsorservice case recognised as income in 2008 and lower income related to selling of the international custody operations to JPMorgan. The remaining amount is mainly income from property and IT-services invoiced other Nordea companies outside NBN.

Expenses

Total operating expenses increased by 14% to NOK 5,324 m (4,661).

Staff costs is up by 19% to NOK 3,257m (2,729). This high increase of NOK 528m is mainly related to pension expense and provision for profit sharing and variable salaries. The number of full-time equivalents (FTE) at year-end ended at 3,322, down by -2.6% with reduction in all business areas and staff functions, except Markets. The reduction was mainly seen in the last quarter. The average number of full-time equivalent positions in 2009 was up 0.5% to 3,372 (3,356) and the general wage inflation was approx. 3.4% during the year.

Other expenses were NOK 1,939m, up 8% compared to last year. The increase relates mainly to IT-expenses, both maintenance and support.

Depreciation of tangible and intangible assets ended at NOK 128m.

The cost/income ratio was 47% (42). Excluding the effect from Eksportfinans ASA, the cost/income ratio in 2009 would be 45% (46).

Loan losses

Net loan losses ended at NOK 2,004m, with continued provisions both for collectively and individually assessed loans. The loan loss ratio at the end of the year was 46 basis points, which was in line with the loan loss outlook. Individual loan losses amounted to 30 basis points and collective loan losses to 16 basis points. The largest collective provision this year was made in Shipping, Real estate management and Industrial Commercial Services. A total of 94%, equal to NOK 1,886m, of the loan losses in 2009 relates to corporate customers.

Net loan losses as well as impaired loans continue to stem from a large number of smaller and medium-sized exposures rather than from a few large exposures. Impaired loans gross increased by 11% the last quarter and the provisioning ratio amounted to 52%, down from 55% at the end of third quarter.

Taxes

The income tax expense was NOK 1,281m. Excluding the result from equity method in 2009 the tax rate amounts to 29%, the same as in 2008. The effective tax rate is therefore above the corporate tax rate level of 28% when excluding equity method; this is mainly due to negative impact of the debt interest distribution due to foreign operations despite the net positive effect of "Fritaksmetoden", leading to tax-free gains/losses on shares and dividends.

Net profit
Net profit for the year amounted to NOK 2,634m (4,330), a decrease of -39% compared to 2008, mainly related to larger loan losses. Excluding result related to equity method, the change in net profit amounted to a decrease of -11%. The return on equity was 10.1% (17.6).

Comments on the Balance Sheet - financial structure

Total assets were down by NOK 15bn or -3% to NOK 534bn at end of 2009.

The reduced balance sheet is affected by a strong NOK compared to last year. USD against NOK went down with 18% from NOK/USD of 7.02 to 5.77 at year-end. The loans in International & Institutional Banking are mainly in USD and EUR, causing the volume to decrease when NOK is strengthening. The reductions in Shipping's lending volumes are related to foreign currency effect as well as regular decrease in business volumes, due to down payments.

Assets
The reduction in total assets was mainly driven by lower loans to the public with a 5% decrease, or NOK 24bn, to NOK 422bn and lower loans to credit institutions, down NOK 23bn. The reduction in lending to credit institutions can be seen in connection with the increase of interest-bearing securities, obtained in the Covered bonds transactions; at end of 2009 NBN holds NOK 18bn in Norwegian State certificates, compared to NOK 0 last year. Mortgage lending to households was up by 11% to NOK 175bn (157), reflecting higher activity in the housing market, particularly in the second half of 2009. Cash and balances with Central Bank increased by NOK 9bn to NOK 20bn.

Interest-bearing securities increased by NOK 22bn to NOK 58.7bn compared to the end of 2008. The main part of the increase has been in Treasury where the portfolio had a value of NOK 36.7bn at year-end.

Derivatives went down from NOK 7.4bn to NOK 1.7bn at the end of this year, mainly due to reduced positions in FX derivatives in Treasury.

Liabilities and funding activities
Total liabilities amounted to NOK 507bn (522) at year-end. The NOK 15bn reduction is mainly related to lower *deposits from the public* which went down NOK 18bn from last year. Deposits by credit institutions went up NOK 5bn and are mainly stemming from related parties in the Nordea Group.

Debt securities in issue were reduced by 49% and amounted to NOK 3.7bn (7.3). Such funding has partly been replaced by funding from other companies in the Nordea Group.

Subordinated loans decreased by NOK 2bn to NOK 9.6bn. The reduction is due to stronger NOK against EUR and USD, there have not been any changes in the underlying subordinated loans during the year.

Equity
Shareholders' equity amounted to NOK 27.1bn at the end of 2008. The net profit for the year 2009 was NOK 2,634m. During the year, a dividend of NOK 3bn was distributed to the owner, Nordea Bank AB (publ). After deducting the net effect of items booked directly against equity, the equity amounted to NOK 26.7bn at year-end 2009.

Appropriation of net profit for the year

The net profit of the parent company for the year amounted to NOK 3,087m. The main reason for the difference between NBN Group's net profit and NBN ASA's net profit relates to Eksportfinans ASA affecting the group figures and received group contributions from Nordea Eiendomskreditt AS and Nordea Finans Norge AS affecting the parent bank figures. There are otherwise very small changes between the parent company's figures and NBN Group's figures.

According to IFRS, distribution of group contribution and dividends will not be booked before formal decision is made in the General Assembly. All net profit as of 31 December 2009 will therefore be distributed to retained earnings in the balance sheet as of 31 December 2009. The capital adequacy position in NBN is considered good and it has been proposed to pay dividend for 2009 of NOK 1.5bn, equivalent to 2.72 NOK pr share to the shareholder Nordea Bank AB (publ). In addition, a group contribution with taxable effect of NOK 25m will be distributed from the parent company to the wholly owned subsidiary Nordea Finans Norge AS. Further, a group contribution without taxable effect of NOK 830m will be distributed from the parent company to Nordea Eiendomskreditt AS. The payments will affect the 2010 equity going forward as described above when the formal decision has been made. For the year 2008 NOK 3bn in dividend was paid.

For the General Assembly 15 March 2010 it will be proposed that the net profit for 2009 will be distributed by way of:

- Allocation of dividend of NOK 1,500m to Nordea Bank AB (publ).
- Distribution of group contribution with taxable effect of NOK 25m to Nordea Finans Norge AS.
- Distribution of group contribution without taxable effect of NOK 830m to Nordea Eiendomskreditt AS.

Off-balance sheet commitments

The bank's business operations include different off-balance sheet items, mainly guarantees and credit commitments.

Total exposure regarding these items, see note 35 and 36.

The Board of Directors confirms the assumption that NBN ASA is a going concern and the annual accounts have been prepared based on this assumption.

The Board of Directors considers solidity as per 31 December 2009 to be good.

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. The maintaining of 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.

All figures and tables in the remaining sections relates to NBN Group.

Management principles and control

Board of Directors and Board Credit Committee

The Board of Directors has the ultimate responsibility for limiting and monitoring the Group's risk exposure as well as for setting the targets for the capital ratios. Risk is measured and reported according to common principles and policies approved by the Board of Directors, which also decides on policies for credit, market, liquidity, operational risk management and the Internal Capital Adequacy Assessment Process (ICAAP). 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. 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 market and liquidity risk in the Group.

The Board Credit Committee monitors the development of the credit portfolio including industry and major customer exposures and 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 effective risk, liquidity and capital management principles and control.

The CEO in Group Executive Management (GEM) decides on the targets for the Group's risk management regarding SIIR, as well as, within the scope of resolutions adopted by the Board of Directors, the allocation of the market risk limits and liquidity risk limits to the risk-taking units Group Treasury and Markets. The limits are set in accordance with the business strategies and are reviewed at least annually. The head of the units allocate the respective limits within the unit 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 (CPF), 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 ECC and Group Credit Committee (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

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

The CFO is, through the unit Group Corporate Centre, responsible for the capital management framework including required capital as well as the capital base. Group Treasury, within Group Corporate Centre, is responsible for SIIR and liquidity risk. Each customer area and product area is primarily responsible for managing the risks in its operations, including identification, control and reporting, while Group Credit & 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 segregation 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 GEM and to the 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

Credit Risk management

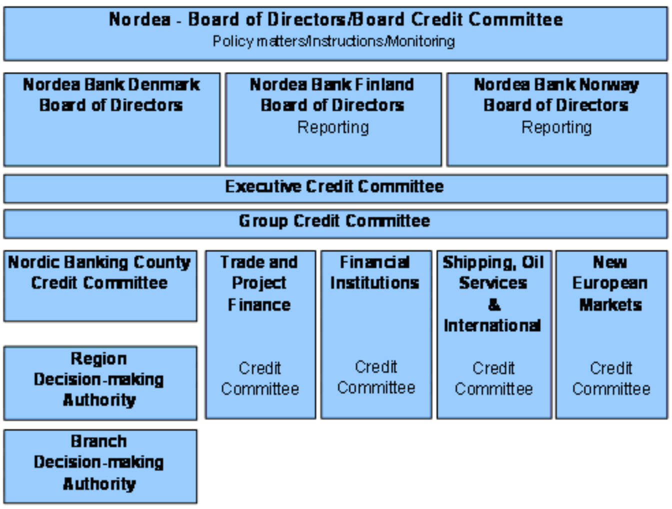
Group Credit and Risk Control is responsible for the credit risk management framework, consisting of policies, instructions and guidelines for the Group.

Each customer area and product area is primarily responsible for managing the credit risks in its operations, while Group Credit and Risk Control consolidates and monitors the credit risks on both Group and sub levels.

Within the powers to act granted by the Board of Directors, credit risk limits are approved by decision-making authorities on different levels in the organisation.

The responsibility for a credit exposure lies with a customer responsible unit. Customers are assigned a rating or score in accordance with the Nordea framework for quantification of credit risk.

Credit decision-making structure



Credit risk definition and identification

Credit risk is defined as the risk of loss if counterparts fail to fulfil their agreed obligations and that the pledged collateral does not cover the claims. Credit risk stems mainly from various forms of lending, but also from guarantees and documentary credits, counterparty credit risk in derivatives contracts, transfer risk attributable to the transfer of money from another country and settlement risk. Risks in specific industries are followed by industry monitoring groups and managed through industry policies, which establish requirements and limits on the overall industry exposure.

Credit risk appetite

Nordea has defined it's credit risk appetite as an expected loan loss level of 25 basis points over the cycle. Net loan losses over the past years show an average not exceeding this level.

Individual and collective assessment of impairment

Throughout the process of identifying and mitigating credit impairments, Nordea works continuously to review the quality 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 the customer's future cash flow is impacted to the extent that full repayment is unlikely, collateral included. The size of the provision is equal to the estimated loss being the difference between the book value and the discounted value of the future cash flow, including the value of pledged collateral. Impaired exposures can be either performing or non-performing. Exposures that have been past due more than 90 days are automatically regarded as in default, and reported as non-performing and impaired or not impaired depending on the deemed loss potential. 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 collective impairment is based on the migration of rated and scored customers in the credit portfolio. The assessment of collective impairment reacts to up- and down-ratings of customers as well as new customers and customers leaving the portfolio. Also customers going to and from default effect the calculation. Collective impairment is assessed quarterly for each legal unit. 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.

Further information on credit risk management and credit risk analysis is presented in the Group's Capital adequacy and Risk management Report (Pillar 3) 2009, which is available on www.nordea.com and also in Note 44 to the Financial statements of the Annual Report.

Credit portfolio

Credit risk exposure is measured and presented as the principle amount of on-balance sheet claims, ie loans to credit institutions and the public, and off-balance sheet potential claims on customers and counterparts, net after allowances. Exposure also includes the risk related to derivatives contracts and securities financing.
NBN's total credit risk exposure has decreased by 14% to NOK 584bn during 2009 (680). The largest credit risk

exposure is loans to the public, which in 2009 decreased by 5% to NOK 422bn (447).

Loans to corporate customers at the end of 2009 amounted to NOK 247bn (285), a decrease by 13%, while lending to household customers increased by 11% to NOK 175bn (157). The portion of total lending going to corporate customers was 58% (64) and to household customers 41% (35). Loans to credit institutions, mainly in the form of inter-bank deposits, amounted to NOK 10bn at the end of 2009 (34).

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

NOKm	31 Dec 2009	31 Dec 2008
To credit institutions	10,398	33,575
To the public	422,300	446,527
- of which corporate	246,746	284,834
- of which household	174,623	156,647
- of which public sector	931	5,046
Total Loans	**432,698**	**480,102**
Off balance credit exposure [1]	91,989	162,911
Counterparty risk exposure [2]	982	354
Treasury bills and interest-bearing securities [3]	58,686	36,701
Total credit risk exposure	**584,354**	**680,068**

[1] Of which for corporate customers approx. 90%

[2] After closeout neeting and collateral agreements, including current market value exposure as well as potential future exposure

[3] Also includes interest-bearing securities pledged as collateral in repurchase agreements

Loans to corporate customers

The main decreases in the lending portfolio were in the sectors "Shipping and offshore", "Industrial commercial services" and "Industrial capital goods". Real estate management remains the largest sector in NBN's lending portfolio, with NOK 72bn (76). The portfolio predominantly is comprised of relatively large and financially strong companies. There is a high level of collateral coverage, especially for exposures which are assigned lower rating grades (3+ or lower). The rating goes from 6+, the best rating, down to 1-, which is the lowest rating on performing loans.

Loans to shipping and offshore decreased 24% to NOK 43bn. Most shipping segments experienced a general weakening in 2009. Decreased investments on exploration and production coupled with oversupply in certain segments, resulted in lower earnings for many offshore and oil services companies in 2009. Nordea's exposure to the shipping, offshore and oil services industries is well diversified. However, proactive risk management will remain high on the agenda in 2010 as developments within the shipping industry remain uncertain. The distribution of loans to corporates by size of loans shows a high degree of diversification where approx. 67% (58) of the corporate volume is for loans on a scale of up to NOK 450m per customer.

All credit risk mitigations are an inherent part of the credit decision process. In every credit decision and review the valuation of collaterals are considered as well as the adequacy of covenants and other risk mitigations.

Pledging of collateral is the main credit risk mitigation technique. 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 financially strong. Regarding large exposures, syndication of loans is the primary tool for managing concentration risk while credit risk mitigation by the use of credit default swaps has been done to a limited extent.

Covenants in credit agreements do not substitute collaterals but may be of great help as a complement to both secured and unsecured exposures. All exposures of substantial size and complexity include appropriate covenants. Financial covenants are designed to react on early warning signs and are followed up carefully.

Loans to the public by industry

NOKm	31 Dec 2009
Energy (oil, gas etc)	9,098
Metals and mining materials	1,194
Paper and forest materials	398
Other materials (building materials etc.)	5,335
Industrial capital goods	883
Industrial commercial services, etc.	43,073
Construction and engineering	10,652
Shipping and offshore	43,128
Transportation	4,588
Consumer durables (cars, appliances etc)	10,369
Media and leisure	4,115
Retail trade	10,095
Consumer staples (food, agriculture, etc.)	11,432
Health care and pharmaceuticals	1,605
Financial institutions	9,952
Real estate	72,141
IT software, hardware and services	1,012
Telecommunication equipment	9
Telecommunication operators	817
Utilities (distribution and productions)	5,777
Other, public and organisations	1,074
Corporate	**246,746**
Household mortgages	165,543
Household consumer	9,080
Public sector	931
Total	**422,300**

Loans to household customers

In 2009, mortgage loans and consumer loans increased to NOK 166bn and NOK 9bn respectively. The portion of mortgage loans out of total household loans was 94.8% (95.4). Collateral coverage is high for mortgage loans to household customers, whereas consumer loans to this segment have a lower degree of collateral

Geographical distribution
Lending to the public distributed by borrower domicile shows that the Nordic market accounts for 92% (92). Other EU countries represent the main part of the lending outside the Nordic countries. The exposure to emerging markets is limited.

Rating and scoring distribution
One way in which credit quality can be assessed is through analysis of the distribution across rating grades, for rated corporate customers and institutions, as well as risk grades for scored household and small business customers, ie retail exposures.

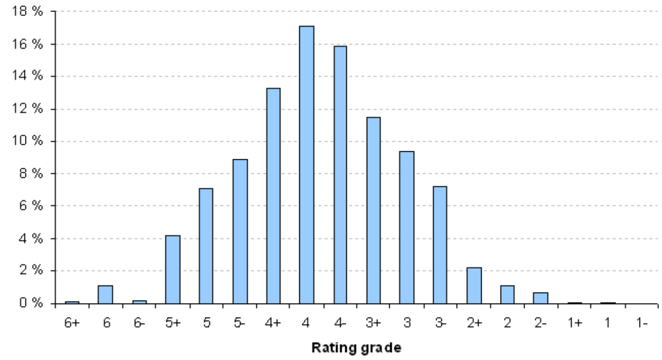
Following the economic downturn weakening in the credit quality has been seen in 2009. Mainly the corporate credit portfolio has migrated downwards in 2009. About 68% (74) of the corporate exposure is rated 4– or higher. Institutions and retail customers on the other hand exhibit a distribution that is skewed towards the higher rating grades. The portion of institutional exposure rated 5– or higher is 91%. About 85% of the retail exposures are scored C– or higher.

Impaired loans
Impaired loans gross, including off-balance sheet items, have increased to NOK 5,411m from NOK 2,490m, during 2009, as result of the current downturn and worsened economic conditions for many customers. Allowances for individually assessed loans increased to NOK 1,573m from NOK 845m. Allowances for collectively assessed exposures were NOK 1,218m (596). The ratio of total allowances to cover impaired loans gross, including off-balance sheet items, was 51.6% (56.6).The main increases in impaired loans were in the sectors "Shipping and offshore", "Telecommunicaction operators" and "Real estate".

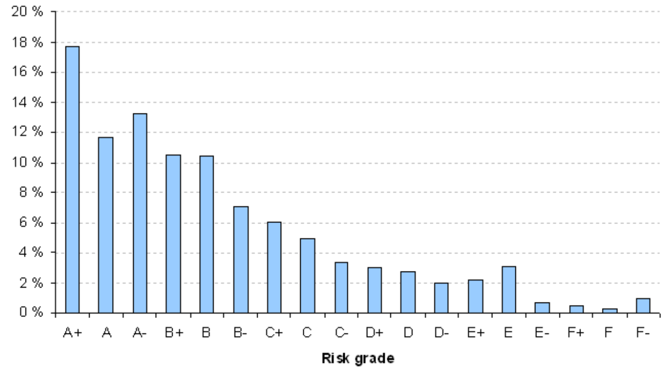
Past due loans to corporate customers that are not considered impaired decreased to NOK 1,544m (2,215). The volume of past due loans to household customers decreased to NOK 2,585m (6,316) in 2009.

Restructured loans in 2009, before restructuring, stand at NOK 52m, and NOK 0m after restructuring. Assets taken over for protection of claims consist mostly of other assets and only a marginal amount of shares, land and buildings.

Rating distribution for the Corporate portfolio



Risk grade distribution for the Retail portfolio



Impaired loans gross, including off-balance sheet items, and allowances by industry

NOKm	Impaired Loans, gross	Allowances (individual + collective)	Provisioning ratio (allowances/impaired loans)
Energy (oil, gas etc)	1	0	30 %
Metals and mining materials	1	0	24 %
Paper and forest materials	17	7	43 %
Other materials (building materials etc.	39	24	63 %
Industrial capital goods	10	57	590 %
Industrial commercial services, etc.	194	223	115 %
Construction and engineering	310	236	76 %
Shipping and offshore	1.590	621	39 %
Transportation	36	17	47 %
Consumer durables (cars, appliances et	35	31	88 %
Media and leisure	50	28	55 %
Retail trade	74	85	115 %
Consumer staples (food, agriculture, et	53	36	69 %
Health care and pharmaceuticals	5	3	56 %
Financial institutions	107	66	62 %
Real estate	968	540	56 %
IT software, hardware and services	4	47	
Telecommunication equipment	-	-	0 %
Telecommunication operators	913	265	29 %
Utilities (distribution and productions)	11	1	13 %
Other, public and organisations	0	3	
Corporate	**4.419**	**2.290**	
Household mortgages	428	184	43 %
Household consumer	565	317	56 %
Public sector	-	-	-
Total impaired loans, gross	**5.411**		
Allowances		**2.792**	
Provisioning ratio			**52 %**

Loan losses

Net loan losses

Net loan loss in NBN were NOK 2,004m (651). NOK 1,886m (565) relates to corporate customers and NOK 118m (86) relates to household customers. The main losses were in the corporate sectors "Shipping and offshore" and "Real estate" as well as "Telecommunication operators". The loan loss ratio in NBN Nordic Banking was 0.36% (0.19) and in NBN Institutional & International Banking 0.85% (0.06) A large part of the net loan losses is related to an increase in collectively loan loss reserves and a few large customers.

Net loan losses

NOKm	2009	2008
Net loan losses, Group	2,004	651
of which individual	1,327	449
of which collective	677	202
Net loan losses, Nordic Banking	1,272	580
Net loan losses, IIB	732	33
Net loan losses, Baltic countries	0	0

Impaired loans gross, including off-balance sheet items, and allowances and ratios

NOKm	2009	2008
Gross impaired loans, Group	5,411	2,490
of which performing	2,403	460
of which non-performing	3,008	2,030
Total allowances, Group	2,792	1,441
Provisioning ratio, Group	52%	58%

Counterparty risk

Counterparty risk is the risk that Nordea's counterpart in a FX, interest, 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. The total counterparty credit risk exposure at the end of 2009 was NOK 982m, of which the current exposure represents NOK 0m. 100% of the total exposure was towards Financial institutions.

Market risk

Market risk is the risk of a loss in the market value of portfolios and financial instruments as a result of movements in financial market variables.

Market price risk and market price risk appetite

The customer-driven trading activity of Nordea Markets and the investment and liquidity portfolios of Group Treasury are the key contributors to market risk. For all other banking activities, the basic principle is that market risks are eliminated by matching assets, liabilities and off-balance-sheet items.

For Group Treasury, the Board of Directors has set the maximum level of risk such that it should not lead to an accumulated loss in earnings in excess of EUR 250m at any time in a financial year. The compliance with the risk appetite is ensured by market risk limits and stop-loss rules. For the trading activities in Nordea Markets, the risk appetite and the market risk limits are set in relation to the earnings these activities generate.

Market risk analysis

The total value-at-risk (VaR) was NOK 163m (252) at the end of 2009 demonstrating a considerable diversification effect between interest rate, equity, credit spread and foreign exchange risk, as the total VaR is lower than the sum of the risk in the four categories.

Consolidated market risk figures for Nordea Group

NOKm	Measure	31 Dec 2009	31 Dec 2008
Total Risk	VaR	163.1	251.9
- Interest Rate Risk	VaR	109.0	90.0
- Equity Risk	VaR	8.9	15.8
- Credit Spread Risk	VaR	144.3	225.2
- Foreign Exchange Risk	VaR	4.2	17.1
Diversification effect		39%	28%
Structured Equity Option Risk	Simulation	-	6.3
Commodity Risk	Simulation	-	3.2

The total interest rate VaR ended 2009 at NOK 109m (90). The total gross sensitivity to a 1 percentage point parallel shift, which measures the development in the market value of NBN's interest rate sensitive positions if all interest rates were to move adversely for Nordea, was NOK 350m at the end of 2009 (263). The largest part of Nordea's interest rate sensitivity stemmed from interest rate positions in Norwegian Kroner.

At the end of 2009, NBN's equity VaR stood at NOK 9m (16), and structured equity option risk was nil (6).

Credit spread VaR ended 2009 at NOK 144m (225). Credit spread risk is to a large extent concentrated on Nordic financials.

NBN's foreign exchange VaR was NOK 4m (17) at year-end. By far the largest foreign exchange exposure is to Euro.

NBN's exposure to commodity risk, primarily pulp and paper, is solely related to customer-driven activities. The risk was nil at the end of 2009 (3).

Operational risk

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. Operational risk includes compliance risks, which is the risk of business not being conducted according to legal and regulatory requirements, market standards and business ethics.

Managing operational risk is part of the management's responsibilities. The Group's network of Risk and Compliance Officers ensures that operational and compliance risk within the Group is managed effectively in the business organisation, which represents the first line of defence.

In order to manage these risks Group Operational Risk Management, representing the second line of defence, has defined a common set of standards in the form of Group directives, active risk management processes and reporting requirements. A sound risk management culture is aimed for with the objective to follow best practice regarding market conduct and ethical standards in all business activities. The key process for active risk management is the annual Risk Self Assessment process, which puts focus on identifying and following up on key risks, which are identified both through top-down Division management involvement and bottom-up reuse of existing information from processes such as incident reporting, quality and risk analyses, and product approvals.

Group Internal Audit, representing the third line of defence, provides assurance to the Board of Directors on the risk management, control and governance processes.

Liquidity risk

Management principles and control

The Board of Directors of Nordea Group has the ultimate responsibility for Asset and Liability Management of the Group i.e. 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 CEO in GEM decides on the targets for the Group's risk management regarding Structural Interest Income Risk (SIIR), as well as, within the scope of resolutions adopted by the Board of Directors, the allocation of the liquidity risk limits. ALCO, chaired by the 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 Group'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 Nordea 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 publishes adequate information on the liquidity situation of Nordea 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. Nordea stress scenarios are based on assessment of the particular events for which Nordea is presumed to be most vulnerable to taking into account the current business structure and environment. Stress tests focus on the other hand on increased funding need and on the other hand on increased funding prices.

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 onbalance sheet and off balance sheet items are included. Funding gap risk is measured and limited for each currency and as a total figure for all currencies combined. The total figure for all currencies combined is limited by the Board of Directors. 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. Limit is set by the Board of Directors for the minimum size of the liquidity buffer. The liquidity buffer is set to ensure a total positive cash flow defined by the funding risk measurement and 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 Board of Directors through 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. ALCO has set as a target that the net balance of stable funding should be positive, which means that stable assets must be funded by stable liabilities.

Liquidity risk analysis

The short-term liquidity risk has been held at moderate levels throughout 2009. The average funding gap risk, ie the average expected need for raising liquidity in the course of the next 14 days, has been NOK -17bn (-19). Nordea's liquidity buffer has been in the range NOK 22 – 77 bn (27-59) throughout 2009 with an average of NOK 50 bn (33). 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 NOK 47 bn (48).

Cash flow analysis

NOKm	On demand	0-3 months	3-12 months	1-5 years	>5 years	Total
Interest bearing financial assets	114,429	42,607	53,621	147,500	265,622	**623,779**
Non interest bearing financial assets					22,366	**22,366**
Total financial assets	**114,429**	**42,607**	**53,621**	**147,500**	**287,988**	**646,145**
Interest bearing financial liabilities	152,475	241,874	76,680	13,695	3,240	**487,964**
Non interest bearing financial liabilities					47,500	**47,500**
Total financial liabilities	**152,475**	**241,874**	**76,680**	**13,695**	**50,740**	**535,464**
Derivatives, cash inflow		93,996	6,048			**100,044**
Derivatives, cash outflow		93,214				**93,214**
Net exposure		**782**	**6,048**	**0**	**0**	**6,830**
Exposure	**-38,045**	**-198,486**	**-17,011**	**133,805**	**237,248**	**117,511**
Cumulative exposure	**-38,045**	**-236,531**	**-253,542**	**-119,737**	**117,511**	

The table is based on contractual maturities for on balance sheet financial instruments. For derivatives, the expected cash inflows and outflows are disclosed for both derivative assets and derivative liabilities, as derivatives are managed on a net basis. In addition to the on balance sheet and derivative instruments, Nordea has credit commitments amounting to NOK 99.989m, which could be drawn on at any time.

Structural Interest Income Risk (SIIR)

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 re-pricing periods, volumes or reference rates of assets, liabilities and derivatives do not correspond exactly. Nordea Group'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, 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 re-pricing 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 correspondingly.

SIIR analysis

At the end of the year, the SIIR for decreasing market rates was NOK -39 m (-77) and the SIIR for increasing rates was NOK 39 m (77). These figures imply that net interest income would decrease if interest rates fall and increase if interest rates rise.

Capital management

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 and capital policy in Nordea. The CEO in GEM decides on the overall framework of capital management.

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 and internal capital as well as the capital base. Additionally the CPF reviews the future capital requirements in the assessment of annual dividends, share repurchases, external and internal debt and capital injection decisions.

Pillar 1

Risk Weighted Assets (RWA) are calculated based on pillar 1 requirements. NBN Group had 82% of the exposure covered by Internal Rating Based (IRB) approaches by the end of 2009. Nordea will continue to implement the IRB approach for some remaining portfolios.

Nordea is also approved to use its own internal VaR models to calculate capital requirements for the major parts of the market risk in the trading books. For operational risk, the standardised approach is applied.

Capital requirement

NOKm	31 Dec 2009 Capital requirement	31 Dec 2009 Basel II RWA	31 Dec 2008 Capital requirement	31 Dec 2008 Basel II RWA
Credit risk	**19,644**	**245,544**	**21,876**	**273,449**
IRB	17,585	219,817	19,272	240,896
– of which corporate	14,053	175,661	15,292	191,151
– of which institutions	565	7,067	810	10,121
– retail	2,860	35,746	3,058	38,224
of which retail SME	124	1,551	155	1,933
of which retail real estate	1,594	19,925	1,775	22,181
of which Retail Other	1,142	14,270	1,129	14,110
– of which other	107	1,343	112	1,400
Standardised	2,059	25,727	2,604	32,553
– of which sovereign	34	423	64	805
– of which other	2,025	25,304	2,540	31,748
Market risk	**613**	**7,657**	**513**	**6,412**
– of which trading book, VaR	179	2,234	269	3,359
– of which trading book, non-VaR	381	4,762	244	3,053
– of which FX, non-VaR	53	661	0	0
Operational risk	**1,287**	**16,093**	**1,115**	**13,943**
Standardised	1,287	16,093	1,115	13,943
Sub total	**21,544**	**269,294**	**23,504**	**293,804**
Adjustment for transition rules				
Additional capital requirement according to transition rules	3,548	44,344	7,331	91,632
Total	**25,092**	**313,638**	**30,835**	**385,435**

Pillar 2

Nordea bases the internal capital requirements under the Internal Capital Adequacy Assessment Process (ICAAP) on pillar 1 and pillar 2 risks, which in practice means a combination of Capital Requirements Directive (CRD) risk definitions, Nordea's Economic Capital (EC) framework and buffers for periods of economic stress.
The ICAAP, describes Nordea's management, mitigation and measurement of material risks and assesses the adequacy of internal capital by defining an internal capital requirement reflecting the risk appetite of the institution.

EC is based on quantitative models used to estimate the unexpected losses for each of 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 sponsored defined benefit pension plans, real estate risk and concentration risk.

For 2010 the EC has been be further aligned with the regulatory capital calculations by substitution of the internal estimates of Loss Given Default (LGD) and Credit Conversion Factor (CCF) for the corporate and institution portfolios with the estimates used under the Foundation IRB approach. As a consequence of on average higher LGD and CCF the EC will increase.

In addition to calculating risk capital for its various risk types, 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's internal capital requirement. The internal capital requirement is a key component of Nordea's capital ratio target setting.

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. EC and expected losses (EL) are input in the EP framework.

Expected losses (EL)

EL reflects the normalised loss level of the individual credit exposure over a business cycle as well as various portfolios.

The average EL ratio used in the EP framework, calculated as EL divided by exposure at default (EAD), was 26 basis points as of end of 2009 (22 basis points as of end of 2008) excluding the sovereign and institution exposure classes.

It should be noted that the EL 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.

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.

Summary of items included in capital base

NOKm	31 Dec2009	31 Dec2008
Calculation of total capital base		
Equity	26,745	27,146
Proposed/actual dividend	(1,500)	(3,000)
Hybrid capital loans	1,673	2,036
Deferred tax assets	(118)	-
Intangible assets	(385)	(354)
IRB provisions excess (+)/shortfall (–)	(906)	(493)
Other items, net	-	232
Tier 1 capital (net after deduction)	25,509	25,566
Capital base / Regulatory Capital requirement before transition rules	1,673	2,036
Tier 2 capital	8,313	10,025
– of which perpetual subordinated loans	2,883	3,468
IRB provisions excess (+)/shortfall (–)	(906)	(493)
Total capital base	32 916	35,098

Capital adequacy ratios

NOKm	31 Dec2009	31 Dec2008
RWA Basel II (pillar 1) before transition rules	269,294	293,804
RWA with transition rules	313,638	385,435
Economic Capital	18,852	18,852
Regulatory Capital requirement with transition rules	25,091	30,835
Tier 1 capital	25,509	25,566
Capital base	32,916	35,098
Core tier 1 ratio before transition rules (%)	8.9	8.0
Core tier 1 ratio with transition rules (%)	7.6	6.1
Tier 1 ratio before transition rules (%)	9.5	8.7
Tier 1 ratio with transition rules (%)	8.1	6.6
Capital ratio before transition rules (%)	12.2	11.9
Capital ratio with transition rules (%)	10.5	9.1
Capital base / Regulatory Capital requirement before transition rules	1.31	1.14

Generally, Nordea Group has the ability to transfer capital within its legal entities without material restrictions. International transfers of capital between legal entities are normally possible after approval by of the local regulator and are of importance when governing the capital position within the Group. The guarantee schemes introduced within EU during 2008 has under certain circumstances limited the transferability of capital with impact on cross border financial groups. There are no such restrictions that directly affecting Nordea as per end of 2009.

Pillar 3

The disclosure is in accordance with the Pillar 3 requirements according to the CRD in the Basel II framework is presented on www.nordea.com.

Human resources

Nordea has an ambition to go from Good to Great. The strategic choices to support this development are described in the Organic Growth Strategy, closely supported by our Mission, Vision and Nordea Values. Alongside the growth strategy, the emphasis is on people, acknowledging that people are the key instrumental part of bringing Nordea from Good to Great.
Nordea's employees continue to create great customer experiences as one team living our vision – making it possible.

It's all about people

Creating the best team in the industry doesn't happen by chance. Not least in the area of people you have to decide where to focus and what you want to accomplish, then agreeing to the actions that will get you there. In Nordea we refer to this as our People Strategy, a strategy that is an integral part of our business strategy. The areas of priority in our People Strategy are:

- Building the foundation – HR Basics
- Being the employer of choice for those that will move us from Good to Great
- Staffing making sure we have the right person in the right place at the right time
- Mobilising, differentiating & rewarding thereby securing outstanding organisational performance
- Providing opportunities for our people to develop and grow
- Practising the leadership required to enable us to go from Good to Great

These priorities are guided by and shall serve to reinforce our values; Great Customer Experience, One Nordea Team and It's all about People.

Building the foundation – HR Basics

Having a good understanding of our people resources and putting solid people processes in place, is an integral part of our People Strategy. In 2009 we have improved in this area through a number of actions related to developing and making better use of our HR Information System.

Being the employer of choice for those that will move us from Good to Great

Making Nordea Great requires us to be able to attract and retain the very best. To do this we early decided to stay with our high activity level also in 2009, a year when many companies decided to do less in the area of Employer branding.

Staffing making sure we have the right person in the right place at the right time

Being successful in positioning ourselves as the employer of choice has limited value unless we are able to actually hire the right ones. Our prediction for 2009 was that it would be a year of growth and hence that it would be critical to make sure we hire many of the very best.

Mobilising, differentiating & rewarding, thereby securing outstanding organisational performance
We must make sure everyone in Nordea is aligned to our vision and targets and enabled to actually contribute. Hence, we have worked to improve Performance Management (PM) in Nordea during 2009. This work will continue also in 2010.

Providing opportunities for our people to develop and grow
No organisation can grow unless the people develop and grow. We have made improvements in 2009 aimed at strengthening the tie in between business needs and competency areas we must develop. In 2010 we will seek to improve the People Planning Process and related tools while at the same time making it clear that development is the responsibility of all at Nordea.

Practising the leadership required to enable us to go from Good to Great
Knowing that leadership drives performance and is the strongest individual driver for building a company's culture, it has been one of the greatest priorities within the People Strategy in 2009, and will continue to be the case also in 2010.

Equal opportunities
43% of the full-time employees of Nordea Bank Norge are women. The share of females with personnel responsibility is 35%. To increase the number of females in managerial and especially executive positions is a priority throughout Nordea. To increase the number of females in managerial positions, both genders should be represented among the final three candidates when recruiting for managerial and executive positions. Identified females talents may further enter FUTURA, a development program developed by The Norwegian Financial Services Association. Activities like this have contributed to an increase in the percentage of females in managerial positions the last five years.

In terms of salary, average salary for women and men was approximately NOK 460.000 and NOK 560.000, respectively, and reflects a higher number of men in leading and key positions in the Bank.

Equal opportunities issues are an integrated part of the development of the organisation and employees. Nordea's "Corporate Citizenship Principles" includes the following overall provision: "We do not discriminate based on gender, ethnic background, religion or any other ground." The equal opportunities issues are included in the various personnel policies, for example career planning and appointments to higher management positions.

Nordea value its employees independent of gender, age, disability or cultural background. An important goal for a large company as Nordea is to reflect the diversity in society. The individual qualifications should be the foundation for external recruitment and internal hires. We acknowledge that our employees have different motivation and ambition factors. Right person at the right place is the foundation to create great customer experience in the entire value chain. An active relation to diversity supports Nordea's value One Nordea Team.

Number of employees
There has been through the last two years a decrease in the number of employees. The number of employees (NOE) in NBN was 3,541 employees at the end of 2009. This represents 3,322 full-time equivalent positions (FTE).

Sick leave
Sick leave amounted to 37.000 days in 2009, equivalent to 4.38% (4.83), adjusted for holidays and leave of absence. The relatively low sick leave percentage must be seen in connection with the systematically reviews of the physical and psychosocial working environment performed by HR Health & Work Environment, particularly in those areas where sick leave is most frequent. Further, the employees on sick leave are followed-up more closely in accordance with the agreement on Including Work Life (IA).

Four injuries to human beings have been reported due to accidents or other incidents in NBN in 2009.

The working environment is considered to be good in NBN. It has not been necessary to carry out any specific measures.

Compensation and profit sharing
All employees participate in a unified profit sharing programme. Performance criteria for allocation are determined by the Board of Directors of Nordea Bank AB (publ) early each year and reflect internal goals as well as benchmarking with competitors.

Nordea Groups long-term incentive programme (LTIP) was introduced in May 2007 and was followed by programmes in May 2008 and 2009, targeting up to 400 managers and key employees identified as essential to the future development of the total Nordea Group. Current LTIP's replaced an Executive Incentive Programme which had been in place from 2003.

More information on the incentive programme is described in Note 8 "Staff costs" and in Nordea Bank AB (publ)'s Annual Report 2009.

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 provide guidance on how the group entities manage and control environmental issues in their own operations. Nordea Bank Norge's direct impact on the external environment is limited to the use of material and energy as well as the production of services necessary for the Group's business. NBN's strong focus on general reduction of costs supports a reduced use of resources and energy.
A majority of the Bank's offices have systems for energy conserving heating and for turning the lightening down after working hours. Waste is as far as possible sorted according to their source material and contributes to recycling of resources. NBN has implemented guidelines for its traveling activities i.e. video- and telephone conferences replace physical meetings.

An increasing number of the NBN's financial services and daily operations are handled electronically, thus contributing to a lower use of resources.
Indirect influence on the environment takes place via business activities such as the granting of credits and asset management. Environmental consideration is included in the credit policy and environmental issues thus form a part of the risk analysis.

Legal proceedings

Within the framework of the normal business operations, NBN faces a number of claims in 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 NBN or its financial position.

Subsequent events

No events have occurred after the balance sheet date, which may materially affect the assessment of the annual financial statements of NBN Group. Within first quarter 2010, the Covered bonds portfolio as described in Note 46 Covered bonds will be derecognised in NBN ASA balance sheet and recognised in the balance sheet of Nordea Eiendomskreditt AS. The NBN Group figures will remain unchanged.

Corporate Social Responsibility

Nordea strives to make Corporate Social Responsibility (CSR) an integrated part of Nordea's business and identity. We strongly believe that responsible business leads to sustainable business results. Nordea's increased focus on CSR was manifested in the formation of a CSR Secretariat at the end of 2008 and a new CSR strategy was approved by Group Executive Management early 2009. The first deliveries, mainly focused on in-house operations, have been met.

Outlook 2010

Nordea Group expects the macroeconomic recovery to continue in 2010, but the development is still fragile and hence uncertainty remains.

Based on this, as well as a strong starting point and strong customer business development, Nordea Group will pursue a prudent growth strategy, balancing opportunities and risks, and will invest in the future through several growth and efficiency initiatives. The effect on the result from initiatives will be neutral in 2010. Nordea Bank Norge is expected to contribute to this development.

Nordea Group expects cost growth for 2010 to be largely in line with the growth rate in 2009, including the effects from growth and efficiency initiatives.

Nordea Group expects risk-adjusted profit to be lower in 2010 compared to 2009.

Credit quality continues to stabilise, in line with the macroeconomic recovery. However, loan losses will remain at a high level also in 2010, as it is difficult to forecast when loan losses will start to level off.

Nordea Group's tax rate is expected to be approximately 26%.

Nordea Bank Norge ASA
Oslo, 8 February 2010

Christian Clausen Chairman	Carl-Johan Granvik Deputy chairman	Mary H. Moe
Hege Marie Norheim	Steinar Nickelsen Employee representative	

Nordea Bank Norge

Income statement

		Group		Parent company	
NOKm	Note	2009	2008	2009	2008
Operating income					
Interest income		18,978	29,284	17,813	28,431
Interest expense		-9,446	-20,882	-9,283	-20,854
Net interest income	3	**9,532**	**8,402**	**8,530**	**7,577**
Fee and commission income		2,284	2,105	2,291	2,111
Fee and commission expense		-737	-665	-739	-670
Net fee and commission income	4	**1,547**	**1,440**	**1,552**	**1,441**
Net gains/losses on items at fair value	5	513	101	513	85
Profit/-loss from companies accounted for under the equity method	20	-478	841	0	0
Dividends and group contribution	6	0	0	489	265
Other operating income	7	129	273	142	295
Total operating income		**11,243**	**11,057**	**11,226**	**9,663**
Operating expenses					
General administrative expenses:					
Staff costs	8	-3,257	-2,729	-3,096	-2,590
Other expenses	9	-1,939	-1,801	-1,890	-1,753
Depreciation, amortisation and impairment charges of tangible and intangible assets	10,21,22	-128	-131	-117	-116
Total operating expenses		**-5,324**	**-4,661**	**-5,103**	**-4,459**
Profit before loan losses		**5,919**	**6,396**	**6,123**	**5,204**
Net loan losses	11	-2,004	-651	-1,834	-580
Operating profit		**3,915**	**5,745**	**4,289**	**4,624**
Income tax expense	12	-1,281	-1,415	-1,202	-1,338
Net profit for the year		**2,634**	**4,330**	**3,087**	**3,286**
Attributable to:					
Shareholder of Nordea Bank Norge ASA		2,634	4,330	3,087	3,286
Total		**2,634**	**4,330**	**3,087**	**3,286**
Earnings per share, NOK		4.78	7.85	5.60	5.96

Nordea Bank Norge

Balance sheet

		Group		Parent company	
NOKm	Note	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Assets					
Cash and balances with central banks		20,160	11,144	20,160	11,144
Loans to credit institutions	13	10,398	33,575	22,415	60,452
Loans to the public	13	422,300	446,527	409,072	409,651
Interest-bearing securities	14	58,686	36,657	58,686	36,607
Financial instruments pledged as collateral	15	2,612	58	2,612	58
Shares	16	2,952	1,729	2,950	1,727
Derivatives	17	1,738	7,409	1,738	7,302
Fair value changes of the hedged items in portfolio hedge of interest rate risk	18	119	373	119	279
Investments in group undertakings	19	0	0	2,241	2,241
Investments in associated undertakings	20	1,257	1,735	417	417
Intangible assets	21	377	354	328	302
Property and equipment	22,23	325	266	317	258
Deferred tax assets	12	118	0	346	0
Other assets	24	11,207	5,789	11,002	5,725
Prepaid expenses and accrued income	25	1,779	3,460	1,381	3,196
Total assets		**534,028**	**549,076**	**533,784**	**539,359**
Liabilities					
Deposits by credit institutions	26	255,944	250,804	258,969	246,231
Deposits and borrowings from the public	27	217,165	235,407	217,194	235,413
Debt securities in issue	28	3,740	7,265	3,740	6,076
Derivatives	17	1,512	1,169	1,509	1,046
Fair value changes of the hedged items in portfolio hedge of interest rate risk	18	49	106	49	27
Current tax liabilities	12	2,199	110	2,114	14
Other liabilities	29	13,443	10,960	13,362	10,943
Accrued expenses and prepaid income	30	1,797	2,581	1,335	2,196
Deferred tax liabilities	12	0	163	0	27
Provisions	31	24	36	24	36
Retirement benefit obligations	32	1,850	1,779	1,778	1,715
Subordinated liabilities	33	9,560	11,550	9,560	11,550
Total liabilities		**507,283**	**521,930**	**509,634**	**515,274**
Equity					
Non-controlling interests		5	4	0	0
Share capital		3,860	3,860	3,860	3,860
Share premium reserve		953	953	953	953
Retained earnings		21,927	22,329	19,337	19,272
Total equity		26,745	27,146	24,150	24,085
Total liabilities and equity		**534,028**	**549,076**	**533,784**	**539,359**
Assets pledged as security for own liabilities	34	145,988	49,711	145,988	49,711
Contingent liabilities	35	703	1,290	4,379	1,290
Commitments	36	336,467	326,035	344,402	330,690

Statement of comprehensive income

NOKm	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Net profit for the year	**2,634**	**4,330**	**3,087**	**3,286**
Currency translation differences during the year	-45	17	-32	34
Other comprehensive income, net of tax	**-45**	**17**	**-32**	**34**
Total comprehensive income	**2,589**	**4,347**	**3,055**	**3,320**
Attributable to:				
Shareholder of Nordea Bank Norge ASA	2,589	4,347	3,055	3,320
Total	**2,589**	**4,347**	**3,055**	**3,320**

Nordea Bank Norge ASA
Oslo, 8 February 2010

Christian Clausen
Chairman

Carl-Johan Granvik
Deputy chairman

Mary H. Moe

Hege Marie Norheim

Steinar Nickelsen
Employee representative

Statement of changes in equity

Group

NOKm	Share capital[1]	Share premium reserve	Retained earnings	**Total**	**Non-controlling interests**	**Total equity**
Opening balance at 1 Jan 2009	**3,860**	**953**	**22,329**	**27,142**	**4**	**27,146**
Total comprehensive income			2,589	2,589		2,589
Non-controlling interests (Privatmegleren AS)				0	1	1
Share-based payments[2]			9	9		9
Dividend for 2008			-3,000	-3,000		-3,000
Closing balance at 31 Dec 2009	**3,860**	**953**	**21,927**	**26,740**	**5**	**26,745**

NOKm	Share capital[1]	Share premium reserve	Retained earnings	**Total**	**Non-controlling interests**	**Total equity**
Opening balance at 1 Jan 2008	3,860	953	**17,973**	**22,786**	**1**	**22,787**
Total comprehensive income			4,347	4,347		4,347
Non-controlling interests (Privatmegleren AS)				0	3	3
Share-based payments[2]			9	9		9
Closing balance at 31 Dec 2008	**3,860**	**953**	**22,329**	**27,142**	**4**	**27,146**

Parent company

NOKm	Share capital[1]	Share premium reserve	Retained earnings	**Total equity**
Opening balance at 1 Jan 2009	3,860	953	**19,272**	**24,085**
Total comprehensive income			3,055	3,055
Share-based payments[2]			9	9
Dividend for 2008			-3,000	-3,000
Other changes			1	1
Closing balance at 31 Dec 2009	**3,860**	**953**	**19,337**	**24,150**

NOKm	Share capital[1]	Share premium reserve	Retained earnings	**Total equity**
Opening balance at 1 Jan 2008	**3,860**	**953**	**15,944**	**20,757**
Total comprehensive income			3,320	3,320
Share-based payments[2]			8	8
Closing balance at 31 Dec 2008	**3,860**	**953**	**19,272**	**24,085**

[1] The share capital is NOK 3,859,510,032 (31 Dec 2008: 3,859,510,032) consisting of 551,358,576 shares at a quota value of NOK 7.00.

[2] Refers to the Long Term Incentive Programme (LTIP).

Nordea Bank AB (Publ), corporate registration no. 516406-0120, owned 100 per cent of the shares in Nordea Bank Norge ASA as per 31 December 2009.
Nordea Bank AB's business adress is Hamngatan 10, SE - 10571 Stockholm, Sweden.
Description of items in the equity is included in note 1 Accounting policies.

Cash flow statement

NOKm	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Operating activities				
Operating profit	3,915	5,745	4,289	4,624
Adjustments for items not included in cash flow	2,140	1,019	1,518	1,702
Income taxes paid	-131	-1,216	-134	-1,216
Cash flow from operating activities before changes in operating assets and liabilities	**5,924**	**5,548**	**5,673**	**5,110**
Changes in operating assets				
Change in loans to credit institutions	219	966	1,582	22,817
Change in loans to the public	22,185	-86,959	-1,288	-84,651
Change in interest-bearing securities	-21,803	-7,324	-21,853	-7,324
Change in financial assets pledged as collateral	-2,554	1,160	-2,554	1,160
Change in shares	357	-1,035	357	-1,034
Change in derivatives, net	4,552	-6,672	4,549	-6,642
Change in other assets	-5,418	3,295	-5,277	3,311
Changes in operating liabilities				
Change in deposits by credit institutions	5,140	89,014	12,738	84,774
Change in deposits and borrowings from the public	-18,242	17,636	-18,219	17,663
Change in debt securities in issue	-3,525	-479	-2,336	-468
Change in other liabilities	2,483	-5,483	2,419	-5,394
Cash flow from operating activities	**-10,682**	**9,667**	**-24,209**	**29,322**
Investing activities				
Acquisition of group undertakings	0	0	0	-8
Share issue in associated undertakings	0	-278	0	-278
Acquisition of property and equipment	-127	-71	-122	-68
Sale of property and equipment	14	2	10	2
Acquisition of intangible assets	-149	-159	-143	-151
Cash flow from investing activities	**-262**	**-506**	**-255**	**-503**
Financing activities				
Issued subordinated liabilities	0	2,036	0	2,036
Dividend paid	-3,000	0	-3,000	0
Cash flow from financing activities	**-3,000**	**2,036**	**-3,000**	**2,036**
Cash flow for the year	**-13,944**	**11,197**	**-27,464**	**30,855**
Cash and cash equivalents at the beginning of year	35,781	24,584	62,658	31,803
Exchange rate difference	2	0	25	0
Cash and cash equivalents at the end of year	21,839	35,781	35,219	62,658
Change	**-13,944**	**11,197**	**-27,464**	**30,855**

Comments on the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea'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	
NOKm	2009	2008	2009	2008
Depreciation	123	109	112	101
Impairments charges	5	22	5	15
Equity method	478	-841	0	0
Loan losses	2,042	651	1,867	580
Unrealised gains/losses	-344	2,113	-328	2,111
Capital gains/losses (net)	-1	8	-1	8
Change in accruals and provisions	1,811	-1,102	1,847	-1,187
Currency effect on subordinated liabilities	-2,019	17	-2,021	34
Other	45	42	37	40
Total	**2,140**	**1,019**	**1,518**	**1,702**

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans and receivables, deposits and debt securities in issue. 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	
NOKm	2009	2008	2009	2008
Interest payments received	20,756	28,172	19,582	27,270
Interest expenses paid	10,550	20,494	10,340	20,467

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.

Cash and cash equivalents

The following items are included in Cash and cash equivalents assets:

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Cash and balances with central banks	20,160	11,144	20,160	11,144
Loans to credit institutions, payable on demand	1,679	24,637	15,059	51,514
	21,839	**35,781**	**35,219**	**62,658**

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.

Norde Bank Norge Group - Five year overview

Income statement

NOKm	2009	2008	2007	2006	2005
Net interest income	9,532	8,402	6,146	5,327	5,031
Net fee and commission income	1,547	1,440	1,615	1,602	1,572
Net gains/losses on items at fair value	513	101	308	587	887
Equity method	-478	841	13	54	37
Other income	129	273	75	91	167
Total operating income	**11,243**	**11,057**	**8,157**	**7,661**	**7,694**
General administrative expenses:					
Staff costs	-3,257	-2,729	-2,615	-2,504	-2,386
Other expenses	-1,939	-1,793	-1,773	-1,624	-1,476
Depreciation, amortisation and impairment charges of tangible and intangible assets	-128	-139	-108	-136	-152
Total operating expenses	**-5,324**	**-4,661**	**-4,496**	**-4,264**	**-4,014**
Net loan losses	-2,004	-651	105	760	1,030
Operating profit	**3,915**	**5,745**	**3,766**	**4,157**	**4,710**
Income tax expense	-1,281	-1,415	-930	-1,075	-1,362
Net profit for the year	**2,634**	**4,330**	**2,836**	**3,082**	**3,348**

Balance sheet

NOKm	2009	2008	2007	2006	2005
Interest-bearing securities	58,686	36,657	29,322	26,316	16,905
Loans to credit institutions	10,398	33,575	19,284	20,497	17,860
Loans to the public	422,300	446,527	360,219	307,023	257,869
Derivatives	1,738	7,409	668	898	509
Other assets	40,906	24,908	32,107	15,923	17,217
Total assets	**534,028**	**549,076**	**441,600**	**370,657**	**310,360**
Deposits by credit institutions	255,944	250,804	161,790	132,572	95,767
Deposits and borrowings from the public	217,165	235,407	217,771	178,876	147,892
Debt securities in issue	3,740	7,265	7,744	11,179	27,543
Derivatives	1,512	1,169	2,145	2,695	1,966
Subordinated liabilities	9,560	11,550	7,422	7,140	5,298
Other liabilities	19,362	15,735	21,941	17,244	12,246
Equity	26,745	27,146	22,787	20,951	19,648
Total liabilities and equity	**534,028**	**549,076**	**441,600**	**370,657**	**310,360**

Ratios and key figures

	2009	2008	2007	2006	2005
Earnings per share (EPS), NOK	4.78	7.85	5.14	5.59	6.07
Equity per share[1], NOK	48.51	49.23	41.33	38.00	35.64
Shares outstanding[1], million	551	551	551	551	551
Return on equity, %	10.1	17.6	13.2	15.7	18.2
Cost/income ratio, %	47	42	55	56	52
Tier 1 capital ratio, before transition rules[1], %	9.5	8.7	8.9	n.a.	n.a.
Total capital ratio, before transition rules[1], %	12.2	11.9	12.1	n.a.	n.a.
Tier 1 capital ratio[1], %	8.1	6.6	6.6	6.8	7.6
Total capital ratio[1], %	10.5	9.1	8.9	9.4	9.9
Tier 1 capital[1], NOKm	25,509	25,566	21,639	19,724	17,934
Risk-weighted assets[1,2], NOKbn	269	294	330	289	237
Number of employees (full-time equivalents)[1]	3,322	3,412	3,254	3,055	3,102

[1]End of period

[2]RWA according to Basel I for the years 2005-2006 and Basel II for the years 2007-2009

Notes to the financial statements

Note 1 - Accounting policies

Table of contents

1. Basis for presentation

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the EU Commission. In addition, certain complementary rules in the Norwegian Accounting Act with supported regulations have also been applied.

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

2. Comparative figures

The comparative figures for 2008 include effects of changes in the presentation described in section 3 "Changed accounting policies and presentation" below.

3. Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2008 Annual Report.

The impact on the presentation from the amendment to IAS 1 "Presentation of Financial Statements" is described below, together with the impact on disclosures from the new standard IFRS 8 "Operating Segments" and the amendment to IFRS 7 "Financial instruments: Disclosures". Nordea has furthermore made a change in the presentation within "Net fee and commission income", which is also described below.

The implemented revision of IAS 23 "Borrowing Costs" and amendments to IAS 32 "Financial Instruments: Presentation" (Puttable Financial Instruments and Obligations Arising on Liquidation), IAS 39 "Financial Instruments: Recognition and Measurement" (Reassessment of embedded derivatives) and IFRS 2 "Share-based Payment" (Vesting Conditions and Cancellations) as well as "Improvements to IFRSs" and new interpretations (IFRIC 13, 14, 15, 16), have had no or only an insignificant impact on Nordea (EU commission endorsement for IFRIC 15 and 16 as from 2010).

Amendment of IAS 1 "Presentation of Financial Statements"

IASB has amended IAS 1 "Presentation of Financial Statements" with effective date for Nordea as from 1 January 2009. The main impact from this amendment is that the "Statement of changes in equity" has been added and the "Statement of comprehensive income" renamed and relocated to be displayed immediately after the "Income statement".

New standard IFRS 8 "Operating Segments"

IFRS 8 is mandatory for Nordea as from 1 January 2009. The IFRS requires identification of operating segments on the basis of the information regularly reviewed by the entity's chief operating decision maker (CODM) in order to allocate resources to the segment and assess its performance. The reportable segments in Nordea have, mainly as a consequence of the restrictions in the aggregation criteria, been changed, and information has been added to comply with the requirements in the new standard. See note 2 "Segment reporting" for more information.

Amendment of IFRS 7 "Financial instruments: Disclosures"
In March 2009 the International Accounting Standards Board (IASB) published the amendment "Improving Disclosures about Financial Instruments", effective as from 1 January 2009. The amendment requires enhanced disclosures about fair value measurements and liquidity risk. See the separate section Risk, Liquidity and Capital management in the Board of Directors' report.

Forthcoming changes in IFRSs
IFRS 9 "Financial instrument" (Phase 1)
IASB has published a new standard on financial instruments. The standard is the first step in the replacement of IAS 39 "Financial instruments: Recognition and Measurement" and this first phase covers classification and measurement of financial assets. The effective date is for annual periods beginning on or after 1 January 2013, but earlier application is permitted. The EU commission has not endorsed this standard for implementation in 2009.

Nordea has, due to the fact that the standard has been recently published and that it is not yet endorsed by the EU commission, not finalised the investigation of the impact on the period of initial application or on subsequent periods.

Other forthcoming changes in IFRSs
IASB has revised IFRS 3 "Business Combinations" and amended IAS 27 "Consolidated and Separate Financial Statements". Nordea has chosen not to implement these changes in advance and the updated standards will generally be applied prospectively for business combinations effected as from 1 January 2010, meaning that there will generally be no restatement of business combinations with acquisition dates prior to the implementation of this IFRS. The transition rules furthermore state that changes in recognised deferred tax assets, originating from business combinations effected before the application of this IFRS, shall be recognised in the income statement without any equivalent adjustments made to goodwill through the income statement, unless there is an impairment of goodwill. On acquisitions on and after 1 January 2010 the major expected impacts on Nordea from the amended IFRS 3 and IAS 27 will include a broader definition of business combinations, the need to expense acquisition costs and continuous fair value adjustments of contingent considerations recognised in the income statement.

IASB has amended IAS 32 "Financial instruments: Presentation" with respect to classification of rights issues. Nordea has chosen not to implement these changes early and the updated standard will be applied retroactively as from 1 January 2011. There is currently no identified significant impact on the period of initial application, but the amendment may affect future rights issues involving different currencies.

IASB has furthermore revised IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 24 "Related Party Disclosures" (not yet endorsed by the EU commission), amended IFRS 2 "Share-based payment" (Group Cash-settled Share-based Payment Transactions), IAS 39 "Financial Instruments: Recognition and Measurement" (Eligible hedged items) as well as published "Improvements to IFRSs". These revised and amended standards and improvements are effective for Nordea as from 1 January 2010, except for the revision of IAS 24 which is effective as from 1 January 2011, but are not expected to have any significant impact on the period of initial application or on subsequent periods.

In addition, one new interpretation not mandatory for Nordea in 2009, but where early adoption is allowed, has been published (IFRIC 17 "Distributions of Non-cash Assets to Owners"). There is currently no identified significant impact on the period of initial application or on subsequent periods.

The abovementioned revised and amended standards, improvements and new interpretation not yet adopted are not, on the period of initial application or on subsequent periods, expected to have any significant impact on the capital adequacy.

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 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:

– goodwill and
– loans and receivables.

- the actuarial calculations of pension liabilities.
- claims in civil lawsuits.

Fair value measurement
Critical judgement is 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.

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

Impairment testing
Goodwill
Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. This consists of an analysis to assess whether the carrying amount of goodwill is fully recoverable. The determination of the recoverable amount involves establishing the value in use, measured as the present value of the cash flows expected from the cash-generating unit, to which the goodwill has been allocated. The cash-generating units are defined as segments in each legal entity in Nordea.

The forecasts of future cash flows are based on Nordea's best estimates of future revenues and expenses for the cash-generating units to which goodwill has been allocated. A number of assumptions and estimates have significant effect on these calculations and include parameters like macroeconomic assumptions, market growth, business volumes, margins and cost effectiveness. Changes to any of these parameters, following changes in market conditions, competition, strategy or other, affects the forecasted cash flows and may result in impairment charges of goodwill.

See also the separate section 15 "Intangible assets".

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 indicate 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 to the public/credit institutions".

Actuarial calculations of pension liabilities and plan assets related to employees
The Projected Benefit Pension Obligation (PBO) for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used. The most important financial parameter is the discount rate. Other parameters like assumptions as to salary increases and inflation are fixed based on the expected long term development of these parameters. The fixing of these parameters at year end is disclosed in Note 32 "Retirement benefit obligations".

The major part of the assets covering the pension liabilities is invested in liquid assets and valued at market price at year end. The expected return on plan assets is fixed taking into account the asset composition and based on long term expectations on the return on the different asset classes. The expected return is also disclosed in Note 32 "Retirement benefit obligations".

See also the separate section 19 "Pensions to employees".

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 Norge ASA, 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. Under the purchase method, the acquisition is regarded as a transaction whereby the parent company indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The acquisition cost to the Group is established in a purchase price allocation analysis. In such analysis, the cost of the business combination is established as the fair values of recognised identifiable assets, liabilities and contingent liabilities. The cost of the business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for the net assets acquired, plus any costs directly attributable to the business combination. When the cost of the business combination exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the excess is reported as goodwill. If the difference is negative, such difference is immediately recognised in the income statement.

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

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

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, which are classified as a venture capital organisation within Nordea, are measured at fair value in accordance with the rules set out in IAS 28 and IAS 39.

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

Principles of elimination
Intra-group transactions and balances between the consolidated group undertakings are eliminated.

Currency translation of foreign entities
The consolidated financial statements are prepared in Norwegian Kroner (NOK), the presentation currency of the parent company Nordea Bank Norge ASA The current method is used when translating the financial statements of foreign entities into NOK 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 accounted for directly in equity.

Changes in Group structure
There have been no significant changes in the Group structure during the year. For details on changes, see note 19 "Investments in Group undertakings".

6. Recognition of operating income and loan losses

Net interest income
Interest income and interest 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.

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, i.e. when the syndication has been finalised.

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
- Foreign exchange gains/losses

Dividends
Dividends received are recognised in the income statement as "Net gains/losses on items at fair value". Income is recognised in the period in which the right to receive payment is established.

Result from companies accounted for under the equity method
The result 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. Result from companies accounted for under the equity method are, as stated in section 5 "Principles of consolidation" reported in the income statement post-taxes. Consequently, tax expense related to these results are excluded from the income tax expense for Nordea.

The change in Nordea´s share of the net assets is based on the external reporting provided by the associates and affects the financial statements of Nordea in the period in which the information is available.

Other operating income
Net gains from divestments of shares in subsidiaries and associates and other operating income, not related to any other income line, are generally recognised when it is probable that the benefits associated with the transaction will flow to Nordea and if the significant risks and rewards have been transferred to the buyer (generally when the transactions are finalised).

Loan losses
Impairment losses from financial assets classified as Loans and receivables, Held to maturity and interest bearing securities classified as Available for sale (see section 12 "Financial instruments") are reported as "Loan losses", together with losses from financial guarantees. Losses are reported net of any collateral and other credit enhancements. Accounting policies for the calculation of impairment losses on loans are found in section 13 "Loans to the public/credit institutions.

Losses relating to Financial assets at fair value through profit or loss, including credit derivatives, are reported under "Net gains/losses on items at fair value".

7. Recognition and derecognition of financial instruments 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 is applied, are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea performs, for example when Nordea repays 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 12 "Financial instruments", as well as Note 41 "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 currency other 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".

9. Hedge accounting
IAS 39 includes principles and rules concerning accounting for hedging instruments and the underlying hedged item, so-called hedge accounting. 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 out in IAS 39. Nordea uses hedge accounting in order to have a symmetrical accounting treatment of the changes in fair value of the hedged item. 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 three forms of hedge accounting:

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

Fair value hedge accounting
Nordea Bank Norge only applies fair value hedge accounting. Fair value hedge accounting is used when derivatives are hedging 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 attributable to the risks being hedged 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 attributable to the risks hedged with the derivative instrument are reflected in an adjustment to the carrying amount 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 or loss. For fair value hedges, the change in the fair value on the hedged item, up to the point when the hedge 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:

- Interest-bearing securities
- Shares
- Derivatives (listed derivatives)
- Debt securities in issue (issued mortgage bonds in Nordea Eiendomskreditt AS)

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:

- 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. An important part of the portfolio adjustment serves to adjust the net open market risk exposures from mid-prices to ask or bid prices (depending on the net position). For different risk categories, exposures are aggregated and netted according to internal guidelines and aggregated market price information on bid-ask spreads are applied in the calculation. Spreads are updated on a regular basis.

The portfolio adjustment for model risk comprises two components (The calculation principles are defined as part of the internal approval process for valuation models):
- 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.

The portfolio adjustment for counterparty risk in OTC-derivatives is based on the current exposure towards each counterpart, the estimated potential future exposure as well as an estimate of the cost of hedging the counterparty risk. This cost of hedging is either based directly on market prices (where available) or on a theoretical calculation based on the internal credit rating of the counterpart.

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are predominantly based on data from observable markets. By data from observable markets, Nordea considers 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 has a significant impact on the valuationis 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.

A breakdown of fair values of financial instruments measured on the basis of quoted prices in active market for the same instrument (level 1), valuation techniques using observable data (level 2), and valuation techniques using non-observable data (level 3) is provided in Note 39 "Assets and liabilities as 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.

New valuation models are subject to approval by Group Credit and Risk Control and all models are reviewed on a regular basis.

For further information, see Note 39 "Assets and liabilities at fair value".

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", see section 12 "Financial instruments".

Loans 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 (Fair Value Option)
- Loans
- 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 (Fair Value Option)
- 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 are recognised. In Note 38 "Classification of financial instruments" the classification of the financial instruments in Nordea's 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, excluding transaction costs. 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.

Nordea also applies the Fair value option on certain financial assets and financial liabilities related to Markets. 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 classified as Financial assets and financial liabilities at fair value through profit or loss.

Loans
Loans 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 to the public/credit institutions".

Held-to-maturity investments
Held-to-maturity investments are initially recognised in the balance sheet at the acquisition price, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method.

Nordea assesses at each reporting date whether there is any objective evidence that the asset is impaired. If there is such evidence, an impairment loss is recorded. The loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows and is recognised as "Loan losses" in the income statement. See section 13 "Loans to the public/credit institutions" for more information on the identification and measurement of objective evidence of impairment.

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.

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

Available for sale financial assets are assessed at least annually in order to determine any need for impairment losses. If there is objective evidence of impairment, the accumulated loss that has been recognised in other comprehensive income is removed from equity and recognised in the income statement. The amount of the accumulated loss that is removed from equity is the difference between the asset's acquisition cost and current fair value.

Other financial liabilities
Financial liabilities, other than those classified as Financial liabilities at fair value through profit or loss, are measured at amortised cost. Interest from Other financial liabilities is recognised in the item "Interest expense" 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 stand-alone derivatives 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, of the embedded derivatives, 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 is entitled to resell or repledge the securities, the securities are recognised on the balance sheet as "Financial instruments pledged as collateral".

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

Cash collateral advanced to the counterparts is recognised on the balance sheet as "Loans to credit institutions" or as "Loans 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 delivered under repurchase agreements are recognised off-balance sheet in the item "Assets pledged as security for own liabilities".

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

Additionally, the sale of securities received in reverse repurchase agreements 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".

13. Loans to the public/credit institutions
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 38 "Classification of financial instruments").

Nordea monitors loans as described in the separate section on Risk, Liquidity and Capital management. Loans attached to individual customers or groups of customers are identified as impaired if the impairment test indicates objective evidence of impairment.

Impairment test of loans attached to individual customers
Nordea tests significant loans for impairment on an individual basis. The purpose of the impairment tests is to find out if the loans have become impaired. As a first step in the identification process for impaired loans, Nordea monitors whether there are indicators for impairment (loss event) and whether these represent objective evidence of impairment. More information on the identification of loss events can be found in the "Risk, Liquidity and Capital Management" section, sub-section "Credit risk" in the Board of Directors report.

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 carrying amount 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 will be transferred to a group of loans with similar risk characteristics for a collective impairment test.

Impairment test of loans attached to groups of customers
All loans not impaired on an individual basis are collectively assessed for impairment. The loans are grouped on the basis of similar credit risk characteristics that are indicative of the debtors´ ability to pay all amounts due according to the contractual terms. Nordea monitors its portfolio through rating migrations, 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. A loss event is an event resulting in a deterioration of the expected future cash flows. 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 an individual basis is called "Emergence period". The impairment remains related to the group of loans until the losses have been identified on an individual basis. The identification is made through a default of the engagement or by other indicators.

For corporate customers and bank counterparts, 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. These 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. Personal customers and small corporate customers are monitored through scoring models. These are based mostly on historical data, as default rates and loss rates given a default, and experienced judgement performed by management. Rating and scoring models are described in more detail in the separate section on "Risk, Liquidity and Capital management" in the Board of Directors report.

The collective assessment is performed through a netting principle, i.e. when rated engagements are up-rated due to estimated increases in cash flows, this improvement will be netted against losses on loans that are down-rated due to estimated decreases in cash-flows. Netting is only performed within groups with similar risk characteristics where Nordea assesses that the customers' future cash flows are insufficient to serve the loans in full.

Impairment loss
If the carrying amount of the loans is higher than the sum of the net present value of estimated cash flows, including the fair value of the collaterals and other credit enhancements, 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 (see also section 6 "Recognition of operating income and loan losses").

If the impairment loss is regarded as final, it is reported as a realised loss. A realised loss is recognised and the value of the loan and the related allowance for impairment loss are derecognised with a corresponding gain or loss recognised in the line item "Loan losses" in the income statement. 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 if it performs according to the 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 acquires an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are 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. At initial recognition, all assets taken over for protection of claims are valued at fair value. The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Financial assets that are foreclosed are classified as Available for sale (see section 12 "Financial instruments") and are measured at fair value. Changes in fair values are recognised in other comprehensive income.

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's 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 remeasurement of the asset.

14. Leasing

Nordea as lessor

Finance leases

Nordea's leasing operations mainly comprise finance leases. A finance lease is reported as a receivable from the lessee in the balance sheet item "Loans 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.

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, or if lower, the present value of the minimum lease payments 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 testing of leased assets is performed following the same principles as for similar owned assets.

Operating leases

For operating leases the lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term unless another systematic way better reflects 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.

The central district properties that Nordea has divested are leased back. The duration of the lease agreements were initially 3–25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefits from appreciation in value of the leased property. In addition, the lease term is not for the major part of the assets' economic life. These leases are thus classified as operating leases. The rental expense for these premises is recognised on the basis of the time-pattern of Nordea's economic benefit which differs from the straight-line basis and better resembles an ordinary rental arrangement.

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 or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is 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 of three years or more and the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditure directly attributable to preparing the asset for use. Computer software includes also acquired software licenses not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of 3 to 5 years.

Other intangible assets

Expenditure on acquired patents, trademarks and licenses is capitalised and amortised using the straight-line 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 carrying amount 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 customer areas by country. 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 carrying amount, an impairment loss is recognised.

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 measured at cost less accumulated depreciation and 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. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items.

Depreciation is calculated on a straight-line 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. Fixtures installed in leased properties are depreciated over the shorter of 10-20 years and the remaining leasing term.

At each balance sheet date, Nordea assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and any impairment loss is recognised.

17. Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement, except to the extent that the tax effect relates to items recognised directly in equity, in which case the tax effect is recognised in equity, in which case the tax effect is recognised in other comprehensive income or in equity respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised, using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits. Deferred tax is not recognised for temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and associated companies to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences, tax losses carry forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets.

18. Earnings per share

Earning per share is calculated as Net profit for the period divided by the weighted average outstanding number of ordinary shares. Dilution is not applicable.

19. Pensions to employees

Pension plans

The companies within Nordea Bank Norge Group have various defined pension plans. The major 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 defined benefit obligations.

Pension costs

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

Obligations for defined contribution pension plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. Nordea's net obligation for defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value. Any unrecognised prior service cost and the fair value of any plan assets are deducted. Actuarial calculations, performed annually, are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions (as disclosed in Note 32 "Retirement benefit obligations").

When establishing the present value of the obligation and the fair value of any plan assets, actuarial gains and losses may arise as a result of changes in actuarial assumptions and experience effects (actual outcome compared to assumptions). The actuarial gains and losses are not recognised immediately in the income statement. Rather, only 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 or the fair value of the plan assets, the excess is recognised in the income statement over the expected average remaining service period of the employees participating in the plan, Otherwise, actuarial gains and losses are not recognised.

When the calculation results in a benefit to the Nordea entity, the recognised asset is limited to the net total of any unrecognised actuarial losses, unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Social security contribution is calculated and accounted for based on the net recognised surplus or deficit by plan.

20. Equity

Non-controlling interests

Non-controlling interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank Norge ASA.

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 accumulated undistributed profits including the earnings in associated companies, after the acquisition date for NBN Group.

21. Financial guarantee contracts and credit commitments

Upon initial recognition, premiums received in issued financial guarantee contracts and credit commitments are recognised as deferred income on the balance sheet. The guarantees and irrevocable credit commitments are subsequently measured, and recognised on the balance sheet, at the higher of either the received fee less amortisation, or a provision calculated as the discounted best estimate of the expenditure required to settle the present obligation. Changes in provisions are recognised in the income statement in the item "Loan losses".

Premiums received for financial guarantees are, as stated in section 6 "Recognition of operating income and loan losses", amortised over the guarantee period and recognised as "Fee and commission income" in the income statement. Premiums received on credit commitments are amortised over the loan commitment period. The contractual amounts are recognised off-balance sheet, financial guarantees in the item "Contingent liabilities" and irrevocable credit commitments in the item "Commitments".

22. Share-based payment

Nordea Bank AB (publ.) has issued Long Term Incentive Programmes in 2007, 2008 and 2009. Key employees in Nordea Bank Norge Group also participate in these programmes and are granted share-based and equity-settled rights, i.e. rights to acquire shares in Nordea Bank AB (publ.) at a significant discount to the share price at grant date. According to IFRS 2, the value of such rights is to be expensed. The expense is based on the estimated fair value of each right at grant date. The total fair value of these rights is determined based on the group's estimate of the number of rights that will eventually vest, which is reassessed at each reporting date, and is expensed on a straight-line basis over the vesting period. The vesting period is the period that the employees have to remain in service in Nordea in order for their rights to vest. Market performance conditions in D-rights are reflected as a probability adjustment to the initial estimate of fair value at grant date. There is no adjustment (true-up) for differences between estimated and actual vesting due to market conditions.

Social security costs are also allocated over the vesting period, in accordance with Norwegian regulation. The provision for social security costs is reassessed on each reporting occasion to ensure that the provision is based on the rights' fair value at the reporting date.

For more information see Nordea Bank AB (publ) Annual Report.

23. Related party transactions

Nordea defines related parties as:

- Shareholders with significant influence
- Group undertakings
- Associated undertakings
- Key management personnel
- Other related parties

Shareholders with significant influence
Nordea Bank AB (publ.) owns 100% of the shares in Nordea Bank Norge ASA and has significant influence.

Group undertakings
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". Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. These transactions are eliminated in the consolidated accounts.

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 notes 20 "Investments in associated undertakings"

Key management personnel
Key management personnel include the Board of Directors, the Chief Executive Officer, the Control Committee and the Board of Representatives. For information about compensation and pensions to key management personnel, see Note 8 "Staff costs". Information concerning other transactions between Nordea and key management personnel is found in Note 43 "Related-party transactions".

Other related parties
Other related parties comprise companies significantly influenced by key management personnel in Nordea Bank Norge Group as well as companies significantly influenced by close family members to these key management personnel. Other related parties also include Nordea Norge Pensjonskasse.

Information concerning transactions between Nordea and other related parties is found in Note 43 "Related-party transactions".

24. Segment reporting

Segment reporting structure
Within Nordea, customer responsibility is fundamental. Nordea's total business relations with customers are reported in the customer responsible unit's income statement and balance sheet. The Operating segments have been identified based on Nordea's operating model and internal reporting structure.

Financial results are presented for the three operating segments Nordic Banking, Financial Institutions as well as Shipping, Oil Services & International. The customer operations which are not included in these segments are included in Other operating segments (International Private Banking & Funds, Group Corporate Centre, the customer operations within Life and the result in Capital Market Products which is not allocated to the main operating segments). Group Functions, eliminations as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

Allocation principles
Costs are allocated from Group Functions and Product Areas to operating segments based on internal principles, aiming at the highest possible degree of cost transparency. Income is allocated with the underlying business transactions as driver combined with the identification of the customer responsible unit. Assets, liabilities and economic capital are allocated to the operating segments.

Transfer pricing
Funds transfer pricing is based on current market interest rates and applied to all assets and liabilities allocated to or accounted for in the operating segments or Group Functions.

Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. The financial result of such transactions is reported in the relevant operating segment based on assigned product and customer responsibilities.

25. Exchange rates

EUR 1 = NOK	2009	2008
Income statement (average)	8.7364	8.2267
Balance sheet (year-end)	8.3060	9.7400
USD 1 = NOK		
Income statement (average)	6.2983	5.6416
Balance sheet (year-end)	5.7740	7.0200
SEK 1 = NOK		
Income statement (average)	0.8221	0.8550
Balance sheet (year-end)	0.8102	0.8987
DKK 1 = NOK		
Income statement (average)	1.1732	1.1033
Balance sheet (year-end)	1.1162	1.3074

Note 2:
Segment reporting

Group

Operating segments	Nordic Banking		Financial Institutions		Shipping, Oil Services & International		Group Corporate Center		Other Operating segments		Total operating segments		Reconciliation		Total Group	
Income statement, NOKm	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Net interest income	7,318	5,664	151	183	1,580	1,130	749	1,474	-255	-189	9,543	8,262	-11	140	9,532	8,402
Net fee and commission income	1,224	1,352	199	230	267	222	10	13	-82	-299	1,618	1,518	-71	-78	1,547	1,440
Net gains/losses on items at fair value	840	809	160	191	200	144	-35	-568	-649	-479	516	97	-3	4	513	101
Profit from companies accounted for under the equity method	0	0	0	0	0	0	0	0	-478	841	-478	841	0	0	-478	841
Other income	93	56	27	68	0	1	3	7	132	88	255	220	-126	53	129	273
Total operating income	**9,475**	**7,881**	**537**	**672**	**2,047**	**1,497**	**727**	**926**	**-1,332**	**-38**	**11,454**	**10,938**	**-211**	**119**	**11,243**	**11,057**
Staff costs	-1,498	-1,397	-48	-44	-108	-104	-61	-60	-1,174	-997	-2,889	-2,602	-368	-127	-3,257	-2,729
Other expenses	-2,625	-2,371	-200	-159	-130	-126	-85	-63	806	684	-2,234	-2,035	295	234	-1,939	-1,801
Depreciation, amortisation and impairment charges of tangible and intangible assets	-50	-53	0	0	0	0	0	0	-49	-68	-99	-121	-29	-10	-128	-131
Total operating expenses	**-4,173**	**-3,821**	**-248**	**-203**	**-238**	**-230**	**-146**	**-123**	**-417**	**-381**	**-5,222**	**-4,758**	**-102**	**97**	**-5,324**	**-4,661**
Net loan losses	-1,097	-541	-21	0	-709	-36	0	0	-185	-74	-2,012	-651	8	0	-2,004	-651
Operating profit	**4,205**	**3,519**	**268**	**469**	**1,100**	**1,231**	**581**	**803**	**-1,934**	**-493**	**4,220**	**5,529**	**-305**	**216**	**3,915**	**5,745**
Income tax expense	-84	-96	0	0	-35	-85	0	0	-90	-55	-209	-236	-1,072	-1,179	-1,281	-1,415
Net profit for the year	**4,121**	**3,423**	**268**	**469**	**1,065**	**1,146**	**581**	**803**	**-2,024**	**-548**	**4,011**	**5,293**	**-1,377**	**-963**	**2,634**	**4,330**
Balance sheet, NOKbn																
Loans to the public	351	353	3	4	64	85	1	-24	2	2	421	420	1	27	422	447
Deposits and borrowings from the public	179	172	19	35	20	31	1	1	0	0	219	239	-2	-4	217	235

Reconciliation between total operating segments and financial statements

	2009				2008			
	Total operating income, NOKm	Operating profit, NOKm	Loans to the public, NOKbn	Deposits and borrowings from the public, NOKbn	Total operating income, NOKm	Operating profit, NOKm	Loans to the public, NOKbn	Deposits and borrowings from the public, NOKbn
Total Operating segments	11,454	4,220	421	219	10,938	5,529	420	239
Group functions[1]	337	203	1	-2	441	508	27	-4
Eliminations	-548	-486	0	0	-322	-265	0	0
Differences in accounting policies[2]	0	-22	0	0	0	-27	0	0
Total	**11,243**	**3,915**	**422**	**217**	**11,057**	**5,745**	**447**	**235**

[1] Consists of Group Management Secretariat, Group Internal Audit, Group Credit and Risk Control, People and Identity and Group Legal.

[2] Internally developed and bought software is expensed as incurred in the operating segments, but capitalised as required by IAS 38 in the entity's balance sheet.

Note 2:
Segment reporting cont.

Basis of segmentation and measurement of segment profit or loss
In November 2006 the IASB issued IFRS 8 "Operating Segments", which is mandatory for periods beginning on or after 1 January 2009. IFRS 8 has had an impact on the reportable segments in Nordea, mainly as the previously aggregated segment Institutional & International Banking has been divided into two individual reportable segments (Financial Institutions and Shipping, Oil Services & International). Other Operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Comparative information has been restated accordingly.

The accounting policies of the operating segments complies with the Group's significant accounting policies described in note 1, except for that software is, as from Q1 2009, expensed as incurred in the operating segments, but capitalised as required by IAS 38 in the Group's balance sheet.

Reportable Operating segments
Nordea's operating model defines four areas in the organisation reflecting different responsibilities; Customer areas, Product areas, Group operations and Support areas. The Operating segments have been identified based on the Customer areas in the operating model and on the internal reporting structure. The Customer areas are responsible for the overall business relation with a customer or customer group.

Nordic Banking conducts a full service banking operation. It is Nordea's largest customer area and serves household customers and corporate customers in the Nordic markets. Customers within Nordic Banking are offered a complete range of banking products and services including account products, transaction products, market products and insurance products. The Financial Institutions segment is responsible for Nordea's customers within the financial institution industry. Nordea's financial institution services include single products such as funds, equity products etcetera as well as consulting services within asset allocation and fund sales. The segment Shipping, Oil Services & International is responsible for Nordea's customers within the shipping, offshore and oil services industries.

Group

Total operating income split on product groups

NOKm	2009	2008
Banking products	9,946	8,825
Capital Markets products	1,043	1,194
Savings Products & Asset Management	17	15
Other	237	1,023
Total	**11,243**	**11,057**

Banking products consists of three product responsible divisions. Account products is responsible for developing and delivering account based products such as lending, deposits and cards and Netbank services. Transaction products provides and develops cash management, trade and project finance services. Nordea Finance is responsible for asset based financing through leasing, hire purchase and factoring as well as offering sales to finance partners such as dealers, vendors and retailers. Capital Markets products includes financial instruments, or arrangement for a financial instrument, that are available in the financial marketplace, including currencies, commodities, stocks, bonds and existing arrangements. Savings Products & Asset Management includes Investment funds, Discretionary Management, Portfolio Advice, Equity Trading and Pension Accounts. Investment Funds is a bundled product where the fund company invest in stocks, bonds, derivatives or other standardised products on behalf of the fund's shareholders. Discretionary Management is a service providing the management of an investment portfolio on behalf of the customer and Portfolio Advise is a service provided to support the customers investment decision.

Note 3:
Net interest income

	Group		Parent company	
NOKm	2009	2008	2009	2008
Interest income				
Loans to credit institutions	292	812	1,018	2,688
Loans to the public	17,488	26,256	15,600	23,531
Interest-bearing securities	1,148	1,959	1,145	1,956
Other interest income	50	257	50	256
Interest income	**18,978**	**29,284**	**17,813**	**28,431**
Interest expense				
Deposits by credit institutions	-3,387	-7,882	-3,469	-7,883
Deposits and borrowings from the public	-4,141	-10,493	-4,141	-10,493
Debt securities in issue	-251	-411	-111	-396
Subordinated liabilities	-240	-356	-240	-356
Other interest expenses	-1,427	-1,740	-1,322	-1,726
Interest expense	**-9,446**	**-20,882**	**-9,283**	**-20,854**
Net interest income	**9,532**	**8,402**	**8,530**	**7,577**

Net interest income

	Group		Parent company	
NOKm	2009	2008	2009	2008
Interest income	18,481	28,701	17,813	28,431
Leasing income, net[1]	497	583	0	0
Interest expenses	-9,446	-20,882	-9,283	-20,854
Total	**9,532**	**8,402**	**8,530**	**7,577**

[1] Refers to finance leases where the Group is the lessor.

Note 4:
Net fee and commission income

	Group		Parent company	
NOKm	2009	2008	2009	2008
Asset Management commissions	32	26	32	26
Life insurance	53	53	53	53
Brokerage	475	320	475	320
Custody	131	152	131	152
Deposits	50	51	50	51
Total savings related commissions	741	602	741	602
Payments	430	462	431	462
Cards	661	655	661	655
Total payment commissions	1,091	1,117	1,092	1,117
Lending	167	77	172	83
Guarantees and documentary payments	93	109	94	109
Total lending related to commissions	260	186	266	192
Other commission income	192	200	192	200
Fee and commission income	**2,284**	**2,105**	**2,291**	**2,111**
Payment expenses	-638	-568	-635	-568
Other commission expenses	-99	-97	-104	-102
Fee and commission expense	**-737**	**-665**	**-739**	**-670**
Net fee and commission income	**1,547**	**1,440**	**1,552**	**1,441**

Commission income from Trading Infrastructure in Markets has been reclassified from the line "Other commission income" to the line "Brokerage" in the second quarter 2009. The comparative figures have been changed accordingly.

Note 5:
Net gains/losses on items at fair value

	Group		Parent company	
NOKm	2009	2008	2009	2008
Shares/participations and other share-related instruments	68	266	68	267
Interest-bearing securities and other interest-related instruments	366	-524	366	-541
Other financial instruments	3	0	3	0
Foreign exchange gains/losses	76	359	76	359
Total	**513**	**101**	**513**	**85**

Net gains/losses for categories of financial instruments

	Group		Parent company	
NOKm	2009	2008	2009	2008
Available for sale assets, realised	20	25	20	25
Financial instruments designated at fair value through profit or loss	10	44	10	44
Financial instruments held for trading[1]	498	101	498	83
Financial instruments under hedge accounting	-15	-69	-15	-67
of which net gains/losses on hedging instruments	182	-386	166	-287
of which net gains/losses on hedged items	-197	317	-181	220
Total	**513**	**101**	**513**	**85**

[1] Deferred day one profits amounts to NOK 0m for 2009

Note 6:
Dividends and group contribution

	Parent company	
NOKm	2009	2008
Investments in group undertakings	489	265
Investments in associated undertakings	0	0
Total	**489**	**265**

Note 7:
Other operating income

	Group		Parent company	
NOKm	2009	2008	2009	2008
Income from real estate	25	16	16	31
Disposals of tangible and intangible assets	1	0	1	0
Other	103	257	125	264
Total	**129**	**273**	**142**	**295**

Note 8:
Staff costs

	Group		Parent company	
NOKm	2009	2008	2009	2008
Salaries and remunerations	2,227	2,009	2,115	1,908
Pension costs (note 32)	405	279	387	264
Social security contributions	376	288	357	274
Allocation to profit-sharing	121	29	115	27
Other staff costs	128	124	122	117
Total	**3,257**	**2,729**	**3,096**	**2,590**
Number of employees/full time positions				
Full-time equivalents as at 31.12.	3,322	3,412	3,127	3,225
Number of employees as at 31.12	3,541	3,591	3,329	3,400
Average full time equivalents	3,372	3,356	3,185	3,174
Gender distribution Board of Directors				
Per cent at year-end				
- Men	88	84	60	60
- Women	12	16	40	40

Statement to the annual general meeting 2010 about salaries and other remuneration to senior executives

Pursuant to Section 6-16a of the Norwegian Public Limited Liability Companies Act the Board of Directors of Nordea Bank Norge ASA will issue the following statement to the company's Annual General Meeting 2010:

Compensation to the CEO
The CEO is employed by Nordea Bank AB (publ) and works through the company's Norwegian branch. The CEO receives her salary and other remuneration from Nordea Bank AB (publ). Nordea Bank Norge ASA compensates Nordea Bank AB (publ) for the services rendered by the CEO. This compensation is proposed by the Board of Directors and determined by the Board of Representatives. For 2009 the compensation was fixed at NOK 1,500,000, the same level as in 2006, 2007 and 2008.

The CEO did not receive any bonuses or non-monetary benefits from Nordea Bank Norge ASA for 2009, and for 2009 did not receive any remuneration in form of shares, options, etc. in the Nordea Bank Norge group, as mentioned in Section 6-16 a, no. 3, see also comments under item 4 below.

Senior executives – salary and bonus/variable salary part
For senior executives in general, Nordea's aim is to maintain salaries and other benefits at a competitive level in order to ensure satisfactory recruitment to such positions. Market adjustment, therefore, is a key element in the stipulation.

The fixed salary of senior executives are adjusted annually, subject to individual assessments and within the upper average limit determined by the Group Executive Management. This limit is based on the general growth in salaries and costs in the relevant area. Both the general development and more industry-specific figures are considered, for example the general wage settlements in the finance sector.

In 2009, an individual incentive scheme also applied to senior executives, comprising a variable salary part, VSP. This scheme is contingent upon the management's decision, and also to predetermined criteria and limited to a percentage of the regular, fixed salary.

The variable salary part, VSP, is a maximum of 25% of the regular fixed salary. This is paid in addition to the regular, fixed salary and subject to achievement of personal targets. The targets are set annually in co-operation with superior manager.

Thus, senior executives in Nordea Bank Norge ASA may receive a maximum of 25% of their regular, fixed salary as an addition/a bonus within this scheme. In addition, special schemes that may exceed this level, may also apply to a very limited number of senior executives within specific professional fields.

A few senior executives have a severance pay agreement provided if the employer terminates their assignment. The employees covered by this scheme will receive their regular, fixed salary for a number of months depending on their seniority in their management position, limited to 24 months including their 6 months' period of notice, with the deduction of any income from other employers or assignments.

Senior executives – shares, subscription rights, etc.
The Annual General Meeting of Nordea Bank AB (publ) 2007 adopted a proposal from the Board of Directors for a new Long Term Incentive Programme (LTIP) for managers and key personnel. The programme also covered senior executives in Nordea Bank Norge ASA from 2007, and replaced the former Executive Incentive Programme. The proposal was developed in agreement with major shareholders of the Group, including the Swedish state.

The main objective is to improve the Nordea Group's ability to maintain and recruit the best employees for managerial positions. The programme is also intended to contribute to the Group reaching its financial targets by aligning the managers' and key personnel's interests and focus with the Group's strategic focus.

The programme refers to shares in the parent company Nordea Bank AB (publ), and is a combination of so-called matching shares and performance shares, whereby the participants may acquire and lock up maximum 10 per cent of their fixed salary from the company in shares in Nordea Bank AB (publ) at market price.

Note 8:
Staff costs cont.

The programme lasts four years with a lock-in period of two years and a redemption period of two years. The outcome is dependent upon continued employment, the number of locked-up shares and certain predetermined financial targets for 2007 and 2008. These financial targets include an increase in risk-adjusted profit per share and return to shareholders compared with Nordic and European peers.

The Annual General Meeting of Nordea Bank AB (publ) in 2008 and 2009 approved a corresponding programme for the next four years.

Participation in the programme is conditional upon the management's decision.

The individual participant's possible gain under the programme is limited to EUR 22 per subscription right.

The programme covers 56 senior executives in Nordea Bank Norge ASA included from 2007, 51 senior executives included from 2008 and 57 senior executives included from 2009.

For Nordea Bank Norge ASA the scheme will have a marginal cost effect.

Senior executives – non-monetary benefits
Based on the principle of market adjustment of salaries and other benefits, non-monetary benefits like free car/car scheme, telephone and computer, loans on employee terms, insurance schemes, etc. are given in accordance with the management's guidelines and normal practice in general.

Senior executives – pension schemes
Senior executives of Nordea Bank Norge ASA also have pension schemes that are in line with market practice in respect of benefits and contributions. However, some have an agreement on a mutual right to resign and/or demand resignation at the age of 60. With full contribution, the benefit will be 70% of the fixed salary at resignation.

Effects on the company in 2009
The above principles and guidelines have been in practice for a long time, and have been complied with in 2009, with the exception of minor adjustments for the key management and the annual assessment of the group and personal goals. We have no reason to point at any special effects for the company or the shareholders.

Guidelines for 2010
The Board of Directors of Nordea Bank AB (publ) will propose to the company's Annual General Meeting 2010 the establishment of a new "Long Term Incentive Programme". Also in this programme the participants may acquire and lock up maximum 10 per cent of their fixed salary, but implies assignment of matching shares and performance shares without additional costs. Previous years these shares had to be bought at a reduced price.

In this case the rights of the shares are acquired over a three years period, and will follow the same criteria and guidelines as previous years programme. The redemption date will be at the end of the three years period.

In addition, the other principles and guidelines described above will also apply to 2010. However, necessary adjustments will be done in line with amendments of relevant laws and regulations concerning incentive programmes and financial institutions.

Note 8:
Staff costs cont.

Explanation of details regarding individually specified remuneration as specified in the table below

Fixed salary and fees – relates to received regular salary for the financial year paid by Nordea Bank Norge Group and includes any fee agreed by the Board of Representatives.

Variable salary – includes profit sharing, incentive- and executive bonuses. The Chief Executive Officer and leading employees are part of a bonus programme which is based upon achieved results. The intention behind this programme is to reward special contribution to achieve the goals set in Nordea. The bonus available is agreed to be set as a percentage of the employee's regular fixed salary. According to the Board Remuneration Committee in Nordea, such variable salary can amount to a maximum of six months of fixed salary. All employees receive profit sharing according to common Nordea strategy.

Benefits – include car allowance, newspaper, insurance and electronic communication allowance (such as mobile phone and internet access)

Pensions – include changes in the individual's accrued rights under the pension plan during the financial year. The amount stated is the annual change in the present value of the pension obligations (PBO) exclusive of social security tax, which best reflects the change in pension right for the financial year.

Loans – total loan engagement as of 31 December 2009. Senior executives are given loans on the same terms as those given to regular employees.

Shares, options, loans etc.
None of the senior executives has shares, option rights or hold part of any option programme within NBN Group. However, some key personnel in NBN Group are part of the NB AB's new share option programme, referred to above as Long Term Incentive Programme, LTIP. Further information relating to this will be disclosed in NB AB's annual report. Neither CEO Gunn Wærsted nor Chairman of the Board of NBN ASA has loans above 1 G (NOK 72 000) in NBN Group.

Loans to the Group's employees (including retired employees) totalled NOK 5.53bn. There has been a negative interest margin totalling NOK 38.8m on these loans in 2009. The effect is included in net interest income.

Salaries and remuneration – per individual, figures in NOK thousand

Name and position	Fixed salary and fees	Variable salary	Benefits	Pensions	**Total remune-ration**	Loans
Gunn Wærsted, Man. Dir. of NBN ASA [1]	–	–	–	–	**–**	9
Christian Clausen, Chairman of the Board of NBN ASA [1]	–	–	–	–	**–**	–
Carl-Johan Granvik [1]	–	–	–	–	**–**	–
Hege M. Norheim	145	–	–	–	**145**	–
Mary Helene Moe	145	–	–	–	**145**	10
Steinar Nickelsen, employees' representative	646	88	25	86	**845**	1,434
Total CEO and Board of Directors of NBN ASA[1]	**936**	**88**	**25**	**86**	**1,135**	**1,453**
Inger Johanne Lund, Leader	174	–	–	–	**174**	–
Finn Fadum [2]	105	–	–	–	**105**	–
Jan T. Bjerke	105	–	–	–	**105**	–
Odd Svang-Rasmussen [3]	105	–	–	–	**105**	–
Total Control Committee of NBN ASA	**489**	**–**	**–**	**–**	**489**	–
Total Board of Representatives of NBN ASA[4]	**3,451**	**300**	**136**	**1,631**	**5,518**	**9,167**
Total remuneration and loans to Senior Executives	**4,876**	**388**	**161**	**1,717**	**7,142**	**10,620**

Comments

[1] Nordea Bank Norge Group does not operate with a separate local General Executive Management team (GEM). This is based on the Nordea operating model where all business areas and main group functions are managed on a Nordic level through GEM in Nordea Bank AB (publ) (NB AB). GEM is represented in the NBN Board of Directors through the Group CEO, Christian Clausen and Carl-Johan Granvik (CRO). The Managing Director is employed by NB AB and member of GEM. This ensures that Nordea is managed according to Nordea Group strategy. The Managing Director and the Members of the Board employed in Nordea companies do not receive any individual fee for the services provided to NBN. However, NBN paid compensation of NOK 1.7m to NB AB in 2009. In addition, as a compensation to NB AB for the work relating to the position as Managing Director of Nordea Bank Norge ASA, the Board of Representatives has approved an amount of NOK 1.5m for 2009.

NBN does not have expenses to pensions and other remunerations to the CEO and has no obligation towards CEO or Chairman of the Board to pay individual compensation when the assignment comes to an end or by changes in the assignment.

[2] Member of Control Committees in both NBN and Nordea Finans Norge AS (NFN), and also a member of the NFN's Board of Representatives. In addition to the fee shown in the table, NOK 40,000 was remunerated from NFN regarding the membership in the Control Committee and NOK 1,500 was remunerated from NFN regarding the membership in the Board of Representatives.

[3] Member of Control Committee in both NBN and NFN. In addition to the fee shown in the table, NOK 30,000 was remunerated from NFN regarding the membership in the Control Committee.

[4] Total fee paid in 2009 to all members of the Board of Representatives in NBN was NOK 206,800, of which NOK 167,200 was paid to external members not employed by Nordea. All attending members received NOK 3,600 for each of the three meetings during the year. The fee was paid according to attendance to the members Inger Johanne Lund, Øyvin A. Brøymer, John Giverholt, Christian Hambro, Jens L. Hofgaard, Nina Iversen, Hege Yli Melhus, Eli Skrøvset, Sissel Stenberg, Anders Utne and Stein Wessel-Aas. The fee for the chairman Bjarne Aamodt was NOK 65,900 and for the deputy chairman Cato A. Holmsen NOK 18,500. For Nordea employed members, the following members received up to NOK 10,800 for the services; Hedda H. Grundt, Pål Adrian Hellman, Karin Olaug Skattebo and Jorun Vintervold. The other figures above shows the remunerations these individuals receive in relation to their regular employment with Nordea and pensions to a former employee now member of the Board of Representatives. Loans to external members amounted to NOK 2,512,938 at year end.

Note 9:
Other expenses

NOKm	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Information technology [1]	693	549	678	532
Marketing	109	109	105	107
Postage, telephone and office expenses	146	155	143	150
Rents, premises and real estate	391	398	401	395
Other [2]	600	590	563	569
Total	**1,939**	**1,801**	**1,890**	**1,753**

[1] Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, were NOK 880m (681).

[2] Including fees and remuneration to auditors distributed as follows.

Auditor's fees

During the year the Group has expensed fees of NOK 5.2m including VAT to its external auditors whereof NOK 3.8m was related to auditing functions and NOK 1.4m to advisory and other services.

Note 10:
Depreciation, amortisation and impairment charges of tangible and intangible assets

Depreciation/amortisation

NOKm	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Property and equipment (Note 22)				
Equipment	54	58	52	57
Buildings	18	11	18	11
Intangible assets (Note 21)				
Other intangible assets	51	40	41	33
Total	**123**	**109**	**111**	**101**

Impairment charges / Reversed impairment charges

NOKm	Group 2009	Group 2008	Parent company 2009	Parent company 2008
Property and equipment (Note 22)				
Equipment	2	0	2	0
Intangible assets (Note 21)				
Goodwill	0	7	0	0
Other intangible assets	3	15	3	15
Total	**5**	**22**	**5**	**15**
Total	**128**	**131**	**117**	**116**

Note 11:
Net loan losses

	Group		Parent company	
NOKm	2009	2008	2009	2008
Net loan losses divided by class				
Loans to credit institutions	-24	0	-24	0
- of which provisions	-24	0	-24	0
Loans to the public	-1,971	-624	-1,801	-553
- of which provisions	-1,993	-770	-1,842	-697
- of which write-offs	-654	-128	-597	-104
- of which allowances used for covering write-offs	430	68	430	67
- of which reversals	209	147	176	125
- of which recoveries	37	59	32	56
Off-balance sheet items[1]	-9	-27	-9	-27
- of which provisions	-18	-33	-18	-33
- of which reversals	9	6	9	6
Total	**-2,004**	**-651**	**-1,834**	**-580**
Specification of Net loan losses				
Changes of allowance accounts in the balance sheet	-1,818	-650	-1,699	-598
- of which Loans, individually assessed[2]	-1,131	-420	-1,030	-374
- of which Loans, collectively assessed[2]	-678	-203	-660	-197
- of which Off-balance sheet items, individually assessed[1]	-9	-27	-9	-27
Changes directly recognised in the income statement	-186	-1	-135	18
- of which realised loan losses, individually assessed	-223	-60	-167	-38
- of which realised recoveries, individually assessed	37	59	32	56
Total	**-2,004**	**-651**	**-1,834**	**-580**

[1] Included in Note 31 Provisions

[2] Included in Note 13 Loans and their impairment

Note 12:
Taxes

Income tax expense

	Group		Parent company	
NOKm	2009	2008	2009	2008
Current tax[1]	2,220	151	2,235	134
Deferred tax	-939	1,264	-1,033	1,204
Total	**1,281**	**1,415**	**1,202**	**1,338**
[1] Of which relating to prior years (see below)	-5	-4	0	1

Tax has been charged as an expense in prior years on issues where tax treatment still remain unsettled, which cause deviation between the current tax expense and current tax in the balance sheet.

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

	Group		Parent company	
NOKm	2009	2008	2009	2008
Profit before tax	3,915	5,745	4,289	4,624
Tax calculated at a tax rate of 28%	1,097	1,609	1,201	1,295
Effect of different tax rates in other countries	16	38	16	38
Income/loss from associated undertakings	134	-235	0	0
Tax-exempt income	-13	-71	-52	-70
Non-deductible expenses	52	78	37	74
Adjustments relating to prior years	-5	-4	0	1
Tax charge	**1,281**	**1,415**	**1,202**	**1,338**
Average effective tax rate	33%	25%	28%	29%

Deferred tax

	Group		Parent company	
NOKm	2009	2008	2009	2008
Deferred tax expense (-)/income (+)				
Deferred tax due to temporary differences	939	-1,264	1,033	-1,204
Income tax expense, net	**939**	**-1,264**	**1,033**	**-1,204**
Deferred tax assets (+)/deferred tax liabilities (-), net				
Deferred tax assets due to tax losses carry-forward	8	1,451	0	1,404
Deferred tax assets due to temporary differences:				
- Retirement benefit obligations	518	498	498	480
- Property and equipment and intangible assets	-208	-152	46	42
- Financial derivatives	-181	-1,935	-181	-1,935
- Other	-19	-25	-17	-18
Deferred tax assets (+)/deferred tax liabilities (-), net	**118**	**-163**	**346**	**-27**
Movements in deferred tax assets/liabilities, net are as follows:				
Translation differences	-3	4	-3	4
Adjustments related to group contribition and earlier years	-655	-34	-657	-34
Deferred tax in the income statement	939	-1,264	1,033	-1,204
At end of year	**281**	**-1,294**	**373**	**-1,234**

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 13:
Loans and their impairment

Group	Credit institutions		The public[1]		Total	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008	2009	2008
Loans, not impaired	10,400	33,575	419,719	445,442	430,119	479,017
Impaired loans	22	0	5,324	2,490	5,346	2,490
- Performing	0	0	2,403	460	2,403	460
- Non-performing	22	0	2,921	2,030	2,943	2,030
Loans before allowances	**10,422**	**33,575**	**425,043**	**447,932**	**435,465**	**481,507**
Allowances for individually assessed impaired loans	-22	0	-1,527	-809	-1,549	-809
- Performing	0	0	-468	-163	-468	-163
- Non-performing	-22	0	-1,059	-646	-1,081	-646
Allowances for collectively assessed impaired loans	-2	0	-1,216	-596	-1,218	-596
Allowances	**-24**	**0**	**-2,743**	**-1,405**	**-2,767**	**-1,405**
Loans, carrying amount	**10,398**	**33,575**	**422,300**	**446,527**	**432,698**	**480,102**

Parent company	Credit institutions		The public[1]		Total	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008	2009	2008
Loans, not impaired	22,417	60,452	406,666	408,874	429,083	469,326
Impaired loans	22	0	4,887	2,046	4,909	2,046
- Performing	0	0	2,337	354	2,337	354
- Non-performing	22	0	2,550	1,692	2,572	1,692
Loans before allowances	**22,439**	**60,452**	**411,553**	**410,920**	**433,992**	**471,372**
Allowances for individually assessed impaired loans	-22	0	-1,300	-689	-1,322	-689
- Performing	0	0	-446	-145	-446	-145
- Non-performing	-22	0	-854	-544	-876	-544
Allowances for collectively assessed impaired loans	-2	0	-1,181	-580	-1,183	-580
Allowances	**-24**	**0**	**-2,481**	**-1,269**	**-2,505**	**-1,269**
Loans, carrying amount	**22,415**	**60,452**	**409,072**	**409,651**	**431,487**	**470,103**

[1] Finance leases, where Nordea Bank Norge Group is a lessor, are included in Loans to the public, see Note 23 Leasing.

Note 13:

Loans and their impairment cont.

Reconciliation of allowance accounts for impaired loans[1]

Group

	Credit institutions			The public			Total		
NOKm	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2009	**0**	**0**	**0**	**-809**	**-596**	**-1,405**	**-809**	**-596**	**-1,405**
Provisions	-22	-2	-24	-1,241	-752	-1,993	-1,263	-754	-2,017
Reversals	0	0	0	132	77	209	132	77	209
Changes through the income statement	**-22**	**-2**	**-24**	**-1,109**	**-675**	**-1,784**	**-1,131**	**-677**	**-1,808**
Allowances used to cover write-offs	0	0	0	430	0	430	430	0	430
Reclassification	0	0	0	-52	55	3	-52	55	3
Currency translation differences	0	0	0	13	0	13	13	0	13
Closing balance at 31 Dec 2009	**-22**	**-2**	**-24**	**-1,527**	**-1,216**	**-2,743**	**-1,549**	**-1,218**	**-2,767**
Opening balance at 1 Jan 2008	**0**	**0**	**0**	**-468**	**-395**	**-863**	**-468**	**-395**	**-863**
Provisions	0	0	0	-529	-240	-769	-529	-240	-769
Reversals	0	0	0	110	39	149	110	39	149
Changes through the income statement	**0**	**0**	**0**	**-419**	**-201**	**-620**	**-419**	**-201**	**-620**
Allowances used to cover write-offs	0	0	0	87	0	87	87	0	87
Currency translation differences	0	0	0	-9	0	-9	-9	0	-9
Closing balance at 31 Dec 2008	**0**	**0**	**0**	**-809**	**-596**	**-1,405**	**-809**	**-596**	**-1,405**

Parent company

	Credit institutions			The public			Total		
NOKm	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2009	**0**	**0**	**0**	**-689**	**-580**	**-1,269**	**-689**	**-580**	**-1,269**
Provisions	-22	-2	-24	-1,108	-727	-1,835	-1,130	-729	-1,859
Reversals	0	0	0	106	70	176	106	70	176
Changes through the income statement	**-22**	**-2**	**-24**	**-1,002**	**-657**	**-1,659**	**-1,024**	**-659**	**-1,683**
Allowances used to cover write-offs	0	0	0	430	0	430	430	0	430
Reclassification	0	0	0	-52	56	4	-52	56	4
Currency translation differences	0	0	0	13	0	13	13	0	13
Closing balance at 31 Dec 2009	**-22**	**-2**	**-24**	**-1,300**	**-1,181**	**-2,481**	**-1,322**	**-1,183**	**-2,505**
Opening balance at 1 Jan 2008	**0**	**0**	**0**	**-373**	**-386**	**-759**	**-373**	**-386**	**-759**
Provisions	0	0	0	-460	-237	-697	-460	-237	-697
Reversals	0	0	0	83	43	126	83	43	126
Changes through the income statement	**0**	**0**	**0**	**-377**	**-194**	**-571**	**-377**	**-194**	**-571**
Allowances used to cover write-offs	0	0	0	69	0	69	69	0	69
Currency translation differences	0	0	0	-8	0	-8	-8	0	-8
Closing balance at 31 Dec 2008	**0**	**0**	**0**	**-689**	**-580**	**-1,269**	**-689**	**-580**	**-1,269**

[1] See Note 11 Net loan losses.

Note 13:
Loans and their impairment cont.

Allowances and provisions

Group	Credit institutions		The public		Total	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008	2009	2008
Allowances for items in the balance sheet	-24	0	-2,743	-1,405	-2,767	-1,405
Provisions for off balance sheet items	0	0	-24	-36	-24	-36
Total allowances and provisions	**-24**	**0**	**-2,767**	**-1,441**	**-2,791**	**-1,441**
Parent company						
Allowances for items in the balance sheet	-24	0	-2,481	-1,269	-2,505	-1,269
Provisions for off balance sheet items	0	0	-24	-36	-24	-36
Total allowances and provisions	**-24**	**0**	**-2,505**	**-1,305**	**-2,529**	**-1,305**

Key ratios	Total			
	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2009	2008	2009	2008
Impairment rate, gross[1], basis points	123	52	113	43
Impairment rate, net[2], basis points	87	35	83	29
Total allowance rate[3], basis points	64	29	58	27
Allowances in relation to impaired loans[4], %	29	32	27	34
Total allowances in relation to impaired loans[5], %	52	56	51	62
Non-performing loans, not impaired[6], NOKm	638	644	612	608

[1] Individually assessed impaired loans before allowances divided by total loans before allowances.

[2] Individually assessed impaired loans after allowances divided by total loans before allowances.

[3] Total allowances divided by total loans before allowances.

[4] Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

[5] Total allowances divided by total impaired loans before allowances.

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

Note 14:
Interest-bearing securities

NOKm	Group 31 Dec 2009	Group 31 Dec 2008	Parent company 31 Dec 2009	Parent company 31 Dec 2008
Government and government-guaranteed certificates (weighted 0%)	38,453	8,302	38,453	8,302
Certificates issued/guaranteed by financial institutions (weighted 20%)	20,113	27,410	20,113	27,360
Certificates issued/guaranteed by others (weighted 100%)	2,631	989	2,631	989
Total	**61,197**	**36,701**	**61,197**	**36,651**
Where of Financial instruments pledged as collateral (Note 15)	-2,511	-44	-2,511	-44
Total	**58,686**	**36,657**	**58,686**	**36,607**
Listed securities	53,656	33,051	53,656	33,001
Unlisted securities	5,030	3,606	5,030	3,606
Total	**58,686**	**36,657**	**58,686**	**36,607**

Note 15:
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.

NOKm	Group 31 Dec 2009	Group 31 Dec 2008	Parent company 31 Dec 2009	Parent company 31 Dec 2008
Repurchase agreements	2,511	44	2,511	44
Securities lending agreements	101	14	101	14
Total	**2,612**	**58**	**2,612**	**58**

Liabilities associated with the assets

NOKm	Group 31 Dec 2009	Group 31 Dec 2008	Parent company 31 Dec 2009	Parent company 31 Dec 2008
Repurchase agreements				
Other	2,511	44	2,511	44
Total	**2,511**	**44**	**2,511**	**44**

Note 16:
Shares

NOKm	Group 31 Dec 2009	Group 31 Dec 2008	Parent company 31 Dec 2009	Parent company 31 Dec 2008
Shares held for trading	2,901	1,665	2,901	1,665
Shares available for sale	51	64	49	62
of which shares taken over for protection of claims	0	0	0	0
Total	**2,952**	**1,729**	**2,950**	**1,727**
Listed shares	2,937	1,497	2,937	1,497
Unlisted shares	116	246	114	244
Total	**3,053**	**1,743**	**3,051**	**1,741**
Of which Financial instruments pledged as collateral (Note 15)	-101	-14	-101	-14
Total	**2,952**	**1,729**	**2,950**	**1,727**
Of which expected to be settled after more than 1 year	51	64	49	62

Specification of shares:

31 Dec 2009	Group Book value NOKm	Group Market value NOKm	Group Voting power of holding %	Parent company Book value NOKm	Parent company Market value NOKm	Parent company Voting power of holding %
Current assets						
Acergy	22	22	0.12	22	22	0.12
AGR Group	4	4	0.46	4	4	0.46
Aker	141	141	1.21	141	141	1.21
Aker Solutions	6	6	0.03	6	6	0.03
Algeta	4	4	0.15	4	4	0.15
Atea	1	1	0.02	1	1	0.02
Birdstep Technology	14	14	9.52	14	14	9.52
Brånås Næringspark 2 AS	1	1	2.00	1	1	2.00
Bulgaria Eiendom Invest AS Ord	5	5	11.83	5	5	11.83
BWG Homes	1	1	0.03	1	1	0.03
Cermaq	28	28	0.55	28	28	0.55
Deep Sea Supply	1	1	0.09	1	1	0.09
Det norske oljeselskap	5	5	0.12	5	5	0.12
DnB NOR	61	61	0.06	61	61	0.06
DNO International	4	4	0.10	4	4	0.10
Euro-Clear Clearance System Ltd.	65	65	0.19	65	65	0.19
Fred. Olsen Energy	3	3	0.02	3	3	0.02
Frontline	3	3	0.04	3	3	0.04
Golden Ocean Group	6	6	0.12	6	6	0.12
Jinhui Shipping and Trans	1	1	0.02	1	1	0.02
Kongsberg Automotive Hold	165	165	7.31	165	165	7.31
Marine Harvest	15	15	0.10	15	15	0.10
Norse Energy Corp.	61	61	3.60	61	61	3.60
Norsk Hydro	29	29	0.05	29	29	0.05
Norway Pelagic	14	14	2.04	14	14	2.04
Norwegian Air Shuttle	1	1	0.03	1	1	0.03
Norwegian Energy Company	85	85	1.96	85	85	1.96
Norwegian Property	3	3	0.05	3	3	0.05
Orkla	46	46	0.08	46	46	0.08
Petroleum Geo-Services	23	23	0.18	23	23	0.18
Pride International Inc Com Stk Npv	1,549	1,549	4.72	1,549	1,549	4.72
Prosafe	4	4	0.04	4	4	0.04
Renewable Energy Corporat	39	39	0.13	39	39	0.13

Note 16:
Shares cont.

31 Dec 2009	Group Book value NOKm	Group Market value NOKm	Group Voting power of holding %	Parent company Book value NOKm	Parent company Market value NOKm	Parent company Voting power of holding %
Royal Caribbean Cruises	12	12	0.09	12	12	0.09
Schibsted	5	5	0.04	5	5	0.04
Scorpion Offshore	252	252	11.51	252	252	11.51
Sevan Marine	7	7	0.13	7	7	0.13
Siem Offshore	50	50	1.57	50	50	1.57
Songa Offshore	2	2	0.04	2	2	0.04
Statoil	83	83	0.02	83	83	0.02
Stolt-Nielsen	1	1	0.02	1	1	0.02
Storebrand	48	48	0.27	48	48	0.27
Subsea 7	5	5	0.04	5	5	0.04
Tandberg	42	42	0.23	42	42	0.23
Telenor	39	39	0.03	39	39	0.03
TGS-NOPEC Geophysical Com	7	7	0.07	7	7	0.07
Thin Film Electronics	6	6	3.05	6	6	3.05
Unison Forsikring	2	2	1.16	2	2	1.16
Yara International	28	28	0.04	28	28	0.04
Other shares	3	3		3	3	
Total	3,002	3,002		3,002	3,002	
Of which pledged as collateral (See note 15)	101	101		101	101	
Total	**2,901**	**2,901**		**2,901**	**2,901**	
Non-current assets						
Borea Oppurtunity II AS, transje 2	1	1	0.01	1	1	0.01
Borea Oppurtunity II AS, Transje 3	2	2	0.00	2	2	0.00
Bølgen Invest AS	1	1	2,47	1	1	2.47
Crew Gold Corporation	6	6	18.10	6	6	18.10
Fish Pool AS	1	1	0.05	1	1	0.05
Møre og Romsdal Såkornfond AS	2	2	5.56	2	2	5.56
Nordito As	10	10	16.63	10	10	16.63
Norsk Tillitsmann AS	1	1	10.41	1	1	10.41
P-Hus Vekst AS	1	1	5.26	1	1	5.26
Rullebaneutvidelse AS	1	1	1.39	1	1	1.39
S.W.I.F.T	2	2	0.00	2	2	0.00
Saltens Bilruter AS	2	2	2.43	2	2	2.43
Solnør Gaard Golfbane AS	1	1	0.04	1	1	0.04
Transeuro Energy Corp	8	8	2.33	8	8	2.33
Ålesund Stadion	1	1	0.93	1	1	0.93
Other Norwegian non-current shares	11	11		9	9	
Total	**51**	**51**		**49**	**49**	

Note 17:
Derivatives and Hedge accounting

	Group			Parent company		
	Fair value		Total nom	Fair value		Total nom
31 Dec 2009, NOKm	Positive	Negative	amount	Positive	Negative	amount
Derivatives held for trading						
Interest rate derivatives						
Interest rate swaps	5	50	13,783	5	50	13,783
FRAs	4	2	10,000	4	2	10,000
Futures and forwards	0	0	10,863	0	0	10,863
Other	2	2	190	2	2	190
Total	**11**	**54**	**34,836**	**11**	**54**	**34,836**
Equity derivatives						
Equity swaps	4	8	185	4	8	185
Futures and forwards	3	443	2,058	3	443	2,058
Options	24	8	230	24	8	230
Total	**31**	**459**	**2,473**	**31**	**459**	**2,473**
Foreign exchange derivatives						
Currency and interest rate swaps	86	40	3,986	86	40	3,986
Currency forwards	1,410	540	99,651	1,410	540	99,651
Total	**1,496**	**580**	**103,637**	**1,496**	**580**	**103,637**
Other derivatives						
Options	7	7	394	7	7	394
Total	**7**	**7**	**394**	**7**	**7**	**394**
Total derivatives held for trading	**1,545**	**1,100**	**141,340**	**1,545**	**1,100**	**141,340**
Derivatives used for hedge accounting						
Interest rate derivatives						
Interest rate swaps	102	412	100,606	102	409	100,606
Total	**102**	**412**	**100,606**	**102**	**409**	**100,606**
Foreign exchange derivatives						
Currency and interest rate swaps	91	0	2,511	91	0	2,511
Total	**91**	**0**	**2,511**	**91**	**0**	**2,511**
Total derivatives used for hedge accounting	**193**	**412**	**103,117**	**193**	**409**	**103,117**
Total derivatives	**1,738**	**1,512**	**244,457**	**1,738**	**1,509**	**244,457**

Note 17:

Derivatives and Hedge accounting cont.

	Group			Parent company		
	Fair value		Total nom	Fair value		Total nom
31 Dec 2008, NOKm	Positive	Negative	amount	Positive	Negative	amount
Derivatives held for trading						
Interest rate derivatives						
Interest rate swaps	87	223	28,989	87	223	28,989
FRAs	41	80	19,740	41	80	19,740
Futures and forwards	0	0	2,398	0	0	2,398
Other	34	2	250	34	2	250
Total	**162**	**305**	**51,377**	**162**	**305**	**51,377**
Equity derivatives						
Equity swaps	58	21	17	58	21	17
Futures and forwards	1,198	5	1,274	1198	5	1,274
Options	14	4	171	14	4	171
Total	**1,270**	**30**	**1,462**	**1,270**	**30**	**1,462**
Foreign exchange derivatives						
Currency and interest rate swaps	594	0	3,986	594	0	3,986
Currency forwards	5,195	295	71,438	5195	295	71,438
Total	**5,789**	**295**	**75,424**	**5,789**	**295**	**75,424**
Other derivatives						
Options	8	8	549	8	8	549
Total	**8**	**8**	**549**	**8**	**8**	**549**
Total derivatives held for trading	**7,229**	**638**	**128,812**	**7,229**	**638**	**128,812**
Derivatives used for hedge accounting						
Interest rate derivatives						
Interest rate swaps	180	460	35,302	73	337	32,098
Total	**180**	**460**	**35,302**	**73**	**337**	**32,098**
Foreign exchange derivatives						
Currency and interest rate swaps	0	71	300	0	71	300
Total	**0**	**71**	**300**	**0**	**71**	**300**
Total derivatives used for hedge accounting	**180**	**531**	**35,602**	**73**	**408**	**32,398**
Total derivatives	**7,409**	**1,169**	**164,414**	**7,302**	**1,046**	**161,210**

Note 18:

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

Assets	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Carrying amount at beginning of year	373	72	279	119
Changes during the year				
Revaluation of hedged items	–254	301	–160	160
Carrying amount at end of year	**119**	**373**	**119**	**279**

Liabilities

NOKm				
Carrying amount at beginning of year	106	121	27	86
Changes during the year				
Revaluation of hedged items	–57	–15	22	–59
Carrying amount at end of year	**49**	**106**	**49**	**27**

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

Note 19:

Investments in group undertakings

Parent company	31 Dec	31 Dec
NOKm	2009	2008
Acquisition value at beginning of year	2,241	2,233
Acquisitions during the year	0	8
Acquisition value at end of year	**2,241**	**2,241**
Of which, listed shares	0	0

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

Specification

This specification includes all directly owned group undertakings and major group undertakings to the directly owned companies. The full specification and statutory information are available on request from Nordea Investor Relations.

Parent company

31 Dec 2009	Number of shares	Book value NOKm	Voting power of holding %	Domicile	Registration number
Nordea Eiendomskreditt AS	15,336,269	2,036	100.0	Oslo	971 227 222
Nordea Finans Norge AS	63,000	125	100.0	Oslo	924 507 500
Nordea Essendropsgate Eiendomsforvaltning AS	7,500	1	100.0	Oslo	986 610 472
Christiania Forsikring AS[1]	172,560	22	100.0	Oslo	941 219 349
First Card AS[1]	200	0	100.0	Oslo	963 215 371
Privatmegleren AS	9,131,765	57	67.0	Oslo	986 386 661
Total		**2,241**			

[1] Dormant companies

Note 20:
Investments in associated undertakings

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Acquisition value at beginning of year	1,735	616	417	139
Share issue, 13 March 2008	0	278	0	278
Share in earnings[1]	–478	841	0	0
Acquisition value at end of year	**1,257**	**1,735**	**417**	**417**
Of which, listed shares	0	0	0	0

[1] Share in earnings

	Group	
	31 Dec	31 Dec
NOKm	2009	2008
Profit from companies accounted for under the equity method	–664	1,168
Income tax expense	186	–327
Share in earnings	**–478**	**841**

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

The associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

	31 Dec	31 Dec
NOKm	2009	2008
Total assets	225,255	297,263
Total liabilities	219,847	289,798
Operating income	1,471	1,068
Operating profit	–2,501	5,021

Nordeas' share of contingent liabilities in associated undertakings amounts to NOK 0m (0).

31 Dec 2009	Registration number	Domicile	Book value NOKm	Voting power of holding %
Credit institutions				
Eksportfinans ASA	816 521 432	Oslo	1,257	23,21
Total			**1,257**	

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

Note 21:
Intangible assets

	Group		Parent company	
NOKm	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Goodwill[1]	41	41	0	0
Internally developed software	148	225	148	225
Other intangible assets	188	88	180	77
Total	**377**	**354**	**328**	**302**
Goodwill[1]				
Acquisition value at beginning of year	48	48	0	0
Acquisitions during the year	0	0	0	0
Acquisition value at end of year	**48**	**48**	**0**	**0**
Accumulated impairment charges at beginning of year	-7	0	0	0
Impairment charges during the year[2]	0	-7	0	0
Accumulated impairment charges at end of year	**-7**	**-7**	**0**	**0**
Total	**41**	**41**	**0**	**0**
Internally developed software				
Acquisition value at beginning of year	240	172	240	172
Acquisitions during the year	0	134	0	134
Reclassifications	-74	-66	-74	-66
Acquisition value at end of year	**166**	**240**	**166**	**240**
Accumulated impairment charges at beginning of year	-15	0	-15	0
Impairment charges during the year	-3	-15	-3	-15
Accumulated impairment charges at end of year	**-18**	**-15**	**-18**	**-15**
Total	**148**	**225**	**148**	**225**
Other intangible assets				
Acquisition value at beginning of year	256	173	222	147
Acquisitions during the year	149	25	143	17
Sales/disposals during the year	-7	-8	-7	-8
Reclassifications	-16	66	-16	66
Acquisition value at end of year	**382**	**256**	**342**	**222**
Accumulated amortisation at beginning of year	-168	-130	-145	-114
Amortisation according to plan for the year	-51	-40	-41	-33
Accumulated amortisation on sales/disposals during the year	7	2	7	2
Reclassifications	18	0	17	0
Accumulated amortisation at end of year	**-194**	**-168**	**-162**	**-145**
Total	**188**	**88**	**180**	**77**

[1] Excluding goodwill in associated undertakings.

[2] Impairment charges of goodwill

The total amount is expected to be settled after more than 1 year.

Goodwill is in connection with the acquisition of Privatmegleren AS (67% ownership). The assessment of goodwill for 2009 has been performed in accordance with International Financial Reporting Standards (IFRS), and no correction has been necessary.

Note 22:
Property and equipment

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Property and equipment	325	266	317	258
Of which buildings for own use	136	89	136	87
Total	**325**	**266**	**317**	**258**

Taken over for protection of claims				
Land and buildings	1	1	1	1
Total	**1**	**1**	**1**	**1**

Equipment				
Acquisition value at beginning of year	932	909	919	899
Acquisitions during the year	64	41	58	38
Sales/disposals during the year	-209	-18	-202	-18
Reclassifications	12	0	12	0
Acquisition value at end of year	**799**	**932**	**787**	**919**
Accumulated depreciation at beginning of year	-754	-709	-747	-703
Accumulated depreciation on sales/disposals during the year	201	13	196	13
Depreciations according to plan for the year	-54	-58	-52	-57
Accumulated depreciation at end of year	**-607**	**-754**	**-603**	**-747**
Accumulated impairment charges at beginning of year	-2	-2	-2	-2
Impairment charges during the year	-2	0	-2	0
Accumulated impairment charges at end of year	**-4**	**-2**	**-4**	**-2**
Total	**188**	**176**	**180**	**170**

Land and buildings				
Acquisition value at beginning of year	123	93	121	91
Acquisitions during the year	64	30	64	30
Sales/disposals during the year	-7	0	-5	0
Acquisition value at end of year	**180**	**123**	**180**	**121**
Accumulated depreciation at beginning of year	-34	-23	-34	-23
Accumulated depreciation on sales/disposals during the year	2	0	2	0
Depreciation according to plan for the year	-18	-11	-18	-11
Reclassifications	6	0	6	0
Accumulated depreciation at end of year	**-44**	**-34**	**-44**	**-34**
Total	**136**	**89**	**136**	**87**

The total amount is expected to be settled after more than 1 year.

Note 23:
Leasing

Nordea as a lessor

Finance leases

Nordea owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans 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	
	31 Dec	31 Dec
NOKm	2009	2008
Gross investments	7,576	8,177
Less unearned finance income	–74	–568
Net investments in finance leases	**7,502**	**7,609**
Less unguaranteed residual values accruing to the benefit of the lessor	0	0
Present value of future minimum lease payments receivable	**7,502**	**7,609**
Accumulated allowance for uncollectible minimum lease payments receivable	0	0

As of 31 December 2009 the gross investment and the net investment by remaining maturity was distributed as follows:

	Group	
	31 Dec	31 Dec
	2009	2009
NOKm	Gross investment	Net investment
2010	3,316	3,284
2011	2,112	2,091
2012	958	948
2013	591	585
2014	314	311
Later years	285	283
Total	**7,576**	**7,502**
Less unearned future finance income on finance leases	0	0
Investment in finance leases	**7,576**	**7,502**

Nordea as a lessee

Operating leases

Nordea has entered into operating lease agreements for premises and office equipment.

	Group	
	31 Dec	31 Dec
Leasing expenses during the year, NOKm	2009	2008
Leasing expenses during the year	226	264
Of which		
– minimum lease payments	226	264
– contingent rents	0	0
Leasing income during the year regarding sublease payments	226	264

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

	Group	Parent company
	31 Dec	31 Dec
NOKm	2009	2009
2010	217	217
2011	205	205
2012	196	196
2013	188	188
2014	82	82
Later years	1,094	1,094
Total	**1,982**	**1,982**

Note 24:
Other assets

	Group		Parent company	
NOKm	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Claims on securities settlement proceeds	10,414	5,061	10,414	5,061
Other	793	728	588	664
Total	**11,207**	**5,789**	**11,002**	**5,725**

Of which expected to be settled after more than 1 year NOK 0m.

Note 25:
Prepaid expenses and accrued income

	Group		Parent company	
NOKm	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Accrued interest income	1,318	3,096	1,326	3,095
Prepaid expenses	461	364	55	101
Total	**1,779**	**3,460**	**1,381**	**3,196**

Of which expected to be settled after more than 1 year NOK 0m.

Note 26:
Deposits by credit institutions

	Group		Parent company	
NOKm	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Central banks	46,856	27,055	46,856	27,055
Other banks	207,060	222,657	206,930	218,084
Other credit institutions	2,028	1,092	5,183	1,092
Total	**255,944**	**250,804**	**258,969**	**246,231**

Note 27:
Deposits and borrowings from the public

	Group		Parent company	
NOKm	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Deposits from the public	217,165	235,407	217,194	235,413
Total	**217,165**	**235,407**	**217,194**	**235,413**

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.

Note 28:
Debt securities in issue

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Certificates	375	3,000	375	3,000
Bond loans	3,365	4,265	3,365	3,076
Total	**3,740**	**7,265**	**3,740**	**6,076**

Note 29:
Other liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Liabilities on securities settlement proceeds	7,036	4,567	7,036	4,567
Sold, not held, securities	4,958	4,746	4,958	4,746
Accounts payable	60	43	21	40
Other	1,389	1,604	1,347	1,590
Total	**13,443**	**10,960**	**13,362**	**10,943**

Of which expected to be settled after more than 1 year NOK 24m for both the group and the parent company.

Note 30:
Accrued expenses and prepaid income

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Accrued interest	483	1,587	479	1,536
Other accrued expenses[1]	907	710	856	660
Prepaid income	407	284	0	0
Total	**1,797**	**2,581**	**1,335**	**2,196**

[1]Other accrued expenses include provision for restructuring of NOK 53m (0).

Of which expected to be settled after more than 1 year NOK 0m for the group and NOK 0m for the parent company.

Note 31:
Provisions

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Transfer risks, off-balance	0	0	0	0
Off-balance sheet	24	36	24	36
Total	**24**	**36**	**24**	**36**

Movement in the balance sheet:

Group	Transfer risks	Off-balance sheet	Total
At beginning of year	0	36	36
New provisions made	0	18	18
Provisions utilised	0	-30	-30
At end of year	**0**	**24**	**24**

The total amount is expected to be settled within 1 year.

Loan loss provisions for individually assessed off-balance sheet items (i.e. Guarantees and L/C's) amounted to NOK 24m.

Parent company	Transfer risks	Off-balance sheet	Total
At beginning of year	0	36	36
New provisions made	0	18	18
Provisions utilised	0	-30	-30
At end of year	**0**	**24**	**24**

The total amount is expected to be settled within 1 year.

Note 32:
Retirement benefit obligations

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Pension plans	1,850	1,779	1,778	1,715
Total	**1,850**	**1,779**	**1,778**	**1,715**

Pension plans

Nordea Bank Norge is obliged to have an occupational pension scheme under the Mandatory Occupational Pension Plan Act. The Group's pension schemes meet the demands required by this act. The Group's pension plans are covered through Nordea Norge Pensjonskasse (pension fund), which is managed by Gabler & Partners AS. The Group has also pension commitments that are not covered by the pension funds. These relate to early retirement pensions and supplementary pensions. The pension scheme encompasses 5,890 people (5,935), of whom 2,312 (2,420) received pension as at 31 December 2009. The average member age is 55 (56).

Defined benefit plans

IAS 19 secures that the market based value of pension obligations net of assets backing these obligations will be reflected in the Group's balance sheet. All plans in NBN are defined benefit plans. The major plans are funded schemes covered by assets in Nordea Norge Pensjonskasse. Some other pension plans are recognised directly on the balance sheet as a liability. Actuarial gains/losses arising from changed assumptions or deviation between expected and actual return on assets may not be recognised in the balance sheet at once, but will be recognised over a fixed period of 10 years if they in total exceeded 10% of gross pension liabilities or assets in the previous reporting period.

The ordinary retirement age is 67. The schemes carry, based on present social security regulations, an entitlement to an old age pension corresponding to 70 per cent of pensionable income at the time of retirement. The amount is reduced correspondingly in the event of less than 30 years' service at the time of retirement. From the age of 67 onwards pensions paid by the bank are coordinated with those paid under the National Insurance Scheme.

IAS 19 pension calculations and assumptions

Calculations on all plans are performed by external liability calculators and are based on the actuarial assumptions fixed for NBN Group's pension plans.

Assumptions	2009	2008
Discount rate	4.5%	4.5%
Salary increase	3.5%	3.5%
Inflation	2.0%	2.0%
Expected return on assets before taxes	5.5%	5.5%
Expected adjustments of current pensions	2.5%	2.5%
Expected adjustments of basic Social Security	3.0%	3.0%

The discount rate has the most significant impact on the obligation and pension cost. If the discount rate is reduced, the pension obligation will increase and vice versa. A one percentage point change in the discount rate will lead to a change in pension obligation of 17% and in pension cost of 26%.

Asset composition

The combined return on assets in 2009 was 7.8% (– 3.1). At the end of the year, the equity exposure in the pension fund represented 12% (9) of total assets.

Funded schemes

	2009	2008
Equity	12%	9%
Bonds	73%	71%
Real estate	15%	20%

Defined benefit plans – balance sheet items

Retirement benefit assets reported in the balance sheet as at year-end amounted to NOK 0m (0), whereas retirement benefit obligations totalled NOK 1,850m (1,779) for the Group.

Note 32:

Retirement benefit obligations cont.

Amounts recognised in the balance sheet at 31 December

	Group		Parent company	
NOKm	2009	2008	2009	2008
PBO (present value of pension obligations)	6,748	6,458	6,543	6,271
Assets	4,109	3,732	4,005	3,640
Funded status – surplus/deficit (–)	**–2,639**	**–2,726**	**–2,538**	**–2,631**
Unrecognised actuarial gains(–)/losses	789	947	760	916
Funded status in the balance sheet	**1,850**	**1,779**	**1,778**	**1,715**
Of which				
retirement benefit obligations	1,850	1,779	1,778	1,715
related to unfunded plans (PBO)	1,340	1,291	1,304	1,259

Overview of surplus or deficit in the plans

Group	Total	Total	Total	Total	Total
NOKm	2009	2008	2007	2006	2005
PBO	6,748	6,458	5,752	6,116	5,919
Plan Assets	4,109	3,732	3,557	3,207	3,023
Funded status – surplus/deficit(–)	**–2,639**	**–2,726**	**–2,195**	**–2,909**	**–2,896**

The development in the PBO, the actuarial gains and losses as well as the value of assets are highlighted below.

Changes in the PBO

	Group		Parent company	
NOKm	2009	2008	2009	2008
PBO at 1 Jan	6,458	5,752	6,271	5,599
Service cost	260	215	246	203
Interest cost	274	266	267	259
Pensions paid	–256	–322	–254	–317
Curtailments and settlements	48	15	48	15
Actuarial gains(–)/losses	–45	583	–43	562
Change in provision for Social Security Contribution	9	–51	8	–50
PBO at 31 Dec	**6,748**	**6,458**	**6,543**	**6,271**

Changes in the fair value of assets

	Group		Parent company	
NOKm	2009	2008	2009	2008
Assets at 1 Jan	3,732	3,557	3,640	3,474
Expected return on assets	211	218	205	212
Pensions paid	–256	–322	–254	–317
Contributions	342	606	332	590
Actuarial gains/losses(–)	80	–327	82	–319
Assets at 31 Dec	**4,109**	**3,732**	**4,005**	**3,640**
Actual return on plan assets	**291**	**–109**	**287**	**–107**

Overview of actuarial gains/losses[1]

	Total	Total	Total	Total
NOKm	2009	2008	2007	2006
Actuarial gains/losses at 1 Jan	947	35	591	629
Effect of changes in actuarial and financial assumptions incl experience adjustments	–125	910	–550	–29
Of which:				
– on plan assets	–80	327	–61	–35
– on plan liabilities	–45	583	–489	6
Amortized	–33	2	–6	–9
Actuarial gains/losses at 31 Dec	**789**	**947**	**35**	**591**

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

Note 32:
Retirement benefit obligations cont.

The total net pension cost recognised in the Group's income statement (as staff costs) for the year is NOK 459m (288) .

Recognised net defined benefit cost

	Group		Parent company	
NOKm	2009	2008	2009	2008
Service cost	260	215	246	203
Interest cost	275	266	267	259
Expected return on assets	-211	-218	-205	-212
Recognised actuarial gains(-)/ losses	33	0	31	0
Curtailments and settlements	48	15	48	15
Net cost	**405**	**278**	**387**	**265**
Accrued Social Security Contribution	54	10	52	9
Pension cost on defined benefit plans	**459**	**288**	**439**	**274**

The pension cost is somewhat higher than expected at the beginning of the year mainly because curtailments and settlements have been higher than estimated at the beginning of the year. The net pension cost is expected to be NOK 425m in 2009 for the NBN Group.
The Group expects to contribute NOK 352m (excl. SSC) to the defined benefit plans in 2010.

Note 33:
Subordinated liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Dated subordinated debenture loans	5,112	6,165	5,112	6,165
Undated subordinated debenture loans, included hybrid capital loans	4,448	5,385	4,448	5,385
Total	**9,560**	**11,550**	**9,560**	**11,550**

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans. Within each respective category, the loans entitle lenders to equal payment rights. Redemption of loans before maturity have to be approved by the FSA.

The interest expense on subordinated loans were NOK 240m (356) in 2009.

Subordinated loan capital denominated in foreign currencies forms a part of the Bank's foreign exchange position and therefore, there is no direct foreign exchange risk related to subordinated loans, due to the inherent economic hedge of holding assets on the balance sheet denominated in the same currency.

The terms for all subordinated loans as at 31 December 2009 are specified below.

Issued by	Year of issue / maturity	Nominal value	Book value NOKm	Interest rate (coupon)
Nordea Bank Norge ASA	2003 - Undated[2]	EUR 70	582	Euribor 3 month + 150 basis points
Nordea Bank Norge ASA	1986 - Undated[2]	USD 200	1,154	Libor 6 month + 18.75 basis points
Nordea Bank Norge ASA	2006 - Undated[1]	USD 180	1,039	Libor 3 month + 39 basis points
Nordea Bank Norge ASA	2008 - Undated[3]	USD 290	1,673	Libor 3 month + 450 basis points
Nordea Bank Norge ASA	2005 - 2015[1]	USD 350	2,019	Libor 3 month + 25 basis points
Nordea Bank Norge ASA	2006 - 2016[1]	USD 320	1,846	Libor 3 month + 25 basis points
Nordea Bank Norge ASA	2007 - 2017[1]	EUR 150	1,247	Euribor 3 month + 30 basis point
			9,560	

[1] Call date 5 years from issuance date. Margin increase by 75 basis points if not called.

[2] Can be called on each interest payment date.

[3] Call date 10 years from issuance date. Margin increase by 100 basis points if not called.

Note 34:
Assets pledged as security for own liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Assets pledged for own liabilities				
Securities etc	66,919	49,711	66,919	49,711
Loans to the public (Covered bonds)	79,069	0	79,069	0
Total	**145,988**	**49,711**	**145,988**	**49,711**
The above pledges pertain to the following liability and commitment items				
Deposits by credit institutions	49,314	41,380	49,314	41,380
Deposits and borrowings from the public	96,674	8,331	96,674	8,331
Total	**145,988**	**49,711**	**145,988**	**49,711**

Assets pledged for own liabilities contains securities pledged as security in repurchase agreement 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. Assets pledged related to clearing contains securities pledged for securities trading and clearing in NOS. Securities are also pledged for short term loans with the Central Bank of Norway. Assets pledged related to loans to the public are mortgage loans that have been registered as collateral for issued covered bonds. These transactions are long term with maturity 2–5 years. (See note 46 for more information about Covered bonds).

Note 35:
Contingent liabilities

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Guarantees				
Loan guarantees	401	461	4,077	461
Other guarantees	302	829	302	829
Total	**703**	**1,290**	**4,379**	**1,290**
Of which counter-guaranteed by:				
Other banks	0	0	0	0
Other credit institutions	0	0	0	0

In the normal business of Nordea, the bank issues various forms of guarantees in favour of the banks 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. As part of the rationalisation process within Nordea all documentary credits are from 2006 recorded in a common system with Nordea Bank Finland as counterpart. NBN has therefore no longer commitments regarding documentary credits. This will also apply to new guarantees, while guarantees already entered into with NBN as counterpart mainly will run until maturity. Guarantees are considered as off-balance sheet items, unless there is a need for a provision to cover a probable loss.

Legal proceedings

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

Note 36:
Commitments

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Future payment obligations	21	43	67	40
Credit commitments[1]	91,989	161,578	99,878	169,440
Other commitments[2]	244,457	164,414	244,457	161,210
Commitments	**336,467**	**326,035**	**344,402**	**330,690**

[1] Including unutilised portion of approved overdraft facilities.

[2] For further information see note 17 Derivatives and Hedge accounting

Note 37:
Capital adequacy

The Capital Adequacy has been commented on in the Risk, Liquidity and Capital management section in the Board Directors' Report.

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Calculation of total capital base				
Equity	**26,745**	**27,146**	**24,150**	**24,085**
Proposed/actual dividend	-1,500	-3,000	-1,500	-3,000
Deferred tax assets	-118	0	-346	0
Intangible assets	-385	-354	-328	-302
IRB provisions shortfall (-)[1]	-906	-493	-920	-460
Actuarial loss on pensions liabilities booked against equity	0	231	0	225
Hybrid capital	1,673	2,036	1,673	2,036
Tier 1 capital	**25,509**	**25,566**	**22,729**	**22,584**
Tier 2 capital	**8,313**	**10,025**	**7,887**	**9,514**
- of which perpetual subordinated loans	2,883	3,468	2,774	3,349
IRB provisions shortfall (-)[1]	-906	-493	-920	-460
Total capital base	**32,916**	**35,098**	**29,696**	**31,638**

[1] A shortfall exists if expected loss calculated in accordance with the capital requirement regulations using the IRB method exceeds write-downs according to the lending regulations for the same engagements. According to Basel II, a deduction shall be made both in Tier 1 and Total capital relating to the shortfall.

Note 37:

Capital adequacy cont.

Capital requirements 31 Dec 2009	Group		Parent company	
	Capital requirement	Basel II RWA	Capital requirement	Basel II RWA
Credit risk	**19,644**	**245,544**	**18,574**	**232,180**
IRB foundation	17,585	219,817	17,227	215,344
– of which corporate	14,053	175,661	13,744	171,802
– of which institutions	565	7,067	565	7,063
– of which retail	2,860	35,746	2,859	35,743
of which retail SME	124	1,551	124	1,551
of which retail real estate	1,594	19,925	1,594	19,925
of which retail other	1,142	14,270	1,141	14,267
– of which other	107	1,343	59	736
Standardised	2,059	25,727	1,347	16,836
– of which sovereign	34	423	30	377
– of which other	2,025	25,304	1,317	16,459
Market risk	**613**	**7,657**	**509**	**6,354**
– of which trading book, VaR	179	2,234	179	2,234
– of which trading book, non-VaR	381	4,762	280	3,497
– of which FX, non-VaR	53	661	50	623
Operational risk	**1,287**	**16,093**	**1,176**	**14,694**
Standardised	1,287	16,093	1,176	14,694
Sub total	**21,544**	**269,294**	**20,259**	**253,228**
Adjustment for floor rules				
Additional capital requirement according to floor rules	3,548	44,344	3,701	46,268
Total	**25,092**	**313,638**	**23,960**	**299,496**

Capital ratio

	Group	Parent company
Tier I ratio, %	8.1	7.6
Capital ratio, %	10.5	9.9

Analysis of capital requirements	Group		Parent company	
Exposure class	Average risk weight (%)	Capital requirement	Average risk weight (%)	Capital requirement
Corporate	63	14,053	63	13,744
Institutions	26	565	26	565
Retail	18	2,860	18	2,859
Sovereign	1	34	1	30
Other	38	2,132	49	1,376
Total credit risk	**40**	**19,644**	**40**	**18,574**

Risk-weighted assets 31 Dec 2008

	Group	Parent company
Credit risks	273,449	248,556
Market risks	6,412	4,826
Operational risks	13,943	13,275
Total risk-weighted assets	**293,804**	**266,657**

Capital ratios 2008

Tier 1 capital ratio, %	6.6	6.5
Total capital ratio, %	9.1	9.1

Note 38:
Classification of financial instruments

Group
Financial assets at fair value through profit or loss

NOKm, 31 Dec 2009	Loans	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Assets							
Cash and balances with central banks	20,160						20,160
Loans to credit institutions[1]	8,826		1,252	320			10,398
Loans to the public[1]	419,871		2,429				422,300
Interest-bearing securities		15,485	43,117	84			58,686
Financial instruments pledged as collateral			2,612				2,612
Shares[2]			2,788	113		51	2,952
Derivatives			1,545		193		1,738
Fair value changes of the hedged items in portfolio hedge of interest rate risk	119						119
Other assets	3,644			7,559			11,203
Prepaid expenses and accrued income	1,586			158			1,744
Total	**454,206**	**15,485**	**53,743**	**8,234**	**193**	**51**	**531,912**

[1] In the parent bank Nordea Bank Norge ASA the split between Loans to credit institutions and Loans to the public is NOK 22,415m (60,452) and NOK 409,072m (409,651) at year-end. The change from NBN group figures relates mainly to the wholly owned subsidiaries Nordea Eiendomskreditt AS (NE) and Nordea Finans Norge AS (NFN). NE's and NFN's loans in NBN ASA are classified as Loans to credit institutions in the parent company, while the loans are eliminated in the group figures. This increase Loans to the public in the above disclosed NBN group figures. There are insignificant changes between NBN ASA and NBN Group on the other lines and therefore no separate disclosure is made for the parent company.

[2] Shares classified as available for sale are booked to cost with the exception of the shares where a market price is available.

Group
Financial liabilities at fair value through profit or loss

NOKm, 31 Dec 2009	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities					
Deposits by credit institutions	2,192	328		253,424	255,944
Deposits and borrowings from the public		57		217,108	217,165
Debt securities in issue				3,740	3,740
Derivatives	1,100		412		1,512
Fair value changes of the hedged items in portfolio hedge of interest rate risk				49	49
Other liabilities	5,026	7,036		1,273	13,335
Accrued expenses and prepaid income		485		404	889
Subordinated liabilities				9,560	9,560
Total	**8,318**	**7,906**	**412**	**485,558**	**502,194**

Note 38:

Classification of financial instruments cont.

Group

Financial assets at fair value through profit or loss

NOKm, 31 Dec 2008	Loans	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Assets							
Cash and balances with central banks	11,144						11,144
Loans to credit institutions	29,228			4,347			33,575
Loans to the public	446,527						446,527
Interest-bearing securities		16,889	19,768				36,657
Financial instruments pledged as collateral			58				58
Shares[1]			1,665			64	1,729
Derivatives			7,229		180		7,409
Fair value changes of the hedged items in portfolio hedge of interest rate risk			373				373
Other assets	574			5,062			5,636
Prepaid expenses and accrued income	3,460						3,460
Total	**490,933**	**16,889**	**29,093**	**9,409**	**180**	**64**	**546,568**

[1] Shares classified as available for sale are booked to cost with the exception of the shares where a market price is available.

Group

Financial liabilities at fair value through profit or loss

NOKm, 31 Dec 2008	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities					
Deposits by credit institutions		14,346		236,458	250,804
Deposits and borrowings from the public		183		235,224	235,407
Debt securities in issue				7,265	7,265
Derivatives	638		531		1,169
Fair value changes of the hedged items in portfolio hedge of interest rate risk				106	106
Other liabilities	4,746	4,567		1,498	10,811
Accrued expenses and prepaid income				1,871	1,871
Subordinated liabilities				11,550	11,550
Total	**5,384**	**19,096**	**531**	**493,972**	**518,983**

Note 39:
Assets and liabilities at fair value

The note is presented on Group level since the parent company figures are only slightly different.

	31 Dec 2009		31 Dec 2008	
NOKm	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and balances with central banks	20,160	20,160	11,144	11,144
Loans to credit institutions	10,398	10,439	33,575	33,575
Loans to the public	422,300	422,053	446,527	446,556
Interest-bearing instruments	58,686	58,574	36,657	36,657
Financial instruments pledged as collateral	2,612	2,612	58	58
Shares	2,952	2,952	1,729	1,729
Derivatives	1,738	1,738	7,409	7,409
Fair value changes of the hedged items in portfolio hedge of interest rate risk	119	119	373	373
Investments in associated undertakings	1,257	1,257	1,735	1,735
Intangible assets	377	377	354	354
Property and equipment	325	325	266	266
Deferred tax assets	118	118	0	0
Other assets	11,207	11,207	5,789	5,789
Prepaid expenses and accrued income	1,779	1,779	3,460	3,460
Total assets	**534,028**	**533,710**	**549,076**	**549,105**

	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities				
Deposits by credit institutions	255,944	255,990	250,804	250,828
Deposits and borrowings from the public	217,165	217,169	235,407	235,407
Debt securities in issue	3,740	3,719	7,265	7,293
Derivatives	1,512	1,512	1,169	1,169
Fair value changes of the hedged items in portfolio hedge of interest rate risk	49	49	106	106
Current tax liabilities	2,199	2,199	110	110
Other liabilities	13,443	13,443	10,960	10,960
Accrued expenses and prepaid income	1,797	1,797	2,581	2,581
Deferred tax liabilities	0	0	163	163
Provisions	24	24	36	36
Retirement benefit obligations	1,850	1,850	1,779	1,779
Subordinated liabilities	9,560	9,543	11,550	11,550
Total liabilities	**507,283**	**507,295**	**521,930**	**521,982**

Estimation of fair value for assets and liabilities

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

The carrying amounts on loans, deposits and borrowings 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 carrying amount for short-term financial assets and financial liabilities. The carrying amount is a reasonable approximation of fair value due to limited credit risk and short time to maturity.

Fair value is set to carrying amount, 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.

Note 39:

Assets and liabilities at fair value cont.

Determination of fair value from quoted market prices or valuation techniques

The following table presents the valuation methods used to determine fair values of financial instruments carried at fair value.

NOKm	31 Dec 2009 Instruments with quoted prices (Level 1)[3]	31 Dec 2009 Valuation technique using observable data (Level 2)[4]	31 Dec 2009 Valuation technique using non-observable data (Level 3)[5]	31 Dec 2008 Instruments with quoted prices (Level 1)[3]	31 Dec 2008 Valuation technique using observable data (Level 2)[4]	31 Dec 2008 Valuation technique using non-observable data (Level 3)[5]
Assets						
Loans to credit institutions		1,572			4,347	
Loans to the public		2,429				
Debt securities[1]	39,040	6,671	1	16,046	3,652	70
Shares[2]	2,937		116	1,600		186
Derivatives	35	1,703		120	7,286	
Other assets		7,559			5,062	
Prepaid expenses and accrued income		158				
Liabilities						
Deposits by credit institutions		26,605			14,346	
Deposits and borrowings from the public		57			183	
Derivatives	14	1,498		45	1,122	
Other liabilities		12,061			9,313	
Accrued expenses and prepaid income		485				

[1] Of which NOK 43,201m (19,768) in Interest-bearing securities (the portion held at fair value in Note 39). NOK 2,511m (0) relates to the balance sheet item Financial instruments pledged as collateral.

[2] NOK 101m (58) relates to the balance sheet item Financial instruments pledged as collateral.

[3] Level 1 consists of financial assets and financial liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. This category includes listed bonds and other securities, listed shares, exchange-traded derivatives, as well as listed issued bonds and other securities.

[4] Level 2 consists of financial assets and financial liabilities which do not have quoted market prices directly available from an active market, and where fair values are estimated using valuation techniques or models, based wherever possible on assumptions supported by observable market prices or rates prevailing at the balance sheet date. The majority of Nordea's OTC derivatives and several other instruments not traded in active markets fall within this category.

[5] Level 3 consists of those types of financial instruments which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates. This is generally the case for private equity instruments and private equity funds as well as for certain complex and/or structured financial instruments.

Transfers between level 1 and 2

The following table shows transfers between level 1 and level 2 of the fair value hierarchy for financial assets and liabilities which are recorded at fair value.

31 Dec 2009, NOKm	Transfers from level 1 to level 2	Transfers from level 2 to level 1
Assets		
Debt securities	371	0

The above financial assets and liabilities were transferred from level 1 to level 2 as they ceased to be actively traded during the year and fair values were consequently obtained using valuation techniques using observable market inputs.

Note 39:
Assets and liabilities at fair value cont.

Movements in level 3

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets and liabilities which are recorded at fair value.

NOKm	At 1 January 2009	Transfers into/out of level 3	At 31 December 2009
Assets			
Debt securities	70	–69	1
Shares	186	–70	116

During the year NBN Group had no transfers from level 1 and level 2 to level 3 of the fair value hierarchy.

Sensitivity of level 3 financial instruments measured at fair value to changes in key assumptions

The following table shows the sensitivity of the fair value of level 3 instruments to changes in key assumptions, by class of instruments.

31 Dec 2009, NOKm	Carrying amount	Effect of reasonably possible favourable alternative assumption	Effect of reasonably possible unfavourable alternative assumption
Assets			
Debt securities	1	0	0
Shares	116	0	0

Note 40:
Assets and liabilities in foreign currencies

Group

31 Dec 2009, NOKbn	EUR	SEK	DKK	NOK	USD	Other	Total
Assets							
Loans to credit institutions	0	1	0	8	0	1	10
Loans to the public	14	7	3	329	63	6	422
Interest-bearing securities	14	0	0	43	2	0	59
Other assets	0	0	0	43	0	0	43
Total assets	**28**	**8**	**3**	**423**	**65**	**7**	**534**
Liabilities and equity							
Deposits by credit institutions	19	1	1	92	142	1	256
Deposits and borrowings from the public	12	3	1	183	16	2	217
Debt securities in issue	0	0	0	4	0	0	4
Subordinated liabilities	2	0	0	0	8	0	10
Other liabilities and equity	0	0	0	47	0	0	47
Total liabilities and equity	**33**	**4**	**2**	**326**	**166**	**3**	**534**
Position not reported in the balance sheet	**4**	**-4**	**-1**	**-90**	**96**	**-4**	**1**
Net position, currencies	**-1**	**0**	**0**	**7**	**-5**	**0**	**1**

Group

31 Dec 2008, NOKbn	EUR	SEK	DKK	NOK	USD	Other	Total
Assets							
Loans to credit institutions	0	19	0	13	0	2	34
Loans to the public	22	8	3	322	85	7	447
Interest-bearing securities	19	0	0	17	1	0	37
Other assets	1	0	0	27	1	2	31
Total assets	**42**	**27**	**3**	**379**	**87**	**11**	**549**
Liabilities and equity							
Deposits by credit institutions	24	11	0	72	138	6	251
Deposits and borrowings from the public	19	3	1	186	25	1	235
Debt securities in issue	0	0	0	6	1	0	7
Subordinated liabilities	2	0	0	0	10	0	12
Other liabilities and equity	0	0	0	43	1	0	44
Total liabilities and equity	**45**	**14**	**1**	**307**	**175**	**7**	**549**
Position not reported in the balance sheet	**4**	**-4**	**1**	**-61**	**66**	**0**	**6**
Net position, currencies	**1**	**9**	**3**	**11**	**-22**	**4**	**6**

Note 41:
Obtained collaterals which are permitted to be sold or repledged

Nordea obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repuchase and securities borrowing agreements are disclosed below.

	Group		Parent company	
	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Reverse repurchase agreements[1]				
Received collaterals which can be repledged or sold	0	21,983	0	21,983
– of which repledged or sold	0	21,983	0	21,983
Securities borrowing agreements				
Received collaterals which can be repledged or sold	2,433	20,619	2,433	20,619
– of which repledged or sold	1,569	956	1,569	956
Sum	**2,433**	**42,602**	**2,433**	**42,602**

[1]The unstable market in 2008 required additional collateral, which was sold with a reverse repurchase agreement with Nordea Bank AB (publ). This repurchase agreement was closed in the beginning of 2009, and no similar need has been evident in 2009.

Securities lending and securities borrowing agreements

NBN enters into securities borrowing agreements and securities lending agreements on a back to back basis. As at 31 Dec 2009 the value of the borrowed securities totalled NOK 2,433m (20,619) whereof NOK 1,569m (956) has been repledged. NBN has received cash of NOK 356m (65) as collateral and has paid NOK 321m (20,160) as collateral.

Note 42:
Maturity analysis for assets and liabilities

The note is presented on Group level since the parent company figures are only slightly different.

Remaining maturity

31 Dec 2009, NOKm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Without fixed maturity	Total
Cash and balances with central banks	19,499					661	20,160
Loans to credit institutions	1,679	8,025	74	620			10,398
Loans to the public	1,935	54,957	14,301	88,977	262,130		422,300
Interest-bearing securities		15,008	24,866	16,454	2,358		58,686
Financial instruments pledged as collateral	101	2,511					2,612
Derivatives		1,457	102	178	1		1,738
Fair value changes of the hedged items in portfolio hedge of interest rate risk		2	19	74	24		119
Total assets with fixed maturities	**23,214**	**81,960**	**39,362**	**106,303**	**264,513**	**661**	**516,013**
Other assets	10,650	1,357	817	0	0	5,191	18,015
Total assets	**33,864**	**83,317**	**40,179**	**106,303**	**264,513**	**5,852**	**534,028**
Deposits by credit institutions	533	154,091	76,039	6,060	19,221		255,944
Deposits and borrowings from the public	217,108	2	50	5			217,165
Debt securities in issue		274	1,228	2,212	26		3,740
Derivatives		610	467	395	40		1,512
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-2	3	48			49
Subordinated liabilities					9,560		9,560
Total liabilities with fixed maturities	**217,641**	**154,975**	**77,787**	**8,720**	**28,847**	**0**	**487,970**
Other liabilities	1,640	13,551	2,272	0	1,850	0	19,313
Equity						26,745	26,745
Total liabilities and equity	**219,281**	**168,526**	**80,059**	**8,720**	**30,697**	**26,745**	**534,028**

Note 42:

Maturity analysis for assets and liabilities cont.

Remaining maturity

31 Dec 2008, NOKm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Without fixed maturity	Total
Cash and balances with central banks	10,479					665	11,144
Loans to credit institutions	28,352	3,862	178	368	815		33,575
Loans to the public	175,835	84,557	32,907	38,817	114,411		446,527
Interest-bearing securities		7,654	8,287	18,208	2,508		36,657
Financial instruments pledged as collateral		58					58
Derivatives		6,181	451	774	3		7,409
Fair value changes of the hedged items in portfolio hedge of interest rate risk			17	356			373
Total assets with fixed maturities	**214,666**	**102,312**	**41,840**	**58,523**	**117,737**	**665**	**535,743**
Other assets	7,151	2,811	0	0	0	3,371	13,333
Total assets	**221,817**	**105,123**	**41,840**	**58,523**	**117,737**	**4,036**	**549,076**
Deposits by credit institutions	56,564	62,005	129,038	3,032	165		250,804
Deposits and borrowings from the public	231,565	2,923	875	44			235,407
Debt securities in issue	18	4,698	56	2,490	3		7,265
Derivatives		491	235	366	77		1,169
Fair value changes of the hedged items in portfolio hedge of interest rate risk				110	-4		106
Subordinated liabilities					11,550		11,550
Total liabilities with fixed maturities	**288,147**	**70,117**	**130,204**	**6,042**	**11,791**	**0**	**506,301**
Other liabilities	5,559	7,714	0	27	1,715	614	15,629
Equity						27,146	27,146
Total liabilities and equity	**293,706**	**77,831**	**130,204**	**6,069**	**13,506**	**27,760**	**549,076**

Note 43:

Related-party transactions

The information below is presented from a Nordea perspective, meaning that the information show the effect from related party transactions on the Nordea figures.

	Associated undertakings[1]		Other related parties[1]	
Group	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008
Assets				
Loans	0	0	5,887	24,787
Interest-bearing securities	0	0	3	0
Derivatives	0	0	816	4,910
Other assets	0	0	31	1,169
Total assets	**0**	**0**	**6,737**	**30,866**
Liabilities				
Deposits	44	21	193,639	205,443
Debt securities in issue	0	0	0	1,062
Derivatives	0	0	1,080	524
Subordinated liabilities	0	0	8,378	10,147
Other liabilities	0	0	556	1,402
Total liabilities	**44**	**21**	**203,653**	**218,578**
Off balance				
Contingent liabilities	0	0	0	0
Net interest income				
Interest income	0	0	180	752
Interest expense	1	0	2,747	7,062
Total income and expenses	**–1**	**0**	**–2,567**	**–6,310**

[1]Companies significantly influenced by key management personnel in Nordea Group as well as companies significantly influenced by close family members to these key management personnel are considered to be related parties to Nordea. Transactions with related companies are made in Nordea's and the related companies' ordinary course of business and on the same criteria and terms as those for comparable transactions with companies of similar standing. They did not involve more than normal risk-taking. The transactions are therefore not included in the table.

Note 43:
Related-party transactions cont.

Parent company	Group undertakings		Associated undertakings		Nordea Norge Pension Foundations	
	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec	31 Dec
NOKm	2009	2008	2009	2008	2009	2008
Assets						
Loans	12,030	26,936	0	0	0	0
Derivatives	0	1				-
Other assets	57	2	0	0	0	0
Prepaid expenses and accrued income	12	258	0	0	0	0
Total assets	**12,099**	**27,197**	**0**	**0**	**0**	**0**
Liabilities						
Deposits	3,160	537	44	21	139	176
Total liabilities	**3,160**	**537**	**44**	**21**	**139**	**176**
Off balance						
Contingent liabilities	3,676	0	0	0	0	0
Net interest income						
Interest income	739	1,878	0	0	0	0
Interest expense	10	33	1	0	3	6
Total income and expenses	**729**	**1,845**	**-1**	**0**	**-3**	**-6**

Compensations to Key Management personnel

Compensations and loans to key management personnel are specified in Note 8.

Other related-party transactions

Group

During the second quarter 2009 Nordea entered into one transaction with a company under significant influence by a member of Key management personnel, which is disclosed separately in this note due to the transaction's significance for the related company. The related company received a credit limit of EUR 12m. During the fourth quarter 2009 the credit limit was extended to EUR 18m, of which EUR 10m was utilised as of 31 December 2009. The latest maturity is 1 April 2010, with the possibility of yearly prolongation after a new credit review. Nordea has collateral in securities (shares) corresponding to 200 percent of the utilised credit limit. The transaction is made on the same criteria and terms as those for comparable transactions with companies of similar standing.

Note 44:
Credit risk disclosures

Group

Credit risk management and credit risk analysis is described in the Risk, Liquidity and Capital management section of the Board of Directors´ Report. Additional information on credit risk is also disclosed in the Capital and Risk management Report (Pillar 3) 2009, which is available on www.nordea.com.

Credit risk is defined as the risk of loss if counterparts fail to fulfil their agreed obligations and that the pledged collateral does not cover the claims. Credit risk stems mainly from various forms of lending, but also from guarantees and documentary credits, counterparty credit risk in derivatives contracts, transfer risk attributable to the transfer of money from another country and settlement risk.

Information on credit risk in lending is disclosed in the Risk, Liquidity and Capital management section of the Board of Directors´ Report. Information on credit risk in interest-bearing securities is found below, as well as some aditional information on loans and collaterals.

Note 44:
Credit risk disclosures cont.

Interest-bearing securities

NOKm	31 Dec 2009 At fair value	31 Dec 2009 At amortised cost	31 Dec 2008 At fair value	31 Dec 2008 At amortised cost
State and sovereigns	34,875	378	2,290	95
Municipalities and other public bodies	2,226	176	5,601	179
Mortgage institutions	129	414	902	652
Other credit institutions	4,062	14,517	8,779	15,962
Corporates	1,731	0	0	0
Other	178	0	2,197	0
Total	**43,201**	**15,485**	**19,769**	**16,888**

Loans to corporate customers, by size of loan

NOKm	31 Dec 2009	%	31 Dec 2008	%
1–90	87,284	35	81,623	29
90–450	77,883	32	80,835	29
450–900	38,098	15	48,950	17
900–2,250	31,029	13	45,921	15
2,250–4,500	7,762	3	23,260	8
4,500–	4,690	2	4,245	2
Total	**246,746**	**100**	**284,834**	**100**

Restructured loans current year

NOKm	31 Dec 2009	31 Dec 2008
Loans and receivables before restructuring, book value	52	62
Loans and receivables after restructuring, book value	0	15

Assets taken over for protection of claims

NOKm	31 Dec 2009	31 Dec 2008
Current assets, book value:		
Land and buildings	1	1
Other assets	24	10
Total	**25**	**11**

Past due loans, excl. impaired loans

NOKm	31 Dec 2009 Corporate customers	31 Dec 2009 Household customers	31 Dec 2008 Corporate customers	31 Dec 2008 Household customers
6–30 days	1,139	2,048	1,229	3,968
31–60 days	286	418	641	1,333
61–90 days	75	67	139	180
>90 days	44	52	206	835
Total	**1,544**	**2,585**	**2,215**	**6,316**
Past due not impaired/loans and receivables in %	0.6	1.5	0.8	4.0

Note 45:
Securities

Parent company		31 Dec 2009			31 Dec 2008	
NOKm	Cost	Book value	Market value	Cost	Book value	Market value
Certificates and bonds						
Listed	56,355	53,656	54,071	31,621	33,001	33,001
Unlisted	2,532	5,030	5,030	3,651	3,606	3,606
Total certificates and bonds [1]	**58,887**	**58,686**	**59,101**	**35,272**	**36,607**	**36,607**
Equities and investments						
Listed	2,574	2,836	2,836	2,777	1,482	1,482
Unlisted	65	65	65	192	183	183
Total short-term equities and investments [2]	2,639	2,901	2,901	2,969	1,665	1,665
Equities and investments held as fixed assets [3]	49	49	49	62	62	62
Total equities and investments	**2,688**	**2,950**	**2,950**	**3,031**	**1,727**	**1,727**

[1] Of which	Trading portfolio	24,360	24,384	24,384	11,982	12,041	12,041
	Banking portfolio	34,527	34,302	34,717	23,290	24,566	24,566
[2] Of which	Trading portfolio	2,639	2,901	2,901	2,969	1,665	1,665
	Banking portfolio	0	0	0	0	0	0

[3] Equities and investments held as fixed assets	
Opening balance as at 01.01.2009	62
Acquisitions during the year	22
Disposals during the year	-23
Effect of foreign exchange	-12
Closing balance as at 31.12.2009	49

Average balance and interest rate

Parent company	2009		2008	
	NOKm	Interest	NOKm	Interest
Interest-bearing securities	39,571	2.3 %	27,826	6.8 %

Note 46:
Covered bonds

In Q4 2008 the Norwegian authorities decided to present an offer to the banks intended to achieve better conditions for funding. The facility included issuance of treasury bills or other 3 years' government bonds regarded as more liquid in the financial market compared to other securities. This was further increased to 5 years' government bonds in May 2009 for new transactions. As collateral for the government bonds issued by Norges Bank, the banks may provide covered bonds. Nordea Bank Norge (NBN) is not defined as a credit institution and, therefore, cannot issue these types of securities. However, NBN's fully owned subsidiary Nordea Eiendomskreditt AS (NE) is a credit institution and can issue covered bonds in accordance with the regulations. Therefore, in December 2008 NBN sold off parts of its loan portfolio to NE consisting of well secured housing/household loans. The compensation from NE partly consisted of covered bonds and a trade credit in the form of a deposit from NBN. In addition, NBN issued a subordinated loan to NE in order to cover any credit losses in the portfolio and for liquidity purposes.

Further in May 2009 NBN and NE entered the same type of transaction as described above, at same conditions and agreement. The amount of loans sold in May 2009 was NOK 61bn. If necessary, NBN will supply NE with more capital by increasing the subordinated loan if the credit losses exceed the principal and interest on the subordinated loan. A swap agreement was made to eliminate interest rate risk in NE as a consequence of this transaction. Furthermore, NBN will act as an agent for NE and manage the portfolio, which means that the customer will have the same contact person and customer relationship with Nordea as before.

Based on an overall evaluation, the book value of the transferred loans was determined to be the best estimate of their fair value, both for the transfer done in December 2008 and May 2009. This is in principal explained by the loans in the portfolio that have a floating market rate and that the credit risk will still remain in NBN after the transfer. All client relationship will stay in NBN as agent for NE. The transfer will not create any added value in this respect.

The actual transaction has been reported as a net amount in both NBN and NE, in accordance with IAS 32 and IAS 39, with respect to netting and derecognition. As most of the risk related to the loan portfolio will remain in NBN, this is still to be included in NBN's balance as a consequence of IFRS. All cash flows relating to the different elements of this transaction will also be offset, and therefore the impact of the transaction on both NBN's and NK's financial statements will be approximately zero. This means that NOK 82bn, the total balance of these loans at end December 2009, still will be classified as loans to the public in NBN's books and not in NE's books at year end, in line with IFRS. Below shows the gross balance sheet figures at year-end:

	Parent company	
Main figures relating to the transactions, in NOKm:	2008	2009
Mortgage portfolio, sold to NE	(24 402)	(82 038)
Covered bonds issued, compensation from NE	15 000	65 000
Deposit in NE (loan to NE from NBN, trade credit)	9 402	17 038
Subordinated loan	500	500
Cash, paid to NE for the subordinated loan	(500)	(500)
Net balance sheet effect per 31 December	–	–

At year-end 2009, NOK 32.4bn of the NOK 65bn covered bonds received had been used in transactions with Norges Bank. The corresponding figures at end 2008 was NOK 5.3bn of the NOK 15bn.

The long term goal is also to transfer the corresponding risk related to the loan portfolio to NE and to use the issued covered bonds in other business transactions to raise competitive funding. In Q4 2009 a small amount of loans, a total of 60 loans at total NOK 59m was transferred including the risk. This transfer was done to test the technical and accounting solutions in order to secure a low risk when transferring the total remaining loan volume in the two previous transactions in 2010. According to IFRS, such transfer of credit risk will also affect the balance sheet of each legal entity, since the loans will be derecognised from NBN's balance sheet and recognised in NE. The NBN Group figures will remain unchanged. The arrangements to net the balance and PL effect in the previous set-up will then be terminated.

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To the Board of Representatives and the Annual Shareholders' Meeting of Nordea Bank Norge ASA

AUDITOR'S REPORT FOR 2009

Respective Responsibilities of Directors and Auditors

We have audited the annual financial statements of Nordea Bank Norge ASA as of 31 December 2009, showing a total comprehensive income of NOK 3.055.000.000 for the parent company and a total comprehensive income of NOK 2.589.000.000 for the group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The annual financial statements comprise the parent company's financial statements and the group accounts. The parent company's financial statements comprise the statement of financial position, the income statement and the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the accompanying notes. The group accounts comprise the statement of financial position, the income statement and the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the accompanying notes. The rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU have been applied to prepare the financial statements. These financial statements and the Board of Directors' report are the responsibility of the Company's Board of Directors. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

Basis of Opinion

We conducted our audit in accordance with the Norwegian Act on Auditing and Auditors and good auditing practice in Norway, including standards on auditing adopted by Den norske Revisorforening. These auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises a review of the management of the Company's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion,

- the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Company and of the Group as of 31 December 2009, the total comprehensive income, its cash flows and the changes in equity for the year then ended, in accordance with the rules of the Norwegian accounting act and International Financial Reporting Standards as adopted by the EU
- the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and comply with the law and regulations

Oslo, 8 February 2010
KPMG AS

Arne Frogner
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only

Statement by executive and supervisory board

The supervisory and executive boards have today considered and approved the condensed consolidated annual report of Nordea Bank Norge ASA as at 31 December 2009 including condensed consolidated comparative figures as at 31 December 2008 ("the annual report").

The annual report has been prepared in accordance with IFRS as adopted by the EU and additional Norwegian disclosure requirements for annual financial reports of listed and State-owned public limited companies. We consider the accounting policies applied to be appropriate. Accordingly, the annual report gives a true and fair view of the Group's assets, liabilities, financial position as at 31 December 2009 and as at 31 December 2008 and of the results of the Group's operations and cash flows for the year 2009 and the year 2008.

According to our best knowledge, the Board of directors' report gives a true and fair view of important incidents in the accounting period and the effect on the annual accounts. The description of the most relevant risk factors the company faces the coming year, including disclosure of related party transactions, gives to our knowledge a true and fair view.

Oslo, 8 February 2010

Executive board:

Gunn Wærsted
Managing director

Supervisory board:

Christian Clausen
Chairman

Carl-Johan Granvik
Deputy chairman

Mary H. Moe

Hege Marie Norheim

Steinar Nickelsen
Employee representative

Report by the Control Committee 2009

To the Supervisory Board and the Annual Shareholders' Meeting of Nordea Bank Norge ASA

During 2009 the Control Committee has inspected the Bank's activities in accordance with the Commercial Banks Act § 13 and the instructions issued by the Supervisory Board on 4 August 1992.

The Control Committee has examined the accounts for 2009 and is of the view that they are in accordance with prevailing accounting regulations and International Financial Reporting Standards settled by the European Union. The Control Committee considers the Board of Directors' evaluation of the Bank's financial position adequate and recommends that the income statement and balance sheet are adopted as presented.

With reference to other aspects of the accounts for 2009 the Control Committee refers to the auditor's report of 8 February 2010 and supports the views expressed therein concerning the submitted annual accounts.

Oslo, 9 February 2010

Inger Johanne Lund (Chairman)	Finn Fadum (Deputy Chairman)	Jan T. Bjerke (Member)	Odd Svang-Rasmussen (Deputy Member)

Board of Directors

The Board of Directors in Nordea Bank Norge ASA comprises the President and the Chief Executive Officer of the Nordea Group, Christian Clausen, and four members. In addition there are two deputy members.

The managing director of Nordea Bank Norge ASA is Gunn Wærsted.

Board of Directors 31 December 2009

Christian Clausen
Born 1955. President and Group Chief Executive Officer of Nordea. Chairman of the Board in NBN since 2007. Member since 2007.

Carl-Johan Granvik
Born 1949. Executive Vice President, Chief Risk Officer, Head of Group Credit and Risk Control and Country Senior Executive in Finland. Member and Vice Chairman of the Board since 2008.

Mary Helene Moe
Born 1946. Assistant Director General in Department of Transport, Environmental Affairs and Business Development of City of Oslo.
Member since 2008.

Hege Marie Norheim
Born 1967. Senior Vice President, E&P Norway, Reserves and Business Development of Statoil ASA.
Member since 2001.

Steinar Nickelsen
Born 1962. Employee representative. Member since 2007.

Deputy members

Hans Christian Krogh Riise
Deputy employee representative

Jorun Vintervold
Deputy employee representative

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